

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month
ended 31 January 2024**

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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 – January Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended January 2024. 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 January 2024 amounts to R118.4 million, however the trial balance shows an amount of R347.4 million. This is mainly due to the migration of the bank reconciliation to the modernised financial system; the matter is currently being addressed by the service provider and the municipal staff. 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 31 January 2024.

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) - M07 January

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	41 110	283 299	292 178	(8 879)	-3%	500 877
Service charges - Electricity		210 201	241 830	241 830	21 242	134 802	141 067	(6 265)	-4%	241 830
Service charges - Water		86 449	86 725	86 725	7 720	48 335	50 589	(2 254)	-4%	86 725
Service charges - Waste Water Management		78 406	77 663	77 663	6 337	43 099	45 304	(2 205)	-5%	77 663
Service charges - Waste management		45 502	58 016	58 016	4 042	27 724	33 843	(6 119)	-18%	58 016
Sale of Goods and Rendering of Services		6 867	11 571	11 571	1 158	5 153	6 750	(1 597)	-24%	11 571
Agency services		2 501	3 014	3 014	198	1 351	1 758	(407)	-23%	3 014
Interest earned from Receivables		17 120	13 282	13 282	715	9 210	7 748	1 462	19%	13 282
Interest earned from Current and Non Current Assets		8 035	4 950	4 950	678	5 774	2 888	2 887	100%	4 950
Rental from Fixed Assets		1 124	1 030	1 030	143	777	601	176	29%	1 030
Licence and permits		1 196	589	589	138	935	343	591	172%	589
Operational Revenue		3 683	2 207	2 207	(1 259)	6 138	1 287	4 851	377%	2 207
Non-Exchange Revenue		378 896	400 177	404 619	23 440	246 179	260 647	(14 468)	-6%	404 619
Property rates		151 445	179 779	179 779	14 635	104 661	104 871	(210)	0%	179 779
Surcharges and Taxes		–	1 500	1 500	118	944	875	69	8%	1 500
Fines, penalties and forfeits		46 722	31 699	31 699	8 006	22 557	18 491	4 066	22%	31 699
Licence and permits		–	696	696	–	–	406	(406)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	167 719	277	114 445	122 455	(8 010)	-7%	167 719
Interest		4 242	3 759	3 759	167	1 470	2 193	(723)	-33%	3 759
Operational Revenue		2 064	15 518	15 518	237	2 102	9 052	(6 950)	-77%	15 518
Gains on disposal of Assets		441	3 950	3 950	–	–	2 304	(2 304)	-100%	3 950
Other Gains		18 011	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	905 497	64 550	529 478	552 825	(23 348)	-4%	905 497
Expenditure By Type										
Employee related costs		286 329	333 063	333 013	44 185	181 164	194 457	(13 293)	-7%	333 013
Remuneration of councillors		6 721	7 674	7 674	587	4 380	4 476	(97)	-2%	7 674
Bulk purchases - electricity		162 599	206 241	206 241	16 418	103 311	118 408	(15 097)	-13%	206 241
Inventory consumed		15 349	19 543	19 867	917	6 575	11 589	(5 014)	-43%	19 867
Debt impairment		28 623	18 270	18 270	–	–	10 657	(10 657)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	3 338	23 367	23 367	–		40 059
Interest		19 740	13 428	13 428	24	5 663	7 833	(2 170)	-28%	13 428
Contracted services		72 886	95 793	99 605	742	20 735	58 103	(37 367)	-64%	99 605
Transfers and subsidies		5 626	12 230	11 825	80	4 589	6 670	(2 082)	-31%	11 825
Irrecoverable debts written off		88 945	64 900	64 900	1 033	34 974	37 858	(2 884)	-8%	64 900
Operational costs		72 058	89 075	89 884	2 487	34 629	52 431	(17 802)	-34%	89 884
Losses on Disposal of Assets		1 515	–	–	–	–	–	–		–
Other Losses		9	–	–	–	–	–	–		–
Total Expenditure		796 794	900 274	904 766	69 810	419 387	525 850	(106 463)	-20%	904 766
Surplus/(Deficit)		43 185	780	731	(5 260)	110 091	26 975	83 116	0	731
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	59 970	1 186	10 119	32 927	(22 808)	(0)	59 970
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	60 700	(4 075)	120 210	59 903			60 700
Surplus/(Deficit) after income tax		79 752	38 248	60 700	(4 075)	120 210	59 903			60 700
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		79 752	38 248	60 700	(4 075)	120 210	59 903			60 700
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		79 752	38 248	60 700	(4 075)	120 210	59 903			60 700

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Revenue by Source

Property Rates

Property rates for the month amounts to R14.6 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 R134.8 million. Anticipated budgeted revenue amounted to R141.1 million, this represents an under-performance of 4%. Electricity revenue is influenced by fluctuating consumption during peak and off-peak periods. The prolonged load shedding remains a point of concern, coupled with the effect of SSEG, means electricity is expected to continue to negatively impact on the service charges. This revenue item has been considered for adjustment as part the Mid-year adjustments budget process.

Water Service

Water revenue as at end of January 2024 amounts to R48.3 million while the YTD budget amounts to R50.6 million. This represents a 4% under-performance and as we are within the peak season, we can see an increase in consumption as we reported a 6% underperformance in the previous reporting period. This revenue item has been considered for adjustment as part the Mid-year adjustments budget process.

Sanitation Service

Sanitation revenue amounts to R43.1 million while YTD budget amounts to R45.3 million. This translates to a 5% under-performance for this category of revenue consistent with the previous months. 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 should be noted that when this revenue item was budgeted for, an anticipated number of 3500 indigents were considered. Currently the municipality is subsidizing a total of 4830 indigents which contributes to the revenue sources underperformance. This revenue item has been considered for adjustment as part the Mid-year adjustments budget process.

Refuse Service

Refuse revenue as at the end of January 2024 amounts R27.7 million while the YTD budget amounts to R33.8 million. This is an under performance of 18%, consistent with the previous months. 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. This revenue item has been considered for adjustment as part the Mid-year adjustments budget process.

Rental from Fixed Assets

The revenue for rental from fixed assets for January 2024 amounts to R 777 000. This source of revenue is over performing by 29%. 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. This revenue item has been considered for adjustment as part the Mid-year adjustments budget process.

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Interest earned on external investment and outstanding debtors

Interest earned on external investment and outstanding debtors' revenue amounts to R 5.7 million and R 9.2 million respectively, which in turn equates to an over-performance of 100% and 19% respectively for this revenue source. The interest on outstanding debtors, although performing above anticipation, is unlikely to be collected by the municipality. This revenue item, especially the Investment Revenue, has been considered for adjustment as part the Mid-year adjustments budget process.

Revenue for fines, penalties and forfeits

Revenue from Fines as at end of January 2024 amounts to R22.6 million compared to the anticipated budgeted revenue of R18.5 million. This is an overperformance of 22%. Revenue recognition is only done on the 7th of each month, which means revenue for the month of January 2024 will form part of next month's reporting.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R277 000 as at end of January 2024. This revenue source has an under-performance of 7%. 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 January 2024 amounts to R5.2 million compared to an anticipated R6.8 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 R6.1 million compared to an anticipated R1.3 million. The major contributor of the revenue development charges, and landing fees. Due to the above anticipated over performance of development charges, this revenue source has been included in the mid-year adjustment budget process.

Total revenue for the month of January 2024 amounts to R64.6 million. YTD revenue compared to YTD anticipated budgeted revenue for the month amounts to an under-performance of 4%. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost for the month of January 2024 amounts to R44.2 million. The YTD budget amounts to R181.2 million and YTD actuals equates to R194.5 million. The spike in the expenditure relates to provision for post-retirement medical aid and bonus provision that was not previously accounted for. In totality it translates to an under performance of 7%. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date. The Municipality recently adopted an amended organogram which will have an impact on the spending of this expenditure item.

Remuneration of councillors

Remuneration of councillors as at end of January 2024 amounts to R 4.4 million. This expenditure item is underperforming by 2% January 2024 and it is to be noted that the underspending relates to an amount of R97 000.

Debt Impairment

No Debt Impairment was done for the month of January 2024, this will be done as part of the year end processes and the mid-year budget will be adjustment to reflect the same.

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Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of January 2024 amounts to R103.3 million compared to R118.4 million YTD budget, thus reporting an under performance of 13%. Eskom payments are based on the consumption of the month and are normally due in the following month which will equate to R14 million.

Depreciation

Depreciation as at end January 2024 amounts to R23.4 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 January 2024 amounts to R6.6 million while the YTD budget amounts to R11.6 million. This expenditure item is under-performing by 43% when compared to the YTD budget. It is anticipated that this item will increase as the year progresses and maintenance projects are completed, however, this item will be considered for adjustment as part of the Mid-year adjustments budget process.

Contracted Services

Expenditure as at end of January 2024 amounts to R20.7 million and is under-performing by 64% when compared to the YTD budget of R58.1 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, however, this item will be considered for adjustment as part of the Mid-year adjustments budget process.

Transfers and subsidies

Expenditure as at end of January 2024 amounts R4.6 million compared to the YTD budget of R6.7 million. An under-performance of 31% 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 January 2024 amounts to R34.6 million while the YTD budget amounts to R52.4 million, which translates to an under performance of 34%. 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 January 2024 amounts to R69.8 million.

Conclusion on Financial Position and performance

The municipality is reporting a deficit for the month of January 2024 of R4.1 million, however the year-to-date shows an operating surplus of R120.2 million. 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 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 31 January 2024.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - M07 January

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	151 445	179 779	179 779	14 635	104 661	104 871	(210)	-0%	179 779
Service charges	420 558	464 234	464 234	39 341	253 960	270 803	(16 843)	-6%	464 234
Investment revenue	8 035	4 950	4 950	678	5 774	2 888	2 887	100%	4 950
Transfers and subsidies - Operational	155 970	163 277	167 719	277	114 445	122 455	(8 010)	-7%	167 719
Other own revenue	103 971	88 815	88 815	9 619	50 637	51 808	(1 171)	-2%	88 815
Total Revenue (excluding capital transfers and contributions)	839 979	901 055	905 497	64 550	529 478	552 825	(23 348)	-4%	905 497
Employee costs	286 329	333 063	333 013	44 185	181 164	194 457	(13 293)	-7%	333 013
Remuneration of Councillors	6 721	7 674	7 674	587	4 380	4 476	(97)	-2%	7 674
Depreciation and amortisation	36 393	40 059	40 059	3 338	23 367	23 367	-		40 059
Interest	19 740	13 428	13 428	24	5 663	7 833	(2 170)	-28%	13 428
Inventory consumed and bulk purchases	177 949	225 784	226 108	17 335	109 887	129 997	(20 111)	-15%	226 108
Transfers and subsidies	5 626	12 230	11 825	80	4 589	6 670	(2 082)	-31%	11 825
Other expenditure	264 036	268 038	272 660	4 262	90 338	159 049	(68 711)	-43%	272 660
Total Expenditure	796 794	900 274	904 766	69 810	419 387	525 850	(106 463)	-20%	904 766
Surplus/(Deficit)	43 185	780	731	(5 260)	110 091	26 975	83 116	308%	731
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	59 970	1 186	10 119	32 927	(22 808)	-69%	59 970
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	79 752	38 248	60 700	(4 075)	120 210	59 903	60 307	101%	60 700
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	79 752	38 248	60 700	(4 075)	120 210	59 903	60 307	101%	60 700
Capital expenditure & funds sources									
Capital expenditure	84 807	109 432	136 464	1 046	28 909	79 604	(50 695)	-64%	136 464
Capital transfers recognised	33 505	34 335	55 814	50	10 635	32 558	(21 923)	-67%	55 814
Borrowing	32 098	45 150	47 673	-	12 797	27 809	(15 012)	-54%	47 673
Internally generated funds	19 203	29 947	32 978	996	5 477	19 237	(13 760)	-72%	32 978
Total sources of capital funds	84 806	109 432	136 464	1 046	28 909	79 604	(50 695)	-64%	136 464
Financial position									
Total current assets	234 613	429 672	417 368		741 474				417 368
Total non current assets	1 255 346	1 335 112	1 362 144		1 260 888				1 362 144
Total current liabilities	175 960	426 612	418 888		580 014				418 888
Total non current liabilities	162 075	190 333	190 333		149 797				190 333
Community wealth/Equity	1 151 923	1 147 839	1 170 291		1 272 551				1 170 291
Cash flows									
Net cash from (used) operating	107 495	76 938	89 910	31 230	291 098	85 326	(205 773)	-241%	739 004
Net cash from (used) investing	(74 495)	(98 470)	(125 502)	(1 046)	(28 909)	85 834	114 743	134%	147 145
Net cash from (used) financing	13 451	19 383	19 383	(66)	(9 834)	23 421	33 254	142%	40 150
Cash/cash equivalents at the month/year end	95 078	57 591	43 530	-	347 433	254 321	(93 113)	-37%	1 021 377
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	36 056	10 386	10 714	7 597	256 319	-	-	-	321 071
Creditors Age Analysis									
Total Creditors	3 965	584	2 799	438	271	22 251	900	-	31 209

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end January 2024 amounts to R539.6 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 January 2024 amounts R419.4 million. The total expenditure budget is under-performing by 20%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January										
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	(2 918)	-100,0%	2 918
Vote 2 - Office of the Municipal Manager		131 670	62 081	62 081	127	64 299	61 621	2 677	4,3%	62 081
Vote 3 - Community Services		116 837	137 471	137 541	15 426	65 916	87 323	(21 407)	-24,5%	137 541
Vote 4 - Corporate Services		3 910	19	25	–	3	14	(11)	-78,8%	25
Vote 5 - Financial Services		170 985	207 447	208 423	12 653	121 327	116 089	5 237	4,5%	208 423
Vote 6 - Economic Development & Planning		20 989	21 821	39 871	637	5 944	20 713	(14 769)	-71,3%	39 871
Vote 7 - Engineering Services		431 662	506 765	514 608	36 893	282 109	297 074	(14 965)	-5,0%	514 608
Total Revenue by Vote	2	876 072	938 523	965 466	65 736	539 597	585 753	(46 156)	-7,9%	965 466
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 229	731	7 026	7 716	(690)	-8,9%	13 229
Vote 2 - Office of the Municipal Manager		28 233	24 180	24 233	2 888	16 451	14 135	2 316	16,4%	24 233
Vote 3 - Community Services		224 314	220 646	220 635	18 848	103 195	128 702	(25 507)	-19,8%	220 635
Vote 4 - Corporate Services		61 082	81 193	81 210	6 606	30 968	47 372	(16 404)	-34,6%	81 210
Vote 5 - Financial Services		47 102	67 121	68 109	6 309	29 372	39 729	(10 358)	-26,1%	68 109
Vote 6 - Economic Development & Planning		45 203	43 237	46 682	3 715	19 785	27 003	(7 218)	-26,7%	46 682
Vote 7 - Engineering Services		377 335	450 669	450 669	30 713	212 590	261 192	(48 601)	-18,6%	450 669
Total Expenditure by Vote	2	791 341	900 274	904 766	69 810	419 387	525 850	(106 463)	-20,2%	904 766
Surplus/ (Deficit) for the year	2	84 731	38 248	60 700	(4 075)	120 210	59 903	60 307	100,7%	60 700

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

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 3 - Community Services		1 685	4 780	4 780	-	-	2 788	(2 788)	-100%	4 780
Vote 4 - Corporate Services		2 086	1 016	1 016	-	231	593	(361)	-61%	1 016
Vote 7 - Engineering Services		39 622	40 959	43 244	996	8 594	25 225	(16 631)	-66%	43 244
Total Capital Multi-year expenditure	4,7	43 393	46 755	49 039	996	8 826	28 606	(19 780)	-69%	49 039
Single Year expenditure appropriation	2									
Vote 2 - Office of the Municipal Manager		-	1 000	1 000	-	-	583	(583)	-100%	1 000
Vote 3 - Community Services		5 563	835	1 686	-	449	983	(534)	-54%	1 686
Vote 4 - Corporate Services		59	561	561	-	19	327	(309)	-94%	561
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	50	50	178	(128)	-72%	304
Vote 7 - Engineering Services		35 356	59 977	83 874	-	19 566	48 926	(29 360)	-60%	83 874
Total Capital single-year expenditure	4	41 414	62 677	87 425	50	20 084	50 998	(30 914)	-61%	87 425
Total Capital Expenditure	3	84 807	109 432	136 464	1 046	28 909	79 604	(50 695)	-64%	136 464
Capital Expenditure - Functional Classification										
Governance and administration		2 549	20 857	22 107	581	9 960	12 896	(2 936)	-23%	22 107
Executive and council		-	1 000	1 000	-	-	583	(583)	-100%	1 000
Finance and administration		2 549	19 857	21 107	581	9 960	12 312	(2 353)	-19%	21 107
Community and public safety		5 607	4 265	4 265	-	-	2 488	(2 488)	-100%	4 265
Community and social services		2 352	2 880	2 880	-	-	1 680	(1 680)	-100%	2 880
Sport and recreation		921	1 000	1 000	-	-	583	(583)	-100%	1 000
Public safety		2 334	385	385	-	-	225	(225)	-100%	385
Economic and environmental services		9 570	13 973	20 452	455	1 821	11 930	(10 109)	-85%	20 452
Planning and development		435	304	304	50	50	178	(128)	-72%	304
Road transport		9 135	13 669	20 147	405	1 772	11 753	(9 981)	-85%	20 147
Trading services		67 081	70 337	89 641	10	17 128	52 290	(35 162)	-67%	89 641
Energy sources		25 395	23 741	24 662	-	2 565	14 386	(11 822)	-82%	24 662
Water management		25 002	27 350	39 820	3	10 647	23 228	(12 581)	-54%	39 820
Waste water management		15 302	17 896	23 759	7	3 917	13 859	(9 943)	-72%	23 759
Waste management		1 382	1 350	1 400	-	-	817	(817)	-100%	1 400
Total Capital Expenditure - Functional Classification	3	84 807	109 432	136 464	1 046	28 909	79 604	(50 695)	-64%	136 464
Funded by:										
National Government		26 721	23 581	30 400	-	9 902	17 733	(7 831)	-44%	30 400
Provincial Government		6 741	10 754	25 414	50	733	14 825	(14 092)	-95%	25 414
District Municipality		43	-	-	-	-	-	-	-	-
Transfers recognised - capital		33 505	34 335	55 814	50	10 635	32 558	(21 923)	-67%	55 814
Borrowing	6	32 098	45 150	47 673	-	12 797	27 809	(15 012)	-54%	47 673
Internally generated funds		19 203	29 947	32 978	996	5 477	19 237	(13 760)	-72%	32 978
Total Capital Funding	7	84 806	109 432	136 464	1 046	28 909	79 604	(50 695)	-64%	136 464

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 1.0 million.

It should be noted, as a matter of concern, that the spending on human settlements is worrying as the allocated budget amounts to R24.7 million and spending is only at R 683 254. Recently we received the revised allocation letter where an additional R 9.2 million has been gazetted to Bitou for Human settlements. Based on this and the current spending it appears unlikely that we will fully spend on this capital project.

The Municipality also received a letter to stop funding on INEP for the remainder of the tranche still due to us due to underspending. Should Treasury not find our response favourable, it will add additional pressure on our own funding to replace the reduced grant funding. 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.

It should also be noted that the commitments (shadow balances) loaded on the FMS amounts to R35.6 million, which translates to 26% of the total capital budget still being under commitments. If these commitments materialise, the Municipality will be within the 50% spending bracket as anticipated.

Capital Grants Analysis

Grants	Original Budget	Adjusted Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	20 299 130.00	27 118 522.00	0	6 720 101.88	8 661 760.89
INEP	3 281 739.00	3 281 739.00	0	1 759 389.15	1 240 610.85
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	10 000 000.00	8 659 471.00	0	341 860.23	683 254.71
HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	0	16 000 000.00	0	0	0
LIBRARY CONDITIONAL GRANT	450 000.00	450 000.00	0	0	0
RSEP	304 348.00	304 348.00	49 748.24	0	49 748.24
BORROWINGS	45 150 000.00	46 871 649.00	0	15 060 163.12	12 796 796.59
AFR	29 946 887.00	33 778 624.00	996 429.60	11 711 976.80	5 477 025.48
TOTAL	109 432 104.00	136 464 353.00	1 046 177.84	35 593 491.18	28 909 196.76

BITOU LOCAL MUNICIPALITY

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

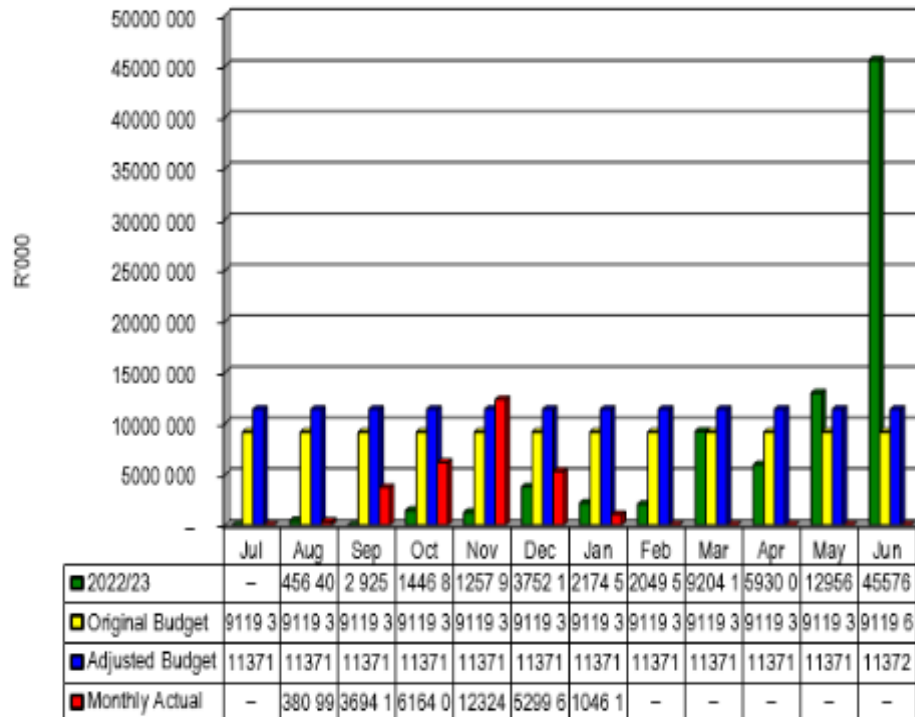
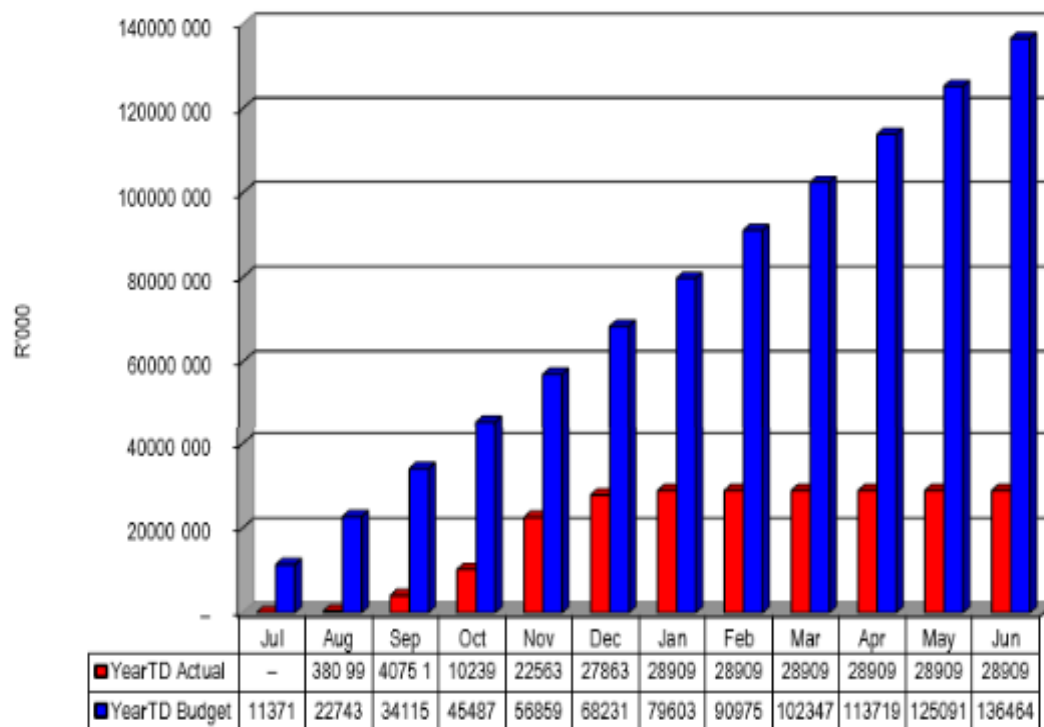


Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M07 January

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		95 078	55 750	43 770	347 433	43 770
Trade and other receivables from exchange transactions		49 403	43 839	43 839	55 039	43 839
Receivables from non-exchange transactions		36 666	100 771	100 771	50 700	100 771
Current portion of non-current receivables		–	11	11	9	11
Inventory		15 357	16 538	16 213	14 071	16 213
VAT		9 986	212 584	212 584	273 795	212 584
Other current assets		28 123	180	180	426	180
Total current assets		234 613	429 672	417 368	741 474	417 368
Non current assets						
Investment property		12 692	12 692	12 692	12 692	12 692
Property, plant and equipment		1 242 619	1 322 385	1 349 417	1 248 161	1 349 417
Heritage assets		35	35	35	35	35
Total non current assets		1 255 346	1 335 112	1 362 144	1 260 888	1 362 144
TOTAL ASSETS		1 489 959	1 764 784	1 779 512	2 002 362	1 779 512
LIABILITIES						
Current liabilities						
Financial liabilities		19 531	0	0	19 531	0
Consumer deposits		10 793	9 848	9 848	11 214	9 848
Trade and other payables from exchange transactions		94 873	79 612	84 299	229 094	84 299
Trade and other payables from non-exchange transactions		10 961	(15 640)	(28 052)	(5 233)	(28 052)
Provision		39 585	113 636	113 636	43 717	113 636
VAT		–	239 157	239 157	281 691	239 157
Other current liabilities		218	–	–	–	–
Total current liabilities		175 960	426 612	418 888	580 014	418 888
Non current liabilities						
Financial liabilities		82 546	121 558	121 558	72 510	121 558
Provision		13 052	10 320	10 320	11 423	10 320
Other non-current liabilities		66 477	58 456	58 456	65 865	58 456
Total non current liabilities		162 075	190 333	190 333	149 797	190 333
TOTAL LIABILITIES		338 035	616 946	609 221	729 811	609 221
NET ASSETS	2	1 151 923	1 147 839	1 170 291	1 272 551	1 170 291
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 121 791	1 242 601	1 121 791
Reserves and funds		29 950	48 500	48 500	29 950	48 500
TOTAL COMMUNITY WEALTH/EQUITY	2	1 151 923	1 147 839	1 170 291	1 272 551	1 170 291

The table above reflects the statement of financial position of the municipality. The total current assets at the end of January 2024 amounts to R741.5 million. The municipality reports total short-term investments at R 98.9 million and cash of R19.8 million for the month. The municipality reports a positive cashbook balance of R19.8 million.

The current liabilities for the month amounts R580 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.

BITOU LOCAL MUNICIPALITY

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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		162 102	163 156	163 156	16 584	103 429	95 174	8 254	9%	163 156
Service charges		357 153	422 573	422 573	27 245	230 466	246 501	(16 035)	-7%	422 573
Other revenue		1 287	22 595	22 595	(15 909)	31 373	13 181	18 193	138%	22 595
Transfers and Subsidies - Operational		189 257	163 277	166 667	796	117 032	121 899	(4 867)	-4%	166 667
Transfers and Subsidies - Capital		-	37 468	48 907	7 916	19 306	33 806	(14 500)	-43%	48 907
Interest		11 407	8 221	8 221	1 395	16 436	4 795	11 640	243%	8 221
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(599 309)	(714 694)	(716 552)	(6 692)	(216 693)	(415 064)	(198 371)	48%	(67 458)
Interest		(8 776)	(13 428)	(13 428)	(24)	(5 663)	(7 833)	(2 170)	28%	(13 428)
Transfers and Subsidies		(5 626)	(12 230)	(12 230)	(80)	(4 589)	(7 134)	(2 545)	36%	(12 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		107 495	76 938	89 910	31 230	291 098	85 326	(205 773)	-241%	739 004
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		454	10 962	10 962	-	-	6 394	(6 394)	-100%	10 962
Decrease (increase) in non-current receivables		1	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		9 857	-	-	-	-	-	-		-
Payments										
Capital assets		(84 807)	(109 432)	(136 464)	(1 046)	(28 909)	79 440	108 349	136%	136 183
NET CASH FROM/(USED) INVESTING ACTIVITIES		(74 495)	(98 470)	(125 502)	(1 046)	(28 909)	85 834	114 743	134%	147 145
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		35 255	40 150	40 150	-	-	23 421	(23 421)	-100%	40 150
Increase (decrease) in consumer deposits		-	-	-	52	420	-	420	0%	-
Payments										
Repayment of borrowing		(21 804)	(20 767)	(20 767)	(118)	(10 254)	-	10 254	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		13 451	19 383	19 383	(66)	(9 834)	23 421	33 254	142%	40 150
NET INCREASE/ (DECREASE) IN CASH HELD		46 451	(2 149)	(16 210)	30 118	252 355	194 581			926 299
Cash/cash equivalents at beginning:		48 627	59 740	59 740		95 078	59 740			95 078
Cash/cash equivalents at month/year end:		95 078	57 591	43 530		347 433	254 321			1 021 377

The municipality is reporting a positive R21.2 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 R1.0 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 January 2024 amounts to R66 197. The bi-annual redemption was done in December 2023. The next payment will occur in June 2024.

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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	

BITOU LOCAL MUNICIPALITY

Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January													
Description	NT Code	Budget Year 2023/24											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6 485	2 799	2 413	2 340	74 079	-	-	-	88 117	76 419	69	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 039	1 396	822	673	14 907	-	-	-	29 836	15 579	138	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 314	2 125	1 790	1 238	41 628	-	-	-	56 095	42 866	651	-
Receivables from Exchange Transactions - Waste Water Management	1500	4 967	2 379	2 389	1 999	87 815	-	-	-	99 548	89 813	126	-
Receivables from Exchange Transactions - Waste Management	1600	3 208	1 572	1 478	1 291	52 131	-	-	-	59 680	53 422	44	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	43	114	1 822	56	(14 240)	-	-	-	(12 206)	(14 185)	6	-
Total By Income Source	2000	36 056	10 386	10 714	7 597	256 319	-	-	-	321 071	263 915	1 033	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	501	288	220	182	746	-	-	-	1 936	928	-	-
Commercial	2300	4 221	480	407	360	4 666	-	-	-	10 134	5 026	-	-
Households	2400	31 334	9 618	10 087	7 055	250 907	-	-	-	309 000	257 962	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	36 056	10 386	10 714	7 597	256 319	-	-	-	321 071	263 915	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 256.3 million as outstanding debt older than 121 days with a total outstanding amount of R 321.1 million.

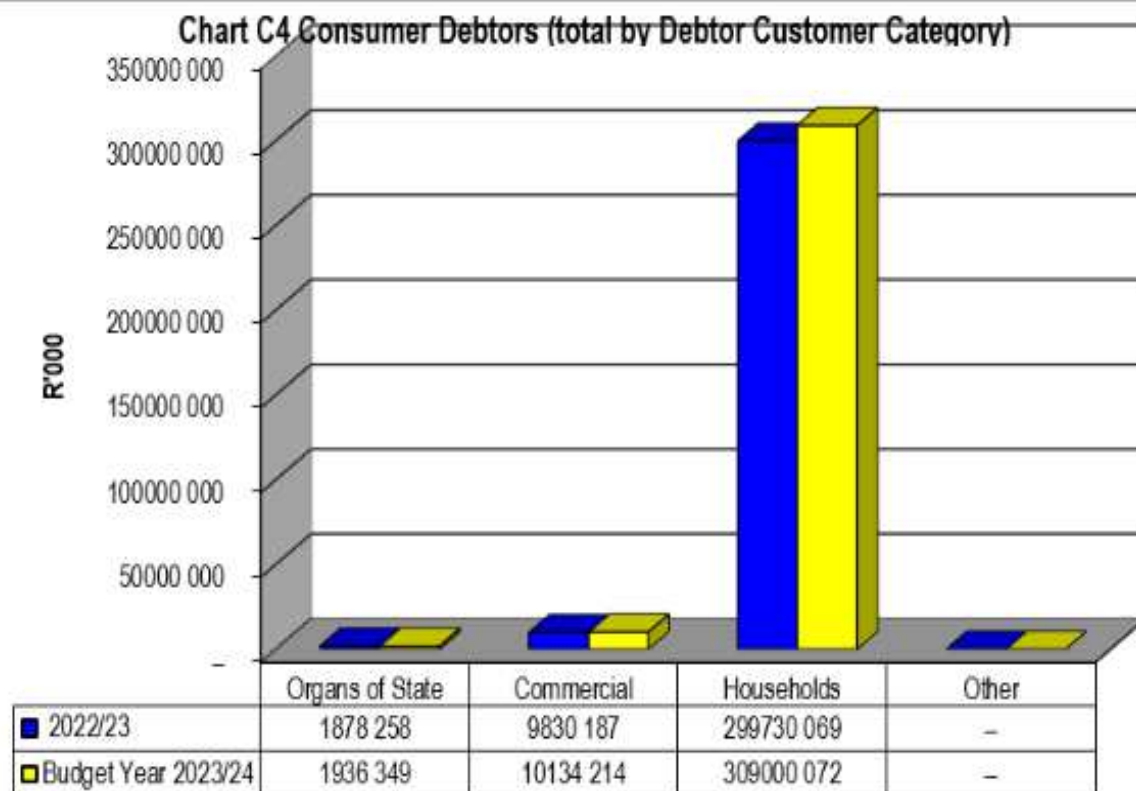
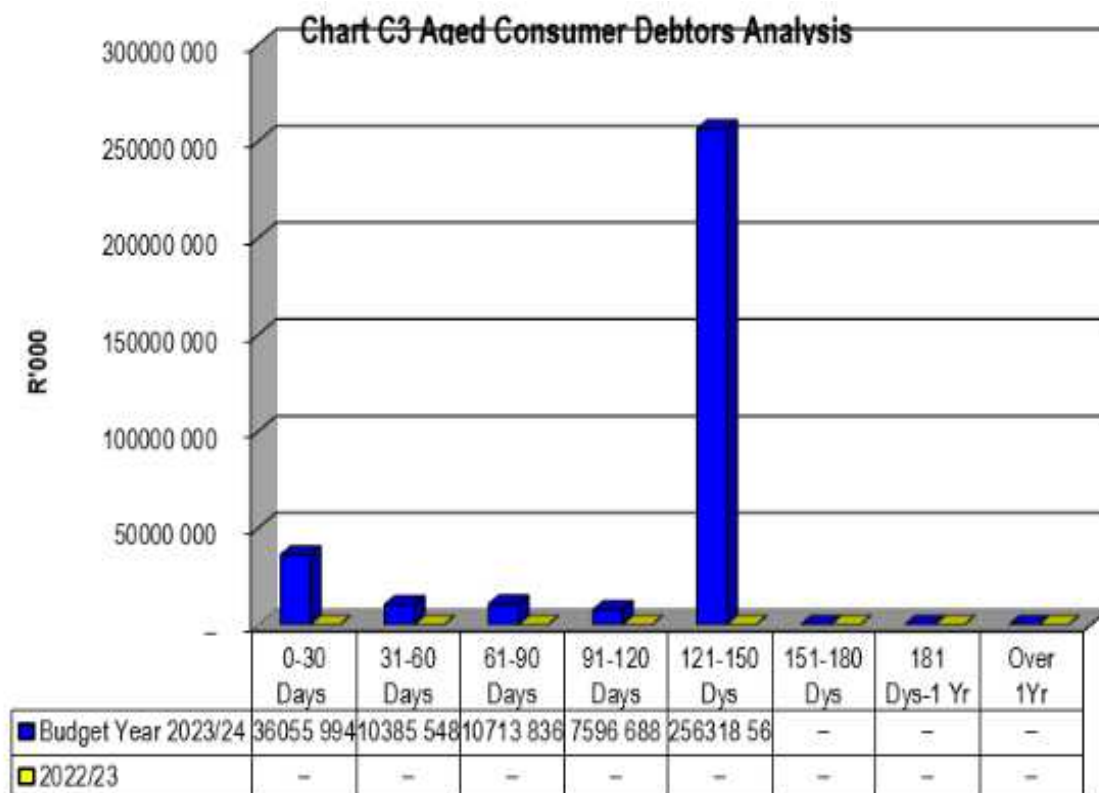
The contributors to the outstanding debt remain the household debt which represent 96.24% of total debt, followed by businesses with 3.16% and organs of state contributing 0.60%

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 January 2024 is 94%. See below debtor payment percentage breakdown achieved from November 2023 to January 2024.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Nov-23	Dec-23	Jan-24	Annual
Gross Debtors Opening Balance	309 902 479,04	310 476 935,50	318 123 907,56	311 714 712,48
Billed Revenue	61 493 668,02	59 439 696,69	62 569 287,24	434 150 703,80
Gross Debtors Closing Balance	310 476 935,50	318 123 907,56	321 070 633,93	321 070 633,93
Bad Debt Written off	103 128,30	503 195,86	1 089 369,09	39 324 911,91
Payment received	60 816 083,26	51 289 528,77	58 533 191,78	385 469 870,44
Billed Revenue	61 493 668,02	59 439 696,69	62 569 287,24	434 150 703,80
% Debtor payment achieved	99%	86%	94%	89%

BITOU LOCAL MUNICIPALITY



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

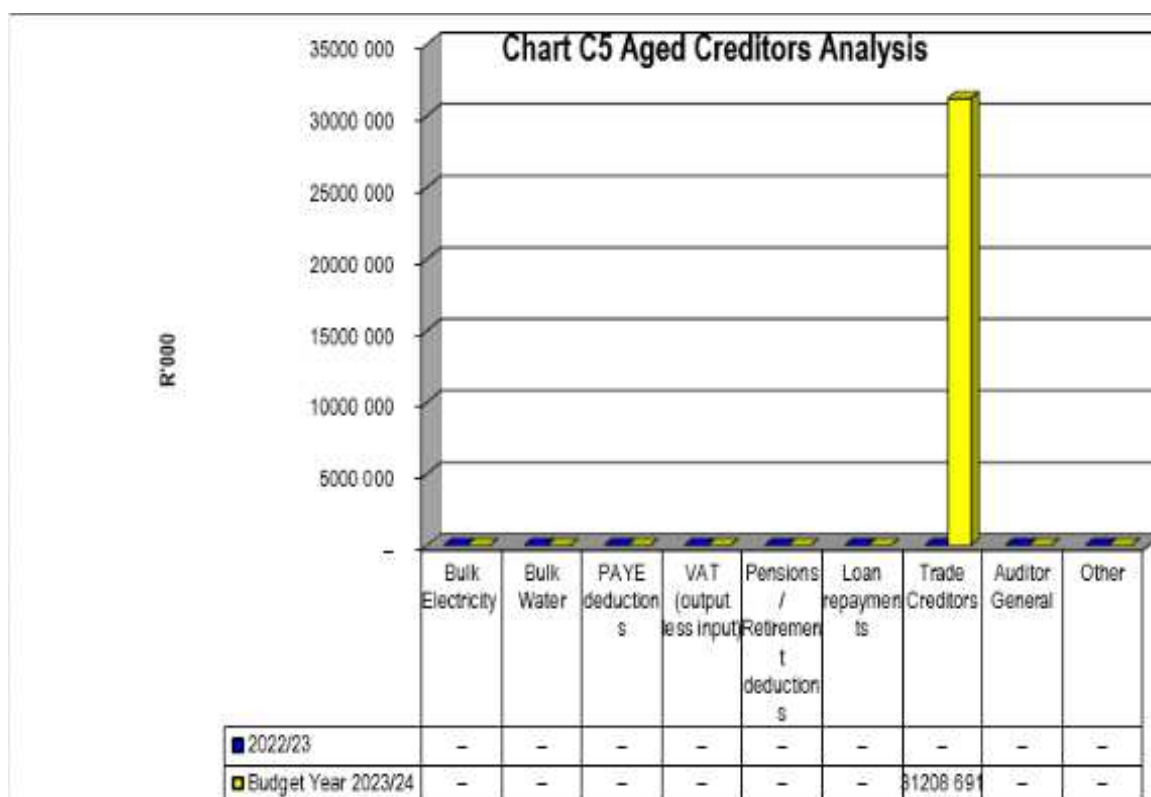
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January											
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	3 965	584	2 799	438	271	22 251	900	-	31 209	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3 965	584	2 799	438	271	22 251	900	-	31 209	-

Creditors Age Analysis

The municipality reports a total amount of R31.2 million on trade creditors in January 2024.

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 - M07 January														
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														
Absa Bank: 9378543662		-	Call deposit							7 874	60		-	7 934
Absa Bank:9377092408-3		-	Call deposit							2 861	22		-	2 883
Absa Bank:9380348553		-	Call deposit							18 795	142		-	18 937
Nedbank: 1766000029 - 2		-	Fixed deposit							12 500	-		-	12 500
Standard Bank: 488607000-079		-	Call deposit							5 129	34		-	5 163
Standard Bank: 488607000-078		-	Call deposit							5 129	34		-	5 163
Absa Bank:9381946782		-	Call deposit							11 303	85		-	11 389
Standard Bank: 488607000-080		-	Fixed deposit							15 000	-		-	15 000
Standard Bank: 488607000-081		-	Fixed deposit							20 000	-		-	20 000
-		-								-	-		-	-
Municipality sub-total										98 592	376		-	98 968

Investment portfolio analysis

The municipality has investments with a total value of R98.9 million as at January 2024. Interest earned on fixed deposits will only be recognised upon maturity, but it will be accrued at year end.

It must however be noted that there are commitments against the investments and cash in the bank being the following:

Total cash and cash equivalents R 118 755 054

Minus

Unspent conditional grants R 22 874 580

Agency services due R 1 067 292

CRR to fund current capital budget R 29 950 000

Current portion of borrowing repayments due R 10 254 067

Working capital (one month of operational expenses) R 53 525 593

Total commitments R 117 671 532

Plus

Capital funding due from borrowing R 12 796 797

Available unencumbered cash resources R 13 880 319

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M07)
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	1 315 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	728 962,47
EQUITABLE SHARE	108 545 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	388 708,47
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES -	3 233 000,00
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	774 000,00
MUNICIPAL INFRASTRUCTURE GRANT	8 661 760,89
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)	683 254,71
FINANCIAL MANAGEMENT CAPACITY BUILDING	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-

124 563 686,54

The table above reflects the income recognition done up until the month of January 2024. Transfers and subsidies amount to R 123.1 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M07)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	774 000,00
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	18 182 000,00
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	3 233 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	1 771 000,00
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	846 000,00
COMMUNITY LIBRARY SERVICES	-
COMMUNITY DEVELOPMENT WORKERS	802 000,00
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

26 178 589,62

The table above reflects the grant receipts for January 2024.

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:

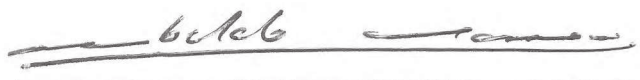
QUALITY CERTIFICATE

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 31 January 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Mr. M Memani

Municipal Manager of Bitou Local Municipality – WC047

Date

14/02/2024