

BITOU LOCAL MUNICIPALITY



Budget Statement for the month ended 30 April 2023



Table of Contents

| | |
|---|----|
| Table of Contents..... | 2 |
| Glossary | 3 |
| Legislative Framework | 5 |
| Section 1 – April Report | 5 |
| Section 2 – Resolutions | 5 |
| Section 3 – Executive Summary | 5 |
| Section 4 – In-year budget statement tables | 10 |
| Section 5 – Debtors’ analysis | 19 |
| Section 6 – Creditors' age analysis | 21 |
| Section 7 – Investment portfolio analysis..... | 22 |
| Section 8 – Grant Performance..... | 23 |
| Municipal manager’s quality certification..... | 24 |

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 – April Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended April 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 April 2023 amounts to R 102 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 30 April 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) - M10 April | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| 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 | 12 486 | 126 833 | 127 254 | (421) | 0% | 152 705 |
| Service charges - electricity revenue | | 202 469 | 207 720 | 201 639 | 17 179 | 173 835 | 168 033 | 5 802 | 3% | 201 639 |
| Service charges - water revenue | | 85 578 | 93 277 | 88 015 | 5 914 | 71 287 | 73 346 | (2 059) | -3% | 88 015 |
| Service charges - sanitation revenue | | 88 009 | 87 047 | 85 561 | 6 217 | 66 253 | 71 301 | (5 048) | -7% | 85 561 |
| Service charges - refuse revenue | | 37 424 | 53 272 | 48 278 | 3 595 | 38 664 | 40 232 | (1 568) | -4% | 48 278 |
| Rental of facilities and equipment | | 1 255 | 1 193 | 1 179 | 82 | 837 | 982 | (145) | -15% | 1 179 |
| Interest earned - external investments | | 3 747 | 4 600 | 5 100 | 615 | 5 036 | 4 250 | 786 | 18% | 5 100 |
| Interest earned - outstanding debtors | | 14 777 | 14 572 | 18 432 | 1 987 | 17 226 | 15 360 | 1 866 | 12% | 18 432 |
| Dividends received | | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 54 430 | 35 870 | 25 758 | 9 | 23 908 | 21 465 | 2 443 | 11% | 25 758 |
| Licences and permits | | 1 091 | 1 002 | 1 064 | 88 | 1 005 | 886 | 118 | 13% | 1 064 |
| Agency services | | 2 423 | 2 414 | 2 536 | 582 | 2 167 | 2 113 | 54 | 3% | 2 536 |
| Transfers and subsidies | | 140 026 | 153 896 | 164 645 | 2 258 | 146 459 | 137 189 | 9 270 | 7% | 164 645 |
| Other revenue | | 9 341 | 7 875 | 9 629 | 561 | 8 167 | 8 022 | 145 | 2% | 9 629 |
| Gains | | - | - | 522 | - | 454 | 435 | 19 | 4% | 522 |
| Total Revenue (excluding capital transfers and contributions) | | 797 763 | 822 693 | 805 062 | 51 574 | 682 130 | 670 867 | 11 263 | 2% | 805 062 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 278 100 | 306 473 | 309 064 | 25 132 | 249 510 | 257 553 | (8 043) | -3% | 309 064 |
| Remuneration of councillors | | 6 198 | 6 944 | 6 944 | 548 | 5 661 | 5 787 | (126) | -2% | 6 944 |
| Debt impairment | | 126 876 | 103 440 | 112 640 | 73 | 60 220 | 93 867 | (33 646) | -36% | 112 640 |
| Depreciation & asset impairment | | 36 223 | 37 400 | 38 163 | 3 117 | 31 166 | 31 802 | (636) | -2% | 38 163 |
| Finance charges | | 11 102 | 10 739 | 8 776 | 52 | 4 929 | 7 313 | (2 384) | -33% | 8 776 |
| Bulk purchases - electricity | | 159 802 | 161 902 | 173 902 | 13 884 | 125 375 | 144 918 | (19 543) | -13% | 173 902 |
| Inventory consumed | | 14 864 | 17 674 | 17 628 | 522 | 10 870 | 14 690 | (3 820) | -26% | 17 628 |
| Contracted services | | 102 726 | 91 004 | 99 403 | 3 887 | 35 836 | 82 835 | (46 999) | -57% | 99 403 |
| Transfers and subsidies | | 4 527 | 4 750 | 7 185 | 1 326 | 5 040 | 5 987 | (947) | -16% | 7 185 |
| Other expenditure | | 57 505 | 78 447 | 81 595 | 6 338 | 48 268 | 67 993 | (19 725) | -29% | 81 595 |
| Losses | | 1 813 | - | - | - | - | - | - | - | - |
| Total Expenditure | | 799 736 | 818 774 | 855 301 | 54 879 | 576 875 | 712 745 | (135 870) | -19% | 855 301 |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 48 270 | 46 335 | 53 041 | 3 260 | 12 122 | 42 218 | (30 095) | (0) | 53 041 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 1 562 | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | | | 2 802 |
| Taxation | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | | | 2 802 |
| Attributable to minorities | | - | - | - | - | - | - | | | - |
| Surplus/(Deficit) attributable to municipality | | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | | | 2 802 |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | | | - |
| Surplus/ (Deficit) for the year | | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | | | 2 802 |

Revenue by Source

Property Rates

Property rates for the month of April amounts to R12.5 million. The YTD actual amount to R126.8 million compared to YTD budget of R127.3 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 April 2023 amounts to R17.2 million. The YTD actual is R173.8 million, and when compared to the YTD budget of R168 million a 3% 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 April 2023 amounts to R71.3 million while YTD budget amounts to R73.3 million. This is a 3% under-performance which can mainly be ascribed to the water restrictions that are currently in place, coupled to the colder weather and seasonal consumption patterns, load shedding also impacts on the municipality's ability to deliver water to end-users resulting in lower consumption trends establishing.

Sanitation Service

Sanitation revenue as at end of April 2023 amounts to R66.3 million while YTD budget amounts to R71.3 million. This translates to 7% 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 April 2023 amounts R38.6 million while the YTD budget amounts to R40.2 million. This translates to an under performance of 4%. 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 April 2023 amounts to R837 427. This source of revenue is under-performing by 15% compared to the YTD budget of R982 260. 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 April 2023 amounts to R5 million and R17.2 million respectively while the YTD budget amounts to R4.3 million and R15.4 million respectively. The investments are continuing to show a positive result which is evident in the YTD variance of 18%. The interest on outstanding debtors is also showing a positive of 12%, 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 April 2023 amounts to R23.9 million compared to the YTD budget of R21.5 million. This is an over performance of 11%. This revenue source has been adjusted downward and it is expected to perform adequately for the remainder of the financial year.

BITOU LOCAL MUNICIPALITY

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R146.5 million as at end of April 2023. Revenue from Transfers and Subsidies is over performing by 7% as the actual disbursements were not aligned to the YTD budget. Spending on conditional grants that is accelerating 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 April 2023 amounts to R8.2 million. This is 2% 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 April 2023 amounts to R51.6 million compared to the R97.8 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. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost as at end of April 2023 amounts to R249.5 million, while the YTD budget amounts to R257.5 million. This translates to an under performance of 3% which remains constant over the past months. 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 April 2023 amounts to R5.6 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 April amounted to R60.2 million. The YTD budget amounts to R93.8 million. This translates to an under performance of 36%. It is however expected that the budgeted expenditure target will be met for the financial year as final write-offs and impairment calculations will happen as part of the year end process.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of April 2023 amounts to R125.4 million compared to R144.9 million YTD budget, thus reporting an under performance of 13%. All payments to Eskom until March 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

BITOU LOCAL MUNICIPALITY

Depreciation as at the end of April 2023 amounts to R31 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 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 April 2023 amounts to R10.9 million while the YTD budget amounts to R14.6 million. This expenditure item is under-performing by 26% 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 April 2023 amounts to R35.8 million and is under-performing by 57% when compared to the YTD budget of R82.8 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, however projects that will not be completed have been considered in the 3rd adjustment budget to be cut.

Transfers and subsidies

Expenditure as at end of April amounts R5 million compared to the YTD budget of R5.9 million. An under performance of 16% 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 April 2023 amounts to R48.3 million while the YTD budget amounts to R67.9 million, which translates to an under performance of 29%. 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 April 2023 amounts to R576.8 million. The municipality is reporting an operating deficit of R 44 521 for the month of April 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 April 2023 has dramatically decreased from the previous month, which can mainly be ascribed to the final Equitable share payment received for the financial year. The current cash flow, even though it weakened from the previous month, is still sufficient to meet the short term operations however, for the medium and long term it is still not sufficient to sustain operations. The current ratio is just within the best practice norms. The liquidity position 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.

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 that revenue since the beginning of the year.

See tables below C1 and C3 for the month ended 30 April 2023 .

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C1 Monthly Budget Statement Summary - M10 April

| Description | 2021/22 | Budget Year 2022/23 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 157 194 | 159 956 | 152 705 | 12 486 | 126 833 | 127 254 | (421) | -0% | 152 705 |
| Service charges | 413 479 | 441 315 | 423 494 | 32 905 | 350 038 | 352 911 | (2 873) | -1% | 423 494 |
| Investment revenue | 3 747 | 4 600 | 5 100 | 615 | 5 036 | 4 250 | 786 | 18% | 5 100 |
| Transfers and subsidies | 140 026 | 153 896 | 164 645 | 2 258 | 146 459 | 137 189 | 9 270 | 7% | 164 645 |
| Other own revenue | 83 317 | 62 926 | 59 118 | 3 309 | 53 763 | 49 263 | 4 500 | 9% | 59 118 |
| Total Revenue (excluding capital transfers and contributions) | 797 763 | 822 693 | 805 062 | 51 574 | 682 130 | 670 867 | 11 263 | 2% | 805 062 |
| Employee costs | 278 100 | 306 473 | 309 064 | 25 132 | 249 510 | 257 553 | (8 043) | -3% | 309 064 |
| Remuneration of Councillors | 6 198 | 6 944 | 6 944 | 548 | 5 661 | 5 787 | (126) | -2% | 6 944 |
| Depreciation & asset impairment | 36 223 | 37 400 | 38 163 | 3 117 | 31 166 | 31 802 | (636) | -2% | 38 163 |
| Finance charges | 11 102 | 10 739 | 8 776 | 52 | 4 929 | 7 313 | (2 384) | -33% | 8 776 |
| Materials and bulk purchases | 174 666 | 179 576 | 191 530 | 14 406 | 136 245 | 159 608 | (23 363) | -15% | 191 530 |
| Transfers and subsidies | 4 527 | 4 750 | 7 185 | 1 326 | 5 040 | 5 987 | (947) | -16% | 7 185 |
| Other expenditure | 288 920 | 272 892 | 293 638 | 10 299 | 144 324 | 244 695 | (100 370) | -41% | 293 638 |
| Total Expenditure | 799 736 | 818 774 | 855 301 | 54 879 | 576 875 | 712 745 | (135 870) | -19% | 855 301 |
| Surplus/(Deficit) | (1 973) | 3 919 | (50 239) | (3 305) | 105 255 | (41 878) | 147 133 | -351% | (50 239) |
| Transfers and subsidies - capital (monetary allocations) | 48 270 | 46 335 | 53 041 | 3 260 | 12 122 | 42 218 | (30 095) | -71% | 53 041 |
| Contributions & Contributed assets | 1 562 | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | 117 037 | 34453% | 2 802 |
| Share of surplus/ (deficit) of associate | — | — | — | — | — | — | — | — | — |
| Surplus/ (Deficit) for the year | 47 859 | 50 254 | 2 802 | (45) | 117 377 | 340 | 117 037 | 34453% | 2 802 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 81 943 | 98 450 | 102 148 | 5 930 | 26 275 | 83 495 | (57 221) | -69% | 102 148 |
| Capital transfers recognised | 60 306 | 41 078 | 44 034 | 2 807 | 9 989 | 36 801 | (26 812) | -73% | 44 034 |
| Public contributions & donations | — | — | — | — | — | — | — | — | — |
| Borrowing | — | 38 843 | 35 255 | 1 907 | 10 853 | 28 745 | (17 892) | -62% | 35 255 |
| Internally generated funds | 18 943 | 18 529 | 22 860 | 1 201 | 5 432 | 17 950 | (12 517) | -70% | 22 860 |
| Total sources of capital funds | 79 249 | 98 450 | 102 148 | 5 915 | 26 275 | 83 495 | (57 221) | -69% | 102 148 |
| Financial position | | | | | | | | | |
| Total current assets | 341 997 | 272 028 | 350 801 | | 219 079 | | | | 350 801 |
| Total non current assets | 1 218 623 | 1 345 582 | 1 282 608 | | 1 203 941 | | | | 1 282 608 |
| Total current liabilities | 359 377 | 150 778 | 393 034 | | 79 693 | | | | 393 034 |
| Total non current liabilities | 134 689 | 226 140 | 170 927 | | 144 815 | | | | 170 927 |
| Community wealth/Equity | 1 073 494 | 1 240 692 | 1 069 448 | | 1 198 513 | | | | 1 069 448 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 76 723 | 77 840 | 49 810 | (32 831) | 81 530 | (856 384) | (937 913) | 110% | 49 810 |
| Net cash from (used) investing | (39 075) | (98 450) | (102 148) | (5 930) | (15 963) | (83 136) | (67 173) | 81% | (102 148) |
| Net cash from (used) financing | (21 591) | (21 828) | 13 451 | (484) | (12 117) | 11 209 | 23 327 | 208% | 13 451 |
| Cash/cash equivalents at the month/year end | 89 521 | 68 025 | 9 740 | — | 102 076 | (879 683) | (981 760) | 112% | 9 740 |
| 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 | 33 442 | 11 260 | 9 205 | 8 520 | 238 583 | — | — | — | 301 009 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 2 709 | 11 040 | 14 | — | — | 18 | — | — | 13 781 |

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end April 2023 amounts to R694.3 million, this is in line 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 April 2023 amounts R576.9 million. The total expenditure budget is under performing by 19.1%.

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

| 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 | - | - | 2 432 | (2 432) | -100,0% | 2 918 |
| Vote 2 - Office of the Municipal Manager | | 48 142 | 55 066 | 55 165 | 94 | 129 955 | 45 971 | 83 984 | 182,7% | 55 165 |
| Vote 3 - Community Services | | 131 694 | 139 714 | 134 565 | 6 328 | 83 870 | 112 136 | (28 266) | -25,2% | 134 565 |
| Vote 4 - Corporate Services | | 276 | - | 275 | 20 | 862 | 229 | 633 | 276,5% | 275 |
| Vote 5 - Financial Services | | 177 153 | 181 221 | 177 552 | 13 609 | 136 380 | 147 960 | (11 579) | -7,8% | 179 273 |
| Vote 6 - Economic Development & Planning | | 19 694 | 4 202 | 5 941 | 436 | 6 739 | 4 834 | 1 905 | 39,4% | 5 941 |
| Vote 7 - Engineering Services | | 467 601 | 485 908 | 481 686 | 34 348 | 336 446 | 399 523 | (63 077) | -15,8% | 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 | 54 834 | 694 252 | 713 085 | (18 833) | -2,6% | 859 824 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - Council | | 7 835 | 9 773 | 9 800 | 574 | 6 773 | 8 166 | (1 393) | -17,1% | 9 800 |
| Vote 2 - Office of the Municipal Manager | | 23 300 | 30 026 | 30 495 | 3 378 | 23 183 | 25 412 | (2 228) | -8,8% | 30 495 |
| Vote 3 - Community Services | | 246 096 | 228 348 | 247 317 | 14 011 | 165 687 | 206 095 | (40 408) | -19,6% | 247 317 |
| Vote 4 - Corporate Services | | 67 025 | 68 794 | 68 765 | 7 166 | 40 660 | 57 304 | (16 644) | -29,0% | 68 765 |
| Vote 5 - Financial Services | | 31 955 | 66 371 | 65 039 | 2 997 | 38 771 | 54 200 | (15 429) | -28,5% | 81 324 |
| Vote 6 - Economic Development & Planning | | 23 677 | 24 488 | 24 371 | 1 598 | 19 116 | 20 308 | (1 193) | -5,9% | 24 371 |
| Vote 7 - Engineering Services | | 394 602 | 390 974 | 409 514 | 25 155 | 282 685 | 341 260 | (58 575) | -17,2% | 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 | 794 491 | 818 774 | 855 301 | 54 879 | 576 875 | 712 745 | (135 870) | -19,1% | 871 585 |
| Surplus/ (Deficit) for the year | 2 | 52 986 | 50 254 | 2 802 | (45) | 117 377 | 340 | 117 037 | 34453,2% | (11 762) |

BITOU LOCAL MUNICIPALITY

Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

| Vote Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | | |
|--|------------|-----------------|---------------------|-----------------|----------------|---------------|---------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Council | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community Services | | 2 428 | 1 400 | 1 966 | - | 529 | 1 638 | (1 109) | -68% | 1 966 |
| Vote 4 - Corporate Services | | 520 | 1 804 | 2 104 | 169 | 282 | 1 753 | (1 471) | -84% | 2 104 |
| Vote 5 - Financial Services | | - | 600 | - | - | - | - | - | - | - |
| Vote 6 - Economic Development & Planning | | - | - | - | - | - | - | - | - | - |
| Vote 7 - Engineering Services | | 18 371 | 44 556 | 50 705 | 1 314 | 9 417 | 40 839 | (31 421) | -77% | 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] | | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 4,7 | 21 318 | 48 360 | 54 774 | 1 483 | 10 228 | 44 230 | (34 002) | -77% | 54 774 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Council | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Community Services | | 6 575 | 9 026 | 7 849 | 145 | 1 602 | 6 541 | (4 939) | -76% | 7 849 |
| Vote 4 - Corporate Services | | 2 592 | 635 | 235 | - | 3 | 196 | (193) | -99% | 235 |
| Vote 5 - Financial Services | | 5 406 | - | - | - | - | - | - | - | - |
| Vote 6 - Economic Development & Planning | | - | - | 435 | - | 311 | 435 | (124) | -28% | 435 |
| Vote 7 - Engineering Services | | 46 052 | 40 429 | 38 855 | 4 302 | 14 131 | 32 094 | (17 963) | -56% | 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] | | - | - | - | - | - | - | - | - | - |
| Total Capital single-year expenditure | 4 | 60 624 | 50 090 | 47 374 | 4 447 | 16 047 | 39 265 | (23 218) | -59% | 47 374 |
| Total Capital Expenditure | 3 | 81 943 | 98 450 | 102 148 | 5 930 | 26 275 | 83 495 | (57 221) | -69% | 102 148 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 19 190 | 3 835 | 3 135 | 169 | 508 | 2 613 | (2 104) | -81% | 3 135 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 19 190 | 3 835 | 3 135 | 169 | 508 | 2 613 | (2 104) | -81% | 3 135 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 5 340 | 8 204 | 7 623 | 145 | 1 543 | 6 352 | (4 810) | -76% | 7 623 |
| Community and social services | | 605 | 3 930 | 3 811 | 127 | 423 | 3 176 | (2 753) | -87% | 3 811 |
| Sport and recreation | | 2 449 | 3 794 | 1 351 | - | 572 | 1 126 | (554) | -49% | 1 351 |
| Public safety | | 2 286 | 480 | 2 460 | 18 | 549 | 2 050 | (1 502) | -73% | 2 460 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 9 984 | 10 790 | 10 079 | - | 871 | 8 795 | (7 924) | -90% | 10 079 |
| Planning and development | | - | - | 435 | - | 311 | 435 | (124) | -28% | 435 |
| Road transport | | 9 984 | 10 790 | 9 644 | - | 560 | 8 360 | (7 800) | -93% | 9 644 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 44 734 | 75 621 | 81 312 | 5 617 | 23 352 | 65 736 | (42 383) | -64% | 81 312 |
| Energy sources | | 19 459 | 21 116 | 25 665 | 2 100 | 8 889 | 20 256 | (11 367) | -56% | 25 665 |
| Water management | | 17 352 | 40 579 | 37 481 | 3 311 | 9 329 | 30 640 | (21 311) | -70% | 37 481 |
| Waste water management | | 4 273 | 12 400 | 16 670 | 206 | 4 746 | 13 593 | (8 847) | -65% | 16 670 |
| Waste management | | 3 650 | 1 526 | 1 496 | - | 388 | 1 247 | (859) | -69% | 1 496 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 79 249 | 98 450 | 102 148 | 5 930 | 26 275 | 83 495 | (57 221) | -69% | 102 148 |
| Funded by: | | | | | | | | | | |
| National Government | | 42 019 | 35 048 | 35 575 | 2 747 | 9 604 | 29 679 | (20 075) | -68% | 35 575 |
| Provincial Government | | 18 287 | 6 030 | 8 354 | 60 | 384 | 7 034 | (6 650) | -95% | 8 354 |
| District Municipality | | - | - | 104 | - | - | 87 | (87) | -100% | 104 |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 5 | 60 306 | 41 078 | 44 034 | 2 807 | 9 989 | 36 801 | (26 812) | -73% | 44 034 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | 38 843 | 35 255 | 1 907 | 10 853 | 28 745 | (17 892) | -62% | 35 255 |
| Internally generated funds | | 18 943 | 18 529 | 22 860 | 1 201 | 5 432 | 17 950 | (12 517) | -70% | 22 860 |
| Total Capital Funding | | 79 249 | 98 450 | 102 148 | 5 915 | 26 275 | 83 495 | (57 221) | -69% | 102 148 |

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R5.9 million and YTD expenditure as at end of April 2023 amounts to R26.3 million.

It should be noted that majority of the approved capital projects are at 27% 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 70%.

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 R51.7 million, which translates to 51% 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 |
|--|-----------------------|---------------------|----------------------|----------------------|
| MIG | 20 099 178.00 | 1 144 171.16 | 10 663 204.08 | 4 933 739.13 |
| INEP | 7 580 869.00 | 2 066 131.33 | 5 510 099.40 | 3 020 742.90 |
| WSIG | 7 894 782.00 | 1 103 627.30 | 5 051 014.54 | 2 681 155.14 |
| HOUSING | 3 000 000.00 | (13 818.19) | 410 313.67 | (13 818.19) |
| MRF | 50 000.00 | 0 | 30 846.00 | 13 064.81 |
| RSEP | 434 783.00 | 310 986.00 | 0 | 310 968.00 |
| COMMUNITY SAFETY INITIATIVE | 104 348.00 | 0 | 0 | 0 |
| EMERGENCY MUNICIPAL LOADSHEDDING RELIEF GRANT | 4 869 565.00 | 74 250.00 | 4 792 602.41 | 74 250.00 |
| BORROWINGS | 35 255 300.00 | 2 933 544.80 | 14 846 398.87 | 11 745 311.97 |
| AFR | 22 859 588.00 | 1 088 747.18 | 10 375 641.37 | 5 022 944.84 |
| TOTAL | 102 148 413,00 | 8 396 653.58 | 51 680 120.34 | 27 788 408.60 |

BITOU LOCAL MUNICIPALITY

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

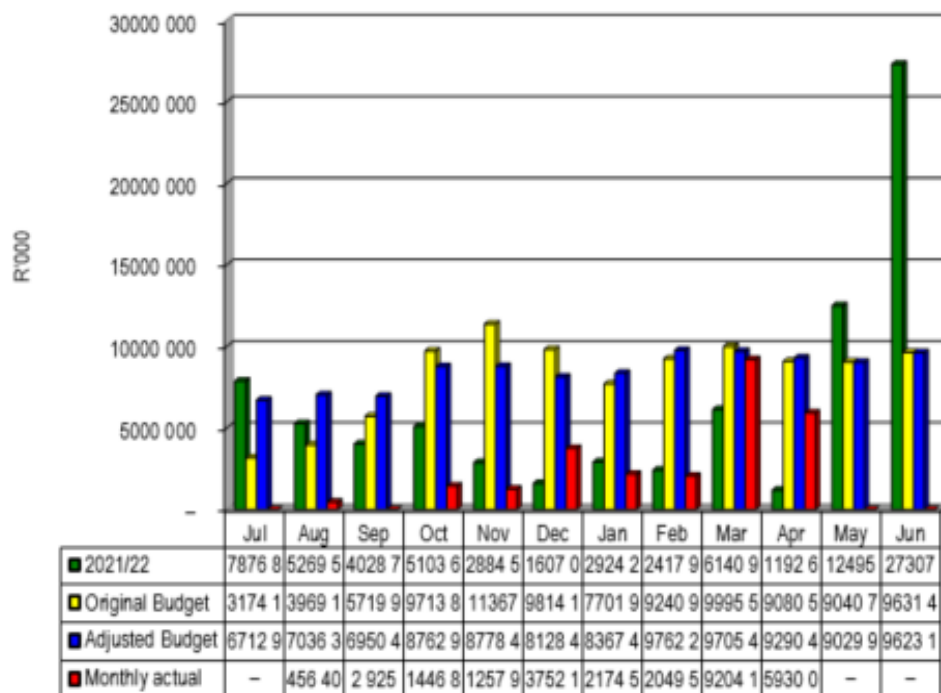
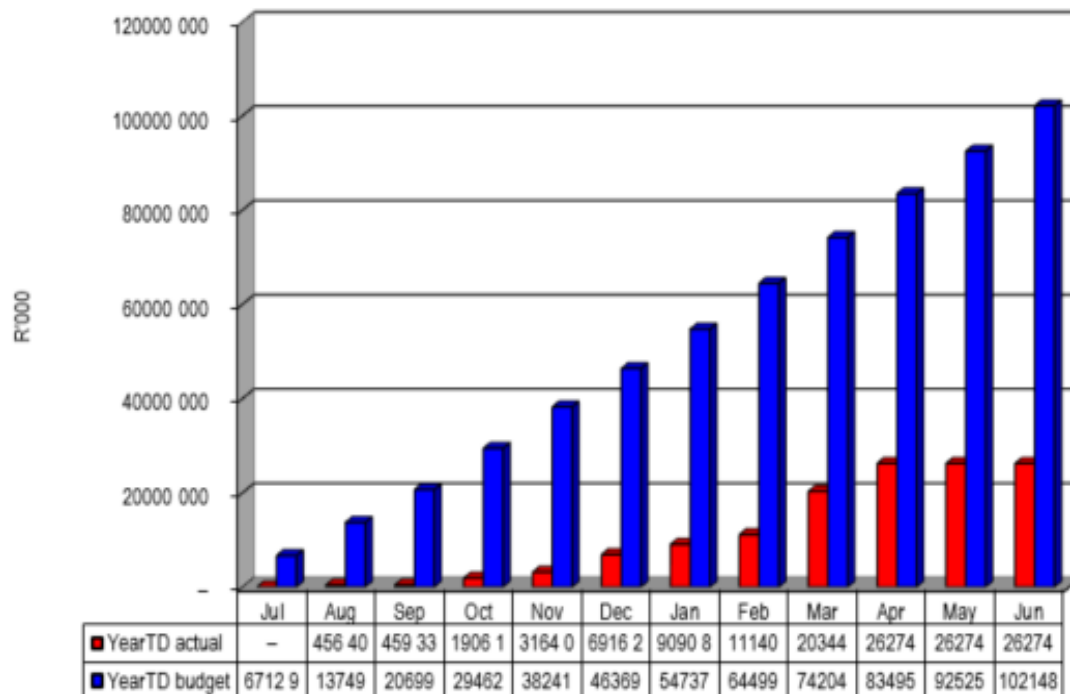


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M10 April

| 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 | | 48 623 | 27 525 | 8 190 | (30 705) | 8 190 |
| Call investment deposits | | – | 85 710 | 1 550 | 132 781 | 1 550 |
| Consumer debtors | | 53 619 | 112 671 | 81 130 | 66 388 | 81 130 |
| Other debtors | | 223 387 | 29 921 | 243 382 | 27 165 | 243 382 |
| Current portion of long-term receivables | | 11 | – | 11 | 9 | 11 |
| Inventory | | 16 358 | 16 201 | 16 538 | 23 441 | 16 538 |
| Total current assets | | 341 997 | 272 028 | 350 801 | 219 079 | 350 801 |
| Non current assets | | | | | | |
| Long-term receivables | | – | – | – | 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 | 1 191 213 | 1 260 023 |
| Agricultural | | – | – | – | – | – |
| Biological assets | | – | – | – | – | – |
| Intangible assets | | – | (0) | – | – | – |
| Other non-current assets | | 35 | 35 | 35 | 35 | 35 |
| Total non current assets | | 1 218 623 | 1 345 582 | 1 282 608 | 1 203 941 | 1 282 608 |
| TOTAL ASSETS | | 1 560 619 | 1 617 610 | 1 633 409 | 1 423 020 | 1 633 409 |
| <u>LIABILITIES</u> | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Borrowing | | 21 828 | (328) | 24 | – | 24 |
| Consumer deposits | | 9 848 | 9 948 | 9 848 | 10 641 | 9 848 |
| Trade and other payables | | 273 716 | 91 269 | 292 059 | 1 707 | 292 059 |
| Provisions | | 53 985 | 49 889 | 91 103 | 67 344 | 91 103 |
| Total current liabilities | | 359 377 | 150 778 | 393 034 | 79 693 | 393 034 |
| Non current liabilities | | | | | | |
| Borrowing | | 66 876 | 104 142 | 102 151 | 75 736 | 102 151 |
| Provisions | | 67 813 | 121 998 | 68 776 | 69 078 | 68 776 |
| Total non current liabilities | | 134 689 | 226 140 | 170 927 | 144 815 | 170 927 |
| TOTAL LIABILITIES | | 494 067 | 376 918 | 563 961 | 224 508 | 563 961 |
| NET ASSETS | 2 | 1 066 553 | 1 240 692 | 1 069 448 | 1 198 513 | 1 069 448 |
| <u>COMMUNITY WEALTH/EQUITY</u> | | | | | | |
| Accumulated Surplus/(Deficit) | | 1 054 944 | 1 114 615 | 1 050 898 | 1 179 963 | 1 050 898 |
| Reserves | | 18 550 | 126 077 | 18 550 | 18 550 | 18 550 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 1 073 494 | 1 240 692 | 1 069 448 | 1 198 513 | 1 069 448 |

The table above reflects the statement of financial position of the municipality. The total current assets at the end of April 2023 amounts to R 219 million compared to R 243.6 million reported in March 2023. This decrease is a result of a deficit in the cash due to payments done after the month has ended. The municipality reports total short-term investments at R132.8 million and a deficit in cash of R30.7 million in April. The municipality reports a negative cashbook balance of R19.3 million.

BITOU LOCAL MUNICIPALITY

The current liabilities for the month amounts R79.6 million compared to R99.3 million in the previous month, which is due to an increase in payment made at month end which reduced the trade creditors. The current ratio for the month equates 2.75:1, which is within best practice norms. It should be noted that the current ratio has increased from the 2.45 in March 2023. The higher the current ratio, the more capable the municipality will be to pay its current or short-term obligations.

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - M10 April

| 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 | 11 949 | 124 001 | (108 785) | 232 786 | -214% | 130 542 |
| Service charges | | 343 120 | 375 118 | 359 234 | 30 374 | 332 218 | (299 359) | 631 577 | -211% | 359 234 |
| Other revenue | | 1 120 | 38 050 | 39 709 | (16 205) | (4 631) | 10 452 | (15 083) | -144% | 39 709 |
| Transfers and Subsidies - Operational | | 192 301 | 105 717 | 164 912 | 613 | 144 654 | 77 842 | 66 812 | 86% | 164 912 |
| Transfers and Subsidies - Capital | | - | 52 305 | 53 041 | (399) | 34 093 | (38 759) | 72 853 | -188% | 53 041 |
| Interest | | 14 249 | 4 600 | 5 100 | 2 242 | 22 286 | 4 250 | 18 036 | 424% | 5 100 |
| Dividends | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (615 543) | (644 455) | (687 766) | (60 027) | (561 123) | (492 920) | 68 203 | -14% | (687 766) |
| Finance charges | | (11 103) | (8 700) | (8 776) | (52) | (4 929) | (7 313) | (2 384) | 33% | (8 776) |
| Transfers and Grants | | (4 527) | (4 750) | (6 185) | (1 326) | (5 040) | (1 792) | 3 248 | -181% | (6 185) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 76 723 | 77 840 | 49 810 | (32 831) | 81 530 | (856 384) | (937 913) | 110% | 49 810 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | - | - | - | 454 | 359 | 95 | 26% | - |
| Decrease (increase) in non-current receivables | | 1 | - | - | - | - | - | - | | - |
| Decrease (increase) in non-current investments | | (750) | - | - | - | 9 857 | - | 9 857 | 0% | - |
| Payments | | | | | | | | | | |
| Capital assets | | (38 326) | (98 450) | (102 148) | (5 930) | (26 275) | (83 495) | (57 221) | 69% | (102 148) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (39 075) | (98 450) | (102 148) | (5 930) | (15 963) | (83 136) | (67 173) | 81% | (102 148) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | | - |
| Borrowing long term/refinancing | | - | - | 35 255 | - | - | 29 379 | (29 379) | -100% | 35 255 |
| Increase (decrease) in consumer deposits | | 835 | - | - | 42 | 772 | - | 772 | 0% | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (22 426) | (21 828) | (21 804) | (526) | (12 890) | (18 170) | (5 281) | 29% | (21 804) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (21 591) | (21 828) | 13 451 | (484) | (12 117) | 11 209 | 23 327 | 208% | 13 451 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 16 057 | (42 438) | (38 887) | (39 245) | 53 449 | (928 311) | | | (38 887) |
| Cash/cash equivalents at beginning: | | 73 465 | 110 464 | 48 627 | | 48 627 | 48 627 | | | 48 627 |
| Cash/cash equivalents at month/year end: | | 89 521 | 68 025 | 9 740 | | 102 076 | (879 683) | | | 9 740 |

The municipality is reporting a negative R32.8 million on monthly actual net cash from operating activities an immense decrease when compared to the actual net cash **from** operating activities for the previous month which amounted to a positive R56.2 million. These are mostly month to month operating expenses and operating income.

Monthly actual net cash **(used)** on investing activities is reported at R5.9 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 R484 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 R102 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 - M10 April | | | | | | | | | | | | | | |
|--|---------|---------------------|------------|------------|-------------|-------------|-------------|--------------|----------|----------|----------|--------------------|--|---|
| Description | NT Code | Budget Year 2022/23 | | | | | | | | | | Total over 90 days | 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 | | | | |
| R thousands | | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 6 100 | 3 118 | 3 037 | 2 798 | 63 949 | - | - | - | 79 000 | 66 747 | 12 | - | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 10 762 | 1 581 | 554 | 466 | 13 710 | - | - | - | 27 073 | 14 176 | 10 | - | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 8 032 | 1 984 | 1 460 | 1 149 | 42 627 | - | - | - | 55 252 | 43 776 | 26 | - | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 3 107 | 1 708 | 1 511 | 1 498 | 48 609 | - | - | - | 56 432 | 50 106 | 11 | - | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 5 230 | 2 744 | 2 532 | 2 580 | 82 422 | - | - | - | 95 509 | 85 002 | 13 | - | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Interest on Arrear Debtor Accounts | 1810 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other | 1900 | 211 | 126 | 111 | 29 | (12 734) | - | - | - | (12 257) | (12 705) | - | - | |
| Total By Income Source | 2000 | 33 442 | 11 260 | 9 205 | 8 520 | 238 583 | - | - | - | 301 009 | 247 103 | 73 | - | |
| 2021/22 - totals only | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | | |
| Organs of State | 2200 | 376 | 88 | 77 | 69 | 625 | - | - | - | 1 235 | 694 | - | - | |
| Commercial | 2300 | 3 814 | 1 441 | 385 | 326 | 6 356 | - | - | - | 12 322 | 6 682 | - | - | |
| Households | 2400 | 29 253 | 9 730 | 8 744 | 8 125 | 231 602 | - | - | - | 287 453 | 239 727 | - | - | |
| Other | 2500 | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total By Customer Group | 2600 | 33 442 | 11 260 | 9 205 | 8 520 | 238 583 | - | - | - | 301 009 | 247 103 | - | - | |

Debtor’s age analysis

The debtors’ book of the municipality reflects R 238.5 million on outstanding debtors older than 121 days and a total outstanding amount of R 301 million. Total outstanding debt has increased by R3.5 million compared to the month of March 2023.

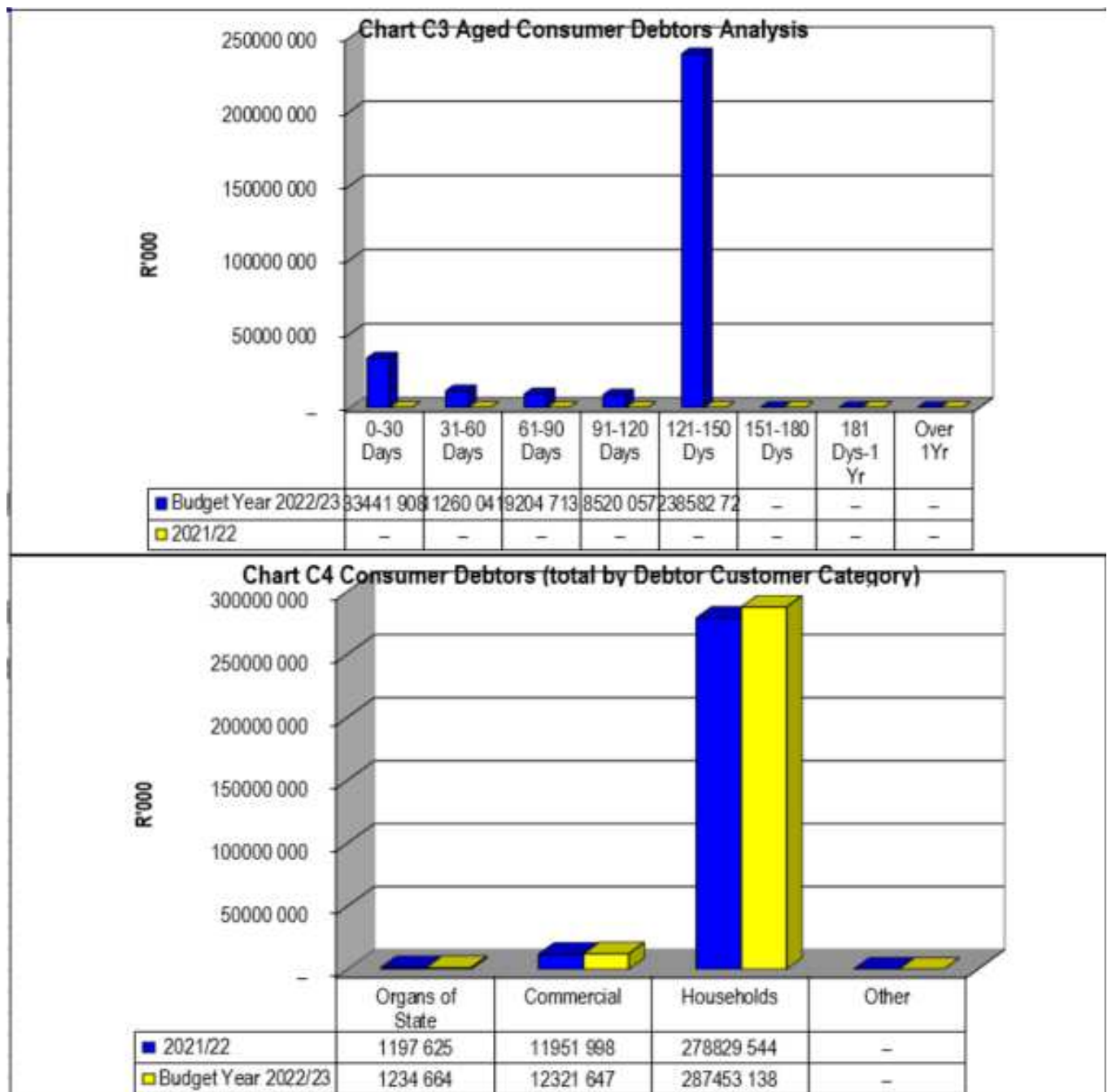
The contributors to the outstanding debt remain the household debt which represent 95.5% of total debt, followed by businesses with 4.1% and organs of state contributing 0.4%

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 7th of every month.

The collection rate for the month of April 2023 is 93.43%. See below debtor payment percentage achieved from February 2023 until March 2023 .

| DEBTOR PAYMENT % ACHIEVED | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|
| DETAILS | Feb-23 | Mar-23 | Apr-23 | Annual |
| Gross Debtors Opening Balance | 290 878 936,15 | 293 848 006,21 | 297 553 676,20 | 278 242 506,48 |
| Billed Revenue | 56 670 020,53 | 54 254 605,16 | 53 823 428,39 | 545 307 330,05 |
| Gross Debtors Closing Balance | 293 848 006,21 | 297 553 676,20 | 301 009 449,24 | 301 009 449,24 |
| Bad Debt Written off | 5 692 985,22 | 5 279 833,00 | 79 586,52 | 66 619 223,16 |
| Payment received | 48 007 965,25 | 45 269 102,17 | 50 288 068,83 | 455 921 164,13 |
| Billed Revenue | 56 670 020,53 | 54 254 605,16 | 53 823 428,39 | 545 307 330,05 |
| % Debtor payment achieved | 84,71% | 83,44% | 93,43% | 84% |

BITOU LOCAL MUNICIPALITY



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

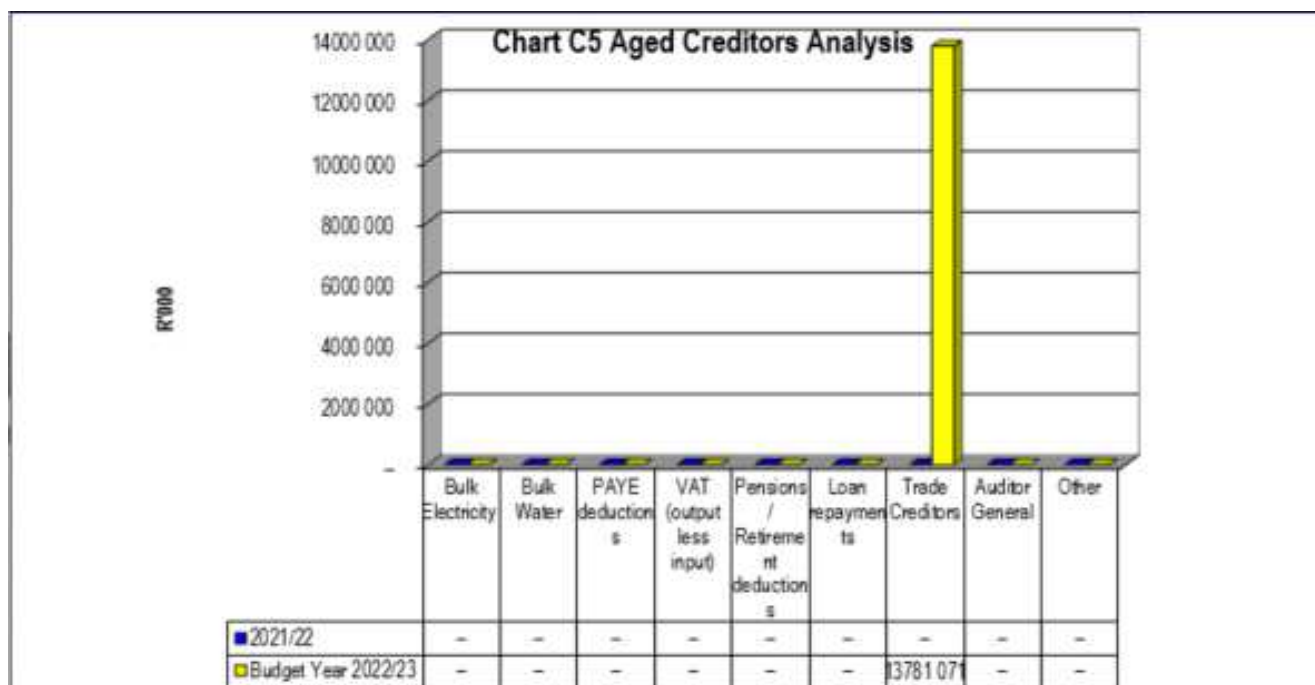
Table SC4 reflects the trade creditors

| WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April | | | | | | | | | | | |
|--|---------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|--------|---|
| 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 | 2 709 | 11 040 | 14 | - | - | 18 | - | - | 13 781 | - |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Type | 1000 | 2 709 | 11 040 | 14 | - | - | 18 | - | - | 13 781 | - |

Creditors Age Analysis

The municipality reports a total amount of R13.8 million on trade creditors in April 2023 compared to R1.5 million reported in March 2023.

Trade creditors older than 30 days amounts to R11 million which is stock for which the invoice has been received but is queried. The amount on the invoice is more than the order and user department is liaising with supplier to correct the invoices.



BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

| WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April | | | | | | | | | |
|--|-----|-------------------------|-----------------------|------------------------------|--------------------------------------|---------------------------------|--|---------------------------|--|
| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
| | | Yrs/Months | | | | | | | |
| R thousands | | | | | | | | | |
| Municipality | | | | | | | | | |
| Standard Bank: 488607000-074 | | 91 days | Fixed deposit | 03/07/2023 | – | | – | 20 138 | 20 138 |
| Nedbank: 1766000029 | | 180 days | Fixed deposit | 19/09/2023 | – | 0 | 14 000 | – | 14 000 |
| Absa Bank: 2080981838 | | 90 days | Fixed deposit | 21/06/2023 | – | 0 | 20 000 | – | 20 000 |
| Standard Bank: 488607000-070 | | 61 days | Fixed deposit | 14/04/2023 | 100 | -100 | 7 300 | (7 300) | – |
| Standard Bank: 488607000-071 | | 90 days | Fixed deposit | 16/05/2023 | – | 0 | 6 200 | – | 6 200 |
| Absa Bank:9377092408 | | Call deposit | Call deposit | Call deposit | 101 | | 14 610 | (14 610) | – |
| Absa Bank:2080918839 | | 120 days | Fixed deposit | 15/06/2023 | – | | 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 | 261 | | 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 | – | 0 | 10 000 | – | 10 000 |
| Absa Bank: 9378543662 | | Call deposit | Call deposit | Call deposit | 22 | | – | 7 422 | 7 422 |
| First National Bank: | | 61 days | Fixed deposit | 26/06/2023 | – | | – | 7 010 | 7 010 |
| Absa Bank:9377092408-1 | | Call deposit | Call deposit | Call deposit | – | | – | 10 474 | 10 474 |
| Absa Bank:9377092408-2 | | Call deposit | Call deposit | Call deposit | – | | – | 4 237 | 4 237 |
| Municipality sub-total | | | | | 484 | | 112 160 | 20 621 | 132 781 |

Investment portfolio analysis

The municipality has investment with a total value of R132.8 million as at April 2023. Interest earned on Fixed deposits will only be recognised upon maturity.

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

| Grant Description | Year- To-Date Actual Balance (M10) |
|---|---|
| WATER SERVICES INFRASTRUCTURE GRANT | 3 926 412,57 |
| LOCAL GOVERNMENT, WATER AND RELATED SETA | 861 891,52 |
| EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT | 1 796 832,47 |
| LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT | 353 584,72 |
| 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 | 143 678,20 |
| LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP | 10 449 507,87 |
| INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT | 3 476 093,97 |
| MUNICIPAL INFRASTRUCTURE GRANT | 4 366 713,16 |
| REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) | 248 270,24 |
| THUSONG SERVICES CENTRES | 20 171,00 |
| WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER) | 502 126,99 |
| EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT | 85 387,50 |
| INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES) | 398 771,13 |

158 566 031,71

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.

| Grant Description | Year- To-Date Actual Balance (M10) |
|--|---|
| 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 30 April 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

12-05-2023