

BITOU LOCAL MUNICIPALITY



Budget Statement for the month ended 30 September 2023

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Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 – September Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended September 2023. The budget of the municipality is compiled with the objective that Bitou Municipality remains a financially viable and sustainable institution. The latter could be achieved if the municipality spends its budget prudently.

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

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at end of September 2023 amounts to R123.2 million, however the trial balance shows an amount of R241.5 million. This is mainly due to the migration of the bank reconciliation to the modernised financial system, which will be in-line before the end of the second quarter. 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 2023/2024

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

- That Council notes the monthly budget statement and supporting documentation for the month ended 30 September 2023.

Section 3 – Executive Summary

3.1 Introduction

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

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Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue		-	500 877	500 877	40 641	123 066	125 219	(2 153)	-2%	500 877
Service charges - Electricity		-	241 830	241 830	19 684	59 522	60 457	(936)	-2%	241 830
Service charges - Water		-	86 725	86 725	6 628	19 626	21 681	(2 055)	-9%	86 725
Service charges - Waste Water Management		-	77 663	77 663	5 849	18 468	19 416	(948)	-5%	77 663
Service charges - Waste management		-	58 016	58 016	3 770	12 032	14 504	(2 472)	-17%	58 016
Sale of Goods and Rendering of Services		-	11 571	11 571	1 023	2 345	2 893	(548)	-19%	11 571
Agency services		-	3 014	3 014	454	454	754	(299)	-40%	3 014
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	13 282	13 282	1 497	5 049	3 321	1 728	52%	13 282
Interest earned from Current and Non Current Assets		-	4 950	4 950	1 148	2 174	1 238	936	76%	4 950
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	1 030	1 030	123	326	257	68	26%	1 030
Licence and permits		-	589	589	198	535	147	387	263%	589
Operational Revenue		-	2 207	2 207	266	2 537	552	1 985	360%	2 207
Non-Exchange Revenue		-	400 177	400 177	22 746	116 243	121 650	(5 406)	-4%	400 177
Property rates		-	179 779	179 779	14 530	45 781	44 945	836	2%	179 779
Surcharges and Taxes		-	1 500	1 500	118	353	375	(22)	-6%	1 500
Fines, penalties and forfeits		-	31 699	31 699	7 545	7 548	7 925	(376)	-5%	31 699
Licence and permits		-	696	696	-	-	174	(174)	-100%	696
Transfer and subsidies - Operational		-	163 277	163 277	-	60 303	62 425	(2 122)	-3%	163 277
Interest		-	3 759	3 759	142	984	940	44	5%	3 759
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	15 518	15 518	412	1 274	3 879	(2 606)	-67%	15 518
Gains on disposal of Assets		-	3 950	3 950	-	-	987	(987)	-100%	3 950
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	901 055	901 055	63 388	239 310	246 869	(7 559)	-3%	901 055
Expenditure By Type										
Employee related costs		-	333 063	333 063	22 567	66 522	83 144	(16 622)	-20%	333 063
Remuneration of councillors		-	7 674	7 674	548	1 658	1 918	(261)	-14%	7 674
Bulk purchases - electricity		-	206 241	206 241	18 213	47 350	62 661	(15 312)	-24%	206 241
Inventory consumed		-	19 543	19 543	1 352	1 960	4 886	(2 926)	-60%	19 543
Debt impairment		-	18 270	18 270	-	-	4 567	(4 567)	-100%	18 270
Depreciation and amortisation		-	40 059	40 059	3 338	10 014	10 014	-	-	40 059
Interest		-	13 428	13 428	32	106	3 357	(3 251)	-97%	13 428
Contracted services		-	95 793	95 743	1 297	3 275	23 936	(20 661)	-86%	95 743
Transfers and subsidies		-	12 230	12 230	-	2 717	3 057	(341)	-11%	12 230
Irrecoverable debts written off		-	64 900	64 900	299	19 602	16 225	3 377	21%	64 900
Operational costs		-	89 075	89 125	11 142	13 226	22 292	(9 066)	-41%	89 125
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	900 274	900 274	58 788	166 428	236 058	(69 630)	-29%	900 274
Surplus/(Deficit)		-	780	780	4 600	72 882	10 811	62 071	0	780
Transfers and subsidies - capital (monetary allocations)		-	37 468	39 127	-	-	9 782	(9 782)	(0)	39 127
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	38 248	39 908	4 600	72 882	20 593			39 908
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	38 248	39 908	4 600	72 882	20 593			39 908
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-			-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		-	38 248	39 908	4 600	72 882	20 593			39 908
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		-	38 248	39 908	4 600	72 882	20 593			39 908

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Revenue by Source

Property Rates

Property rates for the month amounts to R14.5 million. When comparing the YTD actuals with the YTD budget an over-performance of 2% is evident. This can mainly be ascribed to the removal of rebates to customers with a property value above R1 million and the reduction in the rebate amount to individuals whose property value is between R350 000 and R1 million, coupled with the annual rates levied.

Electricity

YTD Revenue from electricity amounts to R59.5 million. Anticipated budgeted revenue amounted to R60.5 million, this represents an under-performance of 2%. Electricity revenue is influenced by fluctuating consumption during peak and off-peak periods and as we are approaching the peak season it is expected that an increase in consumption will occur. The prolonged load shedding remains a point of concern and as the lower demand is expected to negatively impact on this revenue source.

Water Service

Water revenue as at end of September 2023 amounts to R19.6 million while the YTD budget amounts to R21.7 million. This represents a 9% under-performance and is consistent with the colder and wetter weather conditions and seasonal consumption patterns. Load shedding also impacts on the municipality's ability and the cost associated with the delivery of water to end-users resulting in lower consumption trends establishing with increasing costs.

Sanitation Service

Sanitation revenue amounts to R18.5 million while YTD budget amounts to R19.4 million. This translates to a 5% under-performance for this category of revenue. The revenue item is being monitored due to its under-performance in the previous financial year and a concerted effort through the revenue enhancement program is underway to ensure that the revenue targets will be met. Attention must be drawn to the increase in indigent customers that have a huge impact on the revenue collection. Last year September the indigent base was at 2 275 customers while in this year, 2023, we have 4 836 customers, more than double.

Refuse Service

Refuse revenue as at the end of September 2023 amounts R12.0 million while the YTD budget amounts to R14.5 million. This is an under performance of 17%. This category of revenue forms part of the focus areas of the revenue enhancement programme and a concerted effort will be made in the current financial year to ensure this revenue source is performing adequately as the municipality is investing a sizeable amount of capital for improving this function. As per the explanation given under sanitation, our indigent base has a huge impact on our revenue collection and the under collection is showing this.

Rental from Fixed Assets

The revenue for rental from fixed assets for September 2023 amounts to R 325 545. This source of revenue is over performing by 26%. 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 amounts to R 2.2 million and R 5 million respectively, which in turn equates to an over-performance of 76% and 52% respectively for this revenue source. The interest on outstanding debtors, although performing above anticipation, is unlikely to be collected by the municipality.

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Revenue for fines, penalties and forfeits

Revenue from Fines as at end of September 2023 amounts to R7.5 million compared to the anticipated budgeted revenue of R7.9 million. This is an under-performance of 5%. Revenue recognition is only done on the 7th of each month, which means revenue for the month of September will form part of next month's reporting.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R60.3 million as at end of September 2023. Revenue from Transfers and Subsidies is under-performing with a percentage of 5%. It is anticipated that this result may come in-line with the budgetary predictions during the course of the financial year. We attempted to align the budget with the previous schedule to ensure that the items align.

Sale of Goods and Rendering of Services

Revenue collected for the month amounts to R2.3 million compared to an anticipated R2.9 million. This revenue source includes items such as building plan approval fees, town planning, fire services, staff housing etc.

Operational revenue

Revenue collected for the month amounts to R2.5 million compared to an anticipated R 552 000. The major contributor of the revenue remains breakage fees, development charges, handling fees, landing fees, staff, and councillor recoveries etc. Due to the above anticipated over performance of development charges, this revenue source will have to be adjusted upwards in the mid-term adjustment budget.

Total revenue for the month of September 2023 amounts to R63.4 million. YTD revenue compared to YTD anticipated budgeted revenue for the month amounts to an under-performance of 3%. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost for the month of September 2023 amounts to R22.6 million. The YTD budget amounts to R83 million and YTD actuals equates to R66.5 million. This translates to an under performance of 20%. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date.

Remuneration of councillors

Remuneration of councillors as at end of September 2023 amounts to R 547 749. This expenditure item underperforming by 14% for the month. The notice determining the upper limits of remuneration for public office bearers has been published and as soon as it is approved by council and concurrence is obtained from the MEC, it will be implemented, this will result in the expenditure drawing closer to the budget in future reporting periods.

Debt Impairment

No Debt Impairment was done for the month of September 2023.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of September 2023 amounts to R47.3 million compared to R62.7 million YTD budget, thus reporting an under performance of 24%. All payments to Eskom for the month of August 2023 and a partial payment for September 2023 has been included in this figure. Eskom payments are based on the consumption of the month and are normally due in the month following.

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Depreciation

Depreciation as at end September 2023 amounts to R10.0 million which is in line with the anticipated budget and thus performing adequately.

Inventory Consumed

Expenditure related to this item as at the end of September 2023 amounts to R1.9 million while the YTD budget amounts to R4.9 million. This expenditure item under-performed by 60% when compared to the YTD budget.

Contracted Services

Expenditure as at end of September 2023 amounts to R3.3 million and is under-performing by 86% when compared to the YTD budget of R23.9 million. It is expected that this category of expenditure will increase once all contracts have been concluded, the work is executed and payments are made during the remainder of the financial year.

Transfers and subsidies

Expenditure as at end of September 2023 amounts R2.7 million compared to the YTD budget of R3.0 million. An under-performance of 11% is reported for the month.

Operational Cost

Operational Cost YTD actuals after September 2023 amounts to R13.2 million while the YTD budget amounts to R22.3 million, which translates to an under performance of 41%. This includes items such as the rental expenses for offices, accommodation, insurance, travel and subsistence and telephone accounts. Some of the major contributors to this expenditure category is postage cost, external audit fees, bank charges and commission on prepaid electricity. It is also anticipated that this category of expenditure will gradually increase over the remainder of the financial year as operational activities gain momentum.

Total expenditure as at end of September 2023 amounts to R58.8 million. The municipality is reporting a surplus for September of R4.6 million, with an operating surplus of R72.8 million for the year-to-date.

Conclusion on Financial Position and performance

The operating surplus increased from a reported deficit for August 2022 of R 22.3 million to a R 4.6 million surplus for September 2023. This can mainly be ascribed to revenue recognition on fines and no debt written off in the month. The current cash flow is sufficient to meet the short and medium-term operational requirements however, it is still not sufficient to sustain operations in the long term. The current ratio is below the best practice norms. The liquidity position remains volatile and a concerted effort is still necessary to ensure the financial turnaround of the municipality.

The implementation of the financial recovery plan, especially the revenue enhancement strategy, receives dedicated attention to aid in the financial turnaround and to ensure that financial viability and long-term sustainability will be attained. It is expected that the results of the revenue enhancement program will be evident towards the end of the 3rd quarter of the current financial year.

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 be increased with the implementation of the SDBIP.

Table below relates to the budget performance by municipal vote. Most of the departments has underspent on their expenditure budget and collection on their revenue budget is starting to improve as per below.

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

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - M03 September

Description	2022/23	Budget Year 2023/24							
	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	-	179 779	179 779	14 530	45 781	44 945	836	2%	179 779
Service charges	-	464 234	464 234	35 932	109 647	116 058	(6 411)	-6%	464 234
Investment revenue	-	4 950	4 950	1 148	2 174	1 238	936	76%	4 950
Transfers and subsidies - Operational	-	163 277	163 277	-	60 303	62 425	(2 122)	-3%	163 277
Other own revenue	-	88 815	88 815	11 778	21 405	22 204	(799)	-4%	88 815
Total Revenue (excluding capital transfers and contributions)	-	901 055	901 055	63 388	239 310	246 869	(7 559)	-3%	901 055
Employee costs	-	333 063	333 063	22 567	66 522	83 144	(16 622)	-20%	333 063
Remuneration of Councillors	-	7 674	7 674	548	1 658	1 918	(261)	-14%	7 674
Depreciation and amortisation	-	40 059	40 059	3 338	10 014	10 014	-		40 059
Interest	-	13 428	13 428	32	106	3 357	(3 251)	-97%	13 428
Inventory consumed and bulk purchases	-	225 784	225 784	19 565	49 310	67 547	(18 237)	-27%	225 784
Transfers and subsidies	-	12 230	12 230	-	2 717	3 057	(341)	-11%	12 230
Other expenditure	-	268 038	268 038	12 739	36 102	67 020	(30 918)	-46%	268 038
Total Expenditure	-	900 274	900 274	58 788	166 428	236 058	(69 630)	-29%	900 274
Surplus/(Deficit)	-	780	780	4 600	72 882	10 811	62 071	574%	780
Transfers and subsidies - capital (monetary allocations)	-	37 468	39 127	-	-	9 782	(9 782)	-100%	39 127
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	-	38 248	39 908	4 600	72 882	20 593	52 289	254%	39 908
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	38 248	39 908	4 600	72 882	20 593	52 289	254%	39 908
Capital expenditure & funds sources									
Capital expenditure	-	109 432	116 645	3 694	4 075	29 161	(25 086)	-86%	116 645
Capital transfers recognised	-	34 335	35 995	1 900	2 281	8 999	(6 718)	-75%	35 995
Borrowing	-	45 150	47 673	1 278	1 278	11 918	(10 640)	-89%	47 673
Internally generated funds	-	29 947	32 978	516	516	8 244	(7 728)	-94%	32 978
Total sources of capital funds	-	109 432	116 645	3 694	4 075	29 161	(25 086)	-86%	116 645
Financial position									
Total current assets	-	429 672	422 171		614 567				422 171
Total non current assets	-	1 335 112	1 342 325		1 249 407				1 342 325
Total current liabilities	-	426 612	424 665		479 012				424 665
Total non current liabilities	-	190 333	190 333		160 157				190 333
Community wealth/Equity	-	1 147 839	1 149 498		1 224 805				1 149 498
Cash flows									
Net cash from (used) operating	-	75 138	75 138	53 916	151 590	30 880	(120 710)	-391%	724 175
Net cash from (used) investing	-	(98 470)	(105 971)	(3 694)	(4 075)	31 974	36 049	113%	127 895
Net cash from (used) financing	-	19 383	19 383	(391)	(1 100)	10 037	11 137	111%	40 150
Cash/cash equivalents at the month/year end	-	55 791	48 290	-	241 493	132 631	(108 862)	-82%	987 298
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	39 100	11 722	9 158	7 924	251 005	-	-	-	318 909
Creditors Age Analysis									
Total Creditors	754	23 663	23 646	-	-	-	-	-	48 063

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end September 2023 amounts to R239.3 million, this is an under-performance of 6.8%. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at September 2023 amounts R166.4 million. The total expenditure budget is under-performing by 29.5%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		–	2 918	2 918	–	–	–	–		2 918
Vote 2 - Office of the Municipal Manager		–	62 081	62 081	(44 908)	15 587	15 520	67	0,4%	62 081
Vote 3 - Community Services		–	137 471	137 471	19 250	28 745	34 368	(5 622)	-16,4%	137 471
Vote 4 - Corporate Services		–	19	19	–	–	5	(5)	-100,0%	19
Vote 5 - Financial Services		–	207 447	207 447	23 109	56 567	55 407	1 160	2,1%	207 447
Vote 6 - Economic Development & Planning		–	21 821	23 481	844	2 020	5 870	(3 850)	-65,6%	23 481
Vote 7 - Engineering Services		–	506 765	506 765	65 093	136 390	145 481	(9 091)	-6,2%	506 765
Total Revenue by Vote	2	–	938 523	940 182	63 388	239 310	256 651	(17 341)	–6,8%	940 182
Expenditure by Vote	1									
Vote 1 - Council		–	13 229	13 229	989	2 500	3 318	(818)	-24,7%	13 229
Vote 2 - Office of the Municipal Manager		–	24 180	24 180	2 076	6 275	6 045	230	3,8%	24 180
Vote 3 - Community Services		–	220 646	220 646	15 274	39 180	55 161	(15 981)	-29,0%	220 646
Vote 4 - Corporate Services		–	81 193	81 193	4 486	9 928	20 298	(10 371)	-51,1%	81 193
Vote 5 - Financial Services		–	67 121	67 121	3 376	8 754	16 780	(8 025)	-47,8%	67 121
Vote 6 - Economic Development & Planning		–	43 237	43 237	2 724	9 623	10 809	(1 186)	-11,0%	43 237
Vote 7 - Engineering Services		–	450 669	450 669	29 865	90 168	123 647	(33 479)	-27,1%	450 669
Total Expenditure by Vote	2	–	900 274	900 274	58 788	166 428	236 058	(69 630)	–29,5%	900 274
Surplus/ (Deficit) for the year	2	–	38 248	39 908	4 600	72 882	20 593	52 289	253,9%	39 908

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		-	4 780	4 780	-	-	1 195	(1 195)	-100%	4 780
Vote 4 - Corporate Services		-	1 016	1 016	51	51	254	(203)	-80%	1 016
Vote 5 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	-	-	-	-	-	-	-	-
Vote 7 - Engineering Services		-	40 959	42 894	1 103	1 103	10 723	(9 620)	-90%	42 894
Total Capital Multi-year expenditure	4,7	-	46 755	48 690	1 154	1 154	12 172	(11 018)	-91%	48 690
Single Year expenditure appropriation	2									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	1 000	1 000	-	-	250	(250)	-100%	1 000
Vote 3 - Community Services		-	835	1 686	-	-	421	(421)	-100%	1 686
Vote 4 - Corporate Services		-	561	561	10	10	140	(130)	-93%	561
Vote 5 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		-	304	304	-	-	76	(76)	-100%	304
Vote 7 - Engineering Services		-	59 977	64 404	2 530	2 911	16 101	(13 190)	-82%	64 404
Total Capital single-year expenditure	4	-	62 677	67 955	2 540	2 921	16 989	(14 068)	-83%	67 955
Total Capital Expenditure	3	-	109 432	116 645	3 694	4 075	29 161	(25 086)	-86%	116 645
Capital Expenditure - Functional Classification										
Governance and administration		-	20 857	21 658	61	61	5 414	(5 353)	-99%	21 658
Executive and council		-	1 000	1 000	-	-	250	(250)	-100%	1 000
Finance and administration		-	19 857	20 658	61	61	5 164	(5 103)	-99%	20 658
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	4 265	4 265	-	-	1 066	(1 066)	-100%	4 265
Community and social services		-	2 880	2 880	-	-	720	(720)	-100%	2 880
Sport and recreation		-	1 000	1 000	-	-	250	(250)	-100%	1 000
Public safety		-	385	385	-	-	96	(96)	-100%	385
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	13 973	16 001	849	849	4 000	(3 151)	-79%	16 001
Planning and development		-	304	304	-	-	76	(76)	-100%	304
Road transport		-	13 669	15 696	849	849	3 924	(3 075)	-78%	15 696
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	70 337	74 722	2 784	3 165	18 680	(15 515)	-83%	74 722
Energy sources		-	23 741	24 662	-	-	6 166	(6 166)	-100%	24 662
Water management		-	27 350	29 900	2 329	2 710	7 475	(4 765)	-64%	29 900
Waste water management		-	17 896	18 759	455	455	4 690	(4 235)	-90%	18 759
Waste management		-	1 350	1 400	-	-	350	(350)	-100%	1 400
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	109 432	116 645	3 694	4 075	29 161	(25 086)	-86%	116 645
Funded by:										
National Government		-	23 581	23 581	1 699	2 080	5 895	(3 815)	-65%	23 581
Provincial Government		-	10 754	12 414	200	200	3 103	(2 903)	-94%	12 414
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	34 335	35 995	1 900	2 281	8 999	(6 718)	-75%	35 995
Borrowing	6	-	45 150	47 673	1 278	1 278	11 918	(10 640)	-89%	47 673
Internally generated funds		-	29 947	32 978	516	516	8 244	(7 728)	-94%	32 978
Total Capital Funding	7	-	109 432	116 645	3 694	4 075	29 161	(25 086)	-86%	116 645

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 3.7 million.

It should be noted that majority of the approved capital projects currently reflect a 4% spending which could mean these projects are under-performing, it should also be noted that the commitments (shadow balances) loaded on the FMS amounts to R26.9 million, which translates to 23% of the total capital budget still being under shadow.

A roll-over budget was approved for unspent funds of the previous year.

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	Adjusted Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	20 299 130.00	20 299 130.00	1 699 273.04	11 096 688.16	2 080 264.87
INEP	3 281 739.00	3 281 739.00	0	0	0
INFORMAL SETTLEMENTS	10 000 000.00	11 659 471.00	200 319.83	425 638.96	200 319.83
LIBRARY CONDITIONAL GRANT	450 000.00	450 000.00	0	0	0
RSEP	304 348.00	304 348.00	0	0	0
BORROWINGS	45 150 000.00	47 672 655.00	1 278 489.74	14 107 834.20	1 278 489.74
AFR	29 946 887.00	32 977 618.00	516 040.91	1 281 398.78	516 040.91
TOTAL	109 432 104.00	116 644 962.00	3 694 123.52	26 911 560.10	4 075 115.35

BITOU LOCAL MUNICIPALITY

Chart C1 2023/24 Capital Expenditure Monthly Trend: actual v target

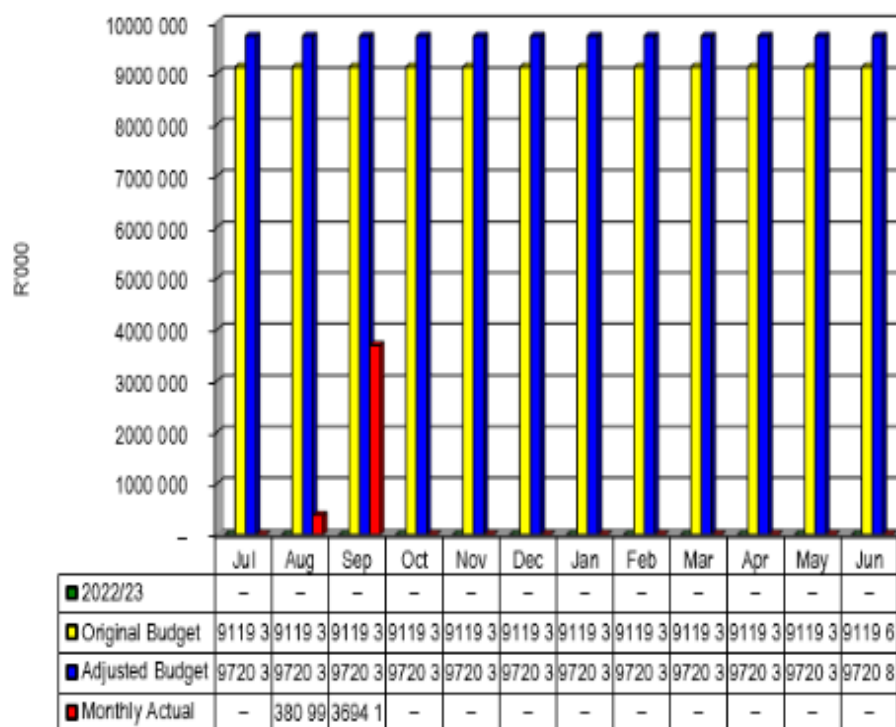
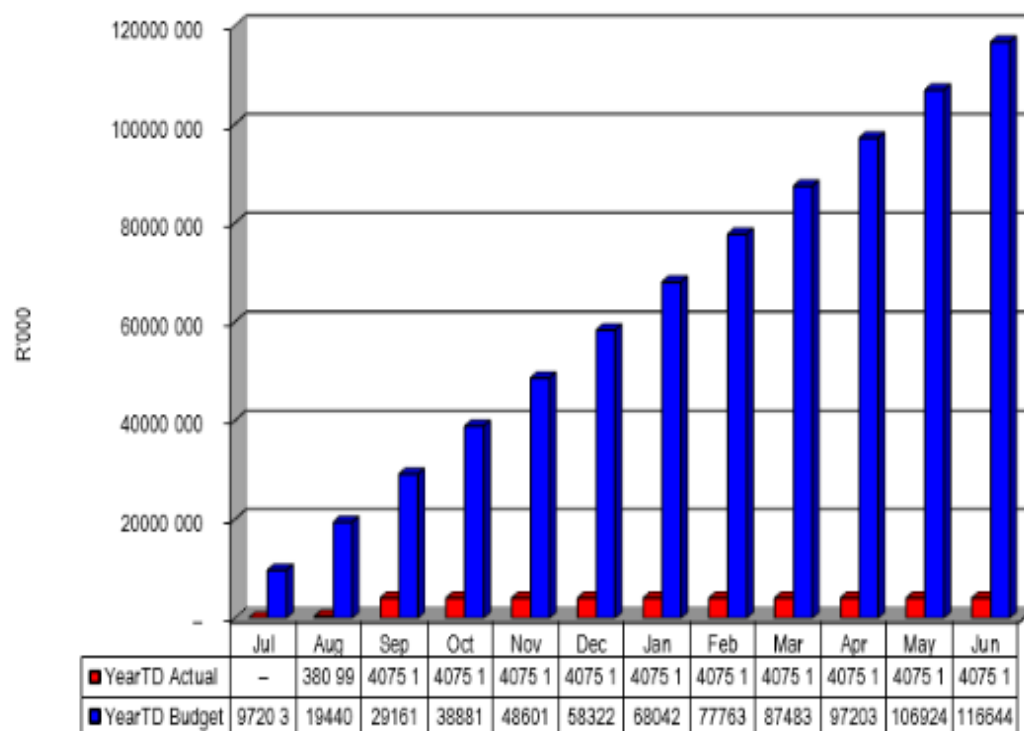


Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		–	55 750	48 249	241 493	48 249
Trade and other receivables from exchange transactions		–	43 839	43 839	50 814	43 839
Receivables from non-exchange transactions		–	100 771	100 771	44 500	100 771
Current portion of non-current receivables		–	11	11	9	11
Inventory		–	16 538	16 538	14 729	16 538
VAT		–	212 584	212 584	262 458	212 584
Other current assets		–	180	180	563	180
Total current assets		–	429 672	422 171	614 567	422 171
Non current assets						
Investments		–	–	–	–	–
Investment property		–	12 692	12 692	12 692	12 692
Property, plant and equipment		–	1 322 385	1 329 597	1 236 680	1 329 597
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	35	35	35	35
Intangible assets		–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		–	1 335 112	1 342 325	1 249 407	1 342 325
TOTAL ASSETS		–	1 764 784	1 764 496	1 863 973	1 764 496
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	0	0	19 531	0
Consumer deposits		–	9 848	9 848	11 009	9 848
Trade and other payables from exchange transactions		–	79 612	79 324	157 615	79 324
Trade and other payables from non-exchange transactions		–	(15 640)	(17 300)	(10 776)	(17 300)
Provision		–	113 636	113 636	38 496	113 636
VAT		–	239 157	239 157	263 138	239 157
Other current liabilities		–	–	–	–	–
Total current liabilities		–	426 612	424 665	479 012	424 665
Non current liabilities						
Financial liabilities		–	121 558	121 558	81 449	121 558
Provision		–	10 320	10 320	12 596	10 320
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	58 456	58 456	66 112	58 456
Total non current liabilities		–	190 333	190 333	160 157	190 333
TOTAL LIABILITIES		–	616 946	614 998	639 169	614 998
NET ASSETS	2	–	1 147 839	1 149 498	1 224 805	1 149 498
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	1 099 339	1 100 998	1 194 855	1 100 998
Reserves and funds		–	48 500	48 500	29 950	48 500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	1 147 839	1 149 498	1 224 805	1 149 498

BITOU LOCAL MUNICIPALITY

The table above reflects the statement of financial position of the municipality. The total current assets at the end of September 2023 amounts to R614.6 million. The municipality reports total short-term investments at R 94.6 million and cash of R28.5 million for the month. The municipality reports a positive cashbook balance of R28.5 million.

The current liabilities for the month amounts R479.0 million. The current ratio for the month equates 1.28:1, which is below best practice norms. However this is not a true reflection as the anomalies mentioned previously skew the picture of the ratio and once resolved will have a better outlook. 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 - M03 September										
Description	Ref	2022/23	Budget Year 2023/24							
		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		–	163 156	163 156	12 708	40 156	40 789	(633)	-2%	163 156
Service charges		–	422 573	422 573	29 099	106 782	105 643	1 138	1%	422 573
Other revenue		–	22 595	22 595	12 036	15 312	5 649	9 663	171%	22 595
Transfers and Subsidies - Operational		–	163 277	163 277	–	63 114	62 187	927	1%	163 277
Transfers and Subsidies - Capital		–	37 468	37 468	–	3 420	10 746	(7 326)	-68%	37 468
Interest		–	8 221	8 221	2 349	8 147	2 055	6 092	296%	8 221
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(716 494)	(716 494)	(2 245)	(82 518)	(189 775)	(107 257)	57%	(67 458)
Interest		–	(13 428)	(13 428)	(32)	(106)	(3 357)	(3 251)	97%	(13 428)
Transfers and Subsidies		–	(12 230)	(12 230)	–	(2 717)	(3 057)	(341)	11%	(12 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	75 138	75 138	53 916	151 590	30 880	(120 710)	-391%	724 175
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	10 962	10 962	–	–	2 740	(2 740)	-100%	10 962
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		–	(109 432)	(116 933)	(3 694)	(4 075)	29 233	33 308	114%	116 933
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(98 470)	(105 971)	(3 694)	(4 075)	31 974	36 049	113%	127 895
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	40 150	40 150	–	–	10 037	(10 037)	-100%	40 150
Increase (decrease) in consumer deposits		–	–	–	–	216	–	216	0%	–
Payments										
Repayment of borrowing		–	(20 767)	(20 767)	(391)	(1 315)	–	1 315	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	19 383	19 383	(391)	(1 100)	10 037	11 137	111%	40 150
NET INCREASE/ (DECREASE) IN CASH HELD		–	(3 949)	(11 450)	49 831	146 415	72 891			892 220
Cash/cash equivalents at beginning:		–	59 740	59 740		95 078	59 740			95 078
Cash/cash equivalents at month/year end:		–	55 791	48 290		241 493	132 631			987 298

The municipality is reporting a positive R53.9 million on monthly actual net cash from operating activities. These are mostly month to month operating expenses and operating income and a sharp increase is usually anticipated upon the start of the book year as procurement processes are only starting.

Monthly actual net cash (used) on investing activities is reported at R 3.7 million which is mostly influenced by spending on capital projects.

The net cash (**used**) for financing activities are mostly influenced by the repayment of loans. The amount as at September 2023 amounts to R 390 528. The previous bi-annual redemption was done in June 2023. The next payment will occur in December 2023.

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December 2023 Future Payments:						R	14 497 761,88
Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Instalment		
ABSA - 2015/2016	Friday, 29 December 2023	22 December 2023	R 432 735,63	R 1 215 459,53	R	1 648 195,16	
ABSA - 2016/2017	Friday, 29 December 2023	22 December 2023	R 657 971,02	R 1 355 611,19	R	2 013 582,21	
Sub for Financial Institution				R 2 571 070,72	R	3 661 777,37	
DBSA - 103437/1	Friday, 29 December 2023	22 December 2023	R 819 487,88	R 879 304,74	R	1 698 792,62	
DBSA - 103437/2	Friday, 29 December 2023	22 December 2023	R 20 390,30	R 174 975,51	R	195 365,81	
Sub for Financial Institution				R 1 054 280,25	R	1 894 158,43	
Ref: 537504	STANDARD BANK - 282024913	Friday, 29 December 2023	R 293 512,09	R 1 173 158,69	R	1 466 670,78	
Ref: 536665	STANDARD BANK - 082602247	Friday, 29 December 2023	R 107 618,74	R 917 973,73	R	1 025 592,47	
Sub for Financial Institution				R 2 091 132,42	R	2 492 263,25	
NEDBANK - 2017/2018	Friday, 29 December 2023	22 December 2023	R 1 015 517,53	R 1 520 885,97	R	2 536 403,50	
NEDBANK - 2022/2023	Friday, 29 December 2023	22 December 2023	R 2 086 669,46	R 970 848,91	R	3 057 518,37	
NEDBANK - 2022/2023	Monthly	Debit Order	R 161 879,12	R 693 761,84	R	855 640,96	
Sub for Financial Institution					R	6 449 562,83	
June 2024 Future Payments:						R	14 497 662,83
Bank/ Loan Reference	Amortisation Date	Future Payment Date	Interest Amount	Redemption Amount	Total Instalment		
ABSA - 2015/2016	Wednesday, 28 June 2023	24 June 2023	R 365 243,68	R 1 282 951,48	R	1 648 195,16	
ABSA - 2016/2017	Wednesday, 28 June 2023	24 June 2023	R 582 953,94	R 1 430 628,31	R	2 013 582,25	
Sub for Financial Institution					R	3 661 777,41	
DBSA - 103437/1	Wednesday, 28 June 2023	24 June 2023	R 761 649,62	R 937 143,00	R	1 698 792,62	
DBSA - 103437/2	Wednesday, 28 June 2023	24 June 2023	R 10 361,98	R 184 883,47	R	195 245,45	
Sub for Financial Institution					R	1 894 038,07	
Ref: 537504	STANDARD BANK - 282024913	Wednesday, 28 June 2023	R 55 300,26	R 970 313,50	R	1 025 613,76	
Ref: 536665	STANDARD BANK - 082602247	Wednesday, 28 June 2023	R 226 164,74	R 1 240 506,04	R	1 466 670,78	
Sub for Financial Institution					R	2 492 284,54	
NEDBANK - 2017/2018	Wednesday, 28 June 2023	24 June 2023	R 951 008,17	R 1 585 395,30	R	2 536 403,47	
NEDBANK - 2022/2023	Wednesday, 28 June 2023	24 June 2023	R 2 006 908,42	R 1 050 609,96	R	3 057 518,38	
NEDBANK	Wednesday, 28 June 2023	24 June 2023	R 120 296,45	R 735 344,51	R	855 640,96	
Sub for Financial Institution					R	6 449 562,81	

The municipality reports cash and cash equivalents amounting to R123.2 million, however the trial balance shows an amount of R 241.5 million . This is mainly due to the migration of the bank reconciliation to the modernised financial system, which will be in-line before the end of the second quarter. Cash and Cash equivalents includes cash at bank and short-term investment.

BITOU LOCAL MUNICIPALITY

Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

2024 Data - Supporting Table 600 monthly budget statement - Debtors - 1000 September													
Description	NT Code	Budget Year 2023/24										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	5 983	3 169	2 426	2 332	70 372	-	-	-	84 283	72 704	6	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 930	1 761	667	430	14 452	-	-	-	30 240	14 882	214	-
Receivables from Non-exchange Transactions - Property Rates	1400	11 109	2 146	1 821	1 149	44 304	-	-	-	60 529	45 453	47	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 473	1 709	1 598	1 459	50 324	-	-	-	58 562	51 782	21	-
Receivables from Exchange Transactions - Waste Management	1600	5 427	2 559	2 593	2 413	85 927	-	-	-	98 918	88 340	10	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	178	378	53	141	(14 373)	-	-	-	(13 623)	(14 232)	-	-
Total By Income Source	2000	39 100	11 722	9 158	7 924	251 005	-	-	-	318 909	258 929	298	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	503	215	101	76	443	-	-	-	1 338	519	-	-
Commercial	2300	3 826	1 006	730	664	2 995	-	-	-	9 220	3 659	-	-
Households	2400	34 771	10 501	8 328	7 184	247 567	-	-	-	308 350	254 750	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	39 100	11 722	9 158	7 924	251 005	-	-	-	318 909	258 929	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 251.0 million on outstanding debtors older than 121 days and a total outstanding amount of R 318.9 million.

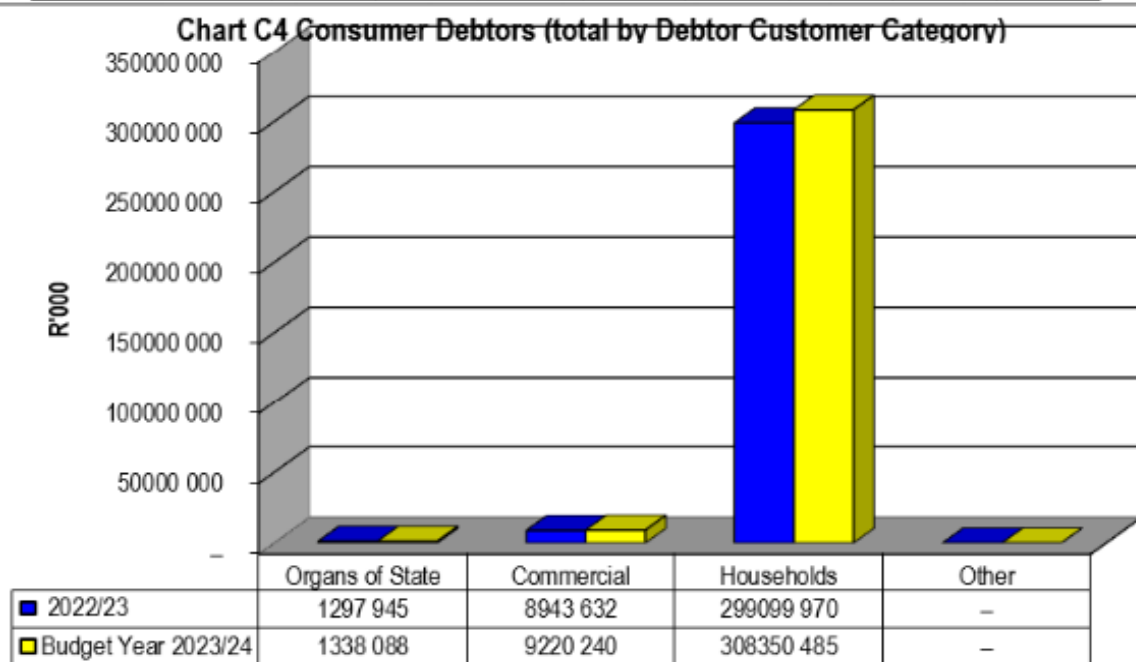
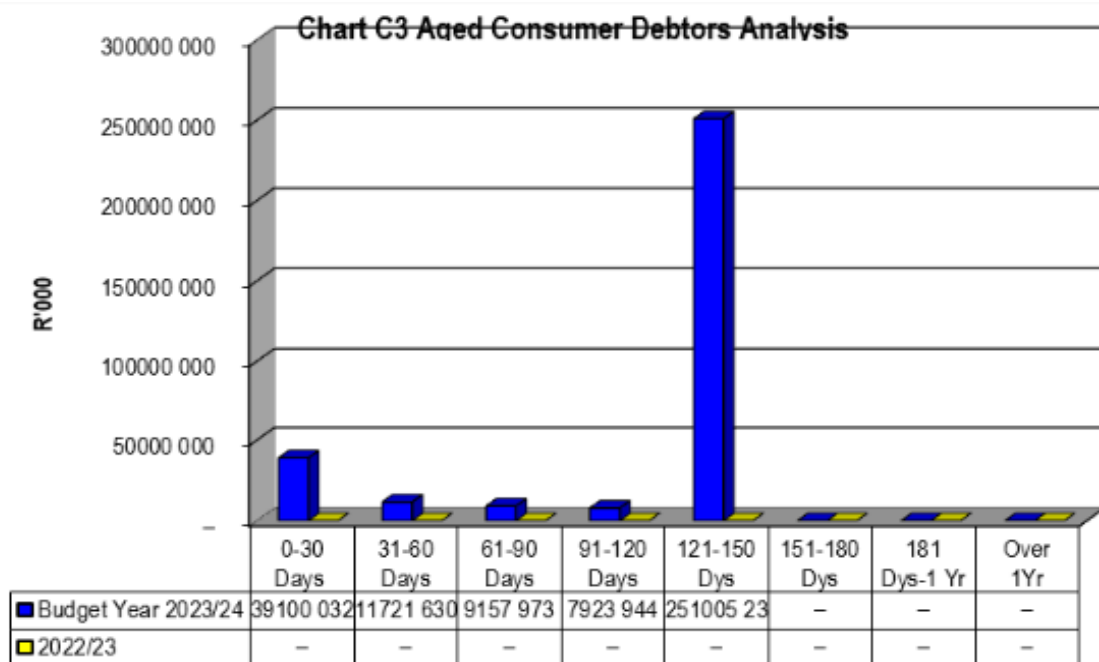
The contributors to the outstanding debt remain the household debt which represent 96.7% of total debt, followed by businesses with 2.9% and organs of state contributing 0.4%

The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which includes blocking prepaid electricity for users in arrears and applying water restrictions in arrears where Eskom is the electricity distributor. Customers are informed prior to these actions being 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 September 2023 is 87.75%. See below debtor payment percentage breakdown achieved from July 2023 to September 2023. There was an error in the calculation for August 2023 and has now been rectified.

DETAILS	Jul-23	Aug-23	Sep-23
Gross Debtors Opening Balance	311 714 712,48	325 457 401,09	311 707 939,49
Billed Revenue	64 171 991,48	63 743 410,41	61 507 967,05
Gross Debtors Closing Balance	325 457 401,09	311 707 939,49	318 908 811,66
Bad Debt Written off	28 348,72	21 724 353,89	336 526,02
Payment received	50 457 651,59	55 768 518,12	53 970 568,86
Billed Revenue	64 171 991,48	63 743 410,41	61 507 967,05
% Debtor payment achieved	78,63%	87,49%	87,75%

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Section 6 – Creditors' age analysis

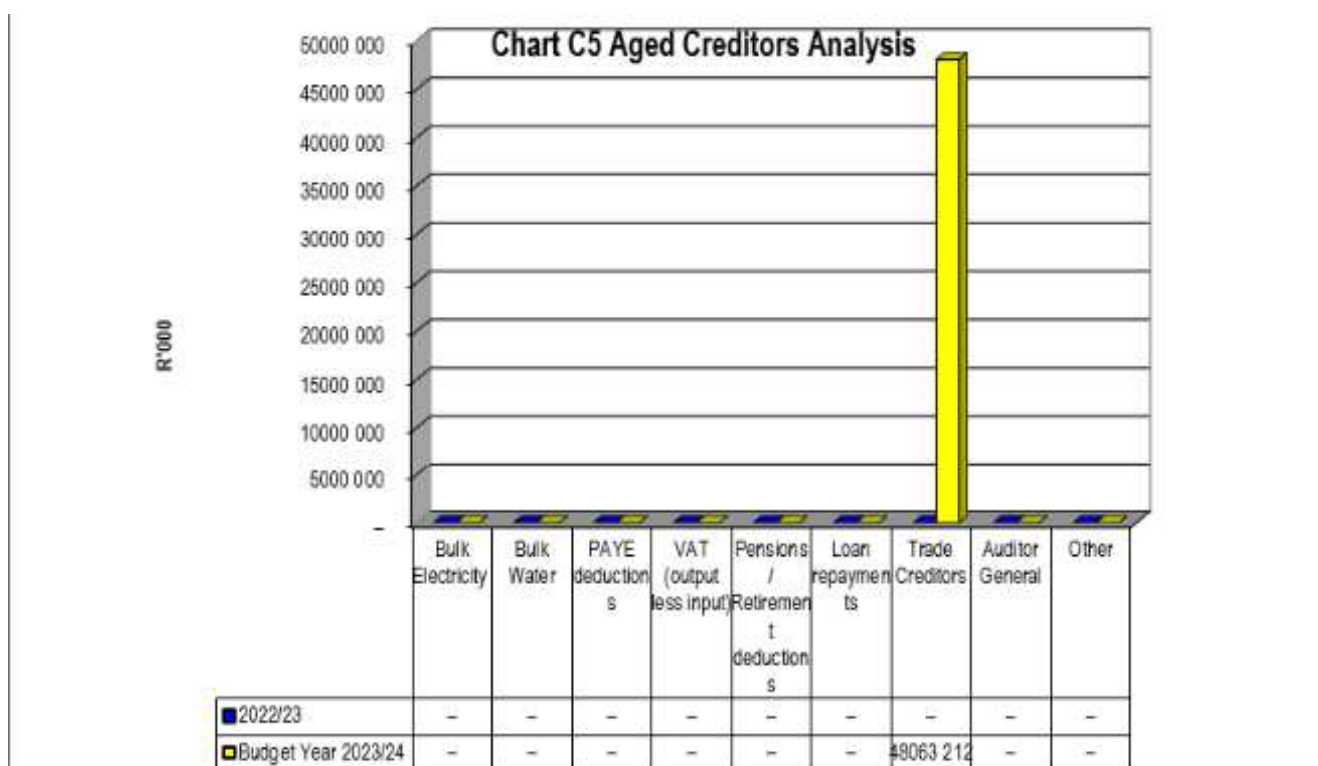
6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September											
Description R thousands	NT Code	Budget Year 2023/24									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	754	23 663	23 646	-	-	-	-	-	48 063	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	754	23 663	23 646	-	-	-	-	-	48 063	-

Creditors Age Analysis

The municipality reports a total amount of R48.1 million on trade creditors in September 2023.



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Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Nedbank 176600029		180 days	Fixed deposit						19/09/2023	14 335	275	-14 610 476,71	-	-
Absa Bank 9378543662		Call deposit	Call deposit						Call deposit	7 645	56		-	7 701
Absa Bank 9377092408-3		Call deposit	Call deposit						Call deposit	2 778	20		-	2 799
Absa Bank 2081155032		150 days	Fixed deposit						2023/04/12	13 150	-		-	13 150
Absa Bank 9380348553		Call deposit	Call deposit						Call deposit	18 247	133		-	18 380
Nedbank 1766000029-2		360 days	Fixed deposit						2024/01/07	12 500	-		-	12 500
Standard Bank 488607000-075		120 days	Fixed deposit						2023/04/11	14 000	-		-	14 000
Standard Bank 488607000-076		60 days	Fixed deposit						2023/05/09	20 000	302	-20 301 643,84	-	-
Standard Bank 488607000-077		90 days	Fixed deposit						16/10/2023	5 000	-		-	5 000
Standard Bank 488607000-079		Call deposit	Call deposit						Call deposit		21	5 000 000,00	-	5 021
Standard Bank 488607000-078		Call deposit	Call deposit						Call deposit		21	5 000 000,00	-	5 021
Absa Bank 9381946782		Call deposit	Call deposit						Call deposit	-	54	11 000 000,00	-	11 054
Municipality sub-total										107 655	883		-	94 626

Investment portfolio analysis

The municipality has investments with a total value of R94.6 million as at September 2023. Interest earned on fixed deposits will only be recognised upon maturity, but it will be accrued at year end.

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M03)
WATER SERVICES INFRASTRUCTURE GRANT	-
LOCAL GOVERNMENT, WATER AND RELATED SETA	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	-
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	-
EQUITABLE SHARE	60 303 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	-
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES -	-
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	-
MUNICIPAL INFRASTRUCTURE GRANT	-
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP)	-
THUSONG SERVICES CENTRES	-
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	-
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	-
FINANCIAL MANAGEMENT CAPACITY BUILDING	-

60 303 000,00

The table above reflects the income recognition done up until the month of September 2023. Transfers and subsidies amount to R 60.3 million, which includes capital and operational grants. Outstanding journals for the revenue recognition will reflect upon the next reporting period.

Grant Description	Year- To-Date Actual Balance (M03)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	673 043,49
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	2 747 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	-
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	-
SETA:RECEIPTS	70 589,62
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 771 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	469 000,00
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	-
COMMUNITY LIBRARY SERVICES	-
COMMUNITY DEVELOPMENT WORKERS	-
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	-
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	-
FINANCIAL MANAGEMENT CAPACITY BUILDING	500 000,00

6 230 633,11

The table above reflects the grant receipts for September 2023.

BITOU LOCAL MUNICIPALITY

Anomalies identified in the report

Various anomalies were identified in the report have been highlighted in the appropriate sections, the cause of said anomalies are ascribed to the implementation of the financial system's SCM module and Web functionality. Continuous engagements between the municipality and the service provider are underway to resolve the inadequacies in reporting and to resolve same to ensure more accurate reporting in the future reporting periods.

Municipal manager's quality certification

Municipal manager's quality certification

An in-year report must be covered by a quality certificate in the format described below:

QUALITY CERTIFICATE

I, **Mbulelo Memani**, the Municipal Manager of Bitou Local Municipality, hereby certify that -
(mark as appropriate)

- ☒ The monthly budget statement
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid-year budget and performance assessment

For the month ended 30 September 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Mr. M Memani

Municipal Manager of Bitou Local Municipality – WC047

Date

