

# CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

## **2018/2019**

### **SECTION 52/71 REPORT**

### **FOR THE QUARTER ENDING**

### **31 MARCH 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 **March 2019**.

#### **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 March 2019** is noted.
- That the consolidated information and supporting tabled for the **quarter ending** 31 March 2019 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.

## **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:**

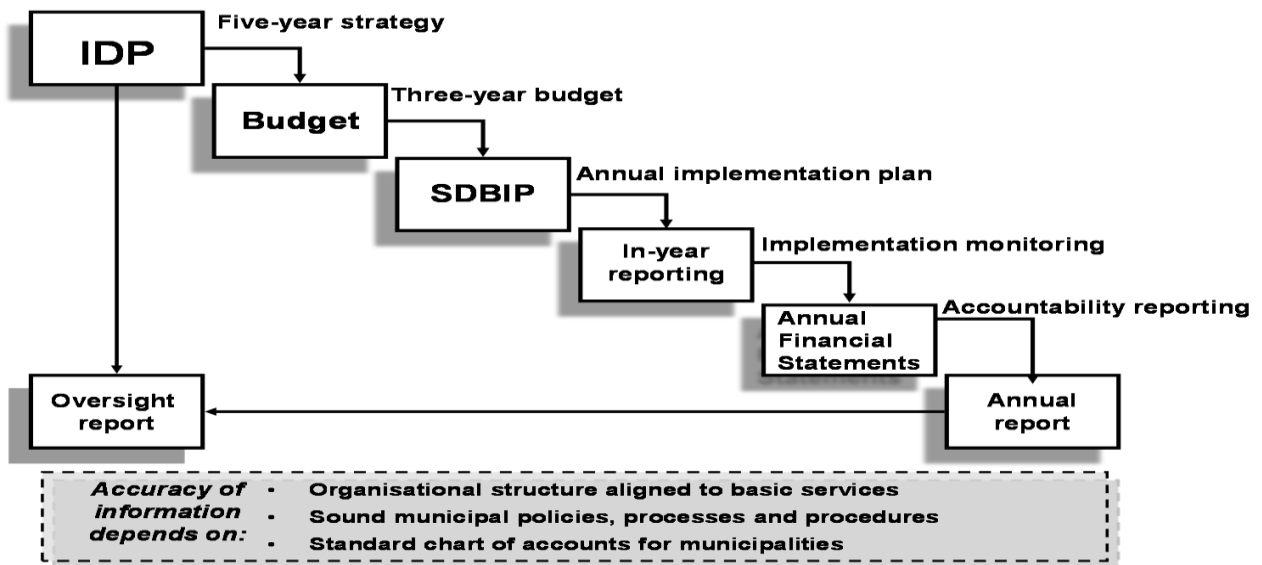
Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

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:**

<b><u>Planned activities</u></b>	<b><u>Timeframes / Dates</u></b>	<b><u>Targets / Achieved</u></b>
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	Complete
Preparation of Draft budget processes / Draft IDP review / Draft Budget	March 2019	Complete
Community participation	April 2019	In process
Final draft budget	May 2019	

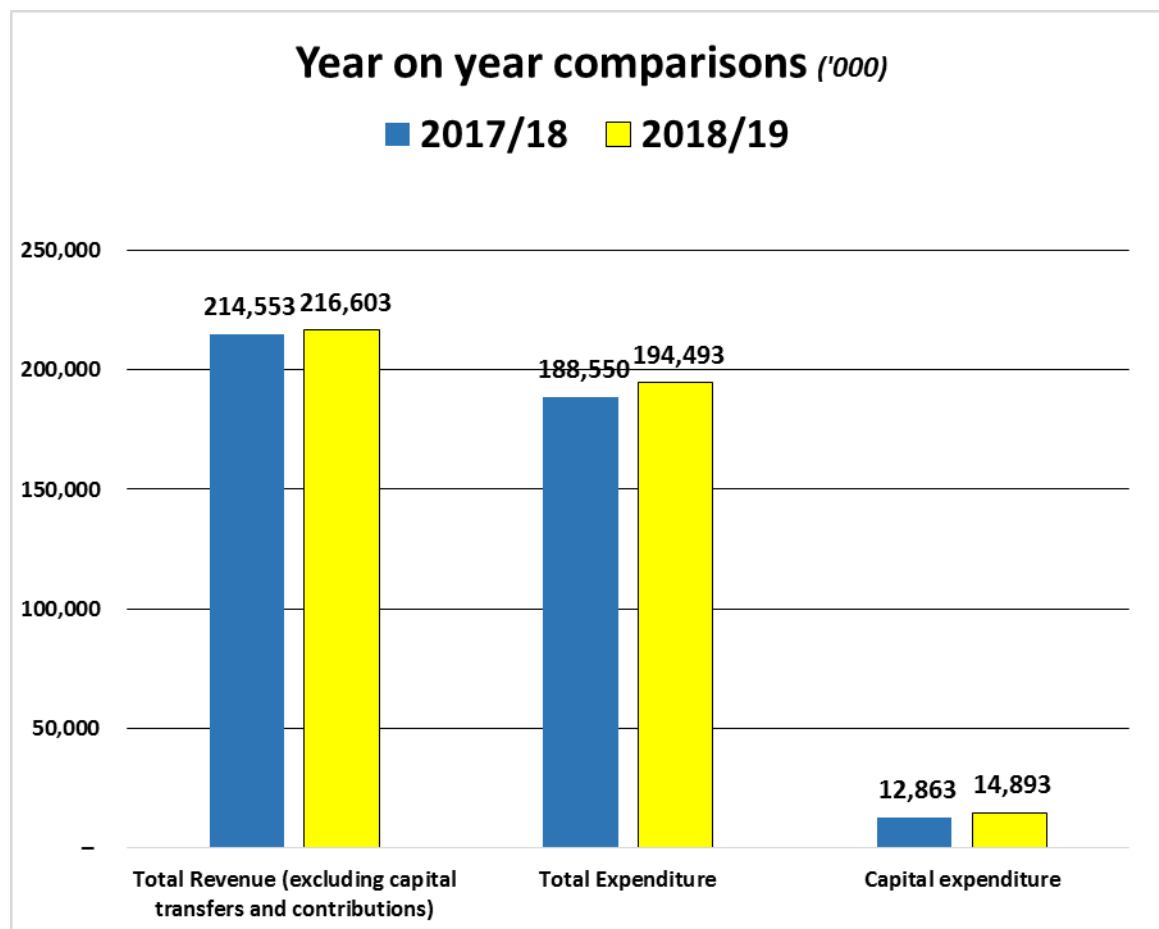
The municipality is in the process of implementing new budget implementation plan as per the Budget and IDP process plan approved in August 2018.

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 March 2019



#### Summarized explanation

##### Operational revenues

The municipality revised its budget during the mid-year process. The operational revenues was amended with additional income and grants as per Gazette. The performance for the period ending 31 March 2019, totals R. Comparing this with the previous financial year, the municipality is performing better than the previous financial year for the same period.

##### 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.

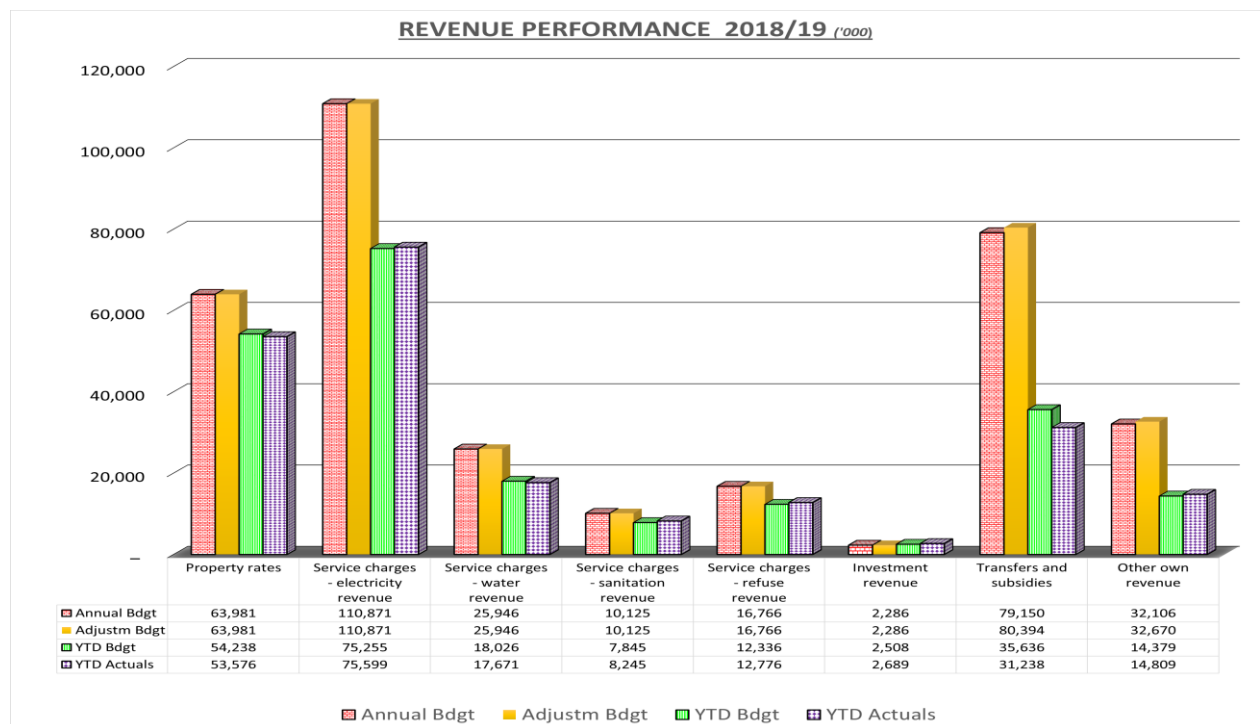
## Capital spending

The municipality amended the capital budget with the Adjustment budget process. The performance of the municipality in terms of capital related projects is below projection and numerous interventions will be required to address these slow spending.




Capital projects is essential for the delivery of services and basic infrastructure. Slow spending can have serious repercussions for the municipality in the long run.

Intervention is required to ensure that managers adhered to their capital projects and spending projections to achieve the objectives as per Council's integrated development plan.

## The financial performance for the period under review ending 31 March 2019



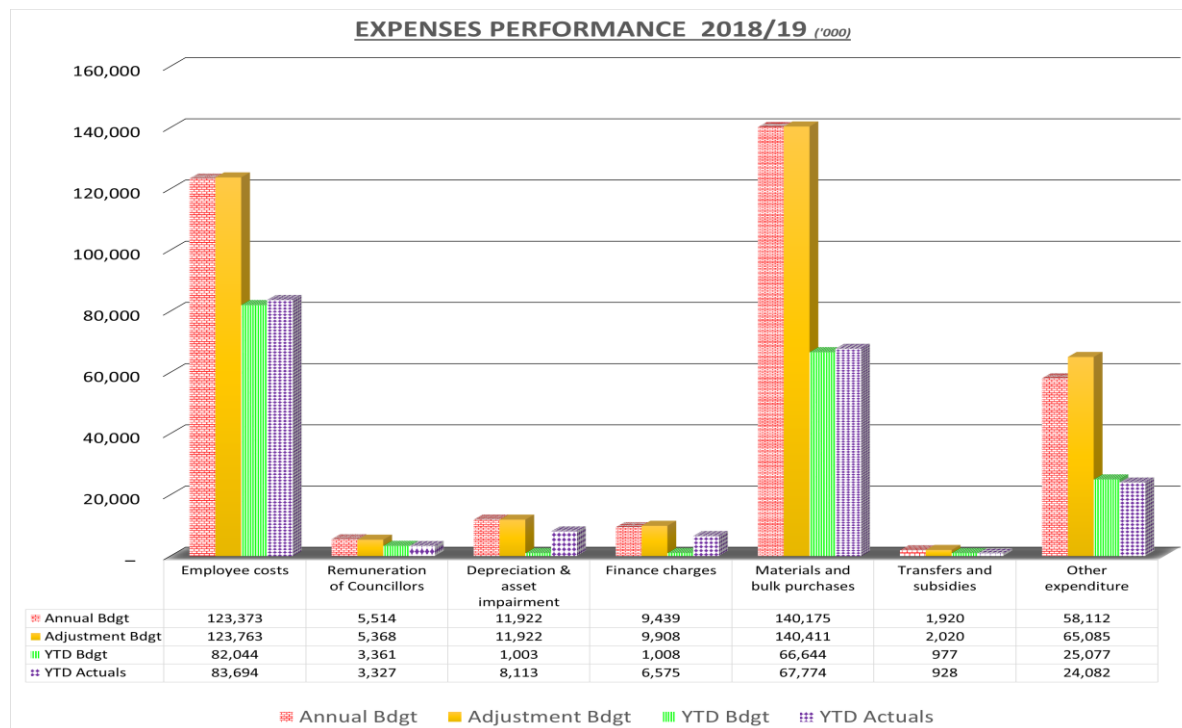
## Overall assessment

GOOD	AVERAGE	BAD
		
<b>X</b>		






### Summarized explanation

Municipal performance for the period ending **March 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.



### Overall assessment

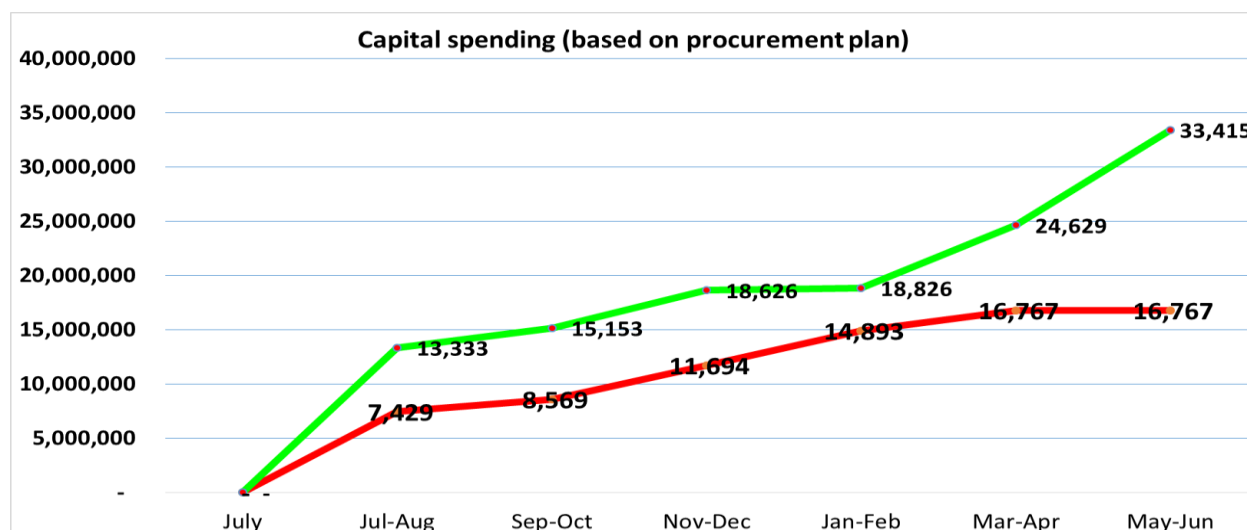
GOOD	AVERAGE	BAD
		
	<b>X</b>	

### 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 was be done in February 2019. This improved the spending of the operational budget significantly.

## Cumulative Capital performance



### Summarized explanation

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

Capital spending totals R16,767 against planned procurement of R24,629m. 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 R3,296m are not included in the totals recorded above. With the finalization of these commitments the municipal capital expenditures should improve significantly.













The municipal performance totals R7.862m below projections. If the municipality plans to achieve its projected targets of 95% spending of capital budget, drastic measures will have to be implemented to ensure that this objective will be achieved. Poor spending of capital budget can have disastrous effects on critical infrastructure that can hamper service delivery.

## 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. MFMA FINANCIAL RATIOS (CIRCULAR 71)**

National Treasury as part of their legislated mandate issue Circulars on a regular basis for implementation by municipal council. This circulars is to improve financial administration and governance at municipalities.

**Circular 71** was issue to assist in the financial management of finances. The aim of the Circular was to provide a uniform set of ratios and norms that municipal financial information can be measured.

### **The ratios is compiled over the following range of sections and components:**

Asset management / utilisation	Debtors management
Liquidity management	Sustainability
Efficiency	Distribution losses
Revenue management	Expenditure management
Grant dependency	Budget implementation



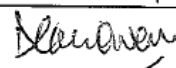
Attached as Annexure 1 below is the financial ratios for the period ending 30 June 2018 as per annual Financial Statements of the municipality.

### **Comments on financial ratio's**

The ratio's is generally good and the municipal performance for the financial year ending 30 June 2018 reflects positive progress with the implementation of the various reforms implemented.

The revenue enhancement strategy and the long-term financial plan was some of the strategies implemented.

## 7. SECTION 11 WITHDRAWAL

 <b>PROVINCIAL TREASURY</b> <b>Withdrawals from Municipal Bank Accounts</b> <b>In accordance with Section 11, Sub-section 1 (b) to (j)</b> 			
<b>NAME OF MUNICIPALITY:</b>	CAPE AGULHAS MUNICIPALITY		
<b>MUNICIPAL DEMARCATION CODE:</b>	WC033		
<b>QUARTER ENDED:</b>	31 MARCH 2019		
<b>MFMA section 11.</b> (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -  (b) to defray expenditure authorised in terms of section 26(4); (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1); (d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section; (e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including - (i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state; (f) to refund money incorrectly paid into a bank account; (g) to refund guarantees, sureties and <i>security</i> deposits; (h) for cash management and <i>investment</i> purposes in accordance with section 13; (i) to defray increased expenditure in terms of section 31; or (j) for such other purposes as may be <i>prescribed</i> .  (4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> - (a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and (b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	<b>Amount</b>	<b>Reason for withdrawal</b>	
		Not available	Payment of Operational and Capital expenditures. Will be complete as soon as finalised
		Not Applicable	
		None	None
		None	None
		None	None
		None	None
		None	None
		None	None
		None	None
		R 95,000,000.00	Q3 cumulative investment for period
		None	None
	None	None	
	<b>Name and Surname:</b>	D O' Neill	
	<b>Rank/Position:</b>	Municipal Manager	
	<b>Signature:</b>		
<b>Tel number</b>	<b>Fax number</b>	<b>Email Address</b>	
028 425 5500		shauns@capeagulhas.gov.za	
<b>The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7            Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or            before the 15th of the month following the end of each quarter.</b>			

## **8. 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

<b>Action implemented</b>	<b>Achieve</b>	<b>Comments / Actions</b>
mSCOA steering committee scheduled for March 2019		

## **9. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN**

As part of the revenue enhancement plan of Council the municipality is in the process of engaging a service provider to analyze the revenue collection capacity as well as provide strategic direction with how administration can improve the debt collection of council.

The process / project should present council with a gauge of the current status as well as future strategies that can be implemented to improve the debt collection.

Notwithstanding the above the focus of administration should still be to implement the actions as identified in the long-term financial plan of council.

## **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

### 10. LEGISLATED INFORMATION

#### 10.1 Budget schedules

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q3 Third 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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	60,732	63,981	63,981	3,612	57,188	58,309	(1,121)	-2%	63,981
Service charges	152,889	163,708	163,708	14,224	128,515	127,200	1,315	1%	163,708
Investment revenue	2,821	2,286	2,286	15,182	17,871	2,699	15,172	562%	2,286
Transfers and subsidies	37,464	79,150	80,394	12,301	43,539	49,366	(5,827)	-12%	80,394
Other own revenue	38,933	32,106	32,670	2,531	17,339	16,083	1,257	8%	32,670
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>292,839</b>	<b>341,231</b>	<b>343,039</b>	<b>47,849</b>	<b>264,452</b>	<b>253,657</b>	<b>10,795</b>	<b>4%</b>	<b>343,039</b>
Employee costs	112,848	123,373	123,763	9,195	92,888	91,820	1,068	1%	123,763
Remuneration of Councillors	5,060	5,514	5,368	458	3,785	3,821	(36)	-1%	5,368
Depreciation & asset impairment	12,211	11,922	11,922	-	8,113	1,996	6,116	306%	11,922
Finance charges	9,433	9,439	9,908	-	6,575	1,794	4,781	266%	9,908
Materials and bulk purchases	86,560	140,175	140,411	8,827	76,601	77,833	(1,232)	-2%	140,411
Transfers and subsidies	5,268	1,920	2,020	299	1,227	1,131	96	8%	2,020
Other expenditure	59,368	58,112	65,085	4,545	28,627	29,825	(1,197)	-4%	65,085
<b>Total Expenditure</b>	<b>290,748</b>	<b>350,454</b>	<b>358,478</b>	<b>23,323</b>	<b>217,816</b>	<b>208,221</b>	<b>9,595</b>	<b>5%</b>	<b>358,478</b>
<b>Surplus/(Deficit)</b>	<b>2,091</b>	<b>(9,223)</b>	<b>(15,439)</b>	<b>24,525</b>	<b>46,636</b>	<b>45,437</b>	<b>1,200</b>	<b>3%</b>	<b>(15,439)</b>
Transfers and subsidies - capital (monetary allocated)	12,457	12,281	13,670	251	8,830	11,416	(2,587)	-23%	13,670
Contributions & Contributed assets	7,703	130	130	-	-	-	-	-	130
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>	<b>(1,387)</b>	<b>-2%</b>	<b>(1,639)</b>
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>	<b>(1,387)</b>	<b>-2%</b>	<b>(1,639)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>32,033</b>	<b>30,946</b>	<b>33,415</b>	<b>1,874</b>	<b>16,767</b>	<b>22,631</b>	<b>(5,864)</b>	<b>-26%</b>	<b>33,415</b>
Capital transfers recognised	12,457	12,281	13,670	615	10,380	12,894	(2,514)	-19%	13,670
Public contributions & donations	-	130	130	-	-	39	(39)	-100%	130
Borrowing	4,484	7,622	7,307	581	1,072	2,748	(1,677)	-61%	7,307
Internally generated funds	15,093	10,913	12,309	679	5,315	6,951	(1,635)	-24%	12,309
<b>Total sources of capital funds</b>	<b>32,033</b>	<b>30,946</b>	<b>33,415</b>	<b>1,874</b>	<b>16,767</b>	<b>22,631</b>	<b>(5,864)</b>	<b>-26%</b>	<b>33,415</b>
<b>Financial position</b>									
Total current assets	81,715	60,671	71,473	-	130,297	-	-	-	86,473
Total non current assets	433,484	450,873	454,970	-	442,142	-	-	-	454,970
Total current liabilities	45,334	61,038	51,454	-	38,955	-	-	-	51,454
Total non current liabilities	138,325	140,181	145,088	-	146,478	-	-	-	145,088
Community wealth/Equity	331,540	310,325	329,901	-	387,006	-	-	-	344,901
<b>Cash flows</b>									
Net cash from (used) operating	25,700	11,968	10,899	18,762	60,007	49,174	(10,833)	-22%	10,899
Net cash from (used) investing	(19,072)	(22,985)	(25,608)	(1,874)	(10,261)	(21,283)	(11,022)	52%	(25,608)
Net cash from (used) financing	16,779	5,063	(3,236)	47	(1,787)	(1,809)	(22)	1%	(3,236)
<b>Cash/cash equivalents at the month/year</b>	<b>47,768</b>	<b>19,620</b>	<b>29,824</b>	<b>-</b>	<b>95,727</b>	<b>73,850</b>	<b>(21,877)</b>	<b>-30%</b>	<b>29,824</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	17,580	4,046	2,579	2,028	1,604	1,733	9,435	15,109	54,113
<b>Creditors Age Analysis</b>									
Total Creditors	(2,797)	-	-	-	-	-	-	-	(2,797)



**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third 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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>120,392</b>	<b>118,609</b>	<b>120,049</b>	<b>26,439</b>	<b>114,290</b>	<b>102,836</b>	11,454	11%	<b>120,049</b>
Executive and council		25,237	27,606	27,636	6,901	27,606	27,081	525	2%	27,636
Finance and administration		95,156	91,003	92,239	19,538	86,684	75,755	10,929	14%	92,239
Internal audit		-	-	174	-	-	-	-	-	174
<b>Community and public safety</b>		<b>20,442</b>	<b>50,257</b>	<b>51,113</b>	<b>5,901</b>	<b>21,538</b>	<b>25,764</b>	(4,227)	-16%	<b>51,113</b>
Community and social services		5,975	8,679	8,900	23	2,888	4,758	(1,871)	-39%	8,900
Sport and recreation		7,662	6,893	7,248	478	6,567	6,312	255	4%	7,248
Public safety		-	-	-	-	-	-	-	-	-
Housing		6,804	34,685	34,965	5,400	12,083	14,694	(2,611)	-18%	34,965
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>17,085</b>	<b>13,900</b>	<b>14,300</b>	<b>1,282</b>	<b>7,478</b>	<b>7,284</b>	193	3%	<b>14,300</b>
Planning and development		1,889	1,364	1,764	185	1,756	1,456	300	21%	1,764
Road transport		15,196	12,536	12,536	1,097	5,722	5,828	(106)	-2%	12,536
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>155,080</b>	<b>170,876</b>	<b>171,376</b>	<b>14,478</b>	<b>129,977</b>	<b>129,189</b>	788	1%	<b>171,376</b>
Energy sources		105,424	118,012	118,012	9,410	86,188	86,260	(72)	0%	118,012
Water management		23,354	25,949	26,449	3,064	20,764	20,542	222	1%	26,449
Waste water management		10,628	10,148	10,148	733	8,978	8,661	317	4%	10,148
Waste management		15,674	16,766	16,766	1,271	14,047	13,726	321	2%	16,766
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>312,999</b>	<b>353,642</b>	<b>356,839</b>	<b>48,100</b>	<b>273,282</b>	<b>265,073</b>	<b>8,208</b>	<b>3%</b>	<b>356,839</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>93,034</b>	<b>93,678</b>	<b>100,635</b>	<b>4,898</b>	<b>65,589</b>	<b>61,032</b>	4,556	7%	<b>100,635</b>
Executive and council		16,161	15,002	14,421	995	9,927	10,364	(437)	-4%	14,421
Finance and administration		75,673	76,963	84,497	3,827	54,798	49,683	5,115	10%	84,497
Internal audit		1,199	1,714	1,717	76	863	985	(122)	-12%	1,717
<b>Community and public safety</b>		<b>22,015</b>	<b>62,938</b>	<b>63,766</b>	<b>3,354</b>	<b>30,056</b>	<b>30,269</b>	(213)	-1%	<b>63,766</b>
Community and social services		9,837	13,780	14,103	999	8,391	8,614	(223)	-3%	14,103
Sport and recreation		10,377	12,303	12,508	766	8,347	8,406	(59)	-1%	12,508
Public safety		-	-	-	-	-	-	-	-	-
Housing		1,801	36,855	37,155	1,590	13,318	13,249	69	1%	37,155
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>43,718</b>	<b>41,953</b>	<b>42,010</b>	<b>2,262</b>	<b>26,098</b>	<b>25,837</b>	262	1%	<b>42,010</b>
Planning and development		8,641	8,610	8,652	698	6,686	6,650	36	1%	8,652
Road transport		35,077	33,267	33,299	1,561	19,401	19,166	235	1%	33,299
Environmental protection		-	77	60	3	12	21	(9)	-43%	60
<b>Trading services</b>		<b>131,981</b>	<b>151,175</b>	<b>151,346</b>	<b>12,701</b>	<b>95,929</b>	<b>90,939</b>	4,990	5%	<b>151,346</b>
Energy sources		86,790	99,944	100,178	9,770	63,225	62,084	1,141	2%	100,178
Water management		16,873	18,968	19,016	1,291	12,759	12,286	473	4%	19,016
Waste water management		10,120	11,245	11,119	741	8,034	7,036	998	14%	11,119
Waste management		18,198	21,018	21,033	899	11,911	9,532	2,379	25%	21,033
<b>Other</b>		-	710	720	109	144	143	1	1%	720
<b>Total Expenditure - Functional</b>	3	<b>290,748</b>	<b>350,454</b>	<b>358,478</b>	<b>23,323</b>	<b>217,816</b>	<b>208,221</b>	<b>9,595</b>	<b>5%</b>	<b>358,478</b>
<b>Surplus/ (Deficit) for the year</b>		<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>	<b>(1,387)</b>	<b>-2%</b>	<b>(1,639)</b>

**WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third 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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		31,150	30,803	32,025	7,345	29,096	28,531	565	2%	32,025
Vote 2 - Financial Services & ICT		78,030	78,166	78,603	19,123	77,832	64,008	13,824	22%	78,603
Vote 3 - Corporate Services		1,401	-	-	-	-	-	-		-
Vote 4 - Management Services		35,631	61,445	62,084	7,012	27,255	31,276	(4,021)	-13%	62,084
Vote 5 - Engineering Services		166,787	183,227	184,127	14,620	139,099	141,259	(2,159)	-2%	184,127
<b>Total Revenue by Vote</b>	2	<b>312,999</b>	<b>353,642</b>	<b>356,839</b>	<b>48,100</b>	<b>273,282</b>	<b>265,073</b>	<b>8,208</b>	<b>3%</b>	<b>356,839</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		40,725	42,994	43,617	3,044	30,260	30,887	(628)	-2.0%	43,617
Vote 2 - Financial Services & ICT		51,405	50,710	57,311	2,323	36,059	30,891	5,167	16.7%	57,311
Vote 3 - Corporate Services		2,500	-	-	-	-	-	-		-
Vote 4 - Management Services		45,884	84,039	84,613	4,191	40,890	42,435	(1,545)	-3.6%	84,613
Vote 5 - Engineering Services		150,235	172,712	172,937	13,765	110,608	104,007	6,601	6.3%	172,937
<b>Total Expenditure by Vote</b>	2	<b>290,748</b>	<b>350,454</b>	<b>358,478</b>	<b>23,323</b>	<b>217,816</b>	<b>208,221</b>	<b>9,595</b>	<b>4.6%</b>	<b>358,478</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>	<b>(1,387)</b>	<b>-2.4%</b>	<b>(1,639)</b>

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third 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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		60,732	63,981	63,981	3,612	57,188	58,309	(1,121)	-2%	63,981
Service charges - electricity revenue		103,470	110,871	110,871	9,157	84,756	84,302	455	1%	110,871
Service charges - water revenue		23,333	25,946	25,946	3,063	20,734	20,513	221	1%	25,946
Service charges - sanitation revenue		10,627	10,125	10,125	733	8,978	8,659	319	4%	10,125
Service charges - refuse revenue		15,458	16,766	16,766	1,271	14,047	13,726	321	2%	16,766
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2,372	1,710	1,714	395	1,099	790	310	39%	1,714
Interest earned - external investments		2,821	2,286	2,286	15,182	17,871	2,699	15,172	562%	2,286
Interest earned - outstanding debtors		1,319	1,591	1,591	257	1,665	1,471	194	13%	1,591
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		11,871	9,854	9,854	935	3,143	3,515	(372)	-11%	9,854
Licences and permits		54	64	64	-	10	20	(11)	-53%	64
Agency services		3,124	2,572	2,572	184	2,472	2,185	287	13%	2,572
Transfers and subsidies		37,464	79,150	80,394	12,301	43,539	49,366	(5,827)	-12%	80,394
Other revenue		15,609	8,514	9,074	760	8,950	8,101	849	10%	9,074
Gains on disposal of PPE		4,584	7,800	7,800	-	-	-	-	-	7,800
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>292,839</b>	<b>341,231</b>	<b>343,039</b>	<b>47,849</b>	<b>264,452</b>	<b>253,657</b>	<b>10,795</b>	<b>4%</b>	<b>343,039</b>
<b>Expenditure By Type</b>										
Employee related costs		112,848	123,373	123,763	9,195	92,888	91,820	1,068	1%	123,763
Remuneration of councillors		5,060	5,514	5,368	458	3,785	3,821	(36)	-1%	5,368
Debt impairment		18,161	9,339	14,239	-	-	1,557	(1,557)	-100%	14,239
Depreciation & asset impairment		12,211	11,922	11,922	-	8,113	1,996	6,116	306%	11,922
Finance charges		9,433	9,439	9,908	-	6,575	1,794	4,781	266%	9,908
Bulk purchases		75,358	82,398	82,398	5,995	51,890	53,455	(1,565)	-3%	82,398
Other materials		11,202	57,778	58,014	2,832	24,711	24,378	333	1%	58,014
Contracted services		13,642	24,189	24,320	3,449	10,758	9,395	1,363	15%	24,320
Transfers and subsidies		5,268	1,920	2,020	299	1,227	1,131	96	8%	2,020
Other expenditure		27,027	24,584	26,526	1,095	17,869	18,873	(1,004)	-5%	26,526
Loss on disposal of PPE		539	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>290,748</b>	<b>350,454</b>	<b>358,478</b>	<b>23,323</b>	<b>217,816</b>	<b>208,221</b>	<b>9,595</b>	<b>5%</b>	<b>358,478</b>
<b>Surplus/(Deficit)</b>		<b>2,091</b>	<b>(9,223)</b>	<b>(15,439)</b>	<b>24,525</b>	<b>46,636</b>	<b>45,437</b>	<b>1,200</b>	<b>0</b>	<b>(15,439)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		12,457	12,281	13,670	251	8,830	11,416	(2,587)	(0)	13,670
Transfers and subsidies - capital (in-kind - all)		7,703	130	130	-	-	-	-	-	130
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>			<b>(1,639)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>			<b>(1,639)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>			<b>(1,639)</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>22,250</b>	<b>3,188</b>	<b>(1,639)</b>	<b>24,777</b>	<b>55,466</b>	<b>56,853</b>			<b>(1,639)</b>

**WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q3 Third 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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT		-	1,815	1,823	69	248	607	(359)	-59%	1,823
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		644	900	787	22	620	841	(221)	-26%	787
Vote 5 - Engineering Services		580	5,465	6,522	936	2,556	3,069	(514)	-17%	6,522
<b>Total Capital Multi-year expenditure</b>	4,7	<b>1,225</b>	<b>8,180</b>	<b>9,132</b>	<b>1,027</b>	<b>3,423</b>	<b>4,517</b>	<b>(1,094)</b>	<b>-24%</b>	<b>9,132</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		226	750	985	1	75	287	(212)	-74%	985
Vote 2 - Financial Services & ICT		2,900	764	1,001	1	536	748	(212)	-28%	1,001
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		1,783	3,551	3,975	69	2,039	2,424	(385)	-16%	3,975
Vote 5 - Engineering Services		25,899	17,701	18,323	776	10,693	14,655	(3,961)	-27%	18,323
<b>Total Capital single-year expenditure</b>	4	<b>30,808</b>	<b>22,766</b>	<b>24,283</b>	<b>847</b>	<b>13,344</b>	<b>18,114</b>	<b>(4,770)</b>	<b>-26%</b>	<b>24,283</b>
<b>Total Capital Expenditure</b>		<b>32,033</b>	<b>30,946</b>	<b>33,415</b>	<b>1,874</b>	<b>16,767</b>	<b>22,631</b>	<b>(5,864)</b>	<b>-26%</b>	<b>33,415</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>3,255</b>	<b>2,861</b>	<b>3,355</b>	<b>71</b>	<b>838</b>	<b>1,482</b>	<b>(644)</b>	<b>-43%</b>	<b>3,355</b>
Executive and council		182	47	220	1	36	48	(13)	-26%	220
Finance and administration		3,072	2,813	2,983	70	801	1,432	(631)	-44%	2,983
Internal audit		-	2	152	-	1	2	(0)	-26%	152
<b>Community and public safety</b>		<b>2,084</b>	<b>4,559</b>	<b>4,805</b>	<b>91</b>	<b>2,561</b>	<b>3,210</b>	<b>(648)</b>	<b>-20%</b>	<b>4,805</b>
Community and social services		336	742	732	68	88	239	(151)	-63%	732
Sport and recreation		1,748	3,813	4,069	23	2,470	2,966	(496)	-17%	4,069
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	5	4	-	4	5	(1)	-26%	4
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>15,805</b>	<b>13,186</b>	<b>14,926</b>	<b>210</b>	<b>10,470</b>	<b>14,090</b>	<b>(3,619)</b>	<b>-26%</b>	<b>14,926</b>
Planning and development		19	47	43	-	17	23	(6)	-26%	43
Road transport		15,786	13,139	14,883	210	10,453	14,066	(3,613)	-26%	14,883
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>10,890</b>	<b>10,340</b>	<b>10,329</b>	<b>1,502</b>	<b>2,897</b>	<b>3,850</b>	<b>(953)</b>	<b>-25%</b>	<b>10,329</b>
Energy sources		3,262	4,924	4,639	1,301	2,687	2,236	451	20%	4,639
Water management		2,859	2,070	2,350	201	201	613	(412)	-67%	2,350
Waste water management		2,517	331	331	-	-	98	(98)	-100%	331
Waste management		2,252	3,015	3,009	-	9	903	(893)	-99%	3,009
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>32,033</b>	<b>30,946</b>	<b>33,415</b>	<b>1,874</b>	<b>16,767</b>	<b>22,631</b>	<b>(5,864)</b>	<b>-26%</b>	<b>33,415</b>
<b>Funded by:</b>										
National Government		11,884	11,332	12,615	535	9,996	12,308	(2,312)	-19%	12,615
Provincial Government		573	949	1,054	79	384	586	(202)	-34%	1,054
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>12,457</b>	<b>12,281</b>	<b>13,670</b>	<b>615</b>	<b>10,380</b>	<b>12,894</b>	<b>(2,514)</b>	<b>-19%</b>	<b>13,670</b>
<b>Public contributions &amp; donations</b>	5	-	130	130	-	-	39	(39)	-100%	130
<b>Borrowing</b>	6	4,484	7,622	7,307	581	1,072	2,748	(1,677)	-61%	7,307
<b>Internally generated funds</b>		15,093	10,913	12,309	679	5,315	6,951	(1,635)	-24%	12,309
<b>Total Capital Funding</b>		<b>32,033</b>	<b>30,946</b>	<b>33,415</b>	<b>1,874</b>	<b>16,767</b>	<b>22,631</b>	<b>(5,864)</b>	<b>-26%</b>	<b>33,415</b>

**WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter**

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		33,518	19,620	14,824	31,006	29,824
Call investment deposits		15,000	–	15,000	64,721	15,000
Consumer debtors		29,339	33,775	36,009	35,871	36,009
Other debtors		1,557	5,918	4,325	(2,914)	4,325
Current portion of long-term receivables		–	31	7	7	7
Inventory		1,304	1,326	1,308	1,606	1,308
<b>Total current assets</b>		<b>80,719</b>	<b>60,671</b>	<b>71,473</b>	<b>130,297</b>	<b>86,473</b>
<b>Non current assets</b>						
Long-term receivables		225	134	204	206	204
Investments		–	–	–	–	–
Investment property		40,864	40,853	40,545	40,548	40,545
Investments in Associate		–	–	–	–	–
Property, plant and equipment		386,957	405,477	409,095	396,523	409,095
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		3,601	4,409	5,126	4,865	5,126
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>431,647</b>	<b>450,873</b>	<b>454,970</b>	<b>442,142</b>	<b>454,970</b>
<b>TOTAL ASSETS</b>		<b>512,366</b>	<b>511,544</b>	<b>526,443</b>	<b>572,439</b>	<b>541,443</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		1,659	2,875	3,568	1,689	3,568
Consumer deposits		4,507	4,821	4,778	4,638	4,778
Trade and other payables		28,014	41,226	30,931	21,179	30,931
Provisions		9,807	12,116	12,177	11,449	12,177
<b>Total current liabilities</b>		<b>43,988</b>	<b>61,038</b>	<b>51,454</b>	<b>38,955</b>	<b>51,454</b>
<b>Non current liabilities</b>						
Borrowing		17,600	8,451	12,185	15,753	12,185
Provisions		122,572	131,731	132,903	130,725	132,903
<b>Total non current liabilities</b>		<b>140,172</b>	<b>140,181</b>	<b>145,088</b>	<b>146,478</b>	<b>145,088</b>
<b>TOTAL LIABILITIES</b>		<b>184,160</b>	<b>201,219</b>	<b>196,542</b>	<b>185,433</b>	<b>196,542</b>
<b>NET ASSETS</b>	2	<b>328,206</b>	<b>310,325</b>	<b>329,901</b>	<b>387,006</b>	<b>344,901</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		308,206	295,325	299,901	357,006	314,901
Reserves		20,000	15,000	30,000	30,000	30,000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>328,206</b>	<b>310,325</b>	<b>329,901</b>	<b>387,006</b>	<b>344,901</b>

**WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third 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	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			61,324	59,895	3,388	53,823	56,390	(2,567)	-5%	59,895	
Service charges			156,910	153,254	14,475	125,292	121,305	3,987	3%	153,254	
Other revenue			15,929	16,107	2,424	14,491	11,773	2,717	23%	16,107	
Government - operating			79,150	80,394	7,121	57,048	62,127	(5,079)	-8%	80,394	
Government - capital			12,281	13,315	3,556	15,746	16,283	(538)	-3%	13,315	
Interest			3,811	3,775	15,270	19,140	4,184	14,956	357%	3,775	
Dividends			-	-	-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(314,743)	(313,098)	(27,173)	(224,084)	(221,535)	2,549	-1%	(313,098)	
Finance charges			(774)	(724)	-	(221)	(221)	-		(724)	
Transfers and Grants			(1,920)	(2,020)	(299)	(1,227)	(1,131)	96	-8%	(2,020)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>	<b>11,968</b>	<b>10,899</b>	<b>18,762</b>	<b>60,007</b>	<b>49,174</b>	<b>(10,833)</b>	<b>-22%</b>	<b>10,899</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			7,800	7,800	-	6,500	1,337	5,163	386%	7,800	
Decrease (Increase) in non-current debtors			31	7	0	6	11	(5)	-43%	7	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
<b>Payments</b>											
Capital assets			(30,816)	(33,415)	(1,874)	(16,767)	(22,631)	(5,864)	26%	(33,415)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>	<b>(22,985)</b>	<b>(25,608)</b>	<b>(1,874)</b>	<b>(10,261)</b>	<b>(21,283)</b>	<b>(11,022)</b>	<b>52%</b>	<b>(25,608)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			7,622	-	-	-	-	-		-	
Increase (decrease) in consumer deposits			273	270	64	30	(9)	39	-440%	270	
<b>Payments</b>											
Repayment of borrowing			(2,831)	(3,506)	(17)	(1,817)	(1,800)	17	-1%	(3,506)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>	<b>5,063</b>	<b>(3,236)</b>	<b>47</b>	<b>(1,787)</b>	<b>(1,809)</b>	<b>(22)</b>	<b>1%</b>	<b>(3,236)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
			<b>-</b>	<b>(5,953)</b>	<b>(17,945)</b>	<b>16,934</b>	<b>47,959</b>	<b>26,082</b>			<b>(17,945)</b>
Cash/cash equivalents at beginning:			25,574	47,768		47,768	47,768				47,768
Cash/cash equivalents at month/year end:			-	19,620	29,824		95,727	73,850			29,824

# APPENDIX A



NATIONAL TREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

## Annexure 2

### Interpretation of results

The green colour indicates that the result is within the norm and is acceptable

The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results.

Data should be captured in the blue colour cell to calculate a ratio.

# In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced

## Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
					" R 000 "		
<b>1. FINANCIAL POSITION</b>							
<b>A. Asset Management/Utilisation</b>							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	10% - 20%	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR		10%	Please refer to page 2 of MFMA Circular No.71
					Total Operating Expenditure	290,748	
					Taxation Expense	-	
					Total Capital Expenditure	32,033	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	0%	Statement of Financial Position, Notes to the AFS and AR		0%	Please refer to page 3 of MFMA Circular No. 71
					PPE, Investment Property and Intangible Impairment	176	
					PPE at carrying value	342,198	
					Investment at carrying value	40,553	
						4,865	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	8%	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports		13%	Please refer to page 4 of MFMA Circular No. 71
					Total Repairs and Maintenance Expenditure	50,826	
					PPE at carrying value	342,198	
					Investment Property at Carrying value	40,553	

B. Debtors Management								
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		93%	Please refer to page 5 of MFMA Circular No. 71	
					Gross Debtors closing balance	67,515		
					Gross Debtors opening balance	57,355		
					Bad debts written Off	4,372		
					Billed Revenue	211,082		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		12%	Please refer to page 5 of MFMA Circular No. 71	
					Consumer Debtors Bad debts written off	4,372		
					Consumer Debtors Current bad debt Provision	35,100		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		56 days	Please refer to page 6 of MFMA Circular No. 71	
					Gross debtors	67,515		
					Bad debts Provision	35,100		
					Billed Revenue	211,082		
C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		2 Month	Please refer to page 7 of MFMA Circular No. 71	
					Cash and cash equivalents	47,768		
					Unspent Conditional Grants	400		
					Overdraft	-		
					Total Annual Operational Expenditure	290,748		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		1.80	Please refer to page 7 of MFMA Circular No. 71	
					Current Assets	81,715		
					Current Liabilities	45,334		
D. Liability Management								
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		0%	Please refer to page 8 of MFMA Circular No. 71	
					Interest Paid	490		
					Redemption	837		
					Total Operating Expenditure	290,748		
					Taxation Expense	-		
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		7%	Please refer to page 9 of MFMA Circular No. 71	
					Total Debt	19,259		
					Total Operating Revenue	312,999		
						Operational Conditional Grants	49,920	



E. Sustainability								
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents	158%	Please refer to page 9 of MFMA Circular No. 71	
					Cash and cash Equivalents	47,768		
					Bank Overdraft	-		
					Short Term Investment	-		
					Long Term Investment	-		
					Unspent Grants	400		
					Net Assets	331,540		
					Share Premium	-		
					Share Capital	-		
					Revaluation Reserve	-		
Fair Value Adjustment Reserve	-							
Accumulated Surplus	301,540							
2. FINANCIAL PERFORMANCE								
A. Efficiency								
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		7%	Please refer to page 10 of MFMA Circular No. 71	
					Total Operating Revenue	312,999		
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	-		
					Total Operating Expenditure	290,748		
					Taxation Expense	-		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		18%	Please refer to page 10 of MFMA Circular No. 71	
					Total Electricity Revenue	105,424		
					Total Electricity Expenditure	86,790		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		28%	Please refer to page 11 of MFMA Circular No. 71	
					Total Water Revenue	23,354		
					Total Water Expenditure	16,873		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		-16%	Please refer to page 12 of MFMA Circular No. 71	
					Total Refuse Revenue	15,674		
					Total Refuse Expenditure	18,198		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		5%	Please refer to page 12 of MFMA Circular No. 71	
					Total Sanitation and Water Waste Revenue	10,628		
					Total Sanitation and Water Waste Expenditure	10,120		

B. Distribution Losses							
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		7%	Please refer to page 13 of MFMA Circular No. 71
					Number of units purchased and/or generated	77,015,632	
					Number of units sold	71,679,116	
2	Water Distribution Losses (Percentage)	(Number of Kilotres Water Purchased or Purified Number of Kilotres Water Sold) / Number of Kilotres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		14%	Please refer to page 13 of MFMA Circular No. 71
					Number of kilolitres purchased and/or purified	2,741,319	
					Number of kilolitres sold	2,361,748	
C. Revenue Management							
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		#DIV/0!	Please refer to page 14 of MFMA Circular No. 71
					Number of Active Debtors Accounts (Previous)		
					Number of Active Debtors Accounts (Current)		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		15%	Please refer to page 15 of MFMA Circular No. 71
					CPI	5%	
					Total Revenue (Previous)	271,105	
					Total Revenue (Current)	312,999	
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants ) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI		16%	Please refer to page 15 of MFMA Circular No. 71
					CPI	5%	
					Total Revenue Exl.Capital (Previous)	260,124,762	
					Total Revenue Exl.Capital (Current)	300,542,009	

D. Expenditure Management							
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		50 days	Please refer to page 16 of MFMA Circular No. 71
					Trade Creditors	24,672	
					Contracted Services	18,390	
					Repairs and Maintenance	50,826	
					General expenses	34,354	
					Bulk Purchases	75,358	
Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	-						
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		0%	Please refer to page 16 of MFMA Circular No. 71
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	466	
					Total Operating Expenditure	290,748	
					Taxation Expense	-	
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		41%	Please refer to page 17 of MFMA Circular No. 71
					Employee/personnel related cost	115,542	
					Councillors Remuneration	5,060	
					Total Operating Expenditure	290,748	
Taxation Expense	-						
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		6%	Please refer to page 17 of MFMA Circular No. 71
					Contracted Services	18,390	
					Total Operating Expenditure	290,748	
Taxation Expense	-						
E. Grant Dependency							
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		100%	Please refer to page 18 of MFMA Circular No. 71
					Internally generated funds	14,633	
					Borrowings	17,400	
Total Capital Expenditure	32,033						

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		46%	Please refer to page 18 of MFMA Circular No. 71
					Internally generated funds	14,633	
					Total Capital Expenditure	32,033	
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		89%	Please refer to page 18 of MFMA Circular No. 71
					Total Revenue	312,999	
					Government grant and subsidies	37,464	
					Public contributions and Donations	7,759	
					Capital Grants	12,457	
<b>3. BUDGET IMPLEMENTATION</b>							
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		96%	Please refer to page 19 of MFMA Circular No. 71
					Actual Capital Expenditure	32,033	
					Budget Capital Expenditure	33,519	
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		92%	Please refer to page 20 of MFMA Circular No. 71
					Actual Operating Expenditure	290,748	
					Budget Operating Expenditure	314,632	
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		103%	Please refer to page 20 of MFMA Circular No. 71
					Actual Operating Revenue	312,999	
					Budget Operating Revenue	305,125	
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		98%	Please refer to page 21 of MFMA Circular No. 71
					Actual Service Charges and Property Rates Revenue	150,350	
					Budget Service Charges and Property Rates Revenue	152,857	

## 11. QUALITY CERTIFICATE

NAVRAE: S Stanley  
ENQUIRIES:  
KONTAKNR 028 425 5798  
CONTACT NO  
VERW: 5/3/2018-19 (S52/S71)  
REF:  
KANTOOR: Bredasdorp  
OFFICES:  
DATUM 10 April 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 MARCH 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: 10 April 2019