

# CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

## 2021/2022

**SECTION 52 REPORT FOR THE  
QUARTER ENDING 30 SEPTEMBER 2021**  
*(Section 71 report incorporated)*

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**WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q1 ending 30 September 2021**

Description	2019/20	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	77 675	-	4 634	40 665	40 060	604	2%	77 675
Service charges	-	224 411	-	17 452	58 956	56 103	2 853	5%	224 411
Investment revenue	-	2 405	-	43	554	601	(47)	-8%	2 405
Transfers and subsidies	-	50 084	-	1 039	14 910	15 295	(386)	-3%	50 084
Other own revenue	-	30 829	-	1 150	4 384	7 707	(3 323)	-43%	30 829
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>385 404</b>	-	<b>24 318</b>	<b>119 468</b>	<b>119 767</b>	<b>(299)</b>	<b>-0%</b>	<b>385 404</b>
Employee costs	-	160 777	-	11 938	34 356	40 194	(5 838)	-15%	160 777
Remuneration of Councillors	-	6 212	-	444	1 354	1 553	(199)	-13%	6 212
Depreciation & asset impairment	-	11 823	-	1 008	2 978	2 956	22	1%	11 823
Finance charges	-	12 044	-	-	-	3 011	(3 011)	-100%	12 044
Materials and bulk purchases	-	135 039	-	15 772	30 180	33 760	(3 579)	-11%	135 039
Transfers and subsidies	-	2 646	-	169	500	661	(162)	-24%	2 646
Other expenditure	-	66 411	-	4 069	10 627	16 603	(5 975)	-36%	66 411
<b>Total Expenditure</b>	-	<b>394 952</b>	-	<b>33 401</b>	<b>79 996</b>	<b>98 738</b>	<b>(18 742)</b>	<b>-19%</b>	<b>394 952</b>
<b>Surplus/(Deficit)</b>	-	<b>(9 548)</b>	-	<b>(9 082)</b>	<b>39 472</b>	<b>21 029</b>	<b>18 443</b>	<b>88%</b>	<b>(9 548)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	21 563	-	-	523	5 391	(4 868)	-90%	21 563
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>12 015</b>	-	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>	<b>13 576</b>	<b>51%</b>	<b>12 015</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>12 015</b>	-	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>	<b>13 576</b>	<b>51%</b>	<b>12 015</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>53 873</b>	-	<b>894</b>	<b>1 258</b>	<b>8 979</b>	<b>(7 720)</b>	<b>-86%</b>	<b>53 873</b>
Capital transfers recognised	-	21 563	-	359	1 239	5 391	(4 152)	-77%	21 563
Borrowing	-	15 010	-	25	377	3 752	(3 375)	-90%	15 010
Internally generated funds	-	17 301	-	419	446	4 325	(3 879)	-90%	17 301
<b>Total sources of capital funds</b>	-	<b>53 873</b>	-	<b>803</b>	<b>2 061</b>	<b>13 468</b>	<b>(11 407)</b>	<b>-85%</b>	<b>53 873</b>
<b>Financial position</b>									
Total current assets	-	94 748	-	-	196 360	-	-	-	155 235
Total non current assets	-	574 962	-	-	525 403	-	-	-	574 962
Total current liabilities	-	73 214	-	-	73 293	-	-	-	73 214
Total non current liabilities	-	144 064	-	-	152 290	-	-	-	144 064
Community wealth/Equity	-	452 431	-	-	496 181	-	-	-	512 919
<b>Cash flows</b>									
Net cash from (used) operating	-	20 941	-	6 961	11 693	18 543	6 850	37%	20 941
Net cash from (used) investing	-	(51 371)	-	(894)	(1 259)	(8 978)	(7 720)	86%	(51 371)
Net cash from (used) financing	-	9 245	-	7	23	62	39	62%	9 245
<b>Cash/cash equivalents at the month/year end</b>	-	<b>27 530</b>	-	<b>-</b>	<b>119 660</b>	<b>58 342</b>	<b>(61 318)</b>	<b>-105%</b>	<b>88 017</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	20 661	8 098	18 527	3 545	4 607	1 760	8 122	18 808	84 127
<b>Creditors Age Analysis</b>									
Total Creditors	0								

## **TO THE EXECUTIVE MAYOR**

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **30 September 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 **quarterly report** and supporting documentation for the consolidated period ending **30 September 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 particular 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.

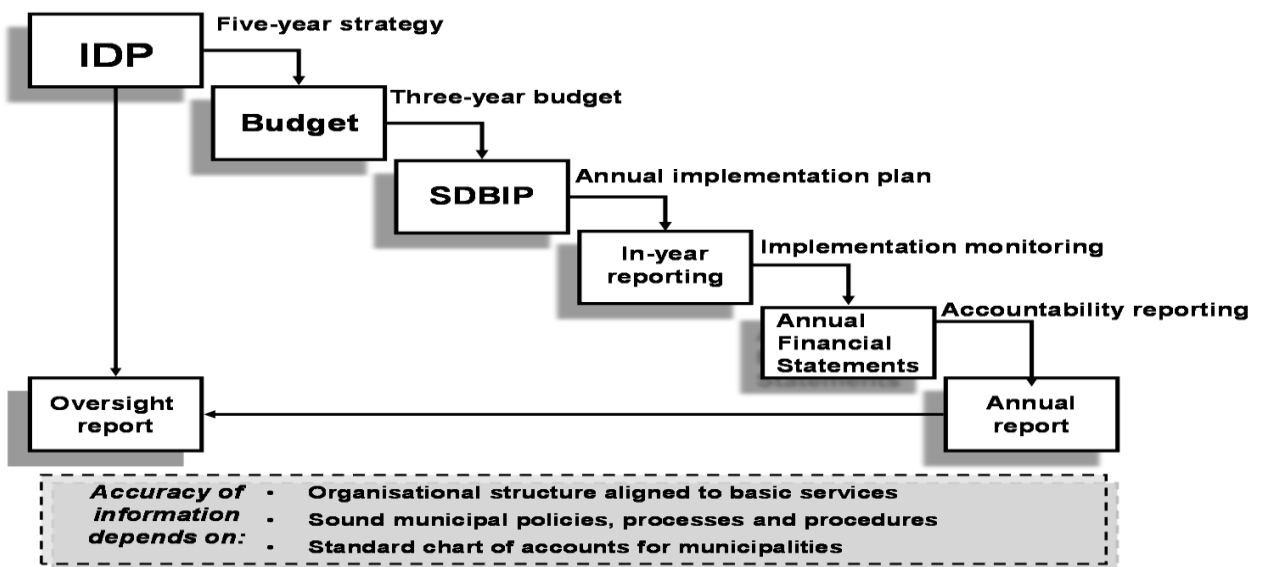
#### 3.1 Budget Process:

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 Auditor General is in the process of auditing the **Annual Financial Statements for the 2020/21 financial year**. The Annual financial statements were submitted to the office of the Auditor General on 31 August as per MFMA legislation. The current audit is in process of more information will be communicated as the audit unfold.

#### **4. SUMMARY FINANCIAL PERFORMANCE**

##### Revenue performance

For the quarter under review the municipal performance totals R119m. the Equitable share allocation was received during the quarter. The first quarter is the billing of the yearly property rates that significantly influence the operational revenues. These billing is due at the end of October yearly as per the Property rates policy.

The municipality received all grant funding as per the promulgated Dora's and no funds was withheld to date.

##### Expenditure performance

Expenditure reflects at R80,2m for the quarter ending 30 September 2021. The main category of spending, that is employee related cost and bulk electricity purchases contributes a total of 76% of spending to date. This is in line with normal operational requirements due to the nature of the spending patterns. The first quarter is used for implementing of the business plans and due to the winter season, the municipality experience challenges with implementing capital spending.

Improved performance should be experienced over the next quarter.

##### Capital performance

Capital spending report at R2,061,219 for the year to date ending 30 September 2021. Commitments at the end of the quarter totals R6,169,004, that is spending that is in the final stages of payments and should improve the municipal capital spending as reported.

The 10 biggest capital projects represent 66% of the municipal budget and total actuals reported to date equals only a little bit more than R1m.

This is the biggest challenge currently for the municipality. Capital spending was slow due to the winter / rainy season and should improve.

#### **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**

### **Revenue by source**

#### **Service charges – sanitation services (+25%)**

This ratio report positively and this can mainly be done to the additional septic tank's services provided by the municipality in the Napier / Coastal towns. With the influx of tourism and more regular visits to the holiday homes by homeowners the performance improved. The additional housing projects completed and finalized in Bredasdorp, also contributes to the improvements. This housing information may only partially be taken into account when compilation of the budget.

#### **Service charges – refuse services (+18%)**

As per above explanation this, can be due to the additional houses being completed in comparison with the first quarter of the previous financial year. The performance reflect positive and monitoring of the information will be done.

#### **Rental of facilities and equipment (-62%)**

A journal was processed during the month of 30 September 2021 as correction on the rental of properties category. This is mainly vacant properties that the municipality rent. Correction was required due to the rental contracts that was incorrectly processed by the department Income.

#### **Interest earned – outstanding debtors (-53%)**

The municipality is in the process of handing over accounts to the external service provider for collection. This result in less income being recorded against interest earned for debtors due to the handing over process. Finance will need to review the budget for interest earned with the Adjustment budget process.

#### **Fines, penalties and forfeits (-94)**

These mostly relate to the income from traffic services. The municipality in process of implementing the new process. This is normally accounted at year-end. But we endeavor to process transactions with the mid-year review process in January 2022.



## **Expenditure By type**

### **Debt impairment (-100)**

This correlates with the fine's transactions income, and the transactions will be processed in conjunction with mid-year. Another category of expenditure accounted under debt impairment is the Service debtors. These transactions is accounted at year-end with the compilation of the annual financial statements.

### **Finance charges (-100%)**

Finance charges are accounted for during December and June with the payment of external loan balances.

### **Other materials (-48%)**

Bulk of the other materials relates to Repairs and Maintenance expenditures. Due to the rainy winter season, limited infrastructure relating planning could be implemented. This should improve over the next quarter.

The housing funds received are also expensed under this category and budget was not spend to date. This is done as per contractor implementation plan.

### **Contracted services (-70%)**

As above the maintenance plays a significant factor in the Contracted services spending. To date limited infrastructure spending relating to Roads and stormwater infrastructure could be complete. Should improve over the next quarter.

## **6. MFMA CIRCULAR 71 – RATIO ANALYSIS**

The financial ratios need to be complete and updated in the report. 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

DETAILS	Balance as at 01 Sept 2021	Movements for the month			Balance as at 30 Sept 2021
		Investments matured	Investments made	Interest capitalised	
<b>Municipality</b>					
<i>Interest Received YTD</i>					-
<i>Standard Bank</i>	25 000 000	-	-		25 000 000
<i>FNB</i>	-	-	-		-
<i>ABSA</i>	-	-	-		-
<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>	20 000 000	-	-		20 000 000
<i>Investec</i>	-				-
	-				-
<b>BANK DEPOSITS</b>	<b>48 789 000</b>	-	-	-	<b>48 789 000</b>

Investments is made monthly by reviewing the available cash and ensuring that all commitments can be paid before monies invested. The municipality currently do not have investments for periods longer than 3 months except for the ESKOM deposits as reflected above.

## 8. EXTERNAL BORROWING PORTFOLIO

<b>CASH FLOW REPORT IN TERMS OF PROVINCIAL CIRCULAR 10 &amp; 50</b>						
<b>NAME OF MUNICIPALITY:</b>		<b>Cape Agulhas Municipality</b>				
<b>SUMMARY OF EXTERNAL LOANS FOR MONTH</b>						
Lending Institution	Balance 01 Sept 2021	New loans raised 30 Sept 2021	Interest Capitalised Sept 2021	Repayments Sept 2021	Balance 30 Sept 2021	Settlement Date
ABSA - Infrastr. (Old Nostra)	758 043,00			-	758 043,00	30-06-2026
ABSA - Various	1 704 857,00			-	1 704 857,00	30-06-2027
Nedbank - Infrastructure Medium Term	2 472 000,00			-	2 472 000,00	30-06-2024
Nedbank - Infrastructure Long Term	4 900 000,00			-	4 900 000,00	30-06-2028
Asset - Finance	1 728 000,00			-	1 728 000,00	30-06-2024
Infrastructure	1 200 000,00			-	1 200 000,00	30-06-2023
Infrastructure	8 000 000,00			-	8 000 000,00	30-06-2029
Std Bank - Motor Vehicle Fleet	4 800 000,00	-	-	-	4 800 000,00	30-06-2024
Std Bank - New and Upgrade Infrastructure	2 318 000,00	-	-	-	2 318 000,00	30-06-2026
Std Bank - New and Upgrade Infrastructure	27 082 000,00	-	-	-	27 082 000,00	30-06-2031
<b>Total</b>	<b>54 962 900,00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54 962 900,00</b>	<b>-</b>

Loans are repaid at the end of **December** and **June** on a yearly basis. The municipality current loan balance of **R54,9m** is mostly made up of infrastructure related projects.

## **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 **R84,1m** of debt is outstanding for the reporting period. The yearly property rates is due at the end of October yearly. This total influence the outstanding debt calculating significantly and only after this reporting period will the normal outstanding debt totals reflect. 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 municipality is currently maintaining a Debt collection ratio in excess of 92% for the quarter under review. Due to the good performance, it become essentially more important in this post Covid era that continuous monitoring of the debtors is being implemented to ensure the performance do not deteriorate.

Debt older than 1-year accounts for 22.3% of outstanding debts. The total for this category is **R18.8m** of the totals outstanding debt. This is the showing significant signed of improvement from due to the implementation of credit control.

The Debt collection unit within **finance (Masakhane)** is responsible for the management of the “**Indigent register**”. Challenges are experience with the management of the debt collection, and numerous system challenges are currently experienced for the financial year. This is being addressed continuously

## **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.

<b>Total cost saving disclosure in the In-year report - 30 SEPTEMBER 2021</b>					
<b>COST CONTAINMENT IN-YEAR REPORT</b>					
<b>MEASURES</b>	<b>APPROVED BUDGET</b>	<b>Q1 - 30 Sept</b>	<b>YTD TOTAL</b>	<b>SAVINGS</b>	<b>% Spent</b>
<i>Use of Consultants</i>	7 596 800,00	488 518,40	488 518,40	7 108 281,60	6,4%
<i>Travel and subsistence</i>	340 800,00	17 121,35	17 121,35	323 678,65	5,0%
<i>Domestic accommodation</i>	204 300,00	16 071,31	16 071,31	188 228,69	7,9%
<i>Sponsorship, events and catering</i>	204 800,00	27 121,91	27 121,91	177 678,09	13,2%
<i>Communication</i>	382 300,00	25 629,59	25 629,59	356 670,41	6,7%
<i>Other related expenditures</i>	1 037 100,00	101 695,47	101 695,47	935 404,53	9,8%
<b>Total</b>	<b>9 766 100,00</b>	<b>676 158,03</b>	<b>676 158,03</b>	<b>9 089 941,97</b>	<b>6,9%</b>

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. PT – MUNICIPAL GOVERNANCE ASSESSMENT**

As part of the provincial TIME engagement the following items was identified as Governance challenges and the actions being implemented is herewith report to ensure Council is informed:

<b>Focus Area</b>	<b>Challenge / Risk</b>	<b>Municipal action plan</b>	<b>Progress</b>
Annual financial statement	The Annual financial statement and Asset Management assessment identified the following key areas that required attention to address challenges and risk and enhance the governance of the Municipality	<ul style="list-style-type: none"> <li>- Action plan in collaboration with internal audit to address the Audit outcomes</li> <li>- Transfer of skills plan with External Financial consultant compiling the AFS</li> <li>- Audit outcomes workshop with managers</li> </ul>	Needs to be implemented
Annual financial statement	Municipality needs to develop detailed Standard operating procedures for all financial transactions which outlines the purpose and timeframes for each financial transaction	<ul style="list-style-type: none"> <li>- Identification of key operational and transactional related activities</li> <li>- Do a GAP analysis</li> <li>- Workshop a standard SOP</li> <li>- Create a SOP register</li> </ul>	Needs to be implemented

		- Appoint champions for SOP development	
Asset Management	<ul style="list-style-type: none"> <li>- The municipality should create and asset management unit that is capacitated to effectively manage the assets.</li> <li>- This unit will ensure that proper processes and procedures are in place to manage all assets of the municipality effectively.</li> </ul>	<ul style="list-style-type: none"> <li>- Engage with Vendor relating to the electronic asset module.</li> <li>- Compile action plan to address Asset management shortcomings.</li> <li>- Develop SOP relating to Asset management.</li> <li>- Review Asset management policy and update as required.</li> </ul>	<p>In process.</p> <p>Vendor develop an implementation template.</p> <p>Implementation of asset information dependant on final AFS for 2020/21 information.</p>
Debtors	- Growing outstanding debtors remains a challenge especially debt older than 90 days which may add to additional administration and cost	- Communicate debtors processed as part of the S71 on monthly basis	Implemented – See section 10 of the report for details.

The administration is in the process of addressing the challenging as identified in the SIME report, an initiative of Provincial government. This

### 13. SECTION 11 (4) MFMA WITHDRAWALS

 <b>PROVINCIAL TREASURY</b> <b>Withdrawals from Municipal Bank Accounts</b> <b>In accordance with Section 11, Sub-section 1 (b) to (j)</b> 			
<b>NAME OF MUNICIPALITY:</b>	CAPE AGULHAS MUNICIPALITY		
<b>MUNICIPAL DEMARCATION CODE:</b>	WC033		
<b>QUARTER ENDED:</b>	30 SEPTEMBER 2021		
<b>MFMA section 11.</b> (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -  (b) to defray expenditure authorised in terms of section 26(4);  (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);  (d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;  (e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -  (i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or  (ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;  (f) to refund money incorrectly paid into a bank account;  (g) to refund guarantees, sureties and <i>security</i> deposits;  (h) for cash management and <i>investment</i> purposes in accordance with section 13;  (i) to defray increased expenditure in terms of section 31; or  (j) for such other purposes as may be <i>prescribed</i> .  (4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -  (a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and  (b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	<b>Amount</b>	<b>Reason for withdrawal</b>	
			Payment of Operational and Capital expenditures.
		Not Applicable	
		None	None
		None	None
		None	None
		None	None
		None	None
		None	None
		None	None
		None	None
		R135m	Q1 consolidated investments (Roll-over)
		None	None
	None	None	
	<b>Name and Surname:</b>	EO PHILLIPS	
	<b>Rank/Position:</b>	Municipal Manager	
	<b>Signature:</b>		
<b>Tel number</b>	<b>Fax number</b>	<b>Email Address</b>	
028 425 5500		shauns@capeagulhas.gov.za	
<b>The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.</b>			



## PART B

### 14. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q1 ending 30 September 2021									
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Other own revenue	-	30 829	-	1 150	4 384	7 707	(3 323)	-43%	30 829
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>385 404</b>	-	<b>24 318</b>	<b>119 468</b>	<b>119 767</b>	<b>(299)</b>	<b>-0%</b>	<b>385 404</b>
Employee costs	-	160 777	-	11 938	34 356	40 194	(5 838)	-15%	160 777
Remuneration of Councillors	-	6 212	-	444	1 354	1 553	(199)	-13%	6 212
Depreciation & asset impairment	-	11 823	-	1 008	2 978	2 956	22	1%	11 823
Finance charges	-	12 044	-	-	-	3 011	(3 011)	-100%	12 044
Materials and bulk purchases	-	135 039	-	15 772	30 180	33 760	(3 579)	-11%	135 039
Transfers and subsidies	-	2 646	-	169	500	661	(162)	-24%	2 646
Other expenditure	-	66 411	-	4 069	10 627	16 603	(5 975)	-36%	66 411
<b>Total Expenditure</b>	-	<b>394 952</b>	-	<b>33 401</b>	<b>79 996</b>	<b>98 738</b>	<b>(18 742)</b>	<b>-19%</b>	<b>394 952</b>
<b>Surplus/(Deficit)</b>	-	<b>(9 548)</b>	-	<b>(9 082)</b>	<b>39 472</b>	<b>21 029</b>	<b>18 443</b>	<b>88%</b>	<b>(9 548)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	21 563	-	-	523	5 391	(4 868)	-90%	21 563
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>12 015</b>	-	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>	<b>13 576</b>	<b>51%</b>	<b>12 015</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>12 015</b>	-	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>	<b>13 576</b>	<b>51%</b>	<b>12 015</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>53 873</b>	-	<b>894</b>	<b>1 258</b>	<b>8 979</b>	<b>(7 720)</b>	<b>-86%</b>	<b>53 873</b>
Capital transfers recognised	-	21 563	-	359	1 239	5 391	(4 152)	-77%	21 563
Borrowing	-	15 010	-	25	377	3 752	(3 375)	-90%	15 010
Internally generated funds	-	17 301	-	419	446	4 325	(3 879)	-90%	17 301
<b>Total sources of capital funds</b>	-	<b>53 873</b>	-	<b>803</b>	<b>2 061</b>	<b>13 468</b>	<b>(11 407)</b>	<b>-85%</b>	<b>53 873</b>
<b>Financial position</b>									
Total current assets	-	94 748	-	-	196 360				155 235
Total non current assets	-	574 962	-	-	525 403				574 962
Total current liabilities	-	73 214	-	-	73 293				73 214
Total non current liabilities	-	144 064	-	-	152 290				144 064
Community wealth/Equity	-	452 431	-	-	496 181				512 919
<b>Cash flows</b>									
Net cash from (used) operating	-	20 941	-	6 961	11 693	18 543	6 850	37%	20 941
Net cash from (used) investing	-	(51 371)	-	(894)	(1 259)	(8 978)	(7 720)	86%	(51 371)
Net cash from (used) financing	-	9 245	-	7	23	62	39	62%	9 245
<b>Cash/cash equivalents at the month/year end</b>	-	<b>27 530</b>	-	<b>-</b>	<b>119 660</b>	<b>58 342</b>	<b>(61 318)</b>	<b>-105%</b>	<b>88 017</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	20 661	8 098	18 527	3 545	4 607	1 760	8 122	18 808	84 127
<b>Creditors Age Analysis</b>									
Total Creditors	0								

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance  
(functional classification) - Q1 30 September 2021**

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	<b>134 766</b>	–	<b>4 712</b>	<b>56 541</b>	<b>36 466</b>	<b>20 075</b>	<b>55%</b>	<b>134 766</b>
Executive and council	33 320	–	23	13 907	11 104	2 802	25%	33 320
Finance and administration	101 446	–	4 689	42 634	25 361	17 273	68%	101 446
Internal audit	–	–	–	–	–	–	–	–
<b>Community and public safety</b>	<b>31 087</b>	–	<b>1 756</b>	<b>2 678</b>	<b>7 772</b>	<b>(5 094)</b>	<b>-66%</b>	<b>31 087</b>
Community and social services	7 298	–	34	71	1 825	(1 753)	-96%	7 298
Sport and recreation	8 311	–	1 578	2 267	2 078	189	9%	8 311
Public safety	10 551	–	140	336	2 638	(2 301)	-87%	10 551
Housing	4 927	–	4	4	1 232	(1 228)	-100%	4 927
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>6 233</b>	–	<b>373</b>	<b>1 766</b>	<b>1 558</b>	<b>208</b>	<b>13%</b>	<b>6 233</b>
Planning and development	2 984	–	284	1 343	746	597	80%	2 984
Road transport	3 249	–	89	423	812	(389)	-48%	3 249
Environmental protection	–	–	–	–	–	–	–	–
<b>Trading services</b>	<b>234 882</b>	–	<b>17 478</b>	<b>59 006</b>	<b>58 720</b>	<b>286</b>	<b>0%</b>	<b>234 882</b>
Energy sources	158 607	–	12 544	40 075	39 652	423	1%	158 607
Water management	40 663	–	2 277	8 160	10 166	(2 006)	-20%	40 663
Waste water management	14 297	–	1 052	4 486	3 574	911	25%	14 297
Waste management	21 314	–	1 606	6 286	5 329	957	18%	21 314
<b>Other</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Functional</b>	<b>406 967</b>	<b>–</b>	<b>24 318</b>	<b>119 991</b>	<b>104 516</b>	<b>15 475</b>	<b>15%</b>	<b>406 967</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	<b>112 610</b>	–	<b>9 239</b>	<b>24 973</b>	<b>28 153</b>	<b>(3 180)</b>	<b>-11%</b>	<b>112 610</b>
Executive and council	15 032	–	2 657	4 564	3 758	806	21%	15 032
Finance and administration	95 930	–	6 428	20 026	23 982	(3 957)	-16%	95 930
Internal audit	1 648	–	154	383	412	(29)	-7%	1 648
<b>Community and public safety</b>	<b>52 828</b>	–	<b>2 686</b>	<b>7 617</b>	<b>13 207</b>	<b>(5 590)</b>	<b>-42%</b>	<b>52 828</b>
Community and social services	12 559	–	830	2 657	3 140	(483)	-15%	12 559
Sport and recreation	14 305	–	977	2 462	3 576	(1 114)	-31%	14 305
Public safety	18 262	–	642	1 822	4 566	(2 743)	-60%	18 262
Housing	7 702	–	238	676	1 926	(1 249)	-65%	7 702
Health	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	<b>33 971</b>	–	<b>2 224</b>	<b>6 102</b>	<b>8 489</b>	<b>(2 387)</b>	<b>-28%</b>	<b>33 971</b>
Planning and development	11 842	–	725	2 130	2 961	(830)	-28%	11 842
Road transport	22 084	–	1 499	3 972	5 521	(1 549)	-28%	22 084
Environmental protection	45	–	–	–	7	(7)	-100%	45
<b>Trading services</b>	<b>192 003</b>	–	<b>19 040</b>	<b>40 705</b>	<b>48 001</b>	<b>(7 295)</b>	<b>-15%</b>	<b>192 003</b>
Energy sources	126 436	–	14 799	29 537	31 609	(2 072)	-7%	126 436
Water management	24 053	–	2 123	5 163	6 013	(851)	-14%	24 053
Waste water management	13 039	–	1 077	2 810	3 260	(450)	-14%	13 039
Waste management	28 475	–	1 041	3 196	7 119	(3 923)	-55%	28 475
<b>Other</b>	<b>3 540</b>	<b>–</b>	<b>211</b>	<b>598</b>	<b>885</b>	<b>(287)</b>	<b>-32%</b>	<b>3 540</b>
<b>Total Expenditure - Functional</b>	<b>394 952</b>	<b>–</b>	<b>33 401</b>	<b>79 996</b>	<b>98 734</b>	<b>(18 738)</b>	<b>-19%</b>	<b>394 952</b>
<b>Surplus/ (Deficit) for the year</b>	<b>12 015</b>	<b>–</b>	<b>(9 082)</b>	<b>39 995</b>	<b>5 782</b>	<b>34 214</b>	<b>592%</b>	<b>12 015</b>

**WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 30 September 2021**

Vote Description	2019/20	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 1 - Executive and Council	-	36 563	-	(731)	14 824	11 915	2 909	24,4%	36 563
Vote 2 - Financial Services & ICT	-	87 479	-	5 157	42 011	42 511	(500)	-1,2%	87 479
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	34 335	-	1 841	3 122	8 584	(5 461)	-63,6%	34 335
Vote 5 - Engineering Services	-	248 590	-	18 051	60 033	62 147	(2 115)	-3,4%	248 590
<b>Total Revenue by Vote</b>	-	<b>406 967</b>	-	<b>24 318</b>	<b>119 991</b>	<b>125 157</b>	<b>(5 166)</b>	<b>-4,1%</b>	<b>406 967</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive and Council	-	47 206	-	4 870	11 000	11 802	(801)	-6,8%	47 206
Vote 2 - Financial Services & ICT	-	68 462	-	4 239	13 834	17 115	(3 281)	-19,2%	68 462
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	62 834	-	3 484	9 806	15 708	(5 903)	-37,6%	62 834
Vote 5 - Engineering Services	-	216 450	-	20 808	45 356	54 113	(8 757)	-16,2%	216 450
<b>Total Expenditure by Vote</b>	-	<b>394 952</b>	-	<b>33 401</b>	<b>79 996</b>	<b>98 738</b>	<b>(18 742)</b>	<b>-19,0%</b>	<b>394 952</b>
<b>Surplus/ (Deficit) for the year</b>	-	<b>12 015</b>	-	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>	<b>13 576</b>	<b>51,4%</b>	<b>12 015</b>

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance  
(revenue and expenditure) - Q1 30 September 2021**

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	77 675	–	4 634	40 665	40 060	604	2%	77 675
Service charges - electricity revenue	155 851	–	12 518	40 029	38 963	1 066	3%	155 851
Service charges - water revenue	32 960	–	2 277	8 160	8 240	(80)	-1%	32 960
Service charges - sanitation revenue	14 286	–	1 052	4 482	3 571	911	25%	14 286
Service charges - refuse revenue	21 314	–	1 606	6 286	5 329	957	18%	21 314
Rental of facilities and equipment	1 359	–	(959)	131	340	(209)	-62%	1 359
Interest earned - external investments	2 405	–	43	554	601	(47)	-8%	2 405
Interest earned - outstanding debtors	1 911	–	(1)	223	478	(255)	-53%	1 911
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	10 382	–	41	164	2 595	(2 431)	-94%	10 382
Licences and permits	116	–	0	78	29	49	169%	116
Agency services	3 249	–	89	423	812	(389)	-48%	3 249
Transfers and subsidies	50 084	–	1 039	14 910	15 295	(386)	-3%	50 084
Other revenue	11 312	–	1 978	3 361	2 828	533	19%	11 312
Gains	2 500	–	2	3	625	(622)	-100%	2 500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>385 404</b>	<b>–</b>	<b>24 318</b>	<b>119 468</b>	<b>119 767</b>	<b>(299)</b>	<b>0%</b>	<b>385 404</b>
<b>Expenditure By Type</b>								
Employee related costs	160 777	–	11 938	34 356	40 194	(5 838)	-15%	160 777
Remuneration of councillors	6 212	–	444	1 354	1 553	(199)	-13%	6 212
Debt impairment	10 159	–	–	–	2 540	(2 540)	-100%	10 159
Depreciation & asset impairment	11 823	–	1 008	2 978	2 956	22	1%	11 823
Finance charges	12 044	–	–	–	3 011	(3 011)	-100%	12 044
Bulk purchases	107 467	–	13 693	26 581	26 867	(285)	-1%	107 467
Other materials	27 572	–	2 079	3 599	6 893	(3 294)	-48%	27 572
Contracted services	26 913	–	670	2 019	6 728	(4 709)	-70%	26 913
Transfers and subsidies	2 646	–	169	500	661	(162)	-24%	2 646
Other expenditure	29 339	–	3 399	8 608	7 335	1 273	17%	29 339
Losses	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>394 952</b>	<b>–</b>	<b>33 401</b>	<b>79 996</b>	<b>98 738</b>	<b>(18 742)</b>	<b>-19%</b>	<b>394 952</b>
<b>Surplus/(Deficit)</b>	<b>(9 548)</b>	<b>–</b>	<b>(9 082)</b>	<b>39 472</b>	<b>21 029</b>	<b>18 443</b>	<b>88%</b>	<b>(9 548)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	21 563	–	–	523	5 391	(4 868)	-90%	21 563
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>12 015</b>	<b>–</b>	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>			<b>12 015</b>
Taxation	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>	<b>12 015</b>	<b>–</b>	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>			<b>12 015</b>
Attributable to minorities	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>	<b>12 015</b>	<b>–</b>	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>			<b>12 015</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>12 015</b>	<b>–</b>	<b>(9 082)</b>	<b>39 995</b>	<b>26 419</b>			<b>12 015</b>

**WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 30 September 2021**

Vote Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT	1 708	-	-	-	285	(285)	-100%	1 708
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	370	-	-	-	62	(62)	-100%	370
Vote 5 - Engineering Services	30 347	-	357	709	5 058	(4 349)	-86%	30 347
<b>Total Capital Multi-year expenditure</b>	<b>32 425</b>	<b>-</b>	<b>357</b>	<b>709</b>	<b>5 404</b>	<b>(4 695)</b>	<b>-87%</b>	<b>32 425</b>
<b>Single Year expenditure appropriation</b>								
Vote 1 - Executive and Council	1 074	-	510	523	179	344	192%	1 074
Vote 2 - Financial Services & ICT	564	-	24	24	94	(70)	-75%	564
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	3 056	-	3	3	509	(506)	-99%	3 056
Vote 5 - Engineering Services	16 755	-	-	-	2 792	(2 792)	-100%	16 755
<b>Total Capital single-year expenditure</b>	<b>21 448</b>	<b>-</b>	<b>537</b>	<b>550</b>	<b>3 575</b>	<b>(3 025)</b>	<b>-85%</b>	<b>21 448</b>
<b>Total Capital Expenditure</b>	<b>53 873</b>	<b>-</b>	<b>894</b>	<b>1 258</b>	<b>8 979</b>	<b>(7 720)</b>	<b>-86%</b>	<b>53 873</b>
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>2 376</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>396</b>	<b>(372)</b>	<b>-94%</b>	<b>2 376</b>
Executive and council	18	-	-	-	3	(3)	-100%	18
Finance and administration	2 359	-	24	24	393	(369)	-94%	2 359
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>3 309</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>552</b>	<b>(549)</b>	<b>-99%</b>	<b>3 309</b>
Community and social services	65	-	-	-	11	(11)	-100%	65
Sport and recreation	2 280	-	3	3	380	(377)	-99%	2 280
Public safety	964	-	-	-	161	(161)	-100%	964
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>19 589</b>	<b>-</b>	<b>510</b>	<b>875</b>	<b>3 265</b>	<b>(2 390)</b>	<b>-73%</b>	<b>19 589</b>
Planning and development	886	-	510	523	148	375	254%	886
Road transport	18 643	-	-	352	3 107	(2 755)	-89%	18 643
Environmental protection	60	-	-	-	10	(10)	-100%	60
<b>Trading services</b>	<b>28 425</b>	<b>-</b>	<b>357</b>	<b>357</b>	<b>4 738</b>	<b>(4 381)</b>	<b>-92%</b>	<b>28 425</b>
Energy sources	10 084	-	-	-	1 681	(1 681)	-100%	10 084
Water management	11 150	-	357	357	1 858	(1 501)	-81%	11 150
Waste water management	4 250	-	-	-	708	(708)	-100%	4 250
Waste management	2 942	-	-	-	490	(490)	-100%	2 942
<b>Other</b>	<b>174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>(29)</b>	<b>-100%</b>	<b>174</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>53 873</b>	<b>-</b>	<b>894</b>	<b>1 258</b>	<b>8 979</b>	<b>(7 720)</b>	<b>-86%</b>	<b>53 873</b>
<b>Funded by:</b>								
National Government	20 748	-	357	357	3 458	(3 101)	-90%	20 748
Provincial Government	815	-	510	523	136	387	285%	815
District Municipality	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>21 563</b>	<b>-</b>	<b>867</b>	<b>880</b>	<b>3 594</b>	<b>(2 714)</b>	<b>-76%</b>	<b>21 563</b>
<b>Borrowing</b>	<b>15 010</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>2 502</b>	<b>(2 150)</b>	<b>-86%</b>	<b>15 010</b>
<b>Internally generated funds</b>	<b>17 301</b>	<b>-</b>	<b>27</b>	<b>27</b>	<b>2 883</b>	<b>(2 857)</b>	<b>-99%</b>	<b>17 301</b>
<b>Total Capital Funding</b>	<b>53 873</b>	<b>-</b>	<b>894</b>	<b>1 258</b>	<b>8 979</b>	<b>(7 720)</b>	<b>-86%</b>	<b>53 873</b>

## QUALITY CERTIFICATE

NAVRAE:  
ENQUIRIES: S Stanley

KONTAKNR  
CONTACT NO 028 425 5798

VERW:  
REF: 5/3/2021-22 (M03\_Q1-S52)

KANTOOR:  
OFFICES: Bredasdorp

DATUM  
DATE 05 October 2021



## 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 **30 September 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name EBEN PHILLIPS

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

Signature: 

Date: 05 October 2021