

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month
ended 29 February 2024**



Table of Contents

Table of Contents.....	2
Glossary	3
Legislative Framework	5
Section 1 – February Report	5
Section 2 – Resolutions	5
Section 3 – Executive Summary	5
Section 4 – In-year budget statement tables	9
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 – February Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended February 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 February 2024 amounts to R137.1 million, however the trial balance shows an amount of R364.9 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 29 February 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.

BITOU LOCAL MUNICIPALITY

Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	485 088	40 942	324 241	323 392	850	0%	485 088
Service charges - Electricity		210 201	241 830	232 677	21 712	156 514	155 118	1 397	1%	232 677
Service charges - Water		86 449	86 725	82 972	8 232	56 567	55 315	1 253	2%	82 972
Service charges - Waste Water Management		78 406	77 663	66 874	4 874	47 973	44 583	3 390	8%	66 874
Service charges - Waste management		45 502	58 016	46 784	3 604	31 328	31 189	139	0%	46 784
Sale of Goods and Rendering of Services		6 867	11 571	11 559	600	5 753	7 706	(1 953)	-25%	11 559
Agency services		2 501	3 014	2 803	247	1 599	1 868	(270)	-14%	2 803
Interest earned from Receivables		17 120	13 282	15 483	729	9 940	10 322	(382)	-4%	15 483
Interest earned from Current and Non Current Assets		8 035	4 950	12 325	597	6 372	8 217	(1 845)	-22%	12 325
Rental from Fixed Assets		1 124	1 030	1 117	107	884	744	140	19%	1 117
Licence and permits		1 196	589	1 269	117	1 051	846	205	24%	1 269
Operational Revenue		3 683	2 207	11 226	122	6 260	7 484	(1 224)	-16%	11 226
Non-Exchange Revenue		378 896	400 177	423 175	20 946	267 124	294 744	(27 619)	-9%	423 175
Property rates		151 445	179 779	179 802	14 709	119 370	119 868	(498)	0%	179 802
Surcharges and Taxes		-	1 500	1 500	118	1 063	1 000	63	6%	1 500
Fines, penalties and forfeits		46 722	31 699	45 096	4 701	27 257	30 064	(2 807)	-9%	45 096
Licence and permits		-	696	696	-	-	464	(464)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	175 264	106	114 551	129 470	(14 919)	-12%	175 264
Interest		4 242	3 759	2 130	159	1 628	1 420	208	15%	2 130
Operational Revenue		2 064	15 518	14 735	1 153	3 255	9 824	(6 569)	-67%	14 735
Gains on disposal of Assets		441	3 950	3 950	-	-	2 633	(2 633)	-100%	3 950
Other Gains		18 011	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	908 263	61 888	591 366	618 135	(26 770)	-4%	908 263
Expenditure By Type										
Employee related costs		286 329	333 063	335 084	30 342	211 506	223 549	(12 043)	-5%	335 084
Remuneration of councillors		6 721	7 674	7 675	564	4 943	5 117	(173)	-3%	7 675
Bulk purchases - electricity		162 599	206 241	201 241	15 609	118 921	134 161	(15 240)	-11%	201 241
Inventory consumed		15 349	19 543	20 500	3 029	9 604	13 666	(4 062)	-30%	20 500
Debt impairment		28 623	18 270	18 270	-	-	17 079	(17 079)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	3 338	26 705	26 705	0	0%	40 059
Interest		19 740	13 428	13 428	22	5 685	8 952	(3 267)	-36%	13 428
Contracted services		72 886	95 793	102 405	8 301	29 036	67 592	(38 556)	-57%	102 405
Transfers and subsidies		5 626	12 230	12 525	170	4 759	8 480	(3 721)	-44%	12 525
Irrecoverable debts written off		88 945	64 900	64 900	3 056	38 029	43 267	(5 237)	-12%	64 900
Operational costs		72 058	89 075	89 627	8 325	42 954	58 745	(15 791)	-27%	89 627
Losses on Disposal of Assets		1 515	-	-	-	-	-	-		-
Other Losses		9	-	-	-	-	-	-		-
Total Expenditure		796 794	900 274	905 714	72 755	492 142	607 311	(115 170)	-19%	905 714
Surplus/(Deficit)		43 185	780	2 549	(10 867)	99 224	10 824	88 400	0	2 549
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	59 278	50	10 169	35 408	(25 240)	(0)	59 278
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	61 826	(10 817)	109 393	46 232			61 826
Surplus/(Deficit) after income tax		79 752	38 248	61 826	(10 817)	109 393	46 232			61 826
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-			-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		79 752	38 248	61 826	(10 817)	109 393	46 232			61 826
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		79 752	38 248	61 826	(10 817)	109 393	46 232			61 826

BITOU LOCAL MUNICIPALITY

Revenue by Source

Property Rates

Property rates for the month amounts to R14.7 million. When comparing the YTD actuals with the YTD budget, the revenue source is performing adequately and the annual budgeted revenue target will be met.

Electricity

YTD Revenue from electricity amounts to R156.5 million. Anticipated budgeted revenue amounted to R155.1 million, this represents a slight over-performance of 1%. This revenue source has been adjusted downward to bring it in line with the trend over the past 7 months. 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.

Water Service

Water revenue as at end of February 2024 amounts to R56.6 million while the YTD budget amounts to R55.3 million. This represents a 2% over-performance. This revenue source was also adjusted downward based on the trend and in anticipation of the colder months ahead where consumption generally decreases.

Sanitation Service

Sanitation revenue amounts to R47.9 million while YTD budget amounts to R44.6 million. This translates to an 8% over-performance for this category of revenue. The revenue item was adjusted downward and even though it is over-performing it is still being monitored to ensure its performance remains adequate through the revenue enhancement program which is underway to ensure that the revenue targets will be met.

Refuse Service

Refuse revenue as at the end of February 2024 amounts R31.3 million while the YTD budget amounts to R31.2 million. This revenue source is adequately performing after it was adjusted downward and 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 has invested a sizeable amount of capital for improving this function.

Rental from Fixed Assets

The revenue for rental from fixed assets for February 2024 amounts to R 884 000. This source of revenue is over performing by 19%. 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 6.4 million and R 9.9 million respectively, which in turn equates to an under-performance of 22% and 4% respectively for this revenue source. The interest on outstanding debtors remain doubtful to be collected by the municipality and provision for irrecoverable debt is therefore made as part of the annual financial statement processes.

Revenue for fines, penalties and forfeits

Revenue from Fines as at end of February 2024 amounts to R27.3 million compared to the anticipated budgeted revenue of R30.1 million. This is an underperformance of 9%. Revenue recognition is only done on the 7th of each month, which means revenue for the month of

BITOU LOCAL MUNICIPALITY

February 2024 will form part of next month's reporting. Taking the revenue still to be accounted for into consideration, the revenue source is adequately performing.

Transfers and Subsidies

Revenue from Transfers and Subsidies amounts to R106 000 as at end of February 2024. This revenue source has an under-performance of 12%. It is anticipated that this result may come in-line with the budgetary predictions during the remainder of the financial year as the next tranche of the equitable share is due to be paid in March 2024.

Sale of Goods and Rendering of Services

Revenue collected as at end February 2024 amounts to R5.8 million compared to an anticipated R7.7 million. This revenue source includes items such as building plan approval fees, town planning, fire services, staff housing etc.

Operational revenue

Revenue collected as at end February 2024 amounts to R6.3 million compared to an anticipated R7.5 million. The major contributor of the revenue development charges, and landing fees.

Total revenue for the month of February 2024 amounts to R61.9 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 February 2024 amounts to R30.3 million. The YTD budget amounts to R223.5 million and YTD actuals equates to R211.5 million. In totality it translates to an under performance of 5%. 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 February 2024 amounts to R 4.9 million. This expenditure item is underperforming by 3%.

Debt Impairment

No Debt Impairment was done for the month of February 2024, this will be done as part of the year end processes.

Bulk Purchases

Bulk purchases relate to payments made to Eskom for electricity, the expenditure as at end of February 2024 amounts to R118.9 million compared to R134.2 million YTD budget, thus reporting an under performance of 11%. Eskom payments are based on the consumption of the month and are normally due in the following month which will equate to R14 million. Considering that the annual increase will come into effect from 01 April 2024, we anticipate that the item will even out over the remainder of the financial year.

Depreciation

Depreciation as at end February 2024 amounts to R26.7 million which is in line with the anticipated budget and thus performing adequately.

BITOU LOCAL MUNICIPALITY

Inventory Consumed

Expenditure related to this item as at the end of February 2024 amounts to R9.6 million while the YTD budget amounts to R13.7 million. This expenditure item is under-performing by 30% when compared to the YTD budget. It is anticipated that this item will increase as the year progresses and maintenance projects are completed.

Contracted Services

Expenditure as at end of February 2024 amounts to R29 million and is under-performing by 57% when compared to the YTD budget of R67.6 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 February 2024 amounts R4.8 million compared to the YTD budget of R8.5 million. An under-performance of 44% is reported for the month. Expenditure falling under this category include Grant-in-aid, payment to the Shark Spotter programme and our contribution to the regional landfill site.

Operational Cost

Operational Cost YTD actuals after February 2024 amounts to R42.9 million while the YTD budget amounts to R58.7 million, which translates to an under performance of 27%. 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 February 2024 amounts to R72.8 million.

Conclusion on Financial Position and performance

The municipality is reporting a deficit for the month of February 2024 of R10.9 million, however the year-to-date shows an operating surplus of R109.4 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.

BITOU LOCAL MUNICIPALITY

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 29 February 2024.

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C1 Monthly Budget Statement Summary - M08 February

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	179 802	14 709	119 370	119 868	(498)	-0%	179 802
Service charges	420 558	464 234	429 307	38 422	292 383	286 205	6 178	2%	429 307
Investment revenue	8 035	4 950	12 325	597	6 372	8 217	(1 845)	-22%	12 325
Transfers and subsidies - Operational	155 970	163 277	175 264	106	114 551	129 470	(14 919)	-12%	175 264
Other own revenue	103 971	88 815	111 563	8 053	58 690	74 375	(15 685)	-21%	111 563
Total Revenue (excluding capital transfers and contributions)	839 979	901 055	908 263	61 888	591 366	618 135	(26 770)	-4%	908 263
Employee costs	286 329	333 063	335 084	30 342	211 506	223 549	(12 043)	-5%	335 084
Remuneration of Councillors	6 721	7 674	7 675	564	4 943	5 117	(173)	-3%	7 675
Depreciation and amortisation	36 393	40 059	40 059	3 338	26 705	26 705	0	0%	40 059
Interest	19 740	13 428	13 428	22	5 685	8 952	(3 267)	-36%	13 428
Inventory consumed and bulk purchases	177 949	225 784	221 741	18 638	128 525	147 827	(19 302)	-13%	221 741
Transfers and subsidies	5 626	12 230	12 525	170	4 759	8 480	(3 721)	-44%	12 525
Other expenditure	264 036	268 038	275 202	19 682	110 020	186 682	(76 663)	-41%	275 202
Total Expenditure	796 794	900 274	905 714	72 755	492 142	607 311	(115 170)	-19%	905 714
Surplus/(Deficit)	43 185	780	2 549	(10 867)	99 224	10 824	88 400	817%	2 549
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	59 278	50	10 169	35 408	(25 240)	-71%	59 278
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	79 752	38 248	61 826	(10 817)	109 393	46 232	63 160	137%	61 826
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	79 752	38 248	61 826	(10 817)	109 393	46 232	63 160	137%	61 826
Capital expenditure & funds sources									
Capital expenditure	84 807	109 432	128 793	9 804	38 713	85 862	(47 148)	-55%	128 793
Capital transfers recognised	33 505	34 335	57 821	5 422	16 058	38 547	(22 489)	-58%	57 821
Borrowing	32 098	45 150	38 998	3 955	16 752	25 999	(9 247)	-36%	38 998
Internally generated funds	19 203	29 947	31 974	427	5 904	21 316	(15 412)	-72%	31 974
Total sources of capital funds	84 806	109 432	128 793	9 804	38 713	85 862	(47 148)	-55%	128 793
Financial position									
Total current assets	428 647	429 672	473 422		778 228				473 422
Total non current assets	1 255 346	1 335 112	1 331 844		1 267 354				1 331 844
Total current liabilities	391 275	426 612	409 817		634 382				409 817
Total non current liabilities	162 293	190 333	181 699		149 390				181 699
Community wealth/Equity	1 151 923	1 147 839	1 213 749		1 261 811				1 213 749
Cash flows									
Net cash from (used) operating	(308 935)	76 938	101 658	26 736	318 448	82 511	(235 937)	-286%	743 952
Net cash from (used) investing	(81 867)	(98 470)	(112 430)	(9 804)	(38 713)	89 569	128 282	143%	134 354
Net cash from (used) financing	-	40 150	40 150	(125)	(9 955)	-	9 955		40 150
Cash/cash equivalents at the month/year end	(342 175)	78 358	124 456	-	364 858	267 158	(97 700)	-37%	1 013 535
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	40 647	10 691	8 055	9 539	256 334	-	-	-	325 266
Creditors Age Analysis									
Total Creditors	-	79	4	-	3	1	64	-	151

BITOU LOCAL MUNICIPALITY

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end February 2024 amounts to R601.5 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 February 2024 amounts R492.1 million. The total expenditure budget is under-performing by 19%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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	62 149	112	64 411	61 758	2 652	4,3%	62 149
Vote 3 - Community Services		116 837	137 471	139 665	9 273	75 189	98 782	(23 593)	-23,9%	139 665
Vote 4 - Corporate Services		3 910	19	541	39	42	466	(424)	-91,0%	541
Vote 5 - Financial Services		170 985	207 447	213 905	15 738	137 064	135 931	1 134	0,8%	213 905
Vote 6 - Economic Development & Planning		20 989	21 821	46 889	419	6 363	26 779	(20 417)	-76,2%	46 889
Vote 7 - Engineering Services		431 662	506 765	501 474	36 357	318 466	326 909	(8 443)	-2,6%	501 474
Total Revenue by Vote	2	876 072	938 523	967 540	61 938	601 534	653 544	(52 009)	-8,0%	967 540
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 174	983	8 009	8 782	(774)	-8,8%	13 174
Vote 2 - Office of the Municipal Manager		28 233	24 180	25 172	2 667	19 119	16 781	2 338	13,9%	25 172
Vote 3 - Community Services		224 314	220 646	220 973	20 200	123 396	165 379	(41 983)	-25,4%	220 973
Vote 4 - Corporate Services		61 082	81 193	81 421	7 547	38 514	53 280	(14 766)	-27,7%	81 421
Vote 5 - Financial Services		47 102	67 121	67 202	6 041	35 413	44 796	(9 383)	-20,9%	67 202
Vote 6 - Economic Development & Planning		45 203	43 237	50 648	3 429	23 213	33 895	(10 681)	-31,5%	50 648
Vote 7 - Engineering Services		377 335	450 669	447 124	31 888	244 478	284 399	(39 921)	-14,0%	447 124
Total Expenditure by Vote	2	791 341	900 274	905 714	72 755	492 142	607 311	(115 170)	-19,0%	905 714
Surplus/ (Deficit) for the year	2	84 731	38 248	61 826	(10 817)	109 393	46 232	63 160	136,6%	61 826

BITOU LOCAL MUNICIPALITY

Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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	3 836	-	-	2 557	(2 557)	-100%	3 836
Vote 4 - Corporate Services		2 086	1 016	1 138	-	231	759	(527)	-70%	1 138
Vote 7 - Engineering Services		39 622	40 959	41 534	214	8 808	27 689	(18 881)	-68%	41 534
Total Capital Multi-year expenditure	4,7	43 393	46 755	46 508	214	9 040	31 005	(21 965)	-71%	46 508
Single Year expenditure appropriation	2									
Vote 2 - Office of the Municipal Manager		-	1 000	880	4	4	587	(582)	-99%	880
Vote 3 - Community Services		5 563	835	1 486	208	657	991	(333)	-34%	1 486
Vote 4 - Corporate Services		59	561	785	-	19	523	(505)	-96%	785
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	-	50	203	(153)	-75%	304
Vote 7 - Engineering Services		35 356	59 977	78 830	9 377	28 943	52 553	(23 610)	-45%	78 830
Total Capital single-year expenditure	4	41 414	62 677	82 285	9 590	29 674	54 856	(25 183)	-46%	82 285
Total Capital Expenditure	3	84 807	109 432	128 793	9 804	38 713	85 862	(47 148)	-55%	128 793
Capital Expenditure - Functional Classification										
Governance and administration		2 549	20 857	19 767	3 792	13 751	13 178	573	4%	19 767
Executive and council		-	1 000	880	4	4	587	(582)	-99%	880
Finance and administration		2 549	19 857	18 887	3 787	13 747	12 592	1 155	9%	18 887
Community and public safety		5 607	4 265	4 471	208	208	2 980	(2 772)	-93%	4 471
Community and social services		2 352	2 880	4 086	-	-	2 724	(2 724)	-100%	4 086
Sport and recreation		921	1 000	-	-	-	-	-	-	-
Public safety		2 334	385	385	208	208	257	(48)	-19%	385
Economic and environmental services		9 570	13 973	18 258	2 180	4 002	12 172	(8 171)	-67%	18 258
Planning and development		435	304	304	-	50	203	(153)	-75%	304
Road transport		9 135	13 669	17 954	2 180	3 952	11 969	(8 018)	-67%	17 954
Trading services		67 081	70 337	86 296	3 624	20 752	57 531	(36 779)	-64%	86 296
Energy sources		25 395	23 741	23 321	-	2 565	15 548	(12 983)	-84%	23 321
Water management		25 002	27 350	39 711	3 624	14 271	26 474	(12 204)	-46%	39 711
Waste water management		15 302	17 896	23 214	0	3 917	15 476	(11 559)	-75%	23 214
Waste management		1 382	1 350	50	-	-	33	(33)	-100%	50
Total Capital Expenditure - Functional Classification	3	84 807	109 432	128 793	9 804	38 713	85 862	(47 148)	-55%	128 793
Funded by:										
National Government		26 721	23 581	29 407	3 611	13 514	19 605	(6 091)	-31%	29 407
Provincial Government		6 741	10 754	28 414	1 811	2 544	18 942	(16 398)	-87%	28 414
District Municipality		43	-	-	-	-	-	-	-	-
Transfers recognised - capital		33 505	34 335	57 821	5 422	16 058	38 547	(22 489)	-58%	57 821
Borrowing	6	32 098	45 150	38 998	3 955	16 752	25 999	(9 247)	-36%	38 998
Internally generated funds		19 203	29 947	31 974	427	5 904	21 316	(15 412)	-72%	31 974
Total Capital Funding	7	84 806	109 432	128 793	9 804	38 713	85 862	(47 148)	-55%	128 793

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 9.8 million. Comparing the YTD budget and actual YTD expenditure we are looking at a 30% spending of the total capital budget.

It should be noted, as a matter of concern, that the spending on human settlements is worrying as the allocated budget amounts to R27.7 million and spending is only at R 2.5 million. 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 R37.1 million, which translates to 29% of the total capital budget still being under commitments.

Capital Grants Analysis

Grants	Original Budget	Adjusted Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	20 299 130.00	26 125 306.00	3 611 269.12	9 106 764.14	12 273 030.01
INEP	3 281 739.00	3 281 739.00	-	1 759 389.15	1 240 610.85
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	10 000 000.00	11 659 471.00	-	-	683 254.71
HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	0	16 000 000.00	1 811 055.01	-	1 811 055.01
LIBRARY CONDITIONAL GRANT	450 000.00	304 348.00	-	-	49 748.24
RSEP	304 348.00	450 000.00	-	23 807.50	-
BORROWINGS	45 150 000.00	38 998 172.00	3 954 948.74	14 154 156.12	16 751 745.33
AFR	29 946 887.00	31 973 655.00	426 817.82	12 063 803.69	5 903 843.30
TOTAL	109 432 104.00	128 792 691.00	9 804 090.69	37 107 920.60	38 713 287.45

BITOU LOCAL MUNICIPALITY

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

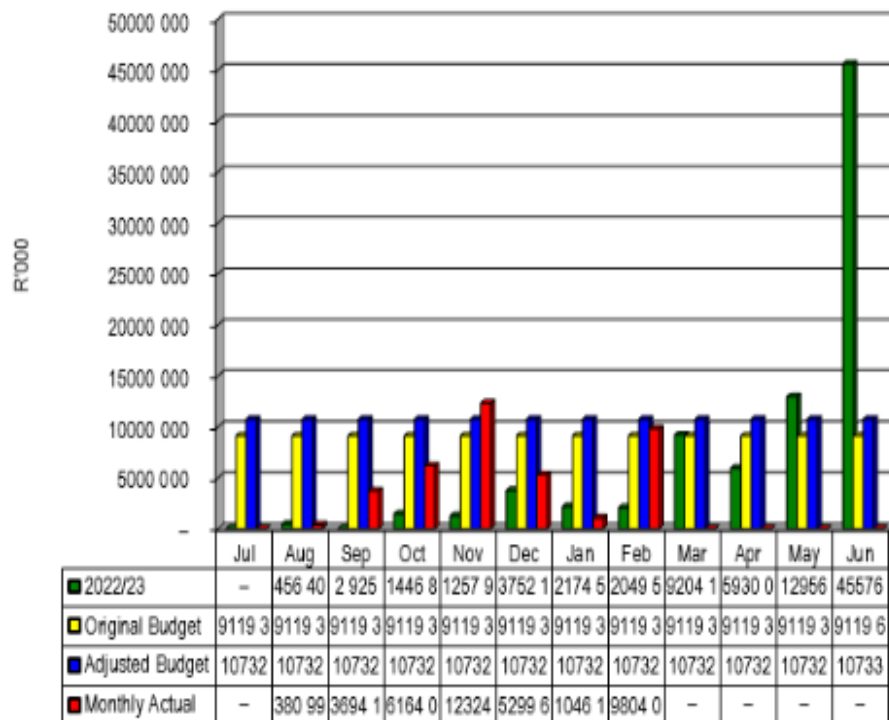
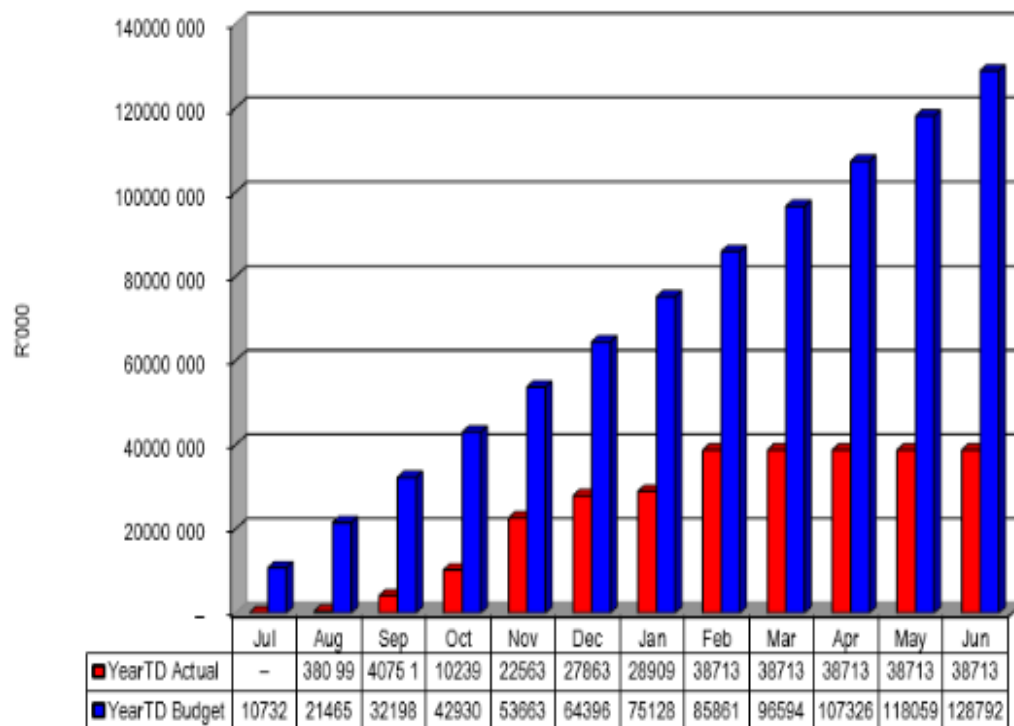


Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M08 February

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	101 768	364 858	101 768
Trade and other receivables from exchange transactions		50 064	43 839	12 534	66 133	12 534
Receivables from non-exchange transactions		11 450	100 771	87 987	52 845	87 987
Current portion of non-current receivables		9	11	9	9	9
Inventory		15 357	16 538	14 435	13 806	14 435
VAT		256 271	212 584	256 271	280 178	256 271
Other current assets		418	180	418	399	418
Total current assets		428 647	429 672	473 422	778 228	473 422
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	1 319 117	1 254 627	1 319 117
Heritage assets		35	35	35	35	35
Total non current assets		1 255 346	1 335 112	1 331 844	1 267 354	1 331 844
TOTAL ASSETS		1 683 993	1 764 784	1 805 266	2 045 583	1 805 266
LIABILITIES						
Current liabilities						
Financial liabilities		19 531	0	19 507	19 531	19 507
Consumer deposits		10 793	9 848	10 793	11 210	10 793
Trade and other payables from exchange transactions		92 089	79 612	115 192	270 072	115 192
Trade and other payables from non-exchange transactions		(17 007)	(15 640)	(43 967)	(4 161)	(43 967)
Provision		39 585	113 636	62 008	49 442	62 008
VAT		246 284	239 157	246 284	288 287	246 284
Total current liabilities		391 275	426 612	409 817	634 382	409 817
Non current liabilities						
Financial liabilities		82 764	121 558	102 170	72 389	102 170
Provision		13 052	10 320	13 052	11 276	13 052
Other non-current liabilities		66 477	58 456	66 477	65 724	66 477
Total non current liabilities		162 293	190 333	181 699	149 390	181 699
TOTAL LIABILITIES		553 568	616 946	591 517	783 771	591 517
NET ASSETS	2	1 130 425	1 147 839	1 213 749	1 261 811	1 213 749
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 183 799	1 231 861	1 183 799
Reserves and funds		29 950	48 500	29 950	29 950	29 950
TOTAL COMMUNITY WEALTH/EQUITY	2	1 151 923	1 147 839	1 213 749	1 261 811	1 213 749

The table above reflects the statement of financial position of the municipality. The total current assets at the end of February 2024 amounts to R778.2 million. The municipality reports total short-term investments at R 99.3 million and cash of R37.7 million for the month. The municipality reports a positive cashbook balance of R37.7 million.

The current liabilities for the month amounts R634.4 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 - M08 February

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		433	163 156	163 105	16 190	119 619	108 737	10 882	10%	163 105
Service charges		-	422 573	418 554	41 832	272 298	279 036	(6 738)	-2%	418 554
Other revenue		-	22 595	23 655	7 523	39 511	15 770	23 741	151%	23 655
Transfers and Subsidies - Operational		462	163 277	167 251	1 228	118 260	125 058	(6 798)	-5%	167 251
Transfers and Subsidies - Capital		-	37 468	48 907	-	19 306	33 806	(14 500)	-43%	48 907
Interest		10 179	8 221	15 596	1 410	17 846	10 397	7 449	72%	15 596
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(320 008)	(714 694)	(709 752)	(41 256)	(257 948)	(473 187)	(215 239)	45%	(67 458)
Interest		-	(13 428)	(13 428)	(22)	(5 685)	(8 952)	(3 267)	36%	(13 428)
Transfers and Subsidies		-	(12 230)	(12 230)	(170)	(4 759)	(8 153)	(3 395)	42%	(12 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(308 935)	76 938	101 658	26 736	318 448	82 511	(235 937)	-286%	743 952
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	10 962	10 962	-	-	7 308	(7 308)	-100%	10 962
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		372	-	-	-	-	-	-		-
Payments										
Capital assets		(82 239)	(109 432)	(123 392)	(9 804)	(38 713)	82 261	120 975	147%	123 392
NET CASH FROM/(USED) INVESTING ACTIVITIES		(81 867)	(98 470)	(112 430)	(9 804)	(38 713)	89 569	128 282	143%	134 354
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	40 150	40 150	-	-	-	-		40 150
Increase (decrease) in consumer deposits		-	-	-	(4)	420	-	420	0%	-
Payments										
Repayment of borrowing		-	-	-	(121)	(10 375)	-	10 375	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	40 150	40 150	(125)	(9 955)	-	9 955	0%	40 150
NET INCREASE/ (DECREASE) IN CASH HELD		(390 802)	18 618	29 378	16 807	269 780	172 080			918 456
Cash/cash equivalents at beginning:		48 627	59 740	95 078		95 078	95 078			95 078
Cash/cash equivalents at month/year end:		(342 175)	78 358	124 456		364 858	267 158			1 013 535

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 R9.0 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 R125 000. The bi-annual redemption was done in December 2023. The next payment will occur in June 2024.

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 - M08 February													
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	7 541	2 861	2 508	2 283	75 230	-	-	-	90 423	77 513	810	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 132	1 836	555	466	14 931	-	-	-	31 919	15 397	188	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 539	2 110	1 399	1 411	40 137	-	-	-	54 597	41 548	657	-
Receivables from Exchange Transactions - Waste Water Management	1500	5 670	2 354	2 106	2 211	52 524	-	-	-	64 865	54 735	854	-
Receivables from Exchange Transactions - Waste Management	1600	3 591	1 497	1 376	1 351	88 557	-	-	-	96 373	89 909	525	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	174	32	112	1 817	(15 047)	-	-	-	(12 912)	(13 229)	22	-
Total By Income Source	2000	40 647	10 691	8 055	9 539	256 334	-	-	-	325 266	265 873	3 056	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	399	127	87	82	806	-	-	-	1 501	888	-	-
Commercial	2300	3 384	480	333	341	3 721	-	-	-	8 259	4 061	-	-
Households	2400	36 863	10 084	7 636	9 116	251 807	-	-	-	315 506	260 923	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	40 647	10 691	8 055	9 539	256 334	-	-	-	325 266	265 873	-	-

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 307.8 million.

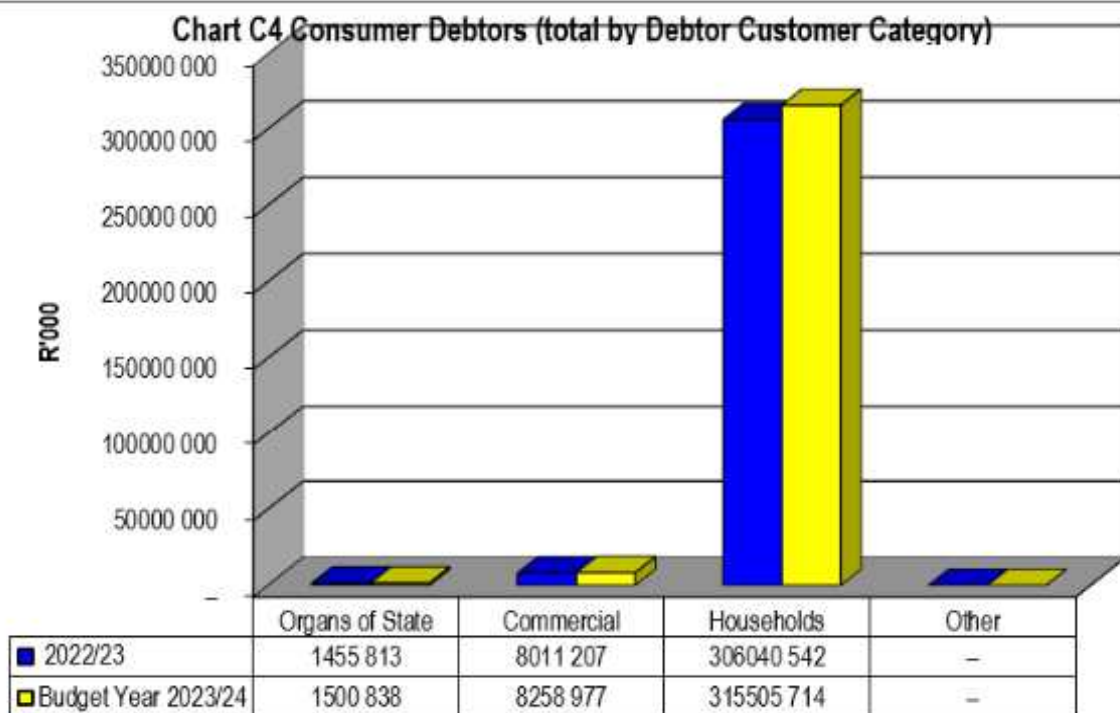
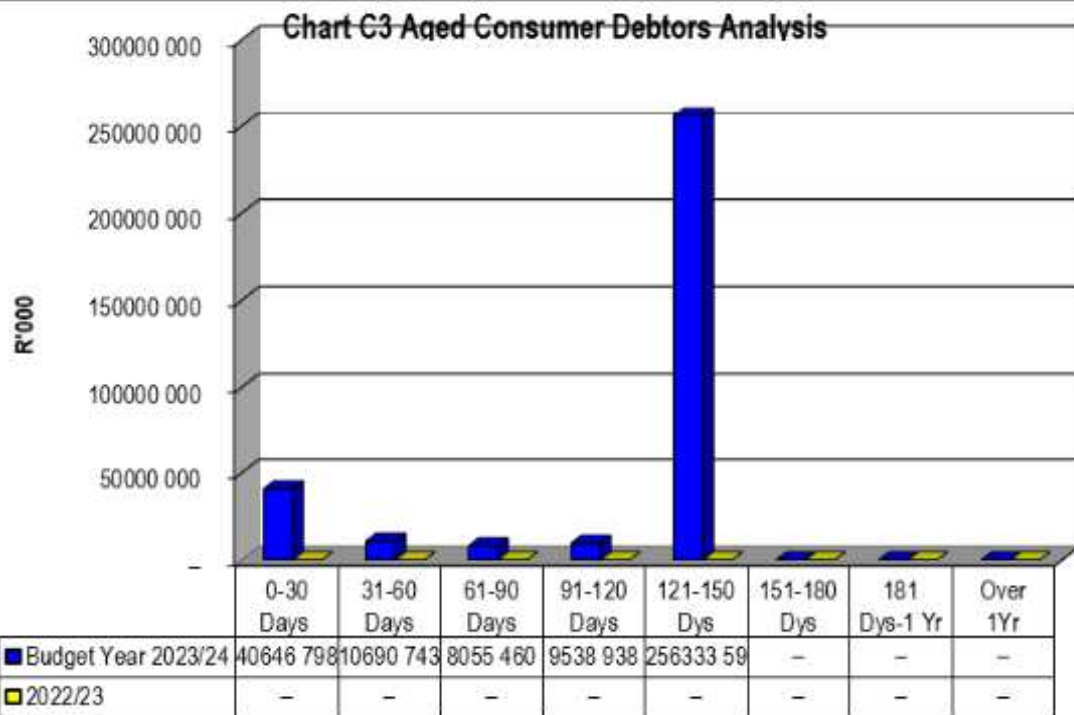
The contributors to the outstanding debt remain the household debt which represent 97.63% of total debt, followed by businesses with 2.19% and organs of state contributing 0.19%

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

The collection rate for the month of February 2024 is 84%, resulting in an average payment rate of 88% for the financial year to date See below debtor payment percentage breakdown achieved from December 2023 to February 2024.

DETAILS	Dec-23	Jan-24	Feb-24
Gross Debtors Opening Balance	310 476 935,50	318 123 907,56	321 070 633,93
Billed Revenue	59 439 696,69	62 569 287,24	66 488 425,48
Gross Debtors Closing Balance	318 123 907,56	321 070 633,93	328 406 291,13
Bad Debt Written off	503 195,86	1 089 369,09	3 351 600,70
Payment received	51 289 528,77	58 533 191,78	55 801 167,58
Billed Revenue	59 439 696,69	62 569 287,24	66 488 425,48
% Debtor payment achieved	86%	94%	84%

BITOU LOCAL MUNICIPALITY



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

6.1 Supporting Table SC4

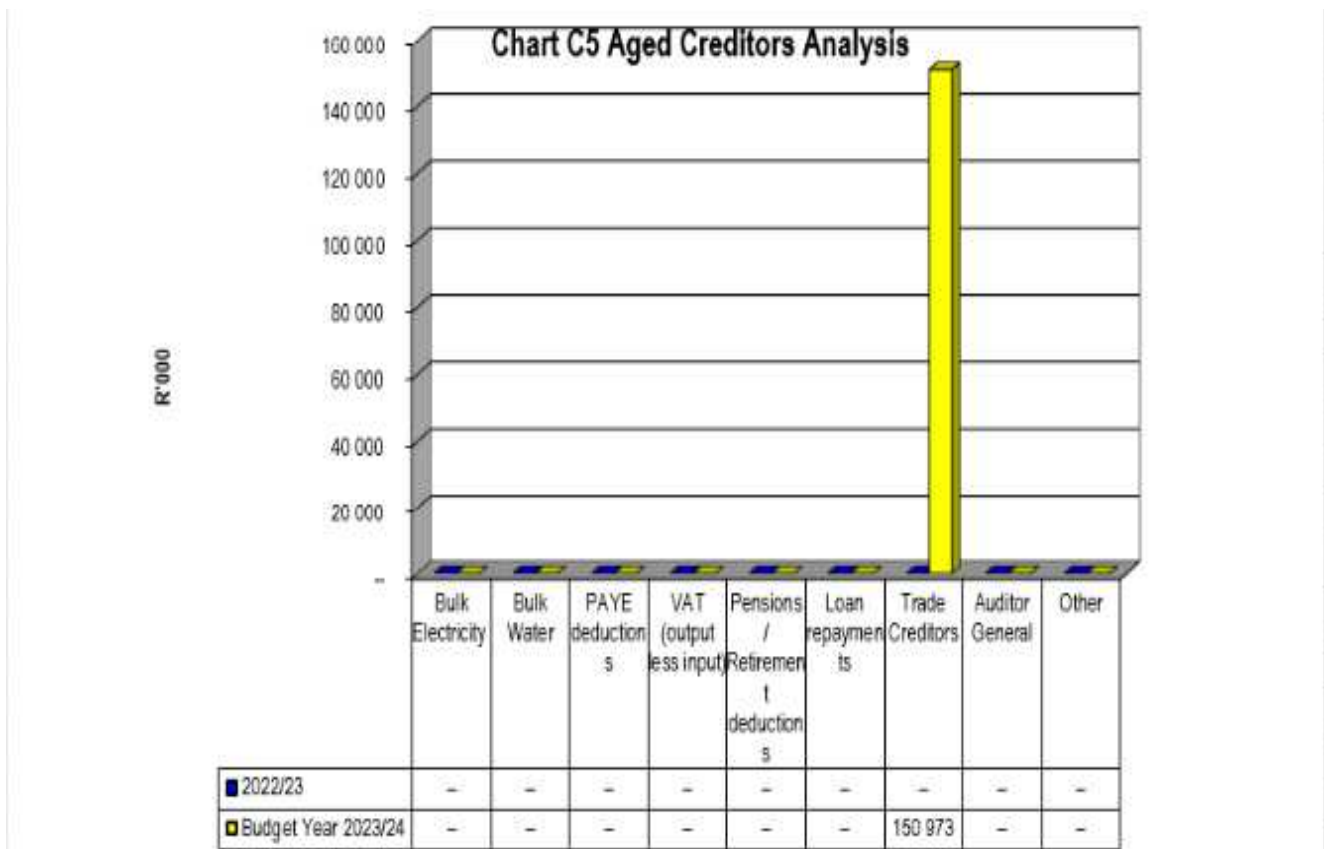
Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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	-	79	4	-	3	1	64	-	151	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	79	4	-	3	1	64	-	151	-

Creditors Age Analysis

The municipality reports a total amount of R151 000 on trade creditors in February 2024.



BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February														
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
		Yrs/Months												
R thousands														
Municipality														
Absa Bank: 9378543662		Call deposit	Call deposit						Call deposit	7 934	56		-	7 990
Absa Bank:9377092408-3		Call deposit	Call deposit						Call deposit	2 883	20		-	2 903
Absa Bank:9380348553		Call deposit	Call deposit						Call deposit	18 937	134			19 071
Nedbank: 1766000029 - 2		360 days	Fixed deposit						01/07/2024	12 500	-			12 500
Standard Bank: 488607000-079		Call deposit	Call deposit						Call deposit	5 163	34		-	5 196
Standard Bank: 488607000-078		Call deposit	Call deposit						Call deposit	5 163	34		-	5 196
Absa Bank:9381946782		Call deposit	Call deposit						Call deposit	11 389	81		-	11 469
Standard Bank: 488607000-080		150 days	Fixed deposit						25/03/2024	15 000	-		-	15 000
Standard Bank: 488607000-081		90 days	Fixed deposit						12/03/2024	20 000	-		-	20 000
Municipality sub-total										98 968	359		-	99 326

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 137 058 328

Minus

Unspent conditional grants R 38 581 777

Agency services due R 703 766

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 133 015 203

Plus

Capital funding due from borrowing R 16 751 745

Available unencumbered cash resources R 20 794 870

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M08)
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES) - CAPITAL	39 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 315 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	757 013,39
EQUITABLE SHARE	108 545 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	428 019,22
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	49 748,24
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	-

124 719 796,45

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 (M08)
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	3 233 000,00
SETA:RECEIPTS	-
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 771 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	1 410 000,00
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	-
COMMUNITY LIBRARY SERVICES	802 000,00
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

26 742 589,62

The table above reflects the grant receipts for February 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, **Ralph Links**, 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 29 February 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Dr. R Links

Acting Municipal Manager of Bitou Local Municipality – WC047

Date

11/03/2024