

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2018/2019 SECTION 52 REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2018

(Incorporate the section 71 report)

TABLE OF CONTENTS

PART A

- 1. Council Resolution..... 4
- 2. Introduction..... 5
- 3. Mayor's summary..... 6
- 4. Summarized Financial performance 8
- 5. Council focus (cash flow / liquidity)9
- 6. mSCOA Implementation X
- 7. Revenue Enhancement plan / Long term financial plan X

PART B

- 8. Legislated information..... X
 - 8.1 Budget schedules
 - 8.2 Section 11 of MFMA
- 9. Quality certificate..... X

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 **September 2018**.

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 2018** 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:

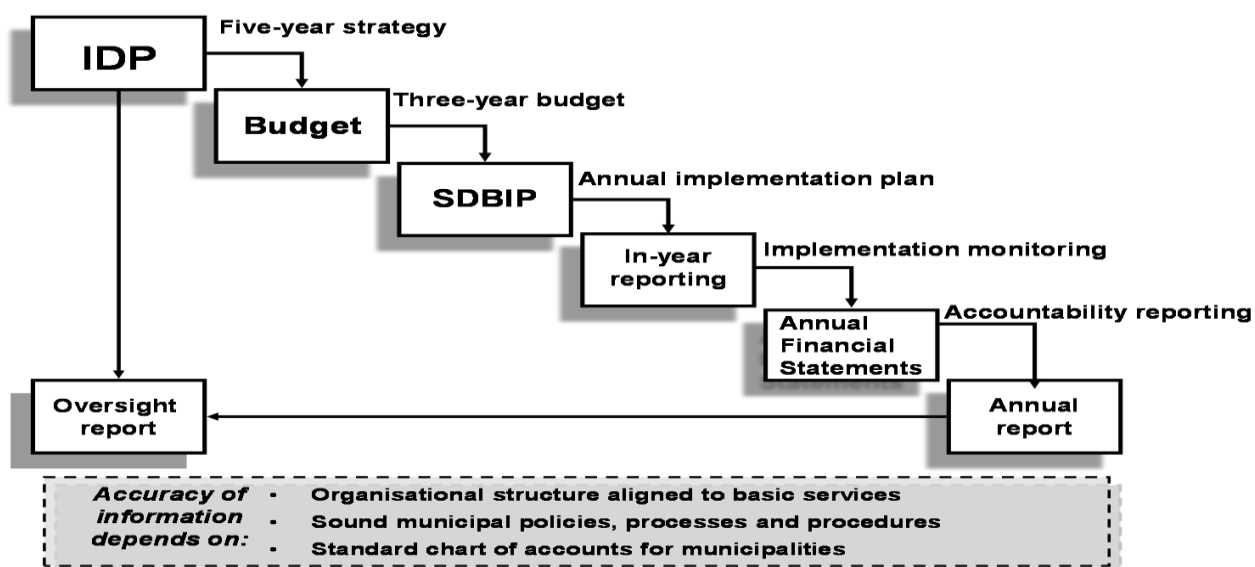
Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

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

a

- 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 proposed process plan with the compilation of the Draft Budget and Revised IDP plan for the 2019/20 MTREF period is as follows as per Budget and IDP implementation plan:

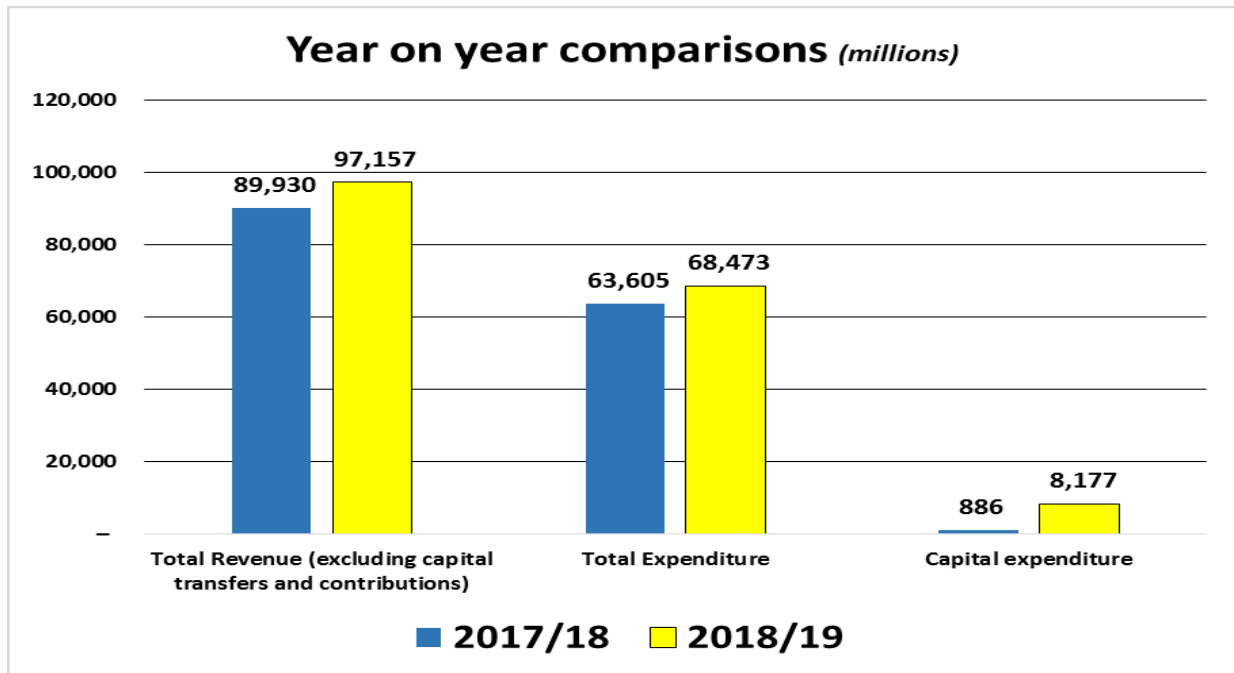
<u>Planned activities</u>	<u>Timeframes / Dates</u>	<u>Targets / Achieved</u>
AFS and Annual performance report	August 2018	Complete
Public participation with ward committees	September 2018	Complete
Strategic sessions (Management and Council)	November 2018	
Budget preparation	November 2018	
Mid-year budget assessment / Adjustment budget Steering committees	January 2019	
Budget workshops / National budget speech	February 2019	
Preparation of Draft budget processes / Draft IDP review / Draft Budget	March 2019	
Community participation	April 2019	
Final draft budget	May 2019	

The municipality is in the process of achievement of the new financial budget plan as per the Budget and IDP process plan approved in August 2018.

The next phase in the implementation of the plan is the Strategic session planned for November 2018.

4. Summary financial performance

Year to date performance (comparison with previous year) – 30 September 2018



Summarized explanation

Operational revenues

Year to date performance is better compared to the previous year. This is anticipated given the increases in property rates as well as other general increases approved in the budget.

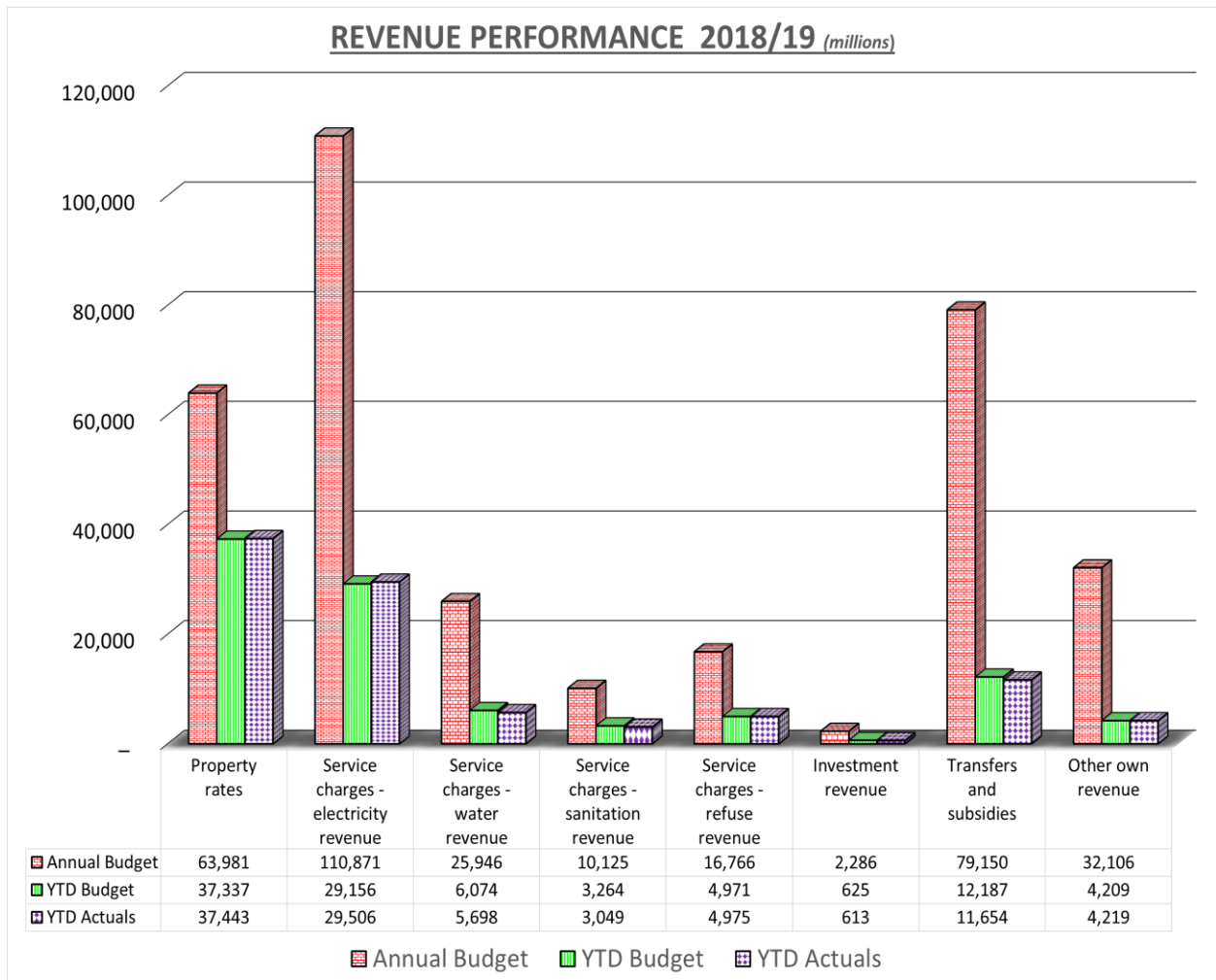
Operational expenditures

Comparative year to date expenditure is above the 2017 level. This can be attributed to the increases in salaries as well as bulk electricity cost associated with payments to Eskom. These categories represents the bulk of expenditures to date.




Capital spending

Capital budgeted spending of R8,177m for the period ending September 2018. This compared favorable against the previous year. The main reason for the above par expenditures is the finalization of the Stormwater pipeline project of council early in July 2018. This was a multi-year project budgeted in the 2017/18 financial year.

The financial performance for the period under review ending 30 September 2018.



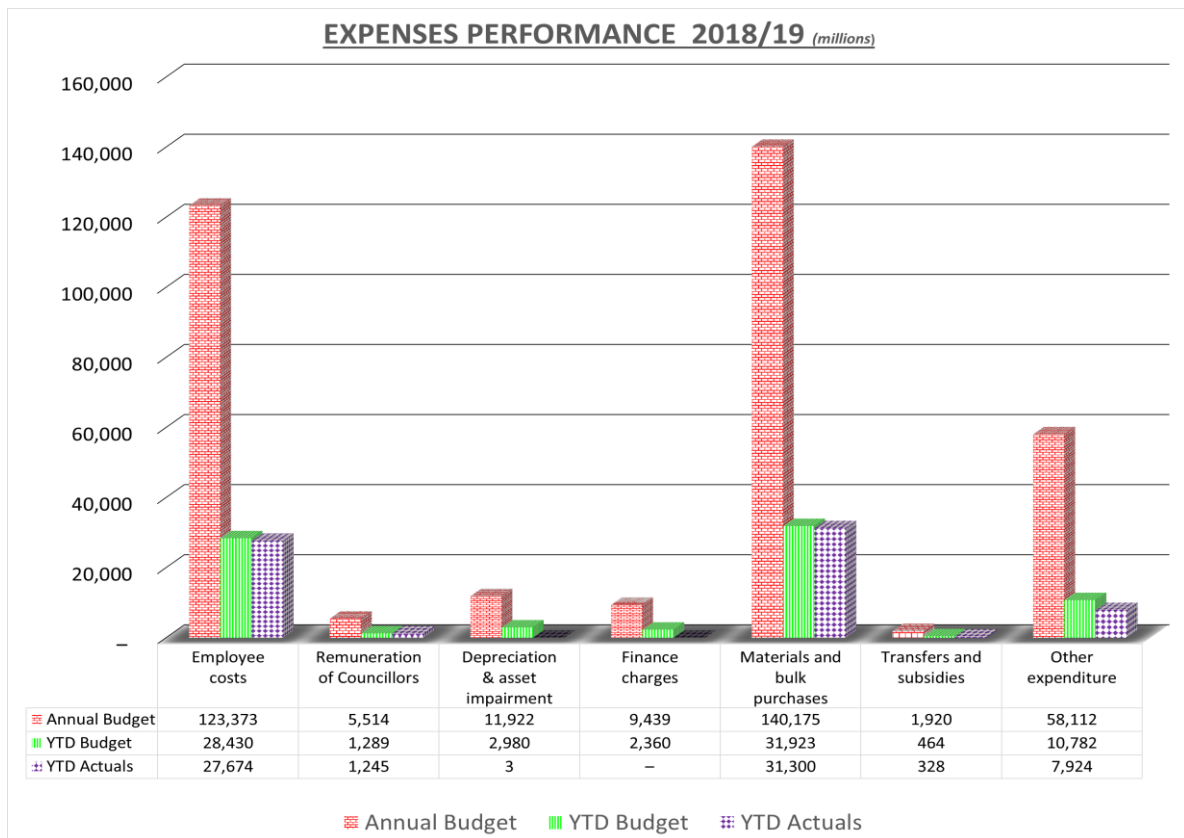
Overall assessment

GOOD	AVERAGE	BAD
		
X		




Summarized explanation

For the first quarter the municipal revenue budget is on par with projections. The majority of the income consist of the electricity revenues, property rates and transfers. The transfers consist mostly of the first tranche of equitable share.

Notice should be given to other Revenue, a total of R32m was budgeted. The sale of land of R7,8m was budgeted. Progress plans should be assessed to determine the achievability of these budgeted projections.



Overall assessment

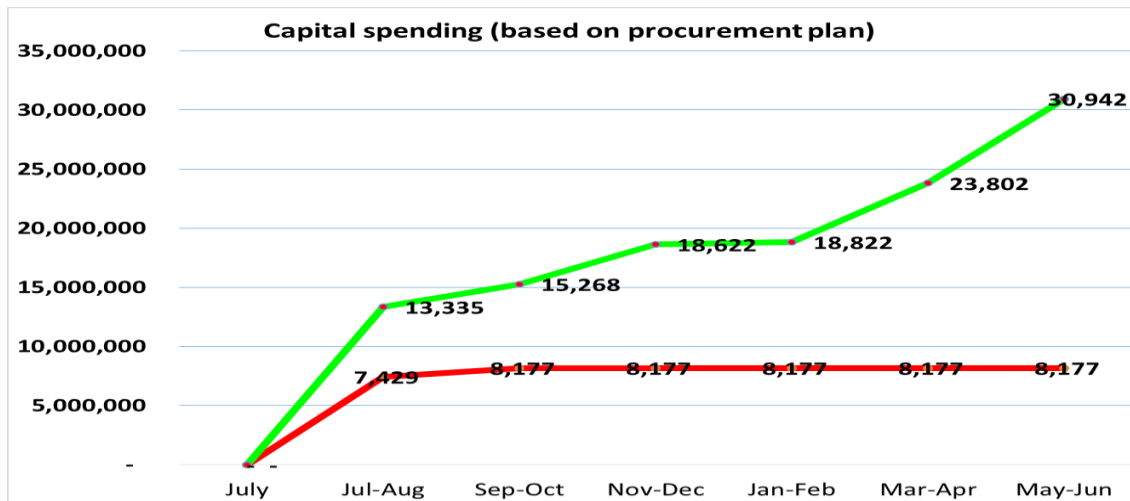
GOOD	AVERAGE	BAD
		
X		

Summarized explanation

This being the end of the first quarter of the financial year, limited expenditures activities make meaning interpretation difficult.

At this point of the financial year it is imperative that the administration focus on the implementation of programs if they plan to achieve operating targets.

Cumulative Capital performance



Summarized explanation

The municipality is underperforming based on the Procurement plan, and projected expenditure for the period. Projections for the period, totals R13,356m compared against actuals of R8,177m for the period ending 30 September 2018.













Management needs to ensure that the Capital projects and plans are prioritized to ensure implementation of the budget will be achieved.

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**.

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.

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%			

Summarized explanation:

The overall cash flow ratios is good.

The liquidity reflects the ability to repay short-term debt with cash resources.

The municipality is just below the norm of 1:1.

This however do not require any immediate high risk. The implementation of the Revenue enhancement plan as well as the Long-term financial plan will significantly enhance this ratio once implemented.

6. mSCOA Implementation

Summarised progress on the implementation of mSCOA and actions required

The updated mSCOA implementation plan needs to be submitted and actions required identified for reporting

Action implemented	Achieve	Comments / Actions
Will be updated in future		

7. Revenue Enhancement plan / Long-term financial plan

Summarised progress on the Revenue Enhancement plan / Long-term financial plan and actions required

The updated Revenue Enhancement plan / Long-term financial plan needs to be submitted and actions required identified for reporting

This will also be reported on a part of the report for Revenue Management of finance.

Action implemented	Achieve	Comments / Actions
Will be updated in future		

PART B

8. Legislated information

8.1 Budget schedules

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2017/18	Budget Year 2018/19							
	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	-	63,981	-	2,961	37,443	37,337	106	0%	63,981
Service charges	-	163,708	-	14,313	43,228	43,465	(237)	-1%	163,708
Investment revenue	-	2,286	-	121	613	625	(12)	-2%	2,286
Transfers and subsidies	-	79,150	-	151	11,654	12,187	(534)	-4%	79,150
Other own revenue	-	32,106	-	2,134	4,219	4,209	10	0%	32,106
Total Revenue (excluding capital transfers and contributions)	-	341,231	-	19,680	97,157	97,823	(667)	-1%	341,231
Employee costs	-	123,373	-	9,163	27,674	28,430	(756)	-3%	123,373
Remuneration of Councillors	-	5,514	-	383	1,245	1,289	(44)	-3%	5,514
Depreciation & asset impairment	-	11,922	-	3	3	2,980	(2,977)	-100%	11,922
Finance charges	-	9,439	-	-	-	2,360	(2,360)	-100%	9,439
Materials and bulk purchases	-	140,175	-	11,205	31,300	31,923	(624)	-2%	140,175
Transfers and subsidies	-	1,920	-	4	328	464	(136)	-29%	1,920
Other expenditure	-	58,112	-	2,541	7,924	10,782	(2,857)	-27%	58,112
Total Expenditure	-	350,454	-	23,299	68,473	78,228	(9,755)	-12%	350,454
Surplus/(Deficit)	-	(9,223)	-	(3,620)	28,684	19,596	9,088	46%	(9,223)
Transfers and subsidies - capital (monetary allocation)	-	12,281	-	-	-	1,562	(1,562)	-100%	12,281
Contributions & Contributed assets	-	130	-	-	-	-	-	-	130
Surplus/(Deficit) after capital transfers & contributions	-	3,188	-	(3,620)	28,684	21,158	7,526	36%	3,188
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	3,188	-	(3,620)	28,684	21,158	7,526	36%	3,188
Capital expenditure & funds sources									
Capital expenditure	-	30,946	-	747	8,177	9,937	(1,760)	-18%	30,946
Capital transfers recognised	-	12,281	-	305	7,505	7,562	(58)	-1%	12,281
Public contributions & donations	-	130	-	-	-	17	(17)	-100%	130
Borrowing	-	7,622	-	-	-	970	(970)	-100%	7,622
Internally generated funds	-	10,913	-	442	672	1,388	(716)	-52%	10,913
Total sources of capital funds	-	30,946	-	747	8,177	9,937	(1,760)	-18%	30,946
Financial position									
Total current assets	81,715	60,671	-	-	117,016	-	-	-	82,866
Total non current assets	433,484	450,873	-	-	441,660	-	-	-	450,873
Total current liabilities	45,334	61,038	-	-	60,127	-	-	-	61,038
Total non current liabilities	138,325	140,181	-	-	138,325	-	-	-	140,181
Community wealth/Equity	331,540	310,325	-	-	360,224	-	-	-	310,325
Cash flows									
Net cash from (used) operating	-	11,968	-	902	14,989	19,558	4,569	23%	11,968
Net cash from (used) investing	-	(22,985)	-	(747)	(8,176)	(3,929)	4,247	-108%	(22,985)
Net cash from (used) financing	-	5,063	-	(11)	8	68	60	89%	5,063
Cash/cash equivalents at the month/year	-	19,620	-	-	54,589	41,271	(13,318)	-32%	41,815
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	58,518	-	-	-	-	-	-	-	58,518
Creditors Age Analysis									
Total Creditors	37,273	-	-	-	-	-	-	-	37,273

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		-	118,609	-	3,269	49,892	50,149	(258)	-1%	118,609
Executive and council		-	27,606	-	-	11,503	11,595	(92)	-1%	27,606
Finance and administration		-	91,003	-	3,269	38,389	38,554	(166)	0%	91,003
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	50,257	-	1,309	1,967	2,924	(957)	-33%	50,257
Community and social services		-	8,679	-	33	91	751	(659)	-88%	8,679
Sport and recreation		-	6,893	-	1,276	1,875	1,879	(4)	0%	6,893
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	34,685	-	-	-	294	(294)	-100%	34,685
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	13,900	-	771	2,044	2,434	(390)	-16%	13,900
Planning and development		-	1,364	-	168	509	372	137	37%	1,364
Road transport		-	12,536	-	603	1,535	2,062	(527)	-26%	12,536
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	170,876	-	14,330	43,254	42,315	939	2%	170,876
Energy sources		-	118,012	-	9,717	29,532	29,949	(417)	-1%	118,012
Water management		-	25,949	-	2,101	5,698	5,675	24	0%	25,949
Waste water management		-	10,148	-	944	3,049	2,520	529	21%	10,148
Waste management		-	16,766	-	1,569	4,975	4,171	804	19%	16,766
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	353,642	-	19,680	97,157	97,823	(666)	-1%	353,642
Expenditure - Functional										
Governance and administration		-	93,678	-	5,911	18,453	20,446	(1,993)	-10%	93,678
Executive and council		-	15,002	-	841	3,858	3,312	545	16%	15,002
Finance and administration		-	76,963	-	4,983	14,300	16,787	(2,486)	-15%	76,963
Internal audit		-	1,714	-	87	295	347	(52)	-15%	1,714
Community and public safety		-	62,938	-	1,690	5,144	12,852	(7,707)	-60%	62,938
Community and social services		-	13,780	-	761	2,565	2,851	(286)	-10%	13,780
Sport and recreation		-	12,303	-	778	2,136	2,713	(577)	-21%	12,303
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	36,855	-	151	443	7,287	(6,844)	-94%	36,855
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	41,953	-	2,681	7,171	9,333	(2,162)	-23%	41,953
Planning and development		-	8,610	-	734	2,116	1,911	205	11%	8,610
Road transport		-	33,267	-	1,947	5,050	7,407	(2,357)	-32%	33,267
Environmental protection		-	77	-	-	5	15	(10)	-68%	77
Trading services		-	151,175	-	13,017	37,705	35,444	2,261	6%	151,175
Energy sources		-	99,944	-	10,579	30,920	24,659	6,261	25%	99,944
Water management		-	18,968	-	1,176	3,256	4,214	(959)	-23%	18,968
Waste water management		-	11,245	-	659	1,801	2,521	(720)	-29%	11,245
Waste management		-	21,018	-	603	1,728	4,050	(2,322)	-57%	21,018
Other		-	710	-	0	0	153	(153)	-100%	710
Total Expenditure - Functional	3	-	350,454	-	23,299	68,473	78,228	(9,755)	-12%	350,454
Surplus/ (Deficit) for the year		-	3,188	-	(3,620)	28,684	19,595	9,089	46%	3,188

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		-	30,803	-	146	11,673	12,618	(945)	-7.5%	30,803
Vote 2 - Financial Services & ICT		-	78,166	-	3,155	38,360	32,701	5,659	17.3%	78,166
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	61,445	-	1,906	3,494	6,969	(3,475)	-49.9%	61,445
Vote 5 - Engineering Services		-	183,227	-	14,473	43,630	45,535	(1,905)	-4.2%	183,227
Total Revenue by Vote	2	-	353,642	-	19,680	97,157	97,823	(666)	-0.7%	353,642
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	42,994	-	2,961	10,389	9,469	921	9.7%	42,994
Vote 2 - Financial Services & ICT		-	50,710	-	2,694	8,152	11,123	(2,971)	-26.7%	50,710
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	84,039	-	3,276	8,626	17,477	(8,850)	-50.6%	84,039
Vote 5 - Engineering Services		-	172,712	-	14,368	41,306	40,160	1,146	2.9%	172,712
Total Expenditure by Vote	2	-	350,454	-	23,299	68,473	78,228	(9,755)	-12.5%	350,454
Surplus/ (Deficit) for the year	2	-	3,188	-	(3,620)	28,684	19,595	9,089	46.4%	3,188

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19								
		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			63,981	-	2,961	37,443	37,337	106	0%	63,981	
Service charges - electricity revenue			110,871	-	9,699	29,506	29,156	350	1%	110,871	
Service charges - water revenue			25,946	-	2,101	5,698	6,074	(376)	-6%	25,946	
Service charges - sanitation revenue			10,125	-	944	3,049	3,264	(215)	-7%	10,125	
Service charges - refuse revenue			16,766	-	1,569	4,975	4,971	4	0%	16,766	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			1,710	-	67	10	21	(11)	-51%	1,710	
Interest earned - external investments			2,286	-	121	613	625	(12)	-2%	2,286	
Interest earned - outstanding debtors			1,591	-	(0)	152	142	10	7%	1,591	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			9,854	-	246	607	617	(10)	-2%	9,854	
Licences and permits			64	-	-	0	15	(15)	-98%	64	
Agency services			2,572	-	276	848	846	3	0%	2,572	
Transfers and subsidies			79,150	-	151	11,654	12,187	(534)	-4%	79,150	
Other revenue			8,514	-	1,545	2,601	2,568	33	1%	8,514	
Gains on disposal of PPE			7,800	-	-	-	-	-	-	7,800	
Total Revenue (excluding capital transfers and contributions)			-	341,231	-	19,680	97,157	97,823	(667)	-1%	341,231
Expenditure By Type											
Employee related costs			123,373	-	9,163	27,674	28,430	(756)	-3%	123,373	
Remuneration of councillors			5,514	-	383	1,245	1,289	(44)	-3%	5,514	
Debt impairment			9,339	-	-	-	2,335	(2,335)	-100%	9,339	
Depreciation & asset impairment			11,922	-	3	3	2,980	(2,977)	-100%	11,922	
Finance charges			9,439	-	-	-	2,360	(2,360)	-100%	9,439	
Bulk purchases			82,398	-	9,912	28,941	29,594	(654)	-2%	82,398	
Other materials			57,778	-	1,293	2,359	2,329	30	1%	57,778	
Contracted services			24,189	-	850	1,430	1,626	(196)	-12%	24,189	
Transfers and subsidies			1,920	-	4	328	464	(136)	-29%	1,920	
Other expenditure			24,584	-	1,691	6,495	6,821	(326)	-5%	24,584	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	350,454	-	23,299	68,473	78,228	(9,755)	-12%	350,454
Surplus/(Deficit)			-	(9,223)	-	(3,620)	28,684	19,596	9,088	0	(9,223)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12,281	-	-	-	1,562	(1,562)	(0)	12,281	
Transfers and subsidies - capital (in-kind - all)			130	-	-	-	-	-	-	130	
Surplus/(Deficit) after capital transfers & contributions			-	3,188	-	(3,620)	28,684	21,158		3,188	
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	3,188	-	(3,620)	28,684	21,158		3,188	
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	3,188	-	(3,620)	28,684	21,158		3,188	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	3,188	-	(3,620)	28,684	21,158		3,188	

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		-	1,815	-	-	-	231	(231)	-100%	1,815
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	900	-	-	-	114	(114)	-100%	900
Vote 5 - Engineering Services		-	5,465	-	-	-	695	(695)	-100%	5,465
Total Capital Multi-year expenditure	4,7	-	8,180	-	-	-	1,041	(1,041)	-100%	8,180
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	750	-	1	1	95	(94)	-99%	750
Vote 2 - Financial Services & ICT		-	764	-	1	114	97	17	18%	764
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	3,551	-	316	328	452	(124)	-27%	3,551
Vote 5 - Engineering Services		-	17,701	-	429	7,733	8,252	(518)	-6%	17,701
Total Capital single-year expenditure	4	-	22,766	-	747	8,177	8,896	(719)	-8%	22,766
Total Capital Expenditure		-	30,946	-	747	8,177	9,937	(1,760)	-18%	30,946
Capital Expenditure - Functional Classification										
Governance and administration		-	2,861	-	1	114	364	(250)	-69%	2,861
Executive and council			47	-	-	-	6	(6)	-100%	47
Finance and administration			2,813	-	1	114	358	(244)	-68%	2,813
Internal audit			2	-	-	-	0	(0)	-100%	2
Community and public safety		-	4,559	-	316	328	580	(252)	-43%	4,559
Community and social services			742	-	-	-	94	(94)	-100%	742
Sport and recreation			3,813	-	316	328	485	(157)	-32%	3,813
Public safety			-	-	-	-	-	-	-	-
Housing			5	-	-	-	1	(1)	-100%	5
Health			-	-	-	-	-	-	-	-
Economic and environmental services		-	13,186	-	430	7,734	7,677	57	1%	13,186
Planning and development			47	-	1	1	6	(5)	-83%	47
Road transport			13,139	-	429	7,733	7,671	62	1%	13,139
Environmental protection			-	-	-	-	-	-	-	-
Trading services		-	10,340	-	-	-	1,315	(1,315)	-100%	10,340
Energy sources			4,924	-	-	-	626	(626)	-100%	4,924
Water management			2,070	-	-	-	263	(263)	-100%	2,070
Waste water management			331	-	-	-	42	(42)	-100%	331
Waste management			3,015	-	-	-	384	(384)	-100%	3,015
Other			-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	30,946	-	747	8,177	9,937	(1,760)	-18%	30,946
Funded by:										
National Government			11,332	-	1	7,201	7,442	(241)	-3%	11,332
Provincial Government			949	-	304	304	121	183	152%	949
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12,281	-	305	7,505	7,562	(58)	-1%	12,281
Public contributions & donations	5		130	-	-	-	17	(17)	-100%	130
Borrowing	6		7,622	-	-	-	970	(970)	-100%	7,622
Internally generated funds			10,913	-	442	672	1,388	(716)	-52%	10,913
Total Capital Funding		-	30,946	-	747	8,177	9,937	(1,760)	-18%	30,946

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		33,518	19,620	–	29,589	41,815
Call investment deposits		15,000	–	–	25,000	–
Consumer debtors		29,339	33,775	–	58,518	33,775
Other debtors		1,557	5,918	–	2,263	5,918
Current portion of long-term receivables		–	31	–	7	31
Inventory		1,304	1,326	–	1,638	1,326
Total current assets		80,719	60,671	–	117,016	82,866
Non current assets						
Long-term receivables		225	134	–	211	134
Investments		–	–	–	–	–
Investment property		40,864	40,853	–	40,553	40,853
Investments in Associate		–	–	–	–	–
Property, plant and equipment		386,957	405,477	–	396,030	405,477
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		3,601	4,409	–	4,865	4,409
Other non-current assets		–	–	–	–	–
Total non current assets		431,647	450,873	–	441,660	450,873
TOTAL ASSETS		512,366	511,544	–	558,676	533,739
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		1,659	2,875	–	3,485	2,875
Consumer deposits		4,507	4,821	–	4,537	4,821
Trade and other payables		28,014	41,226	–	40,672	41,226
Provisions		9,807	12,116	–	11,434	12,116
Total current liabilities		43,988	61,038	–	60,127	61,038
Non current liabilities						
Borrowing		17,600	8,451	–	15,753	8,451
Provisions		122,572	131,731	–	122,572	131,731
Total non current liabilities		140,172	140,181	–	138,325	140,181
TOTAL LIABILITIES		184,160	201,219	–	198,452	201,219
NET ASSETS	2	328,206	310,325	–	360,224	332,520
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		308,206	295,325	–	330,224	295,325
Reserves		20,000	15,000	–	30,000	15,000
TOTAL COMMUNITY WEALTH/EQUITY	2	328,206	310,325	–	360,224	310,325




WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19								
		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			61,324	-	8,729	17,608	18,869	(1,261)	-7%	61,324	
Service charges			156,910	-	14,044	38,217	40,174	(1,957)	-5%	156,910	
Other revenue			15,929	-	1,142	3,235	4,154	(919)	-22%	15,929	
Government - operating			79,150	-	-	16,442	22,187	(5,745)	-26%	79,150	
Government - capital			12,281	-	-	12,025	4,094	7,931	194%	12,281	
Interest			3,811	-	147	791	685	107	16%	3,811	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(314,743)	-	(23,155)	(73,001)	(70,141)	2,860	-4%	(314,743)	
Finance charges			(774)	-	-	-	-	-		(774)	
Transfers and Grants			(1,920)	-	(4)	(328)	(464)	(136)	29%	(1,920)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	11,968	-	902	14,989	19,558	4,569	23%	11,968
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			7,800	-	-	-	-	-		7,800	
Decrease (Increase) in non-current debtors			31	-	0	1	8	(7)	-92%	31	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
Payments											
Capital assets			(30,816)	-	(747)	(8,177)	(3,937)	4,240	-108%	(30,816)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(22,985)	-	(747)	(8,176)	(3,929)	4,247	-108%	(22,985)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			7,622	-	-	-	-	-		7,622	
Increase (decrease) in consumer deposits			273	-	11	29	68	(39)	-57%	273	
Payments											
Repayment of borrowing			(2,831)	-	(21)	(21)	-	21	#DIV/0!	(2,831)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	5,063	-	(11)	8	68	60	89%	5,063
NET INCREASE/(DECREASE) IN CASH HELD			-	(5,953)	-	144	6,821	15,698		(5,953)	
Cash/cash equivalents at beginning:			25,574	-		47,768	25,574			47,768	
Cash/cash equivalents at month/year end:			-	19,620	-		54,589	41,271		41,815	

WC033 Cape Agulhas - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	36,089	-	-	13,339	13,339	-		36,089
Local Government Equitable Share			27,606	-	-	11,503	11,503	-		27,606
Energy Efficiency and Demand-side [Schedule 5B]			5,000	-	-	1,000	1,000	-		5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]			1,141	-	-	286	286	-		1,141
Local Government Financial Management Grant [Schedule 5B]			550	-	-	550	550	-		550
Municipal Infrastructure Grant [Schedule 5B]			1,792	-	-	-	-	-		1,792
Other transfers and grants [insert description]			-	-	-	-	-	-		-
Provincial Government:		-	43,060	-	-	1,903	1,903	-		43,060
Human Settlement Development			34,560	-	-	-	-	-		34,560
Library Service Conditional Grant			7,001	-	-	1,903	1,903	-		7,001
Maintenance of Main Roads			83	-	-	-	-	-		83
Community Development Workers			56	-	-	-	-	-		56
Financial Management Support (WC_FMGSG)			360	-	-	-	-	-		360
Greenest Municipality (Violence Protection)			1,000	-	-	-	-	-		1,000
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	79,150	-	-	15,242	15,242	-		79,150
Capital Transfers and Grants										
National Government:		-	12,082	-	-	11,917	11,917	-		12,082
Municipal Infrastructure Grant [Schedule 5B]			9,082	-	-	8,917	8,917	-		9,082
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]			2,000	-	-	2,000	2,000	-		2,000
Local Government Financial Management Grant [Schedule 5B]			1,000	-	-	1,000	1,000	-		1,000
Other capital transfers [insert description]			-	-	-	-	-	-		-
Provincial Government:		-	199	-	-	108	108	-		199
Library Service			91	-	-	-	-	-		91
Development of Sport and Recreation Facilities			108	-	-	108	108	-		108
			-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	12,281	-	-	12,025	12,025	-		12,281
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	91,430	-	-	27,267	27,267	-		91,430

8.2 **Section 11 MFMA**

 PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j) 		
NAME OF MUNICIPALITY:	CAPE AGULHAS MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	WC033	
QUARTER ENDED:	30 SEPTEMBER 2018	
MFMA section 11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only -	Amount	Reason for withdrawal
	Not available	Payment of Operational and Capital expenditures. Will be complete as soon as finalised
(b) to defray expenditure authorised in terms of section 26(4);	Not Applicable	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	None	None
(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;	None	None
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including -	None	None
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or	None	None
(ii) any insurance or other payments received by the municipality for that person or organ of state;	None	None
(f) to refund money incorrectly paid into a bank account;	None	None
(g) to refund guarantees, sureties and security deposits;	None	None
(h) for cash management and investment purposes in accordance with section 13;	R 75,000,000.00	Cumulative Q1 investments - shortterm
(i) to defray increased expenditure in terms of section 31; or	None	None
(j) for such other purposes as may be prescribed.	None	None
(4) The accounting officer must within 30 days after the end of each quarter -	Name and Surname: D O' Neill	
(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position: Municipal Manager	
(b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.	Signature: 	
Tel number	Fax number	Email Address
028 425 5500		shauns@capeagulhas.gov.za
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.		

9. Municipal Quality Certificate

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2018-19 (S52 – Q1)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 10 October 2018



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

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 **30 September 2018** (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 Dean O'Neill

Date 09/10/18