



**Budget Statement for the month
ended 31 October
2022**

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Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of budget.

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

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

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Legislative Framework

This report has been prepared in terms of the following enabling legislation. The Municipal Finance Management Act – No. 56 of 2003 Section 71 Monthly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations (MBRR)

PART 1 – IN-YEAR REPORT

Section 1 – October Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended October 2022. The budget of the municipality is compiled with the objective that Bitou Municipality remains a financially viable and sustainable institution. The latter could be achieved if the municipality spend its budget prudently.

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

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at end of October 2022 amounts to R62.7 million. The municipality on average requires an amount in excess of R65 million to cover its monthly operational expenditure, this include 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 October 2022.

Section 3 – Executive Summary

3.1 Introduction

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

Consolidated performance

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

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) -										
Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates	-	-	159,956	159,956	12,465	52,035	53,319	(1,284)	-2%	159,956
Service charges - electricity revenue	-	-	207,720	207,720	16,796	67,739	69,240	(1,501)	-2%	207,720
Service charges - water revenue	-	-	93,277	93,277	6,858	27,905	31,092	(3,187)	-10%	93,277
Service charges - sanitation revenue	-	-	87,047	87,047	6,932	27,946	29,016	(1,070)	-4%	87,047
Service charges - refuse revenue	-	-	53,272	53,272	4,047	16,463	17,757	(1,294)	-7%	53,272
Rental of facilities and equipment	-	-	1,193	1,193	84	338	398	(62)	-16%	1,193
Interest earned - external investments	-	-	4,600	4,600	422	1,397	1,533	(137)	-9%	4,600
Interest earned - outstanding debtors	-	-	14,572	14,572	1,654	6,451	4,857	1,594	33%	14,572
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	35,870	35,870	20	4,913	11,957	(7,043)	-59%	35,870
Licences and permits	-	-	1,002	1,002	85	363	334	29	9%	1,002
Agency services	-	-	2,414	2,414	219	871	805	66	8%	2,414
Transfers and subsidies	-	-	153,896	153,896	1,009	53,325	51,299	2,026	4%	153,896
Other revenue	-	-	7,875	7,875	860	3,677	2,625	1,052	40%	7,875
Gains	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	-	822,693	822,693	51,449	263,419	274,231	(10,812)	-4%	822,693
Expenditure By Type										
Employee related costs	-	-	306,473	306,526	24,503	96,458	102,181	(5,724)	-6%	306,526
Remuneration of councillors	-	-	6,944	6,944	554	2,341	2,315	26	1%	6,944
Debt impairment	-	-	103,440	103,440	854	21,562	34,480	(12,918)	-37%	103,440
Depreciation & asset impairment	-	-	37,400	37,400	3,119	12,475	12,466	9	0%	37,400
Finance charges	-	-	10,739	10,739	75	337	3,580	(3,242)	-91%	10,739
Bulk purchases - electricity	-	-	161,902	161,902	10,083	52,914	53,967	(1,053)	-2%	161,902
Inventory consumed	-	-	17,674	18,184	2,079	4,405	6,061	(1,656)	-27%	18,184
Contracted services	-	-	91,004	89,792	5,134	10,952	29,930	(18,978)	-63%	89,792
Transfers and subsidies	-	-	4,750	4,750	-	864	1,583	(719)	-45%	4,750
Other expenditure	-	-	78,447	79,097	6,213	18,564	26,365	(7,801)	-30%	79,097
Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	-	-	818,774	818,774	52,615	220,873	272,929	(52,056)	-19%	818,774
Surplus/(Deficit)										
(National / Provincial and District)	-	-	46,335	46,335	-	525	15,445	(14,920)	(0)	46,335
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	50,254	50,254	(1,166)	43,072	16,747			50,254
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	-	-	50,254	50,254	(1,166)	43,072	16,747			50,254
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	-	-	50,254	50,254	(1,166)	43,072	16,747			50,254
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	-	50,254	50,254	(1,166)	43,072	16,747			50,254

Revenue by Source

Property Rates

Property rates for the month of October amounts to R12.4 million. The YTD actual amounts to R52 million compared to the YTD budget of R53.3 million that was anticipated, this is equal to 2% under performance. This can mainly be ascribed to the the fact that the effect of additional rebates for assessment rated have not been correctly factored into the original

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budget approved by Council, an adjustment in respect of rates revenue will therefore be done in the mid-year adjustments budget.

Electricity

Revenue from electricity as at end of October 2022 amounts to R67.7 million when compared to the YTD budget of R69.2 million. This translates to 2% under performance compared when compared to year-to-date budget. Electricity revenue is influenced by consumption that fluctuates during peak and off-peak periods. Added to this is the fact that the prolonged load shedding has had a negative impact on the sale of electricity.

Water Service

Water revenue as at end of October 2022 amounts to R27.0 million while YTD budget amounts to R31.0 million. This is an under performance of 10%, same as compared to the underperformance reported in September 2022. The variance can mainly be ascribed to the off-season period as well as the colder winter months when water consumption is less. We anticipate an improvement in the performance of the service as the peak season starts and the warmer season is approaching.

Sanitation Service

Sanitation revenue as at end of October 2022 amounts to R27.0 million while YTD budget amounts to R29.0 million. This translates to 4% under performance. One of the reasons for the slight under performance could be the revenue foregone, which performed above the anticipated budget. This might be a result of an increase number in the indigent beneficiaries. This category of revenue will be closely monitored to ensure that the budgeted revenue is achieved, if the trend continues, a downward adjustment in the mid-year may be immanent

Refuse Service

Refuse revenue as at end of October 2022 amounts to R16.4 million while the YTD budget amounts to R17.7 million. This translates to an under performance of 7%. This category of revenue will also be closely monitored to ensure that the revenue targets are met as budgeted, the current actual result is concerning and may also necessitate a downward adjustment after the mid-year results are considered..

Rental of Facilities and Equipment

The revenue for rental of facilities and equipment as at end of October 2022 amounts to R335 738.9. This source of revenue is under-performing by 16% compared to the YTD budget of R298 308. This source of revenue has consistently under performed for the past four months. Revenue from this source is dependent on the community's need to make use of municipality's various facilities and 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 October 2022 amounts to R1.3 million and R6.4 million respectively while the YTD budget amounts to R1.5 million and R4.8 million respectively. The municipality to date been earning interest on its bank accounts only, yet the municipality recently invested R50.3 million which consists of a mix of call and fixed deposits. The interest charged on outstanding debtors is over performing by 33% compared to the YTD budget. Although this source of revenue is over performing, 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 October 2022 amounts to R4.9 million compared to the YTD budget of R11.9 million. The monthly actual amounts to R20 429.90. This is an under performance of 59%. No information was received from Traffic Services to recognise income

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from fines. The traffic fines management contract came to an end on 30 June 2022, but the tender process is currently underway. The tender advert for the Traffic Fines Management Services closed on 31 October 2022. The department is hopeful that a service provider will be appointed by 1 December 2022.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R1.0 million for the month of October 2022. Included in this is income recognised from operational grants such as Libraries, EPWP and Financial Management Grant. Revenue from Transfers and Subsidies is over performing by 4% as at October 2022 as a result of the payment schedule not appropriately being taken into account upon budgeting for the revenue, this will be corrected upon the mid-year adjustments budget.

Other revenue

Other revenue as at the end of October 2022 amounts to R859 576.9. This is 40% above the anticipated YTD budget. The major contributor of the revenue remains Building Plan Approval fees, Development Charges, Town Planning Fees, Fire Services etc. should the trend continue, consideration will be given to an upward adjustment in the mid-year estimates.

Total revenue as at end of October 2022 amounts to R51.4 million compared to the R110.3 million reported in the previous month. The income recognition of grants and fines made a significant difference in total revenue reported in the previous month. This excludes revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost as at end of October 2022 amounts to R96.4 million, while the YTD budget amounts to R102.1 million. This translates to an under performance of 6%. Payment of overtime, acting and secondments to vacant positions still remains a challenge for the municipality, with overspending by 26% on overtime compared to the year-to-date budget. Various vacant positions have not been filled to date causing an underspending when compared to the YTD budget.

Remuneration of councillors

Remuneration of councillors as at end of October 2022 amounts to R2.3 million. This expenditure item is slightly over performing by 1% when compared to the YTD budget. It is however anticipated that the actual budget will not be exceeded upon the conclusion of the financial year.

Debt Impairment

Debt Impairment as at end of September amounts to R21.5 million. The YTD budget amounts to R34.4 million. This translates to an under performance of 37%. No provision for debt impairment is reported as at October 2022.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity and the expenditure as at end of October 2022 amounts to R52.9 million compared to R53.9 million YTD budget, thus reporting an under performance of 2%. The slight under performance can be ascribed to the lower than usual purchase of electricity due to the persistent load shedding. Payment of

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Eskom invoices are due 30 days after the invoice was issued, therefore expenditure reflecting in October relates to September invoices.

Depreciation

Depreciation as at the end of October 2022 amounts to R12.4 million while the YTD budget amounts to R12.4 million. This item is still performing as anticipated with no variance as one 12th of the budgeted amount is allocated on a monthly basis. Actual expenditure for this item will reflect most accurately at the end of the financial year.

Inventory Consumed

Expenditure for this item as at end of October 2022 amounts to R4.4 million while the YTD budget amounts to R6.0 million. This expenditure item is under-performing by 27% when compared to the YTD budget. This expenditure type relates to materials and supplies drawn from the stores as well as the recording of water purchases. An upward trend in this item has traditionally been evident over the last 6 months of prior financial years and it is therefore not at this stage a matter of concern.

Contracted Services

Expenditure as at end of October 2022 amounts to R10.9 million and under-performing by 63% when compared to the YTD budget of R29.9 million. Normally expenditure on this item improves towards the end of the first quarter due to tender processes that are to be completed in order for projects and programmes to be implemented. This has slightly improved during the last month and it is anticipated that the expenditure for this category will increase over the remainder of the financial year, a thorough assessment of this category of expenditure will be done upon consideration of the mid-year performance results

Transfers and subsidies

No expenditure reported for the month. The YTD actual amounts R864 000.00 compared to the YTD budget of R1.5 million. An under performance of 45% is reported for the month ended October 2022. To date only R825 000.00 of R3.4 million that was budgeted had been paid to the Tourism Association. Planning is underway for the Grant-In-Aid programme and the expectation is that expenditure on this programme will increase during the second quarter of the financial year.

Other expenditure

Other expenditure as at end of October 2022 amounts to R18.5 million while the YTD budget amounts to R26.3 million, which translates to an under performance of 30%. 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 October 2022 amounts to R220.8 million. The municipality is reporting an operating deficit of R1.16 million for the month and an operational surplus of R43.1 million on the YTD actual.

Conclusion on Financial Position and performance

The financial performance as at end of October 2022 remains concerning as current measures implemented to increase revenue and curb expenses have not yet made sufficient impact, it was highlighted in the voluntary financial recovery plan that the turnaround would be a slow process and results will only be evident after persevering for a number of months. The current cash flow is not sufficient to sustain operations in the short, medium as well as the long term and the current ratio is far below best practice norms. The liquidity position remains concerning. The municipality thus finds itself in a situation where going concern risks are evident.

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The voluntary financial recovery plan was adopted and implementation, especially in the area of revenue collection and enhancement, has commenced, results in this regard may only be evident after a few months.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

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

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

Table below relates to the budget performance by municipal vote. Most of the departments has underspent on their expenditure budget and under collected on their revenue budget below. Management to note that expenditure is more that revenue since the beginning of the year.

See tables below C1 and C3 for the month ended 31 October 2022.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary -

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	-	159,956	159,956	12,465	52,035	53,319	(1,284)	-2%	159,956
Service charges	-	441,315	441,315	34,632	140,053	147,105	(7,052)	-5%	441,315
Investment revenue	-	4,600	4,600	422	1,397	1,533	(137)	-9%	4,600
Transfers and subsidies	-	153,896	153,896	1,009	53,325	51,299	2,026	4%	153,896
Other own revenue	-	62,926	62,926	2,921	18,611	20,975	(4,365)	-21%	62,926
Total Revenue (excluding capital transfers and contributions)	-	822,693	822,693	51,449	263,419	274,231	(10,812)	-4%	822,693
Employee costs	-	306,473	306,525	24,503	96,458	102,181	(5,724)	-6%	306,526
Remuneration of Councillors	-	6,944	6,944	554	2,341	2,315	26	1%	6,944
Depreciation & asset impairment	-	37,400	37,400	3,119	12,475	12,466	9	0%	37,400
Finance charges	-	10,739	10,739	75	337	3,580	(3,242)	-91%	10,739
Materials and bulk purchases	-	179,576	180,086	12,162	57,319	60,029	(2,710)	-5%	180,086
Transfers and subsidies	-	4,750	4,750	-	864	1,583	(719)	-45%	4,750
Other expenditure	-	272,892	272,329	12,201	51,079	90,775	(39,696)	-44%	272,329
Total Expenditure	-	818,774	818,774	52,615	229,873	272,929	(52,056)	-19%	818,774
Surplus/(Deficit)	-	3,919	3,919	(1,166)	42,547	1,302	41,245	3168%	3,919
Transfers and subsidies - capital (monetary alloc	-	46,335	46,335	-	525	15,445	(14,920)	-97%	46,335
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	50,254	50,254	(1,166)	43,072	16,747	26,325	157%	50,254
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	50,254	50,254	(1,166)	43,072	16,747	26,325	157%	50,254
Capital expenditure & funds sources									
Capital expenditure	-	98,450	98,450	1,447	1,906	22,577	(20,671)	-92%	98,450
Capital transfers recognised	60,306	41,078	41,078	1,073	1,529	10,171	(8,642)	-85%	41,078
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	38,843	38,843	206	206	6,836	(6,630)	-97%	38,843
Internally generated funds	18,943	18,529	18,529	168	171	5,570	(5,399)	-97%	18,529
Total sources of capital funds	79,249	98,450	98,450	1,447	1,906	22,577	(20,671)	-92%	98,450
Financial position									
Total current assets	-	272,028	272,028	-	184,615	-	-	-	272,028
Total non current assets	-	1,345,582	1,345,582	-	1,204,210	-	-	-	1,345,582
Total current liabilities	-	150,778	150,778	-	103,308	-	-	-	150,778
Total non current liabilities	-	226,140	226,140	-	164,283	-	-	-	226,140
Community wealth/Equity	-	1,240,692	1,240,692	-	1,121,232	-	-	-	1,240,692
Cash flows									
Net cash from (used) operating	-	120,049	120,049	881	17,635	40,016	22,381	56%	120,049
Net cash from (used) investing	-	(98,450)	(98,450)	(1,915)	(1,915)	(32,817)	(30,901)	94%	(98,450)
Net cash from (used) financing	-	(21,828)	(21,828)	(448)	(1,611)	(7,276)	(5,665)	78%	(21,828)
Cash/cash equivalents at the month/year end	-	110,234	110,234	-	62,741	110,387	47,646	43%	48,403
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	34,400	12,990	11,719	10,931	224,931	-	-	-	294,972
Creditors Age Analysis									
Total Creditors	3,598	8	-	-	-	-	-	-	3,606

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end October 2022 amounts to R263.9 million, this is under performance of 8.9% when compared to the YTD. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at October amounts R220.8 million. The total expenditure budget is under performing by 19%.

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

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	-	-	973	(973)	-100.0%	2,918
Vote 2 - Office of the Municipal Manager		-	55,066	55,066	89	50,645	18,355	32,289	175.9%	55,066
Vote 3 - Community Services		-	139,714	139,714	5,933	26,590	46,571	(19,981)	-42.9%	139,714
Vote 4 - Corporate Services		-	-	-	-	468	-	468	#DIV/0!	-
Vote 5 - Financial Services		-	181,221	181,221	13,349	55,298	60,407	(5,109)	-8.5%	182,942
Vote 6 - Economic Development & Planning		-	4,202	4,202	449	2,256	1,401	856	61.1%	4,202
Vote 7 - Engineering Services		-	485,908	485,908	31,628	128,686	161,969	(33,283)	-20.5%	485,908
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	-	869,028	869,028	51,449	263,944	289,676	(25,732)	-8.9%	870,749
Expenditure by Vote	1									
Vote 1 - Council		-	9,773	9,773	633	3,042	3,258	(215)	-6.6%	9,773
Vote 2 - Office of the Municipal Manager		-	30,026	30,026	2,012	8,448	10,009	(1,561)	-15.6%	30,026
Vote 3 - Community Services		-	228,348	228,348	16,815	63,374	76,116	(12,742)	-16.7%	228,348
Vote 4 - Corporate Services		-	68,794	68,794	3,760	15,063	22,931	(7,869)	-34.3%	68,794
Vote 5 - Financial Services		-	66,371	66,371	4,667	15,545	22,124	(6,579)	-29.7%	82,925
Vote 6 - Economic Development & Planning		-	24,488	24,488	1,483	6,969	8,163	(1,194)	-14.6%	24,488
Vote 7 - Engineering Services		-	390,974	390,974	23,246	108,431	130,325	(21,893)	-16.8%	390,974
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	-	818,774	818,774	52,615	220,873	272,925	(52,052)	-19.1%	835,328
Surplus/ (Deficit) for the year	2	-	50,254	50,254	(1,166)	43,072	16,751	26,320	157.1%	35,421

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) -									
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 %
R thousands	1								Forecast
Multi-Year expenditure appropriation	2								
Vote 1 - Council		-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-
Vote 3 - Community Services		-	1,400	1,400	-	-	467	(467)	-100%
Vote 4 - Corporate Services		-	1,804	1,804	-	-	601	(601)	-100%
Vote 5 - Financial Services		-	600	600	-	-	200	(200)	-100%
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	45,556	45,556	45	45	11,639	(11,565)	-100%
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	-	49,360	49,360	45	45	12,907	(12,863)	-100%
Single Year expenditure appropriation	2								
Vote 1 - Council		-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-
Vote 3 - Community Services		-	9,026	9,026	343	343	2,939	(2,597)	-88%
Vote 4 - Corporate Services		-	635	635	1	1	212	(210)	-99%
Vote 5 - Financial Services		-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	39,429	39,429	1,058	1,518	6,519	(5,001)	-77%
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	-	49,090	49,090	1,402	1,862	9,670	(7,808)	-81%
Total Capital Expenditure	3	-	98,450	98,450	1,447	1,908	22,577	(20,671)	-92%
Capital Expenditure - Functional Classification									
Governance and administration		-	3,835	3,835	202	202	1,278	(1,077)	-84%
Executive and council		-	-	-	-	-	-	-	-
Finance and administration		-	3,835	3,835	202	202	1,278	(1,077)	-84%
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		-	8,204	8,204	128	128	2,665	(2,537)	-95%
Community and social services		-	3,930	3,930	-	-	1,310	(1,310)	-100%
Sport and recreation		-	3,794	3,794	128	128	1,195	(1,067)	-89%
Public safety		-	480	480	-	-	160	(160)	-100%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		-	10,790	10,790	-	0	975	(975)	-100%
Planning and development		-	-	-	-	-	-	-	-
Road transport		-	10,790	10,790	-	0	975	(975)	-100%
Environmental protection		-	-	-	-	-	-	-	-
Trading services		-	75,621	75,621	1,117	1,576	17,659	(16,082)	-91%
Energy sources		-	21,116	21,116	1,088	1,088	6,338	(5,250)	-83%
Water management		-	40,579	40,579	15	471	9,383	(8,912)	-95%
Waste water management		-	12,400	12,400	-	3	1,429	(1,426)	-100%
Waste management		-	1,526	1,526	14	14	509	(494)	-97%
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	98,450	98,450	1,447	1,908	22,577	(20,671)	-92%
Funded by:									
National Government		42,019	35,048	35,048	1,073	1,529	9,096	(7,567)	-83%
Provincial Government		18,287	6,030	6,030	-	-	1,075	(1,075)	-100%
District Municipality		-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-
Transfers recognised - capital		60,306	41,078	41,078	1,073	1,529	10,171	(8,642)	-85%
Public contributions & donations	5	-	-	-	-	-	-	-	-
Borrowing	6	-	38,843	38,843	206	206	6,836	(6,630)	-97%
Internally generated funds		18,943	18,529	18,529	168	171	5,570	(5,399)	-97%
Total Capital Funding		79,249	98,450	98,450	1,447	1,908	22,577	(20,671)	-92%
References									

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Capital Expenditure Analysis

Capital Expenditure for the month ended 31 October 2022 amounts to R1, 447 mil and YTD expenditure as at end of October 2022 amounts to R1, 906 mil.

It should be noted that majority of the approved capital projects are still at 0% spending which means these projects are under-performing, the expenditure pattern over years indicates that where departments fail to meet 25% spending target in the first quarter, will lead to them not spending 100% of their allocated budget, therefore resulting in budget being forfeited and adjusted due to non-performance.

We note the improvement in spending this month of R1,447 mil, we further anticipate an improved performance in spending in the next months as we have commitments (shadow balances) loaded on the FMS amounting to R 28,404 mil, which translate to 29% of the total capital budget. It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to need rollover applications process as they did not fully spend on their projects, and these applications at times get rejected if funds are not fully committed.

Capital Grants Analysis

Grants	Original Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	19 572 174.00	14 727.17	14 727.17	16 228 392.72
INEP	7 580 869.00	1 058 256.69	1 058 256.69	77 176.06
WSIG	7 894 782.00	0	456 408.64	7 364 883.44
HOUSING	6 000 000.00	0	0	6 000 000.00
MRF	30 000.00	0	0	26 940.00
BORROWINGS	38 843 300.00	206 187.50	206 187.50	23 662 622.68
AFR	18 528 900.00	167 648.29	170 573.58	14 779.41
TOTAL	R98 450 025.00	1 446 819.65	28 403 863.11	1 906 153.58

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

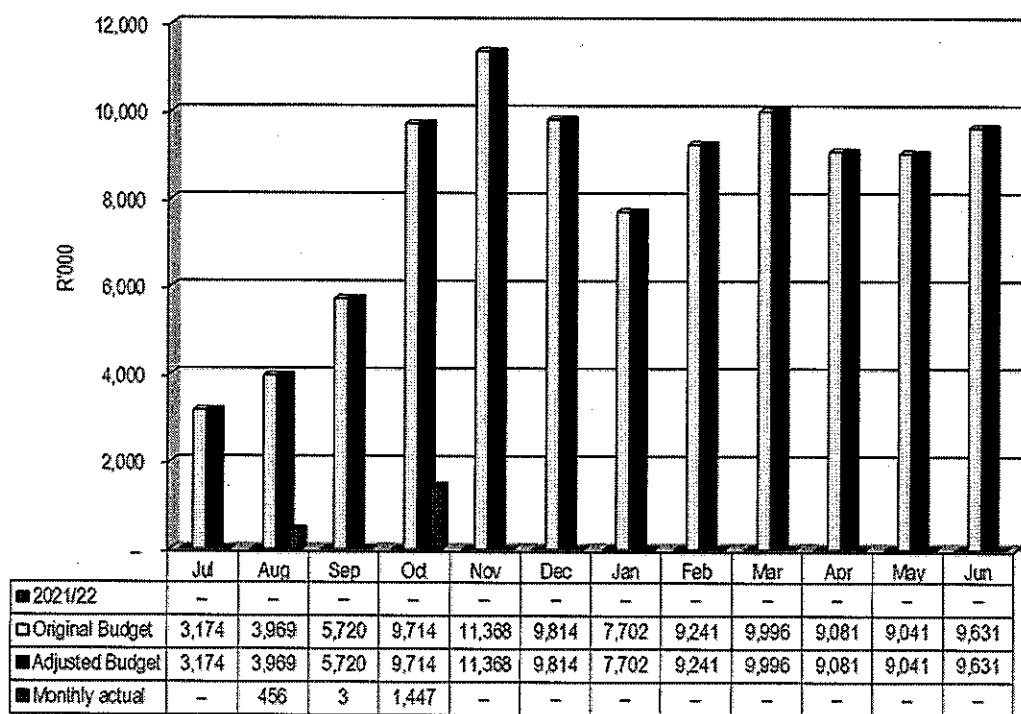
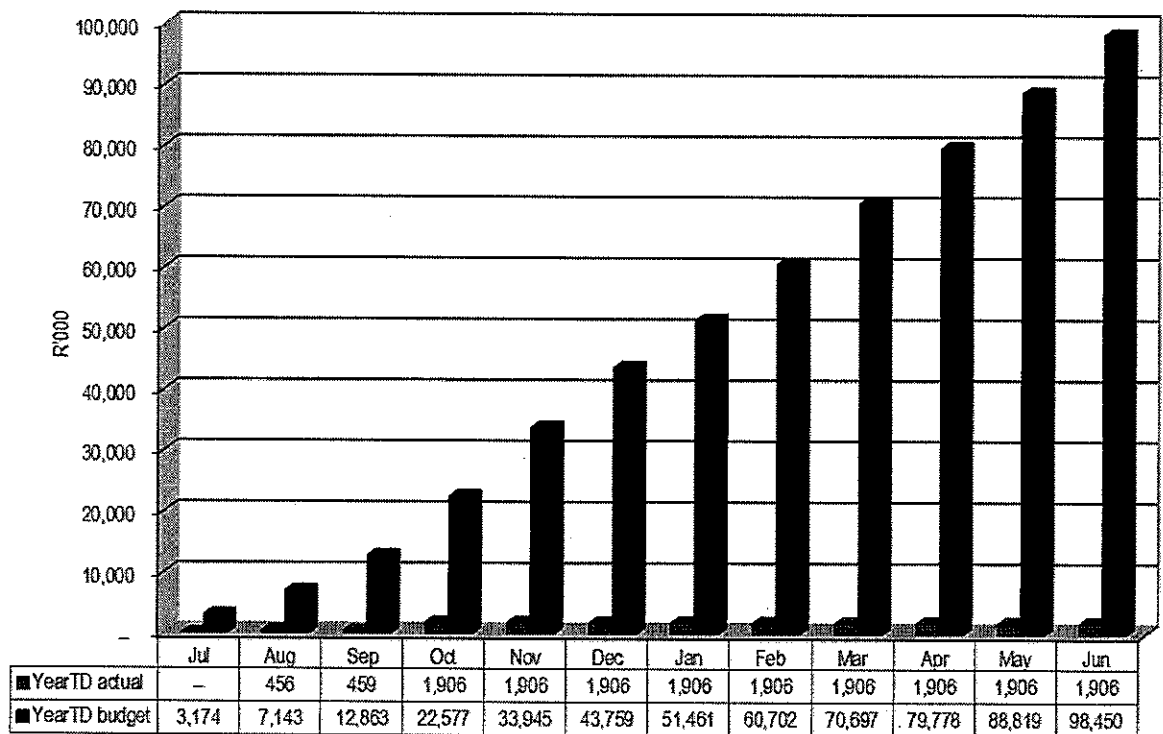


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position -						
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		-	27,525	27,525	12,440	27,525
Call investment deposits		-	85,710	85,710	50,300	85,710
Consumer debtors		-	112,671	112,671	68,380	112,671
Other debtors		-	29,921	29,921	37,289	29,921
Current portion of long-term receivables		-	-	-	9	-
Inventory		-	16,201	16,201	16,196	16,201
Total current assets		-	272,028	272,028	184,615	272,028
Non current assets						
Long-term receivables		-	-	-	1	-
Investments		-	-	-	9,857	-
Investment property		-	25,663	25,663	22,228	25,663
Investments in Associate		-	-	-	-	-
Property, plant and equipment		-	1,319,883	1,319,883	1,172,088	1,319,883
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		-	(0)	(0)	(0)	(0)
Other non-current assets		-	35	35	35	35
Total non current assets		-	1,345,582	1,345,582	1,204,210	1,345,582
TOTAL ASSETS		-	1,617,610	1,617,610	1,388,824	1,617,610
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	(328)	(328)	-	(328)
Consumer deposits		-	9,948	9,948	10,211	9,948
Trade and other payables		-	91,269	91,269	32,355	91,269
Provisions		-	49,889	49,889	60,744	49,889
Total current liabilities		-	150,778	150,778	103,309	150,778
Non current liabilities						
Borrowing		-	104,142	104,142	86,652	104,142
Provisions		-	121,998	121,998	77,630	121,998
Total non current liabilities		-	226,140	226,140	164,283	226,140
TOTAL LIABILITIES		-	376,918	376,918	267,592	376,918
NET ASSETS	2	-	1,240,692	1,240,692	1,121,232	1,240,692
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	1,114,615	1,114,615	1,019,232	1,114,615
Reserves		-	126,077	126,077	102,000	126,077
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,240,692	1,240,692	1,121,232	1,240,692

The table above reflects the statement of financial position of the municipality. The total current assets at the end of October 2022 amounts to R 184.6 million compared to R177.2 million reported in September 2022. This is an increase compared to the previous month and

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is as a result of an increase of the cash and consumer deposits reported. The municipality holds short-term investments of R50.3 million and cash in the amount of R12.4 million as at 31 October. This is a step in the right direction for the municipality to improve on its current financial position. The municipality reports a positive cashbook balance of R62.7 million compared to the R59.4 million that was reported in September 2022.

The current liabilities for the month amounts to R103.3 million compared to R95.6 million in the previous month, which is due to an increase in trade and other payables. The current ratio for the month equates 1.79: 1, which is within the acceptable National Treasury norm, yet very far from the best practice norm of 3:1 this means that the municipality is able to cover its short term obligations. It should be noted that current ratio has decreased from the 1.85:1 in September 2022. A higher current ratio is indicative of sufficient liquidity that would enable the municipality to cover its current or short-term obligations.

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow -										
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		-	159,956	159,956	13,294	52,342	53,319	(976)	-2%	159,956
Service charges		-	375,118	375,118	27,912	123,153	125,039	(1,887)	-2%	375,118
Other revenue		-	38,050	38,050	7,922	8,484	12,683	(4,200)	-33%	38,050
Transfers and Subsidies - Operational		-	153,896	153,896	-	52,539	51,299	1,241	2%	153,896
Transfers and Subsidies - Capital		-	46,335	46,335	3,420	12,840	15,445	(2,605)	-17%	46,335
Interest		-	4,600	4,600	1,572	8,065	1,533	6,531	426%	4,600
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	(644,455)	(644,455)	(53,164)	(238,585)	(214,818)	23,767	-11%	(644,455)
Finance charges		-	(8,700)	(8,700)	(75)	(337)	(2,900)	(2,563)	88%	(8,700)
Transfers and Grants		-	(4,750)	(4,750)	-	(864)	(1,583)	(719)	45%	(4,750)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	120,049	120,049	881	17,635	40,016	22,381	56%	120,049
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(98,450)	(98,450)	(1,915)	(1,915)	(32,817)	(30,901)	94%	(98,450)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(98,450)	(98,450)	(1,915)	(1,915)	(32,817)	(30,901)	94%	(98,450)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	55	363	-	363	0%	-
Payments										
Repayment of borrowing		-	(21,828)	(21,828)	(503)	(1,974)	(7,276)	(5,302)	73%	(21,828)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(21,828)	(21,828)	(448)	(1,611)	(7,276)	(5,665)	78%	(21,828)
NET INCREASE/ (DECREASE) IN CASH HELD		-	(229)	(229)	(1,482)	14,109	(76)			(229)
Cash/cash equivalents at beginning:		-	110,464	110,464		48,632	110,464			48,632
Cash/cash equivalents at month/year end:		-	110,234	110,234		62,741	110,387			48,403

The municipality is reporting a positive R881, 377.8 for the month of October 22 of net cash from operating activities.

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Monthly actual net cash (used) on investing activities is reported at R1.9 million is mostly influenced by spending on capital projects, expenditure is expected to increase in the next months.

The net cash (used) for financing activities are mostly influenced by the repayment of loans. The repayment of loans as at October 2022 amounts to R1.9 million and expected to increase significantly with the next repayment taking place in December 2022 amounting to R12.1 million.

December 2022 Future Payments:					R	12,183,119.64
Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Instalment	
ABSA - 2015/2016	Friday, December 30, 2022	23 December 2022	R 558,683.45	R 1,089,511.71	R	1,648,195.16
ABSA - 2016/2017	Friday, December 30, 2022	23 December 2022	R 781,731.12	R 1,231,851.12	R	2,013,582.24
Sub for Financial Institution				R 2,321,362.83	R	3,661,777.40
DBSA - 100225/1	Friday, December 30, 2022	23 December 2022	R 22,555.48	R 412,000.01	R	434,555.49
DBSA - 103437/1	Friday, December 30, 2022	23 December 2022	R 911,295.00	R 787,497.63	R	1,698,792.63
DBSA - 103437/2	Friday, December 30, 2022	23 December 2022	R 38,668.25	R 156,697.56	R	195,365.81
Sub for Financial Institution				R 1,356,195.20	R	2,328,713.93
STANDARD BANK - 282024913	Thursday, December 29, 2022	23 December 2022	R 417,536.62	R 1,049,134.17	R	1,466,670.79
STANDARD BANK - 282022589	Saturday, December 31, 2022	23 December 2022	R 104,149.32	R 917,205.40	R	1,021,354.72
STANDARD BANK - 082602247	Friday, December 30, 2022	23 December 2022	R 205,004.54	R 820,587.94	R	1,025,592.48
Sub for Financial Institution				R 2,786,927.51	R	3,513,617.99
NEDBANK - 2017/2018	Friday, December 30, 2022	23 December 2022	R 1,169,678.31	R 1,366,725.18	R	2,536,403.49
NEDBANK	Friday, December 30, 2022	Debit Order	R 36,837.59	R 105,769.23	R	142,606.83
Sub for Financial Institution					R	2,679,010.32

The municipality reports cash and cash equivalents amounting to R62.7 million, this includes cash at bank and short-term investment

Section 5 – Debtors' analysis

5.1 Supporting Table SC3

R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,201	3,900	3,634	3,748	61,467	-	-	-	78,949	65,215	218	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	10,719	1,382	934	464	12,674	-	-	-	26,175	13,139	321	-
Receivables from Non-exchange Transactions - Property Rates	1400	7,864	1,867	1,588	1,378	39,308	-	-	-	52,004	40,686	254	-
Receivables from Exchange Transactions - Waste Water Management	1500	5,972	3,605	3,416	3,322	79,206	-	-	-	95,521	82,528	-	-
Receivables from Exchange Transactions - Waste Management	1600	3,537	2,135	2,025	1,877	47,007	-	-	-	56,581	48,884	50	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	107	101	123	142	(14,731)	-	-	-	(14,258)	(14,589)	5	-
Total By Income Source	2000	34,400	12,990	11,719	10,931	224,931	-	-	-	294,972	235,862	854	-
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	343	141	60	79	(173)	-	-	-	448	(95)	-	-
Commercial	2300	3,718	641	568	624	7,372	-	-	-	12,922	7,995	-	-
Households	2400	30,339	12,209	11,092	10,228	217,733	-	-	-	281,602	227,962	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	34,400	12,990	11,719	10,931	224,931	-	-	-	294,972	235,862	-	-

Debtor's age analysis

The debtors' book of the municipality reflects R 224.9 million on outstanding debtors older than 121 days and a total outstanding amount of R294.9 million with total write-offs amounting to R854 294.77 for the period. Total debtors has increased by R3.5 million compared to the month of September 2022.

In October 2021, the total outstanding debtors amounted to R283.4 million, however a total of R26.6 million was written off for the same period.

The contributors to this huge debts still remains the household debt which represents 95.4% of the total debt, followed by businesses with 4.4% and organs of state contributing 0.2%

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

The collection rate for the month of October 2022 is 91.50%. See below debtor payment percentage achieved from July 2022 until October 2022.

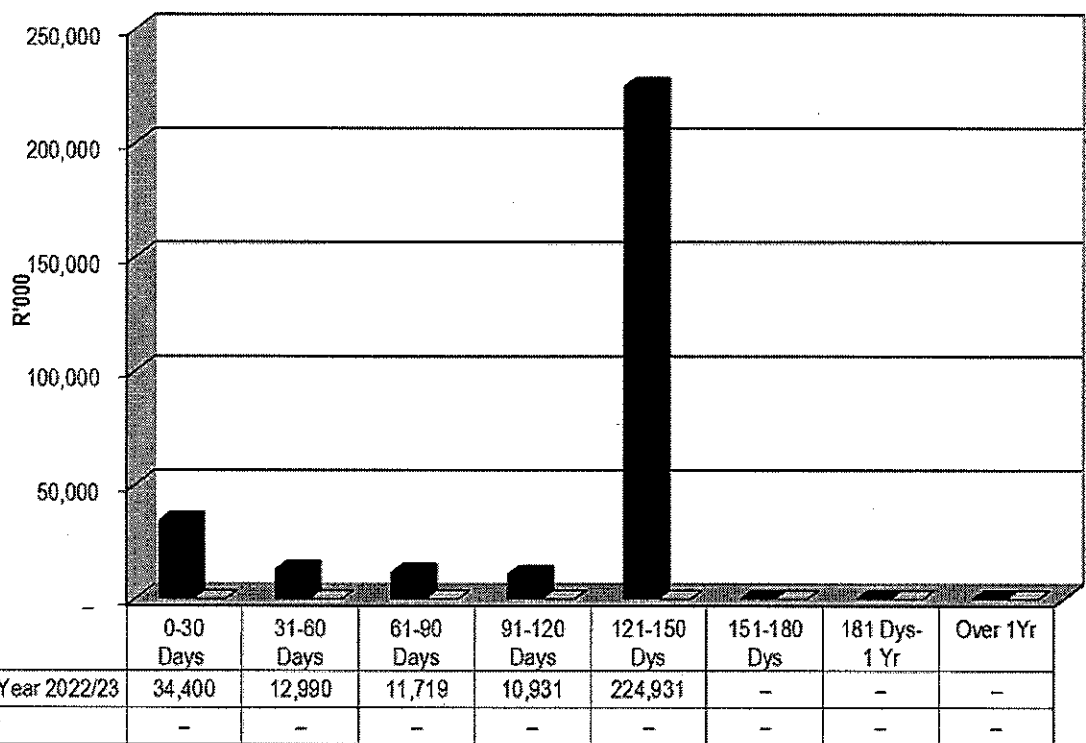
BITOU LOCAL MUNICIPALITY

Debtor Payment % Achieved

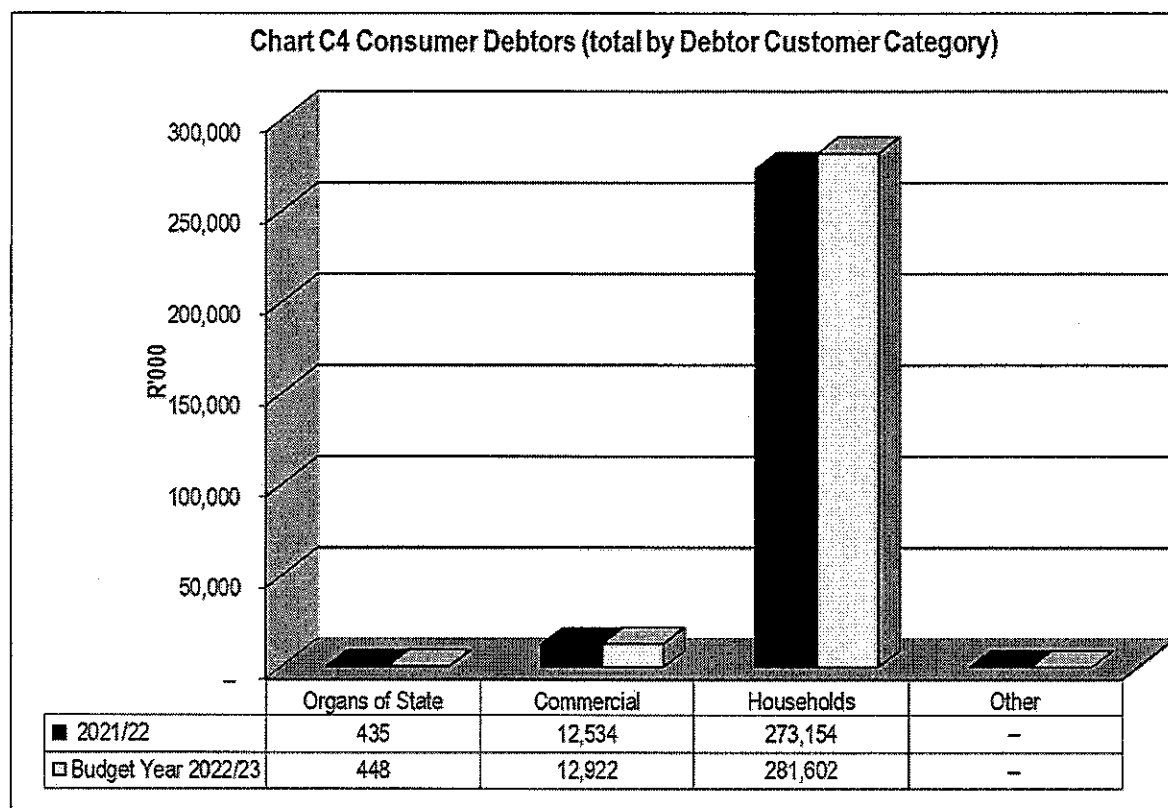
	Jul-22	Aug-22	Sep-22	Oct-22
Gross Debtors Opening Balance	278,242,506.48	305,456,917.62	289,353,632.76	291,397,858.06
Billed Revenue	56,860,904.82	54,058,809.47	54,827,249.00	53,104,478.97
Gross Debtors Closing Balance	305,456,917.62	289,353,632.76	291,397,858.06	294,972,033.33
Bad Debts Written Off	-	18,269,695.68	5,061,253.40	937,657.19
Payment Received	29,646,493.60	51,892,398.65	47,721,770.30	48,592,646.51

Billed Revenue	56,860,904.82	54,058,809.47	54,827,249.00	53,104,478.97
% Debtor Payment Achieved	52.14%	95.99%	87.04%	91.50%

Chart C3 Aged Consumer Debtors Analysis



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Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors -											
Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,117	121	-	-	-	-	-	-	1,237	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1,117	121	-	-	-	-	-	-	1,237	-

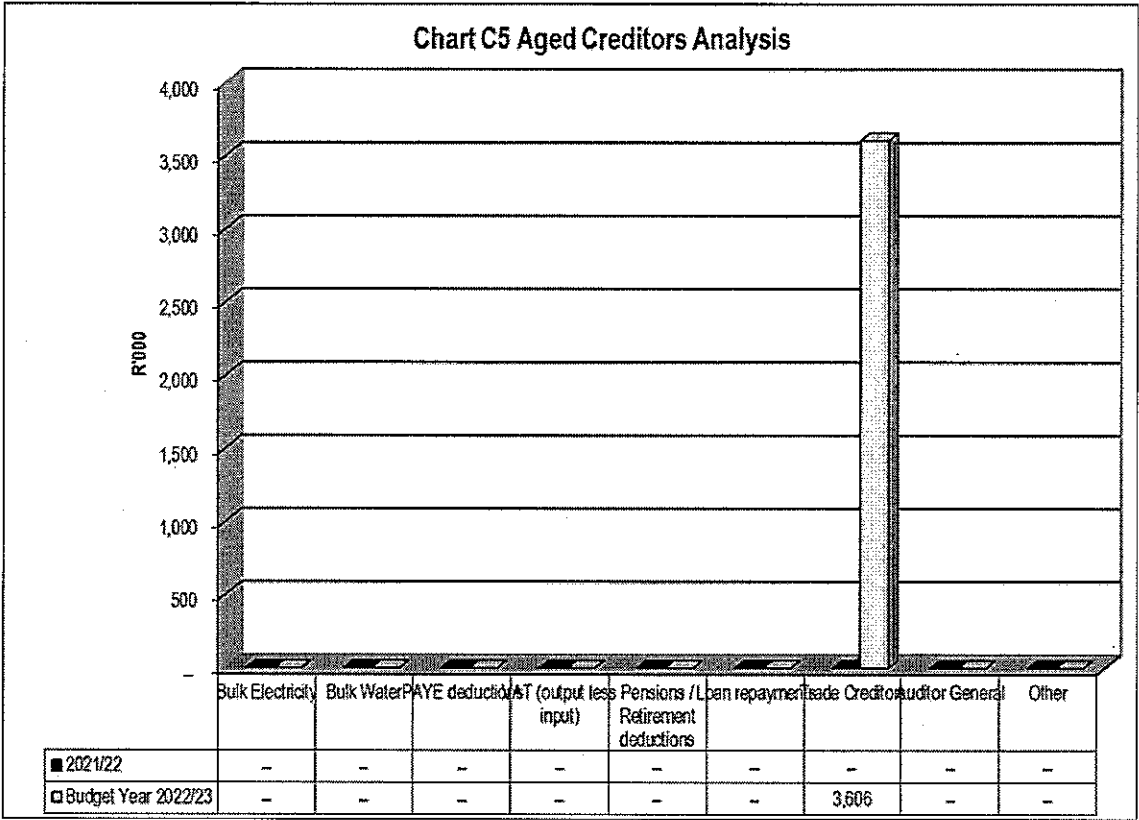
Creditors Age Analysis

The municipality reports a total amount of R1.2 million on trade creditors in October 2022 compared to R12.7 million reported in October 2021.

Trade creditors older than 30 days amounts to R120 847.00, which is stock for which the invoice has been received, but is queried. The amount on the invoice is more than the order

BITOU LOCAL MUNICIPALITY

and user department is liaising with supplier to ensure that it is corrected before payment can be made.



Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - Investment portfolio -									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Standard Bank: 48-860-7000-068		Call deposit	Call deposit	Call deposit	6		-	5,000	5,000
Standard Bank: 48-860-7000-069		91 days	Fixed deposit	23/01/2023	-		-	18,550	18,550
First National Bank: 63026047787		Call deposit	Call deposit	Call deposit	6		-	5,000	5,000
First National Bank: 76201497122		91 days	Fixed deposit	23/01/2023	-		-	10,000	10,000
Nedbank: 03/7881052406/000101		Call deposit	Call deposit	Call deposit	7		-	5,000	5,007
Nedbank: 03/7881052406/000102		182 days	Fixed deposit	24/04/2023	-		-	6,750	6,750
Nedbank: 03/7881052406/000075		LONG TERM	Fixed deposit	30/12/2022	-	0	9,857	-	9,857
-		-			-		-	-	-
-		-			-		-	-	-
-		-			-		-	-	-
Municipality sub-total					19		9,857	50,300	60,176
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				19		9,857	50,300	60,176

Investment portfolio analysis

The municipality still reports one long-term investment with a market value of R9.8 million and short-term investments to the value of R50.3 million as at October 2022. Interest earned for the month amounts to R18 582.22.

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M04)
WATER SERVICES INFRASTRUCTURE GRANT	524,869.89
LOCAL GOVERNMENT, WATER AND RELATED SETA	468,493.00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	65,156.69
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	233,527.79
EQUITABLE SHARE	50,317,000.00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	380,304.10
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	2,753.57
COMMUNITY LIBRARY SERVICES - OPERATIONAL	83,448.46
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	150,515.25
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP	1,623,586.72
	<u>53,849,655.47</u>

The table above reflects the income recognition done up until the month of October 2022. Transfers and subsidies amounts to R53.8 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M04)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	4,359,000.00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	4,754,000.00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	775,000.00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	32,674.92
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1,721,000.00
	<u>11,641,674.92</u>

The table above reflects the grant receipts up until October 2022. Capital receipts amount to R9.8 million, while operational amounts to R1.7 million.

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:

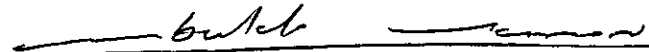
QUALITY CERTIFICATE

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 ending 31 October 2022 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

14/11/2022