

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month
ended 31 January 2023**

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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 71 Monthly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations (MBRR)

PART 1 – IN-YEAR REPORT

Section 1 – January Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended January 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 spends 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 obligations.

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at end of January 2023 amounts to R 87,8 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 monthly budget statement and supporting documentation for the month ended 31 January 2023.

Section 3 – Executive Summary

3.1 Introduction

The Monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations and section 71 of the Municipal Finance Management Act 56 of 2003.

Consolidated performance

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WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

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	159 956	12 370	89 405	93 308	(3 903)	-4%	159 956
Service charges - electricity revenue		202 469	207 720	207 720	20 919	119 237	121 170	(1 933)	-2%	207 720
Service charges - water revenue		85 578	93 277	93 277	7 496	50 259	54 411	(4 152)	-8%	93 277
Service charges - sanitation revenue		88 009	87 047	87 047	6 387	47 558	50 777	(3 220)	-6%	87 047
Service charges - refuse revenue		37 424	53 272	53 272	3 742	27 804	31 075	(3 271)	-11%	53 272
Rental of facilities and equipment		1 255	1 193	1 193	81	583	696	(113)	-16%	1 193
Interest earned - external investments		3 747	4 600	4 600	1 103	3 510	2 683	826	31%	4 600
Interest earned - outstanding debtors		14 777	14 572	14 572	1 785	11 668	8 500	3 168	37%	14 572
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		54 430	35 870	35 870	0	12 406	20 924	(8 518)	-41%	35 870
Licences and permits		1 091	1 002	1 002	65	676	585	91	16%	1 002
Agency services		2 423	2 414	2 414	249	1 585	1 408	176	13%	2 414
Transfers and subsidies		137 299	153 896	163 835	3 989	102 571	95 532	7 038	7%	163 835
Other revenue		9 341	7 875	7 875	1 112	5 773	4 594	1 180	26%	7 875
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		795 036	822 693	832 632	59 300	473 034	485 664	(12 630)	-3%	832 632
Expenditure By Type										
Employee related costs		278 100	306 473	307 747	29 936	172 581	179 522	(6 941)	-4%	307 747
Remuneration of councillors		6 198	6 944	6 944	548	4 020	4 051	(31)	-1%	6 944
Debt impairment		126 876	103 440	103 440	-	49 100	60 340	(11 240)	-19%	103 440
Depreciation & asset impairment		36 223	37 400	37 400	3 107	21 816	21 816	-	-	37 400
Finance charges		11 102	10 739	10 739	67	4 762	6 264	(1 503)	-24%	10 739
Bulk purchases - electricity		159 802	161 902	161 902	24 974	100 518	94 443	6 075	6%	161 902
Inventory consumed		14 864	17 674	17 834	883	7 608	10 403	(2 795)	-27%	17 834
Contracted services		102 726	91 004	98 831	5 231	22 837	57 651	(34 814)	-60%	98 831
Transfers and subsidies		4 527	4 750	5 085	285	3 715	2 966	748	25%	5 085
Other expenditure		57 505	78 447	75 434	6 854	34 826	44 002	(9 176)	-21%	75 434
Losses		(5 128)	-	-	-	-	-	-	-	-
Total Expenditure		792 795	818 774	825 357	71 885	421 781	481 457	(59 676)	-12%	825 357
Surplus/(Deficit)		2 240	3 919	7 276	(12 586)	51 252	4 206	47 046	0	7 276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		50 997	46 335	47 441	1 889	4 061	27 482	(23 421)	(0)	47 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		1 562	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		54 800	50 254	54 717	(10 697)	55 314	31 689			54 717
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		54 800	50 254	54 717	(10 697)	55 314	31 689			54 717
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		54 800	50 254	54 717	(10 697)	55 314	31 689			54 717
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		54 800	50 254	54 717	(10 697)	55 314	31 689			54 717

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Revenue by Source

Property Rates

Property rates for the month of January amounts to R12.3 million. The YTD actual amount to R89.4 million compared to YTD budget of R93.3 million that was anticipated, this is equal to 4% under performance which is consistent with the previous month. This can mainly be ascribed to the additional rebates on assessment rates incorrectly accounted for in the annual budget, coupled to the supplementary valuation roll that is to be completed later in the financial year. Adjustment for this line item has been considered which will bring the item in-line with the year-to-date budget and full year forecast.

Electricity

Revenue from electricity for the month of January 2023 amounts to R20.9 million. The YTD actual is R119.2 million, and when compared to the YTD budget of R121.1 million a 2% under performance is evident. Electricity revenue is influenced by fluctuating consumption during peak and off-peak periods which is evident as the performance has improved over the peak season. The prolonged load shedding remains a point of concern even though performance of this revenue item has improved, a downward adjustment will be made in the mid-year adjustments budget.

Water Service

Water revenue as at end of January 2023 amounts to R50.2 million while YTD budget amounts to R54.4 million. This is an under performance of 8%, which is consistent with the last report on this revenue source. The variance can mainly be ascribed to the off-season period as well as the variation in rainfall causing consumption to be less than anticipated, coupled with the issue of water shortage as a result of loadshedding that is affecting the pumping of water and reservoir levels. This line item will be adjusted downward in the mid-year adjustments budget.

Sanitation Service

Sanitation revenue as at end of January 2023 amounts to R47.5 million while YTD budget amounts to R50.7 million. This translates to 6% under-performance for this category of revenue. Consideration has been given to an adjustment of this category of revenue in the adjustment budget after the mid-year budget assessment was done.

Refuse Service

Refuse revenue as at the end of January 2023 amounts R27.8 million while the YTD budget amounts to R31 million. This translates to an under performance of 11%. This category of revenue will need to be investigated as the underperformance is further increasing when compared to the previous monthly reports. A downward adjustment in the revenue will be done in the mid-year adjustments budget.

Rental of Facilities and Equipment

The revenue for rental of facilities and equipment as at end of January 2023 amounts to R583 168. This source of revenue is under-performing by 16% compared to the YTD budget of R696 052. This source of revenue will need to be adjusted downward as it has consistently underperformed based on the previous reports. 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.

Interest earned on external investment and outstanding debtors

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Interest earned on external investment and outstanding debtors' revenue as at end of January 2023 amounts to R3.5 million and R11.6 million respectively while the YTD budget amounts to R2.6 million and R8.5 million respectively. The investments are continuing to show a positive result which is evident in the YTD variance of 31%. The interest on outstanding debtors is over performing with a variance of 37%, however it is doubtful that the municipality would be able to collect it.

Revenue for fines, penalties and forfeits

Revenue from Fines as at end of January 2023 amounts to R12.4 million compared to the YTD budget of R20.9 million. This is an under performance of 41%, no information on fine revenue was received for the month and thus the report shows a collection of only R120.00. Consideration has been given to a downward adjustment of this revenue source after the mid-year assessment as a result of the contract only being awarded late in the financial year.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R102.5 million as at end of January 2023. Revenue from Transfers and Subsidies is over performing by 7% as the actual disbursements were not aligned to the YTD budget, furthermore, the spending on conditional grants that is accelerated will also influence the performance of this source of revenue towards the closure of the financial year

Other revenue

Other revenue as at end of January 2023 amounts to R5.7 million. This is 26% 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 for the month of January 2023 amounts to R59.3 million compared to the R96.8 million reported in the previous month, which can be ascribed to transfers and subsidies - Equitable Share of which the second tranche was received in December 2022, this excludes revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost as at end of January 2023 amounts to R172.5 million, while the YTD budget amounts to R179.5 million. This translates to an under performance of 4%. Payment of overtime remains a challenge for the municipality and will need to be adjusted. Part-time and seasonal workers have been appointed for various functions to assist with the festive season influx of tourist. 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 end of January 2023 amounts to R4 million. This expenditure item underperforming by 1% which is within the norm for this category of expenditure.

Debt Impairment

Debt Impairment as at end of January amounted to R49.1 million. The YTD budget amounts to R60.3 million. This translates to an under performance of 19%. There was no movement from the previous months figure, this item is closely monitored and will be considered for revision upon submission of the mid-year adjustments budget

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Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of January 2023 amounts to R100.5 million compared to R94.4 million YTD budget, thus reporting an over performance of 6%. This can mainly be ascribed to the higher than average peak consumption period forming part of the YTD actual whereas the YTD budget was a simplified division by 12 calculation. All payments to Eskom are reflected in the YTD figure. Considering the increase in bulk purchases allowed by NERSA of 18.35% it is anticipated that an additional amount of approximately R12 million is needed over and above the current budgetary allocation.

Depreciation

Depreciation as at the end of January 2023 amounts to R21.8 million which is in line with the YTD budget. This item is still performing as anticipated with no variance as one 12th of the budgeted amount is allocated on a monthly basis. Actual expenditure for this item will reflect most accurately at the end of the financial year.

Inventory Consumed

Expenditure for this item as at end of January 2023 amounts to R7.6 million while the YTD budget amounts to R10.4 million. This expenditure item is under-performing by 27% 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 under performance is continuing from the previous month. An adjustment for this expenditure item will be considered.

Contracted Services

Expenditure as at end of January 2023 amounts to R22.8 million and is under-performing by 60% when compared to the YTD budget of R57.6 million. The under expenditure remains the same from the previous month and it is still anticipated that this category of expenditure will increase towards the conclusion of the financial year, however a downward adjustment will still be considered.

Transfers and subsidies

Expenditure as at end of January amounts R3.4 million compared to the YTD budget of R2.9 million. An over performance of 25% is reported for the month ended January 2023. This line item will be considered for downward adjustment.

Other expenditure

Other expenditure as at end of January 2023 amounts to R34.8 million while the YTD budget amounts to R44 million, which translates to an under performance of 21%. This includes items such as the rental expenses of offices spaces, 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 January 2023 amounts to R421.7 million. The municipality is reporting an operating deficit of R12.5 million for the month of January 2023 and a surplus of R51.2 million for the YTD actual.

Conclusion on Financial Position and performance

The financial performance as at end of January 2023 has decreased from the previous month as the current cash flow is still not sufficient to sustain operations in the short, medium as well as the long term. The current ratio is below best practice norms. The liquidity position remains

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concerning and a concerted effort is necessary to ensure the financial turnaround of the municipality.

The implementation of the financial recovery plan receives dedicated attention to ensure that the financial viability and long-term sustainability will be assured.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

The tables included in section 4 to the end of this report are from the 'C Schedule monthly 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 and under collected on their revenue budget below. Management to note that expenditure is more that revenue since the beginning of the year.

See tables below C1 and C3 for the month ended 31 January 2023 .

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - M07 January

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	159 956	12 370	89 405	93 308	(3 903)	-4%	159 956
Service charges	413 479	441 315	441 315	38 545	244 858	257 434	(12 576)	-5%	441 315
Investment revenue	3 747	4 600	4 600	1 103	3 510	2 683	826	31%	4 600
Transfers and subsidies	137 299	153 896	163 835	3 989	102 571	95 532	7 038	7%	163 835
Other own revenue	83 317	62 926	62 926	3 292	32 691	36 707	(4 016)	-11%	62 926
Total Revenue (excluding capital transfers and contributions)	795 036	822 693	832 632	59 300	473 034	485 664	(12 630)	-3%	832 632
Employee costs	278 100	306 473	307 747	29 936	172 581	179 522	(6 941)	-4%	307 747
Remuneration of Councillors	6 198	6 944	6 944	548	4 020	4 051	(31)	-1%	6 944
Depreciation & asset impairment	36 223	37 400	37 400	3 107	21 816	21 816	—	—	37 400
Finance charges	11 102	10 739	10 739	67	4 762	6 264	(1 503)	-24%	10 739
Materials and bulk purchases	174 666	179 576	179 736	25 857	108 126	104 846	3 280	3%	179 736
Transfers and subsidies	4 527	4 750	5 085	285	3 715	2 966	748	25%	5 085
Other expenditure	281 979	272 892	277 705	12 085	106 762	161 993	(55 230)	-34%	277 705
Total Expenditure	792 795	818 774	825 357	71 885	421 781	481 457	(59 676)	-12%	825 357
Surplus/(Deficit)	2 240	3 919	7 276	(12 586)	51 252	4 206	47 046	1118%	7 276
Transfers and subsidies - capital (monetary allocations)	50 997	46 335	47 441	1 889	4 061	27 482	(23 421)	-85%	47 441
Contributions & Contributed assets	1 562	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	54 800	50 254	54 717	(10 697)	55 314	31 689	23 625	75%	54 717
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	54 800	50 254	54 717	(10 697)	55 314	31 689	23 625	75%	54 717
Capital expenditure & funds sources									
Capital expenditure	79 249	98 450	107 711	2 175	9 091	57 947	(48 856)	-84%	107 711
Capital transfers recognised	60 306	41 078	42 040	101	3 457	22 859	(19 402)	-85%	42 040
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	38 843	38 843	1 868	3 269	19 564	(16 295)	-83%	38 843
Internally generated funds	18 943	18 529	26 828	213	2 372	15 524	(13 152)	-85%	26 828
Total sources of capital funds	79 249	98 450	107 711	2 182	9 098	57 947	(48 848)	-84%	107 711
Financial position									
Total current assets	165 192	272 028	272 028		189 124				272 028
Total non current assets	1 208 765	1 345 582	1 351 842		1 196 042				1 351 842
Total current liabilities	156 641	150 778	150 778		101 139				150 778
Total non current liabilities	150 670	226 140	226 140		147 306				226 140
Community wealth/Equity	1 066 646	1 240 692	1 246 952		1 136 720				1 246 952
Cash flows									
Net cash from (used) operating	76 723	120 049	131 094	(13 831)	49 216	76 471	27 256	36%	(1 037 345)
Net cash from (used) investing	(79 130)	(98 450)	(107 711)	(2 165)	767	(57 947)	(58 713)	101%	(107 711)
Net cash from (used) financing	(22 426)	(21 828)	(21 828)	(444)	(10 748)	(12 733)	(1 985)	16%	—
Cash/cash equivalents at the month/year end	48 627	110 234	112 019	—	87 862	116 255	28 394	24%	(1 096 428)
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	33 486	11 519	9 859	9 122	226 894	—	—	—	290 879
Creditors Age Analysis									
Total Creditors	14 562	1	18	118	—	—	—	—	14 700

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end January 2023 amounts to R477 million, this is under performance of 7% when compared to the YTD Budget. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at January amounts R421.7 million. The total expenditure budget is under performing by 12.4%.

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WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

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	-	-	1 702	(1 702)	-100,0%	2 918
Vote 2 - Office of the Municipal Manager		48 142	55 066	55 066	90	92 554	32 122	60 432	188,1%	55 066
Vote 3 - Community Services		128 967	139 714	149 525	8 136	54 536	87 223	(32 687)	-37,5%	149 525
Vote 4 - Corporate Services		276	-	-	349	1 123	-	1 123	#DIV/0!	-
Vote 5 - Financial Services		177 153	181 221	181 221	13 811	95 985	105 712	(9 728)	-9,2%	182 942
Vote 6 - Economic Development & Planning		22 421	4 202	4 702	885	3 833	2 551	1 282	50,2%	4 702
Vote 7 - Engineering Services		467 602	485 908	486 642	37 918	229 065	283 836	(54 772)	-19,3%	486 642
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	847 479	869 028	880 073	61 189	477 095	513 146	(36 051)	-7,0%	881 794
Expenditure by Vote	1									
Vote 1 - Council		7 835	9 773	9 773	614	4 914	5 701	(787)	-13,8%	9 773
Vote 2 - Office of the Municipal Manager		(79 405)	30 026	30 026	2 310	15 012	17 515	(2 503)	-14,3%	30 026
Vote 3 - Community Services		243 999	228 348	238 802	21 355	118 917	139 299	(20 383)	-14,6%	238 802
Vote 4 - Corporate Services		67 025	68 794	68 794	3 988	25 159	40 129	(14 970)	-37,3%	68 794
Vote 5 - Financial Services		70 140	66 371	66 371	3 841	29 648	38 721	(9 072)	-23,4%	82 925
Vote 6 - Economic Development & Planning		23 677	24 488	24 488	1 915	14 376	14 285	92	0,6%	24 488
Vote 7 - Engineering Services		454 279	390 974	387 102	37 863	213 756	225 808	(12 052)	-5,3%	387 102
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	787 550	818 774	825 357	71 885	421 781	481 457	(59 676)	-12,4%	841 911
Surplus/ (Deficit) for the year	2	59 928	50 254	54 717	(10 697)	55 314	31 689	23 625	74,6%	39 883

BITOU LOCAL MUNICIPALITY

Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

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	2 230	-	81	1 647	(1 565)	-95%	2 230
Vote 4 - Corporate Services		520	1 804	1 804	22	106	1 052	(947)	-90%	1 804
Vote 5 - Financial Services		-	600	600	-	-	350	(350)	-100%	600
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		22 377	45 556	52 087	2 147	3 605	28 176	(24 571)	-87%	52 087
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	25 324	49 360	56 720	2 168	3 792	31 225	(27 433)	-88%	56 720
Single Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		6 575	9 026	10 136	25	1 370	6 332	(4 962)	-78%	10 136
Vote 4 - Corporate Services		2 592	635	635	-	1	371	(369)	-100%	635
Vote 5 - Financial Services		19	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	435	-	-	-	-	-	435
Vote 7 - Engineering Services		44 739	39 429	39 784	(18)	3 928	20 019	(16 092)	-80%	39 784
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	53 925	49 090	50 990	6	5 299	26 722	(21 423)	-80%	50 990
Total Capital Expenditure	3	79 249	98 450	107 711	2 175	9 091	57 947	(48 856)	-84%	107 711
Capital Expenditure - Functional Classification										
Governance and administration		3 143	3 835	3 835	25	310	2 237	(1 927)	-86%	3 835
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		3 143	3 835	3 835	25	310	2 237	(1 927)	-86%	3 835
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 340	8 204	10 144	25	1 237	6 682	(5 446)	-81%	10 144
Community and social services		605	3 930	3 930	(4)	575	2 292	(1 718)	-75%	3 930
Sport and recreation		2 449	3 794	3 794	29	572	2 170	(1 598)	-74%	3 794
Public safety		2 286	480	2 420	-	90	2 220	(2 130)	-96%	2 420
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		27 344	10 790	11 396	353	506	3 485	(2 979)	-85%	11 396
Planning and development		-	-	435	-	-	-	-	-	435
Road transport		27 344	10 790	10 961	353	506	3 485	(2 979)	-85%	10 961
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		43 422	75 621	82 335	1 772	7 038	45 542	(38 504)	-85%	82 335
Energy sources		11 947	21 116	27 475	1 603	4 330	17 215	(12 886)	-75%	27 475
Water management		14 768	40 579	40 935	6	1 649	21 748	(20 099)	-92%	40 935
Waste water management		13 058	12 400	12 400	164	1 045	5 689	(4 644)	-82%	12 400
Waste management		3 650	1 526	1 526	-	14	890	(876)	-98%	1 526
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	79 249	98 450	107 711	2 175	9 091	57 947	(48 856)	-84%	107 711
Funded by:										
National Government		42 019	35 048	35 575	98	3 435	19 341	(15 906)	-82%	35 575
Provincial Government		18 287	6 030	6 465	3	22	3 517	(3 495)	-99%	6 465
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		60 306	41 078	42 040	101	3 457	22 859	(19 402)	-85%	42 040
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	38 843	38 843	1 868	3 269	19 564	(16 295)	-83%	38 843
Internally generated funds		18 943	18 529	26 828	213	2 372	15 524	(13 152)	-85%	26 828
Total Capital Funding		79 249	98 450	107 711	2 182	9 098	57 947	(48 848)	-84%	107 711

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R2.1 million and YTD expenditure as at end of January 2023 amounts to R9 million.

It should be noted that majority of the approved capital projects are at 9% 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.

We note that spending has slightly improved from the previous report and we further anticipate that an improvement in performance spending for the months ahead however the commitments (shadow balances) loaded on the FMS amounting to R49.4 million, which translate to 45% of the total capital budget is still under shadow. It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects, and these applications at times get rejected.

Capital Grants Analysis

Grants	Amended Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	20 099 178.00	538 365.96	11 589 290.49	1 091 341.49
INEP	7 580 869.00	23 717.10	6 268 558.68	1 371 873.85
WSIG	7 894 782.00	(463 767.00)	5 794 419.19	971 414.06
HOUSING	6 000 000.00	0	0	0
MRF	30 000.00	3 060.00	3 750.00	22 250.23
RSEP	434 783.00	0	0	0
BORROWINGS	38 843 300.00	1 867 729.21	16 790 893.17	3 268 974.68
AFR	26 827 600.00	212 666.66	8 986 687.65	2 372 484.70
TOTAL	107 710 512.00	2 181 771.93	49 433 599.25	9 098 339.01

BITOU LOCAL MUNICIPALITY

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

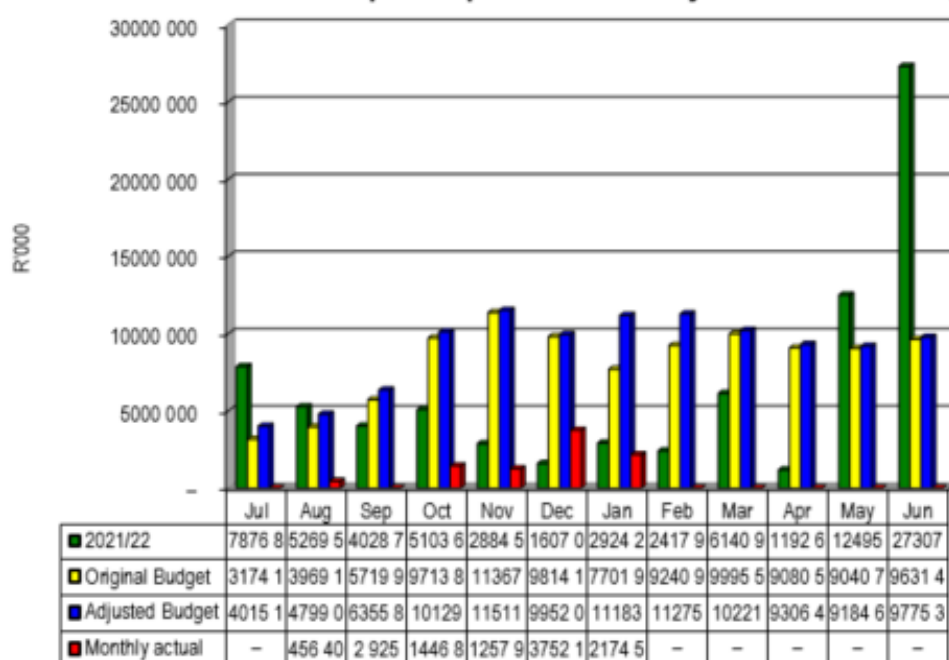
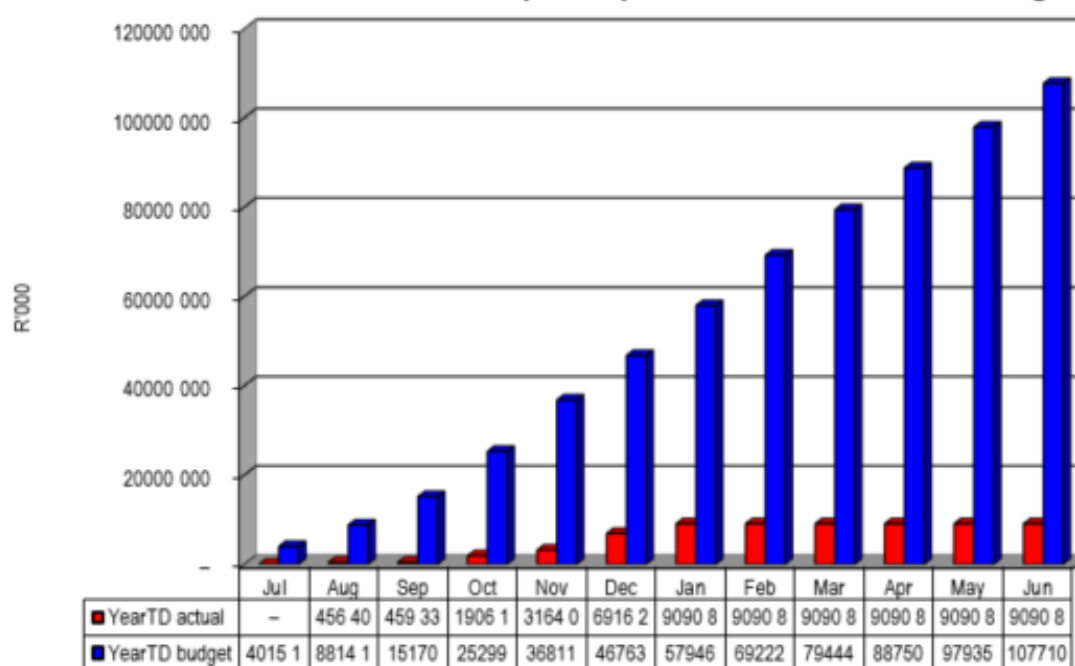


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		48 627	27 525	27 525	55 543	27 525
Call investment deposits		9 857	85 710	85 710	32 318	85 710
Consumer debtors		69 925	112 671	112 671	59 042	112 671
Other debtors		20 335	29 921	29 921	19 156	29 921
Current portion of long-term receivables		1	-	-	9	-
Inventory		16 447	16 201	16 201	23 055	16 201
Total current assets		165 192	272 028	272 028	189 124	272 028
Non current assets						
Long-term receivables		-	-	-	1	-
Investments		-	-	-	-	-
Investment property		12 692	25 663	25 663	12 692	25 663
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 196 038	1 319 883	1 326 144	1 183 313	1 326 144
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		-	(0)	(0)	-	(0)
Other non-current assets		35	35	35	35	35
Total non current assets		1 208 765	1 345 582	1 351 842	1 196 042	1 351 842
TOTAL ASSETS		1 373 958	1 617 610	1 623 871	1 385 165	1 623 871
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		21 906	(328)	(328)	-	(328)
Consumer deposits		9 848	9 948	9 948	10 424	9 948
Trade and other payables		86 951	91 269	91 269	32 392	91 269
Provisions		37 936	49 889	49 889	58 324	49 889
Total current liabilities		156 641	150 778	150 778	101 139	150 778
Non current liabilities						
Borrowing		66 798	104 142	104 142	77 303	104 142
Provisions		83 872	121 998	121 998	70 004	121 998
Total non current liabilities		150 670	226 140	226 140	147 306	226 140
TOTAL LIABILITIES		307 312	376 918	376 918	248 445	376 918
NET ASSETS	2	1 066 646	1 240 692	1 246 952	1 136 720	1 246 952
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		1 048 096	1 114 615	1 120 875	1 118 170	1 120 875
Reserves		18 550	126 077	126 077	18 550	126 077
TOTAL COMMUNITY WEALTH/EQUITY	2	1 066 646	1 240 692	1 246 952	1 136 720	1 246 952

BITOU LOCAL MUNICIPALITY

The table above reflects the statement of financial position of the municipality. The total current assets at the end of January 2023 amounts to R 189.1 million compared to R 196.2 million reported in November 2023. This is decrease compared to the previous month and is as a result of a decrease of the investments. The municipality reports total short-term investments at R32.3 million and cash of R55.5 million in January. The municipality reports a positive cashbook balance of R55.3 million.

The current liabilities for the month amounts to R101.1 million compared to R97.6 million in the previous month, which is due to a significant increase in provision for employee benefits. The current ratio for the month equates 1.86:1, which is below best practice norms. It should be noted that the current ratio has decreased from the 2:1 in December 2022 . 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 - M07 January										
Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2022/23 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		157 107	159 956	159 956	11 570	88 375	93 308	(4 933)	-5%	(165 597)
Service charges		343 120	375 118	375 118	33 253	236 086	218 819	17 267	8%	(341 892)
Other revenue		1 120	38 050	38 050	(17 481)	11 681	22 196	(10 515)	-47%	11 313
Transfers and Subsidies - Operational		192 301	153 896	163 835	7 245	102 169	95 570	6 599	7%	86 646
Transfers and Subsidies - Capital		-	46 335	47 441	(904)	17 667	27 674	(10 007)	-36%	(40 911)
Interest		14 249	4 600	4 600	2 376	15 874	2 683	13 191	492%	4 600
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(615 543)	(644 455)	(644 455)	(49 537)	(414 160)	(375 932)	38 228	-10%	(591 504)
Finance charges		(11 103)	(8 700)	(8 700)	(67)	(4 762)	(5 075)	(314)	6%	-
Transfers and Grants		(4 527)	(4 750)	(4 750)	(285)	(3 715)	(2 771)	944	-34%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		76 723	120 049	131 094	(13 831)	49 216	76 471	27 256	36%	(1 037 345)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		1	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		(750)	-	-	-	9 857	-	9 857	0%	-
Payments										
Capital assets		(78 381)	(98 450)	(107 711)	(2 165)	(9 091)	(57 947)	(48 856)	84%	(107 711)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(79 130)	(98 450)	(107 711)	(2 165)	767	(57 947)	(58 713)	101%	(107 711)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	67	576	-	576	0%	-
Payments										
Repayment of borrowing		(22 426)	(21 828)	(21 828)	(511)	(11 324)	(12 733)	(1 410)	11%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(22 426)	(21 828)	(21 828)	(444)	(10 748)	(12 733)	(1 985)	16%	-
NET INCREASE/ (DECREASE) IN CASH HELD		(24 833)	(229)	1 555	(16 440)	39 235	5 792			(1 145 055)
Cash/cash equivalents at beginning:		73 460	110 464	110 464		48 627	110 464			48 627
Cash/cash equivalents at month/year end:		48 627	110 234	112 019		87 862	116 255			(1 096 428)

The municipality is reporting a negative R13.8 million on monthly actual net cash from operating activities a decrease of nearly three times when compared to the actual net cash from operating activities for the previous month amounting to R36.6 million. These are mostly month to month operating expenses and operating income.

BITOU LOCAL MUNICIPALITY

Monthly actual net cash (**used**) on investing activities is reported at R2.1 million which is mostly influenced by spending on capital projects, expenditure is expected to increase in the months following.

The net cash (**used**) for financing activities are mostly influenced by the repayment of loans. The repayment of loans as at January 2023 amounts to R10.7 million after the bi-annual redemption of December 2023.

	June 2023 Future Payments:					R	11 605 957,32
	Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Instalment	
	ABSA - 2015/2016	Friday, 30 June 2023	23 June 2023	R 498 078,79	R 1 150 116,37	R	1 648 195,16
	ABSA - 2016/2017	Friday, 30 June 2023	23 June 2023	R 715 789,86	R 1 297 792,38	R	2 013 582,24
	Sub for Financial Institution					R	3 661 777,40
	DBSA - 103437/1	Friday, 30 June 2023	23 June 2023	R 854 413,97	R 844 378,66	R	1 698 792,63
	DBSA - 103437/2	Friday, 30 June 2023	23 June 2023	R 29 484,25	R 165 881,56	R	195 365,81
	Sub for Financial Institution					R	1 894 158,44
Ref: 537504	STANDARD BANK - 282024913	Thursday, 29 June 2023	23 June 2023	R 355 356,62	R 1 111 314,16	R	1 466 670,78
Ref: 537648	STANDARD BANK - 282022589	Wednesday, 21 June 2023	23 June 2023	R 50 072,40	R 971 282,33	R	1 021 354,73
Ref: 536665	STANDARD BANK - 082602247	Friday, 30 June 2023	23 June 2023	R 157 116,18	R 868 476,30	R	1 025 592,48
	Sub for Financial Institution					R	3 513 617,99
	NEDBANK - 2017/2018	Friday, 30 June 2023	23 June 2023	R 1 091 457,54	R 1 444 945,95	R	2 536 403,49
	Sub for Financial Institution					R	2 536 403,49

The municipality reports cash and cash equivalents amounting to R87.8 million, this includes cash at bank and short-term investment

BITOU LOCAL MUNICIPALITY

Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

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	6 386	3 579	2 976	2 915	61 458	-	-	-	77 313	64 372	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	10 802	994	517	537	13 910	-	-	-	26 760	14 447	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	7 659	1 995	1 374	1 197	41 155	-	-	-	53 379	42 352	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	5 398	2 981	2 811	2 775	77 899	-	-	-	91 863	80 674	-	-
Receivables from Exchange Transactions - Waste Management	1600	3 194	1 771	1 804	1 633	45 866	-	-	-	54 267	47 498	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	46	200	378	65	(13 392)	-	-	-	(12 703)	(13 328)	-	-
Total By Income Source	2000	33 486	11 519	9 859	9 122	226 894	-	-	-	290 879	236 015	-	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	236	209	69	73	511	-	-	-	1 099	584	-	-
Commercial	2300	3 565	507	370	367	7 635	-	-	-	12 444	8 002	-	-
Households	2400	29 685	10 802	9 420	8 681	218 748	-	-	-	277 336	227 430	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	33 486	11 519	9 859	9 122	226 894	-	-	-	290 879	236 015	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 222 million on outstanding debtors older than 121 days and a total outstanding amount of R290.8 million. Total debtors has decreased by R8 million compared to the month of December 2022.

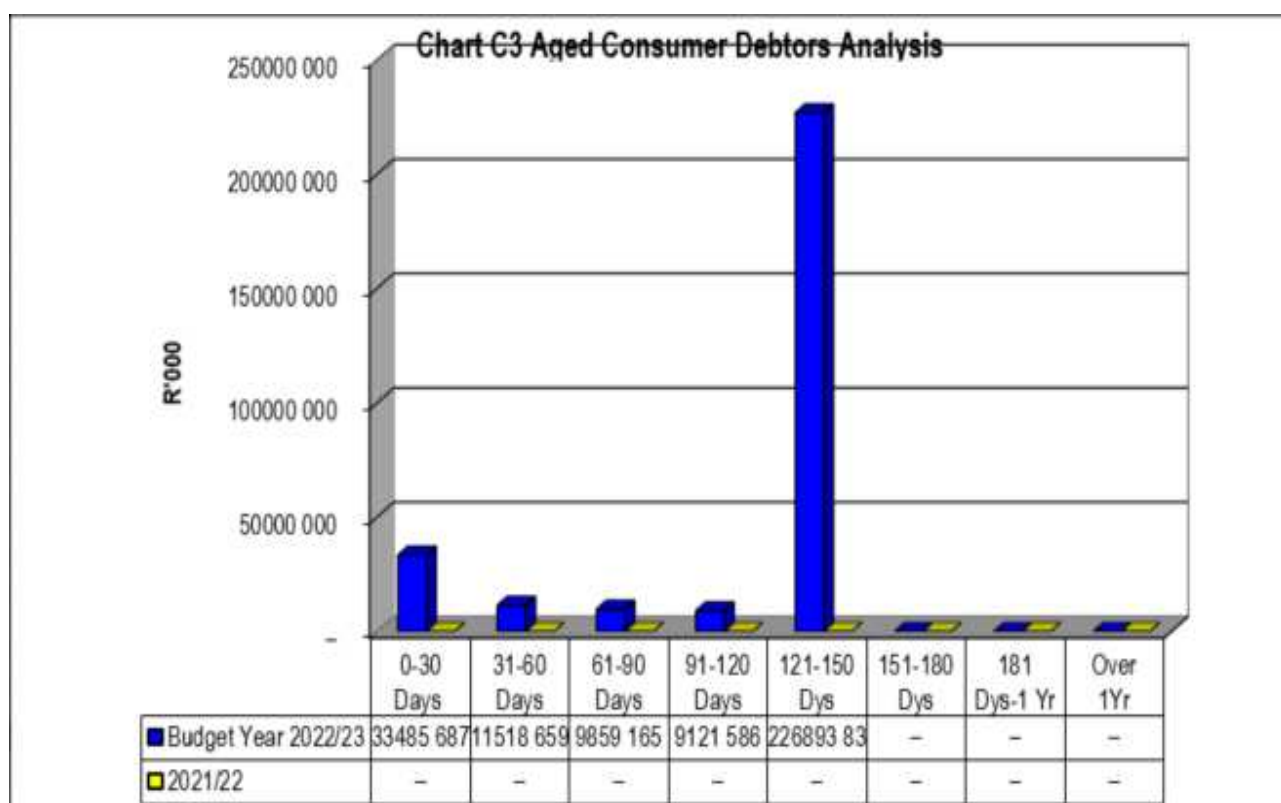
The contributors to the outstanding debt remain the household debt which represent 95.5% of total debt, followed by businesses with 4.3% and organs of state contributing 0.2%

The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which includes blocking prepaid electricity for users in arrears and applying water restrictions in arrears where Eskom is the electricity distributor. Customers are informed prior to these actions being implemented 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.

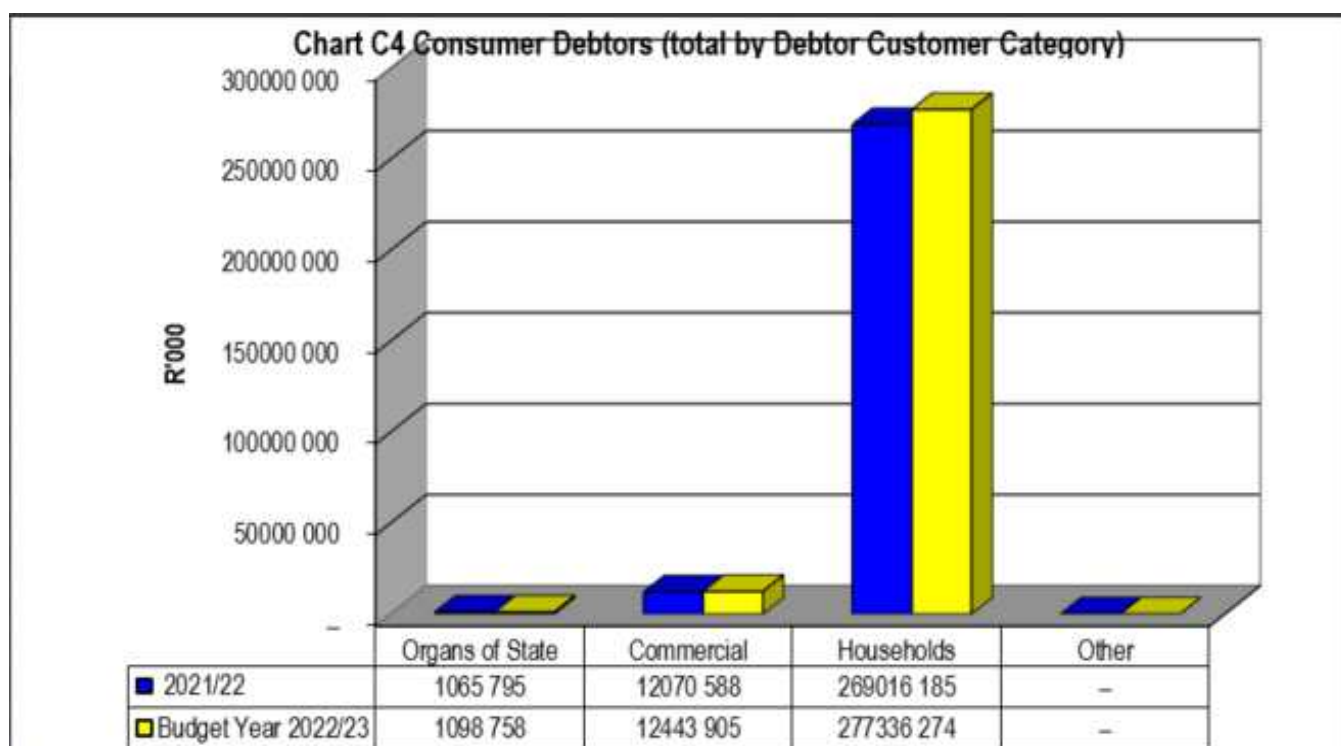
The collection rate for the month of January 2023 is 85.65%. See below debtor payment percentage achieved from July 2022 until January 2023 .

BITOU LOCAL MUNICIPALITY

	DEBTOR PAYMENT % ACHIEVED						
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Gross Debtors Opening Balance	278 242 506,48	305 456 917,62	289 353 632,76	291 397 858,06	294 972 033,33	296 616 507,78	282 874 887,42
Billed Revenue	56 860 904,82	54 058 809,47	54 827 249,00	53 104 478,97	51 961 789,14	53 985 716,76	55 760 327,81
Gross Debtors Closing Balance	305 456 917,62	289 353 632,76	291 397 858,06	294 972 033,33	296 616 507,78	282 874 887,42	290 878 936,15
Bad Debt Written off	-	18 269 695,68	5 061 253,40	937 657,19	6 781 389,24	24 516 822,91	-
Payment received	29 646 493,68	51 892 398,65	47 721 770,30	48 592 646,51	43 535 925,45	43 210 514,21	47 756 279,08
Billed Revenue	56 860 904,82	54 058 809,47	54 827 249,00	53 104 478,97	51 961 789,14	53 985 716,76	55 760 327,81
% Debtor payment achieved	52,14%	95,99%	87,04%	91,50%	83,78%	80,04%	85,65%



BITOU LOCAL MUNICIPALITY



Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

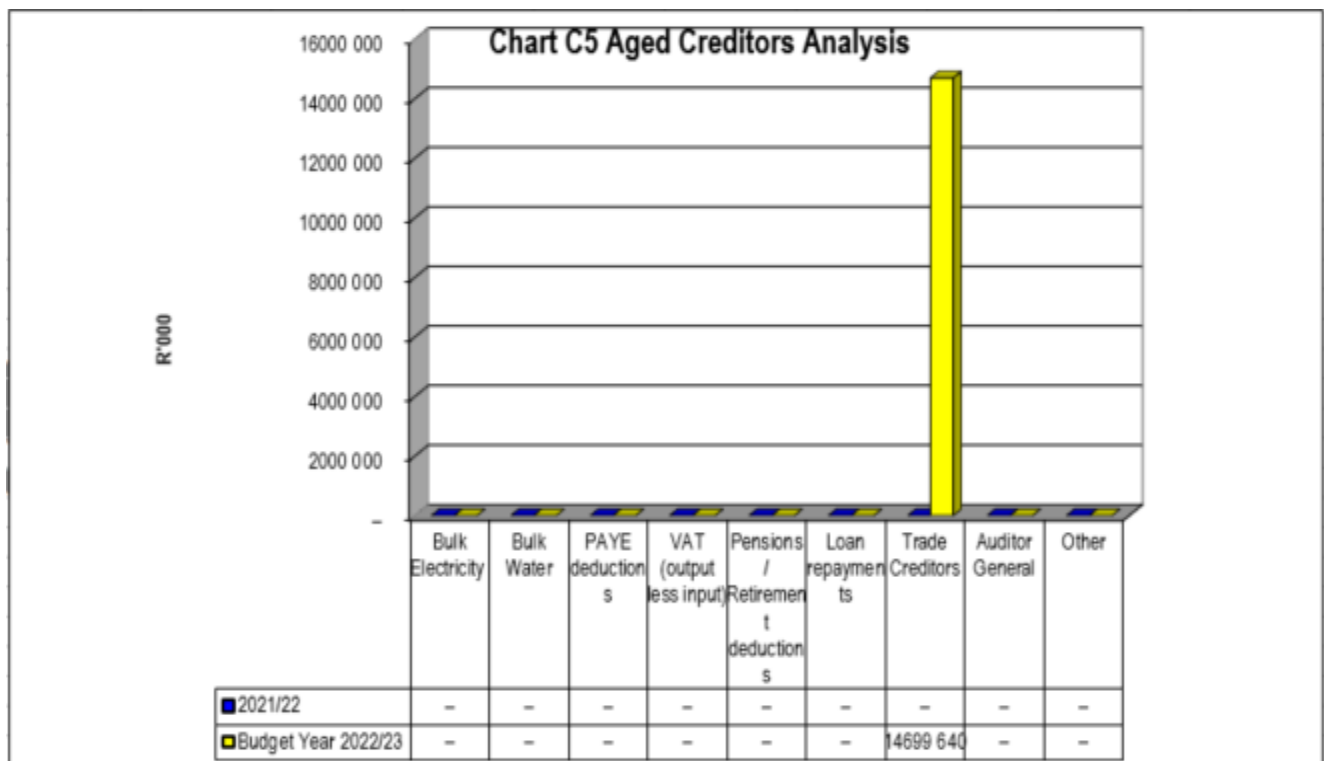
WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January											
Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
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	14 562	1	18	118	-	-	-	-	14 700	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	14 562	1	18	118	-	-	-	-	14 700	-

Creditors Age Analysis

The municipality reports a total amount of R14.7 million on trade creditors in January 2023 compared to R1.7 million reported in December 2022.

Trade creditors older than 30 days amounts to R137 305, 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.

BITOU LOCAL MUNICIPALITY



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Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January									
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
R thousands		Yrs/Months							
Municipality									
Standard Bank: 48-860-7000-068		Call deposit	Call deposit	Call deposit	30	0	5 062		5 092
Standard Bank: 48-860-7000-069		91 days	Fixed deposit	23/01/2023	339	-101,8262329	18 550	(18 889)	0
First National Bank: 63026047787		Call deposit	Call deposit	Call deposit	30	0	5 061		5 090
First National Bank: 76201497122		91 days	Fixed deposit	23/01/2023	173	-101,7252602	10 000	(10 173)	0
Nedbank: 03/7881052406/000101		Call deposit	Call deposit	Call deposit	30	0	5 062		5 092
Nedbank: 03/7881052406/000102		182 days	Fixed deposit	24/04/2023	-	0	6 750		6 750
Nedbank: 03/7881052406/000103		Call deposit	Call deposit	Call deposit	60	0	10 233		10 294
-		-			-		-	-	-
-		-			-		-	-	-
-		-			-		-	-	-
Municipality sub-total					661		60 718	(29 061)	32 318

Investment portfolio analysis

The municipalities long-term investment with a market value of R9.8 million has matured and now forms part of the short-term investments making the total value of short-term investments R32.3 million as at January 2023. Interest earned for the month amounts to R661 302.34.

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M07)
WATER SERVICES INFRASTRUCTURE GRANT	1 650 458,23
LOCAL GOVERNMENT, WATER AND RELATED SETA	1 123 489,58
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	187 209,47
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	188 278,87
EQUITABLE SHARE	91 896 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	987 905,33
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	8 976,54
COMMUNITY LIBRARY SERVICES - OPERATIONAL	934 188,72
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	150 515,25
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP	5 817 846,65
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	1 537 447,38
MUNICIPAL INFRASTRUCTURE GRANT	606 082,41

105 088 398,43

The table above reflects the income recognition done up until the month of January 2023. Transfers and subsidies amount to R 105 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M07)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	8 718 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	4 754 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	4 195 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	234 900,49
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	6 382 000,00
EQUITABLE SHARE	91 896 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 721 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	452 173,92
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	150 000,00

118 503 074,41

The table above reflects the grant receipts up until January 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 month ended 31 January 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

9/02/2023