

CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2022/2023

**SECTION 52 REPORT FOR THE 4th
QUARTER ENDING 30 JUNE 2023**
(Section 71 report incorporated)

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To The Executive Mayor

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **30 June 2023**.

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 for the 4th quarter ending 30 June 2023** and supporting documentation for the consolidated period be 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. STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”.

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.

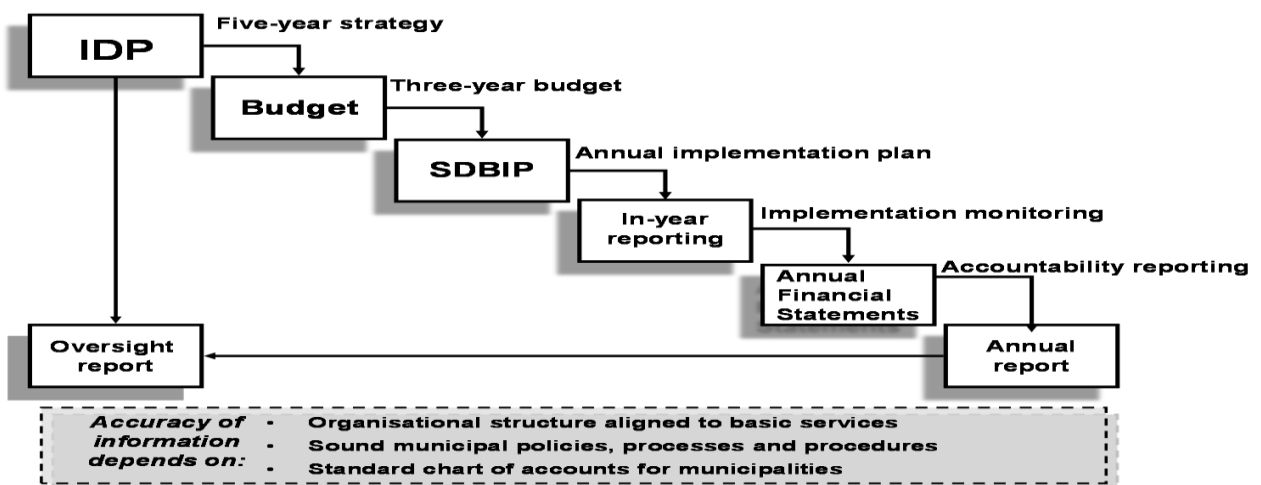
3.1 Budget Process:

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:

- Reporting on the previous year budget.
- Current year budget implementation; and
- 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 June Section 71 report is the final report for the financial year 2022/23. As indicated in municipal budget cycle above, the next step is the compilation of the Annual Financial Statements for the year, which is due for submission on the 31 August 2023. This period is a very busy time for municipalities as it runs simultaneously with the new financial year. The goal is to ensure that all municipal activities being concluded, processed and presented to the auditors for their annual audit to be conducted.

4.SUMMARY FINANCIAL PERFORMANCE

Revenue performance

Total revenues for the fourth quarter ending 30 Jun 2023 amounted to R390.1m of a total revised budget of R432,7m. This implies revenue recognised equivalent to 90.2%.

The end of the fourth quarter is also the end of the financial year where all municipal activities are being processed and concluded. Services charges were the major contributor to total revenue equivalent to 57.09%. Property rates amounted to R88m and Transfers and Subsidies R48m. All Grant funding has been received for the year with numerous year-end transactions to be process as part of preparation of Annual Financial Statements.

The municipal revenues from electricity sales were under pressure for most of the year due to the impact of load shedding. This is the only items of concern with respect to the revenues budget due to the impact on other services and functions.

Expenditure performance

Expenditures for the period ending 30 June 2023 totals R378.3m of budget of R409,1m equivalent to 92% spending rate. Employee related costs and bulk purchases amounted to R161m and R139m respectively.

Capital Performance

The Capital Budget was decrease from R70.6m to R64.2m during the Special Adjustment Budget meeting. Actual expenditure for the year ended amounted to R57,3m equivalent to 89.3%.

The biggest project for the year was the Napier Waste Water Treatment Works with a total budget of R12.5m of which R10.5m (excl. VAT) was spent at year end. This project has major benefits for the community of Napier with new developments in the area.

4. VARIANCE ANALYSIS BASED ON C4 BUDGET SUMMARY

Analysis of variance on the C4 report with a 10% variance on the performance of the municipality.

Financial Performances

Revenue items

Interest earned – External investments (66%)

The positive variance is due to excess funding being invested on a short-term basis.

Fines, penalties and forfeits (-70%)

The management of traffic fines remain a challenge for the municipality with many strategies being implemented. Some transactions relating to these items must still be process at year-end with a final amount reflected in the Annual Financial Statements.

Expenditure items

Finance charges (-36%)

Transactions accounted for at year-end as per repayment schedules of Loan agreements.

5. COUNCIL – EQUITABLE SHARE ALLOCATION FUNDING

Equitable share is a allocation received from National Government as part of the yearly Budget allocations of government as communicated in the yearly budget speech of the Minister of Finance during February yearly.

The Equitable share allocation is a Schedule 3 and based on the yearly DORA Division of Revenue Act the allocation formulae - **$LGES = BS + (I + CS) \times RA \pm C$**

where

- LGES is the local government equitable share
- BS is the basic services component
- I is the institutional component
- CS is the community services component
- RA is the revenue adjustment factor
- C is the correction and stabilisation factor

The basic services component

This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold. Following municipal consultation, the formula's affordability measure (used to determine how many households need free basic services) is based on the level of two state old age pensions.

The subsidy includes funding for the provision of

- ✓ free basic water (six kilolitres per poor household per month),
- ✓ energy (50 kilowatt-hours per month) and
- ✓ sanitation and refuse removal (based on service levels defined by national policy).

The institutional component

To provide basic services to households, municipalities need to be able to run a basic administration. Most municipalities should be able to fund the majority of their administration costs with their own revenue but because poor households are not able to contribute in full, the equitable share includes an institutional support component to help meet some of these costs.

The community services component

This component funds services that benefit communities rather than individual households (which are provided for in the basic services component). It includes funding for municipal health services, fire services, municipal roads, cemeteries, planning, storm water management, street lighting and parks.

The revenue adjustment factor

A revenue adjustment factor is applied to the institutional and community services components of the formula to ensure that the funds assist municipalities that are least likely to be able to fund these functions from their own revenue.

Correction and stabilisation factor

Providing municipalities with predictable and stable equitable share allocations is one of the principles of the equitable share formula. Indicative allocations are published for the second and third years of the MTEF period to ensure predictability. To provide stability for municipal planning, while giving national

government flexibility to account for overall budget constraints and amend the formula, municipalities are guaranteed to receive at least 90 per cent of the indicative allocation for the middle year of the MTEF period.

The municipality received the following allocation in term of Equitable share for the MTREF period:

2022/23	2023/24	2024/25
R37,037,000	R39,750,000	R42,171,000

The funds is used to fund the following expenditures in the municipal budget with year to date expenditures as follows:

mSCOAConfigDescription	Total Budget	Year To Date Actual
FREE BASIC SERVICES - WATER	10 723 800	8 724 338
FREE BASIC SERVICES - SANITATION	6 073 300	4 018 756
FREE BASIC SERVICES - REFUSE REMOVAL	8 652 400	5 724 711
FREE BASIC SERVICES - ELECTRICITY	-	22 449
FREE BASIC SERVICES - ELECTRICITY (ESCOM)	601 650	438 308
	26 051 150	18 928 563

Based on the above table it is evident that the municipal Equitable share allocation is allocated to the provision of basic services of 70% of the allocation received.

6. IMPACT OF LOAD SHEDDING ON MUNICIPAL OPERATIONS

Due to the continues implementation of the Rolling Loadshedding by Eskom to protect the National grid and ensure continuous availability of electricity, the municipality was required to implement measures and plans to curb the increase cost and limit the impact of loadshedding on municipal operations.

With the Adjustment budget the Administration reviewed the municipal spending and Capital as well as Operating projects was reviewed and reschedule to accommodate the additional expenditures in respect of load shedding.

Provision was made to ensure securing the following functions and operations –

- Generators at all service delivery infrastructure facilities to ensure that the mechanical operations of these systems can continue.
- Provision of rental of extra capacity relating to the backup electricity provisions.
- Additional fuel cost provisions for the functioning of the generator capacity.

The following budget provisions was made during the January Adjustment budget process –

Capital budget:

- Generators - R3,000,000

Operational budget:

- Rental of Generators R4,885,000
- Small plant: Fuel R4,000,000
- TOTAL R4,885,000**

Spending on Load shedding capacity will be carefully monitored over the new financial year to ensure impact on municipal operations can be limited.

The municipality also received a grant allocation from Provincial government to assist with the impact on municipal resources.

7. MFMA LEGISLATED DUE DATES / LIST OF ACTIVITIES

THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF JUNE 2023 IN TERMS OF LEGISLATION

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 71	14 June	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National Treasury	
Section 74	14 June	Cash Management Reporting – Provincial Treasury	
Section 11	31 July	Quarterly withdrawals and report – Submitted to Council	
Section 52	31 July	Quarterly section 52 report to Council	

8. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY							
CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 June 2023	Movements for the month			Balance as at 31 June 2023	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Municipality							
<i>Interest Received YTD</i>	-				-		
<i>Standard Bank (CRR)</i>	20 000 000	20 000 000	20 000 000		20 000 000	140 575	941 890
<i>Standard Bank</i>	34 200 000	34 200 000	-		-	-	1 514 385
ABSA (CRR)	34 626 050	-	-		34 626 050	250 351	1 925 899
Nedbank (CRR)	-	-	-		-	-	354 233
Nedbank (Housing)	15 000 000	-	-		15 000 000	29 589	197 671
Nedbank	-	-	9 200 000		9 200 000	65 786	-
<i>ABSA (ESKOM Deposit)</i>	1 254 000	-	-		1 254 000	5 164	51 480
<i>ABSA (ESKOM Deposit)</i>	2 535 000	-	-		2 535 000	10 442	62 036
<i>Nedbank</i>	-	-	-		-	-	-
<i>Investec</i>	-	-	-		-	-	-
	-				-		
BANK DEPOSITS	107 615 050	54 200 000	29 200 000	-	82 615 050	501 908	5 047 594

9. CASH AND CASH COMMITMENTS / LIQUIDITY ASSESSMENT

As part of the Provincial Treasury legislated oversight responsibilities the municipality is required to report on Cash and Cash Commitments relating to the available cash balance at the end of the reporting period. A report is submitted to Treasury reflecting the available cash with related commitments as required.

Please find below the detail report as per Cash Management commitments as follows:

WC033 - CAPE AGULHAS MUNICIPALITY		
REPORTING MONTH:		30 June 2023
Commitments against Cash & Cash Equivalents		
DESCRIPTION	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	138 696	118 429
Commitments:	112 276	77 808
Unspent Loans	23 273	15 334
Unspent Grants	40 690	27 843
Capital Funding Requirement (cash resources)		
Capital Replacement Reserve	34 626	34 626
Loan repayment due 30 June	-	-
Projected salary	-	-
Projected creditors	4 005	5
Capital commitment outstanding	9 682	-
Year-end creditor payments (partly funded)		
Surplus / (Deficit)	26 420	40 621

10. DEBTORS MANAGEMENT / INTERVENTIONS

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -1 Year	Over 1 Year	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	3 326 687	1 780 324	547 552	475 774	920 405	366 267	2 398 569	1 708 049	11 523 627
Trade and Other Receivables from Exchange Transactions - Electricity	9 850 796	2 649 134	719 093	329 772	675 294	158 779	1 263 288	1 557 077	17 203 233
Receivables from Non-exchange Transactions - Property Rates	4 873 819	1 232 862	441 761	693 283	1 048 093	192 247	2 226 197	3 006 906	13 715 168
Receivables from Exchange Transactions - Waste Water Management	1 733 702	951 135	348 939	299 124	539 073	234 023	1 733 377	1 003 824	6 843 197
Receivables from Exchange Transactions - Water Management	2 588 970	1 247 739	469 745	429 086	726 574	277 678	2 329 431	1 500 301	9 569 524
Receivables from Exchange Transactions - Property Rental Debtors	70 017	249 947	30 086	46 043	74 333	35 799	772 123	868 289	2 146 637
Interest on Arrear Debtor Accounts	307 906	368 707	173 282	146 176	255 706	86 089	913 556	1 169 736	3 421 158
Recoverable unauthorised or irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-
Other	- 3 544 656	78 750	9 293	24 671	28 819	16 355	281 389	307 463	- 2 797 916
Total By Income Source	19 207 241	8 558 598	2 739 751	2 443 929	4 268 297	1 367 237	11 917 930	11 121 645	61 624 628
Debtors Age Analysis By Customer Group									
Organs of State	382 118	201 171	153 402	138 729	125 037	118 070	675 749	1 787 150	3 581 426
Commercial	5 747 474	1 949 145	567 107	328 679	371 846	160 834	1 413 261	1 756 729	12 295 075
Households	13 062 079	6 402 621	2 014 599	1 973 811	3 769 041	1 085 638	9 795 246	7 520 875	45 623 910
Other	15 570	5 661	4 643	2 710	2 373	2 695	33 674	56 891	124 217
Total By Customer Group	19 207 241	8 558 598	2 739 751	2 443 929	4 268 297	1 367 237	11 917 930	11 121 645	61 624 628

The age analysis for debtors reported that a total of R64.7m of debt is outstanding for the reporting period.

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)

Month on month comparisons of the outstanding debt balance compared R64.9m compared to the current R64.3m. The reduction in the monthly billing compared to February is mostly related to the timing of the processing of the December / January transactions that was in the process of being finalized due to account discrepancies. The risky debts (90-180 days) is being managed by the municipality in terms of the debt collection policy, and reduce from the R8.3m to R5.7m for the period ending March 2023.

The collection for the month of June 2023 totals is slightly above the National norm of 95%.

11. mSCOA IMPLEMENTATION

The new budget of 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 focused attention can be given to ensure compliance with the latest financial reforms introduced by National Treasury.

The municipality experience challenging with generating the mSCOA datastrings on time. This is due to municipal official capacity as well as challenges experienced with the updating of the information on the system. This was addressed and administration is comfortable that all required information will be extracted from the financial system. This is one of the core components and requirements of the mSCOA regulation implemented by National Treasury. Continuous changes and challenges are being addressed as needed.

12. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS


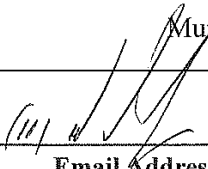
National Treasury as part of the drive for more efficient use of government resources introduced the **Local Government: Municipal Cost Containment regulation (MCCR)** promulgated on the 7 June 2019 with effective date of **1 July 2019**.

As part of the regulation municipalities is required to report as part of the in-year reporting mechanisms of the MFMA to the municipal council's relating to **COST CONTAINMENT** initiatives implemented. Numerous other requirements were also introduced that enforce reviewed of municipal policies and documentation as well as business processes. These will be implemented by the Chief Financial Officer as required.

Below the standardised report relating to ***Cost containment measures*** implemented by the municipality.

The administration as part of the strategic planning and processes needs to review the approach followed with respect to the implementation of the Cost containment measures and policy. This needs to be escalated to a higher priority on the radar screens to ensure that the municipality will ensure that long-term benefits can achieved with the implementation of these measures.

13. SECTION 11 (4) MFMA WITHDRAWALS

 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 June 2023
MFMA section 11. (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 -	Amount
(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
(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
(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 -	None
(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	None
(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	None
(f) to refund money incorrectly paid into a bank account;	None
(g) to refund guarantees, sureties and <i>security</i> deposits;	None
(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R89,2m
(i) to defray increased expenditure in terms of section 31; or	None
(j) for such other purposes as may be <i>prescribed</i> .	None
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	Reason for withdrawal
(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	Payment of Operational and Capital expenditures.
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	
Tel number	Name and Surname: EO PHILLIPS
Fax number	Rank/Position: Municipal Manager
	Signature: 
	Email Address
028 425 5500	shauns@capeagulhas.gov.za
<p>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.</p>	

PART B

14. LEGISLATED INFORMATION

C1 – Budget statement -Summary

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M12 June

Description	2021/22		Budget Year 2022/23						
	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	81 031	81 511	86 611	5 265	87 883	86 611	1 272	1%	86 611
Service charges	224 928	241 821	232 060	18 003	222 693	232 060	(9 367)	-4%	232 060
Investment revenue	4 783	2 506	5 506	2 550	9 149	5 506	3 643	66%	5 506
Transfers and subsidies	48 416	53 037	70 913	1 520	48 028	70 913	(22 885)	-32%	70 913
Other own revenue	35 277	38 439	37 606	1 206	22 347	37 606	(15 258)	-41%	37 606
Total Revenue (excluding capital transfers and contributions)	394 436	417 313	432 696	28 544	390 100	432 696	(42 595)	-10%	432 696
Employee costs	157 389	167 932	164 381	12 584	160 844	164 381	(3 537)	-2%	164 381
Remuneration of Councillors	5 577	5 777	5 549	479	5 587	5 549	38	1%	5 549
Depreciation & asset impairment	19 950	10 827	15 902	902	10 827	15 902	(5 075)	-32%	15 902
Finance charges	9 430	6 564	6 663	1 980	4 304	6 663	(2 359)	-35%	6 663
Inventory consumed and bulk purchases	130 834	140 289	164 389	6 408	138 575	164 389	(25 814)	-16%	164 389
Transfers and subsidies	2 354	2 361	2 354	474	2 673	2 354	319	14%	2 354
Other expenditure	60 934	75 411	75 326	4 605	55 525	75 326	(19 801)	-26%	75 326
Total Expenditure	386 468	409 161	434 563	27 433	378 334	434 563	(56 229)	-13%	434 563
Surplus/(Deficit)	7 967	8 152	(1 868)	1 111	11 766	(1 868)	13 634	-730%	(1 868)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	25 102	31 504	28 761	5 064	17 129	28 761	(11 632)	-40%	28 761
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	365	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	33 435	39 656	26 894	6 175	28 896	26 894	2 002	7%	26 894
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	33 435	39 656	26 894	6 175	28 896	26 894	2 002	7%	26 894
Capital expenditure & funds sources									
Capital expenditure	63 557	70 616	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275
Capital transfers recognised	24 729	28 004	25 202	5 834	18 360	25 202	(6 842)	-27%	25 202
Borrowing	13 718	19 088	18 654	7 939	18 467	18 654	(187)	-1%	18 654
Internally generated funds	25 111	23 524	20 419	3 870	20 455	20 419	38	0%	20 419
Total sources of capital funds	63 557	70 616	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275
Financial position									
Total current assets	188 717	257 356	217 604		184 295				217 604
Total non current assets	544 279	629 471	612 824		607 819				612 824
Total current liabilities	67 616	94 374	98 522		85 687				98 522
Total non current liabilities	174 425	180 407	198 309		179 505				198 309
Community wealth/Equity	493 047	612 047	533 597		526 922				533 597
Cash flows									
Net cash from (used) operating	191 053	48 052	39 462	(12 723)	(2 078)	39 462	41 539	105%	39 462
Net cash from (used) investing	(36 203)	(55 616)	(79 362)	(4 195)	(41 506)	(79 362)	(37 856)	48%	(79 362)
Net cash from (used) financing	34 626	13 330	13 391	(6)	363	13 391	13 027	97%	13 391
Cash/cash equivalents at the month/year end	298 836	125 110	96 947	-	80 236	96 947	16 711	17%	96 947
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 207	8 559	2 740	2 444	4 268	1 367	11 918	11 122	61 625
Creditors Age Analysis									
Total Creditors	31 096	2 237	-	10	-	-	180	-	33 523

Financial Performance (Functional classification)

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	Budget Year 2022/23								
		2021/22 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>		158 928	153 811	180 878	9 888	150 679	160 678	(9 998)	-6%	160 678
Executive and council		33 385	37 037	37 037	-	37 037	37 037	0	0%	37 037
Finance and administration		125 543	116 774	123 641	9 688	113 642	123 641	(9 998)	-8%	123 641
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14 160	16 790	35 358	373	14 894	35 358	(20 461)	-58%	35 358
Community and social services		7 259	7 463	8 281	27	6 991	8 281	(1 290)	-16%	8 281
Sport and recreation		6 726	8 483	9 483	300	7 566	9 483	(1 917)	-20%	9 483
Public safety		-	-	-	-	-	-	-	-	-
Housing		175	844	17 592	46	338	17 592	(17 254)	-98%	17 592
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9 663	11 054	11 471	1 637	8 005	11 471	(3 467)	-30%	11 471
Planning and development		3 979	3 180	3 697	1 199	3 342	3 697	(355)	-10%	3 697
Road transport		3 415	4 045	4 045	389	3 809	4 045	(235)	-6%	4 045
Environmental protection		2 268	3 830	3 730	49	853	3 730	(2 877)	-77%	3 730
<i>Trading services</i>		237 152	287 163	253 952	21 909	233 652	253 952	(20 300)	-8%	253 952
Energy sources		151 470	174 959	165 548	12 462	144 677	165 548	(20 871)	-13%	165 548
Water management		43 259	49 444	45 644	5 720	44 585	45 644	(1 059)	-2%	45 644
Waste water management		17 308	18 314	18 314	1 521	18 083	18 314	(231)	-1%	18 314
Waste management		25 115	24 446	24 446	2 206	26 307	24 446	1 860	8%	24 446
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	419 903	448 817	481 457	33 807	407 230	481 457	(54 227)	-12%	481 457
Expenditure - Functional										
<i>Governance and administration</i>		115 302	118 757	130 912	10 564	115 321	130 912	(15 591)	-12%	130 912
Executive and council		15 457	15 017	15 025	1 248	15 715	15 025	690	5%	15 025
Finance and administration		98 233	101 909	114 339	9 238	97 979	114 339	(16 360)	-14%	114 339
Internal audit		1 612	1 831	1 548	78	1 627	1 548	79	5%	1 548
<i>Community and public safety</i>		31 858	35 897	51 683	2 664	33 189	51 683	(18 474)	-36%	51 683
Community and social services		10 913	13 061	12 874	1 187	12 555	12 874	(318)	-2%	12 874
Sport and recreation		14 188	14 957	14 651	1 016	14 094	14 651	(556)	-4%	14 651
Public safety		3 625	4 082	3 569	214	3 286	3 569	(283)	-8%	3 569
Housing		3 133	3 798	20 569	246	3 253	20 569	(17 316)	-84%	20 569
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		42 028	48 039	45 491	3 345	40 517	45 491	(4 975)	-11%	45 491
Planning and development		12 791	15 157	13 678	1 090	13 303	13 678	(375)	-3%	13 678
Road transport		21 578	21 625	21 282	1 638	20 354	21 282	(927)	-4%	21 282
Environmental protection		7 659	11 258	10 532	618	6 860	10 532	(3 672)	-35%	10 532
<i>Trading services</i>		197 280	206 467	206 497	10 860	189 308	206 497	(17 189)	-8%	206 497
Energy sources		129 515	140 202	141 510	5 665	134 394	141 510	(7 116)	-5%	141 510
Water management		26 168	24 946	25 653	2 621	25 092	25 653	(561)	-2%	25 653
Waste water management		15 859	13 701	13 715	708	12 131	13 715	(1 584)	-12%	13 715
Waste management		25 738	27 619	25 619	1 866	17 690	25 619	(7 929)	-31%	25 619
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	386 488	409 161	434 563	27 433	378 334	434 563	(56 229)	-13%	434 563
Surplus/ (Deficit) for the year		33 435	39 656	26 894	6 175	28 896	26 894	2 002	7%	26 894

Financial Performance (Revenue and Expenditure)

WC033 Cape Aqulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		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		81 031	81 511	86 611	5 265	87 883	86 611	1 272	1%	86 611
Service charges - electricity revenue		147 271	167 603	157 842	11 802	142 711	157 842	(15 132)	-10%	157 842
Service charges - water revenue		35 549	31 974	31 974	2 487	35 678	31 974	3 704	12%	31 974
Service charges - sanitation revenue		16 993	18 089	18 089	1 508	17 998	18 089	(92)	-1%	18 089
Service charges - refuse revenue		25 115	24 154	24 154	2 206	26 307	24 154	2 153	9%	24 154
Rental of facilities and equipment		2 940	1 564	2 554	(151)	2 296	2 554	(258)	-10%	2 554
Interest earned - external investments		4 783	2 506	5 506	2 550	9 149	5 506	3 643	66%	5 506
Interest earned - outstanding debtors		1 922	1 991	1 991	207	2 301	1 991	310	16%	1 991
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 656	3 520	3 620	376	1 093	3 620	(2 527)	-70%	3 620
Licences and permits		4	142	42	-	4	42	(38)	-91%	42
Agency services		3 415	4 045	4 045	389	3 809	4 045	(235)	-6%	4 045
Transfers and subsidies		48 416	53 037	70 913	1 520	48 028	70 913	(22 885)	-32%	70 913
Other revenue		11 271	12 177	13 354	385	11 149	13 354	(2 205)	-17%	13 354
Gains		13 070	15 000	12 000	-	1 694	12 000	(10 306)	-86%	12 000
Total Revenue (excluding capital transfers and contributions)		394 438	417 313	432 898	28 544	390 100	432 898	(42 595)	-10%	432 898
Expenditure By Type										
Employee related costs		157 389	167 932	164 381	12 584	160 844	164 381	(3 537)	-2%	164 381
Remuneration of councillors		5 577	5 777	5 549	479	5 587	5 549	38	1%	5 549
Debt impairment		10 344	9 018	9 018	-	-	9 018	(9 018)	-100%	9 018
Depreciation & asset impairment		19 950	10 827	15 902	902	10 827	15 902	(5 075)	-32%	15 902
Finance charges		9 430	6 564	6 663	1 980	4 304	6 663	(2 359)	-35%	6 663
Bulk purchases - electricity		112 352	116 487	110 034	2 944	109 792	110 034	(242)	0%	110 034
Inventory consumed		18 482	23 802	54 355	3 464	28 783	54 355	(25 572)	-47%	54 355
Contracted services		23 601	30 263	25 052	3 292	20 901	25 052	(4 151)	-17%	25 052
Transfers and subsidies		2 354	2 361	2 354	474	2 673	2 354	319	14%	2 354
Other expenditure		26 989	36 119	41 246	1 313	34 624	41 246	(6 622)	-16%	41 246
Losses		-	10	10	-	-	10	(10)	-100%	10
Total Expenditure		386 468	409 161	434 583	27 433	378 334	434 583	(56 229)	-13%	434 583
Surplus/(Deficit)										
Surplus/(Deficit)		7 967	8 152	(1 888)	1 111	11 766	(1 888)	13 634	(0)	(1 888)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		25 102	31 504	28 761	5 064	17 129	28 761	(11 632)	(0)	28 761
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		365	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		33 435	39 656	26 894	6 175	28 896	26 894			26 894
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		33 435	39 656	26 894	6 175	28 896	26 894			26 894
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		33 435	39 656	26 894	6 175	28 896	26 894			26 894
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		33 435	39 656	26 894	6 175	28 896	26 894			26 894

Capital Expenditure – Functional Classification

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	Budget Year 2022/23								
		2021/22 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 - COUNCIL & EXECUTIVE ADMINISTRATION		1 216	769	1 417	376	1 318	1 417	(99)	-7%	1 417
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		2 636	1 725	1 569	151	1 568	1 569	(1)	0%	1 569
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		486	604	550	390	547	550	(4)	-1%	550
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		1 591	1 703	2 275	36	2 227	2 275	(48)	-2%	2 275
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		79	536	315	-	315	315	(0)	0%	315
Vote 7 - ENGINEERING SERVICES DIRECTORATE		9 874	19 986	20 476	8 408	15 749	20 476	(4 727)	-23%	20 476
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		15 127	15 682	15 428	464	15 428	15 428	(0)	0%	15 428
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		5 293	8 075	7 845	4 532	7 682	7 845	(163)	-2%	7 845
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		23 149	19 320	14 401	3 387	12 448	14 401	(1 953)	-14%	14 401
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	58 451	68 401	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275
Single Year expenditure appropriation	2									
Vote 1 - COUNCIL & EXECUTIVE ADMINISTRATION		13	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		208	-	-	-	-	-	-	-	-
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		526	1 865	-	-	-	-	-	-	-
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		139	-	-	-	-	-	-	-	-
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		194	-	-	-	-	-	-	-	-
Vote 7 - ENGINEERING SERVICES DIRECTORATE		2 193	-	-	-	-	-	-	-	-
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		(3 731)	100	-	-	-	-	-	-	-
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		(1 852)	250	-	-	-	-	-	-	-
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		3 879	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		2 536	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	4 106	2 215	-	-	-	-	-	-	-
Total Capital Expenditure		63 557	70 616	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		(3 908)	1 903	1 701	151	1 701	1 701	(1)	0%	1 701
Executive and council		13	-	-	-	-	-	-	-	-
Finance and administration		(3 919)	1 903	1 701	151	1 701	1 701	(1)	0%	1 701
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 647	3 498	2 484	36	2 437	2 484	(48)	-2%	2 484
Community and social services		82	1 368	658	36	610	658	(48)	-7%	658
Sport and recreation		2 209	2 101	1 806	-	1 806	1 806	(0)	0%	1 806
Public safety		355	29	21	-	21	21	(0)	0%	21
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20 827	16 753	16 725	1 183	16 623	16 725	(102)	-1%	16 725
Planning and development		1 314	1 188	1 534	376	1 436	1 534	(99)	-6%	1 534
Road transport		19 045	14 655	14 797	417	14 797	14 797	(0)	0%	14 797
Environmental protection		468	910	394	390	390	394	(4)	-1%	394
<i>Trading services</i>		43 989	48 463	43 364	16 374	36 521	43 364	(6 843)	-16%	43 364
Energy sources		12 141	12 156	12 707	8 307	12 140	12 707	(567)	-4%	12 707
Water management		3 441	8 325	7 845	4 532	7 682	7 845	(163)	-2%	7 845
Waste water management		27 028	19 320	14 401	3 387	12 448	14 401	(1 953)	-14%	14 401
Waste management		1 379	8 662	8 412	148	4 252	8 412	(4 160)	-49%	8 412
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	63 557	70 616	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275
Funded by:										
National Government		20 106	27 302	22 391	4 678	15 756	22 391	(6 635)	-30%	22 391
Provincial Government		4 623	703	2 811	1 156	2 604	2 811	(207)	-7%	2 811
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24 729	28 004	25 202	5 834	18 360	25 202	(6 842)	-27%	25 202
Borrowing	6	13 718	19 088	18 654	7 939	18 467	18 654	(187)	-1%	18 654
Internally generated funds		25 111	23 524	20 419	3 970	20 455	20 419	36	0%	20 419
Total Capital Funding		63 557	70 616	64 275	17 743	57 282	64 275	(6 993)	-11%	64 275

Reference

Financial position

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		123 298	30 750	120 819	119 249	120 819
Call investment deposits		-	118 998	2 380	-	2 380
Consumer debtors		42 916	88 783	64 870	53 885	64 870
Other debtors		20 722	17 244	27 705	8 965	27 705
Current portion of long-term receivables		2	3	2	2	2
Inventory		1 780	1 578	1 829	2 194	1 829
Total current assets		188 717	257 356	217 604	184 295	217 604
Non current assets						
Long-term receivables		155	154	147	147	147
Investments		-	-	-	-	-
Investment property		40 127	40 301	40 117	40 117	40 117
Investments in Associate		-	-	-	-	-
Property, plant and equipment		499 799	585 573	569 093	563 733	569 093
Biological		-	-	-	-	-
Intangible		4 197	3 443	3 467	3 822	3 467
Other non-current assets		-	-	-	-	-
Total non current assets		544 279	629 471	612 824	607 819	612 824
TOTAL ASSETS		732 995	886 827	830 428	792 114	830 428
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		4 047	8 000	12 047	111	12 047
Consumer deposits		5 903	6 095	5 903	6 245	5 903
Trade and other payables		45 705	65 004	65 252	65 103	65 252
Provisions		11 960	15 274	15 319	14 228	15 319
Total current liabilities		67 616	94 374	98 522	85 687	98 522
Non current liabilities						
Borrowing		77 587	68 993	80 590	69 594	80 590
Provisions		96 838	111 413	117 719	109 911	117 719
Total non current liabilities		174 425	180 407	198 309	179 505	198 309
TOTAL LIABILITIES		242 041	274 781	296 831	265 193	296 831
NET ASSETS	2	490 954	612 047	533 597	526 922	533 597
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		456 047	574 547	494 097	469 333	494 097
Reserves		37 000	37 500	39 500	57 589	39 500
TOTAL COMMUNITY WEALTH/EQUITY	2	493 047	612 047	533 597	526 922	533 597

Cash flow

WC033 Cape Aquilhas - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		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		73 858	80 404	84 653	4 344	73 127	84 653	(11 526)	-14%	84 653
Service charges		237 107	262 863	253 199	15 001	203 552	253 199	(49 647)	-20%	253 199
Other revenue		15 438	18 458	20 823	3 364	54 386	20 823	33 563	161%	20 823
Transfers and Subsidies - Operational		38 998	16 820	35 014	223	60 322	35 014	25 309	72%	35 014
Transfers and Subsidies - Capital		15 298	30 804	27 424	-	11 205	27 424	(16 219)	-59%	27 424
Interest		-	1 747	4 447	-	-	4 447	(4 447)	-100%	4 447
Dividends								-		
Payments										
Suppliers and employees		(189 646)	(365 404)	(388 451)	(35 654)	(404 670)	(388 451)	16 219	-4%	(388 451)
Finance charges								-		
Transfers and Grants		-	2 361	2 354	-	-	2 354	2 354	100%	2 354
NET CASH FROM/(USED) OPERATING ACTIVITIES		191 053	48 052	39 482	(12 723)	(2 078)	39 482	41 539	105%	39 482
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		4 115	15 000	(12 000)	-	13 528	(12 000)	25 528	-213%	(12 000)
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(40 319)	(70 616)	(67 362)	(4 195)	(55 034)	(67 362)	(12 328)	18%	(67 362)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(36 203)	(55 616)	(79 382)	(4 195)	(41 506)	(79 382)	(37 856)	48%	(79 382)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		34 626	19 088	19 088	-	-	19 088	(19 088)	-100%	19 088
Increase (decrease) in consumer deposits		-	-	-	(6)	363	-	363	#DIV/0!	-
Payments										
Repayment of borrowing		-	(5 758)	(5 697)	-	-	(5 697)	(5 697)	100%	(5 697)
NET CASH FROM/(USED) FINANCING ACTIVITIES		34 626	13 330	13 391	(6)	363	13 391	13 027	97%	13 391
NET INCREASE/(DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		189 478	5 767	(28 510)	(16 924)	(43 221)	(28 510)			(28 510)
Cash/cash equivalents at month/year end:		109 361	119 343	123 457	123 457	123 457	123 457			123 457
Cash/cash equivalents at month/year end:		298 836	125 110	96 947		80 236	96 947			96 947

15. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2022-23 (M09_S71/S52)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 14 July 2023



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 June 2023** (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: 14 July 2023