

BITOU LOCAL MUNICIPALITY



## **Budget Statement for the month ended 31 March 2023**

## Table of Contents

Table of Contents.....	2
Glossary .....	3
Legislative Framework .....	5
Section 1 – March Report .....	5
Section 2 – Resolutions .....	5
Section 3 – Executive Summary .....	5
Section 4 – In-year budget statement tables .....	9
Section 5 – Debtors’ analysis .....	18
Section 6 – Creditors' age analysis .....	20
Section 7 – Investment portfolio analysis.....	21
Section 8 – Grant Performance.....	22
Municipal manager’s quality certification.....	23

## 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.

## BITOU LOCAL MUNICIPALITY

**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.

# BITOU LOCAL MUNICIPALITY

## **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 – March Report**

#### ***1.1 In-Year Report – Monthly Budget Statement***

The report outlines the financial performance and position of the municipality for the month ended March 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 March 2023 amounts to R 131 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 March 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.

# BITOU LOCAL MUNICIPALITY

## Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March										
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	12 457	114 347	114 529	(182)	0%	152 705
Service charges - electricity revenue		202 469	207 720	201 639	18 259	156 656	151 229	5 427	4%	201 639
Service charges - water revenue		85 578	93 277	88 015	7 186	65 374	66 011	(638)	-1%	88 015
Service charges - sanitation revenue		88 009	87 047	85 561	6 153	60 035	64 171	(4 136)	-6%	85 561
Service charges - refuse revenue		37 424	53 272	48 278	3 604	35 069	36 209	(1 140)	-3%	48 278
Rental of facilities and equipment		1 255	1 193	1 179	87	755,80560	884	(128)	-15%	1 179
Interest earned - external investments		3 747	4 600	5 100	563	4 421	3 825	596	16%	5 100
Interest earned - outstanding debtors		14 777	14 572	18 432	1 849	15 238	13 824	1 415	10%	18 432
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		54 430	35 870	25 758	6 170	23 899	19 318	4 580	24%	25 758
Licences and permits		1 091	1 002	1 064	183	917	798	119	15%	1 064
Agency services		2 423	2 414	2 536	-	1 585	1 902	(317)	-17%	2 536
Transfers and subsidies		137 299	153 896	164 645	40 633	144 201	123 461	20 740	17%	164 645
Other revenue		9 341	7 875	9 629	666	7 605	7 219	387	5%	9 629
Gains		-	-	522	(21)	454	391	62	16%	522
Total Revenue (excluding capital transfers and contributions)		795 036	822 693	805 062	97 789	630 556	603 770	26 786	4%	805 062
Expenditure By Type										
Employee related costs		278 100	306 473	308 509	25 839	224 378	231 382	(7 004)	-3%	308 509
Remuneration of councillors		6 198	6 944	6 944	544	5 112	5 208	(96)	-2%	6 944
Debt impairment		126 876	103 440	112 640	6 026	60 148	84 480	(24 332)	-29%	112 640
Depreciation & asset impairment		36 223	37 400	38 163	3 117	28 049	28 622	(573)	-2%	38 163
Finance charges		11 102	10 739	8 776	57	4 877	6 582	(1 705)	-26%	8 776
Bulk purchases - electricity		159 802	161 902	173 902	8 763	111 491	130 427	(18 936)	-15%	173 902
Inventory consumed		14 864	17 674	17 628	1 645	10 348	13 221	(2 872)	-22%	17 628
Contracted services		102 726	91 004	99 823	6 053	31 949	74 866	(42 918)	-57%	99 823
Transfers and subsidies		4 527	4 750	6 185	-	3 715	4 639	(924)	-20%	6 185
Other expenditure		57 505	78 447	82 730	4 687	41 930	62 046	(20 116)	-32%	82 730
Losses		(5 128)	-	-	-	-	-	-	-	-
Total Expenditure		792 795	818 774	855 301	56 730	521 996	641 472	(119 475)	-19%	855 301
Surplus/(Deficit)		2 240	3 919	(50 239)	41 059	108 560	(37 701)	146 261	(0)	(50 239)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		50 997	46 335	53 041	4 800	8 862	36 806	(27 944)	(0)	53 041
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		54 800	50 254	2 802	45 859	117 422	(896)			2 802
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		54 800	50 254	2 802	45 859	117 422	(896)			2 802
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		54 800	50 254	2 802	45 859	117 422	(896)			2 802
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		54 800	50 254	2 802	45 859	117 422	(896)			2 802

### Revenue by Source

#### Property Rates

Property rates for the month of March amounts to R12.5 million. The YTD actual amount to R114.3 million compared to YTD budget of R114.5 million that was anticipated, this indicates that the revenue source is adequately performing. 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.

## **BITOU LOCAL MUNICIPALITY**

### **Electricity**

Revenue from electricity for the month of March 2023 amounts to R18.3 million. The YTD actual is R156.7 million, and when compared to the YTD budget of R151.2 million a 4% over performance. 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 March 2023 amounts to R65.4 million while YTD budget amounts to R66 million. This is in line with the anticipated projection of this revenue source.

### **Sanitation Service**

Sanitation revenue as at end of March 2023 amounts to R60 million while YTD budget amounts to R64 million. This translates to 6% under-performance for this category of revenue. The revenue source has been adjusted downwards however it seems it is still underperforming.

Consideration has been given on how this revenue source will be budgeted for the new financial year as well as the tariffs linked to it.

### **Refuse Service**

Refuse revenue as at the end of March 2023 amounts R35 million while the YTD budget amounts to R36.2 million. This translates to an under performance of 3%. A 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 is expected in the last month of the financial year which will continue into the new financial year.

### **Rental of Facilities and Equipment**

The revenue for rental of facilities and equipment as at end of March 2023 amounts to R755 805. This source of revenue is under-performing by 15% compared to the YTD budget of R884 034. This source of revenue was adjusted downward as it has consistently underperformed based on the previous reports and based on the first monthly 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.

### **Interest earned on external investment and outstanding debtors**

Interest earned on external investment and outstanding debtors' revenue as at end of March 2023 amounts to R4.4 million and R15.2 million respectively while the YTD budget amounts to R3.8 million and R13.8 million respectively. The investments are continuing to show a positive result which is evident in the YTD variance of 16%. The interest on outstanding debtors is also showing a positive of 10%, however it is doubtful that the municipality would be able to collect it and was thus adjusted downward.

### **Revenue for fines, penalties and forfeits**

Revenue from Fines as at end of March 2023 amounts to R23.8 million compared to the YTD budget of R19.3 million. This is an over performance of 24%. This revenue source has been adjusted downward and it is expected to perform adequately for the remainder of the financial year.

### **Transfers and Subsidies**

Revenue from Transfers and Subsidies amounts to R144.2 million as at end of March 2023. Revenue from Transfers and Subsidies is over performing by 17% as the actual disbursements

## BITOU LOCAL MUNICIPALITY

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 March 2023 amounts to R7.6 million. This is 5% 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 March 2023 amounts to R97.8 million compared to the R59.7 million reported in the previous month, which can mainly be ascribed to the receipt of the last tranche of the equitable share which was paid in the month of March coupled with an improvement in the increase in fines revenue. This, however, exclude revenue from capital contributions.

## **Expenditure**

### **Employee related cost**

Employee related cost as at end of March 2023 amounts to R224.4 million, while the YTD budget amounts to R231.4 million. This translates to an under performance of 3%. Payment of overtime, standby and acting has been adjusted and must now be closely monitored for the remainder of the Financial Year. 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 March 2023 amounts to R4.6 million. This expenditure item underperforming by 2% which is within the norm for this category of expenditure.

### **Debt Impairment**

Debt Impairment as at end of March amounted to R60.1 million. The YTD budget amounts to R84.5 million. This translates to an under performance of 29%. It is however expected that the budgeted expenditure target will be met for the financial year.

### **Bulk Purchases**

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of March 2023 amounts to R111.5 million compared to R130.5 million YTD budget, thus reporting an under performance of 15%. All payments to Eskom until February 2023 are reflected in the YTD figure. Considering the increase in bulk purchases allowed by NERSA of 18.49% it is anticipated that an additional expenditure in the amount of approximately R12 million in respect of Bulk Purchases will be incurred from 1 April 2023. It is therefore anticipated that the expenditure target for this item will be met upon the closure of the books on 30 June 2023.

### **Depreciation**

Depreciation as at the end of March 2023 amounts to R28 million which is in line with the YTD budget. This item is still performing as anticipated even with a 2% under performance variance as one 12<sup>th</sup> 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.



## **BITOU LOCAL MUNICIPALITY**

### **Inventory Consumed**

Expenditure for this item as at end of March 2023 amounts to R10.3 million while the YTD budget amounts to R13.2 million. This expenditure item is under-performing by 22% 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 was done, however more attention will need to be given in the 2023/24 Annual Budget to be sure this item is budgeted adequately.

### **Contracted Services**

Expenditure as at end of March 2023 amounts to R31.9 million and is under-performing by 57% when compared to the YTD budget of R74.7 million. The under expenditure remains relatively 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.

### **Transfers and subsidies**

Expenditure as at end of March amounts R3.7 million compared to the YTD budget of R4.6 million. An under performance of 20% is reported for the month, it is anticipated that the expenditure for this category will also increase towards the conclusion of the financial year.

### **Other expenditure**

Other expenditure as at end of March 2023 amounts to R41.9 million while the YTD budget amounts to R62 million, which translates to an under performance of 32%. 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 March 2023 amounts to R521.9 million. The municipality is reporting an operating surplus of R45.9 million for the month of March 2023 and a surplus of R117.4 million for the YTD actual.

### **Conclusion on Financial Position and performance**

The financial performance as at end of March 2023 has improved from the previous month. The current cash flow, even though it has improved from the previous month, is still not sufficient to sustain operations in the medium and long term. The current ratio is just within the best practice norms. The liquidity position remains 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.

## BITOU LOCAL MUNICIPALITY

Table below relates to the budget performance by municipal vote. Most of the departments has underspent on their expenditure budget and collection on their revenue budget is starting to improve as per below. Management to note that expenditure is more than revenue since the beginning of the year.

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

WC047 Bitou - Table C1 Monthly Budget Statement Summary - M09 March									
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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	157 194	159 956	152 705	12 457	114 347	114 529	(182)	-0%	152 705
Service charges	413 479	441 315	423 494	35 201	317 134	317 620	(486)	-0%	423 494
Investment revenue	3 747	4 600	5 100	563	4 421	3 825	596	16%	5 100
Transfers and subsidies	137 299	153 896	164 645	40 633	144 201	123 461	20 740	17%	164 645
Other own revenue	83 317	62 926	59 118	8 935	50 454	44 336	6 118	14%	59 118
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>795 036</b>	<b>822 693</b>	<b>805 062</b>	<b>97 789</b>	<b>630 556</b>	<b>603 770</b>	<b>26 786</b>	<b>4%</b>	<b>805 062</b>
Employee costs	278 100	306 473	308 509	25 839	224 378	231 382	(7 004)	-3%	308 509
Remuneration of Councillors	6 198	6 944	6 944	544	5 112	5 208	(96)	-2%	6 944
Depreciation & asset impairment	36 223	37 400	38 163	3 117	28 049	28 622	(573)	-2%	38 163
Finance charges	11 102	10 739	8 776	57	4 877	6 582	(1 705)	-26%	8 776
Materials and bulk purchases	174 666	179 576	191 530	10 408	121 839	143 647	(21 808)	-15%	191 530
Transfers and subsidies	4 527	4 750	6 185	—	3 715	4 639	(924)	-20%	6 185
Other expenditure	281 979	272 892	295 193	16 765	134 026	221 392	(87 366)	-39%	295 193
<b>Total Expenditure</b>	<b>792 795</b>	<b>818 774</b>	<b>855 301</b>	<b>56 730</b>	<b>521 996</b>	<b>641 472</b>	<b>(119 475)</b>	<b>-19%</b>	<b>855 301</b>
<b>Surplus/(Deficit)</b>	<b>2 240</b>	<b>3 919</b>	<b>(50 239)</b>	<b>41 059</b>	<b>108 560</b>	<b>(37 701)</b>	<b>146 261</b>	<b>-388%</b>	<b>(50 239)</b>
Transfers and subsidies - capital (monetary allocations)	50 997	46 335	53 041	4 800	8 862	36 806	(27 944)	-76%	53 041
Contributions & Contributed assets	1 562	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>54 800</b>	<b>50 254</b>	<b>2 802</b>	<b>45 859</b>	<b>117 422</b>	<b>(896)</b>	<b>118 317</b>	<b>-13212%</b>	<b>2 802</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>54 800</b>	<b>50 254</b>	<b>2 802</b>	<b>45 859</b>	<b>117 422</b>	<b>(896)</b>	<b>118 317</b>	<b>-13212%</b>	<b>2 802</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>79 249</b>	<b>98 450</b>	<b>102 148</b>	<b>9 204</b>	<b>20 344</b>	<b>74 205</b>	<b>(53 860)</b>	<b>-73%</b>	<b>102 148</b>
Capital transfers recognised	60 306	41 078	44 034	2 542	7 182	33 206	(26 025)	-78%	44 034
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	38 843	35 255	5 371	8 946	24 919	(15 973)	-64%	35 255
Internally generated funds	18 943	18 529	22 860	1 291	4 232	16 080	(11 848)	-74%	22 860
<b>Total sources of capital funds</b>	<b>79 249</b>	<b>98 450</b>	<b>102 148</b>	<b>9 204</b>	<b>20 359</b>	<b>74 205</b>	<b>(53 845)</b>	<b>-73%</b>	<b>102 148</b>
<b>Financial position</b>									
Total current assets	368 500	272 028	350 801		243 626				350 801
Total non current assets	1 218 624	1 345 582	1 282 608		1 201 062				1 282 608
Total current liabilities	353 304	150 778	393 034		99 392				393 034
Total non current liabilities	160 322	226 140	170 927		145 562				170 927
<b>Community wealth/Equity</b>	<b>1 073 498</b>	<b>1 240 692</b>	<b>1 069 448</b>		<b>1 199 735</b>				<b>1 069 448</b>
<b>Cash flows</b>									
Net cash from (used) operating	76 723	77 840	49 810	56 203	104 083	(36 165)	(140 248)	388%	49 810
Net cash from (used) investing	(79 130)	(98 450)	(102 148)	(9 225)	(10 033)	(73 881)	(63 848)	86%	(101 717)
Net cash from (used) financing	(21 591)	(21 828)	13 451	(442)	(11 633)	10 088	21 722	215%	13 451
<b>Cash/cash equivalents at the month/year end</b>	<b>49 466</b>	<b>68 025</b>	<b>9 740</b>	<b>—</b>	<b>131 044</b>	<b>(51 331)</b>	<b>(182 375)</b>	<b>355%</b>	<b>10 171</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	37 118	10 238	8 859	8 834	232 504	—	—	—	297 554
<b>Creditors Age Analysis</b>									
Total Creditors	1 440	56	11	18	—	—	—	—	1 526

### Financial Performance Expenditure by Municipal Vote

#### Revenue by vote

The performance of revenue by vote as at end March 2023 amounts to R639.4 million, this is in line when compared to the YTD Budget. The detail on revenue per item can be seen on executive summary.

# BITOU LOCAL MUNICIPALITY

## Expenditure by vote

The expenditure by vote as at March 2023 amounts R521.9 million. The total expenditure budget is under performing by 18.6%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March										
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	–	–	2 188	(2 188)	-100,0%	2 918
Vote 2 - Office of the Municipal Manager		48 142	55 066	55 165	36 220	129 861	41 374	88 487	213,9%	55 165
Vote 3 - Community Services		128 967	139 714	134 565	13 545	77 541	100 921	(23 380)	-23,2%	134 565
Vote 4 - Corporate Services		276	–	275	(282)	842	206	636	308,6%	275
Vote 5 - Financial Services		177 153	181 221	177 552	13 559	122 772	133 164	(10 392)	-7,8%	177 552
Vote 6 - Economic Development & Planning		22 421	4 202	5 941	2 035	6 303	4 281	2 023	47,3%	5 941
Vote 7 - Engineering Services		467 601	485 908	481 686	37 512	302 098	358 442	(56 344)	-15,7%	481 686
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	847 477	869 028	858 103	102 589	639 418	640 576	(1 158)	-0,2%	858 103
Expenditure by Vote	1									
Vote 1 - Council		7 835	9 773	9 800	655	6 198	7 350	(1 151)	-15,7%	9 800
Vote 2 - Office of the Municipal Manager		(79 405)	30 026	30 495	2 294	19 806	22 871	(3 065)	-13,4%	30 495
Vote 3 - Community Services		243 999	228 348	247 317	18 016	151 676	185 485	(33 809)	-18,2%	247 317
Vote 4 - Corporate Services		67 025	68 794	68 765	4 586	33 493	51 573	(18 080)	-35,1%	68 765
Vote 5 - Financial Services		70 140	66 371	65 039	3 297	35 773	48 782	(13 008)	-26,7%	65 039
Vote 6 - Economic Development & Planning		23 677	24 488	24 371	1 644	17 518	18 278	(759)	-4,2%	24 371
Vote 7 - Engineering Services		454 279	390 974	409 514	26 237	257 531	307 134	(49 603)	-16,2%	409 514
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	855 301	56 730	521 996	641 472	(119 475)	-18,6%	855 301
Surplus/ (Deficit) for the year	2	59 927	50 254	2 802	45 859	117 422	(896)	118 317	-13212,1%	2 802

# BITOU LOCAL MUNICIPALITY

## Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March										
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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		2 428	1 400	1 830	448	529	1 372	(844)	-61%	1 830
Vote 4 - Corporate Services		520	1 804	2 104	7	113	1 578	(1 465)	-93%	2 104
Vote 5 - Financial Services		-	600	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		22 377	44 556	50 705	4 030	8 103	36 366	(28 263)	-78%	50 705
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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	25 324	48 360	54 638	4 484	8 745	39 316	(30 571)	-78%	54 638
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		6 575	9 026	7 985	(309)	1 458	5 989	(4 531)	-76%	7 985
Vote 4 - Corporate Services		2 592	635	235	-	3	176	(174)	-98%	235
Vote 5 - Financial Services		19	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	435	311	311	435	(124)	-28%	435
Vote 7 - Engineering Services		44 739	40 429	38 855	4 718	9 828	28 289	(18 461)	-65%	38 855
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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	53 925	50 090	47 510	4 720	11 600	34 889	(23 289)	-67%	47 510
<b>Total Capital Expenditure</b>	3	79 249	98 450	102 148	9 204	20 344	74 205	(53 860)	-73%	102 148
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		3 143	3 835	3 135	28	339	2 351	(2 012)	-86%	3 135
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		3 143	3 835	3 135	28	339	2 351	(2 012)	-86%	3 135
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		5 340	8 204	7 623	139	1 398	5 717	(4 319)	-76%	7 623
Community and social services		605	3 930	3 811	(311)	296	2 858	(2 563)	-90%	3 811
Sport and recreation		2 449	3 794	1 487	-	572	1 115	(544)	-49%	1 487
Public safety		2 286	480	2 324	450	531	1 743	(1 212)	-70%	2 324
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		27 344	10 790	10 079	311	871	7 455	(6 584)	-88%	10 079
Planning and development		-	-	435	311	311	435	(124)	-28%	435
Road transport		27 344	10 790	9 644	-	560	7 021	(6 460)	-92%	9 644
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		43 422	75 621	81 312	8 727	17 736	58 681	(40 945)	-70%	81 312
Energy sources		11 947	21 116	25 665	2 275	6 789	17 881	(11 092)	-62%	25 665
Water management		14 768	40 579	37 481	3 273	6 018	27 504	(21 485)	-78%	37 481
Waste water management		13 058	12 400	16 670	3 179	4 541	12 175	(7 634)	-63%	16 670
Waste management		3 650	1 526	1 496	-	388	1 122	(734)	-65%	1 496
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	79 249	98 450	102 148	9 204	20 344	74 205	(53 860)	-73%	102 148
<b>Funded by:</b>										
National Government		42 019	35 048	35 575	2 231	6 858	26 754	(19 896)	-74%	35 575
Provincial Government		18 287	6 030	8 354	311	324	6 374	(6 050)	-95%	8 354
District Municipality		-	-	104	-	-	78	(78)	-100%	104
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		60 306	41 078	44 034	2 542	7 182	33 206	(26 025)	-78%	44 034
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	38 843	35 255	5 371	8 946	24 919	(15 973)	-64%	35 255
<b>Internally generated funds</b>		18 943	18 529	22 860	1 291	4 232	16 080	(11 848)	-74%	22 860
<b>Total Capital Funding</b>		79 249	98 450	102 148	9 204	20 359	74 205	(53 845)	-73%	102 148

## BITOU LOCAL MUNICIPALITY

### Capital Expenditure Analysis

Capital Expenditure for the month amounts to R9.2 million and YTD expenditure as at end of March 2023 amounts to R20.3 million.

It should be noted that majority of the approved capital projects are at 20% 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. The expected percentage spending at this stage of the financial year is 60%.

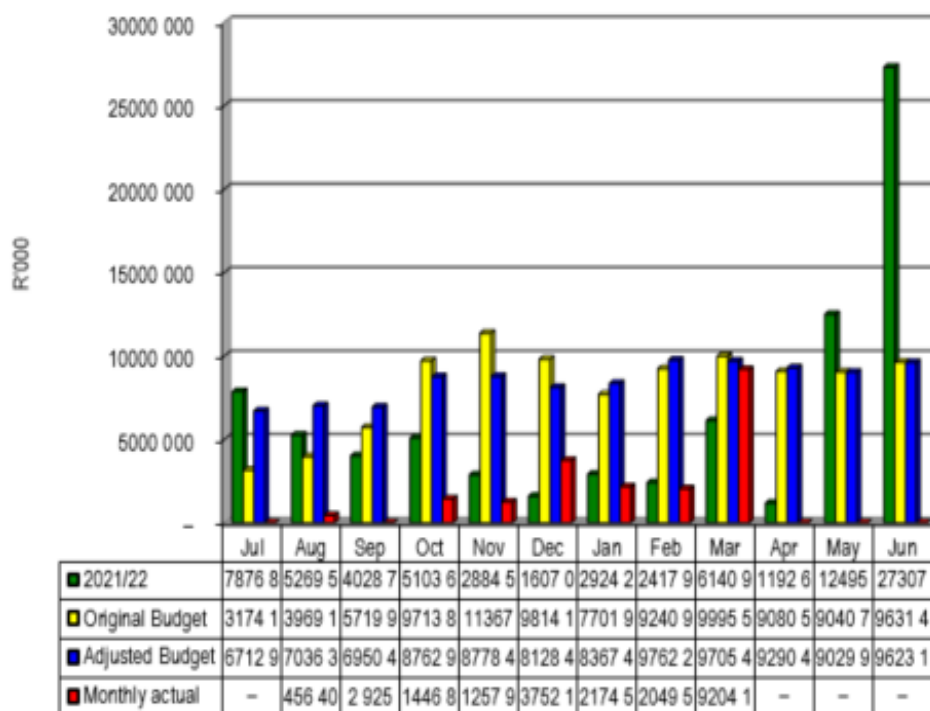
We note that spending has not improved from the previous report however we are still anticipating an improvement in spending for the months ahead. It should be noted that the commitments (shadow balances) loaded on the FMS amounts to R49.3 million, which translates to 48% of the total capital budget still being 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

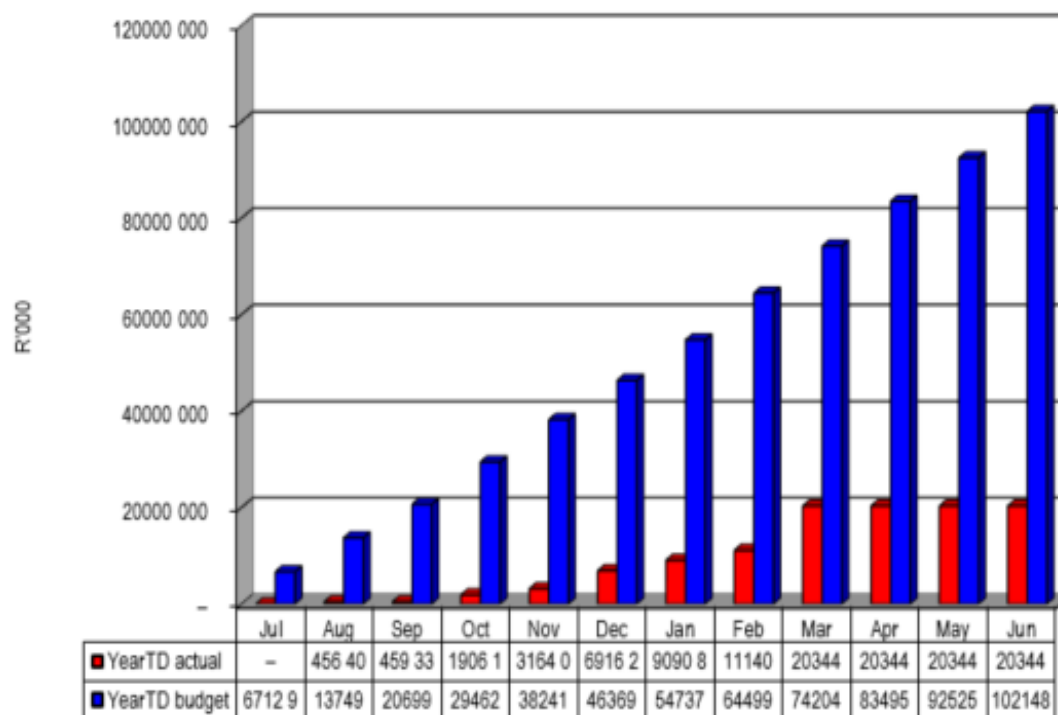
Grants	Amended Budget	Monthly Actual	Shadow Balance	YTD Expenditure
<b>MIG</b>	20 099 178.00	1 294 757.66	9 643 870.83	3 181 084.38
<b>INEP</b>	7 580 869.00	617 204.44	6 486 170.53	2 099 087.45
<b>WSIG</b>	7 894 782.00	319 162.54	5 914 288.14	1 577 527.84
<b>HOUSING</b>	3 000 000.00	0	757 071.17	0
<b>MRF</b>	50 000.00	0	30 846.00	13 064.81
<b>RSEP</b>	434 783.00	310 986.00	0	310 968.00
<b>COMMUNITY SAFETY INITIATIVE</b>	104 348.00	0	0	0
<b>EMERGENCY MUNICIPAL LOADSHEDDING RELIEF GRANT</b>	4 869 565.00	0	4 866 564.99	0
<b>BORROWINGS</b>	35 255 300.00	5 370 634.34	11 604 824.90	8 945 997.17
<b>AFR</b>	22 859 588.00	1 291 383.01	9 963 303.16	4 345 608.61
<b>TOTAL</b>	<b>102 148 413,00</b>	<b>9 204 109,99</b>	<b>49 266 939,72</b>	<b>20 473 338,26</b>

## 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 - M09 March

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		48 627	27 525	8 190	33 494	8 190
Call investment deposits		–	85 710	1 550	97 550	1 550
Consumer debtors		73 178	112 671	81 130	65 005	81 130
Other debtors		223 387	29 921	243 382	25 056	243 382
Current portion of long-term receivables		9	–	11	9	11
Inventory		23 298	16 201	16 538	22 512	16 538
<b>Total current assets</b>		<b>368 500</b>	<b>272 028</b>	<b>350 801</b>	<b>243 626</b>	<b>350 801</b>
<b>Non current assets</b>						
Long-term receivables		1	–	–	1	–
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	1 260 023	1 188 334	1 260 023
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		–	(0)	–	–	–
Other non-current assets		35	35	35	35	35
<b>Total non current assets</b>		<b>1 218 624</b>	<b>1 345 582</b>	<b>1 282 608</b>	<b>1 201 062</b>	<b>1 282 608</b>
<b>TOTAL ASSETS</b>		<b>1 587 124</b>	<b>1 617 610</b>	<b>1 633 409</b>	<b>1 444 689</b>	<b>1 633 409</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	(328)	24	–	24
Consumer deposits		9 848	9 948	9 848	10 579	9 848
Trade and other payables		293 275	91 269	292 059	24 533	292 059
Provisions		50 181	49 889	91 103	64 280	91 103
<b>Total current liabilities</b>		<b>353 304</b>	<b>150 778</b>	<b>393 034</b>	<b>99 392</b>	<b>393 034</b>
<b>Non current liabilities</b>						
Borrowing		88 704	104 142	102 151	76 262	102 151
Provisions		71 618	121 998	68 776	69 300	68 776
<b>Total non current liabilities</b>		<b>160 322</b>	<b>226 140</b>	<b>170 927</b>	<b>145 562</b>	<b>170 927</b>
<b>TOTAL LIABILITIES</b>		<b>513 626</b>	<b>376 918</b>	<b>563 961</b>	<b>244 954</b>	<b>563 961</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 073 498</b>	<b>1 240 692</b>	<b>1 069 448</b>	<b>1 199 735</b>	<b>1 069 448</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 054 948	1 114 615	1 050 898	1 181 185	1 050 898
Reserves		18 550	126 077	18 550	18 550	18 550
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 073 498</b>	<b>1 240 692</b>	<b>1 069 448</b>	<b>1 199 735</b>	<b>1 069 448</b>

The table above reflects the statement of financial position of the municipality. The total current assets at the end of March 2023 amounts to R 243.6 million compared to R 187.7 million reported in February 2023. This increase is a result of an increase in the cash and investments due to grant funding. The municipality reports total short-term investments at

## BITOU LOCAL MUNICIPALITY

R97.5 million and cash of R33.5 million in March. The municipality reports a positive cashbook balance of R33.5 million.

The current liabilities for the month amounts R99.3 million compared to R82.2 million in the previous month, which is due to an increase in trade creditors. The current ratio for the month equates 2.45:1, which is within best practice norms. It should be noted that the current ratio has increased from the 2.22 in February 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 - M09 March										
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		157 107	159 956	130 542	11 236	112 051	97 907	14 145	14%	130 542
Service charges		343 120	375 118	359 234	32 737	301 844	269 423	32 421	12%	359 234
Other revenue		1 120	38 050	39 709	9 051	11 575	9 408	2 167	23%	39 709
Transfers and Subsidies - Operational		192 301	105 717	164 912	36 619	144 041	69 978	74 063	106%	164 912
Transfers and Subsidies - Capital		–	52 305	53 041	17 822	34 492	(34 883)	69 376	-199%	53 041
Interest		14 249	4 600	5 100	2 368	20 045	3 825	16 220	424%	5 100
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(615 543)	(644 455)	(687 766)	(53 574)	(511 373)	(443 628)	67 745	-15%	(687 766)
Finance charges		(11 103)	(8 700)	(8 776)	(57)	(4 877)	(6 582)	(1 705)	26%	(8 776)
Transfers and Grants		(4 527)	(4 750)	(6 185)	–	(3 715)	(1 612)	2 102	-130%	(6 185)
NET CASH FROM/(USED) OPERATING ACTIVITIES		76 723	77 840	49 810	56 203	104 083	(36 165)	(140 248)	388%	49 810
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	(21)	454	323	131	40%	431
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)	(102 148)	(9 204)	(20 344)	(74 205)	(53 860)	73%	(102 148)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(79 130)	(98 450)	(102 148)	(9 225)	(10 033)	(73 881)	(63 848)	86%	(101 717)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	35 255	–	–	26 441	(26 441)	-100%	35 255
Increase (decrease) in consumer deposits		835	–	–	79	731	–	731	0%	–
Payments										
Repayment of borrowing		(22 426)	(21 828)	(21 804)	(521)	(12 364)	(16 353)	(3 989)	24%	(21 804)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(21 591)	(21 828)	13 451	(442)	(11 633)	10 088	21 722	215%	13 451
NET INCREASE/ (DECREASE) IN CASH HELD		(23 998)	(42 438)	(38 887)	46 535	82 416	(99 958)			(38 456)
Cash/cash equivalents at beginning:		73 465	110 464	48 627		48 627	48 627			48 627
Cash/cash equivalents at month/year end:		49 466	68 025	9 740		131 044	(51 331)			10 171

The municipality is reporting a positive R56.2 million on monthly actual net cash from operating activities an immense improvement when compared to the actual net cash from operating activities for the previous month which amounted to a negative R5.2 million. These are mostly month to month operating expenses and operating income.

Monthly actual net cash (**used**) on investing activities is reported at R9.2 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 March 2023 amounts to R442 000 after the bi-annual redemption of December 2022 amounting to R10.7 million.



## BITOU LOCAL MUNICIPALITY

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 R131 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 - M09 March

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	6 726	3 198	2 884	2 983	62 756	-	-	-	78 547	65 739	2 214	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 445	890	521	426	13 428	-	-	-	27 710	13 854	195	-
Receivables from Non-exchange Transactions - Property Rates	1400	8 470	1 811	1 277	1 251	41 893	-	-	-	54 702	43 144	222	-
Receivables from Exchange Transactions - Waste Water Management	1500	5 793	2 643	2 624	2 507	79 762	-	-	-	93 329	82 269	2 118	-
Receivables from Exchange Transactions - Waste Management	1600	3 531	1 576	1 524	1 489	47 138	-	-	-	55 258	48 627	1 204	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	154	120	30	177	(12 473)	-	-	-	(11 992)	(12 296)	46	-
Total By Income Source	2000	37 118	10 238	8 859	8 834	232 504	-	-	-	297 554	241 338	5 999	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	361	79	70	71	463	-	-	-	1 043	534	-	-
Commercial	2300	5 270	465	347	306	6 848	-	-	-	13 235	7 153	-	-
Households	2400	31 488	9 694	8 442	8 458	225 194	-	-	-	283 275	233 652	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	37 118	10 238	8 859	8 834	232 504	-	-	-	297 554	241 338	-	-

### Debtor’s age analysis

The debtors’ book of the municipality reflects R 232.5 million on outstanding debtors older than 121 days and a total outstanding amount of R297.5 million. Total outstanding debt has increased by R3.7 million compared to the month of February 2023.

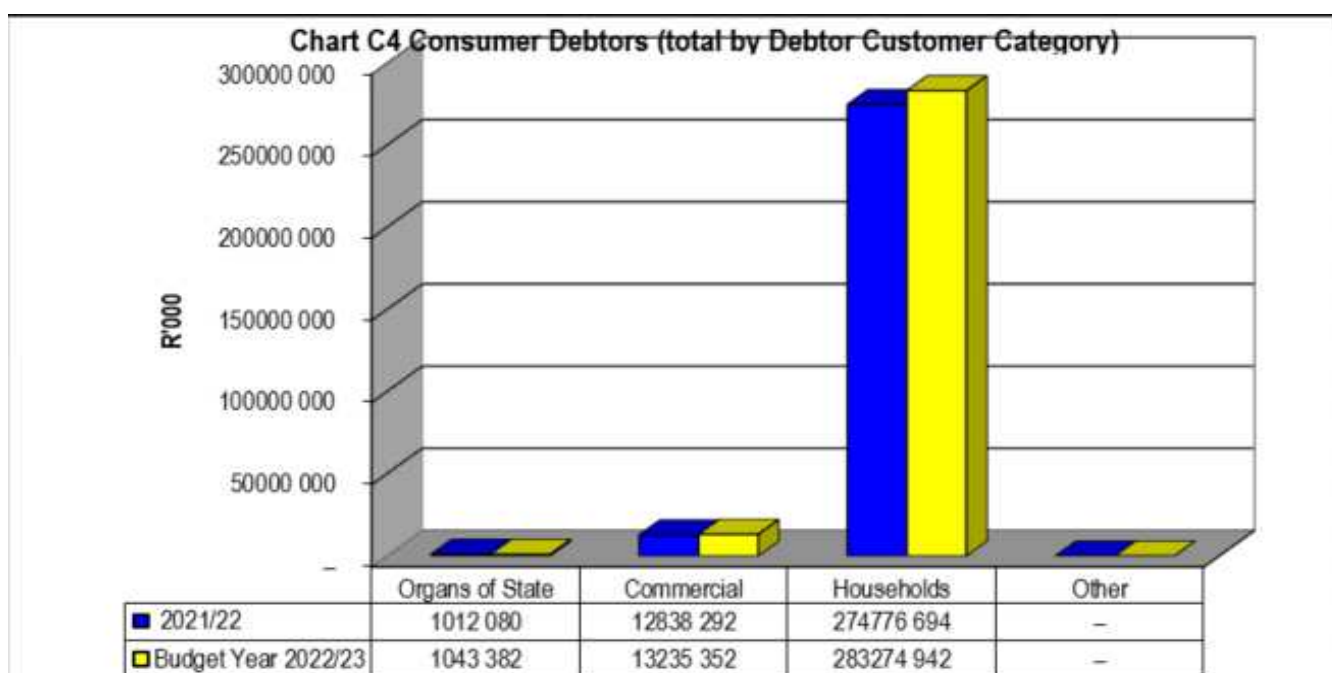
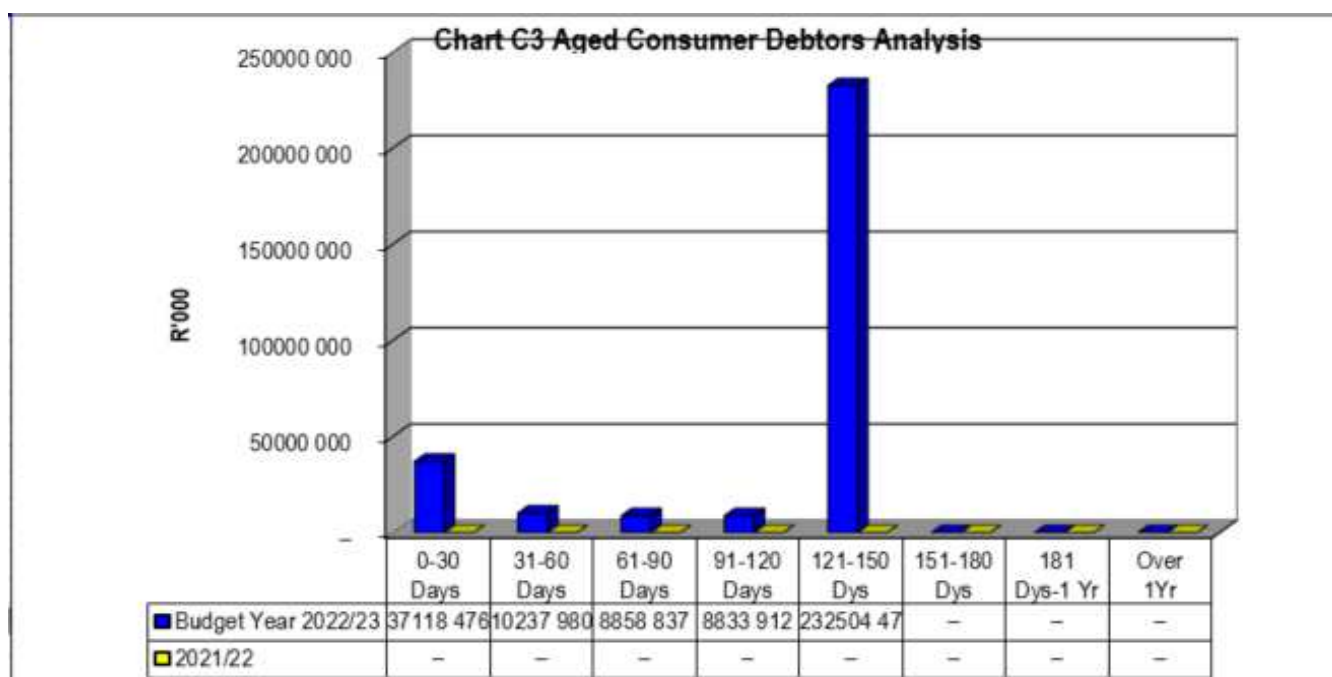
The contributors to the outstanding debt remain the household debt which represent 95.2% of total debt, followed by businesses with 4.4% and organs of state contributing 0.4%

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 7<sup>th</sup> of every month.

The collection rate for the month of March 2023 is 83.44%. See below debtor payment percentage achieved from January 2023 until March 2023 .

## BITOU LOCAL MUNICIPALITY

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Jan-23	Feb-23	Mar-23	Annual
Gross Debtors Opening Balance	282 874 887,42	290 878 936,15	293 848 006,21	278 242 506,48
Billed Revenue	55 760 327,81	56 670 020,53	54 254 605,16	491 483 901,66
Gross Debtors Closing Balance	290 878 936,15	293 848 006,21	297 553 676,20	297 553 676,20
Bad Debt Written off	-	5 692 985,22	5 279 833,00	66 539 636,64
Payment received	47 756 279,08	48 007 965,25	45 269 102,17	405 633 095,30
Billed Revenue	55 760 327,81	56 670 020,53	54 254 605,16	491 483 901,66
<b>% Debtor payment achieved</b>	<b>85,65%</b>	<b>84,71%</b>	<b>83,44%</b>	<b>83%</b>



# BITOU LOCAL MUNICIPALITY

## Section 6 – Creditors' age analysis

### 6.1 Supporting Table SC4

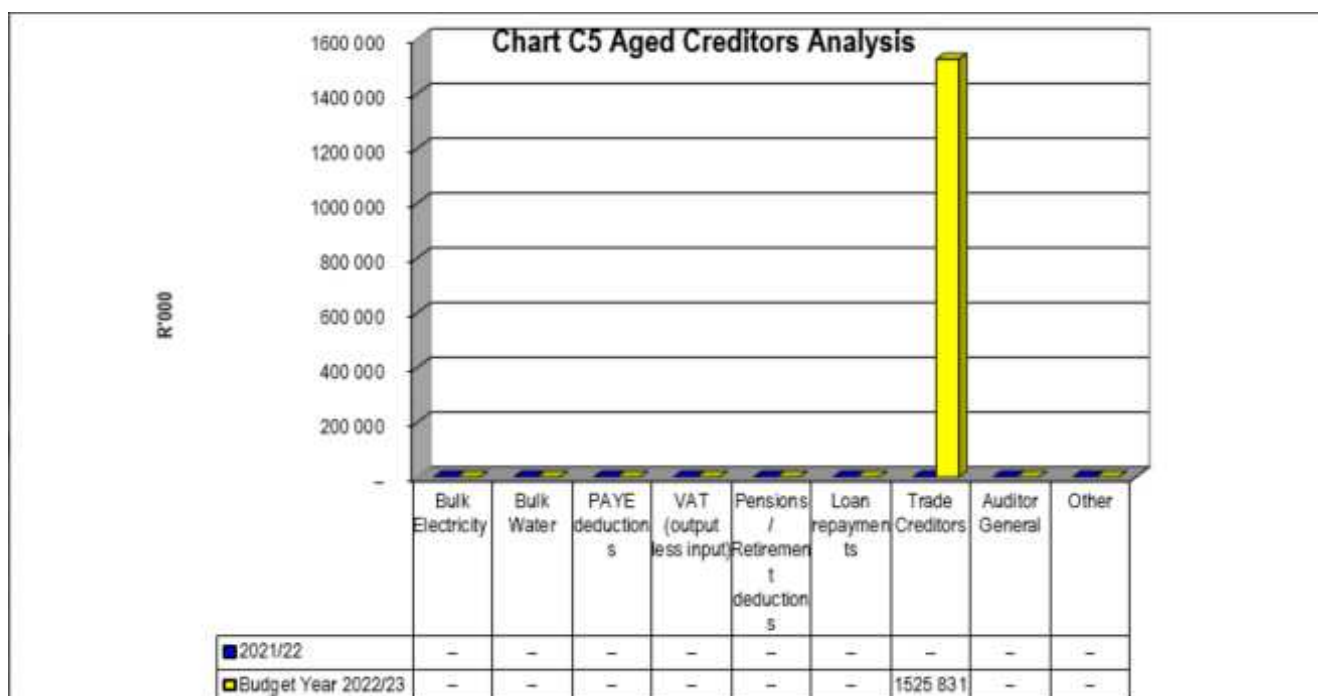
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March											
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	1 440	56	11	18	-	-	-	-	1 526	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 440	56	11	18	-	-	-	-	1 526	-

### Creditors Age Analysis

The municipality reports a total amount of R1.5 million on trade creditors in March 2023 compared to R19.4 million reported in February 2023.

Trade creditors older than 30 days amounts to R29 000, 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

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March									
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							
<b>R thousands</b>									
<b>Municipality</b>									
Standard Bank: 48-860-7000-068		Call deposit	Call deposit	Call deposit	17	-100,3376712	5 121	(5 138)	–
First National Bank: 63026047787		Call deposit	Call deposit	Call deposit	16	-100,3112328	5 118	(5 134)	–
Nedbank: 03/7881052406/000101		Call deposit	Call deposit	Call deposit	–	-100	5 120	(5 120)	–
Nedbank: 1766000029		180 days	Fixed deposit	19/09/2023	–		–	14 000	14 000
Absa Bank: 2080981838		90 days	Fixed deposit	21/06/2023	–		–	20 000	20 000
Standard Bank: 488607000-070		61 days	Fixed deposit	14/04/2023	–	0	7 300	–	7 300
Standard Bank: 488607000-071		90 days	Fixed deposit	16/05/2023	–	0	6 200	–	6 200
Absa Bank:2080918839		120 days	Fixed deposit	15/06/2023	–	0	14 200	–	14 200
Absa Bank:2080917621		120 days	Fixed deposit	15/06/2023	–		7 300	–	7 300
Nedbank: 03/7881052406/000102		182 days	Fixed deposit	24/04/2023	–		6 750	–	6 750
Standard Bank: 488607000-073		92 days	Fixed deposit	22/06/2023	–		–	11 800	11 800
Standard Bank: 488607000-072		92 days	Fixed deposit	22/06/2023	–		–	10 000	10 000
<b>Municipality sub-total</b>					<b>114</b>		<b>67 438</b>	<b>34 689</b>	<b>97 550</b>

### Investment portfolio analysis

The municipality has investment with a total value of R97.5 million as at March 2023. Interest earned on Fixed deposits will only be recognised upon maturity.

## BITOU LOCAL MUNICIPALITY

### Section 8 – Grant Performance

#### 8.1 Supporting Table SC6

<b>Grant Description</b>	<b>Year- To-Date Actual Balance (M09)</b>
WATER SERVICES INFRASTRUCTURE GRANT	2 657 241,17
LOCAL GOVERNMENT, WATER AND RELATED SETA	732 750,54
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 790 368,47
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	305 767,80
EQUITABLE SHARE	129 019 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	1 708 642,82
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	14 510,80
COMMUNITY LIBRARY SERVICES - OPERATIONAL	1 194 436,75
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	127 770,70
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP	9 216 490,63
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	2 399 420,19
MUNICIPAL INFRASTRUCTURE GRANT	3 537 622,03
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP)	248 270,24
THUSONG SERVICES CENTRES	980,00

**152 953 272,14**

The table above reflects the income recognition done up until the month of March 2023. Transfers and subsidies amount to R 152.9 million, which includes capital and operational grants.

<b>Grant Description</b>	<b>Year- To-Date Actual Balance (M09)</b>
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	8 718 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	20 192 260,92
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	6 579 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	269 759,30
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	753 043,49
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

**179 888 063,71**

The table above reflects the grant receipts up until March 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 March 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

17 APRIL 23