



**Quarterly Budget Statement in
accordance with MFMA Section 52(d),
for the quarter ended 30 June 2023**

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BITOU LOCAL MUNICIPALITY

Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timing. For example, when an invoice is received by the Municipality it is shown as expenditure in the Quarter it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

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SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising monthly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

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Legislative Framework

This report has been prepared in terms of the following enabling legislation. The Municipal Finance Management Act – No. 56 of 2003 Section 52(d) quarterly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations (MBRR)

PART 1 – IN-YEAR REPORT

Section 1 – Quarter 4 Report

1.1 In-Year Report – Quarterly Budget Statement

The report outlines the financial performance and position of the municipality for the quarter ended 30 June 2023. The budget of the municipality is compiled with the objective that Bitou municipality remains a financially viable and sustainable institution. The latter could be achieved if the municipality spend its budget prudently.

The financial viability is measured through the, liquidity ratio, current ratio and quick ratio, these ratios are critical in terms of evaluating the ability of the municipality to meet its short term obligation.

Although the plan to monitor the implementation of the current year's budget under strict conditions, management has not been consistent in following its internal procedures and protocols which makes it challenging to detect wrongful transactions, and these are only detected after the event.

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at the quarter ended June 2023 amounts to R 95.5 million. The municipality on average requires an amount in excess of R65 million to cover its monthly operational expenditure, this includes the cost associated with the payment of employee cost and suppliers. It however excludes payments made to suppliers for capital assets.

Section 2 – Resolutions

IN-YEAR REPORTS 2022/2023

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

- That Council notes the quarterly budget statement and supporting documentation for the quarter ended 30 June 2023.

Section 3 – Executive Summary

3.1 Introduction

The quarterly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations and section 52(d) of the Municipal Finance Management Act 56 of 2003.

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Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		157 194	159 956	152 705	12 495	151 804	152 705	(901)	-1%	152 705
Service charges - electricity revenue		202 469	207 720	201 639	20 784	211 459	201 639	9 820	5%	201 639
Service charges - water revenue		85 578	93 277	88 015	7 337	85 375	88 015	(2 640)	-3%	88 015
Service charges - sanitation revenue		88 009	87 047	85 561	6 096	78 318	85 561	(7 243)	-8%	85 561
Service charges - refuse revenue		37 424	53 272	48 278	3 449	45 707	48 278	(2 571)	-5%	48 278
Rental of facilities and equipment		1 255	1 193	1 179	145	1 065	1 179	(114)	-10%	1 179
Interest earned - external investments		3 747	4 600	5 700	2 691	8 035	5 700	2 335	41%	5 700
Interest earned - outstanding debtors		14 777	14 572	18 432	2 107	21 362	18 432	2 930	16%	18 432
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		54 430	35 870	25 758	(1)	28 260	25 758	2 502	10%	25 758
Licences and permits		1 091	1 002	1 064	101	1 219	1 064	155	15%	1 064
Agency services		2 423	2 414	2 536	334	2 501	2 536	(35)	-1%	2 536
Transfers and subsidies		140 026	153 896	164 774	1 906	151 092	164 774	(13 681)	-8%	164 774
Other revenue		9 341	7 875	9 629	790	10 162	9 629	533	6%	9 629
Gains		-	-	522	-	454	522	(68)	-13%	522
Total Revenue (excluding capital transfers and contributions)		797 763	822 693	805 791	58 234	796 813	805 791	(8 978)	-1%	805 791
Expenditure By Type										
Employee related costs		278 100	306 473	307 943	25 002	299 957	307 943	(7 986)	-3%	307 943
Remuneration of councillors		6 198	6 944	6 944	555	6 728	6 944	(216)	-3%	6 944
Debt impairment		126 876	103 440	112 640	134	62 654	112 640	(49 986)	-44%	112 640
Depreciation & asset impairment		36 223	37 400	38 163	1 485	35 767	38 163	(2 397)	-6%	38 163
Finance charges		11 102	10 739	8 776	3 797	8 776	8 776	(0)	0%	8 776
Bulk purchases - electricity		159 802	161 902	173 902	11 856	148 528	173 902	(25 374)	-15%	173 902
Inventory consumed		14 864	17 674	17 714	1 718	14 173	17 714	(3 541)	-20%	17 714
Contracted services		102 726	91 004	98 129	18 809	62 226	98 129	(35 903)	-37%	98 129
Transfers and subsidies		4 527	4 750	7 285	123	5 576	7 285	(1 709)	-23%	7 285
Other expenditure		57 505	78 447	80 329	8 012	64 941	80 329	(15 388)	-19%	80 329
Losses		1 813	-	-	-	-	-	-	-	-
Total Expenditure		799 736	818 774	851 826	71 491	709 326	851 826	(142 500)	-17%	851 826
Surplus/(Deficit)		(1 973)	3 919	(46 035)	(13 256)	87 487	(46 035)	133 522	(0)	(46 035)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		48 270	46 335	47 661	14 974	32 607	47 661	(15 054)	(0)	47 661
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		1 562	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		47 859	50 254	1 626	1 718	120 094	1 626			1 626
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		47 859	50 254	1 626	1 718	120 094	1 626			1 626
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		47 859	50 254	1 626	1 718	120 094	1 626			1 626
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		47 859	50 254	1 626	1 718	120 094	1 626			1 626

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Revenue by Source

Property Rates

Property rates for the quarter amounts to R37.5 million. The YTD actual, amount to R151.8 million compared to YTD budget of R152.7 million. Compared to the 3rd quarter the performance relatively remains the same. This can mainly be ascribed to the adjustment budget that brought this line item in-line with the year-to-date budget and full year forecast.

Electricity

Revenue from electricity as at the end of quarter 4 amounts to a YTD actual R211.5 million and when compared to the YTD budget of R201.6 million it translates to a 5% over performance. This revenue item relatively remains consistent with the previous quarter. Electricity revenue is influenced by fluctuating consumption during peak and off-peak periods which is evident as the performance is improving as we enter the peak season. The prolonged load shedding remains a point of concern even though performance of this revenue item has improved.

Water Service

Water revenue as at end of June 2023 amounts to R85.3 million while YTD budget amounts to R88 million. This is a 2% increase in under-performance from the previous quarter which can mainly be ascribed to the water restrictions that are currently in place, coupled to the colder and wetter weather conditions and seasonal consumption patterns, load shedding also impacts on the municipality's ability to deliver water to end-users resulting in lower consumption trends establishing.

Sanitation Service

Sanitation revenue as at end of quarter 4 amounts to R78.3 million while YTD budget amounts to R85.5 million. This translates to 8% under-performance for this category of revenue which is similar to the previous quarters figure of 6%. The revenue source was adjusted downwards however it still underperformed.

The reason for the under-performance is due to an increase in indigent customers for the year with the figure increasing from 3404 to 4132 for the year. The increase in indigents coupled with the rebate received, in turn reduced the anticipated revenue collection.

Refuse Service

Refuse revenue as at the end of quarter 4 amounts R45.7 million while the YTD budget amounts to R48.3 million. This revenue source has throughout the financial year underperformed even after the downward adjustment in the revenue source was done in the mid-year adjustments budget. This category of revenue falls part of the revenue enhancement programme and an upward trend was expected in the last quarter of the financial year; however this did not materialise and a concerted effort must be made in the new financial year to ensure this revenue source is performing adequately as the municipality invested a sizeable amount of capital for this function.

Rental of Facilities and Equipment

The revenue for rental of facilities and equipment as at the end of quarter 4 amounts to R1.06 million. This source of revenue has also continuously under-performed throughout the year. This source of revenue was adjusted downward as it has consistently underperforming based on the previous reports and based on the first quarterly report after the adjustment budget, consideration has been given in the annual budget for this item to make sure tariffs and collection efforts are in line. Revenue from this source is dependent on the community's need to make use of municipality's various facilities and it can be difficult to predict.

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Interest earned on external investment and outstanding debtors

Interest earned on external investment and outstanding debtors' revenue as at end of end of quarter 4 amounts to R8 million and R21.4 million respectively while the YTD budget amounts to R5.7 million and R18.4 million respectively. The investments are continuing to show a positive result and was adjusted upwards in the 3rd adjustment budget. The interest on outstanding debtors is also showing a positive of trend, however it is doubtful that the municipality would be able to collect it.

Revenue for fines, penalties and forfeits

Revenue from Fines as at the end of quarter 4 amounts to R28.2 million compared to the YTD budget of R25.8 million. This is an over performance of 10% which is likely to increase even more as revenue for the month of June 2023 will be recognised as part of the year end processes under quarter 4.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R151 million for the quarter ending June 2023. Revenue from Transfers and Subsidies is performing adequately and is in-line with budgeted targets. It is anticipated that this result may improve after the finalisation of the year-end accruals.

Other revenue

Other revenue as at the end of quarter 4 amounts to R10.2 million. This is 6% above the anticipated YTD budget. The major contributor of the revenue remains Building Plan Approval fees, Development Charges, Town Planning Fees, Fire Services, Staff and Councillor Recoveries etc.

Total revenue as at the end of quarter amounts to R796.8 million compared to the R630.5 million reported in the previous quarter.

Expenditure

Employee related cost

Employee related cost amounts R299.9 million, while the YTD budget amounts to R307.9 million. This translates to an under performance of 3%, consistent with Quarter 3. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date coupled with the year-end post-retirement and employee benefits provision that still needs to be made.

Remuneration of councillors

Remuneration of councillors as at the end of quarter 4 amounts to R6.2 million. This expenditure item is underperforming by 3% with the year-end post-retirement and employee benefits provision that still needs to be made.

Debt Impairment

Debt Impairment as at end of June amounted to R62.7 million. The YTD budget amounts to R112.6 million. This translates to an under performance of 44% It is however expected that the budgeted expenditure target will be met for the financial year as final write-offs and impairment calculations will be performed as part of the year end process.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at the end of quarter 4 amounts to R148.5 million compared to R173.9 million YTD budget, thus reporting an under performance of 15%. All payments to Eskom until May 2023 are reflected in the YTD figure. It is therefore anticipated that the expenditure target for this item will be met upon the payment of the final year end creditors which will include the June 2023 Eskom account accrual.

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Depreciation

Depreciation as at the end of June 2023 amounts to R35.7 million compared to R38.2 million YTD budget. This item is anticipated to overperform even with a 6% under performance. Final actual expenditure for this item will reflect most accurately at the end of the financial year when the asset register is finalised.

Inventory Consumed

Expenditure for this item as at end of June 2023 amounts to R14.2 million while the YTD budget amounts to R17.7 million. This expenditure item is under-performing by 20% when compared to the YTD budget. This expenditure type relates to the consumption of materials and supplies/inventory at the stores and the trend of underperformance continued from the previous quarter. This item will be monitored in the 2023/24 budget to ensure spending occurs in line with the budget.

Contracted Services

Expenditure as at end of June 2023 amounts R62.2 million and under-performed by 37% when compared to the YTD budget of R98 million. The under expenditure remains relatively the same from the previous month, a slight increase may be evident after the conclusion of the year-end processes.

Transfers and subsidies

Expenditure as at end of June amounts R5.6 million compared to the YTD budget of R7.73 million. An under performance of 23% is reported at the end of the quarter. The percentage is expected to increase upon conclusion of the year-end processes.

Other expenditure

Other expenditure as at end of June 2023 amounts to R64.9 million while the YTD budget amounts to R80.3 million, which translates to an under performance of 19%. This include items such as the rental expenses for offices accommodation, insurance, travel and subsistence and telephone accounts. Some of the major contributors to this expenditure category is postage cost, external audit fees, bank charges and commission on prepaid electricity.

Total expenditure as at end of June 2023 amounts to R709.3 million. The municipality is reporting an operating surplus of R1.7 million for the quarter ending June 2023 compared to R45.9 million in quarter 3 and a surplus of R120.1 compared to quarter 3 where we saw a R117.4 million YTD actual.

Conclusion on Financial Position and performance

The financial performance as at end of June 2023 has decreased from the previous Quarter as expected as part of the year end processes. The current cash flow is sufficient to meet the short-term operations however, for the medium and long term it is still not sufficient to sustain operations. The current ratio is just within the best practice norms.

The liquidity position is not yet ideal and a concerted effort is necessary to ensure the financial turnaround of the municipality. It is anticipated that positive results will be evident in the 2023/2024 financial year as both the revenue enhancement strategy and the debt collection efforts gain momentum.

Section 4 – In-year budget statement tables

4.1 Quarterly budget statements

The tables included in section 4 to the end of this report are from the ‘C Schedule quarterly Budget Statement legislated as part of the MBRR.

Below tables analyse the income and expenditure by Function and the performance of each sub function. As mentioned above the performance will increased with the implementation of the SDBIP.

Table below relates to the budget performance by municipal vote. Most of the departments has underspent on their expenditure budget however, collections are in line on their revenue budget as seen below.

See tables below C1 and C3 for the quarter ended 30 June 2023.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	157 194	159 956	152 705	12 495	151 804	152 705	(901)	-1%	152 705
Service charges	413 479	441 315	423 494	37 666	420 859	423 494	(2 634)	-1%	423 494
Investment revenue	3 747	4 600	5 700	2 691	8 035	5 700	2 335	41%	5 700
Transfers and subsidies	140 026	153 896	164 774	1 906	151 092	164 774	(13 681)	-8%	164 774
Other own revenue	83 317	62 926	59 118	3 476	65 022	59 118	5 904	10%	59 118
Total Revenue (excluding capital transfers and contributions)	797 763	822 693	805 791	58 234	796 813	805 791	(8 978)	-1%	805 791
Employee costs	278 100	306 473	307 943	25 002	299 957	307 943	(7 986)	-3%	307 943
Remuneration of Councillors	6 198	6 944	6 944	555	6 728	6 944	(216)	-3%	6 944
Depreciation & asset impairment	36 223	37 400	38 163	1 485	35 767	38 163	(2 397)	-6%	38 163
Finance charges	11 102	10 739	8 776	3 797	8 776	8 776	(0)	-0%	8 776
Materials and bulk purchases	174 666	179 576	191 616	13 574	162 701	191 616	(28 916)	-15%	191 616
Transfers and subsidies	4 527	4 750	7 285	123	5 576	7 285	(1 709)	-23%	7 285
Other expenditure	288 920	272 892	291 098	26 955	189 821	291 098	(101 277)	-35%	291 098
Total Expenditure	799 736	818 774	851 826	71 491	709 326	851 826	(142 500)	-17%	851 826
Surplus/(Deficit)	(1 973)	3 919	(46 035)	(13 256)	87 487	(46 035)	133 522	-290%	(46 035)
Transfers and subsidies - capital (monetary allocations)	48 270	46 335	47 661	14 974	32 607	47 661	(15 054)	-32%	47 661
Contributions & Contributed assets	1 562	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 859	50 254	1 626	1 718	120 094	1 626	118 468	7287%	1 626
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 859	50 254	1 626	1 718	120 094	1 626	118 468	7287%	1 626
Capital expenditure & funds sources									
Capital expenditure	81 943	98 450	101 971	36 595	75 826	101 971	(26 145)	-26%	101 971
Capital transfers recognised	60 306	41 078	41 860	15 076	29 809	41 860	(12 050)	-29%	41 860
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	38 843	34 621	11 227	28 521	34 621	(6 099)	-18%	34 621
Internally generated funds	18 943	18 529	25 491	10 292	17 495	25 491	(7 995)	-31%	25 491
Total sources of capital funds	79 249	98 450	101 971	36 595	75 826	101 971	(26 145)	-26%	101 971
Financial position									
Total current assets	341 997	272 028	354 823		215 782				354 823
Total non current assets	1 218 623	1 345 582	1 282 430		1 249 888				1 282 430
Total current liabilities	361 203	150 778	398 064		126 193				398 064
Total non current liabilities	134 689	226 140	170 918		144 788				170 918
Community wealth/Equity	1 064 727	1 240 692	1 068 143		1 194 689				1 068 143
Cash flows									
Net cash from (used) operating	(1 123 414)	77 840	103 642	(66 509)	99 126	103 642	4 516	4%	103 642
Net cash from (used) investing	(39 074)	(98 450)	(101 540)	(37 712)	(66 631)	(101 540)	(34 909)	34%	(101 540)
Net cash from (used) financing	835	(21 828)	13 451	26 902	14 392	13 451	(941)	-7%	13 451
Cash/cash equivalents at the month/year end	(1 088 188)	68 025	64 180	-	95 514	64 180	(31 334)	-49%	64 180
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	(16 426)	35 764	10 916	8 446	8 747	247 841	-	-	295 288
Creditors Age Analysis									
Total Creditors	17 770	3 349	59	177	126	4	12	6	21 503

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end June 2023 amounts to R829.4 million, this is an underperformance of 2.8% which compared to the YTD Budget is more or less in line. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at June 2023 amounts R709.3 million. The total expenditure budget under performed by 16.7%, it must be emphasized that a slight variance may be evident once the year-end processes have been finalised.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		2 918	2 918	2 918	–	18	2 918	(2 900)	-99,4%	2 918
Vote 2 - Office of the Municipal Manager		48 142	55 066	55 165	147	130 209	55 165	75 044	136,0%	55 165
Vote 3 - Community Services		131 694	139 714	131 685	6 602	101 294	131 685	(30 392)	-23,1%	131 685
Vote 4 - Corporate Services		276	–	404	169	1 199	404	795	196,8%	404
Vote 5 - Financial Services		177 153	181 221	178 152	16 004	165 815	178 152	(12 337)	-6,9%	179 873
Vote 6 - Economic Development & Planning		19 694	4 202	5 941	(425)	7 200	5 941	1 259	21,2%	5 941
Vote 7 - Engineering Services		467 601	485 908	479 186	50 711	423 684	479 186	(55 502)	-11,6%	479 186
Total Revenue by Vote	2	847 477	869 028	853 452	73 208	829 420	853 452	(24 032)	-2,8%	855 173
Expenditure by Vote	1									
Vote 1 - Council		7 835	9 773	9 268	707	8 066	9 268	(1 202)	-13,0%	9 268
Vote 2 - Office of the Municipal Manager		23 300	30 026	30 938	2 978	28 542	30 938	(2 396)	-7,7%	30 938
Vote 3 - Community Services		246 096	228 348	247 054	19 658	204 097	247 054	(42 956)	-17,4%	247 054
Vote 4 - Corporate Services		67 025	68 794	69 303	5 312	53 287	69 303	(16 015)	-23,1%	69 303
Vote 5 - Financial Services		31 955	66 371	62 948	2 576	46 352	62 948	(16 597)	-26,4%	78 615
Vote 6 - Economic Development & Planning		23 677	24 488	23 233	1 852	22 585	23 233	(648)	-2,8%	23 233
Vote 7 - Engineering Services		399 847	390 974	409 082	38 408	346 396	409 082	(62 686)	-15,3%	409 082
Total Expenditure by Vote	2	799 736	818 774	851 826	71 491	709 326	851 826	(142 500)	-16,7%	867 492
Surplus/ (Deficit) for the year	2	47 741	50 254	1 626	1 718	120 094	1 626	118 468	7287,1%	(12 320)

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-		-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-		-
Vote 3 - Community Services		2 428	1 400	1 966	699	1 679	1 966	(287)	-15%	1 966
Vote 4 - Corporate Services		520	1 804	2 104	1 792	2 074	2 104	(30)	-1%	2 104
Vote 5 - Financial Services		-	600	-	-	-	-	-		-
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-		-
Vote 7 - Engineering Services		18 371	44 556	50 650	18 022	35 925	50 650	(14 725)	-29%	50 650
Total Capital Multi-year expenditure	4,7	21 318	48 360	54 720	20 513	39 677	54 720	(15 042)	-27%	54 720
Single Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-		-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-		-
Vote 3 - Community Services		6 575	9 026	7 749	2 267	4 728	7 749	(3 021)	-39%	7 749
Vote 4 - Corporate Services		2 592	635	235	31	59	235	(176)	-75%	235
Vote 5 - Financial Services		5 406	-	-	1	1	-	1	#DIV/0!	-
Vote 6 - Economic Development & Planning		-	-	435	197	435	435	-		435
Vote 7 - Engineering Services		46 052	40 429	38 832	13 586	30 925	38 832	(7 907)	-20%	38 832
Total Capital single-year expenditure	4	60 624	50 090	47 251	16 083	36 149	47 251	(11 103)	-23%	47 251
Total Capital Expenditure	3	81 943	98 450	101 971	36 595	75 826	101 971	(26 145)	-26%	101 971
Capital Expenditure - Functional Classification										
Governance and administration		19 190	3 835	3 415	2 004	2 537	3 415	(878)	-26%	3 415
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		19 190	3 835	3 415	2 004	2 537	3 415	(878)	-26%	3 415
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		5 340	8 204	7 323	1 924	4 766	7 323	(2 557)	-35%	7 323
Community and social services		605	3 930	3 511	1 136	2 259	3 511	(1 252)	-36%	3 511
Sport and recreation		2 449	3 794	1 351	96	818	1 351	(533)	-39%	1 351
Public safety		2 286	480	2 460	692	1 689	2 460	(771)	-31%	2 460
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		9 984	10 790	10 579	5 625	7 958	10 579	(2 621)	-25%	10 579
Planning and development		-	-	435	197	435	435	-		435
Road transport		9 984	10 790	10 144	5 428	7 523	10 144	(2 621)	-26%	10 144
Environmental protection		-	-	-	-	-	-	-		-
Trading services		44 734	75 621	80 654	27 042	60 566	80 654	(20 088)	-25%	80 654
Energy sources		19 459	21 116	25 741	12 599	24 249	25 741	(1 493)	-6%	25 741
Water management		17 352	40 579	36 547	10 991	23 196	36 547	(13 351)	-37%	36 547
Waste water management		4 273	12 400	16 870	2 470	11 738	16 870	(5 131)	-30%	16 870
Waste management		3 650	1 526	1 496	983	1 382	1 496	(114)	-8%	1 496
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	79 249	98 450	101 971	36 595	75 826	101 971	(26 145)	-26%	101 971
Funded by:										
National Government		42 019	35 048	33 401	14 087	25 845	33 401	(7 556)	-23%	33 401
Provincial Government		18 287	6 030	8 354	989	3 964	8 354	(4 390)	-53%	8 354
District Municipality		-	-	104	-	-	104	(104)	-100%	104
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		60 306	41 078	41 860	15 076	29 809	41 860	(12 050)	-29%	41 860
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	38 843	34 621	11 227	28 521	34 621	(6 099)	-18%	34 621
Internally generated funds		18 943	18 529	25 491	10 292	17 495	25 491	(7 995)	-31%	25 491
Total Capital Funding		79 249	98 450	101 971	36 595	75 826	101 971	(26 145)	-26%	101 971

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Capital Expenditure Analysis

Capital Expenditure for the month amounts to R36.5 million and YTD expenditure as at end of June 2023 amounts to R75.8 million. It is also anticipated that the actual percentage will increase after year-end accruals are done.

It should be noted that majority of the approved capital projects are at 74% spending which means these projects are under-performing. The expenditure pattern over years indicates that where department fail to meet 25% spending target in the first quarter, its either they will not spend 100% of their allocated budget, therefore resulting in budget being forfeited and adjusted due non-performance.

Where conditional grant funds remain unspent at 30 June, rollover processes needs to be followed for the retention thereof, all departments have already been made aware of their responsibility in this regard, non-compliance with the rollover processes will result in the forfeiting of the unspent portions of the grants.

Capital Grants Analysis

Grants	Original Budget	Amended Budget	Q2-YTD Expenditure	Q3-YTD Expenditure	Q4-YTD Expenditure
MIG	19 572 174.00	20 099 178.00	552 975.53	3 181 084.38	12 717 450.37
INEP	7 580 869.00	7 580 869.00	1 348 156.75	2 099 087.45	8 278 497.65
WSIG	7 894 782.00	7 894 782.00	1 435 181.06	1 577 527.84	5 594 087.19
HOUSING	6 000 000.00	3 000 000.00	6 000 000.00	0	43 474.94
MRF	30 000.00	50 000.00	19 190.23	13 064.81	43 910.81
RSEP	0	434 783.00	0	310 968.00	434 783.00
COMMUNITY SAFETY INITIATIVE	0	104 348.00	0	0	0
EMERGENCY MUNICIPAL LOADSHEDDING RELIEF GRANT	0	4 869 565.00	0	0	3 442 089.84
BORROWINGS	38 843 300.00	35 255 300.00	1 401 245.47	8 945 997.17	25 214 827.67
AFR	18 528 900.00	22 859 588.00	2 159 818.04	4 345 608.61	20 057 025.23
TOTAL	R98 450 025.00	R102 148 413.00	R6 916 567.08	R20 473 338.26	75 826 146.70

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Chart C1 2022/23 Capital Expenditure Monthly Trend: actual v target

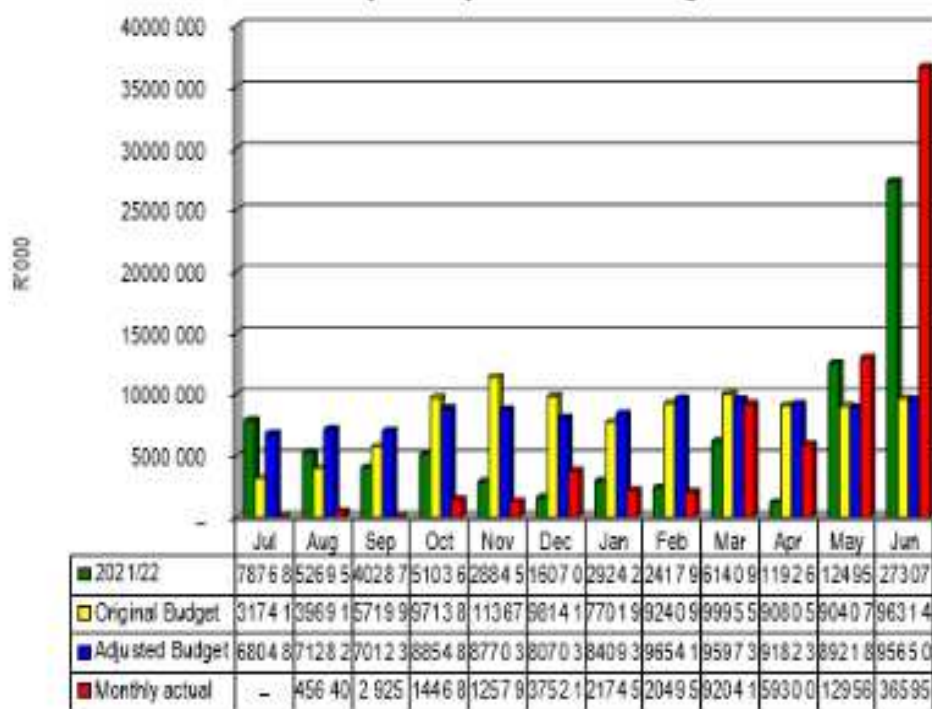
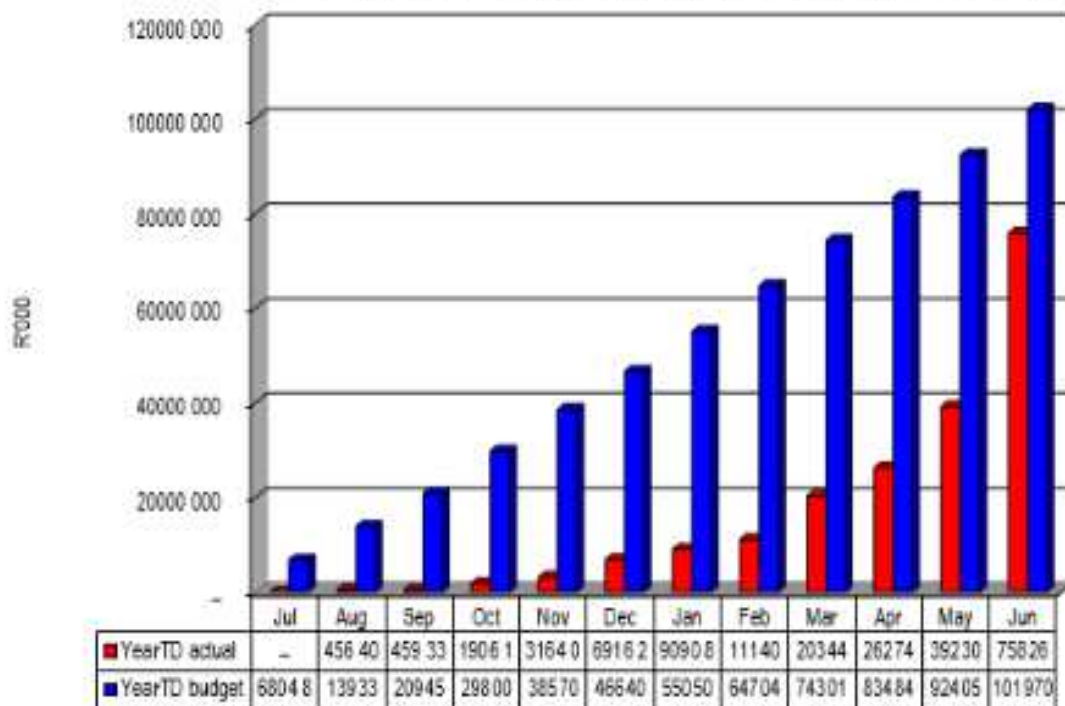


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		48 623	27 525	9 627	50 342	9 627
Call investment deposits		–	85 710	2 150	45 172	2 150
Consumer debtors		53 619	112 671	82 949	66 459	82 949
Other debtors		223 387	29 921	243 628	37 878	243 628
Current portion of long-term receivables		11	–	11	10	11
Inventory		16 358	16 201	16 459	15 921	16 459
Total current assets		341 997	272 028	354 823	215 782	354 823
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		9 857	–	9 857	–	9 857
Investment property		12 692	25 663	12 692	12 692	12 692
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 196 038	1 319 883	1 259 846	1 237 161	1 259 846
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		–	(0)	–	–	–
Other non-current assets		35	35	35	35	35
Total non current assets		1 218 623	1 345 582	1 282 430	1 249 888	1 282 430
TOTAL ASSETS		1 560 619	1 617 610	1 637 254	1 465 670	1 637 254
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		21 828	(328)	24	21 828	24
Consumer deposits		9 848	9 948	9 848	10 789	9 848
Trade and other payables		275 541	91 269	297 089	16 475	297 089
Provisions		53 985	49 889	91 103	77 100	91 103
Total current liabilities		361 203	150 778	398 064	126 193	398 064
Non current liabilities						
Borrowing		66 876	104 142	102 142	80 249	102 142
Provisions		67 813	121 998	68 776	64 539	68 776
Total non current liabilities		134 689	226 140	170 918	144 788	170 918
TOTAL LIABILITIES		495 892	376 918	568 982	270 981	568 982
NET ASSETS	2	1 064 727	1 240 692	1 068 272	1 194 689	1 068 272
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 046 177	1 114 615	1 049 593	1 176 139	1 049 593
Reserves		18 550	126 077	18 550	18 550	18 550
TOTAL COMMUNITY WEALTH/EQUITY	2	1 064 727	1 240 692	1 068 143	1 194 689	1 068 143

The table above reflects the statement of financial position of the municipality. The total current assets at the end of June 2023 amounts to R 215.8 million compared to R 243.6 million reported in March 2023. This decrease is a result of a decrease in the cash and investment due to payments done at year-end in respect of creditors.

The municipality reports total short-term investments of R45.2 million and cash in the amount of R50.3 million for June 2023, compared to R97.5 and R33.5 million of the previous quarter. The municipality reports a positive cashbook balance of R50.2 million.

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The current liabilities at the end of the quarter amounts to R126 million compared to R99.3 million in the previous quarter. The current ratio for the quarter equates 1.71:1, which is just below best practice norms. It should be noted that the current ratio has decreased from the 2.45:1 in March 2023. The higher the current ratio, the more capable the municipality will be to pay its current or short-term obligations.

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		26 295	159 956	130 542	12 352	153 602	130 542	23 060	18%	130 542
Service charges		32 114	375 118	359 228	22 776	406 401	359 228	47 174	13%	359 228
Other revenue		9 192	38 050	12 787	2 406	17 388	12 787	4 601	36%	12 787
Transfers and Subsidies - Operational		120 285	105 717	164 646	492	145 682	164 646	(18 964)	-12%	164 646
Transfers and Subsidies - Capital		-	52 305	47 011	(57)	42 351	47 011	(4 660)	-10%	47 011
Interest		3 593	4 600	5 700	2 691	8 035	5 700	2 335	41%	5 700
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(1 314 892)	(644 455)	(600 511)	(103 248)	(659 981)	(600 511)	59 470	-10%	(600 511)
Finance charges		(1)	(8 700)	(8 776)	(3 797)	(8 776)	(8 776)	(0)	0%	(8 776)
Transfers and Grants		-	(4 750)	(6 985)	(123)	(5 576)	(6 985)	(1 409)	20%	(6 985)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 123 414)	77 840	103 642	(66 509)	99 126	103 642	4 516	4%	103 642
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	431	-	454	431	23	5%	431
Decrease (increase) in non-current receivables		2	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		(750)	-	-	-	9 857	-	9 857	0%	-
Payments										
Capital assets		(38 326)	(98 450)	(101 971)	(37 712)	(76 942)	(101 971)	(25 029)	25%	(101 971)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(39 074)	(98 450)	(101 540)	(37 712)	(66 631)	(101 540)	(34 909)	34%	(101 540)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	35 255	35 255	35 255	35 255	-		35 255
Increase (decrease) in consumer deposits		835	-	-	34	941	-	941	0%	-
Payments										
Repayment of borrowing		-	(21 828)	(21 804)	(8 387)	(21 804)	(21 804)	0	0%	(21 804)
NET CASH FROM/(USED) FINANCING ACTIVITIES		835	(21 828)	13 451	26 902	14 392	13 451	(941)	-7%	13 451
NET INCREASE/ (DECREASE) IN CASH HELD		(1 161 653)	(42 438)	15 553	(77 318)	46 887	15 553			15 553
Cash/cash equivalents at beginning:		73 465	110 464	48 627		48 627	48 627			48 627
Cash/cash equivalents at month/year end:		(1 088 188)	68 025	64 180		95 514	64 180			64 180

The municipality is reporting a positive R66.5 million on monthly actual net cash from operating activities. This represents a significant increase from the actual net cash **from** operating activities of March 2023 that amounted to R56.2 million. These are mostly month to month operating expenses and operating income.

Monthly actual net cash (**used**) on investing activities is reported at R37.7 million is mostly influenced by spending on capital projects.

The net cash (**used**) for financing activities are mostly influenced by the repayment of loans. The repayment of loans June 2023 amounted to R26.9 million.

The bi-annual redemption of June 2023 amounted to R8.4 million. The next payment will occur in December 2023

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December 2023 Future Payments:						R	14 497 761,88
	Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Installment	
	ABSA 2015/2016	First 29 December 2023	29 December 2023	R 427 875,16	R 1 335 436,36	R	1 648 195,16
	ABSA 2016/2017	First 29 December 2023	29 December 2023	R 577 975,02	R 1 679 811,29	R	2 013 582,21
			Sub for Financial Institution		R 3 372 070,72	R	3 661 777,37
	DBSA 2014/17	First 29 December 2023	29 December 2023	R 829 487,88	R 879 601,71	R	1 698 792,62
	DBSA 2014/17	First 29 December 2023	29 December 2023	R 20 690,61	R 204 975,31	R	195 365,81
			Sub for Financial Institution		R 1 074 380,29	R	1 894 158,43
RM 147904	STANDARD BANK 280201491	First 29 December 2023	29 December 2023	R 29 912,09	R 1 174 138,69	R	1 466 670,78
RM 148665	STANDARD BANK 0826013347	First 29 December 2023	29 December 2023	R 207 118,24	R 917 974,74	R	1 012 559,47
			Sub for Financial Institution		R 2 091 142,43	R	2 492 263,25
	NEOBANK 2017/2018	First 29 December 2023	29 December 2023	R 1 011 917,36	R 1 520 885,97	R	2 536 403,50
	NEOBANK 2022/2023	First 29 December 2023	29 December 2023	R 2 082 119,42	R 970 848,91	R	3 015 518,37
	NEOBANK 2023/2024	Monthly	Next 12/2023	R 160 879,12	R 169 710,84	R	855 640,96
			Sub for Financial Institution			R	6 449 562,83
June 2024 Future Payments:						R	14 497 662,83
	Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Installment	
	ABSA 2015/2016	Week ends 28 June 2023	24 June 2023	R 619 245,68	R 1 382 932,48	R	1 648 195,16
	ABSA 2016/2017	Week ends 28 June 2023	24 June 2023	R 982 935,94	R 1 461 638,31	R	2 013 582,21
			Sub for Financial Institution			R	3 661 777,37
	DBSA 2014/17	Week ends 28 June 2023	24 June 2023	R 712 149,12	R 817 114,01	R	1 698 792,62
	DBSA 2014/17	Week ends 28 June 2023	24 June 2023	R 20 690,98	R 284 885,47	R	195 365,81
			Sub for Financial Institution			R	1 894 038,07
RM 147904	STANDARD BANK 280201491	Week ends 28 June 2023	24 June 2023	R 55 600,21	R 970 614,70	R	1 025 614,70
RM 148665	STANDARD BANK 0826013347	Week ends 28 June 2023	24 June 2023	R 225 114,32	R 1 340 908,11	R	1 466 670,78
			Sub for Financial Institution			R	2 492 284,54
	NEOBANK 2017/2018	Week ends 28 June 2023	24 June 2023	R 991 008,17	R 1 589 895,61	R	2 756 403,50
	NEOBANK 2022/2023	Week ends 28 June 2023	24 June 2023	R 2 006 908,42	R 1 070 169,96	R	3 015 518,37
	NEOBANK	Week ends 28 June 2023	24 June 2023	R 120 249,15	R 719 611,71	R	855 640,96
			Sub for Financial Institution			R	6 449 562,81

The municipality reports cash and cash equivalents amounting to R95.5 million, this includes cash in the bank and short-term investment

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Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1 347	5 735	2 843	2 652	2 628	69 099	-	-	84 304	74 379	22	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	789	12 648	972	487	917	13 735	-	-	29 548	15 139	3	-
Receivables from Non-exchange Transactions - Property Rates	1400	658	8 020	1 709	1 198	1 222	42 643	-	-	55 450	45 064	66	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 338	5 816	3 333	2 482	2 430	86 145	-	-	101 542	91 057	26	-
Receivables from Exchange Transactions - Waste Management	1600	873	3 350	1 854	1 458	1 435	50 625	-	-	59 595	53 517	11	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(21 430)	195	206	170	115	(14 406)	-	-	(35 151)	(14 122)	6	-
Total By Income Source	2000	(16 426)	35 764	10 916	8 446	8 747	247 841	-	-	295 288	265 034	134	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(619)	384	115	130	72	828	-	-	910	1 030	-	-
Commercial	2300	(774)	4 972	977	287	830	4 728	-	-	11 020	5 846	-	-
Households	2400	(15 034)	30 408	9 825	8 028	7 845	242 285	-	-	283 358	258 158	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	(16 426)	35 764	10 916	8 446	8 747	247 841	-	-	295 288	265 034	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 256.6 million on outstanding debtors older than 120 days and a total outstanding amount of R 295.3 million. Total debtors has decreased by R2.2 million compared to the previous quarter.

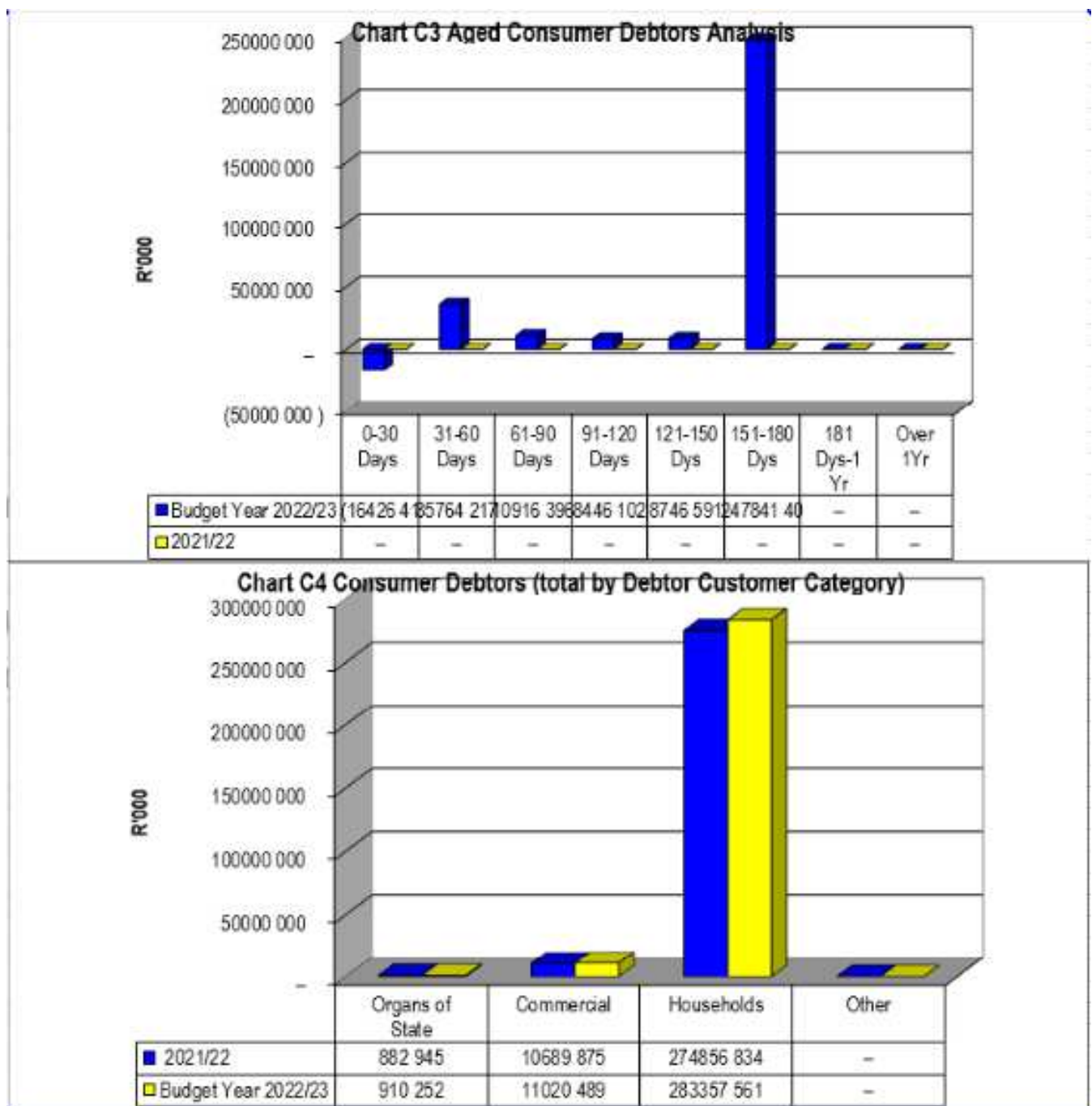
The contributors to the outstanding debt remain the household debt which represent 96% of total debt, followed by businesses with 3.7% and organs of state contributing 0.3%.

The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which includes blocking prepaid electricity for users in arears and applying water restrictions in arears where Eskom is the electricity distributor. Customers are informed prior to these actions being implement by way of a disconnection notice. Disconnection notices are sent monthly out to all customers with outstanding accounts after the due date which is 7th of every month.

The collection rate for the month of June 2023 is 94.37%. See below debtor payment percentage achieved from April 2023 until June 2023

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Apr-23	May-23	Jun-23	Annual
Gross Debtors Opening Balance	297 553 676.20	301 009 449.24	308 878 702.02	278 242 506.48
Billed Revenue	53 049 315.76	52 963 641.71	52 950 570.13	650 447 429.26
Gross Debtors Closing Balance	301 009 449.24	308 878 702.02	311 714 712.48	311 714 712.48
Bad Debt Written off	79 586.52	2 596 867.29	143 451.72	69 359 542.17
Payment received	49 513 956.20	42 497 521.64	49 971 107.95	547 615 681.09
Billed Revenue	53 049 315.76	52 963 641.71	52 950 570.13	650 447 429.26
% Debtor payment achieved	93,34%	80,24%	94,37%	84%

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Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

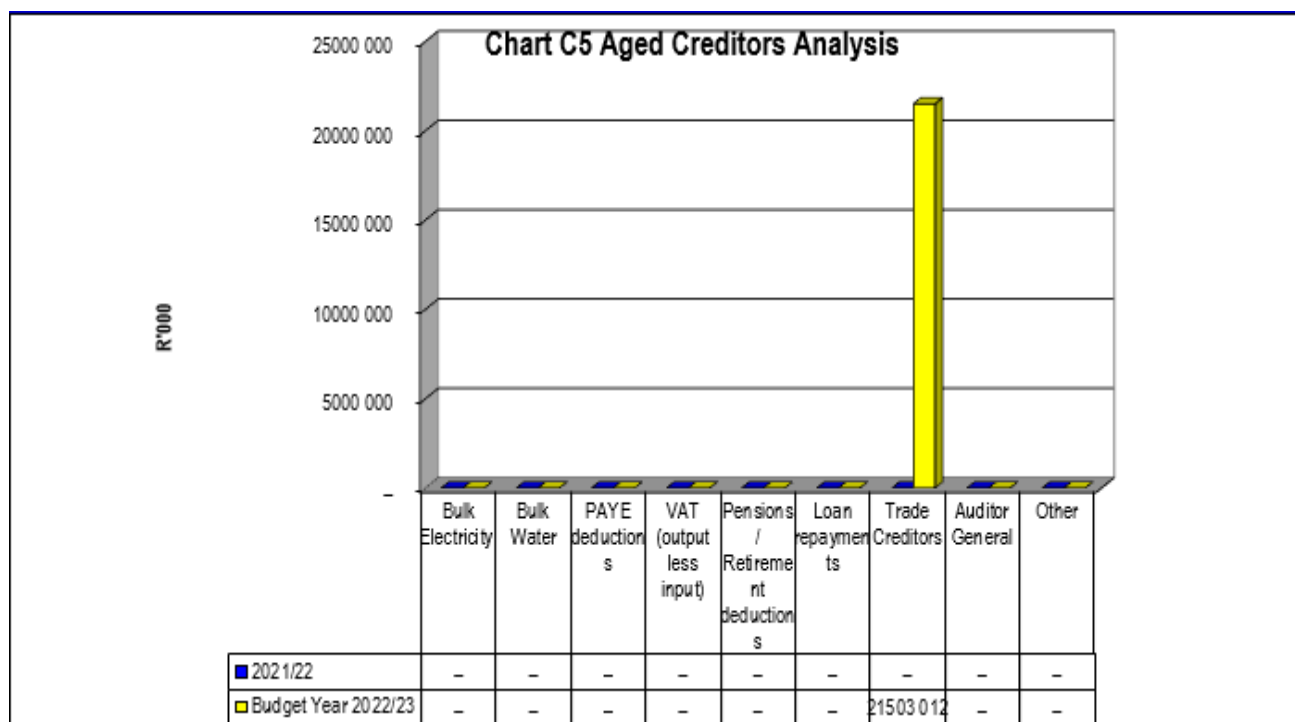
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter											
Description R thousands	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	17 770	3 349	59	177	126	4	12	6	21 503	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	17 770	3 349	59	177	126	4	12	6	21 503	-

Creditors Age Analysis

The municipality reports a total amount of R21.5 million on trade creditors in June 2023 compared to R1.5 million reported in March 2023.

Trade creditors older than 30 days amounts to R3.7 million, which is stock for which the invoice has been received but is queried. The amount on the invoice is more than the order and user department is liaising with supplier to correct the invoices.



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Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Standard Bank: 488607000-074		91 days	Fixed deposit	03/07/2023	432	2,145753402	20 138	432	20 570
Nedbank: 1766000029		180 days	Fixed deposit	19/09/2023	335	2,393561643	14 000	335	14 335
Absa Bank: 2080981838		90 days	Fixed deposit	20/06/2023	415	-100	20 000	(20 000)	–
Absa Bank:2080918839		120 days	Fixed deposit	15/06/2023	395	-100	14 200	(14 200)	–
Absa Bank:2080917621		120 days	Fixed deposit	15/06/2023	203	-100	7 300	(7 300)	–
Standard Bank: 488607000-073		92 days	Fixed deposit	22/06/2023	249	-100	11 800	(11 800)	–
Standard Bank: 488607000-072		92 days	Fixed deposit	22/06/2023	211	-100	10 000	(10 000)	–
Absa Bank: 9378543662		Call deposit	Call deposit	Call deposit	55	0,731497093	7 476	55	7 530
First National Bank: 62085824269		61 days	Fixed deposit	26/06/2023	98	-100	7 010	(7 010)	–
Absa Bank:9377092408-1		Call deposit	Call deposit	Call deposit	–		10 580	(10 580)	–
Absa Bank:9377092408-2		Call deposit	Call deposit	Call deposit	–		4 237	(4 237)	–
Absa Bank:9377092408-3		Call deposit	Call deposit	Call deposit	20		–	2 737	2 737
Municipality sub-total					2 413		126 740	(81 568)	45 172

Investment portfolio analysis

The municipality has investments with a total value of R45.2 million as at June 2023. Interest earned on fixed deposits will only be recognised upon maturity, but it will be accrued at year end

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M12)
WATER SERVICES INFRASTRUCTURE GRANT	6 476 970,95
LOCAL GOVERNMENT, WATER AND RELATED SETA	535 557,78
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 155 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	638 579,49
EQUITABLE SHARE	129 019 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	5 266 986,01
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	14 510,80
COMMUNITY LIBRARY SERVICES - OPERATIONAL	1 621 539,58
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	127 770,70
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OPERATIONAL	9 572 000,00
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	8 718 413,80
MUNICIPAL INFRASTRUCTURE GRANT	13 796 774,97
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP)	248 270,24
THUSONG SERVICES CENTRES	79 459,00
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	587 233,83
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	4 084 947,92
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	456 064,26
FINANCIAL MANAGEMENT CAPACITY BUILDING	257 913,80

182 656 993,13

The table above reflects the income recognition done up until the month of June 2023. Transfers and subsidies amount to R 182.7 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M12)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT : RECEIPTS	8 718 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	22 508 000,00
WATER SERVICES INFRASTRUCTURE GRANT : RECEIPTS	6 579 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	398 900,28
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	9 572 000,00
EQUITABLE SHARE	129 019 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 721 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	1 155 000,00
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	150 000,00
COMMUNITY LIBRARY SERVICES	2 295 000,00
COMMUNITY DEVELOPMENT WORKERS	19 000,00
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	600 000,00
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	5 600 000,00
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	135 000,00
FINANCIAL MANAGEMENT CAPACITY BUILDING	800 000,00

189 269 900,28

The table above reflects the grant receipts up until June 2023.

Municipal manager's quality certification

Municipal manager's quality certification

An in-year report must be covered by a quality certificate in the format described below.

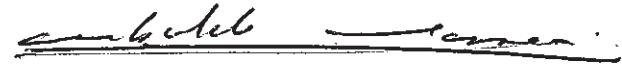
QUALITY CERTIFICATE

I, **Mbulelo Memani**, the Municipal Manager of Bitou Local Municipality, hereby certify that - (mark as appropriate)

- ☐ The monthly budget statement
- ☒ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid-year budget and performance assessment

For the quarter ending 30 June 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Mr. M Memani

Municipal Manager of Bitou Local Municipality – WC047

Date

25/07/2023