

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

**SECTION 71 REPORT FOR THE MONTH
ENDED 31 MAY 2021**

TABLE OF CONTENTS

To The Executive Mayor	3
1. INTRODUCTION	4
3. MAYOR'S SUMMARY	5
4. SUMMARY FINANCIAL PERFORMANCE.....	6
5. VARIANCE ANALYSIS BASED ON C1 BUDGET SUMMARY.....	6
6. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY).....	9
7. INVESTMENT PORTFOLIO	10
8. EXTERNAL BORROWING PORTFOLIO	11
9. mSCOA IMPLEMENTATION	12
10. DEBTORS MANAGEMENT / INTERVENTIONS	12
11. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS	14
12. COVID FUNDING DETAILS	15
13. LEGISLATED INFORMATION.....	16
14. QUALITY CERTIFICATE.....	23

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 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 May 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.

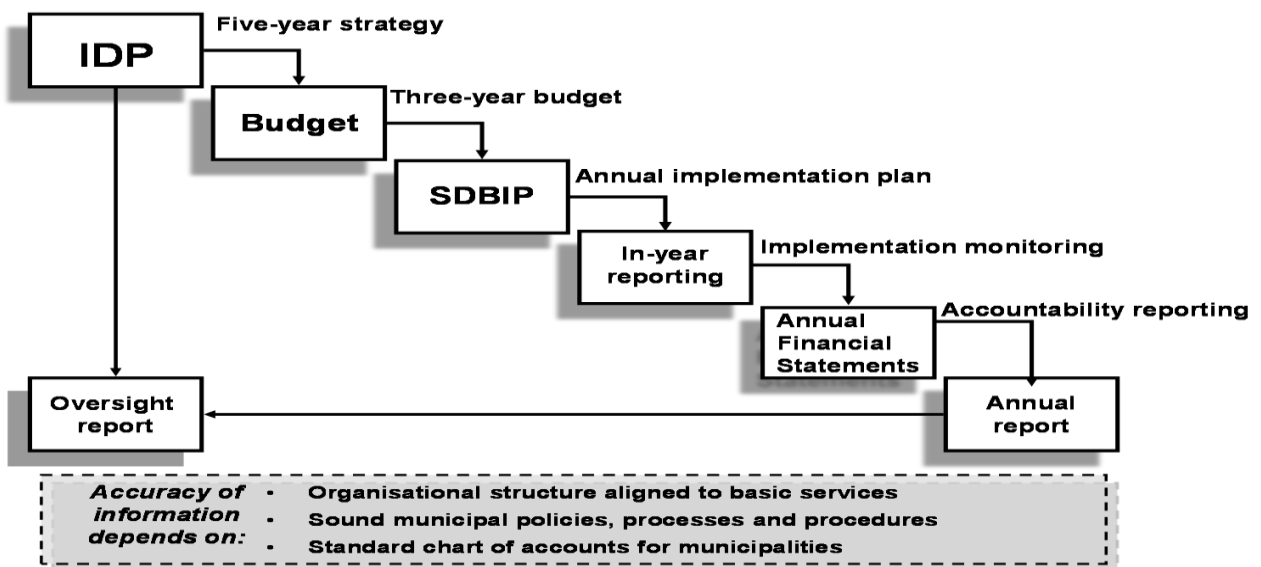
3.1 Budget Process:

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 were 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

Total revenue for the period ending 31 May 2021 reports at R326,1m of a revised budget of R383,9m, resulting in a 7% variance. The main revenue sources of property rates and service charges reports fairly on par with projections. All indication is that the municipality will achieve the budgeted amount for service charges as well as property rates.

Expenditure performance

Spending for the month ended 31 May 2021 totals R294.4m or 77% of budgeted amounts.

Various non-cash transactions can only be processed at year-end and this is impacting the spending patterns of the municipality. Administration is continuously monitoring the spending of the municipality.

Capital performance

Capital performance for the period ending 31 May 2021 totals 54% of budgeted information of R69.1m. considering and taking into account the commitments total of R8,4m will increase the spending of the Capital budget to 64%. This is still way below the norm and requirement of 95% spending of the financial year. The impact of covid resulted that the biggest municipal project WWTW will needs to be rolled over to the next financial year. This will have an significant impact on the performance of the capital spending for the 2021/22 financial year.

Finance is in process of institution measures in line with a review of projects for the Capital budget to be tabled to council in June 2021.

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

Fines, penalties and forfeits (-77%)

The impact of Covid has a significant effect on the Traffic and Licensing department of the municipality. These functions were closed for various time periods with only limited services allowed throughout the lockdown period with respect to licensing of vehicles. Various national extensions were also

granted to citizens with respect to renewal of adhering to legislative requirement also impacting on municipal revenues.

The municipality used an external support partner (TMT) to manage the process of speed control and the administration of the fines system, and due to the restrictive measures implemented during the Lockdown the service provider had to cancel its contract with the municipality due to reduction in revenue sources. The effect of this on the municipal income relating to the collection of fines is significant and adjustment to reduce the budget for fines revenues was required with the Mid-year budget process.

The accounting of traffic fine income is only processed in the last quarter of the financial year at year-end, and this contributes to the poor performance to date.

Licenses and permits (-88%)

The impact of Covid is contributing significantly on the performance of revenues relating to licenses and permits.

Transfers and subsidies (-28%)

Various grants were received to date in full, and this is accounted for as part of the liabilities when received. The municipality received its Equitable share in total to date. The poor performance of Transfers and Subsidies is partly due to the poor spending of the related expenditures. The recognition of some of these grant related expenses also happens at 30 June 2021.

The Housing allocation grant of R10m was received and this is only accounted when project is implemented. This is a flagship project running in the western cape. The idea of this project was to enable "Rent to own" accommodation in the municipal area to enable citizenship for members of the community. The project is done in partnership with the financial sector (Banks) as well as Provincial housing department.

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 (-89%)

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 instalments and repayments were processed in December 2020 with the next repayments happening on 30 June 2021.

Provisions are normally as per standard practice only accounted for with year-end transactions on 30 June.

The impact of the additional loans introduced in the financing source of Capital spending is also impacting on the performance for the expenditure of interest payable. This is normally only accounted after the loan amounts has been drawn down by the municipality. To date this has not been done yet.

Contracted Services (-60%)

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 improve over the next reporting cycle.

Some of the transactions is only accounted for at year-end, for example the transfer of fire services SLA agreement with the district of R1.2m.

Transfers and subsidies (-20%)

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. The recognition of some grant related expenses also needs to happen on 30 June 2021.

Cash flows

Cashflow information report positive variances for the reporting period. This is due to the slow capital spending; positive payments by ratepayers and spending will be smooth over the reporting periods. This also contributes to the positive cash information.

6. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

The financial ratios were completed and reported to Provincial Treasury. This is also a requirement in terms of the Circular 71 communicated by National Treasury.

Budget implementation:

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

7. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY							
CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 May 2021	Movements for the month			Balance as at 31 May 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>	20,000,000	-	-		20,000,000	69,644	614,733
<i>FNB</i>	-	-	-		-	-	-
<i>ABSA</i>	-	-	-		-	-	780,134
<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>	40,000,000	-	-		40,000,000	142,685	338,625
<i>Investec</i>	-				-		-
	-				-		
BANK DEPOSITS	63,789,000	-	-	-	63,789,000	212,329	1,733,492

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 May 21	Interest Capitalised May 21	Repayments May 21	Balance 31 May 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 reported that a total of **R60m** of debt is outstanding for the reporting period. 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 **53%** of all outstanding debt.

Currently the municipality implemented the following initiatives in terms of debt collection:

- All outstanding debt longer than 90 days has been handed over to the external service provider to collect as per the new SCM tender awarded.
- Debt older than 30 to 90 days is being pursued internally by the Income department (Masakhane)

The collection for the month of May totals 97.94% 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 the handing over of outstanding debt to the service provider is visible in the improvement of the debt collection ratio reported.

Analysis of the outstanding debt (TABLE BELOW) reflects that household debt represents the biggest component of municipal debts. Debt older than 1 year accounts for 29.56% of outstanding debts

Debt older than 1-year totals **R17.87m** of the totals outstanding debt.

Debtors Age Analysis By Customer Group	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
Organs of State	460,992.00	540,258.00	254,444.00	181,911.00	139,175.00	117,708.00	540,686.00	1,101,276.00	3,336,450.00
Commercial	8,553,738.00	872,292.00	329,158.00	180,223.00	130,142.00	109,486.00	524,633.00	1,058,980.00	11,758,652.00
Households	11,537,335.00	3,839,048.00	2,118,924.00	1,581,488.00	1,345,140.00	1,325,945.00	7,882,786.00	15,698,858.00	45,329,524.00
Other	943.00	1,256.00	497.00	282.00	282.00	282.00	21,141.00	10,631.00	35,314.00
Total By Customer Group	20,553,008.00	5,252,854.00	2,703,023.00	1,943,904.00	1,614,739.00	1,553,421.00	8,969,246.00	17,869,745.00	60,459,940.00

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 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>	6,296,660.00	620,676.69	692,847.15	413,648.07	857,226.26	2,584,398.17	3,712,261.83	41.0%
<i>Travel and subsistence</i>	315,270.00	88,536.99	67,446.58	13,100.50	20,396.73	189,480.80	125,789.20	60.1%
<i>Domestic accomodation</i>	188,500.00	29,487.39	36,845.00	-	1,326.00	67,658.39	120,841.61	35.9%
<i>Sponsorships, events and catering</i>	206,960.00	10,057.60	25,942.16	8,771.64	21,514.88	66,286.28	140,673.72	32.0%
<i>Communication</i>	326,110.00	90,656.15	32,600.74	35,110.83	45,577.07	203,944.79	122,165.21	62.5%
<i>Other related expenditures</i>	879,504.00	109,274.62	209,682.14	231,002.89	110,221.46	660,181.11	219,322.89	75.1%
Total	8,213,004.00	948,689.44	1,065,363.77	701,633.93	1,056,262.40	3,771,949.54	4,441,054.46	45.9%

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.

12. 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>mSCOA CONFIG</i>	<i>VOTE DESCRIPTION</i>	<i>FULL YEAR TOTAL</i>	<i>YEAR TO DATE</i>	<i>% Spent</i>
12010200007	DISASTER RELIEF GRANT: SOCIAL SUPPORT COVID 1	300,000.00	300,000.00	100.00%
12530203010	EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	292,740.00	152,083.15	51.95%
12530203020	EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	100,000.00	701.01	0.70%
12530203021	EMPL. WELLNESS - BUILDING SANITATION (COVID 19	50,000.00	12,013.72	24.03%
12540207001	COMMUNITY SERVICES - FEEDING SCHEME (COVID 19	165,900.00	-	0.00%
13020061010	BAD DEBTS: NON-EXCHANGE TRANS - PROPERTY (INDI	1,000,000.00	-	0.00%
15040060013	BAD DEBTS: EXCHANGE TRANS - REFUSE (INDIGENTS)	384,500.00	-	0.00%
	TOTAL	2,293,140.00	464,797.88	20.27%

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

13. LEGISLATED INFORMATION

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

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	4,352	72,436	70,677	1,759	2%	74,704
Service charges	-	198,345	197,326	16,347	178,599	180,991	(2,392)	-1%	197,326
Investment revenue	-	3,300	2,410	117	2,509	2,203	306	14%	2,410
Transfers and subsidies	-	75,102	78,381	508	50,581	70,248	(19,667)	-28%	78,381
Other own revenue	-	29,236	31,101	1,986	21,981	28,019	(6,038)	-22%	31,101
Total Revenue (excluding capital transfers and contributions)	-	380,044	383,922	23,310	326,106	352,139	(26,033)	-7%	383,922
Employee costs	-	149,348	149,641	11,190	132,258	136,871	(4,613)	-3%	149,641
Remuneration of Councillors	-	6,034	6,034	475	5,218	5,502	(284)	-5%	6,034
Depreciation & asset impairment	-	11,369	11,369	931	10,545	10,422	123	1%	11,369
Finance charges	-	13,963	13,983	-	1,332	11,872	(10,540)	-89%	13,983
Materials and bulk purchases	-	147,587	140,356	8,721	110,903	126,182	(15,278)	-12%	140,356
Transfers and subsidies	-	4,171	3,911	798	2,714	3,383	(669)	-20%	3,911
Other expenditure	-	53,251	59,041	3,230	31,468	51,968	(20,500)	-39%	59,041
Total Expenditure	-	385,723	384,335	25,344	294,437	346,200	(51,763)	-15%	384,335
Surplus/(Deficit)	-	(5,679)	(413)	(2,034)	31,669	5,939	25,730	433%	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	14,389	18,947	1,805	11,739	17,091	###	-31%	18,947
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	8,710	18,534	(229)	43,408	23,030	20,378	88%	18,534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8,710	18,534	(229)	43,408	23,030	20,378	88%	18,534
Capital expenditure & funds sources									
Capital expenditure	-	62,490	69,117	6,683	37,531	59,708	(22,177)	-37%	69,117
Capital transfers recognised	-	14,389	18,947	1,763	11,748	16,651	(4,903)	-29%	18,947
Borrowing	-	36,183	36,478	3,750	19,681	31,369	(11,688)	-37%	36,478
Internally generated funds	-	11,917	13,691	1,171	6,102	11,688	(5,587)	-48%	13,691
Total sources of capital funds	-	62,490	69,117	6,683	37,531	59,708	(22,177)	-37%	69,117
Financial position									
Total current assets	118,347	99,218	103,136		140,080				103,136
Total non current assets	475,169	503,116	532,914		502,157				532,914
Total current liabilities	58,627	66,108	65,404		65,114				65,404
Total non current liabilities	113,007	125,295	130,229		111,833				130,229
Community wealth/Equity	421,883	410,931	440,417		465,291				440,417
Cash flows									
Net cash from (used) operating	-	2,579	27,348	(1,238)	59,739	36,705	(23,034)	-63%	27,348
Net cash from (used) investing	-	(62,482)	(66,914)	(6,684)	(37,532)	(60,563)	(23,030)	38%	(66,914)
Net cash from (used) financing	-	22,239	15,240	42	(2,529)	(2,532)	(4)	0%	15,240
Cash/cash equivalents at the month/year end	-	26,332	48,715	-	92,720	46,651	(46,068)	-99%	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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	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	1									
Revenue - Functional										
<i>Governance and administration</i>		-	127,465	141,388	7,602	134,385	133,554	831	1%	141,388
Executive and council		-	32,185	36,490	-	36,460	35,145	1,315	4%	36,490
Finance and administration		-	95,280	104,898	7,602	97,925	98,409	(484)	0%	104,898
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	58,298	54,124	476	18,591	45,814	(27,223)	-59%	54,124
Community and social services		-	6,734	6,860	22	293	5,740	(5,447)	-95%	6,860
Sport and recreation		-	8,040	8,740	215	4,825	7,839	(3,014)	-38%	8,740
Public safety		-	12,460	7,460	239	1,418	6,344	(4,926)	-78%	7,460
Housing		-	31,064	31,064	-	12,055	25,891	(13,836)	-53%	31,064
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	7,231	7,402	459	5,377	6,644	(1,267)	-19%	7,402
Planning and development		-	4,110	4,281	385	2,424	3,752	(1,329)	-35%	4,281
Road transport		-	3,121	3,121	74	2,953	2,892	61	2%	3,121
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	201,439	199,955	16,578	179,492	183,218	(3,726)	-2%	199,955
Energy sources		-	139,038	137,924	11,239	119,389	126,226	(6,837)	-5%	137,924
Water management		-	30,682	30,182	2,464	27,896	27,507	389	1%	30,182
Waste water management		-	12,679	12,679	1,143	12,963	11,748	1,215	10%	12,679
Waste management		-	19,041	19,169	1,731	19,244	17,737	1,508	8%	19,169
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	394,433	402,869	25,115	337,845	369,230	(31,385)	-9%	402,869
Expenditure - Functional										
<i>Governance and administration</i>		-	107,560	108,790	7,951	86,404	98,837	(12,432)	-13%	108,790
Executive and council		-	17,055	16,865	1,615	14,574	15,370	(796)	-5%	16,865
Finance and administration		-	88,977	90,430	6,209	70,455	82,089	(11,634)	-14%	90,430
Internal audit		-	1,528	1,495	128	1,375	1,377	(2)	0%	1,495
<i>Community and public safety</i>		-	77,983	75,966	2,541	44,202	66,271	(22,069)	-33%	75,966
Community and social services		-	11,385	10,929	960	10,790	10,106	685	7%	10,929
Sport and recreation		-	13,496	13,396	799	10,779	12,128	(1,348)	-11%	13,396
Public safety		-	19,089	17,692	553	7,951	15,476	(7,526)	-49%	17,692
Housing		-	34,014	33,949	230	14,681	28,561	(13,879)	-49%	33,949
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	32,395	32,050	2,101	24,413	28,903	(4,490)	-16%	32,050
Planning and development		-	11,342	11,050	682	7,843	9,916	(2,074)	-21%	11,050
Road transport		-	20,976	20,954	1,414	16,566	18,948	(2,382)	-13%	20,954
Environmental protection		-	77	46	5	5	39	(34)	-87%	46
<i>Trading services</i>		-	164,610	164,536	12,510	136,812	149,452	(12,640)	-8%	164,536
Energy sources		-	106,613	107,040	8,728	92,664	97,848	(5,184)	-5%	107,040
Water management		-	22,604	22,233	1,667	19,332	20,185	(853)	-4%	22,233
Waste water management		-	11,960	11,836	956	10,452	10,785	(333)	-3%	11,836
Waste management		-	23,433	23,427	1,159	14,364	20,634	(6,270)	-30%	23,427
<i>Other</i>		-	3,176	2,993	241	2,606	2,737	(132)	-5%	2,993
Total Expenditure - Functional	3	-	385,723	384,335	25,344	294,437	346,200	(51,763)	-15%	384,335
Surplus/ (Deficit) for the year		-	8,710	18,534	(229)	43,408	23,030	20,378	88%	18,534

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

Vote Description	Ref	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	1									
Vote 1 - Executive and Council		-	36,384	40,971	878	38,660	38,977	(317)	-0.8%	40,971
Vote 2 - Financial Services & ICT		-	81,968	88,356	5,480	85,520	83,305	2,215	2.7%	88,356
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	61,415	57,310	569	21,602	48,769	(27,167)	-55.7%	57,310
Vote 5 - Engineering Services		-	214,666	216,231	18,188	192,063	198,179	(6,116)	-3.1%	216,231
Total Revenue by Vote	2	-	394,433	402,869	25,115	337,845	369,230	(31,385)	-8.5%	402,869
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	47,991	47,253	3,841	39,140	42,981	(3,841)	-8.9%	47,253
Vote 2 - Financial Services & ICT		-	61,788	62,991	4,055	46,886	57,027	(10,141)	-17.8%	62,991
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	87,802	86,216	3,366	52,753	75,603	(22,850)	-30.2%	86,216
Vote 5 - Engineering Services		-	188,143	187,876	14,084	155,658	170,590	(14,931)	-8.8%	187,876
Total Expenditure by Vote	2	-	385,723	384,335	25,344	294,437	346,200	(51,763)	-15.0%	384,335
Surplus/ (Deficit) for the year	2	-	8,710	18,534	(229)	43,408	23,030	20,378	88.5%	18,534

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

Description	Ref	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 Source											
Property rates			74,061	74,704	4,352	72,436	70,677	1,759	2%	74,704	
Service charges - electricity revenue			136,457	135,310	11,008	118,504	124,012	(5,508)	-4%	135,310	
Service charges - water revenue			30,178	30,178	2,464	27,888	27,504	384	1%	30,178	
Service charges - sanitation revenue			12,669	12,669	1,143	12,963	11,739	1,224	10%	12,669	
Service charges - refuse revenue			19,041	19,169	1,731	19,244	17,737	1,508	8%	19,169	
Rental of facilities and equipment			1,200	1,305	499	1,246	1,131	114	10%	1,305	
Interest earned - external investments			3,300	2,410	117	2,509	2,203	306	14%	2,410	
Interest earned - outstanding debtors			1,839	1,839	214	1,985	1,663	322	19%	1,839	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			12,419	7,379	241	1,422	6,254	(4,832)	-77%	7,379	
Licences and permits			25	25	-	3	21	(19)	-88%	25	
Agency services			3,121	3,121	74	2,953	2,892	61	2%	3,121	
Transfers and subsidies			75,102	78,381	508	50,581	70,248	(19,667)	-28%	78,381	
Other revenue			10,633	15,232	958	12,229	13,874	(1,645)	-12%	15,232	
Gains			-	2,200	-	2,144	2,184	(39)	-2%	2,200	
Total Revenue (excluding capital transfers and contributions)			-	380,044	383,922	23,310	326,106	352,139	(26,033)	-7%	383,922
Expenditure By Type											
Employee related costs			149,348	149,641	11,190	132,258	136,871	(4,613)	-3%	149,641	
Remuneration of councillors			6,034	6,034	475	5,218	5,502	(284)	-5%	6,034	
Debt impairment			9,904	9,769	-	0	8,140	(8,140)	-100%	9,769	
Depreciation & asset impairment			11,369	11,369	931	10,545	10,422	123	1%	11,369	
Finance charges			13,963	13,983	-	1,332	11,872	(10,540)	-89%	13,983	
Bulk purchases			91,250	91,230	7,078	79,400	83,544	(4,144)	-5%	91,230	
Other materials			56,336	49,125	1,643	31,503	42,637	(11,135)	-26%	49,125	
Contracted services			14,955	23,427	1,213	7,945	20,098	(12,154)	-60%	23,427	
Transfers and subsidies			4,171	3,911	798	2,714	3,383	(669)	-20%	3,911	
Other expenditure			28,392	25,845	2,017	23,523	23,730	(206)	-1%	25,845	
Losses			-	-	-	-	-	-	-	-	
Total Expenditure			-	385,723	384,335	25,344	294,437	346,200	(51,763)	-15%	384,335
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			-	(5,679)	(413)	(2,034)	31,669	5,939	25,730	0	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all))			14,389	18,947	1,805	11,739	17,091	(5,352)	(0)	18,947	
Surplus/(Deficit) after capital transfers & contributions			-	8,710	18,534	(229)	43,408	23,030			18,534
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	8,710	18,534	(229)	43,408	23,030			18,534
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	8,710	18,534	(229)	43,408	23,030			18,534
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	8,710	18,534	(229)	43,408	23,030			18,534

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

Vote Description	Ref	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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT		-	2,000	2,026	-	713	1,756	(1,043)	-59%	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	1,133	7,588	10,750	(3,162)	-29%	12,711
Total Capital Multi-year expenditure	4,7	-	11,549	14,777	1,133	8,344	12,546	(4,201)	-33%	14,777
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	2,035	2,400	105	487	2,007	(1,520)	-76%	2,400
Vote 2 - Financial Services & ICT		-	873	1,134	42	747	964	(217)	-23%	1,134
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	2,830	2,837	219	1,679	2,444	(765)	-31%	2,837
Vote 5 - Engineering Services		-	45,202	47,969	5,185	26,273	41,747	(15,474)	-37%	47,969
Total Capital single-year expenditure	4	-	50,941	54,340	5,551	29,186	47,162	(17,976)	-38%	54,340
Total Capital Expenditure		-	62,490	69,117	6,683	37,531	59,708	(22,177)	-37%	69,117
Capital Expenditure - Functional Classification										
Governance and administration		-	3,302	3,613	42	1,873	3,135	(1,263)	-40%	3,613
Executive and council		-	-	37	-	37	31	6	20%	37
Finance and administration		-	3,302	3,577	42	1,836	3,105	(1,269)	-41%	3,577
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	2,201	2,205	219	1,354	1,883	(529)	-28%	2,205
Community and social services		-	62	85	9	63	75	(12)	-16%	85
Sport and recreation		-	2,105	2,087	210	1,266	1,781	(515)	-29%	2,087
Public safety		-	31	31	-	23	26	(2)	-9%	31
Housing		-	4	3	-	2	2	0	4%	3
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	11,907	13,521	672	8,057	11,572	(3,515)	-30%	13,521
Planning and development		-	2,006	2,188	105	283	1,830	(1,547)	-85%	2,188
Road transport		-	9,831	11,255	567	7,765	9,676	(1,910)	-20%	11,255
Environmental protection		-	70	78	-	9	67	(57)	-86%	78
Trading services		-	45,080	49,607	5,751	26,081	42,975	(16,893)	-39%	49,607
Energy sources		-	6,329	6,126	446	3,680	5,498	(1,818)	-33%	6,126
Water management		-	3,660	5,260	702	1,355	4,383	(3,028)	-69%	5,260
Waste water management		-	32,911	36,111	2,940	19,180	31,301	(12,122)	-39%	36,111
Waste management		-	2,180	2,110	1,664	1,867	1,792	74	4%	2,110
Other		-	-	171	-	165	142	23	16%	171
Total Capital Expenditure - Functional Classification	3	-	62,490	69,117	6,683	37,531	59,708	(22,177)	-37%	69,117
Funded by:										
National Government		-	11,833	12,847	1,440	11,196	11,557	(360)	-3%	12,847
Provincial Government		-	2,556	6,100	323	551	5,094	(4,543)	-89%	6,100
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	14,389	18,947	1,763	11,748	16,651	(4,903)	-29%	18,947
Borrowing	6	-	36,183	36,478	3,750	19,681	31,369	(11,688)	-37%	36,478
Internally generated funds		-	11,917	13,691	1,171	6,102	11,688	(5,587)	-48%	13,691
Total Capital Funding		-	62,490	69,117	6,683	37,531	59,708	(22,177)	-37%	69,117

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

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		49,252	16,332	38,715	28,931	38,715
Call investment deposits		23,789	10,000	10,000	63,789	10,000
Consumer debtors		33,550	61,735	48,631	40,792	48,631
Other debtors		9,817	9,481	3,852	5,178	3,852
Current portion of long-term receivables		3	8	3	3	3
Inventory		1,936	1,662	1,936	1,388	1,936
Total current assets		118,347	99,218	103,136	140,080	103,136
Non current assets						
Long-term receivables		161	169	158	162	158
Investments		-	-	-	-	-
Investment property		40,329	40,182	40,320	40,321	40,320
Investments in Associate		-	-	-	-	-
Property, plant and equipment		429,818	458,559	487,675	456,813	487,675
Biological		-	-	-	-	-
Intangible		4,861	4,206	4,761	4,861	4,761
Other non-current assets		-	-	-	-	-
Total non current assets		475,169	503,116	532,914	502,157	532,914
TOTAL ASSETS		593,516	602,334	636,050	642,237	636,050
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		6,027	6,750	6,137	3,023	6,137
Consumer deposits		5,028	5,277	5,329	5,503	5,329
Trade and other payables		34,824	39,989	37,773	45,155	37,773
Provisions		12,748	14,093	16,165	11,432	16,165
Total current liabilities		58,627	66,108	65,404	65,114	65,404
Non current liabilities						
Borrowing		20,763	42,539	35,591	20,763	35,591
Provisions		92,244	82,755	94,639	91,070	94,639
Total non current liabilities		113,007	125,295	130,229	111,833	130,229
TOTAL LIABILITIES		171,633	191,403	195,634	176,947	195,634
NET ASSETS	2	421,883	410,931	440,417	465,291	440,417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		386,883	390,931	405,417	430,291	405,417
Reserves		35,000	20,000	35,000	35,000	35,000
TOTAL COMMUNITY WEALTH/EQUITY	2	421,883	410,931	440,417	465,291	440,417

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

Description	Ref	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	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			66,655	69,810	5,029	71,288	66,119	5,170	8%	69,810	
Service charges			178,510	184,399	16,657	174,866	169,330	5,536	3%	184,399	
Other revenue			18,213	27,434	1,277	17,349	24,422	(7,073)	-29%	27,434	
Transfers and Subsidies - Operational			75,102	78,269	424	70,437	78,269	(7,832)	-10%	78,269	
Transfers and Subsidies - Capital			13,889	18,926	-	30,171	18,926	11,245	59%	18,926	
Interest			4,955	4,128	226	3,604	3,699	(95)	-3%	4,128	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(347,027)	(348,041)	(24,052)	(303,930)	(319,363)	(15,432)	5%	(348,041)	
Finance charges			(3,648)	(3,668)	-	(1,332)	(1,313)	18	-1%	(3,668)	
Transfers and Grants			(4,071)	(3,911)	(798)	(2,714)	(3,383)	(669)	20%	(3,911)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	2,579	27,348	(1,238)	59,739	36,705	(23,034)	-63%	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)	(2)	2	(4)	-199%	3	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
Payments											
Capital assets			(62,490)	(69,117)	(6,683)	(37,531)	(60,565)	(23,034)	38%	(69,117)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(62,482)	(66,914)	(6,684)	(37,532)	(60,563)	(23,030)	38%	(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	42	476	300	175	58%	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	42	(2,529)	(2,532)	(4)	0%	15,240
NET INCREASE/ (DECREASE) IN CASH HELD			-	(37,664)	(24,327)	(7,880)	19,678	(26,390)		(24,327)	
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		92,720	46,651		48,715	

14. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (M010_S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 10 June 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 statements.**
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
 - Mid- year budget and performance assessment

For the month ended **31 May 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: 10 June 2021