

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
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2018/2019

SECTION 71 REPORT FOR THE PERIOD ENDING 31 JANUARY 2019

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PART A

1. Council Resolution

To The Executive Mayor

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **December 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 **monthly report** and supporting documentation for the consolidated period ending **31 January 2019** 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:

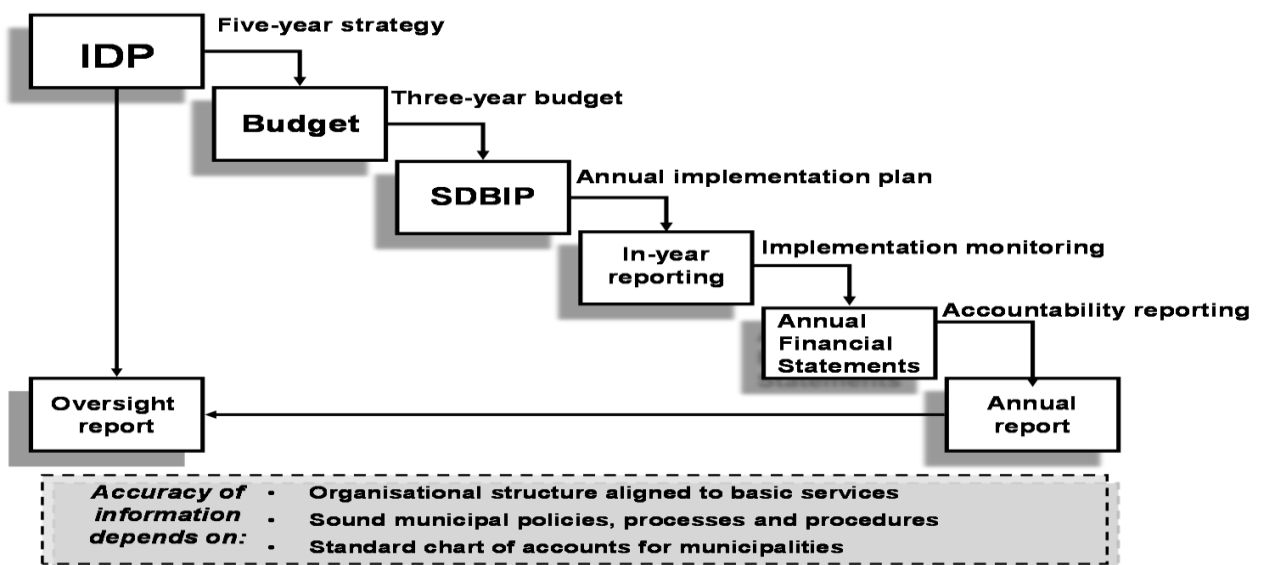
Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

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
Finalization of revised community needs assessment	October 2018	Complete
Strategic sessions (Management and Council)	November 2018	Complete
Budget preparation	November 2018	Complete
Mid-year budget assessment / Adjustment budget Steering committees	January 2019	Complete
Budget workshops / National budget speech	February 2019	In process
Preparation of Draft budget processes / Draft IDP review / Draft Budget	March 2019	
Community participation	April 2019	
Final draft budget	May 2019	

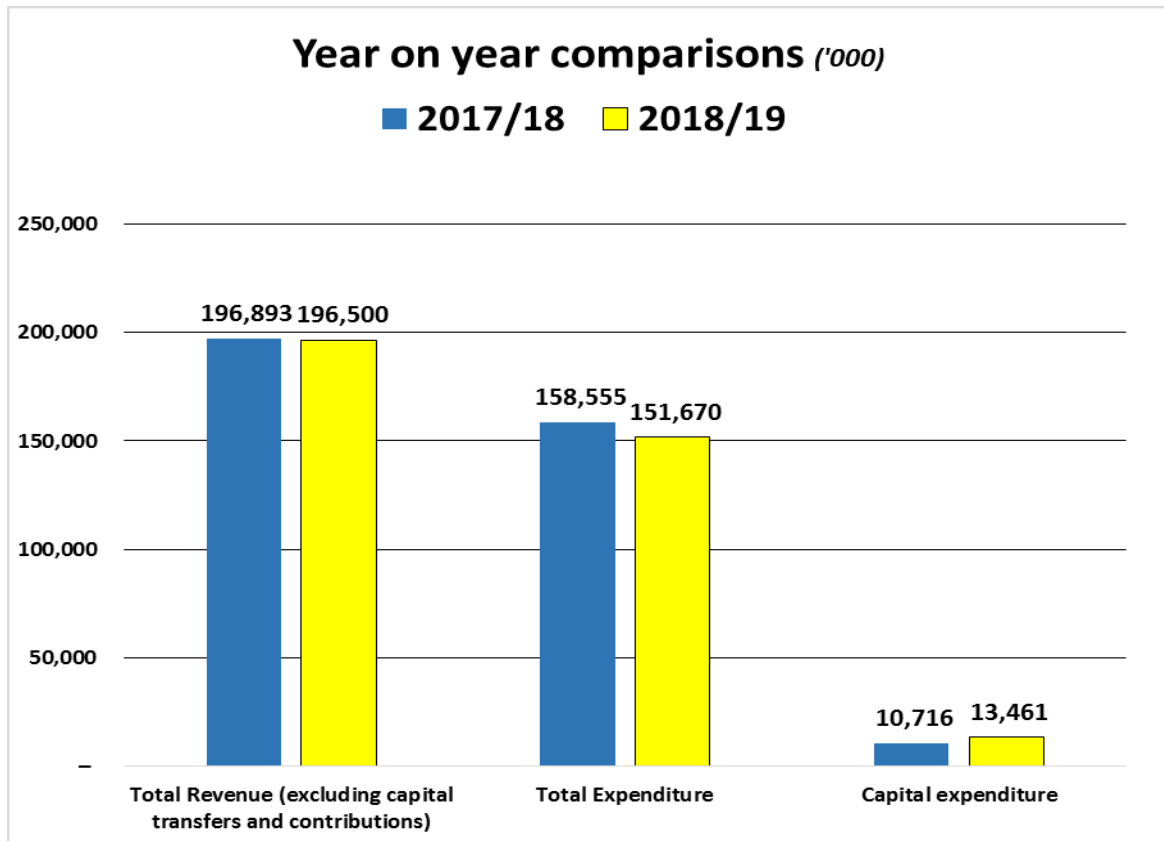
The municipality is in the process of implementing new budget implementation plan as per the Budget and IDP process plan approved in August 2018.

The adjustment budget was finalized, complete and the finance is in the process of uploading onto the financial system.

The new budget process will commence as soon as this process is complete.

4. Summary financial performance

Year to date performance (comparison with previous year) – 31 January 2019



Summarized explanation

Operational revenues

Operational revenues is on par with the corresponding period for the previous year. The municipality approved an adjustment budget during January 2019 and these information will impact and reflect for the last 6 months of the financial year.

Operational expenditures

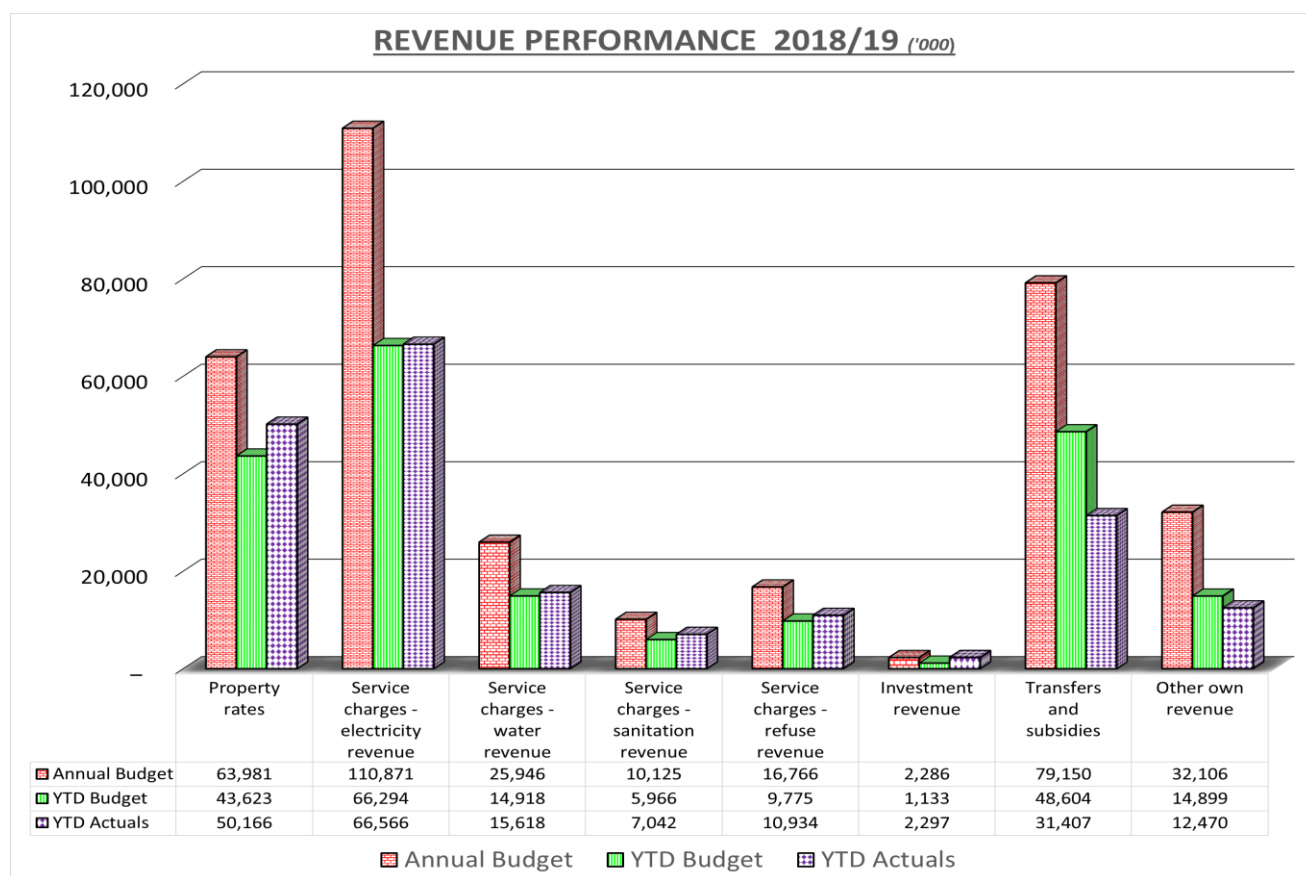
Expenditure is slightly below based on the previous year's performance. Considering numerous non-cash items was not included in the actuals to date. This should impact overall performance positive once processed.

Capital spending




Capital expenditures is better than the corresponding period of the previous year. The administration implement various measurements to improved capital performance. That is revised implementation plans, capital spending

engagements and other. Municipality amend the capital budget during the adjustment budget approved. .

The financial performance for the period under review ending 31 January 2019

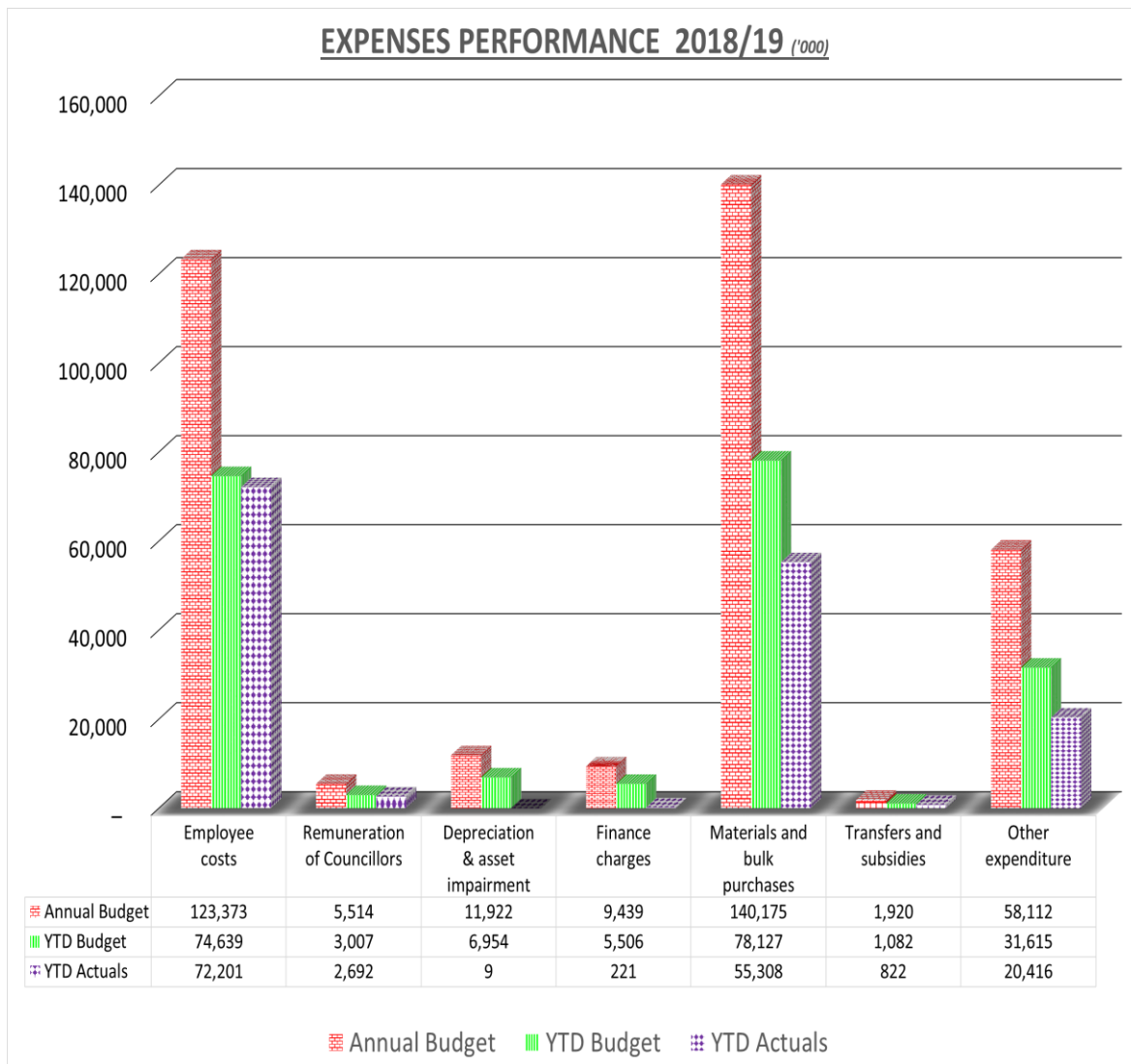


Overall assessment




GOOD	AVERAGE	BAD
		
X		

Summarized explanation

Municipal performance for the period ending **January 2019** is satisfactory. Revenue related concerns at this stage of the financial year is the projected budget for the **Sale of Land**. This needs to be expedite with planning to ensure Council will be able to achieved targeted revenues. Revised budget was approved with numerous grants included in the budget. These allocations will reflect with the next reporting cycle in February 2019



Overall assessment

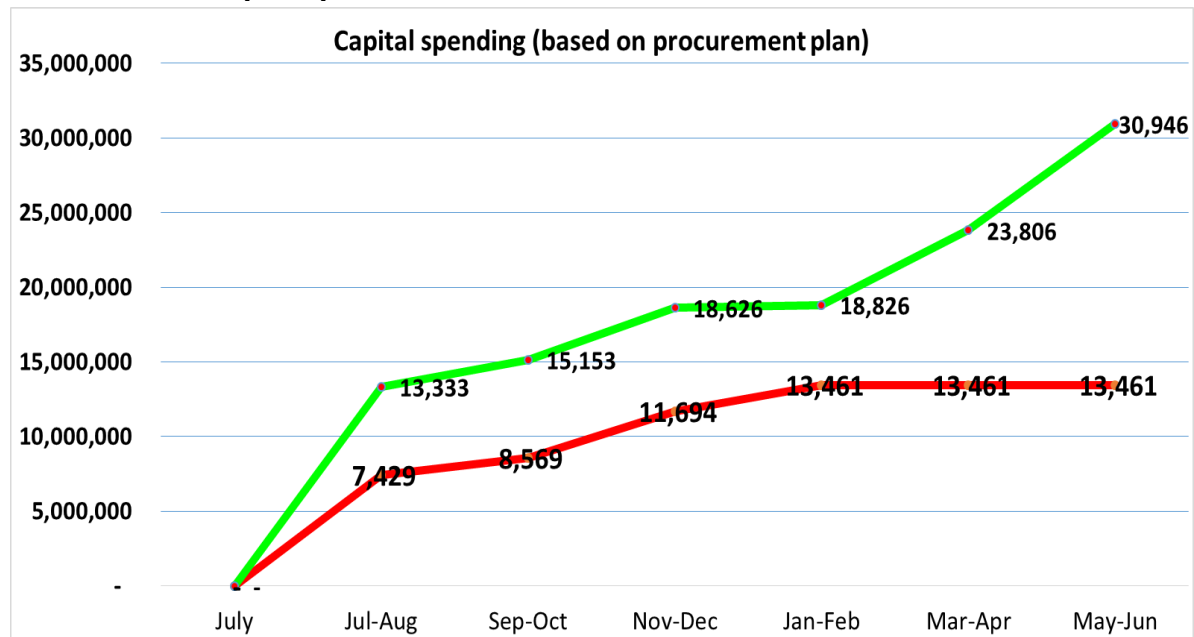
GOOD	AVERAGE	BAD
		
	X	

Summarized explanation

Expenditures totals is below the projected budgeted expenditures. As alluded above this is as a result of the non-cash items budgeted for the financial year.

The recording of the depreciation journals will be done in February 2019. This should significantly improve performance of the operational expenditures. Although this is non-cash items it has a direct effect of % operational budget spent. Revised budget information also still needs to be considered.

Cumulative Capital performance



Summarized explanation

Performance for capital expenditures reported for the period ending **31 January 2019** recorded below projected expenditures based on the procurement plan.

Capital spending totals R13,461m against planned procurement of R18,62m. This reflects as an underperformance. The SCM unit review and amend the Procurement Plan and this revised plan was submitted to management for implementation based on their adjusted spending.

Capital commitments of **R5,491m** are not included in the totals recorded above. With the finalization of these commitments the municipal capital expenditures should improve significantly.













The updated SCM procurement plan as well as the adjustment budget will be included in the next reporting cycle.

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 liquidity ratio improved from the previous month. This is mainly as a result of the short-term investments as well as a decrease in the creditors for the period.

The long-term financial plan was reviewed and updated. The actions as identified in the plan needs to be reviewed and implemented. This will ensure improvement in the municipal liquidity and cash positions as recorded.

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 items as identified in the Long-term financial plan as per below table:

<i>1. Develop land use vision</i>
<i>2. Explore the feasibility of utilising the SANDF airport</i>
<i>3. Undertake a comprehensive work study</i>
<i>4. Revenue should be increased</i>
<i>5. A collection rate of in excess of 95% and closer to 97% must be maintained</i>
<i>6. Explore accessing revenue sources</i>
<i>7. Investigate all grant sources</i>
<i>8. Optimise the rates structure of farmland</i>
<i>9. Reduce cost</i>
<i>10. Implement shared services</i>
<i>11. Avoid employing temporary workers</i>
<i>12. Review terms of employment</i>
<i>13. Strengthen the institutional capacity</i>
<i>14. Transfer depreciation charges to a cash backed CRR</i>
<i>15. Maintain the credit score of A</i>
<i>16. Rationalisation of the service levels</i>
<i>17. Do not neglect the replacement of its existing assets</i>
<i>18. Adjust Repairs and Maintenance budget upwards</i>
<i>19. Implement integrated asset management</i>
<i>20. Assess all future office accommodation alternatives</i>
<i>21. Consolidated municipal infrastructure plan</i>
<i>22. Avoid cost overruns on projects</i>

PART B

8. Legislated information

8.1 Budget schedules

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M07 January

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	-	3,211	50,166	43,623	6,543	19%	63,981
Service charges	-	163,708	-	15,665	100,159	96,953	3,206	0%	163,708
Investment revenue	-	2,286	-	434	2,297	1,133	1,164	114%	2,286
Transfers and subsidies	-	79,150	-	6,846	31,407	48,604	(17,196)	-45%	79,150
Other own revenue	-	32,106	-	1,880	12,470	14,899	(2,428)	-16%	32,106
Total Revenue (excluding capital transfers and contributions)	-	341,231	-	28,037	196,500	205,212	(8,712)	-7%	341,231
Employee costs	-	123,373	-	10,206	72,201	74,639	(2,438)	-2%	123,373
Remuneration of Councillors	-	5,514	-	374	2,692	3,007	(315)	-10%	5,514
Depreciation & asset impairment	-	11,922	-	-	9	6,954	(6,945)	-100%	11,922
Finance charges	-	9,439	-	-	221	5,506	(5,285)	-95%	9,439
Materials and bulk purchases	-	140,175	-	4,457	55,308	78,127	(22,819)	-26%	140,175
Transfers and subsidies	-	1,920	-	6	822	1,082	(260)	-12%	1,920
Other expenditure	-	58,112	-	1,973	20,416	31,615	(11,199)	-34%	58,112
Total Expenditure	-	350,454	-	17,016	151,670	200,930	(49,260)	-23%	350,454
Surplus/(Deficit)	-	(9,223)	-	11,020	44,830	4,282	40,549	339%	(9,223)
Transfers and subsidies - capital (monetary allocated)	-	12,281	-	304	7,777	4,080	3,697	95%	12,281
Contributions & Contributed assets	-	130	-	-	-	-	-	-	130
Surplus/(Deficit) after capital transfers & contributions	-	3,188	-	11,324	52,607	8,361	44,246	258%	3,188
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	3,188	-	11,324	52,607	8,361	44,246	258%	3,188
Capital expenditure & funds sources									
Capital expenditure	-	30,946	-	1,766	13,461	10,281	3,180	21%	30,946
Capital transfers recognised	-	12,281	-	1,237	9,254	4,080	5,174	109%	12,281
Public contributions & donations	-	130	-	-	-	43	(43)	-100%	130
Borrowing	-	7,622	-	-	490	2,532	(2,042)	-79%	7,622
Internally generated funds	-	10,913	-	530	3,717	3,626	91	-7%	10,913
Total sources of capital funds	-	30,946	-	1,766	13,461	10,281	3,180	21%	30,946
Financial position									
Total current assets	81,715	60,671	-	-	114,970	-	-	-	82,866
Total non current assets	433,484	450,873	-	-	446,939	-	-	-	450,873
Total current liabilities	45,334	61,038	-	-	39,438	-	-	-	61,038
Total non current liabilities	138,325	140,181	-	-	138,325	-	-	-	140,181
Community wealth/Equity	331,540	310,325	-	-	384,147	-	-	-	332,520
Cash flows									
Net cash from (used) operating	-	11,968	-	(7,280)	39,236	16,476	(22,760)	-138%	11,968
Net cash from (used) investing	-	(22,985)	-	(1,763)	(12,118)	(10,263)	1,855	-18%	(22,985)
Net cash from (used) financing	-	5,063	-	(1,480)	(1,855)	(1,256)	598	-48%	5,063
Cash/cash equivalents at the month/year end	-	19,620	-	-	73,032	30,531	(42,501)	-139%	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	17,580	4,046	2,579	2,028	1,604	1,733	9,435	15,109	54,113
Creditors Age Analysis									
Total Creditors	1,154	-	-	-	-	-	-	-	1,154

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

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	-	4,575	83,672	69,475	14,196	20%	118,609
Executive and council		-	27,606	-	-	20,705	17,009	3,696	22%	27,606
Finance and administration		-	91,003	-	4,575	62,967	52,466	10,500	20%	91,003
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	50,257	-	7,375	15,241	31,298	(16,057)	-51%	50,257
Community and social services		-	8,679	-	39	2,846	5,206	(2,360)	-45%	8,679
Sport and recreation		-	6,893	-	921	5,712	4,721	991	21%	6,893
Public safety		-	-	-	-	-	-	-		-
Housing		-	34,685	-	6,415	6,683	21,371	(14,688)	-69%	34,685
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	13,900	-	291	4,656	7,868	(3,212)	-41%	13,900
Planning and development		-	1,364	-	125	1,345	940	405	43%	1,364
Road transport		-	12,536	-	166	3,310	6,928	(3,617)	-52%	12,536
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	170,876	-	16,100	100,709	100,651	58	0%	170,876
Energy sources		-	118,012	-	10,417	67,087	69,974	(2,887)	-4%	118,012
Water management		-	25,949	-	3,965	15,646	14,920	726	5%	25,949
Waste water management		-	10,148	-	721	7,042	5,982	1,060	18%	10,148
Waste management		-	16,766	-	997	10,934	9,775	1,159	12%	16,766
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	-	353,642	-	28,340	204,277	209,292	(5,015)	-2%	353,642
Expenditure - Functional										
Governance and administration		-	93,678	-	5,074	45,801	54,074	(8,273)	-15%	93,678
Executive and council		-	15,002	-	812	7,728	8,404	(676)	-8%	15,002
Finance and administration		-	76,963	-	4,202	37,372	44,654	(7,281)	-16%	76,963
Internal audit		-	1,714	-	60	701	1,017	(316)	-31%	1,714
Community and public safety		-	62,938	-	8,453	20,605	34,024	(13,419)	-39%	62,938
Community and social services		-	13,780	-	872	6,535	7,452	(917)	-12%	13,780
Sport and recreation		-	12,303	-	1,027	6,452	7,218	(767)	-11%	12,303
Public safety		-	-	-	-	-	-	-		-
Housing		-	36,855	-	6,554	7,618	19,353	(11,735)	-61%	36,855
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	41,953	-	2,361	19,064	24,662	(5,598)	-23%	41,953
Planning and development		-	8,610	-	645	5,270	5,147	123	2%	8,610
Road transport		-	33,267	-	1,716	13,785	19,475	(5,690)	-29%	33,267
Environmental protection		-	77	-	-	9	40	(31)	-77%	77
Trading services		-	151,175	-	1,096	66,167	87,763	(21,597)	-25%	151,175
Energy sources		-	99,944	-	(2,287)	45,526	58,305	(12,779)	-22%	99,944
Water management		-	18,968	-	1,403	9,291	10,911	(1,620)	-15%	18,968
Waste water management		-	11,245	-	1,057	5,253	6,478	(1,225)	-19%	11,245
Waste management		-	21,018	-	923	6,096	12,069	(5,972)	-49%	21,018
Other		-	710	-	33	32	406	(374)	-92%	710
Total Expenditure - Functional	3	-	350,454	-	17,016	151,670	200,930	(49,260)	-25%	350,454
Surplus/ (Deficit) for the year		-	3,188	-	11,324	52,607	8,361	44,246	529%	3,188

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

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	-	440	21,669	19,249	2,419	13%	30,803
Vote 2 - Financial Services & ICT		-	78,166	-	4,162	54,585	46,907	7,678	16%	78,166
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	61,445	-	7,534	18,525	37,370	(18,845)	-50%	61,445
Vote 5 - Engineering Services		-	183,227	-	16,204	109,499	105,766	3,733	4%	183,227
Total Revenue by Vote	2	-	353,642	-	28,340	204,277	209,292	(5,015)	-2%	353,642
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	42,994	-	2,755	23,705	24,866	(1,161)	-4.7%	42,994
Vote 2 - Financial Services & ICT		-	50,710	-	2,426	22,773	29,297	(6,524)	-22.3%	50,710
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	84,039	-	9,687	29,406	46,403	(16,996)	-36.6%	84,039
Vote 5 - Engineering Services		-	172,712	-	2,149	75,786	100,365	(24,579)	-24.5%	172,712
Total Expenditure by Vote	2	-	350,454	-	17,016	151,670	200,930	(49,260)	-24.5%	350,454
Surplus/ (Deficit) for the year	2	-	3,188	-	11,324	52,607	8,361	44,246	529.2%	3,188

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands											
Revenue By Source											
Property rates			63,981	-	3,211	50,166	43,623	6,543	15%	63,981	
Service charges - electricity revenue			110,871	-	9,983	66,566	66,294	271	0%	110,871	
Service charges - water revenue			25,946	-	3,965	15,618	14,918	700	5%	25,946	
Service charges - sanitation revenue			10,125	-	721	7,042	5,966	1,076	18%	10,125	
Service charges - refuse revenue			16,766	-	997	10,934	9,775	1,159	12%	16,766	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			1,710	-	426	626	1,331	(705)	-53%	1,710	
Interest earned - external investments			2,286	-	434	2,297	1,133	1,164	103%	2,286	
Interest earned - outstanding debtors			1,591	-	252	1,158	856	302	35%	1,591	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			9,854	-	83	1,479	5,455	(3,976)	-73%	9,854	
Licences and permits			64	-	0	10	38	(29)	-75%	64	
Agency services			2,572	-	106	1,701	1,476	225	15%	2,572	
Transfers and subsidies			79,150	-	6,846	31,407	48,604	(17,196)	-35%	79,150	
Other revenue			8,514	-	1,012	7,496	5,741	1,755	31%	8,514	
Gains on disposal of PPE			7,800	-	-	-	-	-	-	7,800	
Total Revenue (excluding capital transfers and contributions)			-	341,231	-	28,037	196,500	205,212	(8,712)	-4%	341,231
Expenditure By Type											
Employee related costs			123,373	-	10,206	72,201	74,639	(2,438)	-3%	123,373	
Remuneration of councillors			5,514	-	374	2,692	3,007	(315)	-10%	5,514	
Debt impairment			9,339	-	-	-	5,448	(5,448)	-100%	9,339	
Depreciation & asset impairment			11,922	-	-	9	6,954	(6,945)	-100%	11,922	
Finance charges			9,439	-	-	221	5,506	(5,285)	-96%	9,439	
Bulk purchases			82,398	-	(3,348)	39,728	48,068	(8,340)	-17%	82,398	
Other materials			57,778	-	7,805	15,580	30,058	(14,478)	-48%	57,778	
Contracted services			24,189	-	747	5,287	13,377	(8,090)	-60%	24,189	
Transfers and subsidies			1,920	-	6	822	1,082	(260)	-24%	1,920	
Other expenditure			24,584	-	1,226	15,129	12,791	2,339	18%	24,584	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	350,454	-	17,016	151,670	200,930	(49,260)	-25%	350,454
Surplus/(Deficit)			-	(9,223)	-	11,020	44,830	4,282	40,549	0	(9,223)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12,281	-	304	7,777	4,080	3,697	0	12,281	
Transfers and subsidies - capital (in-kind - all)			130	-	-	-	-	-	-	130	
Surplus/(Deficit) after capital transfers & contributions			-	3,188	-	11,324	52,607	8,361		3,188	
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	3,188	-	11,324	52,607	8,361		3,188	
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	3,188	-	11,324	52,607	8,361		3,188	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	3,188	-	11,324	52,607	8,361		3,188	

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

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	-	65	69	603	(534)	-89%	1,815
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	900	-	4	574	299	275	92%	900
Vote 5 - Engineering Services		-	5,465	-	1,257	1,450	1,816	(366)	-20%	5,465
Total Capital Multi-year expenditure	4,7	-	8,180	-	1,326	2,093	2,718	(624)	-23%	8,180
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	750	-	-	65	249	(184)	-74%	750
Vote 2 - Financial Services & ICT		-	764	-	135	522	254	268	106%	764
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	3,551	-	306	1,371	1,180	191	16%	3,551
Vote 5 - Engineering Services		-	17,701	-	(0)	9,409	5,881	3,529	60%	17,701
Total Capital single-year expenditure	4	-	22,766	-	440	11,368	7,563	3,804	50%	22,766
Total Capital Expenditure		-	30,946	-	1,766	13,461	10,281	3,180	31%	30,946
Capital Expenditure - Functional Classification										
Governance and administration		-	2,861	-	199	634	950	(317)	-33%	2,861
Executive and council			47	-	-	34	16	19	120%	47
Finance and administration			2,813	-	199	598	934	(336)	-36%	2,813
Internal audit			2	-	-	1	0	1	148%	2
Community and public safety		-	4,559	-	310	1,859	1,515	344	23%	4,559
Community and social services			742	-	-	19	247	(228)	-92%	742
Sport and recreation			3,813	-	310	1,836	1,267	569	45%	3,813
Public safety			-	-	-	-	-	-	-	-
Housing			5	-	-	4	1	2	154%	5
Health			-	-	-	-	-	-	-	-
Economic and environmental services		-	13,186	-	1,236	10,182	4,381	5,802	132%	13,186
Planning and development			47	-	-	9	16	(6)	-39%	47
Road transport			13,139	-	1,236	10,173	4,365	5,808	133%	13,139
Environmental protection			-	-	-	-	-	-	-	-
Trading services		-	10,340	-	21	786	3,435	(2,649)	-77%	10,340
Energy sources			4,924	-	21	777	1,636	(859)	-53%	4,924
Water management			2,070	-	-	-	688	(688)	-100%	2,070
Waste water management			331	-	-	-	110	(110)	-100%	331
Waste management			3,015	-	-	9	1,002	(992)	-99%	3,015
Other			-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	30,946	-	1,766	13,461	10,281	3,180	31%	30,946
Funded by:										
National Government			11,332	-	1,237	8,949	3,765	5,185	138%	11,332
Provincial Government			949	-	-	305	315	(11)	-3%	949
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12,281	-	1,237	9,254	4,080	5,174	127%	12,281
Public contributions & donations	5		130	-	-	-	43	(43)	-100%	130
Borrowing	6		7,622	-	-	490	2,532	(2,042)	-81%	7,622
Internally generated funds			10,913	-	530	3,717	3,626	91	3%	10,913
Total Capital Funding		-	30,946	-	1,766	13,461	10,281	3,180	31%	30,946

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	–	23,032	41,815
Call investment deposits		15,000	–	–	50,000	–
Consumer debtors		29,339	33,775	–	42,200	33,775
Other debtors		1,557	5,918	–	(1,971)	5,918
Current portion of long-term receivables		–	31	–	7	31
Inventory		1,304	1,326	–	1,702	1,326
Total current assets		80,719	60,671	–	114,970	82,866
Non current assets						
Long-term receivables		225	134	–	206	134
Investments		–	–	–	–	–
Investment property		40,864	40,853	–	40,553	40,853
Investments in Associate		–	–	–	–	–
Property, plant and equipment		386,957	405,477	–	401,315	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	–	446,939	450,873
TOTAL ASSETS		512,366	511,544	–	561,910	533,739
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		1,659	2,875	–	1,706	2,875
Consumer deposits		4,507	4,821	–	4,554	4,821
Trade and other payables		28,014	41,226	–	21,877	41,226
Provisions		9,807	12,116	–	11,301	12,116
Total current liabilities		43,988	61,038	–	39,438	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	–	177,762	201,219
NET ASSETS	2	328,206	310,325	–	384,147	332,520
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		308,206	295,325	–	354,147	317,520
Reserves		20,000	15,000	–	30,000	15,000
TOTAL COMMUNITY WEALTH/EQUITY	2	328,206	310,325	–	384,147	332,520

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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	-	4,140	46,955	37,738	9,217	24%	61,324	
Service charges			156,910	-	14,903	95,392	92,927	2,465	3%	156,910	
Other revenue			15,929	-	1,020	9,821	10,434	(614)	-6%	15,929	
Government - operating			79,150	-	750	44,168	48,604	(4,435)	-9%	79,150	
Government - capital			12,281	-	-	12,190	8,187	4,002	49%	12,281	
Interest			3,811	-	686	3,482	1,954	1,528	78%	3,811	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(314,743)	-	(28,772)	(171,728)	(181,899)	(10,171)	6%	(314,743)	
Finance charges			(774)	-	-	(221)	(387)	(166)	43%	(774)	
Transfers and Grants			(1,920)	-	(6)	(822)	(1,082)	(260)	24%	(1,920)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	11,968	-	(7,280)	39,236	16,476	(22,760)	-138%	11,968
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			7,800	-	-	1,337	-	1,337	#DIV/0!	7,800	
Decrease (Increase) in non-current debtors			31	-	4	5	18	(13)	-70%	31	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
Payments											
Capital assets			(30,816)	-	(1,766)	(13,461)	(10,281)	3,180	-31%	(30,816)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(22,985)	-	(1,763)	(12,118)	(10,263)	1,855	-18%	(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	-	12	(54)	159	(214)	-134%	273	
Payments											
Repayment of borrowing			(2,831)	-	(1,492)	(1,800)	(1,416)	385	-27%	(2,831)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	5,063	-	(1,480)	(1,855)	(1,256)	598	-48%	5,063
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			25,574	-	-	47,768	25,574			47,768	
Cash/cash equivalents at month/year end:			19,620	-	-	73,032	30,531			41,815	

WC033 Cape Agulhas - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	Ref	2017/18	Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget							
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	36,089	-	-	23,741	21,705	-		36,089
Local Government Equitable Share			27,606	-	-	20,705	20,705	-		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	-	-	1,486	-			1,141
Local Government Financial Management Grant [Schedule 5B]			550	-	-	550	-			550
Municipal Infrastructure Grant [Schedule 5B]			1,792	-	-	-	-			1,792
Other transfers and grants [insert description]			-	-	-	-	-			-
Provincial Government:		-	43,060	-	592	3,495	3,765	(270)	-7.2%	43,060
Human Settlement Development			34,560	-	-	10,431	1,862	(1,630)	-87.5%	34,560
Library Service Conditional Grant			7,001	-	-	5,007	1,903			7,001
Maintenance of Main Roads			83	-	-	-	-			83
Community Development Workers			56	-	-	-	-			56
Financial Management Support (WC_FMGS)			360	-	750	1,440	-	360	#DIV/0!	360
Greenest Municipality (Violence Protection)			1,000	-	-	1,000	-	1,000	#DIV/0!	1,000
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	79,150	-	-	27,236	25,470	(270)	-1.1%	79,150
Capital Transfers and Grants										
National Government:		-	12,082	-	-	11,917	-	11,917	#DIV/0!	12,082
Municipal Infrastructure Grant [Schedule 5B]			9,082	-	-	8,917	-	8,917	#DIV/0!	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	#DIV/0!	199
Library Service			91	-	-	-	-	-		91
Development of Sport and Recreation Facilities			108	-	-	108	-	-		108
			-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	12,281	-	-	12,025	-	12,025	#DIV/0!	12,281
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	91,430	-	-	39,261	25,470	11,755	46.2%	91,430

9. Municipal Quality Certificate

NAVRAE: S Stanley
ENQUIRIES:
KONTAKNR: 028 425 5798
CONTACT NO
VERW: 5/3/2018-19 (S71)
REF:
KANTOOR: Bredasdorp
OFFICES:
DATUM: 14 February 2019
DATE



QUALITY CERTIFICATE

I, **DEAN O NEILL**, the accounting officer / chief financial officer of **CAPE AGULHAS MUNICIPALITY WC033** (name of municipality), hereby certify that –

(mark as appropriate)

The monthly budget statement

- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month ending **31 JANUARY 2019** (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 13/02/19