

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month  
ended 30 November 2023**

## Table of Contents

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

## BITOU LOCAL MUNICIPALITY

### Glossary

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

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

**Budget** – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## BITOU LOCAL MUNICIPALITY

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

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

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

**Virement** – A transfer of budget.

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

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

# BITOU LOCAL MUNICIPALITY

## **Legislative Framework**

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

## **PART 1 – IN-YEAR REPORT**

### **Section 1 – November Report**

#### ***1.1 In-Year Report – Monthly Budget Statement***

The report outlines the financial performance and position of the municipality for the month ended November 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 November 2023 amounts to R119.5 million, however the trial balance shows an amount of R285.7 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 November 2023.

### **Section 3 – Executive Summary**

#### **3.1 Introduction**

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

# BITOU LOCAL MUNICIPALITY

## Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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		461 083	500 877	500 877	42 558	205 616	208 699	(3 082)	-1%	500 877
Service charges - Electricity		210 201	241 830	241 830	18 512	96 863	100 762	(3 899)	-4%	241 830
Service charges - Water		86 449	86 725	86 725	6 504	33 838	36 135	(2 297)	-6%	86 725
Service charges - Waste Water Management		78 406	77 663	77 663	6 198	30 663	32 360	(1 697)	-5%	77 663
Service charges - Waste management		45 502	58 016	58 016	3 895	19 789	24 173	(4 384)	-18%	58 016
Sale of Goods and Rendering of Services		6 867	11 571	11 571	1 223	3 321	4 821	(1 501)	-31%	11 571
Agency services		2 501	3 014	3 014	–	686	1 256	(570)	-45%	3 014
Interest earned from Receivables		17 120	13 282	13 282	1 504	7 941	5 534	2 407	43%	13 282
Interest earned from Current and Non Current Assets		8 035	4 950	4 950	1 131	3 972	2 063	1 910	93%	4 950
Rental from Fixed Assets		1 124	1 030	1 030	69	551	429	122	28%	1 030
Licence and permits		1 196	589	589	87	727	245	482	197%	589
Operational Revenue		3 683	2 207	2 207	3 435	7 266	919,445	6 346	690%	2 207
Non-Exchange Revenue		378 896	400 177	400 177	16 730	151 444	166 748	(15 303)	-9%	400 177
Property rates		151 445	179 779	179 779	15 569	75 429	74 908	521	1%	179 779
Surcharges and Taxes		–	1 500	1 500	118	708	625	83	13%	1 500
Fines, penalties and forfeits		46 722	31 699	31 699	–	11 083	13 208	(2 125)	-16%	31 699
Licence and permits		–	696	696	–	–	290	(290)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	163 277	624	61 475	68 039	(6 564)	-10%	163 277
Interest		4 242	3 759	3 759	162	1 137	1 566	(430)	-27%	3 759
Operational Revenue		2 064	15 518	15 518	257	1 612	6 466	(4 853)	-75%	15 518
Gains on disposal of Assets		441	3 950	3 950	–	–	1 646	(1 646)	-100%	3 950
Other Gains		18 011	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	901 055	59 288	357 061	375 446	(18 386)	-5%	901 055
Expenditure By Type										
Employee related costs		286 329	333 063	333 013	24 603	113 872	139 036	(25 165)	-18%	333 013
Remuneration of councillors		6 721	7 674	7 674	976	3 182	3 197	(15)	0%	7 674
Bulk purchases - electricity		162 599	206 241	206 241	14 829	73 882	93 035	(19 153)	-21%	206 241
Inventory consumed		15 349	19 543	19 867	936	3 681	8 278	(4 596)	-56%	19 867
Debt impairment		28 623	18 270	18 270	–	–	7 612	(7 612)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	3 338	16 691	16 691	–		40 059
Interest		19 740	13 428	13 428	26	161	5 595	(5 434)	-97%	13 428
Contracted services		72 886	95 793	95 534	6 106	13 588	39 805	(26 218)	-66%	95 534
Transfers and subsidies		5 626	12 230	11 430	15	2 732	4 762	(2 031)	-43%	11 430
Irrecoverable debts written off		88 945	64 900	64 900	101	33 439	27 042	6 397	24%	64 900
Operational costs		72 058	89 075	89 860	3 486	24 186	37 440	(13 255)	-35%	89 860
Losses on Disposal of Assets		1 515	–	–	–	–	–	–		–
Other Losses		9	–	–	–	–	–	–		–
Total Expenditure		796 794	900 274	900 274	54 417	285 412	382 494	(97 082)	-25%	900 274
Surplus/(Deficit)		43 185	780	780	4 872	71 649	(7 047)	78 696	(0)	780
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	39 127	2 722	3 305	16 303	(12 998)	(0)	39 127
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	39 908	7 593	74 954	9 256			39 908
Surplus/(Deficit) after income tax		79 752	38 248	39 908	7 593	74 954	9 256			39 908
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		79 752	38 248	39 908	7 593	74 954	9 256			39 908
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		79 752	38 248	39 908	7 593	74 954	9 256			39 908

## **BITOU LOCAL MUNICIPALITY**

### **Revenue by Source**

#### **Property Rates**

Property rates for the month amounts to R15.7 million. When comparing the YTD actuals with the YTD budget, the revenue source is adequately performing. 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 R96.9 million. Anticipated budgeted revenue amounted to R100.8 million, this represents an under-performance of 4%. 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 the reduction in availability of electricity is expected to continue to negatively impact on this revenue source.

#### **Water Service**

Water revenue as at end of November 2023 amounts to R33.8 million while the YTD budget amounts to R36.1 million. This represents a 6% under-performance and as we are approaching the peak season it is expected that an increase in consumption will occur.

#### **Sanitation Service**

Sanitation revenue amounts to R30.7 million while YTD budget amounts to R32.3 million. This translates to a 5% under-performance for this category of revenue consistent with the previous month. 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. It is expected that the revenue enhancement will add to increasing the revenue source over the remainder of the budget period.

#### **Refuse Service**

Refuse revenue as at the end of November 2023 amounts R19.8 million while the YTD budget amounts to R24.2 million. This is an under performance of 18%, consistent with the previous month. 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. The increase in the number of registered indigents that are fully subsidised in respect of a single household removal also impacts significantly on the year-to-date performance.

#### **Rental from Fixed Assets**

The revenue for rental from fixed assets for November 2023 amounts to R 580 822. This source of revenue is over performing by 28%. 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 3.9 million and R 7.9 million respectively, which in turn equates to an over-performance of 93% and 43% respectively for this revenue source. The interest on outstanding debtors, although performing above anticipation, is unlikely to be collected by the municipality.

## **BITOU LOCAL MUNICIPALITY**

### **Revenue for fines, penalties and forfeits**

Revenue from Fines as at end of November 2023 amounts to R11.1 million compared to the anticipated budgeted revenue of R13.2 million. This is an underperformance of 16%. Revenue recognition is only done on the 7<sup>th</sup> of each month, which means revenue for the month of November will form part of next month's reporting. No recognition has been done for October 2023.

### **Transfers and Subsidies**

Revenue from Transfers and Subsidies amounts to R61.5 million as at end of November 2023. This revenue source has an under-performance of 10%. It is anticipated that this result may come in-line with the budgetary predictions during the remainder of the financial year.

### **Sale of Goods and Rendering of Services**

Revenue collected as at end November 2023 amounts to R3.3 million compared to an anticipated R4.8 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 R7.3 million compared to an anticipated R 919 445. The major contributor of the revenue development charges, and landing fees. 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 November 2023 amounts to R59.3 million. YTD revenue compared to YTD anticipated budgeted revenue for the month amounts to an under-performance of 5%. This, however, exclude revenue from capital contributions.

## **Expenditure**

### **Employee related cost**

Employee related cost for the month of November 2023 amounts to R24.6 million. The YTD budget amounts to R139 million and YTD actuals equates to R113.9 million. This translates to an under performance of 18%. 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 November 2023 amounts to R 3.2 million. This expenditure item adequately performing. The notice determining the upper limits of remuneration for public office bearers has been published and concurrence was obtained from the MEC for the implementation thereof.

### **Debt Impairment**

No Debt Impairment was done for the month of November 2023, this will be done as part of the year end processes and the mid-year budget will be adjustment to reflect the same.

### **Bulk Purchases**

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of November 2023 amounts to R73.9 million compared to R93 million YTD budget, thus reporting an under performance of 21%. Eskom payments are based on the consumption of the month and are normally due in the following month, which for November 2023 equates to R12.3 million.



## **BITOU LOCAL MUNICIPALITY**

### **Depreciation**

Depreciation as at end November 2023 amounts to R16.7 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 November 2023 amounts to R3.7 million while the YTD budget amounts to R8.3 million. This expenditure item is under-performing by 56% when compared to the YTD budget. It is anticipated that this item will increase as the year commences and maintenance projects are completed.

### **Contracted Services**

Expenditure as at end of November 2023 amounts to R13.6 million and is under-performing by 66% when compared to the YTD budget of R39.8 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, which will materialise during the remainder of the financial year.

### **Transfers and subsidies**

Expenditure as at end of November 2023 amounts R2.7 million compared to the YTD budget of R4.8 million. An under-performance of 43% is reported for the month. Expenditure falling under this category include Grant-in-aid and payment to the Shark Spotter programme.

### **Operational Cost**

Operational Cost YTD actuals after November 2023 amounts to R24.2 million while the YTD budget amounts to R37.4 million, which translates to an under performance of 35%. 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** for the month of November 2023 amounts to R54.4 million.

### **Conclusion on Financial Position and performance**

The municipality is reporting a surplus for the month of November of R7.6 million, with an operating surplus of R74.9 million for the year-to-date, this can mainly be ascribed to increase in development charges revenue as well as no debts being written off for 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 below the best practise norm 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 3<sup>rd</sup> 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 November 2023.

# BITOU LOCAL MUNICIPALITY

**WC047 Bitou - Table C1 Monthly Budget Statement Summary - M05 November**

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	151 445	179 779	179 779	15 569	75 429	74 908	521	1%	179 779
Service charges	420 558	464 234	464 234	35 109	181 153	193 431	(12 278)	-6%	464 234
Investment revenue	8 035	4 950	4 950	1 131	3 972	2 063	1 910	93%	4 950
Transfers and subsidies - Operational	155 970	163 277	163 277	624	61 475	68 039	(6 564)	-10%	163 277
Other own revenue	103 971	88 815	88 815	6 855	35 031	37 006	(1 975)	-5%	88 815
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>839 979</b>	<b>901 055</b>	<b>901 055</b>	<b>59 288</b>	<b>357 061</b>	<b>375 446</b>	<b>(18 386)</b>	<b>-5%</b>	<b>901 055</b>
Employee costs	286 329	333 063	333 013	24 603	113 872	139 036	(25 165)	-18%	333 013
Remuneration of Councillors	6 721	7 674	7 674	976	3 182	3 197	(15)	-0%	7 674
Depreciation and amortisation	36 393	40 059	40 059	3 338	16 691	16 691	-		40 059
Interest	19 740	13 428	13 428	26	161	5 595	(5 434)	-97%	13 428
Inventory consumed and bulk purchases	177 949	225 784	226 108	15 766	77 563	101 312	(23 749)	-23%	226 108
Transfers and subsidies	5 626	12 230	11 430	15	2 732	4 762	(2 031)	-43%	11 430
Other expenditure	264 036	268 038	268 564	9 692	71 212	111 900	(40 688)	-36%	268 564
<b>Total Expenditure</b>	<b>796 794</b>	<b>900 274</b>	<b>900 274</b>	<b>54 417</b>	<b>285 412</b>	<b>382 494</b>	<b>(97 082)</b>	<b>-25%</b>	<b>900 274</b>
<b>Surplus/(Deficit)</b>	<b>43 185</b>	<b>780</b>	<b>780</b>	<b>4 872</b>	<b>71 649</b>	<b>(7 047)</b>	<b>78 696</b>	<b>-1117%</b>	<b>780</b>
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	39 127	2 722	3 305	16 303	(12 998)	-80%	39 127
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>79 752</b>	<b>38 248</b>	<b>39 908</b>	<b>7 593</b>	<b>74 954</b>	<b>9 256</b>	<b>65 698</b>	<b>710%</b>	<b>39 908</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>79 752</b>	<b>38 248</b>	<b>39 908</b>	<b>7 593</b>	<b>74 954</b>	<b>9 256</b>	<b>65 698</b>	<b>710%</b>	<b>39 908</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84 807</b>	<b>109 432</b>	<b>116 645</b>	<b>12 324</b>	<b>22 563</b>	<b>48 602</b>	<b>(26 038)</b>	<b>-54%</b>	<b>116 645</b>
Capital transfers recognised	33 505	34 335	35 995	5 580	8 933	14 998	(6 065)	-40%	35 995
Borrowing	32 098	45 150	47 673	3 926	9 212	19 864	(10 651)	-54%	47 673
Internally generated funds	19 203	29 947	32 978	2 818	4 418	13 741	(9 323)	-68%	32 978
<b>Total sources of capital funds</b>	<b>84 806</b>	<b>109 432</b>	<b>116 645</b>	<b>12 324</b>	<b>22 563</b>	<b>48 602</b>	<b>(26 038)</b>	<b>-54%</b>	<b>116 645</b>
<b>Financial position</b>									
Total current assets	480 897	429 672	422 172		661 080				421 847
Total non current assets	1 255 346	1 335 112	1 342 325		1 261 219				1 342 325
Total current liabilities	422 244	426 612	424 666		536 602				424 341
Total non current liabilities	162 075	190 333	190 333		158 820				190 333
<b>Community wealth/Equity</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 149 498</b>		<b>1 226 877</b>				<b>1 149 498</b>
<b>Cash flows</b>									
Net cash from (used) operating	107 495	75 138	75 138	26 688	214 699	21 505	(193 194)	-898%	724 175
Net cash from (used) investing	(74 495)	(98 470)	(105 971)	(12 324)	(22 563)	53 289	75 853	142%	127 895
Net cash from (used) financing	13 451	19 383	19 383	(41)	(1 513)	16 729	18 242	109%	40 150
<b>Cash/cash equivalents at the month/year end</b>	<b>95 078</b>	<b>55 791</b>	<b>48 290</b>	<b>-</b>	<b>285 701</b>	<b>151 264</b>	<b>(134 437)</b>	<b>-89%</b>	<b>987 298</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	(17 897)	36 520	10 709	8 571	8 173	246 504	-	-	292 580
<b>Creditors Age Analysis</b>									
Total Creditors	752	502	271	22 255	1 344	-	-	-	25 125

## BITOU LOCAL MUNICIPALITY

### Financial Performance Expenditure by Municipal Vote

#### Revenue by vote

The performance of revenue by vote as at end November 2023 amounts to R360.4 million, this is an under-performance of 8%. The detail on revenue per item can be seen on executive summary.

#### Expenditure by vote

The expenditure by vote as at November 2023 amounts R285.4 million. The total expenditure budget is under-performing by 25.4%.

**WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November**

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		18	2 918	2 918	-	-	-	-		2 918
Vote 2 - Office of the Municipal Manager		131 670	62 081	62 081	74	15 834	15 704	129	0,8%	62 081
Vote 3 - Community Services		116 837	137 471	137 471	5 069	41 989	57 279	(15 291)	-26,7%	137 471
Vote 4 - Corporate Services		3 910	19	19	3	3	8	(5)	-61,3%	19
Vote 5 - Financial Services		170 985	207 447	207 447	17 435	89 102	87 618	1 484	1,7%	207 447
Vote 6 - Economic Development & Planning		20 989	21 821	23 481	1 629	4 175	9 784	(5 609)	-57,3%	23 481
Vote 7 - Engineering Services		431 662	506 765	506 765	37 800	209 264	221 356	(12 093)	-5,5%	506 765
Total Revenue by Vote	2	876 072	938 523	940 182	62 010	360 366	391 750	(31 384)	-8,0%	940 182
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 229	1 081	4 298	5 512	(1 213)	-22,0%	13 229
Vote 2 - Office of the Municipal Manager		28 233	24 180	24 180	2 913	11 545	10 075	1 470	14,6%	24 180
Vote 3 - Community Services		224 314	220 646	220 591	13 916	69 510	91 912	(22 402)	-24,4%	220 591
Vote 4 - Corporate Services		61 082	81 193	81 193	3 651	20 056	33 830	(13 774)	-40,7%	81 193
Vote 5 - Financial Services		47 102	67 121	67 121	3 210	16 543	27 967	(11 424)	-40,8%	67 121
Vote 6 - Economic Development & Planning		45 203	43 237	43 292	2 062	13 917	18 038	(4 120)	-22,8%	43 292
Vote 7 - Engineering Services		377 335	450 669	450 669	27 583	149 543	195 161	(45 618)	-23,4%	450 669
Total Expenditure by Vote	2	791 341	900 274	900 274	54 417	285 412	382 494	(97 082)	-25,4%	900 274
Surplus/ (Deficit) for the year	2	84 731	38 248	39 908	7 593	74 954	9 256	65 698	709,8%	39 908

# BITOU LOCAL MUNICIPALITY

## Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

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
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 3 - Community Services		1 685	4 780	4 780	-	-	1 992	(1 992)	-100%	4 780
Vote 4 - Corporate Services		2 086	1 016	1 016	170	221	423	(202)	-48%	1 016
Vote 7 - Engineering Services		39 622	40 959	42 894	2 321	4 960	17 872	(12 912)	-72%	42 894
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>43 393</b>	<b>46 755</b>	<b>48 690</b>	<b>2 491</b>	<b>5 182</b>	<b>20 287</b>	<b>(15 105)</b>	<b>-74%</b>	<b>48 690</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 2 - Office of the Municipal Manager		-	1 000	1 000	-	-	417	(417)	-100%	1 000
Vote 3 - Community Services		5 563	835	1 686	-	449	702	(253)	-36%	1 686
Vote 4 - Corporate Services		59	561	561	-	10	234	(224)	-96%	561
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	-	-	127	(127)	-100%	304
Vote 7 - Engineering Services		35 356	59 977	64 404	9 833	16 922	26 835	(9 913)	-37%	64 404
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>41 414</b>	<b>62 677</b>	<b>67 955</b>	<b>9 833</b>	<b>17 382</b>	<b>28 315</b>	<b>(10 933)</b>	<b>-39%</b>	<b>67 955</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>84 807</b>	<b>109 432</b>	<b>116 645</b>	<b>12 324</b>	<b>22 563</b>	<b>48 602</b>	<b>(26 038)</b>	<b>-54%</b>	<b>116 645</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>2 549</b>	<b>20 857</b>	<b>21 658</b>	<b>4 527</b>	<b>7 530</b>	<b>9 024</b>	<b>(1 494)</b>	<b>-17%</b>	<b>21 658</b>
Executive and council		-	1 000	1 000	-	-	417	(417)	-100%	1 000
Finance and administration		2 549	19 857	20 658	4 527	7 530	8 607	(1 077)	-13%	20 658
<b>Community and public safety</b>		<b>5 607</b>	<b>4 265</b>	<b>4 265</b>	<b>-</b>	<b>-</b>	<b>1 777</b>	<b>(1 777)</b>	<b>-100%</b>	<b>4 265</b>
Community and social services		2 352	2 880	2 880	-	-	1 200	(1 200)	-100%	2 880
Sport and recreation		921	1 000	1 000	-	-	417	(417)	-100%	1 000
Public safety		2 334	385	385	-	-	160	(160)	-100%	385
<b>Economic and environmental services</b>		<b>9 570</b>	<b>13 973</b>	<b>16 001</b>	<b>-</b>	<b>967</b>	<b>6 667</b>	<b>(5 699)</b>	<b>-85%</b>	<b>16 001</b>
Planning and development		435	304	304	-	-	127	(127)	-100%	304
Road transport		9 135	13 669	15 696	-	967	6 540	(5 573)	-85%	15 696
<b>Trading services</b>		<b>67 081</b>	<b>70 337</b>	<b>74 722</b>	<b>7 797</b>	<b>14 066</b>	<b>31 134</b>	<b>(17 068)</b>	<b>-55%</b>	<b>74 722</b>
Energy sources		25 395	23 741	24 662	33	477	10 276	(9 799)	-95%	24 662
Water management		25 002	27 350	29 900	5 917	10 229	12 458	(2 229)	-18%	29 900
Waste water management		15 302	17 896	18 759	1 848	3 360	7 816	(4 456)	-57%	18 759
Waste management		1 382	1 350	1 400	-	-	583	(583)	-100%	1 400
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>84 807</b>	<b>109 432</b>	<b>116 645</b>	<b>12 324</b>	<b>22 563</b>	<b>48 602</b>	<b>(26 038)</b>	<b>-54%</b>	<b>116 645</b>
<b>Funded by:</b>										
National Government		26 721	23 581	23 581	5 580	8 649	9 825	(1 176)	-12%	23 581
Provincial Government		6 741	10 754	12 414	-	284	5 172	(4 888)	-95%	12 414
District Municipality		43	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>33 505</b>	<b>34 335</b>	<b>35 995</b>	<b>5 580</b>	<b>8 933</b>	<b>14 998</b>	<b>(6 065)</b>	<b>-40%</b>	<b>35 995</b>
<b>Borrowing</b>	<b>6</b>	<b>32 098</b>	<b>45 150</b>	<b>47 673</b>	<b>3 926</b>	<b>9 212</b>	<b>19 864</b>	<b>(10 651)</b>	<b>-54%</b>	<b>47 673</b>
<b>Internally generated funds</b>		<b>19 203</b>	<b>29 947</b>	<b>32 978</b>	<b>2 818</b>	<b>4 418</b>	<b>13 741</b>	<b>(9 323)</b>	<b>-68%</b>	<b>32 978</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>84 806</b>	<b>109 432</b>	<b>116 645</b>	<b>12 324</b>	<b>22 563</b>	<b>48 602</b>	<b>(26 038)</b>	<b>-54%</b>	<b>116 645</b>

## BITOU LOCAL MUNICIPALITY

### Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 12.3 million.

It should be noted that majority of the approved capital projects currently reflect a 21% 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 R25.6 million, which translates to 22% of the total capital budget still being under shadow.

It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects and these applications, at times, get rejected.

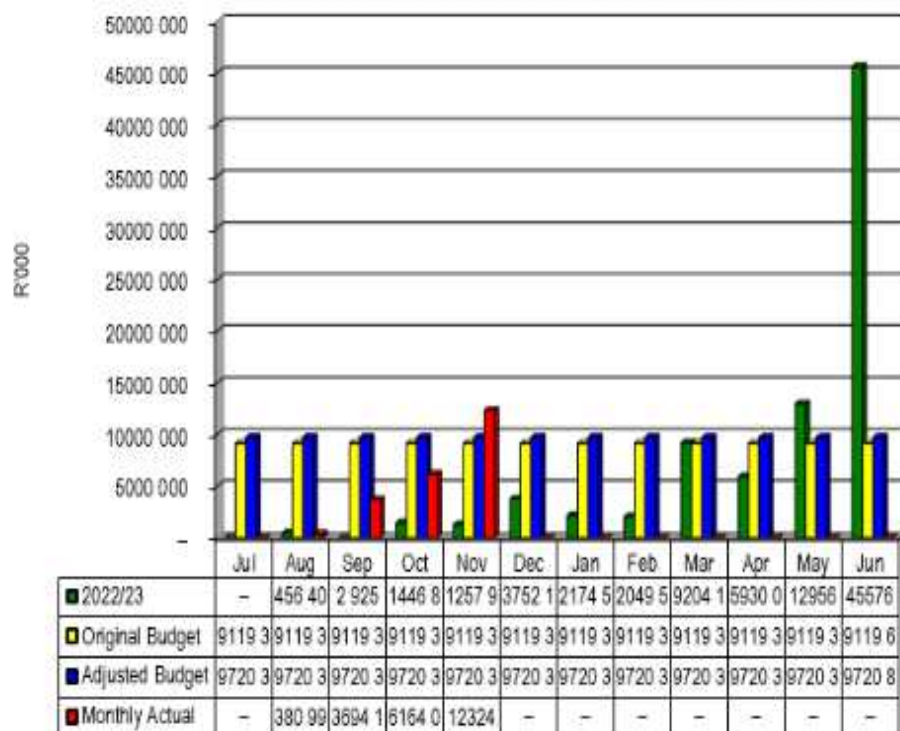
Especially concerning, is that there is no commitment against the Library Conditional funds of, nor against the RSEP funding.

### Capital Grants Analysis

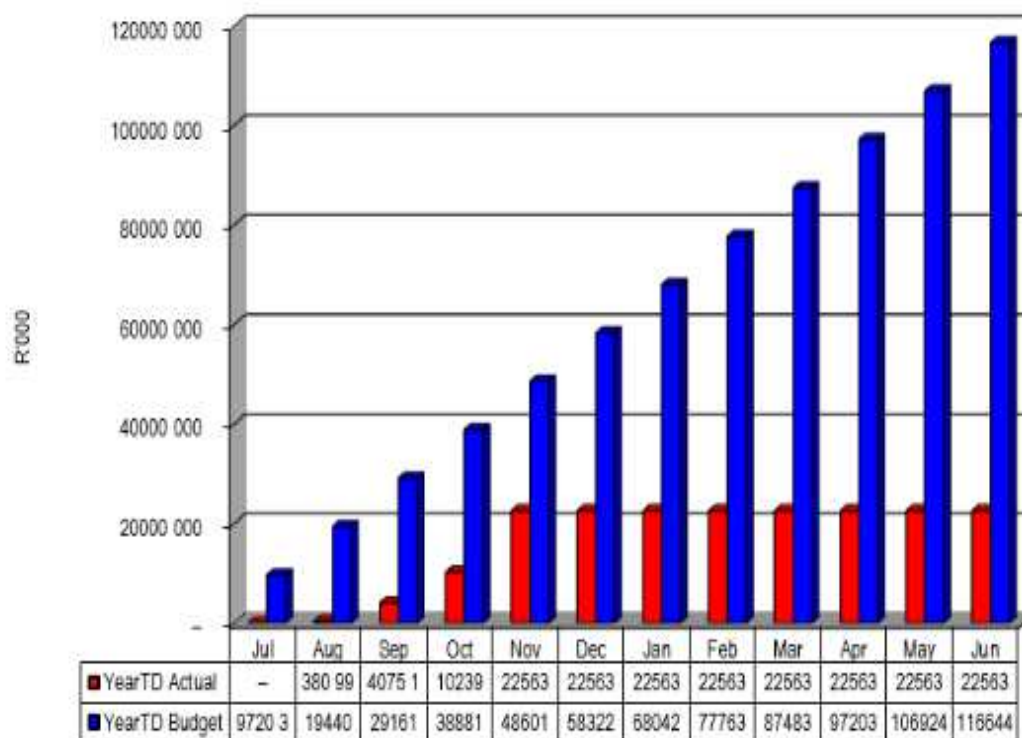
Grants	Original Budget	Adjusted Budget	Monthly Actual	Shadow Balance	YTD Expenditure
<b>MIG</b>	20 299 130.00	20 299 130.00	5 580 088.40	4 481 942.80	8 649 110.89
<b>INEP</b>	3 281 739.00	3 281 739.00	0	3 000 000.00	0
<b>INFORMAL SETTLEMENTS</b>	10 000 000.00	11 659 471.00	0	341 860.23	284 098.56
<b>LIBRARY CONDITIONAL GRANT</b>	450 000.00	450 000.00	0	0	0
<b>RSEP</b>	304 348.00	304 348.00	0	0	0
<b>BORROWINGS</b>	45 150 000.00	46 871 649.00	3 926 401.07	13 511 779.08	8 763 075.85
<b>AFR</b>	29 946 887.00	33 778 624.00	2 817 769.38	4 244 836.22	4 867 133.15
<b>TOTAL</b>	<b>109 432 104.00</b>	<b>116 644 961.00</b>	<b>12 324 258.85</b>	<b>25 580 418.33</b>	<b>22 563 418.48</b>

## 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 - M05 November**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		95 078	55 750	48 249	285 701	48 249
Trade and other receivables from exchange transactions		49 403	43 839	43 839	45 278	43 839
Receivables from non-exchange transactions		36 666	100 771	100 771	44 116	100 771
Current portion of non-current receivables		–	11	11	9	11
Inventory		15 357	16 538	16 539	14 184	16 214
VAT		256 271	212 584	212 584	271 311	212 584
Other current assets		28 123	180	180	481	180
<b>Total current assets</b>		<b>480 897</b>	<b>429 672</b>	<b>422 172</b>	<b>661 080</b>	<b>421 847</b>
<b>Non current assets</b>						
Investment property		12 692	12 692	12 692	12 692	12 692
Property, plant and equipment		1 242 619	1 322 385	1 329 597	1 248 492	1 329 597
Heritage assets		35	35	35	35	35
<b>Total non current assets</b>		<b>1 255 346</b>	<b>1 335 112</b>	<b>1 342 325</b>	<b>1 261 219</b>	<b>1 342 325</b>
<b>TOTAL ASSETS</b>		<b>1 736 243</b>	<b>1 764 784</b>	<b>1 764 497</b>	<b>1 922 299</b>	<b>1 764 172</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Financial liabilities		19 531	0	0	19 531	0
Consumer deposits		10 793	9 848	9 848	11 105	9 848
Trade and other payables from exchange transactions		94 873	79 612	79 675	207 117	79 800
Trade and other payables from non-exchange transactions		10 961	(15 640)	(17 650)	(776)	(18 100)
Provision		39 585	113 636	113 636	25 301	113 636
VAT		246 284	239 157	239 157	274 324	239 157
Other current liabilities		218	–	–	–	–
<b>Total current liabilities</b>		<b>422 244</b>	<b>426 612</b>	<b>424 666</b>	<b>536 602</b>	<b>424 341</b>
<b>Non current liabilities</b>						
Financial liabilities		82 546	121 558	121 558	80 939	121 558
Provision		13 052	10 320	10 320	12 016	10 320
Other non-current liabilities		66 477	58 456	58 456	65 865	58 456
<b>Total non current liabilities</b>		<b>162 075</b>	<b>190 333</b>	<b>190 333</b>	<b>158 820</b>	<b>190 333</b>
<b>TOTAL LIABILITIES</b>		<b>584 320</b>	<b>616 946</b>	<b>614 999</b>	<b>695 422</b>	<b>614 674</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 149 498</b>	<b>1 226 877</b>	<b>1 149 498</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 100 998	1 196 927	1 100 998
Reserves and funds		29 950	48 500	48 500	29 950	48 500
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 149 498</b>	<b>1 226 877</b>	<b>1 149 498</b>

The table above reflects the statement of financial position of the municipality. The total current assets at the end of November 2023 amounts to R661.1 million. The municipality reports total short-term investments at R 91.4 million and cash of R28.2 million for the month. The municipality reports a positive cashbook balance of R28.2 million.

The current liabilities for the month amounts R536.6 million. The current ratio for the month equates 1.23:1, 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.



# BITOU LOCAL MUNICIPALITY

## Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - M04 October										
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	15 530	55 686	54 385	1 300	2%	163 156
Service charges		-	422 573	422 573	39 140	145 913	140 858	5 055	4%	422 573
Other revenue		-	22 595	22 595	2 965	18 277	7 532	10 745	143%	22 595
Transfers and Subsidies - Operational		-	163 277	163 277	-	63 114	65 683	(2 570)	-4%	163 277
Transfers and Subsidies - Capital		-	37 468	37 468	7 620	11 040	11 579	(539)	-5%	37 468
Interest		-	8 221	8 221	2 537	10 684	2 740	7 944	290%	8 221
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(716 494)	(716 494)	(38 771)	(121 279)	(247 475)	(126 196)	51%	(67 458)
Interest		-	(13 428)	(13 428)	(29)	(135)	(4 476)	(4 341)	97%	(13 428)
Transfers and Subsidies		-	(12 230)	(12 230)	-	(2 717)	(4 077)	(1 360)	33%	(12 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	75 138	75 138	28 992	180 582	26 750	(153 832)	-575%	724 175
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	10 962	10 962	-	-	3 654	(3 654)	-100%	10 962
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(109 432)	(116 933)	(6 164)	(10 239)	38 978	49 217	126%	116 933
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(98 470)	(105 971)	(6 164)	(10 239)	42 631	52 871	124%	127 895
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	40 150	40 150	-	-	13 383	(13 383)	-100%	40 150
Increase (decrease) in consumer deposits		-	-	-	20	236	-	236	0%	-
Payments										
Repayment of borrowing		-	(20 767)	(20 767)	(393)	(1 708)	-	1 708	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	19 383	19 383	(373)	(1 473)	13 383	14 856	111%	40 150
NET INCREASE/ (DECREASE) IN CASH HELD										
		-	(3 949)	(11 450)	22 455	168 870	82 765			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		263 948	142 505			987 298

The municipality is reporting a positive R26.7 million on monthly actual net cash from operating activities. These are mostly month to month operating expenses and operating income.

Monthly actual net cash (used) on investing activities is reported at R 12.3 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 November 2023 amounts to R 40 627. The previous bi-annual redemption was done in June 2023. The next payment will occur in December 2023.

# BITOU LOCAL MUNICIPALITY

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	

# BITOU LOCAL MUNICIPALITY

## Section 5 – Debtors’ analysis

### 5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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	1 261	5 336	2 592	2 642	2 557	69 928	-	-	84 316	75 127	4	-
Trade and Other Receivables from Exchange Transactions - Electricity		1300	650	10 764	1 663	1 004	740	14 708	-	-	29 530	16 452	-	-
Receivables from Non-exchange Transactions - Property Rates		1400	617	10 263	2 699	1 426	1 187	43 154	-	-	59 346	45 767	83	-
Receivables from Exchange Transactions - Waste Water Management		1500	1 130	5 130	2 201	2 051	2 032	84 723	-	-	97 268	88 806	5	-
Receivables from Exchange Transactions - Waste Management		1600	642	3 199	1 436	1 329	1 367	49 871	-	-	57 843	52 567	8	-
Receivables from Exchange Transactions - Property Rental Debtors		1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts		1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure		1820	-	-	-	-	-	-	-	-	-	-	-	-
Other		1900	(22 197)	1 827	117	120	291	(15 881)	-	-	(35 723)	(15 471)	-	-
Total By Income Source		2000	(17 897)	36 520	10 709	8 571	8 173	246 504	-	-	292 580	263 248	101	-
2022/23 - totals only											-	-		
Debtors Age Analysis By Customer Group														
Organs of State		2200	(1 265)	468	194	180	93	347	-	-	18	620	-	-
Commercial		2300	(817)	2 965	772	442	766	3 345	-	-	7 472	4 553	-	-
Households		2400	(15 815)	33 086	9 743	7 949	7 314	242 812	-	-	285 090	258 075	-	-
Other		2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group		2600	(17 897)	36 520	10 709	8 571	8 173	246 504	-	-	292 580	263 248	-	-

### Debtor’s age analysis

The debtors’ book of the municipality reflects R 246.5 million on outstanding debtors older than 121 days and a total outstanding amount of R 292.6 million.

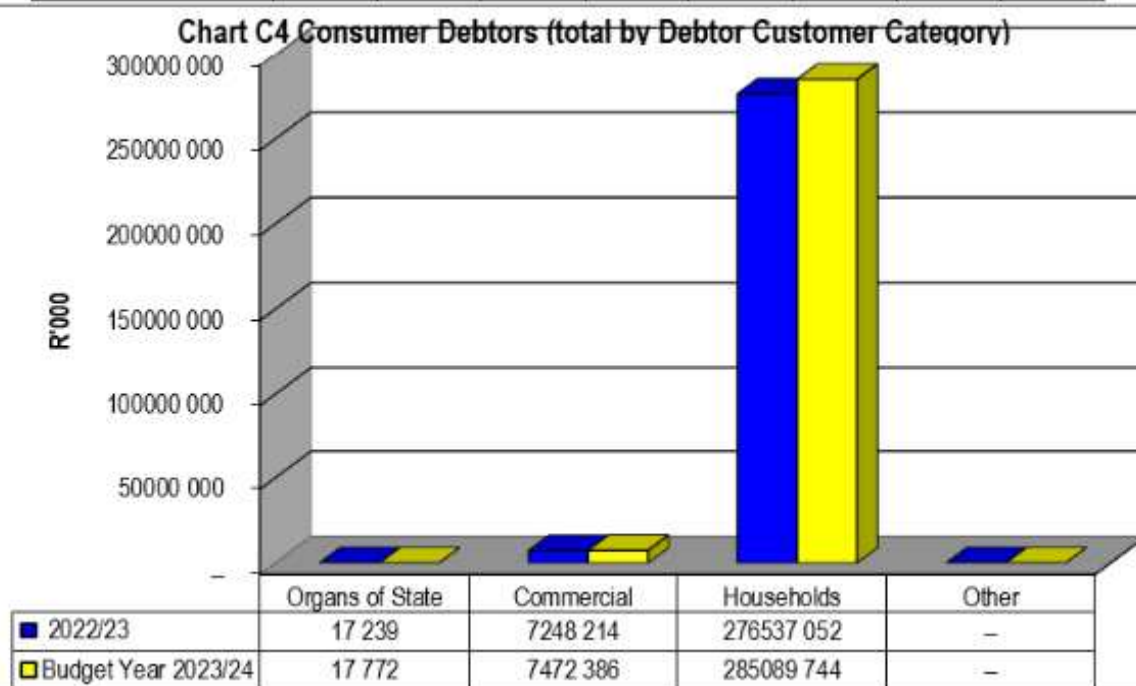
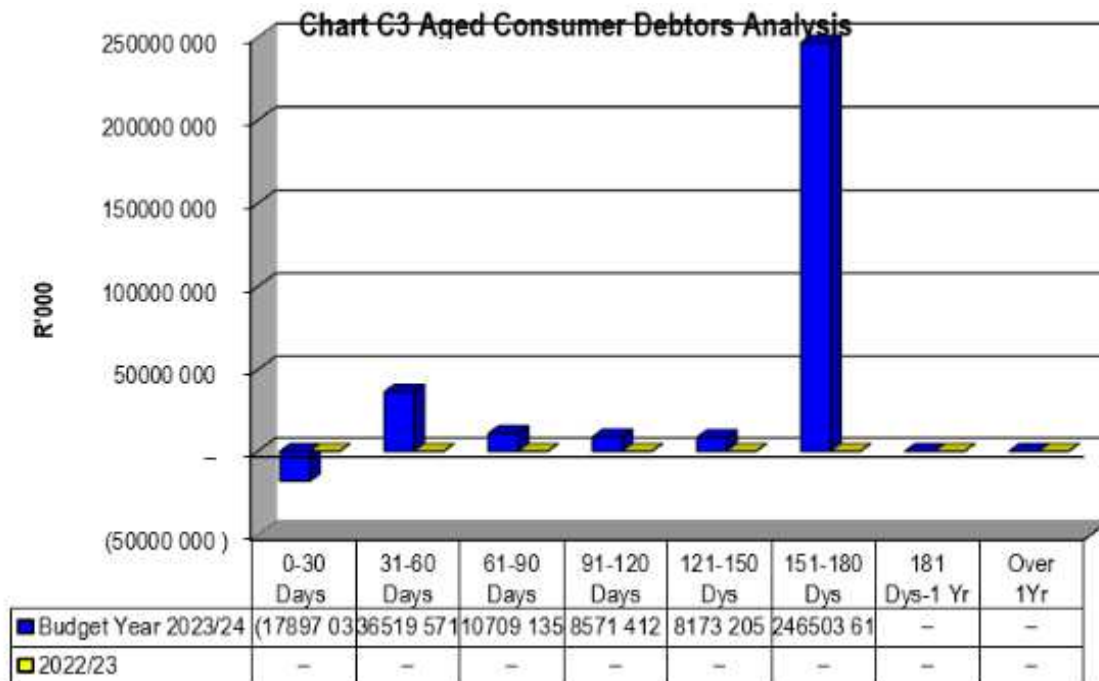
The contributors to the outstanding debt remain the household debt which represent 97.44% of total debt, followed by businesses with 2.55% and organs of state contributing 0.01%

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

The collection rate for the month of November 2023 is 98.90%. See below debtor payment percentage breakdown achieved from September 2023 to November 2023.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Sep-23	Oct-23	Nov-23	Annual
Gross Debtors Opening Balance	311 707 939,49	318 908 811,66	309 902 479,04	311 714 712,48
Billed Revenue	61 507 967,05	61 224 682,91	61 493 668,02	312 141 719,87
Gross Debtors Closing Balance	318 908 811,66	309 902 479,04	310 476 935,50	309 902 479,04
Bad Debt Written off	336 526,02	15 539 990,03	103 128,30	37 732 346,96
Payment received	53 970 568,86	54 691 025,50	60 816 083,26	276 221 606,35
Billed Revenue	61 507 967,05	61 224 682,91	61 493 668,02	312 141 719,87
<b>% Debtor payment achieved</b>	<b>87,75%</b>	<b>89,33%</b>	<b>98,90%</b>	<b>88,49%</b>

## BITOU LOCAL MUNICIPALITY



## BITOU LOCAL MUNICIPALITY

### Section 6 – Creditors' age analysis

#### 6.1 Supporting Table SC4

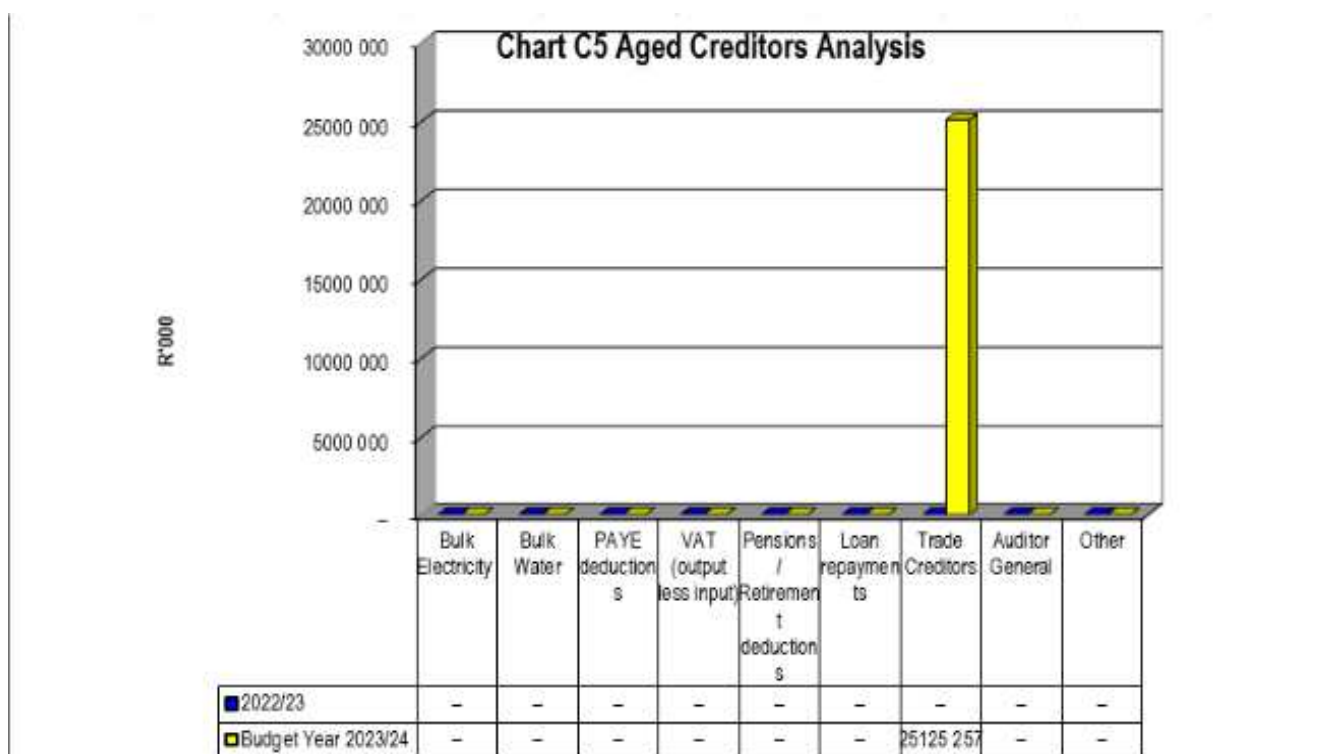
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November											
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	752	502	271	22 255	1 344	-	-	-	25 125	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	752	502	271	22 255	1 344	-	-	-	25 125	-

#### Creditors Age Analysis

The municipality reports a total amount of R25.1 million on trade creditors in November 2023.

The Municipal financial management system service provider was approached to correct the matter and they are still busy resolving the issue.



## BITOU LOCAL MUNICIPALITY

### Section 7 – Investment portfolio analysis

#### 7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November														
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														
Standard Bank: 488607000-074		-	Fixed deposit							-	-	-	-	-
Nedbank: 1766000029		-	Fixed deposit							-	-	-	-	-
Absa Bank: 9378543662		-	Call deposit							7 759	58	-	-	7 817
Absa Bank:9377092408-3		-	Call deposit							2 820	21	-	-	2 841
Absa Bank:2081155032		-	Fixed deposit							13 150	-	-	-	13 150
Absa Bank:9380348553		-	Call deposit							18 519	139	-	-	18 658
Nedbank: 1766000029 - 2		-	Fixed deposit							12 500	-	-	-	12 500
Standard Bank: 488607000-075			Fixed deposit							14 000	432	(14 432)	-	-
Standard Bank: 488607000-076			Fixed deposit							-	-	-	-	-
Standard Bank: 488607000-077			Fixed deposit							-	-	-	-	-
Standard Bank: 488607000-079			Call deposit							5 021	69	-	-	5 091
Standard Bank: 488607000-078		-	Call deposit							5 021	69	-	-	5 091
Absa Bank:9381946782		-	Call deposit							11 137	84	-	-	11 221
Standard Bank: 488607000-080		-	Fixed deposit							15 000	-	-	-	15 000
Municipality sub-total										104 928	872	(14 432)	-	91 368

#### Investment portfolio analysis

The municipality has investments with a total value of R91.4 million as at November 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 (M05)
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES) - CAPITAL	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	469 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	469 336,35
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	3 020 796,75
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) - CAPITAL	-
THUSONG SERVICES CENTRES	-
TITLE DEEDS RESTORATION	-
LOCAL GOVERNMENT GRADUATE INTERNSHIP - OPERATIONAL	234 000,00
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	284 098,56
FINANCIAL MANAGEMENT CAPACITY BUILDING	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-
	<b>64 780 231,66</b>

The table above reflects the income recognition done up until the month of October 2023. Transfers and subsidies amount to R 64.5 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M05)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	774 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	10 266 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	-
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	70 589,62
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES SETA:RECEIPTS	-
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
	<b>13 850 589,62</b>

The table above reflects the grant receipts for November 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 November 2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Mr. M Memani

Municipal Manager of Bitou Local Municipality – WC047

Date

12-12-2023