

BITOU LOCAL MUNICIPALITY



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



Table of Contents

Table of Contents.....	2
Glossary	3
Legislative Framework	5
Section 1 – May 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 adjust 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 – May Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended May 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 May 2023 amounts to R 111 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 May 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) - M11 May										
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	12 476	139 309	139 979	(671)	0%	152 705
Service charges - electricity revenue		202 469	207 720	201 639	16 840	190 675	184 836	5 840	3%	201 639
Service charges - water revenue		85 578	93 277	88 015	6 750	78 037	80 681	(2 643)	-3%	88 015
Service charges - sanitation revenue		88 009	87 047	85 561	5 969	72 222	78 431	(6 209)	-8%	85 561
Service charges - refuse revenue		37 424	53 272	48 278	3 595	42 258	44 255	(1 997)	-5%	48 278
Rental of facilities and equipment		1 255	1 193	1 179	83	920	1 080	(160)	-15%	1 179
Interest earned - external investments		3 747	4 600	5 700	308	5 344	5 225	119	2%	5 700
Interest earned - outstanding debtors		14 777	14 572	18 432	2 029	19 254	16 896	2 359	14%	18 432
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		54 430	35 870	25 758	4 353	28 261	23 611	4 650	20%	25 758
Licences and permits		1 091	1 002	1 064	114	1 118	975	143	15%	1 064
Agency services		2 423	2 414	2 536	–	2 167	2 325	(157)	-7%	2 536
Transfers and subsidies		140 026	153 896	164 774	2 727	149 186	151 035	(1 849)	-1%	164 774
Other revenue		9 341	7 875	9 629	1 205	9 371	8 825	546	6%	9 629
Gains		–	–	522	–	454	478	(25)	-5%	522
Total Revenue (excluding capital transfers and contributions)		797 763	822 693	805 791	56 448	738 578	738 633	(54)	0%	805 791
Expenditure By Type										
Employee related costs		278 100	306 473	307 943	25 445	274 955	282 279	(7 324)	-3%	307 943
Remuneration of councillors		6 198	6 944	6 944	512	6 173	6 366	(193)	-3%	6 944
Debt impairment		126 876	103 440	112 640	2 299	62 519	103 253	(40 734)	-39%	112 640
Depreciation & asset impairment		36 223	37 400	38 163	3 117	34 282	34 982	(700)	-2%	38 163
Finance charges		11 102	10 739	8 776	50	4 979	8 045	(3 065)	-38%	8 776
Bulk purchases - electricity		159 802	161 902	173 902	11 296	136 671	159 410	(22 739)	-14%	173 902
Inventory consumed		14 864	17 674	17 714	1 585	12 455	16 237	(3 783)	-23%	17 714
Contracted services		102 726	91 004	98 179	7 581	43 417	89 304	(45 887)	-51%	98 179
Transfers and subsidies		4 527	4 750	7 285	413	5 453	6 678	(1 224)	-18%	7 285
Other expenditure		57 505	78 447	80 279	8 661	56 929	73 495	(16 566)	-23%	80 279
Losses		1 813	–	–	–	–	–	–	–	–
Total Expenditure		799 736	818 774	851 826	60 960	637 835	780 050	(142 215)	-18%	851 826
Surplus/(Deficit)		(1 973)	3 919	(46 035)	(4 511)	100 743	(41 417)	142 160	(0)	(46 035)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		48 270	46 335	47 661	5 511	17 633	42 698	(25 065)	(0)	47 661
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		1 562	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		47 859	50 254	1 626	1 000	118 377	1 281			1 626
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		47 859	50 254	1 626	1 000	118 377	1 281			1 626
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		47 859	50 254	1 626	1 000	118 377	1 281			1 626
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		47 859	50 254	1 626	1 000	118 377	1 281			1 626

Revenue by Source

Property Rates

Property rates for the month of April amounts to R12.5 million. The YTD actual, amount to R139.3 million compared to YTD budget of R139.9 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 May 2023 amounts to R16.8 million. The YTD actual is R190.7 million, and when compared to the YTD budget of R184.8 million a 3% over performance consistent with the previous months reporting. 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 May 2023 amounts to R78 million while YTD budget amounts to R80.7 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 and wetter weather conditions and seasonal consumption patterns, load shedding also impacts on the municipality's ability to deliver water to end-users resulting in lower consumption trends establishing.

Sanitation Service

Sanitation revenue as at end of May 2023 amounts to R72.2 million while YTD budget amounts to R78.4 million. This translates to 8% 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 May 2023 amounts R42.3 million while the YTD budget amounts to R44.3 million. This translates to an under performance of 5%. 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 May 2023 amounts to R920 391. This source of revenue is under-performing by 15% compared to the YTD budget of R1.08 million. 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 May 2023 amounts to R5.3 million and R19.3 million respectively while the YTD budget amounts to R5.2 million and R16.9 million respectively. The investments are continuing to show a positive result and was adjusted upwards in the 3rd adjustment budget. The interest on outstanding debtors is also showing a positive of 14%, however it is doubtful that the municipality would be able to collect it.

Revenue for fines, penalties and forfeits

Revenue from Fines as at end of May 2023 amounts to R28.2 million compared to the YTD budget of R23.6 million. This is an over performance of 20%. This revenue source is surprisingly overperforming after the downward adjustment which means a concerted effort was being made to increase this source of revenue .

BITOU LOCAL MUNICIPALITY

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R149.2 million as at end of May 2023. Revenue from Transfers and Subsidies is performing adequately and is in-line with budgeted targets. 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 May 2023 amounts to R9.2 million. This is 6% above the anticipated YTD budget. The major contributor of the revenue remains Building Plan Approval fees, Development Charges, Town Planning Fees, Fire Services, Staff and Councillor Recoveries etc.

Total revenue for the month of May 2023 amounts to R56.4 million compared to the R51.6 million reported in the previous month. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost as at end of May 2023 amounts to R274.9 million, while the YTD budget amounts to R282.3 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 May 2023 amounts to R6.2 million. This expenditure item is underperforming by 3% which is within the norm for this category of expenditure.

Debt Impairment

Debt Impairment as at end of May amounted to R62.5 million. The YTD budget amounts to R103.3 million. This translates to an under performance of 39%. 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 May 2023 amounts to R136.7 million compared to R159.4 million YTD budget, thus reporting an under performance of 14%. All payments to Eskom until April 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 May 2023 amounts to R34.3 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 when the asset register is finalised

BITOU LOCAL MUNICIPALITY

Inventory Consumed

Expenditure for this item as at end of May 2023 amounts to R12.5 million while the YTD budget amounts to R16.2 million. This expenditure item is under-performing by 23% when compared to the YTD budget. This expenditure type relates to the consumption of materials and supplies/inventory at the stores and the trend of underperformance is continuing from the previous month. This item will be monitored in the 2023/24 budget to ensure spending occurs in line with the budget.

Contracted Services

Expenditure as at end of May 2023 amounts to R43.4 million and is under-performing by 51% when compared to the YTD budget of R89.3 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 cut in the 3rd adjustment budget.

Transfers and subsidies

Expenditure as at end of May amounts R5.5 million compared to the YTD budget of R6.7 million. An under performance of 18% 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 May 2023 amounts to R56.9 million while the YTD budget amounts to R73.5 million, which translates to an under performance of 23%. This includes items such as the rental expenses for offices accommodation, insurance, travel and subsistence and telephone accounts. Some of the major contributors to this expenditure category is postage cost, external audit fees, bank charges and commission on prepaid electricity.

Total expenditure as at end of May 2023 amounts to R637.8 million. The municipality is reporting an operating surplus of R1.0 million for the month of May 2023 and a surplus of R118.4 million for the YTD actual.

Conclusion on Financial Position and performance

The financial performance as at end of May 2023 has slightly increased from the previous month, which can mainly be ascribed to the better performance of our revenue items as well as the downward adjustments of certain expenditure items. The current cash flow is sufficient to meet the short term operations however, for the medium and long term it is still not sufficient to sustain operations. The current ratio is just within the best practice norms. The liquidity position 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 31 May 2023 .

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C1 Monthly Budget Statement Summary - M11 May

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	12 476	139 309	139 979	(671)	-0%	152 705
Service charges	413 479	441 315	423 494	33 155	383 193	388 202	(5 009)	-1%	423 494
Investment revenue	3 747	4 600	5 700	308	5 344	5 225	119	2%	5 700
Transfers and subsidies	140 026	153 896	164 774	2 727	149 186	151 035	(1 849)	-1%	164 774
Other own revenue	83 317	62 926	59 118	7 783	61 546	54 191	7 356	14%	59 118
Total Revenue (excluding capital transfers and contributions)	797 763	822 693	805 791	56 448	738 578	738 633	(54)	-0%	805 791
Employee costs	278 100	306 473	307 943	25 445	274 955	282 279	(7 324)	-3%	307 943
Remuneration of Councillors	6 198	6 944	6 944	512	6 173	6 366	(193)	-3%	6 944
Depreciation & asset impairment	36 223	37 400	38 163	3 117	34 282	34 982	(700)	-2%	38 163
Finance charges	11 102	10 739	8 776	50	4 979	8 045	(3 065)	-38%	8 776
Materials and bulk purchases	174 666	179 576	191 616	12 881	149 126	175 648	(26 522)	-15%	191 616
Transfers and subsidies	4 527	4 750	7 285	413	5 453	6 678	(1 224)	-18%	7 285
Other expenditure	288 920	272 892	291 098	18 541	162 866	266 053	(103 187)	-39%	291 098
Total Expenditure	799 736	818 774	851 826	60 960	637 835	780 050	(142 215)	-18%	851 826
Surplus/(Deficit)	(1 973)	3 919	(46 035)	(4 511)	100 743	(41 417)	142 160	-343%	(46 035)
Transfers and subsidies - capital (monetary allocations)	48 270	46 335	47 661	5 511	17 633	42 698	(25 065)	-59%	47 661
Contributions & Contributed assets	1 562	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	47 859	50 254	1 626	1 000	118 377	1 281	117 096	9144%	1 626
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	47 859	50 254	1 626	1 000	118 377	1 281	117 096	9144%	1 626
Capital expenditure & funds sources									
Capital expenditure	81 943	98 450	101 971	12 956	39 231	92 406	(53 175)	-58%	101 971
Capital transfers recognised	60 306	41 078	41 860	4 745	14 733	38 402	(23 669)	-62%	41 860
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	—	38 843	34 621	6 441	17 294	31 525	(14 231)	-45%	34 621
Internally generated funds	18 943	18 529	25 491	1 771	7 203	22 479	(15 276)	-68%	25 491
Total sources of capital funds	79 249	98 450	101 971	12 956	39 231	92 406	(53 175)	-58%	101 971
Financial position									
Total current assets	341 997	272 028	354 893		238 733				354 893
Total non current assets	1 218 623	1 345 582	1 282 430		1 213 715				1 282 430
Total current liabilities	361 203	150 778	398 125		108 383				398 125
Total non current liabilities	134 689	226 140	170 927		143 849				170 927
Community wealth/Equity	1 064 727	1 240 692	1 068 143		1 200 217				1 068 143
Cash flows									
Net cash from (used) operating	76 723	77 840	103 642	766	104 055	94 711	(9 344)	-10%	103 642
Net cash from (used) investing	(39 075)	(98 450)	(101 540)	(12 956)	(28 919)	(92 011)	(63 091)	69%	(101 540)
Net cash from (used) financing	(21 591)	(21 828)	13 451	(393)	(12 510)	12 330	24 840	201%	13 451
Cash/cash equivalents at the month/year end	89 521	68 025	64 180	—	111 252	63 657	(47 595)	-75%	64 180
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23 044	9 554	9 529	8 364	240 397	—	—	—	290 888
Creditors Age Analysis									
Total Creditors	4 574	49	—	14	—	—	—	—	4 637

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end May 2023 amounts to R756.2 million, this is an underperformance of 3.2% which compared to the YTD Budget is more or less in line. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at May 2023 amounts R637.8 million. The total expenditure budget is under performing by 18.2%.

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		2 918	2 918	2 918	18	18	2 675	(2 656)	-99,3%	2 918
Vote 2 - Office of the Municipal Manager		48 142	55 066	55 165	107	130 062	50 568	79 494	157,2%	55 165
Vote 3 - Community Services		131 694	139 714	131 685	10 822	94 692	120 711	(26 019)	-21,6%	131 685
Vote 4 - Corporate Services		276	-	404	168	1 030	370	659	178,1%	404
Vote 5 - Financial Services		177 153	181 221	178 152	13 430	149 810	163 306	(13 496)	-8,3%	179 873
Vote 6 - Economic Development & Planning		19 694	4 202	5 941	887	7 626	5 388	2 238	41,5%	5 941
Vote 7 - Engineering Services		467 601	485 908	479 186	36 527	372 973	438 313	(65 340)	-14,9%	479 186
Total Revenue by Vote	2	847 477	869 028	853 452	61 959	756 211	781 330	(25 119)	-3,2%	855 173
Expenditure by Vote	1									
Vote 1 - Council		7 835	9 773	9 268	586	7 359	8 495	(1 136)	-13,4%	9 268
Vote 2 - Office of the Municipal Manager		23 300	30 026	30 938	2 380	25 564	27 580	(2 016)	-7,3%	30 938
Vote 3 - Community Services		246 096	228 348	247 054	18 752	184 439	226 458	(42 020)	-18,6%	247 054
Vote 4 - Corporate Services		67 025	68 794	69 303	7 316	47 975	63 527	(15 551)	-24,5%	69 303
Vote 5 - Financial Services		31 955	66 371	62 948	5 005	43 776	57 703	(13 927)	-24,1%	78 615
Vote 6 - Economic Development & Planning		23 677	24 488	23 233	1 618	20 734	21 297	(563)	-2,6%	23 233
Vote 7 - Engineering Services		394 602	390 974	409 082	25 303	307 988	374 990	(67 002)	-17,9%	409 082
Total Expenditure by Vote	2	794 491	818 774	851 826	60 960	637 835	780 050	(142 215)	-18,2%	867 492
Surplus/ (Deficit) for the year	2	52 986	50 254	1 626	1 000	118 377	1 281	117 096	9143,6%	(12 320)

BITOU LOCAL MUNICIPALITY

Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May										
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	451	980	1 802	(822)	-46%	1 966
Vote 4 - Corporate Services		520	1 804	2 104	-	282	1 928	(1 647)	-85%	2 104
Vote 5 - Financial Services		-	600	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		18 371	44 556	50 650	8 485	17 903	45 540	(27 637)	-61%	50 650
Total Capital Multi-year expenditure	4,7	21 318	48 360	54 720	8 937	19 165	49 270	(30 106)	-61%	54 720
Single Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		6 575	9 026	7 749	859	2 462	7 103	(4 642)	-65%	7 749
Vote 4 - Corporate Services		2 592	635	235	25	28	216	(188)	-87%	235
Vote 5 - Financial Services		5 406	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	435	(73)	238	435	(197)	-45%	435
Vote 7 - Engineering Services		46 052	40 429	38 832	3 208	17 339	35 382	(18 043)	-51%	38 832
Total Capital single-year expenditure	4	60 624	50 090	47 251	4 020	20 066	43 135	(23 069)	-53%	47 251
Total Capital Expenditure	3	81 943	98 450	101 971	12 956	39 231	92 406	(53 175)	-58%	101 971
Capital Expenditure - Functional Classification										
Governance and administration		19 190	3 835	3 415	25	533	3 131	(2 597)	-83%	3 415
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		19 190	3 835	3 415	25	533	3 131	(2 597)	-83%	3 415
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 340	8 204	7 323	1 299	2 842	6 712	(3 871)	-58%	7 323
Community and social services		605	3 930	3 511	700	1 123	3 219	(2 096)	-65%	3 511
Sport and recreation		2 449	3 794	1 351	150	722	1 239	(516)	-42%	1 351
Public safety		2 286	480	2 460	448	997	2 255	(1 259)	-56%	2 460
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		9 984	10 790	10 579	1 461	2 332	9 898	(7 565)	-76%	10 579
Planning and development		-	-	435	(73)	238	435	(197)	-45%	435
Road transport		9 984	10 790	10 144	1 534	2 095	9 463	(7 368)	-78%	10 144
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		44 734	75 621	80 654	10 171	33 524	72 665	(39 142)	-54%	80 654
Energy sources		19 459	21 116	25 741	2 760	11 649	23 111	(11 462)	-50%	25 741
Water management		17 352	40 579	36 547	2 877	12 206	32 955	(20 750)	-63%	36 547
Waste water management		4 273	12 400	16 870	4 522	9 269	15 227	(5 958)	-39%	16 870
Waste management		3 650	1 526	1 496	12	400	1 371	(971)	-71%	1 496
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	79 249	98 450	101 971	12 956	39 231	92 406	(53 175)	-58%	101 971
Funded by:										
National Government		42 019	35 048	33 401	2 154	11 758	30 612	(18 854)	-62%	33 401
Provincial Government		18 287	6 030	8 354	2 591	2 975	7 694	(4 719)	-61%	8 354
District Municipality		-	-	104	-	-	96	(96)	-100%	104
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		60 306	41 078	41 860	4 745	14 733	38 402	(23 669)	-62%	41 860
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	38 843	34 621	6 441	17 294	31 525	(14 231)	-45%	34 621
Internally generated funds		18 943	18 529	25 491	1 771	7 203	22 479	(15 276)	-68%	25 491
Total Capital Funding		79 249	98 450	101 971	12 956	39 231	92 406	(53 175)	-58%	101 971

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R12.9 million and YTD expenditure as at end of May 2023 amounts to R39.2 million.

It should be noted that majority of the approved capital projects are at 38% 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 80-90%.

BITOU LOCAL MUNICIPALITY

We note that spending has slightly improved from the previous report however we are still anticipating an improvement in spending for the final month of the financial year, as user departments have indicated they will be meeting their targets by 30 June 2023. It should also 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	1 127 372.45	14 703 786.64	5 029 731.72
INEP	7 580 869.00	140 489.11	5 376 599.88	3 161 232.01
WSIG	5 720 869.00	886 162.91	4 237 074.10	3 567 318.05
HOUSING	3 000 000.00	(13 818.19)	410 313.67	(13 818.19)
MRF	50 000.00	19 337.00	11 469.00	32 441.81
RSEP	434 783.00	(73 168.43)	0	237 799.57
COMMUNITY SAFETY INITIATIVE	104 348.00	0	0	0
EMERGENCY MUNICIPAL LOADSHEDDING RELIEF GRANT	4 869 565.00	2 644 517.32	2 152 068.74	2 718 767.32
BORROWINGS	34 620 630.00	6 440 874.08	13 137 063.89	17 294 244.23
AFR	25 490 684.00	1 770 595.60	11 673 286.38	7 203 034.31
TOTAL	101 970 926.00	12 956 220.04	51 701 662.30	39 230 750.83

BITOU LOCAL MUNICIPALITY

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

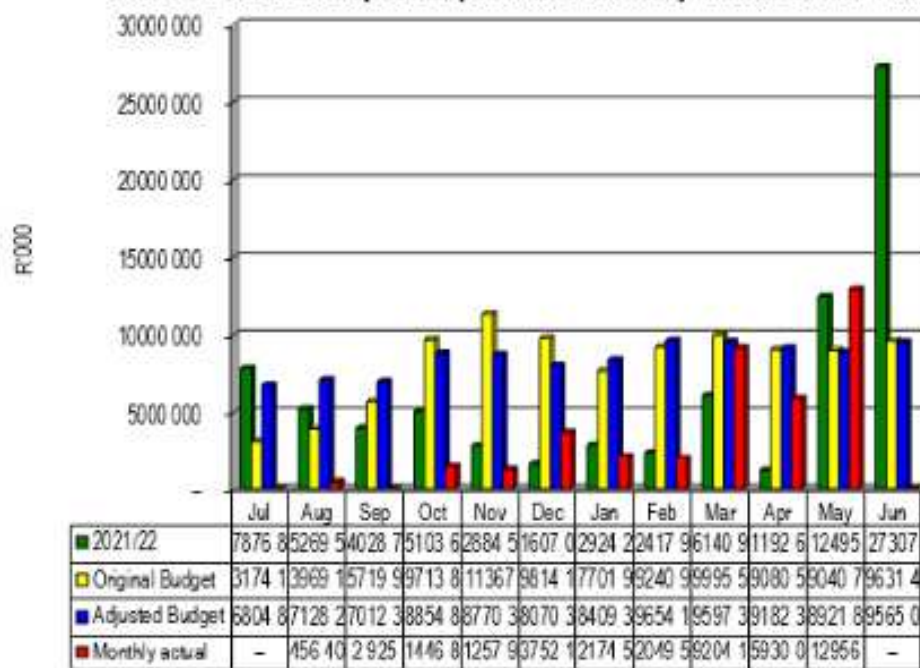
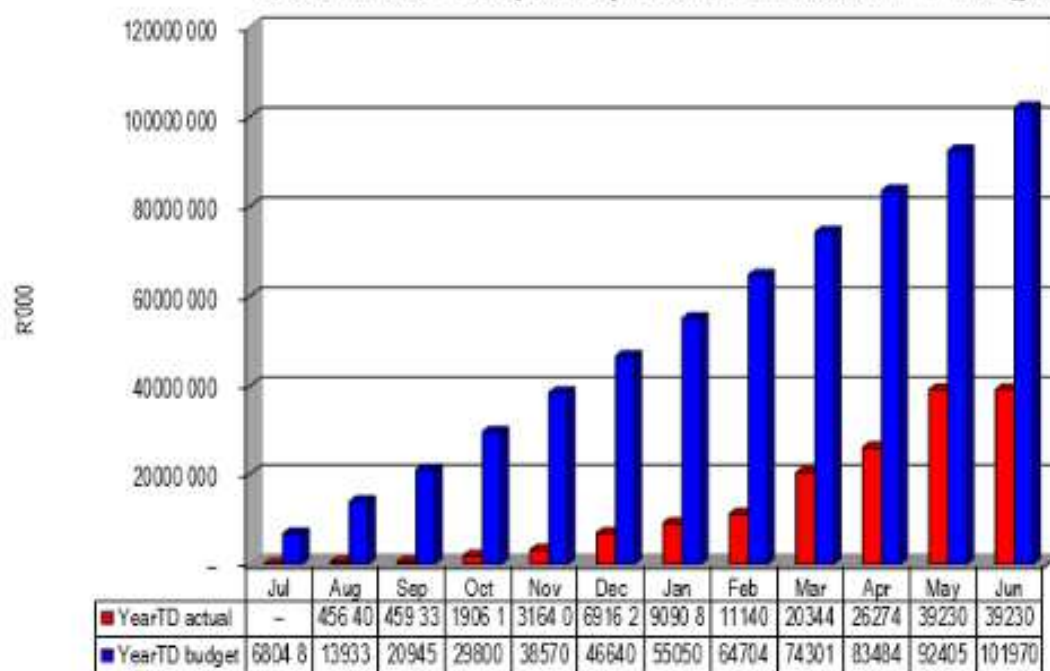


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



Statement of Financial Position

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		48 623	27 525	9 697	(15 328)	9 697
Call investment deposits		–	85 710	2 150	126 581	2 150
Consumer debtors		53 619	112 671	82 949	70 502	82 949
Other debtors		223 387	29 921	243 628	33 862	243 628
Current portion of long-term receivables		11	–	11	9	11
Inventory		16 358	16 201	16 459	23 108	16 459
Total current assets		341 997	272 028	354 893	238 733	354 893
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	1 259 846	1 200 987	1 259 846
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		–	(0)	–	–	–
Other non-current assets		35	35	35	35	35
Total non current assets		1 218 623	1 345 582	1 282 430	1 213 715	1 282 430
TOTAL ASSETS		1 560 619	1 617 610	1 637 324	1 452 449	1 637 324
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		21 828	(328)	24	–	24
Consumer deposits		9 848	9 948	9 848	10 755	9 848
Trade and other payables		275 541	91 269	297 149	27 371	297 149
Provisions		53 985	49 889	91 103	70 257	91 103
Total current liabilities		361 203	150 778	398 125	108 383	398 125
Non current liabilities						
Borrowing		66 876	104 142	102 151	75 209	102 151
Provisions		67 813	121 998	68 776	68 641	68 776
Total non current liabilities		134 689	226 140	170 927	143 849	170 927
TOTAL LIABILITIES		495 892	376 918	569 052	252 232	569 052
NET ASSETS	2	1 064 727	1 240 692	1 068 272	1 200 217	1 068 272
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 046 177	1 114 615	1 049 593	1 181 667	1 049 593
Reserves		18 550	126 077	18 550	18 550	18 550
TOTAL COMMUNITY WEALTH/EQUITY	2	1 064 727	1 240 692	1 068 143	1 200 217	1 068 143

The table above reflects the statement of financial position of the municipality. The total current assets at the end of May 2023 amounts to R 238.7 million compared to R 219 million reported in April 2023. This increase is a result of a decrease in the deficit in the cash due to payments done after the month has ended and in increase in consumer debtors. The municipality reports total short-term investments at R126.6 million and a deficit in cash of R15.3 million in May. The municipality reports a negative cashbook balance of R15.4 million.

The current liabilities for the month amounts R108.4 million compared to R79.6 million in the previous month, which is due to an increase in trade creditors and provisions for the month.

BITOU LOCAL MUNICIPALITY

The current ratio for the month equates 2.20:1, which is within best practice norms. It should be noted that the current ratio has decreased from the 2.75 in May 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 - M11 May										
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	13 455	137 455	119 664	17 791	15%	130 542
Service charges		343 120	375 118	359 228	36 316	368 534	329 292	39 242	12%	359 228
Other revenue		1 120	38 050	12 787	19 549	14 918	11 722	3 196	27%	12 787
Transfers and Subsidies - Operational		192 301	105 717	164 646	536	145 190	150 925	(5 735)	-4%	164 646
Transfers and Subsidies - Capital		–	52 305	47 011	8 315	42 408	43 093	(685)	-2%	47 011
Interest		14 249	4 600	5 700	2 007	24 293	5 225	19 068	365%	5 700
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(615 543)	(644 455)	(600 511)	(78 948)	(618 312)	(550 469)	67 843	-12%	(600 511)
Finance charges		(11 103)	(8 700)	(8 776)	(50)	(4 979)	(8 045)	(3 065)	38%	(8 776)
Transfers and Grants		(4 527)	(4 750)	(6 985)	(413)	(5 453)	(6 698)	(1 244)	19%	(6 985)
NET CASH FROM/(USED) OPERATING ACTIVITIES		76 723	77 840	103 642	766	104 055	94 711	(9 344)	-10%	103 642
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	431	–	454	395	59	15%	431
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)	(101 971)	(12 956)	(39 231)	(92 406)	(53 175)	58%	(101 971)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(39 075)	(98 450)	(101 540)	(12 956)	(28 919)	(92 011)	(63 091)	69%	(101 540)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	35 255	–	–	32 317	(32 317)	-100%	35 255
Increase (decrease) in consumer deposits		835	–	–	135	907	–	907	0%	–
Payments										
Repayment of borrowing		(22 426)	(21 828)	(21 804)	(528)	(13 417)	(19 987)	(6 570)	33%	(21 804)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(21 591)	(21 828)	13 451	(393)	(12 510)	12 330	24 840	201%	13 451
NET INCREASE/ (DECREASE) IN CASH HELD		16 057	(42 438)	15 553	(12 583)	62 625	15 030			15 553
Cash/cash equivalents at beginning:		73 465	110 464	48 627		48 627	48 627			48 627
Cash/cash equivalents at month/year end:		89 521	68 025	64 180		111 252	63 657			64 180

The municipality is reporting a positive R766 228 on monthly actual net cash from operating activities an immense increase when compared to the actual net cash **from** operating activities for the previous month which amounted to a deficit of R32.8 million. These are mostly month to month operating expenses and operating income.

Monthly actual net cash **(used)** on investing activities is reported at R12.9 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 May 2023 amounts to R527 718 after the bi-annual redemption of December 2022 amounting to R10.7 million. The next payment will happen at the end of the financial year.

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 R111.2 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 - M11 May

2024/25 - Supporting Table 006 Monthly Budget Statement - aged debtors - 17 May														
Description	NT Code	Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to 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	4 232	2 781	2 735	2 789	66 826	-	-	-	79 363	69 615	828	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	6 164	774	1 042	353	13 227	-	-	-	21 559	13 580	79	-	
Receivables from Non-exchange Transactions - Property Rates	1400	5 033	1 544	1 514	1 244	42 046	-	-	-	51 381	43 290	58	-	
Receivables from Exchange Transactions - Waste Water Management	1500	4 798	2 651	2 545	2 431	84 097	-	-	-	96 522	86 528	814	-	
Receivables from Exchange Transactions - Waste Management	1600	2 708	1 634	1 576	1 442	49 517	-	-	-	56 877	50 959	488	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	110	170	116	105	(15 316)	-	-	-	(14 815)	(15 211)	31	-	
Total By Income Source	2000	23 044	9 554	9 529	8 364	240 397	-	-	-	290 888	248 761	2 299	-	
2021/22 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	354	132	74	67	642	-	-	-	1 269	709	-	-	
Commercial	2300	2 366	765	1 300	286	4 810	-	-	-	9 527	5 096	-	-	
Households	2400	20 324	8 657	8 155	8 010	234 945	-	-	-	280 092	242 956	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	23 044	9 554	9 529	8 364	240 397	-	-	-	290 888	248 761	-	-	

Debtor’s age analysis

The debtors’ book of the municipality reflects R 240.4 million on outstanding debtors older than 121 days and a total outstanding amount of R 290.9 million. Total outstanding debt has decreased by R10.1 million compared to the month of April 2023.

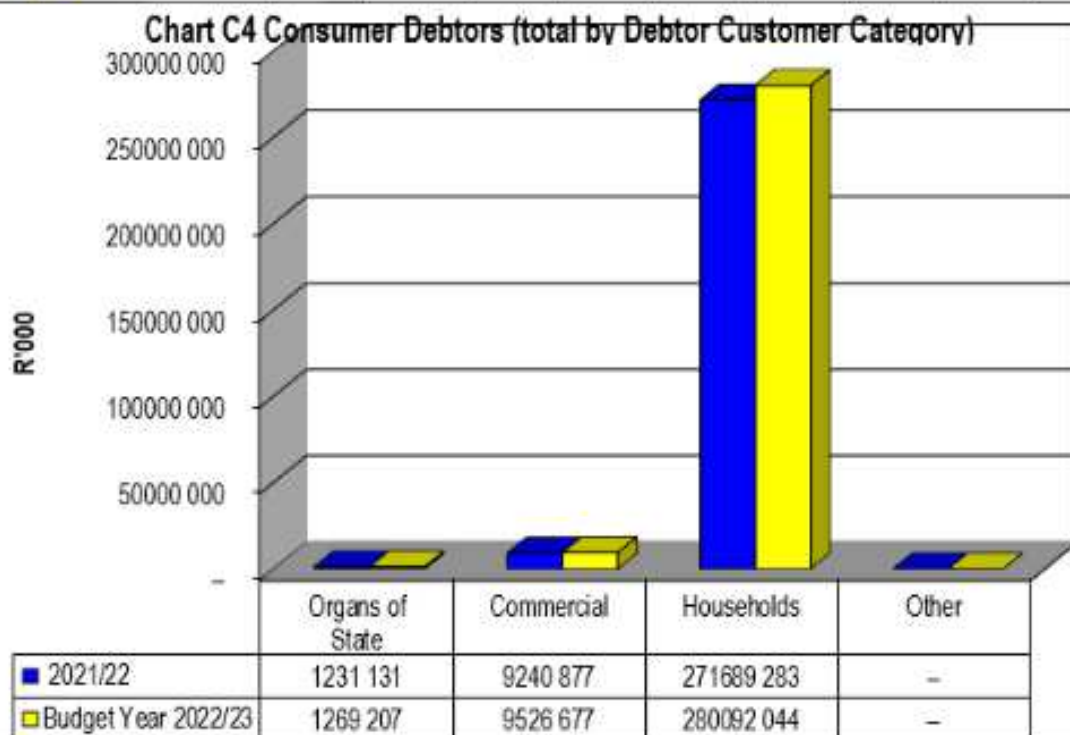
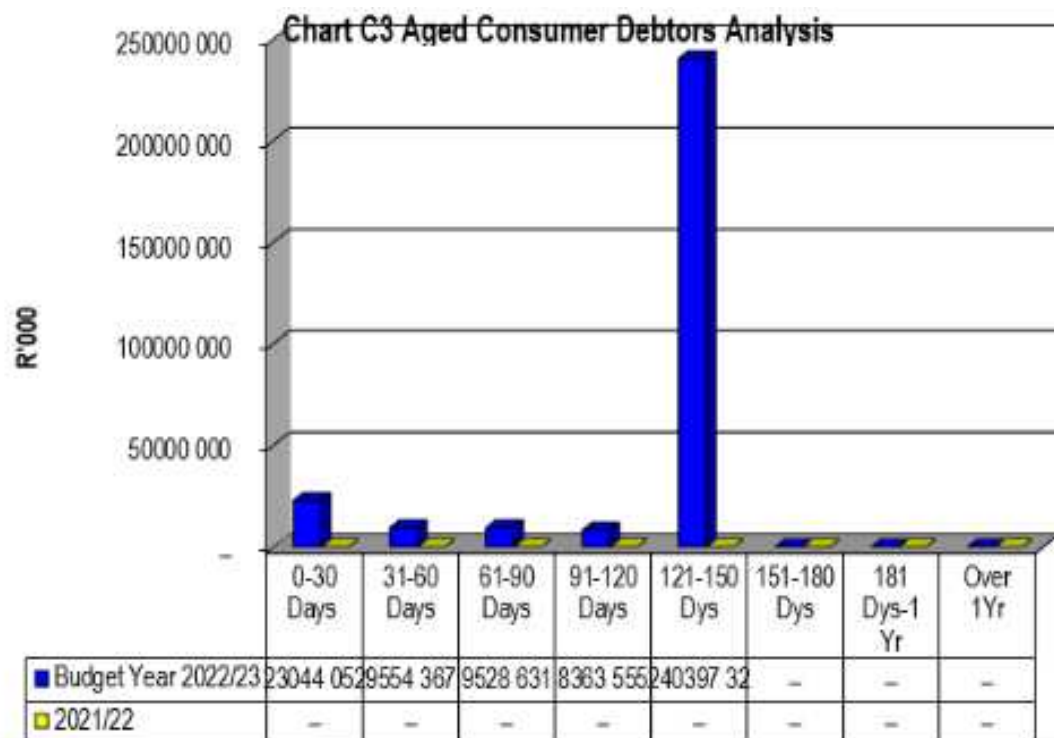
The contributors to the outstanding debt remain the household debt which represent 96.3% of total debt, followed by businesses with 3.3% and organs of state contributing 0.4%

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 May 2023 is 114.21%. See below debtor payment percentage achieved from February 2023 until May 2023 .

DEBTOR PAYMENT % ACHIEVED					
DETAILS	Feb-23	Mar-23	Apr-23	May-23	Annual
Gross Debtors Opening Balance	290 878 936,15	293 848 006,21	297 553 676,20	301 009 449,24	278 242 506,48
Billed Revenue	56 670 020,53	54 254 605,16	53 049 315,76	52 963 641,71	597 496 859,13
Gross Debtors Closing Balance	293 848 006,21	297 553 676,20	301 009 449,24	290 884 691,08	290 884 691,08
Bad Debt Written off	5 692 985,22	5 279 833,00	79 586,52	2 596 867,29	69 216 090,45
Payment received	48 007 965,25	45 269 102,17	49 513 956,20	60 491 532,58	515 638 584,08
Billed Revenue	56 670 020,53	54 254 605,16	53 049 315,76	52 963 641,71	597 496 859,13
% Debtor payment achieved	84,71%	83,44%	93,34%	114,21%	86%

BITOU LOCAL MUNICIPALITY



Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

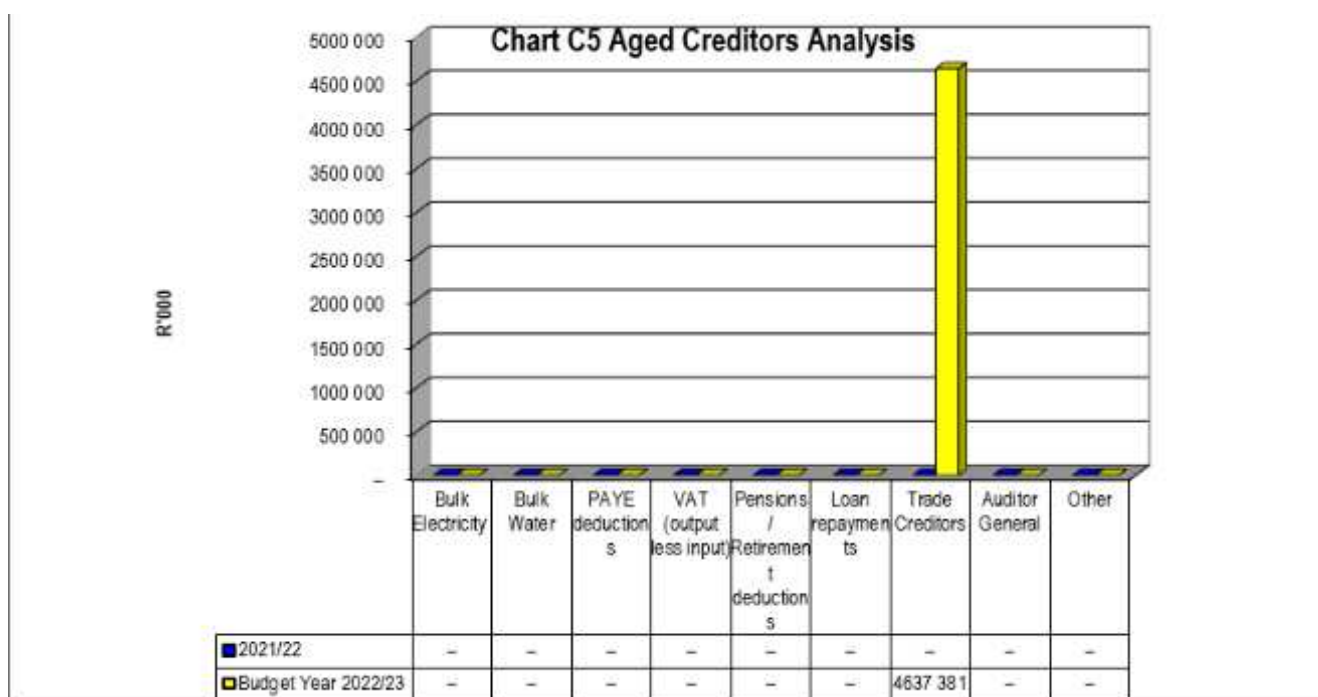
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May											
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	4 574	49	-	14	-	-	-	-	4 637	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	4 574	49	-	14	-	-	-	-	4 637	-

Creditors Age Analysis

The municipality reports a total amount of R4.6 million on trade creditors in May 2023 compared to R13.8 million reported in April 2023.

Trade creditors older than 30 days amounts to R62 928 which is normally 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 - M11 May									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Standard Bank: 488607000-074		91 days	Fixed deposit	03/07/2023	–	0	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: 488607000-071		90 days	Fixed deposit	16/05/2023	127	-100	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	–	0	7 300	–	7 300
Standard Bank: 488607000-073		92 days	Fixed deposit	22/06/2023	–	0	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	54		7 422	54	7 476
First National Bank:		61 days	Fixed deposit	26/06/2023	–		7 010	–	7 010
Absa Bank:9377092408-1		Call deposit	Call deposit	Call deposit	106	1,013562656	10 474	106	10 580
Absa Bank:9377092408-2		Call deposit	Call deposit	Call deposit	–	0	4 237	–	4 237
Municipality sub-total					287		132 781	(6 040)	126 740

Investment portfolio analysis

The municipality has investment with a total value of R126.7 million as at May 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 (M11)
WATER SERVICES INFRASTRUCTURE GRANT	4 935 626,98
LOCAL GOVERNMENT, WATER AND RELATED SETA	951 483,04
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 855 765,97
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	391 737,04
EQUITABLE SHARE	129 019 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	3 183 780,56
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	14 510,80
COMMUNITY LIBRARY SERVICES - OPERATIONAL	1 353 589,81
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	160 040,20
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP	11 525 235,32
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	3 636 763,95
MUNICIPAL INFRASTRUCTURE GRANT	5 664 530,97
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP)	248 270,24
THUSONG SERVICES CENTRES	40 101,00
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	502 126,99
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	2 729 904,82
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	398 771,13
FINANCIAL MANAGEMENT CAPACITY BUILDING	119 668,20

166 730 907,02

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 (M11)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	8 718 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	22 508 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	6 579 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	398 900,28
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	9 572 000,00
EQUITABLE SHARE	129 019 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 721 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	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
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	5 600 000,00
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	135 000,00
FINANCIAL MANAGEMENT CAPACITY BUILDING	800 000,00

188 867 943,77

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 May 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

13/06/2023