

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2019/2020

SECTION 71 REPORT FOR THE MONTH ENDING 31 JANUARY 2020

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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 **31 January 2020**.

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 2020** 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.

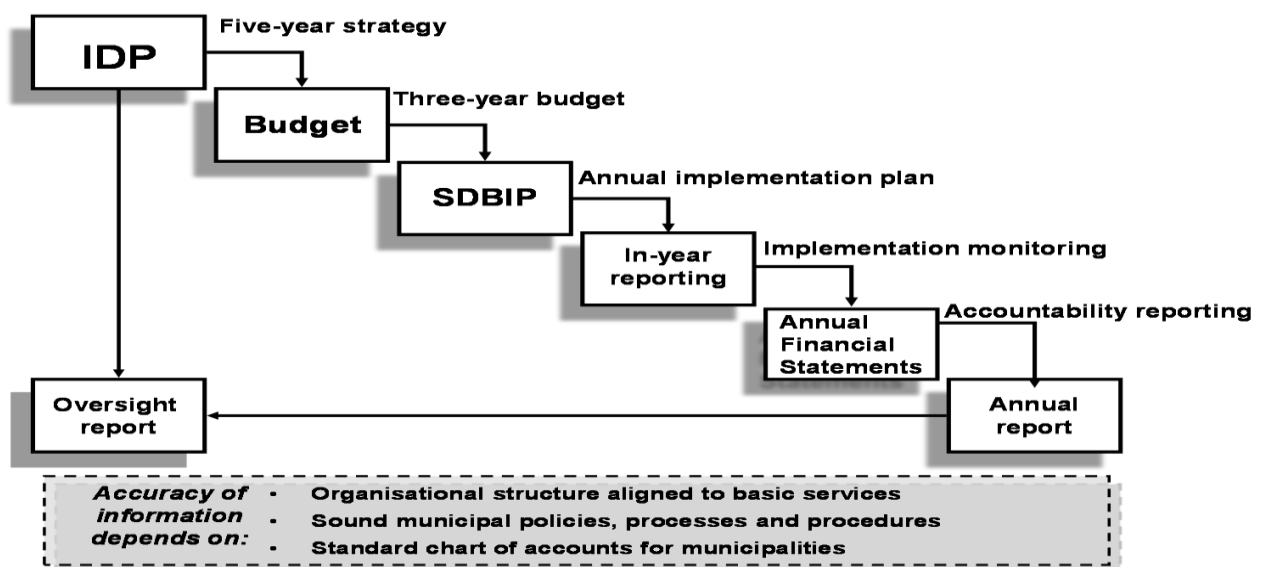
3.1 Budget Process:

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:

- o Reporting on the previous year budget;
- o Current year budget implementation; and
- o Preparation of the new financial year's budget (including the budget estimates for the two outer financial years)

The municipal planning and budget cycle processes consist of the following:



The auditor general completed the auditing of the Annual Financial statements for the financial year 30 June 2019. The municipality received a “clean audit” for the sixth consecutive year.

The proposed process plan with the compilation of the Draft Budget and Revised IDP plan for the 2020/21 MTREF period is as follows as per Budget and IDP implementation plan:

<u>Planned activities</u>	<u>Timeframes / Dates</u>	<u>Targets / Achieved</u>
New Budget preparation guide	20 January 2020	Achieved
Mid-year budget and performance assessment	25 January 2020	Achieved
Mid-year Budget and performance assessment to Council	28 January 2020	Achieved
Adjustment budget to Council	25 February 2020	Achieved
Budget steering committee 1	Week 1 – Feb 2020	Not achieved
BTO office finalize Draft Budget	28 February 2020	
Council budget workshop	Week 1 – March '20	
Budget steering committee	Week 3 March '20	
Draft Budget and IDP to Council (tabling)	31 March 2020	
Publicize the Draft budget / IDP	10 April 2020	
Public Participation	13-30 April 2020	
Closing date – budget submissions	27 April 2020	
Budget steering committee 3	8 May 2020	
Finalization of the new Budget / IDP	15 May 2020	
Final Budget / IDP approved by council	26 May 2020	

We in the process of implementing the budget implementation plan as per the Budget and IDP process plan approved in August 2019 by Council.

The outcomes of the Adjustment budget will form the basis for the preparation of the Draft annual budget for the 2020/21 MTREF period. The revised budget is legislated as per MFMA and all amendments will be processed based on the prescripts of the MFMA.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

The municipal revenue performance for the period ending 31 January 2020 recorded at 54% of budgeted information. This is slightly below the municipal projections and should be considered as an area of concern. The totals will however still be influenced by the transfers and subsidies and the sale of land that needs to be processed within the 3rd and 4th quarter of the financial year.

Service revenues from debtors at 62% is on par and the municipality envision to achieve budgeted targets as per approved budget. The positive effect of the debt collection strategies being implemented will also ensure that municipal performance targets are achieved.

Expenditure performance

Total expenditures recorded at 44.5% of budgeted information. The biggest expense the employee related cost and the material and bulk purchases totals 58% and 37% respectively. Year to date the total expenditures records at R175,533m. Close monitoring of the expenditures and projections needs to be implemented to ensure targeted expenditures of 95% plus are received at year end. The adjustment budget will be included during the next reporting cycle to ensure updated and improved performance.

Capital performance

Capital budget was reviewed during the adjustment budget process, and the municipality is under pressure to perform related to the capital spending. The performance of capital spending totals 21% of the capital budget. The risk of non-spending of capital grants and transfers will result in the municipality losing these funds and can negatively impact the financial ratios of the municipality.













These will be monitored over the following months.

Cashflow performance

The cash flow performance for the period reflects positively for the reporting period. The municipality is currently in a good position relating to the cash performance and this should be maintained and continued. The impact of the long-term financial plan and the revenue enhancement strategies ensure that the cash position is positively reflected.

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**.

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%			

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.

Summarized explanation:

We in the process of completion the financial ratios for the period 30 June 2019, this will be tabled in the next reporting period.

To date all ratio's reflected positively for the period ending 31 January 2020.

6. mSCOA IMPLEMENTATION

Summarised progress on the implementation of mSCOA and actions required

With the compilation of the new budget the municipality will be required to ensure that a more formal steering committee are being implemented again.

The implementation plan also needs to be reviewed and updated to ensure more focussed attention can be given to ensure compliance with the latest financial reforms introduced by National Treasury.

7. OUTSTANDING DEBT COLLECTION INTERVENTIONS

The municipality advertise a tender for the assessing of the internal debt collection capacity as well as the indigent processes and functioning. From the concluding of this process numerous gaps and actions was identified that require implementation to ensure that the efficiency of the municipal debt collection processes can be enhance and improved:

Some of these identified and being implemented at this stage is as follows:

- Capacitating of the debt collection unit.
- Informal training and workshops, and management meetings discussing these shortcomings.
- Re-evaluation of the functioning of the unit and establishing how the access capacity can be utilised.
- Contacting debtors with outstanding balances and no agreements to enforce payment.
- Improved reporting of activities to management.

8. 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:

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

9. 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.

Total cost saving disclosure in the In-year report - 31 JANUARY 2020						
	COST CONTAINMENT IN-YEAR REPORT					
MEASURES	BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	SAVINGS
Use of Consultant	9 953 600,00	528 778,62	1 257 938,04	447 675,02		7 719 208,32
Vehicle used for political office-bearers	-	-	-	-		-
Travel and subsistence	1 012 800,00	271 377,78	292 245,88	(12 177,62)		461 353,96
Domestic accomodation	456 200,00	140 187,38	61 177,82	1 293,00		253 541,80
Sponsorships, events and catering	294 550,00	40 918,21	81 928,80	6 247,47		165 455,52
Communication	400 600,00	48 517,87	49 005,26	17 697,52		285 379,35
Other related expenditures	954 300,00	118 210,38	207 022,41	31 012,53		598 054,68
Total	13 072 050,00	1 147 990,24	1 949 318,21	491 747,92	-	9 482 993,63

In order to generate value and adhere to the spirit of the Regulation with related to the cost containment reporting, management will need to interrogate each individual cost item and determine whether value for money was received when procuring or incurring the necessary expenses.

This is an ongoing process and will be re-evaluate with the adjustment and tabled budget processes.

PART B

10. LEGISLATED INFORMATION

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

Description	2018/19	Budget Year 2019/20							
	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	-	69 193	69 193	3 875	52 237	47 177	5 060	11%	69 193
Service charges	-	178 098	178 098	17 660	109 902	105 480	4 422	4%	178 098
Investment revenue	-	2 446	2 446	443	3 591	1 212	2 379	196%	2 446
Transfers and subsidies	-	98 670	98 670	1 612	25 504	60 795	(35 291)	-58%	98 670
Other own revenue	-	33 108	33 108	2 388	16 353	17 411	(1 058)	-6%	33 108
Total Revenue (excluding capital transfers and contributions)	-	381 515	381 515	25 977	207 587	232 075	(24 488)	-11%	381 515
Employee costs	-	134 136	134 136	11 068	78 217	81 165	(2 949)	-4%	134 136
Remuneration of Councillors	-	5 764	5 764	458	3 208	3 143	65	2%	5 764
Depreciation & asset impairment	-	11 025	11 025	919	7 097	6 431	666	10%	11 025
Finance charges	-	12 763	12 763	1 472	1 593	7 445	(5 852)	-79%	12 763
Materials and bulk purchases	-	160 950	160 950	9 225	60 115	89 317	(29 202)	-33%	160 950
Transfers and subsidies	-	2 026	2 026	127	1 375	1 142	233	20%	2 026
Other expenditure	-	67 671	67 671	1 170	23 929	37 588	(13 659)	-36%	67 671
Total Expenditure	-	394 335	394 335	24 440	175 533	226 231	(50 699)	-22%	394 335
Surplus/(Deficit)	-	(12 820)	(12 820)	1 537	32 054	5 843	26 210	449%	(12 820)
Transfers and subsidies - capital (monetary allocations)	-	12 941	12 941	51	2 951	4 299	(1 349)	-31%	12 941
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	121	121	1 588	35 005	10 143	24 862	245%	121
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	121	121	1 588	35 005	10 143	24 862	245%	121
Capital expenditure & funds sources									
Capital expenditure	-	47 209	47 209	2 222	10 205	15 684	(5 479)	-35%	47 209
Capital transfers recognised	-	12 941	12 941	(109)	2 772	4 299	(1 527)	-36%	12 941
Borrowing	-	19 988	19 988	1 570	3 153	6 641	(3 488)	-53%	19 988
Internally generated funds	-	14 279	14 279	761	4 280	4 744	(464)	-10%	14 279
Total sources of capital funds	-	47 209	47 209	2 222	10 205	15 684	(5 479)	-35%	47 209
Financial position									
Total current assets	118 811	66 089	66 089		149 738				66 089
Total non current assets	420 377	488 722	488 722		424 219				488 722
Total current liabilities	58 582	56 176	56 176		59 725				56 176
Total non current liabilities	92 454	160 960	160 960		90 824				160 960
Community wealth/Equity	388 152	337 676	337 676		423 409				337 676
Cash flows									
Net cash from (used) operating	-	12 172	12 172	(1 806)	36 462	20 602	(15 860)	-77%	12 172
Net cash from (used) investing	-	(42 201)	(42 201)	(2 222)	(10 179)	(15 680)	(5 500)	35%	(42 201)
Net cash from (used) financing	-	11 820	11 820	(147)	(2 735)	(2 459)	276	-11%	11 820
Cash/cash equivalents at the month/year end	-	22 192	22 192	-	107 286	42 865	(64 421)	-150%	65 529
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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	Budget Year 2019/20							
		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>		-	126 340	126 340	5 096	86 167	76 176	9 991	13%	126 340
Executive and council		-	29 940	29 940	1	22 432	18 450	3 982	22%	29 940
Finance and administration		-	96 400	96 400	5 095	63 735	57 726	6 009	10%	96 400
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	76 339	76 339	937	8 724	46 908	(38 184)	-81%	76 339
Community and social services		-	6 653	6 653	19	168	4 151	(3 984)	-96%	6 653
Sport and recreation		-	7 329	7 329	702	6 327	5 055	1 272	25%	7 329
Public safety		-	11 655	11 655	216	2 126	6 462	(4 337)	-67%	11 655
Housing		-	50 702	50 702	-	104	31 240	(31 136)	-100%	50 702
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	7 077	7 077	714	4 045	3 876	169	4%	7 077
Planning and development		-	4 160	4 160	256	2 110	2 202	(92)	-4%	4 160
Road transport		-	2 917	2 917	459	1 935	1 674	261	16%	2 917
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	184 701	184 701	19 281	111 602	109 414	2 188	2%	184 701
Energy sources		-	126 860	126 860	13 073	75 440	75 972	(532)	-1%	126 860
Water management		-	28 707	28 707	3 286	16 665	16 385	280	2%	28 707
Waste water management		-	11 335	11 335	1 265	7 883	6 681	1 202	18%	11 335
Waste management		-	17 798	17 798	1 657	11 614	10 376	1 237	12%	17 798
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	394 456	394 456	26 028	210 538	236 374	(25 837)	-11%	394 456
Expenditure - Functional										
<i>Governance and administration</i>		-	104 515	104 515	7 443	53 373	60 333	(6 961)	-12%	104 515
Executive and council		-	15 500	15 500	902	9 150	8 695	455	5%	15 500
Finance and administration		-	87 666	87 666	6 438	43 471	50 833	(7 362)	-14%	87 666
Internal audit		-	1 349	1 349	103	751	805	(54)	-7%	1 349
<i>Community and public safety</i>		-	92 739	92 739	4 237	22 825	51 150	(28 325)	-55%	92 739
Community and social services		-	11 094	11 094	1 007	7 639	6 560	1 078	16%	11 094
Sport and recreation		-	12 398	12 398	1 119	7 137	7 274	(136)	-2%	12 398
Public safety		-	16 197	16 197	795	5 485	9 521	(4 036)	-42%	16 197
Housing		-	53 050	53 050	1 317	2 564	27 795	(25 231)	-91%	53 050
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	31 240	31 240	2 539	16 763	18 375	(1 612)	-9%	31 240
Planning and development		-	11 814	11 814	755	5 886	7 002	(1 116)	-16%	11 814
Road transport		-	19 352	19 352	1 784	10 871	11 334	(464)	-4%	19 352
Environmental protection		-	74	74	-	6	38	(32)	-84%	74
<i>Trading services</i>		-	164 064	164 064	10 043	81 455	95 338	(13 883)	-15%	164 064
Energy sources		-	111 310	111 310	5 766	55 555	64 907	(9 352)	-14%	111 310
Water management		-	20 186	20 186	1 840	10 535	11 654	(1 119)	-10%	20 186
Waste water management		-	11 878	11 878	1 243	6 863	6 861	2	0%	11 878
Waste management		-	20 690	20 690	1 194	8 501	11 915	(3 414)	-29%	20 690
<i>Other</i>		-	1 778	1 778	178	1 118	1 035	83	8%	1 778
Total Expenditure - Functional	3	-	394 335	394 335	24 440	175 533	226 231	(50 699)	-22%	394 335
Surplus/ (Deficit) for the year		-	121	121	1 588	35 005	10 143	24 862	245%	121

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

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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		-	34 903	34 903	170	24 537	21 312	3 225	15,1%	34 903
Vote 2 - Financial Services & ICT		-	82 867	82 867	5 020	60 186	51 698	8 488	16,4%	82 867
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	78 926	78 926	1 419	10 744	48 361	(37 617)	-77,8%	78 926
Vote 5 - Engineering Services		-	197 760	197 760	19 419	115 070	115 002	68	0,1%	197 760
Total Revenue by Vote	2	-	394 456	394 456	26 028	210 538	236 374	(25 837)	-10,9%	394 456
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	47 238	47 238	2 947	26 384	27 271	(887)	-3,3%	47 238
Vote 2 - Financial Services & ICT		-	59 117	59 117	4 709	28 571	34 123	(5 551)	-16,3%	59 117
Vote 3 - Corporate Services		-	-	-	0	(0)	-	(0)	#DIV/0!	-
Vote 4 - Management Services		-	101 227	101 227	4 779	26 920	56 184	(29 265)	-52,1%	101 227
Vote 5 - Engineering Services		-	186 752	186 752	12 004	93 658	108 654	(14 996)	-13,8%	186 752
Total Expenditure by Vote	2	-	394 335	394 335	24 440	175 533	226 231	(50 699)	-22,4%	394 335
Surplus/ (Deficit) for the year	2	-	121	121	1 588	35 005	10 143	24 862	245,1%	121

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

Description	Ref	2018/19	Budget Year 2019/20								
		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			69 193	69 193	3 875	52 237	47 177	5 060	11%	69 193	
Service charges - electricity revenue			120 786	120 786	11 456	73 746	72 223	1 523	2%	120 786	
Service charges - water revenue			28 204	28 204	3 281	16 660	16 216	443	3%	28 204	
Service charges - sanitation revenue			11 310	11 310	1 265	7 883	6 664	1 219	18%	11 310	
Service charges - refuse revenue			17 798	17 798	1 657	11 614	10 376	1 237	12%	17 798	
Rental of facilities and equipment			1 961	1 961	76	851	1 526	(675)	-44%	1 961	
Interest earned - external investments			2 446	2 446	443	3 591	1 212	2 379	196%	2 446	
Interest earned - outstanding debtors			1 719	1 719	258	1 115	925	190	21%	1 719	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			11 640	11 640	221	1 999	6 444	(4 446)	-69%	11 640	
Licences and permits			67	67	4	9	40	(30)	-76%	67	
Agency services			2 917	2 917	459	1 935	1 674	261	16%	2 917	
Transfers and subsidies			98 670	98 670	1 612	25 504	60 795	(35 291)	-58%	98 670	
Other revenue			9 805	9 805	1 371	10 444	6 802	3 642	54%	9 805	
Gains on disposal of PPE			5 000	5 000	-	-	-	-	-	5 000	
Total Revenue (excluding capital transfers and contributions)			-	381 515	381 515	25 977	207 587	232 075	(24 488)	-11%	381 515
Expenditure By Type											
Employee related costs			134 136	134 136	11 068	78 217	81 165	(2 949)	-4%	134 136	
Remuneration of councillors			5 764	5 764	458	3 208	3 143	65	2%	5 764	
Debt impairment			11 267	11 267	-	-	6 573	(6 573)	-100%	11 267	
Depreciation & asset impairment			11 025	11 025	919	7 097	6 431	666	10%	11 025	
Finance charges			12 763	12 763	1 472	1 593	7 445	(5 852)	-79%	12 763	
Bulk purchases			88 404	88 404	6 419	48 824	51 572	(2 748)	-5%	88 404	
Other materials			72 546	72 546	2 806	11 291	37 745	(26 454)	-70%	72 546	
Contracted services			28 210	28 210	(547)	7 112	16 346	(9 234)	-56%	28 210	
Transfers and subsidies			2 026	2 026	127	1 375	1 142	233	20%	2 026	
Other expenditure			28 194	28 194	1 717	16 817	14 669	2 148	15%	28 194	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	394 335	394 335	24 440	175 533	226 231	(50 699)	-22%	394 335
Surplus/(Deficit)			-	(12 820)	(12 820)	1 537	32 054	5 843	26 210	0	(12 820)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12 941	12 941	51	2 951	4 299	(1 349)	(0)	12 941	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions			-	121	121	1 588	35 005	10 143			121
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	121	121	1 588	35 005	10 143			121
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	121	121	1 588	35 005	10 143			121
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	121	121	1 588	35 005	10 143			121

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

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		-	4 081	4 081	107	362	1 356	(994)	-73%	4 081
Executive and council			10	10	-	7	3	4	109%	10
Finance and administration			4 071	4 071	107	355	1 353	(998)	-74%	4 071
Internal audit			-	-	-	-	-	-	-	-
Community and public safety		-	3 662	3 662	538	1 736	1 217	519	43%	3 662
Community and social services			50	50	0	45	17	29	173%	50
Sport and recreation			3 142	3 142	73	1 221	1 044	177	17%	3 142
Public safety			465	465	466	466	154	311	202%	465
Housing			5	5	-	3	1	2	107%	5
Health			-	-	-	-	-	-	-	-
Economic and environmental services		-	13 340	13 340	371	4 807	4 432	375	8%	13 340
Planning and development			1 857	1 857	(66)	745	617	128	21%	1 857
Road transport			11 304	11 304	437	4 062	3 755	307	8%	11 304
Environmental protection			180	180	-	-	60	(60)	-100%	180
Trading services		-	26 055	26 055	1 207	3 261	8 656	(5 395)	-62%	26 055
Energy sources			5 838	5 838	785	1 117	1 940	(823)	-42%	5 838
Water management			3 030	3 030	422	1 296	1 007	290	29%	3 030
Waste water management			15 637	15 637	-	-	5 195	(5 195)	-100%	15 637
Waste management			1 550	1 550	-	849	515	334	65%	1 550
Other			70	70	-	39	23	16	69%	70
Total Capital Expenditure - Functional	3	-	47 209	47 209	2 222	10 205	15 684	(5 479)	-35%	47 209
Funded by:										
National Government			10 641	10 641	(43)	2 037	3 535	(1 498)	-42%	10 641
Provincial Government			2 300	2 300	(66)	735	764	(29)	-4%	2 300
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12 941	12 941	(109)	2 772	4 299	(1 527)	-36%	12 941
Borrowing	6		19 988	19 988	1 570	3 153	6 641	(3 488)	-53%	19 988
Internally generated funds			14 279	14 279	761	4 280	4 744	(464)	-10%	14 279
Total Capital Funding		-	47 209	47 209	2 222	10 205	15 684	(5 479)	-35%	47 209

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

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		25 485	12 192	12 192	34 032	12 192
Call investment deposits		58 254	10 000	10 000	73 254	10 000
Consumer debtors		29 194	35 990	35 990	39 510	35 990
Other debtors		4 208	6 593	6 593	1 127	6 593
Current portion of long-term receivables		8	7	7	8	7
Inventory		1 662	1 308	1 308	1 808	1 308
Total current assets		118 811	66 089	66 089	149 738	66 089
Non current assets						
Long-term receivables		184	197	197	159	197
Investments		-	-	-	-	-
Investment property		40 200	40 536	40 536	40 194	40 536
Investments in Associate		-	-	-	-	-
Property, plant and equipment		375 287	443 188	443 188	379 161	443 188
Biological		-	-	-	-	-
Intangible		4 705	4 801	4 801	4 705	4 801
Other non-current assets		-	-	-	-	-
Total non current assets		420 377	488 722	488 722	424 219	488 722
TOTAL ASSETS		539 188	554 811	554 811	573 958	554 811
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		5 963	5 300	5 300	5 963	5 300
Consumer deposits		4 696	5 019	5 019	4 930	5 019
Trade and other payables		35 380	32 883	32 883	38 517	32 883
Provisions		12 543	12 973	12 973	10 316	12 973
Total current liabilities		58 582	56 176	56 176	59 725	56 176
Non current liabilities						
Borrowing		26 790	22 031	22 031	23 822	22 031
Provisions		65 664	138 928	138 928	67 002	138 928
Total non current liabilities		92 454	160 960	160 960	90 824	160 960
TOTAL LIABILITIES		151 036	217 135	217 135	150 549	217 135
NET ASSETS	2	388 152	337 676	337 676	423 409	337 676
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		353 152	315 676	315 676	388 409	315 676
Reserves		35 000	22 000	22 000	35 000	22 000
TOTAL COMMUNITY WEALTH/EQUITY	2	388 152	337 676	337 676	423 409	337 676

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

Description	Ref	2018/19	Budget Year 2019/20							
		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			67 809	67 809	4 610	51 729	43 592	8 138	19%	67 809
Service charges			174 536	174 536	15 408	102 744	101 813	931	1%	174 536
Other revenue			17 854	17 854	2 144	11 928	10 415	1 513	15%	17 854
Government - operating			98 670	98 670	2 001	78 331	65 780	12 551	19%	98 670
Government - capital			12 441	12 441	-	12 939	8 294	4 645	56%	12 441
Interest			4 130	4 130	701	4 513	2 409	2 104	87%	4 130
Dividends			-	-	-	-	-	-	-	-
Payments										
Suppliers and employees			(358 379)	(358 379)	(25 070)	(222 755)	(208 950)	13 805	-7%	(358 379)
Finance charges			(2 864)	(2 864)	(1 472)	(1 593)	(1 611)	(18)	1%	(2 864)
Transfers and Grants			(2 026)	(2 026)	(127)	(1 375)	(1 140)	235	-21%	(2 026)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	12 172	12 172	(1 806)	36 462	20 602	(15 860)	-77%	12 172
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			5 000	5 000	-	-	-	-	-	5 000
Decrease (Increase) in non-current debtors			7	7	(0)	25	4	21	499%	7
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-
Payments										
Capital assets			(47 209)	(47 209)	(2 222)	(10 205)	(15 684)	(5 479)	35%	(47 209)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(42 201)	(42 201)	(2 222)	(10 179)	(15 680)	(5 500)	35%	(42 201)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			-	-	-	-	-	-	-	-
Borrowing long term/refinancing			16 779	16 779	-	-	-	-	-	16 779
Increase (decrease) in consumer deposits			241	241	(1)	233	141	92	66%	241
Payments										
Repayment of borrowing			(5 200)	(5 200)	(147)	(2 968)	(2 600)	368	-14%	(5 200)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	11 820	11 820	(147)	(2 735)	(2 459)	276	-11%	11 820
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		-	(18 210)	(18 210)	(4 175)	23 547	2 463			(18 210)
Cash/cash equivalents at month/year end:		-	40 402	40 402		83 739	40 402			83 739
		-	22 192	22 192		107 286	42 865			65 529

11. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2019-20 (S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 14 January 2020



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

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

(mark as appropriate)

The monthly budget statement

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

For the month ending **31 JANUARY 2020** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name P. J. van der Merwe

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

Signature: [Signature]

Date: 14 February 2020