

BITOU LOCAL MUNICIPALITY



**Budget Statement for the quarter
ending 31 December 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 52(d) quarterly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations (MBRR)

PART 1 – IN-YEAR REPORT

Section 1 – Quarter 2 Report

1.1 In-Year Report – Quarterly Budget Statement

The report outlines the financial performance and position of the municipality for the quarter ended 31 December 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.

Although the plan to monitor the implementation of the current year's budget under strict conditions, management has not been consistent in following its internal procedures and protocols which makes it challenging to detect wrongful transactions, and these are only detected after the event.

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at the quarter ended December 2022 amounts to R 104,302 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 quarterly budget statement and supporting documentation for the month ended 31 December 2022.

Section 3 – Executive Summary

3.1 Introduction

The quarterly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations and section 52(d) 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) - Q2 Second Quarter

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	12 441	77 035	79 978	(2 943)	-4%	159 956
Service charges - electricity revenue		-	207 720	207 720	14 802	98 318	103 860	(5 542)	-5%	207 720
Service charges - water revenue		-	93 277	93 277	7 787	42 763	46 638	(3 875)	-8%	93 277
Service charges - sanitation revenue		-	87 047	87 047	6 437	41 170	43 523	(2 353)	-5%	87 047
Service charges - refuse revenue		-	53 272	53 272	3 762	24 062	26 636	(2 574)	-10%	53 272
Rental of facilities and equipment		-	1 193	1 193	81	502	597	(95)	-16%	1 193
Interest earned - external investments		-	4 600	4 600	579	2 406	2 300	106	5%	4 600
Interest earned - outstanding debtors		-	14 572	14 572	1 723	9 883	7 286	2 597	36%	14 572
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	35 870	35 870	5 229	12 405	17 935	(5 529)	-31%	35 870
Licences and permits		-	1 002	1 002	158	611	501	110	22%	1 002
Agency services		-	2 414	2 414	192	1 336	1 207	129	11%	2 414
Transfers and subsidies		-	153 896	163 835	43 302	98 581	81 872	16 709	20%	163 835
Other revenue		-	7 875	7 875	325	4 662	3 937	724	18%	7 875
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	822 693	832 632	96 817	413 734	416 270	(2 536)	-1%	832 632
Expenditure By Type										
Employee related costs		-	306 473	308 082	21 568	142 645	154 045	(11 400)	-7%	308 082
Remuneration of councillors		-	6 944	6 944	548	3 472	3 472	0	0%	6 944
Debt impairment		-	103 440	103 440	21 576	49 100	51 720	(2 620)	-5%	103 440
Depreciation & asset impairment		-	37 400	37 400	3 117	18 709	18 699	9	0%	37 400
Finance charges		-	10 739	10 739	4 279	4 694	5 369	(675)	-13%	10 739
Bulk purchases - electricity		-	161 902	161 902	10 144	75 544	80 951	(5 407)	-7%	161 902
Inventory consumed		-	17 674	17 834	1 190	6 725	8 917	(2 192)	-25%	17 834
Contracted services		-	91 004	98 816	4 148	17 605	49 408	(31 802)	-64%	98 816
Transfers and subsidies		-	4 750	4 750	16	3 430	2 375	1 055	44%	4 750
Other expenditure		-	78 447	75 449	4 762	27 972	37 723	(9 751)	-26%	75 449
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	818 774	825 357	71 347	349 896	412 679	(62 783)	-15%	825 357
Surplus/(Deficit)		-	3 919	7 276	25 470	63 838	3 591	60 247	0	7 276
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	46 335	47 441	413	2 172	23 521	(21 348)	(0)	47 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	50 254	54 717	25 883	66 010	27 111			54 717
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	50 254	54 717	25 883	66 010	27 111			54 717
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		-	50 254	54 717	25 883	66 010	27 111			54 717
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		-	50 254	54 717	25 883	66 010	27 111			54 717

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Revenue by Source

Property Rates

Property rates for the quarter amounts to R37.5 million. The YTD actual amount stands at R77 million compared to the YTD budget of R79.9 million. Compared to the 1st quarter the under-performance increased from 1% to 4%. This can mainly be ascribed to the additional rebates on assessment rates incorrectly accounted for in the annual budget, coupled to the supplementary valuation roll that is to be completed later in the financial year.

Electricity

Revenue from electricity as at the end of quarter 2 amounts to R98.3 million YTD actual and when compared to the YTD budget of R103.8 million it translates to a 5% under performance. This however, is an increase in the under performance from the previous quarter, where we reported at 2% under performance. Electricity revenue is influenced by consumption that fluctuates during peak and off-peak periods, another matter of concern is the prolonged load shedding that is adding to the decline in electricity sold, the reduction demand and thus units sold.

Water Service

Water revenue as at end of December 2022 amounts to R42.7 million while YTD budget amounts to R46.6 million. This is an under performance of 8%, an improvement from the previous months 10%. The variance can mainly be ascribed to the off-season period as well as the colder winter months when water consumption is less as well as the current issue of water shortage due to loadshedding affecting the pumping of water. We anticipate improvement in the performance of the service, as we've already noticed, as the warm season continues, as well as the peaking of consumption over the festive season.

Sanitation Service

Sanitation revenue as at end of quarter 2 amounts to R41.1 million while YTD budget amounts to R43.2 million. This translates to 5% under-performance for this category of revenue but an increase from the previous quarters figure of 11%. Even though we see an improvement in the trend, consideration will be given to an adjustment of this category of revenue in the adjustment budget after the mid-year budget assessment.

Refuse Service

Refuse revenue as at the end of quarter 2 amounts to R24 million while the YTD budget amounts to R26.6 million. This revenue source is still under performing when compared to quarter 1 and this category of revenue will need to be investigated to ascertain whether a downward adjustment of the revenue is needed.

Rental of Facilities and Equipment

The revenue for rental of facilities and equipment as at the end of quarter 2 amounts to R501 784. This source of revenue is under-performing by 16% compared to the YTD budget of R596 616. This source of revenue has consistently under performed over the past five months and is continuing with this trend. 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 end of quarter 2 amounts to R2.4 million and R9.8 million respectively while the YTD budget amounts to R2.3 million and R7.3 million respectively. The municipality's investing has started to bare fruits and the result is a positive YTD variance of 5%. Although the interest on

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outstanding debtors 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 the end of quarter 2 amounts to R12.4 million compared to the YTD budget of R17.9 million. This is an under performance of 31%, an immense improvement from last quarters reported figure of 45%. The new traffic fines management contract was awarded in November and the current increase shows this. Further increase can be expected in the following months. Consideration will be given to a downward adjustment of this revenue source after the mid-year assessment.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R98.5 million for the month of December 2022. Revenue from Transfers and Subsidies is over performing by 20%. We reported a 100% underperformance in quarter 1.

Other revenue

Other revenue as at the end of quarter 2 amounts to R4.6 million. This is 18% 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 as at the end of quarter amounts to R413.7 million compared to the R211.9 million reported in the previous quarter.

Expenditure

Employee related cost

Employee related cost amounts to R142.6 million, while the YTD budget amounts to R154 million. This translates to an under performance of 7%, consistent with quarter 1. Payment of overtime remains a challenge for the municipality and will need to be adjusted. Part-time and Seasonal workers have been appointed to various functions to assist with the Festive influx of tourist. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date coupled with the year-end post retirement and employee benefits provision that still needs to be made.

Remuneration of councillors

Remuneration of councillors as at the end of quarter 2 amounts to R3.4 million. This expenditure item is in line with the YTD budget.

Debt Impairment

Debt Impairment as at end of December amounted to R49.1 million. The YTD budget amounts to R51.7 million. This translates to an under performance of 5% a definite improvement from the previous reported percentage of 20%. The decrease from is due to bad debts written off in this quarter.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at the end of quarter 2 amounts to R75.5 million compared to R80.9 million YTD budget, thus reporting an under performance of 4%. Payment of Eskom invoices are due 30 days after the invoice was issued, therefore expenditure reflecting in December relates to November invoices.

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It is expected that this trend will continue until the closure of the books where the accrual for the June 2023 account will absorb the excess budgetary provision.

Depreciation

Depreciation as at the end of quarter 2 amounts to R18.7 million while the YTD budget amounts to R18.7 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 December 2022 amounts to R6.7 million while the YTD budget amounts to R8.9 million. This expenditure item is under-performing by 25% compared to the 48% previously reported. This expenditure type relates to the consumption of materials and supplies/inventory at the stores and has improved slightly from the previous month. An adjustment for this expenditure item will be considered.

Contracted Services

Expenditure as at end of December 2022 amounts to R17.6 million and under-performing by 64% when compared to the YTD budget of R49.4 million. The under expenditure remains a concern from the previous quarter when 74% was recorded. It is still anticipated that this category of expenditure will increase towards the conclusion of the financial year, however a downward adjustment will still be considered.

Transfers and subsidies

Expenditure reported for the month amounted to R4.7 million. The YTD actual amounts R3.4 million compared to the YTD budget of R2.3 million. An over performance of 44% is reported for the month ended December 2022. The Remainder of the allocation was paid over in November 2022. This line item will be considered for downward adjustment.

Other expenditure

Other expenditure as at end of December 2022 amounts to R27.9 million while the YTD budget amounts to R37.7 million, which translates to an under performance of 26%. This item has remained consistent from the previous quarter. Included under this expenditure category is 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 December 2022 amounts to R349.8 million. The municipality is reporting an operating surplus of R25.4 million for the month of December 2022 compared to R49.9 million in quarter 1 and a surplus of R63.7 compared to quarter 1 where we saw a R43.7 million YTD actual.

Conclusion on Financial Position and performance

The financial performance as at end of December 2022 has not changed from the previous Quarter as 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 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 Quarterly budget statements

The tables included in section 4 to the end of this report are from the 'C Schedule quarterly 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.

See tables below C1 and C3 for the quarter ended 31 December 2022.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

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	12 441	77 035	79 978	(2 943)	-4%	159 956
Service charges	–	441 315	441 315	32 788	206 313	220 658	(14 345)	-7%	441 315
Investment revenue	–	4 600	4 600	579	2 406	2 300	106	5%	4 600
Transfers and subsidies	–	153 896	163 835	43 302	98 581	81 872	16 709	20%	163 835
Other own revenue	–	62 926	62 926	7 708	29 399	31 463	(2 064)	-7%	62 926
Total Revenue (excluding capital transfers and contributions)	–	822 693	832 632	96 817	413 734	416 270	(2 536)	-1%	832 632
Employee costs	–	306 473	308 082	21 568	142 645	154 045	(11 400)	-7%	308 082
Remuneration of Councillors	–	6 944	6 944	548	3 472	3 472	0	0%	6 944
Depreciation & asset impairment	–	37 400	37 400	3 117	18 709	18 699	9	0%	37 400
Finance charges	–	10 739	10 739	4 279	4 694	5 369	(675)	-13%	10 739
Materials and bulk purchases	–	179 576	179 736	11 334	82 269	89 868	(7 599)	-8%	179 736
Transfers and subsidies	–	4 750	4 750	16	3 430	2 375	1 055	44%	4 750
Other expenditure	–	272 892	277 705	30 487	94 677	138 851	(44 173)	-32%	277 705
Total Expenditure	–	818 774	825 357	71 347	349 896	412 679	(62 783)	-15%	825 357
Surplus/(Deficit)	–	3 919	7 276	25 470	63 838	3 591	60 247	1678%	7 276
Transfers and subsidies - capital (monetary allocations)	–	46 335	47 441	413	2 172	23 521	(21 348)	-91%	47 441
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	50 254	54 717	25 883	66 010	27 111	38 899	143%	54 717
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	50 254	54 717	25 883	66 010	27 111	38 899	143%	54 717
Capital expenditure & funds sources									
Capital expenditure	–	98 450	107 711	3 752	6 916	46 519	(39 602)	-85%	107 711
Capital transfers recognised	–	41 078	42 040	1 423	3 356	19 450	(16 095)	-83%	42 040
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	38 843	38 843	787	1 401	16 690	(15 288)	-92%	38 843
Internally generated funds	–	18 529	26 828	1 543	2 160	10 379	(8 219)	-79%	26 828
Total sources of capital funds	–	98 450	107 711	3 752	6 916	46 519	(39 602)	-85%	107 711
Financial position									
Total current assets	–	272 028	272 028		196 295				272 028
Total non current assets	–	1 345 582	1 351 842		1 196 983				1 351 842
Total current liabilities	–	150 778	150 778		97 686				150 778
Total non current liabilities	–	226 140	226 140		148 042				226 140
Community wealth/Equity	–	1 240 692	1 246 952		1 147 551				1 246 952
Cash flows									
Net cash from (used) operating	–	120 049	131 094	36 696	63 047	65 547	2 500	4%	(1 037 345)
Net cash from (used) investing	–	(98 450)	(107 711)	6 105	2 932	(53 855)	(56 787)	105%	(107 711)
Net cash from (used) financing	–	(21 828)	(21 828)	(8 322)	(10 304)	(10 914)	(610)	6%	–
Cash/cash equivalents at the month/year end	–	110 234	112 019	–	104 302	111 241	6 939	6%	(1 096 428)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	31 389	10 763	9 449	9 175	222 099	–	–	–	282 875
Creditors Age Analysis									
Total Creditors	559	81	960	110	3	–	–	–	1 712

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end December 2022 amounts to R415.9 million, this is under performance of 5.4% 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 December amounts R412.6 million. The total expenditure budget is under performing by 15.2%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter										
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	–	–	1 459	(1 459)	-100,0%	2 918
Vote 2 - Office of the Municipal Manager		–	55 066	55 066	41 669	92 464	27 533	64 932	235,8%	55 066
Vote 3 - Community Services		–	139 714	149 525	11 126	46 399	74 762	(28 363)	-37,9%	149 525
Vote 4 - Corporate Services		–	–	–	253	774	–	774	#DIV/0!	–
Vote 5 - Financial Services		–	181 221	181 221	13 463	82 174	90 610	(8 436)	-9,3%	182 942
Vote 6 - Economic Development & Planning		–	4 202	4 702	205	2 947	2 151	796	37,0%	4 702
Vote 7 - Engineering Services		–	485 908	486 642	30 515	191 147	243 275	(52 129)	-21,4%	486 642
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	–	869 028	880 073	97 230	415 906	439 791	(23 885)	-5,4%	881 794
Expenditure by Vote	1									
Vote 1 - Council		–	9 773	9 773	585	4 300	4 886	(586)	-12,0%	9 773
Vote 2 - Office of the Municipal Manager		–	30 026	30 026	1 997	12 701	15 012	(2 311)	-15,4%	30 026
Vote 3 - Community Services		–	228 348	238 802	19 481	97 562	119 400	(21 837)	-18,3%	238 802
Vote 4 - Corporate Services		–	68 794	68 794	2 776	21 171	34 397	(13 225)	-38,4%	68 794
Vote 5 - Financial Services		–	66 371	66 371	5 348	25 807	33 191	(7 384)	-22,2%	82 925
Vote 6 - Economic Development & Planning		–	24 488	24 488	1 362	12 461	12 244	217	1,8%	24 488
Vote 7 - Engineering Services		–	390 974	387 102	39 799	175 893	193 550	(17 657)	-9,1%	387 102
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	–	818 774	825 357	71 347	349 896	412 679	(62 783)	-15,2%	841 911
Surplus/ (Deficit) for the year	2	–	50 254	54 717	25 883	66 010	27 111	38 899	143,5%	39 883

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter										
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		-	1 400	2 230	81	81	700	(619)	-88%	2 230
Vote 4 - Corporate Services		-	1 804	1 804	43	84	902	(818)	-91%	1 804
Vote 5 - Financial Services		-	600	600	-	-	300	(300)	-100%	600
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	45 556	52 087	990	1 458	23 420	(21 962)	-94%	52 087
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	49 360	56 720	1 114	1 623	25 322	(23 699)	-94%	56 720
Single Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		-	9 026	10 136	623	1 345	4 467	(3 122)	-70%	10 136
Vote 4 - Corporate Services		-	635	635	-	1	318	(316)	-100%	635
Vote 5 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	435	-	-	-	-	-	435
Vote 7 - Engineering Services		-	39 429	39 784	2 016	3 946	16 412	(12 466)	-76%	39 784
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	49 090	50 990	2 638	5 293	21 196	(15 904)	-75%	50 990
Total Capital Expenditure	3	-	98 450	107 711	3 752	6 916	46 519	(39 602)	-85%	107 711
Capital Expenditure - Functional Classification										
Governance and administration		-	3 835	3 835	43	286	1 918	(1 632)	-85%	3 835
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	3 835	3 835	43	286	1 918	(1 632)	-85%	3 835
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	8 204	10 144	704	1 212	4 056	(2 844)	-70%	10 144
Community and social services		-	3 930	3 930	322	579	1 965	(1 386)	-71%	3 930
Sport and recreation		-	3 794	3 794	291	543	1 851	(1 308)	-71%	3 794
Public safety		-	480	2 420	90	90	240	(150)	-62%	2 420
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	10 790	11 396	24	153	2 421	(2 267)	-94%	11 396
Planning and development		-	-	435	-	-	-	-	-	435
Road transport		-	10 790	10 961	24	153	2 421	(2 267)	-94%	10 961
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	75 621	82 335	2 982	5 265	38 124	(32 859)	-86%	82 335
Energy sources		-	21 116	27 475	1 116	2 727	15 008	(12 281)	-82%	27 475
Water management		-	40 579	40 935	988	1 643	17 891	(16 248)	-91%	40 935
Waste water management		-	12 400	12 400	878	881	4 462	(3 581)	-80%	12 400
Waste management		-	1 526	1 526	-	14	763	(749)	-98%	1 526
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	98 450	107 711	3 752	6 916	46 519	(39 602)	-85%	107 711
Funded by:										
National Government		-	35 048	35 575	1 423	3 336	16 435	(13 099)	-80%	35 575
Provincial Government		-	6 030	6 465	-	19	3 015	(2 996)	-99%	6 465
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	41 078	42 040	1 423	3 356	19 450	(16 095)	-83%	42 040
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	-	38 843	38 843	787	1 401	16 690	(15 288)	-92%	38 843
Internally generated funds	6	-	18 529	26 828	1 543	2 160	10 379	(8 219)	-79%	26 828
Total Capital Funding		-	98 450	107 711	3 752	6 916	46 519	(39 602)	-85%	107 711

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Capital Expenditure Analysis

Capital Expenditure for the month ended 31 December 2022 amounts to R3.7 mil and YTD expenditure as at end of December 2022 amounts to R6.9 mil.

It should be noted that majority of the approved capital projects are at 6% spending which means these projects are under-performing, the expenditure pattern over years indicates that where department fail to meet 25% spending target in the first quarter, its either they will not spend 100% of their allocated budget, therefore resulting in budget being forfeited and adjusted due non-performance.

We note that spending has slightly improved from the previous report and we further anticipate that an improvement in performance spending for the months ahead however the commitments (shadow balances) loaded on the FMS amounting to R44.2 mil, which translate to 41% of the total capital budget is still under shadow. It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects, and these applications at times get rejected.

Capital Grants Analysis

Grants	Original Budget	Amended Budget	Q1-YTD Expenditure	Q2-YTD Expenditure
MIG	19 572 174.00	20 099 178.00	0	552 975.53
INEP	7 580 869.00	7 580 869.00	0	1 348 156.75
WSIG	7 894 782.00	7 894 782.00	456 408.64	1 435 181.06
HOUSING	6 000 000.00	6 000 000.00	0	6 000 000.00
MRF	30 000.00	30 000.00	0	19 190.23
RSEP	0	434 783.00	0	0
BORROWINGS	38 843 300.00	38 843 300.00	0	1 401 245.47
AFR	18 528 900.00	26 827 600.00	2 925.29	2 159 818.04
TOTAL	R98 450 025.00	107 710 512.00	459 333.93	6 916 567.08

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

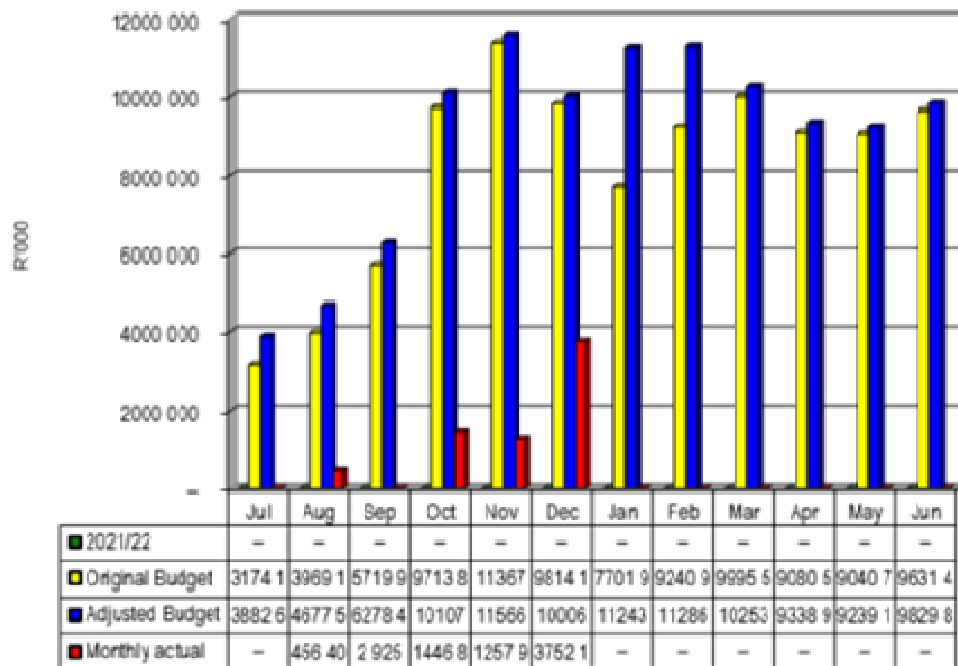
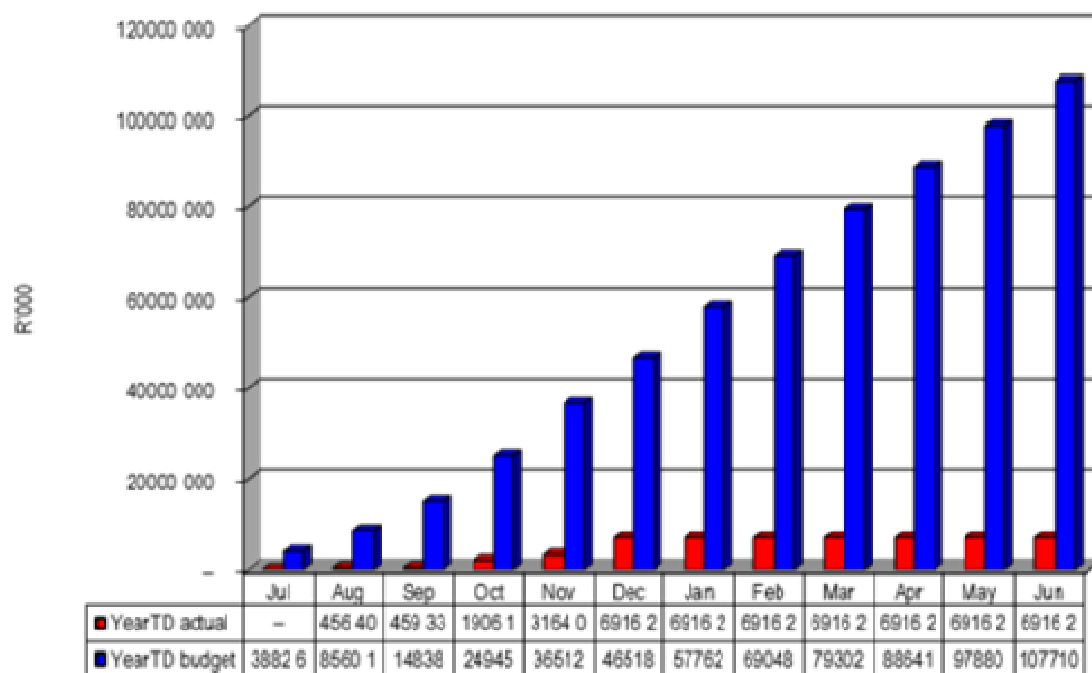


Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



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Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

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	43 584	27 525
Call investment deposits		–	85 710	85 710	60 718	85 710
Consumer debtors		–	112 671	112 671	50 260	112 671
Other debtors		–	29 921	29 921	18 931	29 921
Current portion of long-term receivables		–	–	–	9	–
Inventory		–	16 201	16 201	22 792	16 201
Total current assets		–	272 028	272 028	196 295	272 028
Non current assets						
Long-term receivables		–	–	–	1	–
Investments		–	–	–	–	–
Investment property		–	25 663	25 663	12 692	25 663
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	1 319 883	1 326 144	1 184 255	1 326 144
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		–	(0)	(0)	–	(0)
Other non-current assets		–	35	35	35	35
Total non current assets		–	1 345 582	1 351 842	1 196 983	1 351 842
TOTAL ASSETS		–	1 617 610	1 623 871	1 393 279	1 623 871
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	(328)	(328)	–	(328)
Consumer deposits		–	9 948	9 948	10 357	9 948
Trade and other payables		–	91 269	91 269	35 000	91 269
Provisions		–	49 889	49 889	52 328	49 889
Total current liabilities		–	150 778	150 778	97 686	150 778
Non current liabilities						
Borrowing		–	104 142	104 142	77 813	104 142
Provisions		–	121 998	121 998	70 229	121 998
Total non current liabilities		–	226 140	226 140	148 042	226 140
TOTAL LIABILITIES		–	376 918	376 918	245 728	376 918
NET ASSETS	2	–	1 240 692	1 246 952	1 147 551	1 246 952
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	1 114 615	1 120 875	1 129 001	1 120 875
Reserves		–	126 077	126 077	18 550	126 077
TOTAL COMMUNITY WEALTH/EQUITY	2	–	1 240 692	1 246 952	1 147 551	1 246 952

The table above reflects the statement of financial position of the municipality. The total current assets at the end of December 2022 amounts to R 196.2 million compared to R 177.2 million reported in September 2022. This is significant increase from the previous quarter and it is as a result of an increase in the cash and consumer debtors reported. The municipality reports total short-term investments at R60.7 million and cash of R43.5 million in December compared to R0 and R59.4million previously. The municipality reports a positive cashbook balance of R41.8 million.

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The current liabilities for the amounts to R97.6 million compared to R95.6 million in the previous quarter. The current ratio for the quarter equates 2:1, which is within best practice norms and indicates an improvement in accordance with the turnaround strategy. It should be noted that the current ratio has increased from the 1.8:1 in September 2022. The higher the current ratio, the more capable the municipality will be to pay its current or short-term obligations

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2022/23 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	159 956	159 956	11 667	76 805	79 978	(3 173)	-4%	(165 597)
Service charges		–	375 118	375 118	46 318	202 833	187 559	15 274	8%	(341 892)
Other revenue		–	38 050	38 050	12 623	29 162	19 025	10 137	53%	11 313
Transfers and Subsidies - Operational		–	153 896	163 835	41 589	94 924	81 917	13 007	16%	86 646
Transfers and Subsidies - Capital		–	46 335	47 441	4 515	18 571	23 721	(5 149)	-22%	(40 911)
Interest		–	4 600	4 600	3 331	13 498	2 300	11 198	487%	4 600
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(644 455)	(644 455)	(79 052)	(364 623)	(322 228)	42 396	-13%	(591 504)
Finance charges		–	(8 700)	(8 700)	(4 279)	(4 694)	(4 350)	344	-8%	–
Transfers and Grants		–	(4 750)	(4 750)	(16)	(3 430)	(2 375)	1 055	-44%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	120 049	131 094	36 696	63 047	65 547	2 500	4%	(1 037 345)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	9 857	9 857	–	9 857	0%	–
Payments										
Capital assets		–	(98 450)	(107 711)	(3 752)	(6 925)	(53 855)	(46 930)	87%	(107 711)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(98 450)	(107 711)	6 105	2 932	(53 855)	(56 787)	105%	(107 711)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	18	509	–	509	0%	–
Payments										
Repayment of borrowing		–	(21 828)	(21 828)	(8 340)	(10 813)	(10 914)	(101)	1%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(21 828)	(21 828)	(8 322)	(10 304)	(10 914)	(610)	6%	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	(229)	1 555	34 479	55 675	778			(1 145 055)
Cash/cash equivalents at beginning:		–	110 464	110 464		48 627	110 464			48 627
Cash/cash equivalents at month/year end:		–	110 234	112 019		104 302	111 241			(1 096 428)

The municipality is reporting a positive R36.6 million on monthly actual net cash from operating activities. A significant decrease from the actual net cash **from** operating activities for September 2022 that amounted to R80.4 million. These are mostly month to month operating expenses and operating income.

Monthly actual net cash **(used)** on investing activities is reported at R6.1 million is mostly influenced by spending on capital projects, expenditure is expected to increase in the next quarter.

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The net cash (used) for financing activities are mostly influenced by the repayment of loans. The repayment of loans as at December 2022 amounts to R10.3 million after the bi-annual redemption of December 2022.

December 2022 Future Payments:					R 12,183,119.64
Bank/loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Instalment
ABSA - 2019/2019	Fri day, December 30, 2022	25 December 2022	R 988,585.45	R 1,088,811.71	R 1,648,195.16
ABSA - 2019/2019	Fri day, December 30, 2022	25 December 2022	R 781,751.12	R 1,251,851.12	R 2,013,582.24
Sub for Financial Institution				R 2,321,352.83	R 3,661,777.40
ABSA - 202225/1	Fri day, December 30, 2022	25 December 2022	R 21,555.48	R 421,000.01	R 434,555.49
ABSA - 2019-57/1	Fri day, December 30, 2022	25 December 2022	R 911,295.00	R 787,497.95	R 1,698,792.63
ABSA - 2019-57/2	Fri day, December 30, 2022	25 December 2022	R 58,568.25	R 131,597.59	R 195,365.81
Sub for Financial Institution				R 1,551,195.20	R 2,328,713.93
STANDARD BANK - 202004915	Fri day, December 30, 2022	25 December 2022	R 411,555.52	R 1,049,154.17	R 1,466,670.79
STANDARD BANK - 202002989	Saturday, December 31, 2022	25 December 2022	R 104,149.52	R 911,205.40	R 1,021,354.72
STANDARD BANK - 082502047	Fri day, December 30, 2022	25 December 2022	R 201,004.54	R 820,587.94	R 1,025,592.48
Sub for Financial Institution				R 2,781,927.51	R 3,513,617.99
ABSA - 2017/2018	Fri day, December 30, 2022	25 December 2022	R 1,198,578.51	R 1,558,725.18	R 2,536,403.49
ABSA -	Fri day, December 30, 2022	Debt Order	R 58,857.59	R 121,759.25	R 142,606.83
Sub for Financial Institution					R 2,679,010.32

The municipality reports cash and cash equivalents amounting to R104.3 million, this includes cash at bank and short-term investment

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Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter													
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6 218	3 071	2 946	3 031	59 874	-	-	-	75 139	62 905	7 659	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	8 996	794	609	511	14 857	-	-	-	25 766	15 367	157	-
Receivables from Non-exchange Transactions - Property Rates	1400	7 789	1 759	1 349	1 208	40 449	-	-	-	52 554	41 657	25	-
Receivables from Exchange Transactions - Waste Water Management	1500	5 118	2 901	2 826	2 728	75 351	-	-	-	88 923	78 079	8 645	-
Receivables from Exchange Transactions - Waste Management	1600	3 000	1 854	1 654	1 613	44 355	-	-	-	52 475	45 968	5 023	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	269	385	66	85	(12 788)	-	-	-	(11 983)	(12 702)	67	-
Total By Income Source	2000	31 389	10 763	9 449	9 175	222 099	-	-	-	282 875	231 274	21 576	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	438	71	74	62	413	-	-	-	1 058	475	-	-
Commercial	2300	2 558	454	398	516	8 549	-	-	-	12 475	9 065	-	-
Households	2400	28 393	10 238	8 976	8 598	213 137	-	-	-	269 342	221 735	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	31 389	10 763	9 449	9 175	222 099	-	-	-	282 875	231 274	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 222 million on outstanding debtors older than 121 days and a total outstanding amount of R282.8 million with total write-offs amounting to R21.5 million for the quarter. Total debtors has decreased by R8.5 million compared to the previous quarter.

A concerted effort has been made to reduce the debtors books by cutting services during the peak season, yet the efforts made were not very effective in reducing the total outstanding Debt. Areas of concern are the following:

New Horizons with a debt collection period of nearly 12 months.

Kwanokuthula debt collection period of 11.15 months.

Farm areas debt collection period of 9.15 months.

Kranshoek R78.5 million is owed to the Municipality with a debt collection period of approximately 40 months.

Kurland R38.2 million outstanding with a debt collection period of nearly 42 months.

Greenvalley with a debt collection period of 33 months.

The remainder of Bitou suburbs owe a total of R67.1 million which translates to a debt collection period of 64 days.

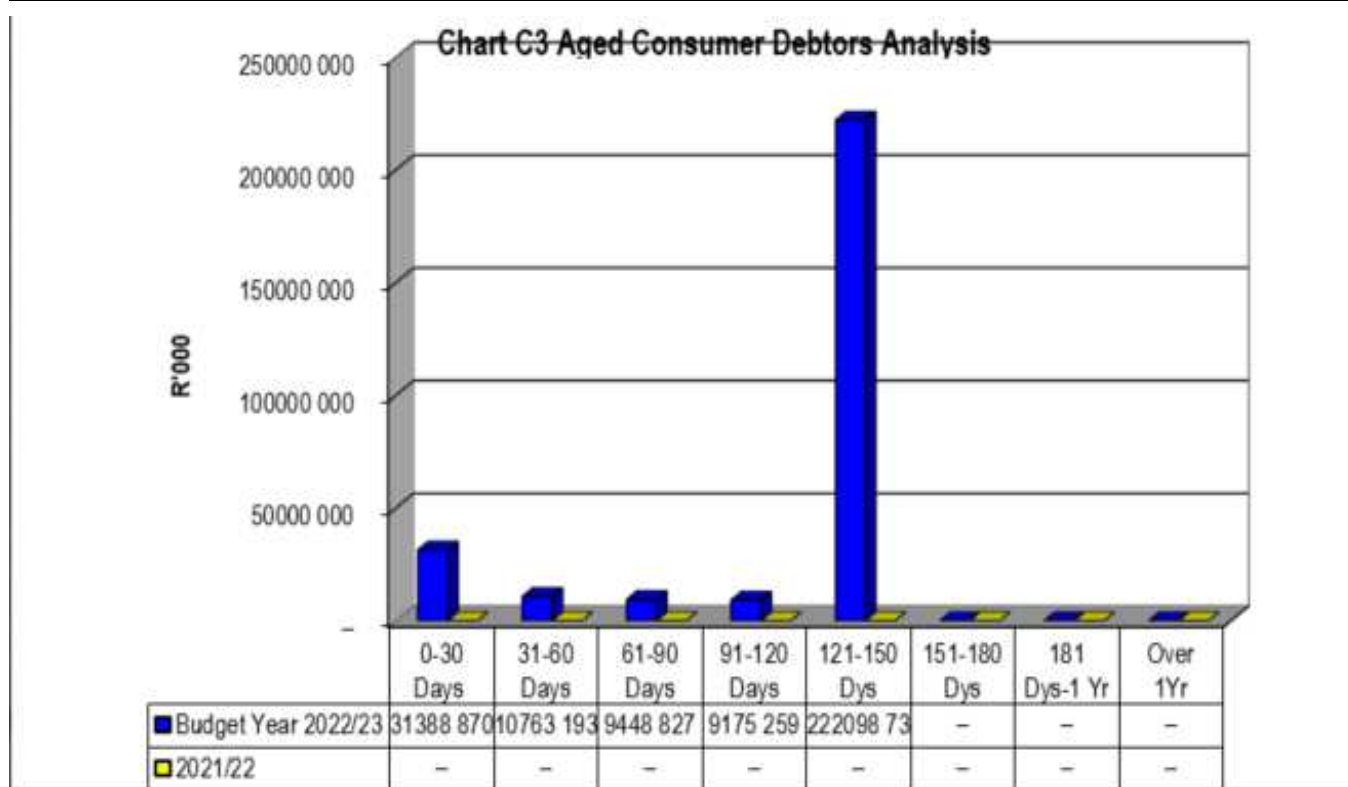
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The contributors to this huge debts still remains the household debt which represents 95.5% of the total debt, followed by businesses with 4.3% and organs of state contributing 0.2%

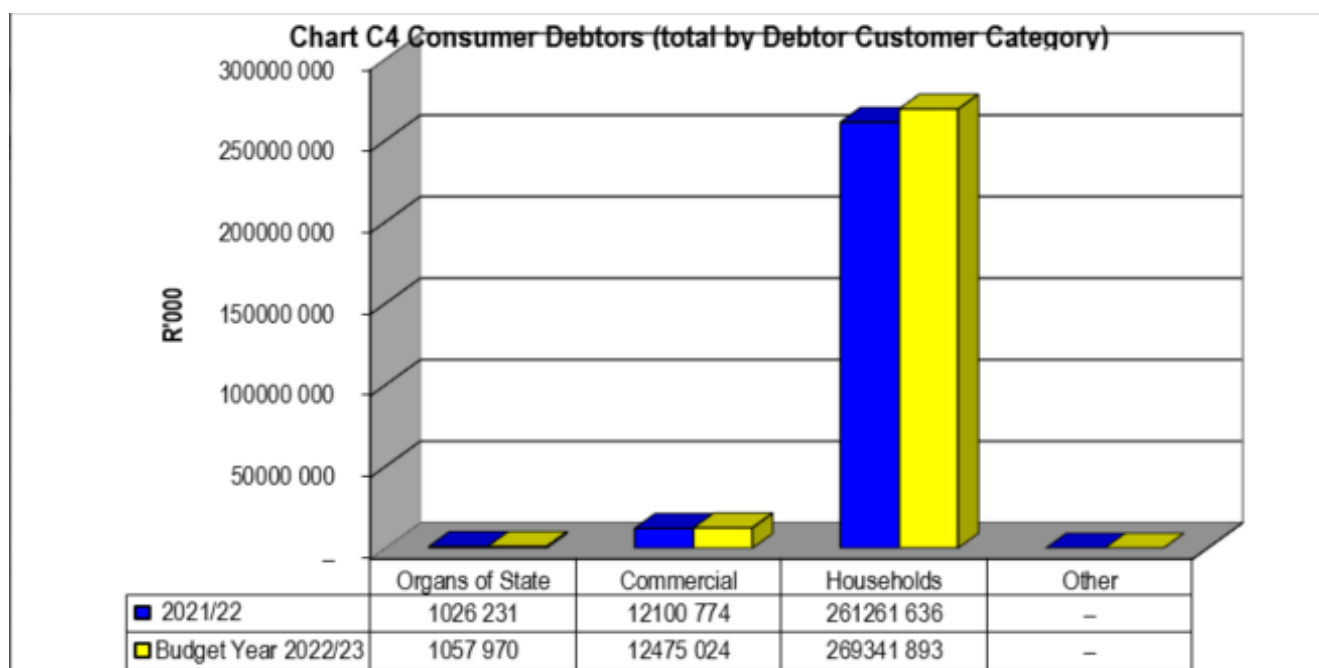
The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which includes blocking prepaid electricity for users in arears and applying water restrictions in arears where Eskom is the electricity distributor. Customers are informed prior to these actions 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 December 2022 is 80.04%. See below debtor payment percentage achieved from July 2022 until December 2022.

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



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Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

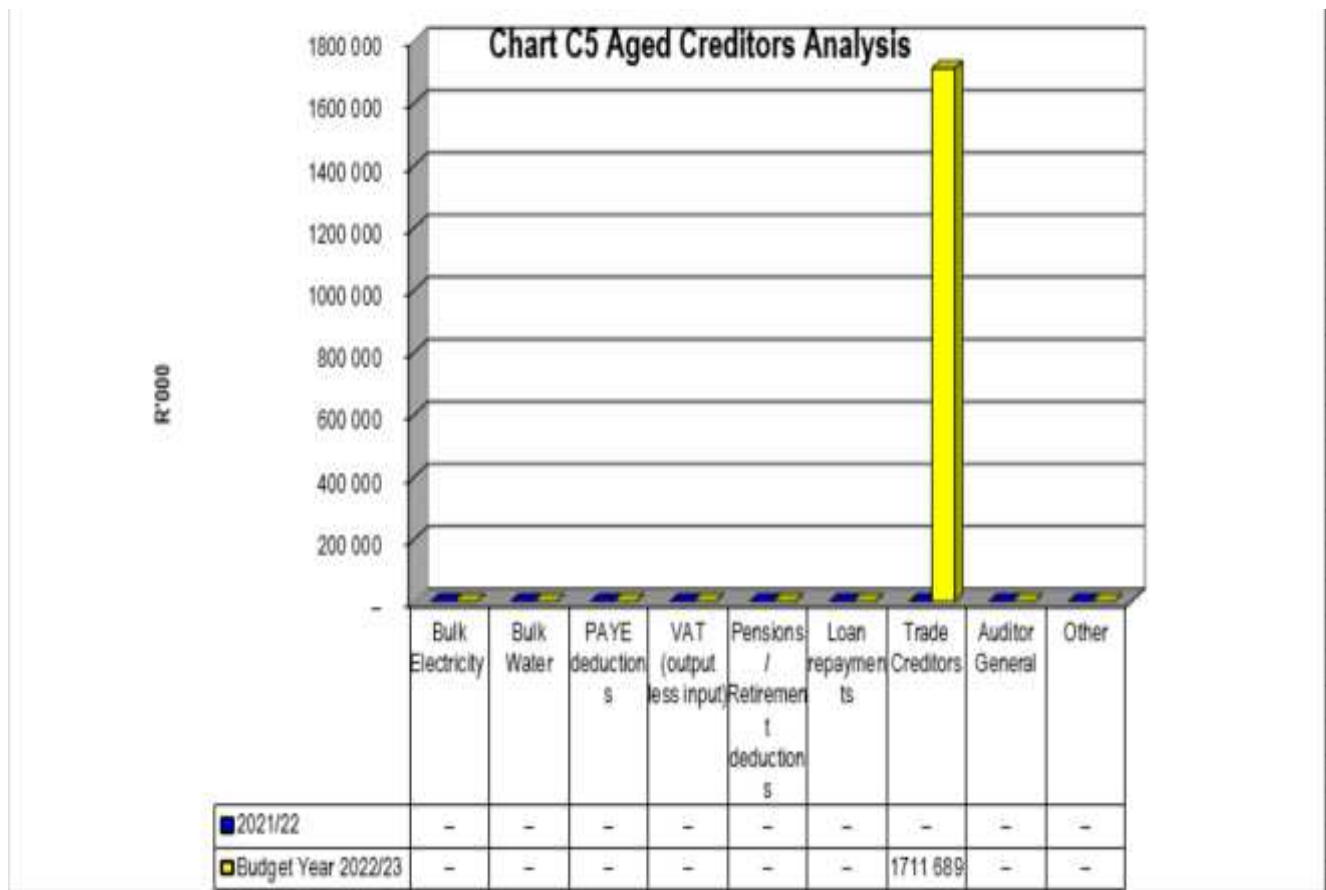
WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description R thousands	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	559	81	960	110	3	-	-	-	1 712	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	559	81	960	110	3	-	-	-	1 712	-

Creditors Age Analysis

The municipality reports a total amount of R1.7 million on trade creditors in December 2022 compared to R3.6 million reported in September 2022.

Trade creditors older than 30 days amounts to R 1.2 million, which is stock for which the invoice has been received but is queried. The amount on the invoice is more than the order and user department is liaising with supplier.

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Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Standard Bank: 48-860-7000-068		Call deposit	Call deposit	Call deposit	30	0,594520532	5 032	30	5 062
Standard Bank: 48-860-7000-069		91 days	Fixed deposit	23/01/2023		0	18 550		18 550
First National Bank: 63026047787		Call deposit	Call deposit	Call deposit	29	0,5817809	5 032	29	5 061
First National Bank: 76201497122		91 days	Fixed deposit	23/01/2023		0	10 000		10 000
Nedbank: 03/7881052406/000101		Call deposit	Call deposit	Call deposit	29	0,58602708	5 033	29	5 062
Nedbank: 03/7881052406/000102		182 days	Fixed deposit	24/04/2023	-	0	6 750		6 750
Nedbank: 03/7881052406/000075		LONG TERM	Fixed deposit	30/12/2022	372	-103,7739405	9 857	(10 229)	-
Nedbank: 03/7881052406/000103		Call deposit	Call deposit	Call deposit	4		-	10 229	10 233
-		-			-		-	-	-
-		-			-		-	-	-
Municipality sub-total					465		60 254	89	60 718

Investment portfolio analysis

The municipalities long-term investment with a market value of R9.8 million has matured and now forms part of the short-term investments making the total value of short-term investments R60.7 million as at December 2022. Interest earned for the quarter amounts to R 561 017.38.

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M06)
WATER SERVICES INFRASTRUCTURE GRANT	609 383,30
LOCAL GOVERNMENT, WATER AND RELATED SETA	774 379,31
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	134 543,69
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	296 663,69
EQUITABLE SHARE	91 896 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	1 021 924,62
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	8 699,05
COMMUNITY LIBRARY SERVICES - OPERATIONAL	476 189,92
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	150 515,25
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - OP	3 822 276,90
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	1 372 710,78
MUNICIPAL INFRASTRUCTURE GRANT	190 103,93

100 753 390,44

The table above reflects the income recognition done up until the month of December 2022. Transfers and subsidies amount to R 100.7 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M06)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	8 718 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	4 754 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	4 195 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	234 900,49
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 721 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	452 173,92
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	150 000,00

20 225 074,41

The table above reflects the grant receipts up until December 2022. Capital receipts amount to R17.9 million, while operational amounts to R2.3 million.

At the time of drafting the report, the Grant register for December had not been updated.

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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 December 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

