

BITOU LOCAL MUNICIPALITY



Budget Statement for the month ended 31 March 2024

Table of Contents

Table of Contents.....	2
Glossary	3
Legislative Framework	5
Section 1 – March Report	5
Section 2 – Resolutions	5
Section 3 – Executive Summary	5
Section 4 – In-year budget statement tables	9
Section 5 – Debtors’ analysis	18
Section 6 – Creditors' age analysis	20
Section 7 – Investment portfolio analysis.....	21
Section 8 – Grant Performance.....	22
Municipal manager’s quality certification.....	23

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 – March Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended March 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 March 2024 amounts to R197.8 million. The municipality on average requires an amount in excess of R65 million to cover its monthly operational expenditure, this includes the cost associated with the payment of employee cost and suppliers. It however excludes payments made to suppliers for capital assets.

Section 2 – Resolutions

IN-YEAR REPORTS 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 March 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) - M09 March										
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	32 501	356 742	363 816	(7 074)	-2%	485 088
Service charges - Electricity		210 201	241 830	232 677	13 135	169 649	174 508	(4 859)	-3%	232 677
Service charges - Water		86 449	86 725	82 972	7 185	63 753	62 229	1 524	2%	82 972
Service charges - Waste Water Management		78 406	77 663	66 874	5 560	53 533	50 156	3 378	7%	66 874
Service charges - Waste management		45 502	58 016	46 784	3 579	34 907	35 088	(181)	-1%	46 784
Sale of Goods and Rendering of Services		6 867	11 571	11 559	259	6 012	8 669	(2 657)	-31%	11 559
Agency services		2 501	3 014	2 803	225	1 823	2 102	(279)	-13%	2 803
Interest earned from Receivables		17 120	13 282	15 483	758	10 698	11 612	(914)	-8%	15 483
Interest earned from Current and Non Current Assets		8 035	4 950	12 325	1 613	7 985	9 244	(1 259)	-14%	12 325
Rental from Fixed Assets		1 124	1 030	1 117	67	952	837	114	14%	1 117
Licence and permits		1 196	589	1 269	108	1 160	952	208	22%	1 269
Operational Revenue		3 683	2 207	11 226	10	6 270	8 419	(2 149)	-26%	11 226
Non-Exchange Revenue		378 896	400 177	423 175	52 518	319 642	354 209	(34 567)	-10%	423 175
Property rates		151 445	179 779	179 802	14 534	133 904	134 852	(948)	-1%	179 802
Surcharges and Taxes		-	1 500	1 500	118	1 181	1 125	56	5%	1 500
Fines, penalties and forfeits		46 722	31 699	45 096	387	27 645	33 822	(6 177)	-18%	45 096
Licence and permits		-	696	696	-	-	522	(522)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	175 264	36 181	150 732	168 276	(17 544)	-10%	175 264
Interest		4 242	3 759	2 130	152	1 780	1 598	183	11%	2 130
Operational Revenue		2 064	15 518	14 735	1 145	4 400	11 052	(6 652)	-60%	14 735
Gains on disposal of Assets		441	3 950	3 950	-	-	2 962	(2 962)	-100%	3 950
Other Gains		18 011	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	908 263	85 018	676 384	718 024	(41 640)	-6%	908 263
Expenditure By Type										
Employee related costs		286 329	333 063	335 084	41 549	253 055	251 432	1 622	1%	335 084
Remuneration of councillors		6 721	7 674	7 675	609	5 553	5 756	(204)	-4%	7 675
Bulk purchases - electricity		162 599	206 241	201 241	12 977	131 898	150 931	(19 033)	-13%	201 241
Inventory consumed		15 349	19 543	20 566	1 345	10 962	15 424	(4 462)	-29%	20 566
Debt impairment		28 623	18 270	18 270	-	-	19 214	(19 214)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	3 338	30 043	30 043	0	0%	40 059
Interest		19 740	13 428	13 428	20	5 704	10 071	(4 366)	-43%	13 428
Contracted services		72 886	95 793	102 629	3 234	32 270	76 462	(44 193)	-58%	102 629
Transfers and subsidies		5 626	12 230	12 635	890	5 649	9 691	(4 043)	-42%	12 635
Irrecoverable debts written off		88 945	64 900	64 900	88	38 117	48 675	(10 558)	-22%	64 900
Operational costs		72 058	89 075	89 227	3 003	45 957	66 150	(20 194)	-31%	89 227
Losses on Disposal of Assets		1 515	-	-	-	-	-	-		-
Other Losses		9	-	-	-	-	-	-		-
Total Expenditure		796 794	900 274	905 714	67 052	559 207	683 850	(124 643)	-18%	905 714
Surplus/(Deficit)		43 185	780	2 549	17 966	117 177	34 174	83 002	0	2 549
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	59 278	-	10 169	44 458	(34 289)	(0)	59 278
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	61 826	17 966	127 346	78 632			61 826
Surplus/(Deficit) after income tax		79 752	38 248	61 826	17 966	127 346	78 632			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	17 966	127 346	78 632			61 826
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		79 752	38 248	61 826	17 966	127 346	78 632			61 826

BITOU LOCAL MUNICIPALITY

Revenue by Source

Property Rates

Property rates for the month amounts to R14.5 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 R169.6 million. Anticipated budgeted revenue amounted to R174.5 million, this represents an under-performance of 3%. 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 March 2024 amounts to R63.8 million while the YTD budget amounts to R62.2 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 R53.5 million while YTD budget amounts to R50.2 million. This translates to an 7% 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 March 2024 amounts R34.9 million while the YTD budget amounts to R35.1 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 March 2024 amounts to R 952 000. This source of revenue is over performing by 14%. 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 7.9 million and R 10.6 million respectively, which in turn equates to an under-performance of 14% and 8% 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 March 2024 amounts to R27.6 million compared to the anticipated budgeted revenue of R33.8 million. This is an underperformance of 18%. Revenue recognition is only done on the 7th of each month, which means revenue for the month of

BITOU LOCAL MUNICIPALITY

March 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 R150.7 as at end of March 2024. This revenue source has an under-performance of 10%. It is anticipated that this result may come in-line with the budgetary predictions during the remainder of the financial year.

Sale of Goods and Rendering of Services

Revenue collected as at end March 2024 amounts to R6.0 million compared to an anticipated R8.7 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 March 2024 amounts to R6.3 million compared to an anticipated R8.4 million. The major contributor of the revenue development charges, and landing fees.

Total revenue for the month of March 2024 amounts to R85 million. YTD revenue compared to YTD anticipated budgeted revenue for the month amounts to an under-performance of 6%. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost for the month of March 2024 amounts to R41.5 million. The YTD budget amounts to R253.1 million and YTD actuals equates to R251.4 million. In totality it translates to an over-performance of 5%. Even though the expenditure source is adequately performing factors including vacant positions still need to be taken into consideration.

Remuneration of councillors

Remuneration of councillors as at end of March 2024 amounts to R 5.6 million. This expenditure item is underperforming by 4%.

Debt Impairment

No Debt Impairment was done for the month of March 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 March 2024 amounts to R131.9 million compared to R150.9 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. 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 March 2024 amounts to R30 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 March 2024 amounts to R10.9 million while the YTD budget amounts to R15.4 million. This expenditure item is under-performing by 29% when compared to the YTD budget. It is anticipated that this item will increase as the year progresses and maintenance projects are completed.

BITOU LOCAL MUNICIPALITY

Contracted Services

Expenditure as at end of March 2024 amounts to R32.3 million and is under-performing by 58% when compared to the YTD budget of R76.5 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 March 2024 amounts R5.6 million compared to the YTD budget of R9.7 million. An under-performance of 42% 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 March 2024 amounts to R45.9 million while the YTD budget amounts to R66.1 million, which translates to an under performance of 31%. 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 March 2024 amounts to R67.1 million.

Conclusion on Financial Position and performance

The municipality is reporting a surplus for the month of March 2024 of R17.9 million, the year-to-date shows an operating surplus of R117.1 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 March 2024.

BITOU LOCAL MUNICIPALITY

WC047 Bitou - Table C1 Monthly Budget Statement Summary - M09 March

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	14 534	133 904	134 852	(948)	-1%	179 802
Service charges	420 558	464 234	429 307	29 460	321 842	321 980	(138)	-0%	429 307
Investment revenue	8 035	4 950	12 325	1 613	7 985	9 244	(1 259)	-14%	12 325
Transfers and subsidies - Operational	155 970	163 277	175 264	36 181	150 732	168 276	(17 544)	-10%	175 264
Other own revenue	103 971	88 815	111 563	3 231	61 921	83 672	(21 751)	-26%	111 563
Total Revenue (excluding capital transfers and contributions)	839 979	901 055	908 263	85 018	676 384	718 024	(41 640)	-6%	908 263
Employee costs	286 329	333 063	335 084	41 549	253 055	251 432	1 622	1%	335 084
Remuneration of Councillors	6 721	7 674	7 675	609	5 553	5 756	(204)	-4%	7 675
Depreciation and amortisation	36 393	40 059	40 059	3 338	30 043	30 043	0	0%	40 059
Interest	19 740	13 428	13 428	20	5 704	10 071	(4 366)	-43%	13 428
Inventory consumed and bulk purchases	177 949	225 784	221 807	14 323	142 860	166 355	(23 495)	-14%	221 807
Transfers and subsidies	5 626	12 230	12 635	890	5 649	9 691	(4 043)	-42%	12 635
Other expenditure	264 036	268 038	275 025	6 324	116 343	210 501	(94 158)	-45%	275 025
Total Expenditure	796 794	900 274	905 714	67 052	559 207	683 850	(124 643)	-18%	905 714
Surplus/(Deficit)	43 185	780	2 549	17 966	117 177	34 174	83 002	243%	2 549
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	59 278	-	10 169	44 458	(34 289)	-77%	59 278
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	79 752	38 248	61 826	17 966	127 346	78 632	48 713	62%	61 826
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	79 752	38 248	61 826	17 966	127 346	78 632	48 713	62%	61 826
Capital expenditure & funds sources									
Capital expenditure	84 807	109 432	128 793	3 788	42 501	96 594	(54 093)	-56%	128 793
Capital transfers recognised	33 505	34 335	57 821	1 252	17 310	43 366	(26 056)	-60%	57 821
Borrowing	32 098	45 150	38 998	1 008	17 759	29 249	(11 489)	-39%	38 998
Internally generated funds	19 203	29 947	31 974	1 528	7 432	23 980	(16 548)	-69%	31 974
Total sources of capital funds	84 806	109 432	128 793	3 788	42 501	96 594	(54 093)	-56%	128 793
Financial position									
Total current assets	428 647	429 672	473 356		835 620				473 356
Total non current assets	1 255 346	1 335 112	1 331 844		1 267 804				1 331 844
Total current liabilities	391 275	426 612	409 751		665 308				409 751
Total non current liabilities	162 293	190 333	181 699		158 302				181 699
Community wealth/Equity	1 151 923	1 147 839	1 213 749		1 279 827				1 213 749
Cash flows									
Net cash from (used) operating	(308 935)	76 938	101 658	67 934	386 386	119 897	(266 489)	-222%	743 952
Net cash from (used) investing	(81 867)	(98 470)	(112 430)	(3 788)	(42 501)	100 765	143 267	142%	134 354
Net cash from (used) financing	-	40 150	40 150	(93)	(10 051)	-	10 051		40 150
Cash/cash equivalents at the month/year end	(342 175)	78 358	124 456	-	428 911	315 741	(113 171)	-36%	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	36 282	10 680	8 352	7 476	264 299	-	-	-	327 091
Creditors Age Analysis									
Total Creditors	17	919	2	0	-	3	65	-	1 006

BITOU LOCAL MUNICIPALITY

Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end March 2024 amounts to R686.6 million, this is an under-performance of 10%. The detail on revenue per item can be seen on executive summary.

Expenditure by vote

The expenditure by vote as at March 2024 amounts R559.2 million. The total expenditure budget is under-performing by 18.2%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

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	36 231	100 642	61 856	38 786	62,7%	62 149
Vote 3 - Community Services		116 837	137 471	139 665	4 741	79 930	109 003	(29 073)	-26,7%	139 665
Vote 4 - Corporate Services		3 910	19	541	-	42	485	(443)	-91,3%	541
Vote 5 - Financial Services		170 985	207 447	213 905	16 432	153 496	163 974	(10 477)	-6,4%	213 905
Vote 6 - Economic Development & Planning		20 989	21 821	46 889	242	6 604	35 264	(28 660)	-81,3%	46 889
Vote 7 - Engineering Services		431 662	506 765	501 474	27 372	345 838	388 983	(43 145)	-11,1%	501 474
Total Revenue by Vote	2	876 072	938 523	967 540	85 018	686 553	762 482	(75 930)	-10,0%	967 540
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 174	1 167	9 175	9 997	(822)	-8,2%	13 174
Vote 2 - Office of the Municipal Manager		28 233	24 180	25 172	2 964	22 083	18 878	3 205	17,0%	25 172
Vote 3 - Community Services		224 314	220 646	220 973	18 478	141 873	186 309	(44 436)	-23,9%	220 973
Vote 4 - Corporate Services		61 082	81 193	81 421	5 759	44 274	60 315	(16 041)	-26,6%	81 421
Vote 5 - Financial Services		47 102	67 121	67 202	5 750	41 163	50 397	(9 234)	-18,3%	67 202
Vote 6 - Economic Development & Planning		45 203	43 237	50 648	4 680	27 894	38 083	(10 189)	-26,8%	50 648
Vote 7 - Engineering Services		377 335	450 669	447 124	28 254	272 745	319 870	(47 125)	-14,7%	447 124
Total Expenditure by Vote	2	791 341	900 274	905 714	67 052	559 207	683 850	(124 643)	-18,2%	905 714
Surplus/ (Deficit) for the year	2	84 731	38 248	61 826	17 966	127 346	78 632	48 713	62,0%	61 826

BITOU LOCAL MUNICIPALITY

Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

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	3 430	3 836	-	-	2 877	(2 877)	-100%	3 836
Vote 4 - Corporate Services		2 086	1 016	1 138	19	251	854	(603)	-71%	1 138
Vote 7 - Engineering Services		40 411	46 159	49 384	2 136	12 853	37 038	(24 185)	-65%	49 384
Total Capital Multi-year expenditure	4,7	44 182	50 605	54 358	2 155	13 104	40 769	(27 665)	-68%	54 358
Single Year expenditure appropriation	2									
Vote 2 - Office of the Municipal Manager		-	1 000	880	-	4	660	(656)	-99%	880
Vote 3 - Community Services		5 563	2 185	1 486	-	657	1 114	(457)	-41%	1 486
Vote 4 - Corporate Services		59	561	785	-	19	589	(570)	-97%	785
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	3	52	228	(176)	-77%	304
Vote 7 - Engineering Services		34 567	54 777	70 979	1 630	28 665	53 234	(24 570)	-46%	70 979
Total Capital single-year expenditure	4	40 625	58 827	74 434	1 633	29 398	55 826	(26 428)	-47%	74 434
Total Capital Expenditure	3	84 807	109 432	128 793	3 788	42 501	96 594	(54 093)	-56%	128 793
Capital Expenditure - Functional Classification										
Governance and administration		2 549	20 857	19 767	159	13 911	14 825	(915)	-6%	19 767
Executive and council		-	1 000	880	-	4	660	(656)	-99%	880
Finance and administration		2 549	19 857	18 887	159	13 906	14 165	(259)	-2%	18 887
Community and public safety		5 607	4 265	4 471	-	208	3 353	(3 145)	-94%	4 471
Community and social services		2 352	2 880	4 086	-	-	3 064	(3 064)	-100%	4 086
Sport and recreation		921	1 000	-	-	-	-	-	-	-
Public safety		2 334	385	385	-	208	289	(81)	-28%	385
Economic and environmental services		9 570	13 973	18 258	825	4 827	13 694	(8 867)	-65%	18 258
Planning and development		435	304	304	3	52	228	(176)	-77%	304
Road transport		9 135	13 669	17 954	823	4 774	13 465	(8 691)	-65%	17 954
Trading services		67 081	70 337	86 296	2 803	23 556	64 722	(41 166)	-64%	86 296
Energy sources		25 395	23 741	23 321	-	2 565	17 491	(14 926)	-85%	23 321
Water management		25 002	27 350	39 711	2 413	16 683	29 783	(13 100)	-44%	39 711
Waste water management		15 302	17 896	23 214	391	4 308	17 410	(13 102)	-75%	23 214
Waste management		1 382	1 350	50	-	-	37	(37)	-100%	50
Total Capital Expenditure - Functional Classification	3	84 807	109 432	128 793	3 788	42 501	96 594	(54 093)	-56%	128 793
Funded by:										
National Government		26 721	23 581	29 407	1 249	14 763	22 055	(7 292)	-33%	29 407
Provincial Government		6 741	10 754	28 414	3	2 547	21 310	(18 764)	-88%	28 414
District Municipality		43	-	-	-	-	-	-	-	-
Transfers recognised - capital		33 505	34 335	57 821	1 252	17 310	43 366	(26 056)	-60%	57 821
Borrowing	6	32 098	45 150	38 998	1 008	17 759	29 249	(11 489)	-39%	38 998
Internally generated funds		19 203	29 947	31 974	1 528	7 432	23 980	(16 548)	-69%	31 974
Total Capital Funding	7	84 806	109 432	128 793	3 788	42 501	96 594	(54 093)	-56%	128 793

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 3.8 million. Comparing the YTD budget and actual YTD expenditure we are looking at a 33% 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 R41.3 million, which translates to 32% 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	1 249 393.23	7 670 016.99	13 522 423.34
INEP	3 281 739.00	3 281 739.00	-	1 495 082.99	1 240 610.85
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	10 000 000.00	11 659 471.00	-	21 670.00	683 254.71
HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	0	16 000 000.00	-	4 100 258.99	1 811 055.01
LIBRARY CONDITIONAL GRANT	450 000.00	450 000.00	-	41 283.10	408 716.90
RSEP	304 348.00	304 348.00	2 618.33	248 480.00	52 366.57
BORROWINGS	45 150 000.00	38 998 172.00	1 007 702.45	15 758 350.34	17 759 447.78
AFR	29 946 887.00	31 973 655.00	1 528 328.53	11 967 219.86	7 432 171.83
TOTAL	109 432 104.00	128 792 691.00	3 788 042.54	41 302 362.27	42 501 329.99

BITOU LOCAL MUNICIPALITY

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

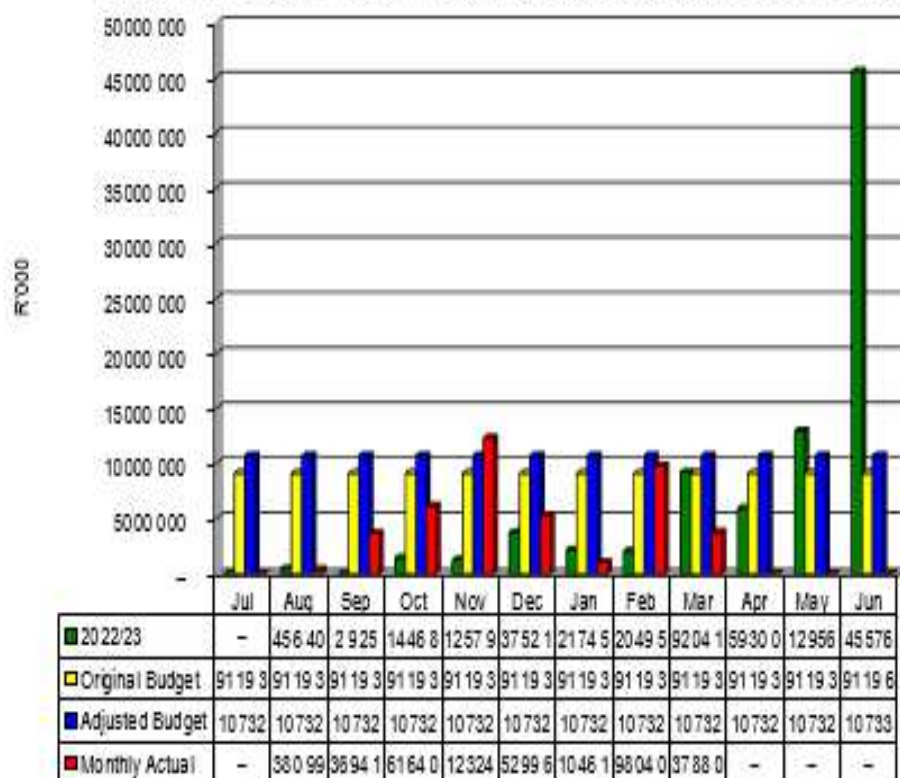
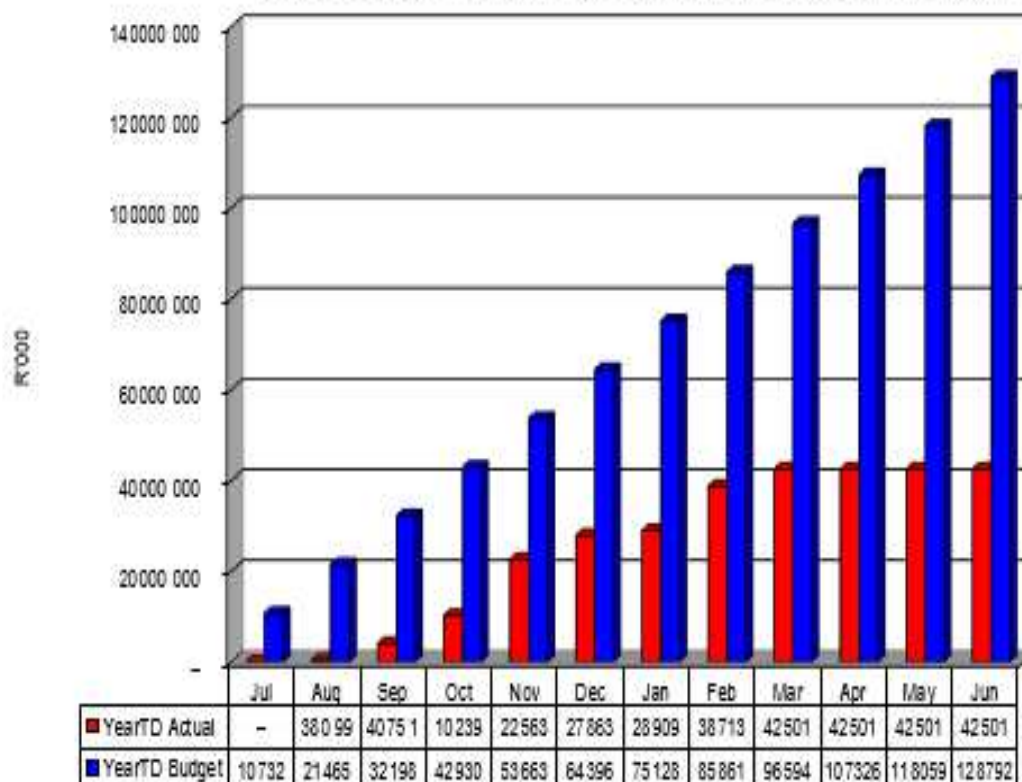


Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	428 911	101 768
Trade and other receivables from exchange transactions		50 064	43 839	12 534	55 644	12 534
Receivables from non-exchange transactions		11 450	100 771	87 987	53 136	87 987
Current portion of non-current receivables		9	11	9	9	9
Inventory		15 357	16 538	14 368	14 497	14 368
VAT		256 271	212 584	256 271	283 660	256 271
Other current assets		418	180	418	(237)	418
Total current assets		428 647	429 672	473 356	835 620	473 356
Non current assets						
Investments		—	—	—	—	—
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	1 255 077	1 319 117
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		35	35	35	35	35
Intangible assets		—	—	—	—	—
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		1 255 346	1 335 112	1 331 844	1 267 804	1 331 844
TOTAL ASSETS		1 683 993	1 764 784	1 805 200	2 103 424	1 805 200
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		19 531	0	19 507	10 284	19 507
Consumer deposits		10 793	9 848	10 793	11 240	10 793
Trade and other payables from exchange transactions		92 089	79 612	115 016	270 413	115 016
Trade and other payables from non-exchange transactions		(17 007)	(15 640)	(43 857)	11 375	(43 857)
Provision		39 585	113 636	62 008	67 621	62 008
VAT		246 284	239 157	246 284	294 376	246 284
Other current liabilities		—	—	—	—	—
Total current liabilities		391 275	426 612	409 751	665 308	409 751
Non current liabilities						
Financial liabilities		82 764	121 558	102 170	81 513	102 170
Provision		13 052	10 320	13 052	11 203	13 052
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		66 477	58 456	66 477	65 585	66 477
Total non current liabilities		162 293	190 333	181 699	158 302	181 699
TOTAL LIABILITIES		553 568	616 946	591 450	823 610	591 450
NET ASSETS	2	1 130 425	1 147 839	1 213 749	1 279 814	1 213 749
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 183 799	1 249 877	1 183 799
Reserves and funds		29 950	48 500	29 950	29 950	29 950
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 151 923	1 147 839	1 213 749	1 279 827	1 213 749

The table above reflects the statement of financial position of the municipality. The total current assets at the end of March 2024 amounts to R835.6 million. The municipality reports total short-term investments at R134.7 million and cash of R63.1 million for the month. The municipality reports a positive cashbook balance of R63.1 million.

The current liabilities for the month amounts R665.3 million. The current ratio for the month equates 1.26:1, 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 - M09 March										
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	14 175	133 795	122 329	11 466	9%	163 105
Service charges		-	422 573	418 554	40 173	312 471	313 916	(1 445)	0%	418 554
Other revenue		-	22 595	23 655	178	39 689	17 741	21 948	124%	23 655
Transfers and Subsidies - Operational		462	163 277	167 251	42 763	161 023	162 630	(1 607)	-1%	167 251
Transfers and Subsidies - Capital		-	37 468	48 907	8 954	28 260	43 157	(14 897)	-35%	48 907
Interest		10 179	8 221	15 596	2 431	20 277	11 697	8 580	73%	15 596
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(320 008)	(714 694)	(709 752)	(39 830)	(297 775)	(532 328)	(234 554)	44%	(67 458)
Interest		-	(13 428)	(13 428)	(20)	(5 704)	(10 071)	(4 366)	43%	(13 428)
Transfers and Subsidies		-	(12 230)	(12 230)	(890)	(5 649)	(9 172)	(3 524)	38%	(12 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(308 935)	76 938	101 658	67 934	386 386	119 897	(266 489)	-222%	743 952
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	10 962	10 962	-	-	8 221	(8 221)	-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)	(3 788)	(42 501)	92 544	135 045	146%	123 392
NET CASH FROM/(USED) INVESTING ACTIVITIES		(81 867)	(98 470)	(112 430)	(3 788)	(42 501)	100 765	143 267	142%	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		-	-	-	30	447	-	447	0%	-
Payments										
Repayment of borrowing		-	-	-	(123)	(10 498)	-	10 498	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	40 150	40 150	(93)	(10 051)	-	10 051	0%	40 150
NET INCREASE/ (DECREASE) IN CASH HELD		(390 802)	18 618	29 378	64 053	333 833	220 663			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		428 911	315 741			1 013 535

The municipality is reporting a positive R67.9 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 R3.8 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 and amounts to R93 000 for the month. 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 - M09 March													
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	7 001	3 212	2 561	2 420	77 323	-	-	-	92 517	79 743	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 282	1 444	747	409	15 001	-	-	-	28 883	15 410	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 693	1 945	1 461	1 158	40 696	-	-	-	54 953	41 854	69	-
Receivables from Exchange Transactions - Waste Water Management	1500	4 922	2 418	2 161	2 048	90 541	-	-	-	102 089	92 589	1	-
Receivables from Exchange Transactions - Waste Management	1600	3 193	1 546	1 391	1 329	53 803	-	-	-	61 262	55 132	2	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	191	116	32	113	(13 065)	-	-	-	(12 613)	(12 952)	16	-
Total By Income Source	2000	36 282	10 680	8 352	7 476	264 299	-	-	-	327 091	271 776	88	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	433	147	126	87	992	-	-	-	1 785	1 079	-	-
Commercial	2300	3 128	590	364	314	3 786	-	-	-	8 181	4 100	-	-
Households	2400	32 722	9 943	7 863	7 075	259 522	-	-	-	317 125	266 597	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	36 282	10 680	8 352	7 476	264 299	-	-	-	327 091	271 776	-	-

Debtor’s age analysis

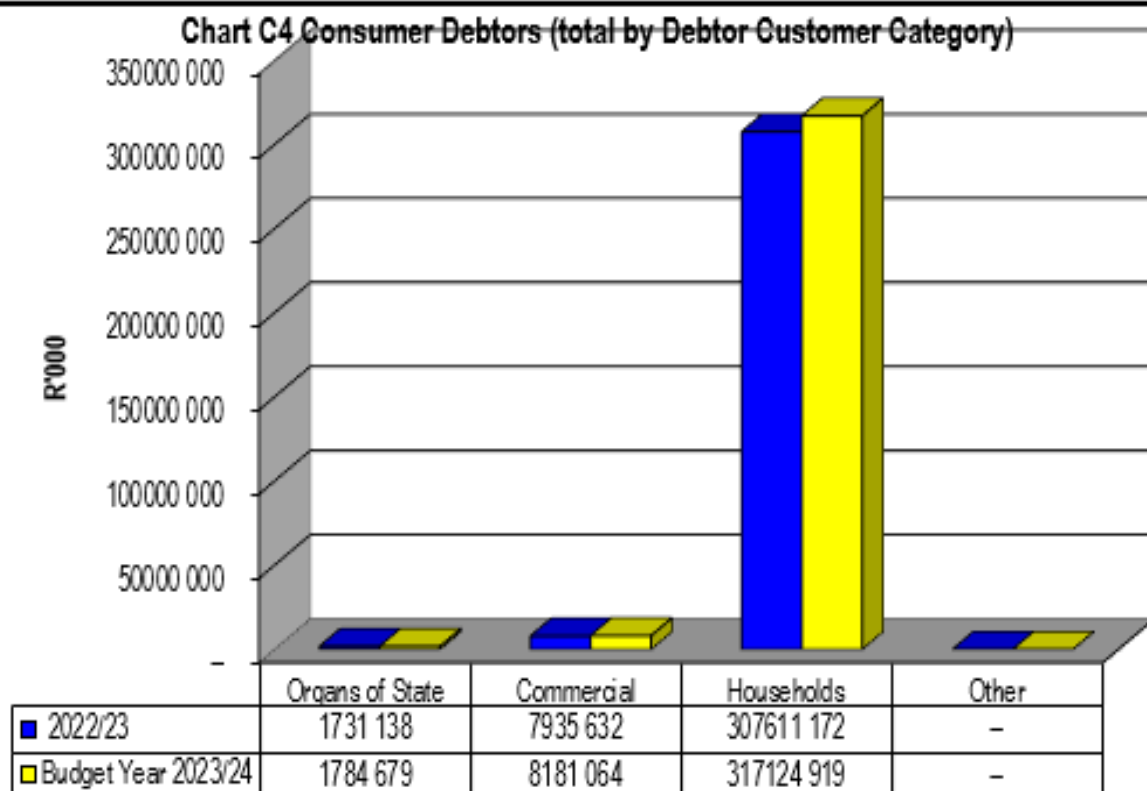
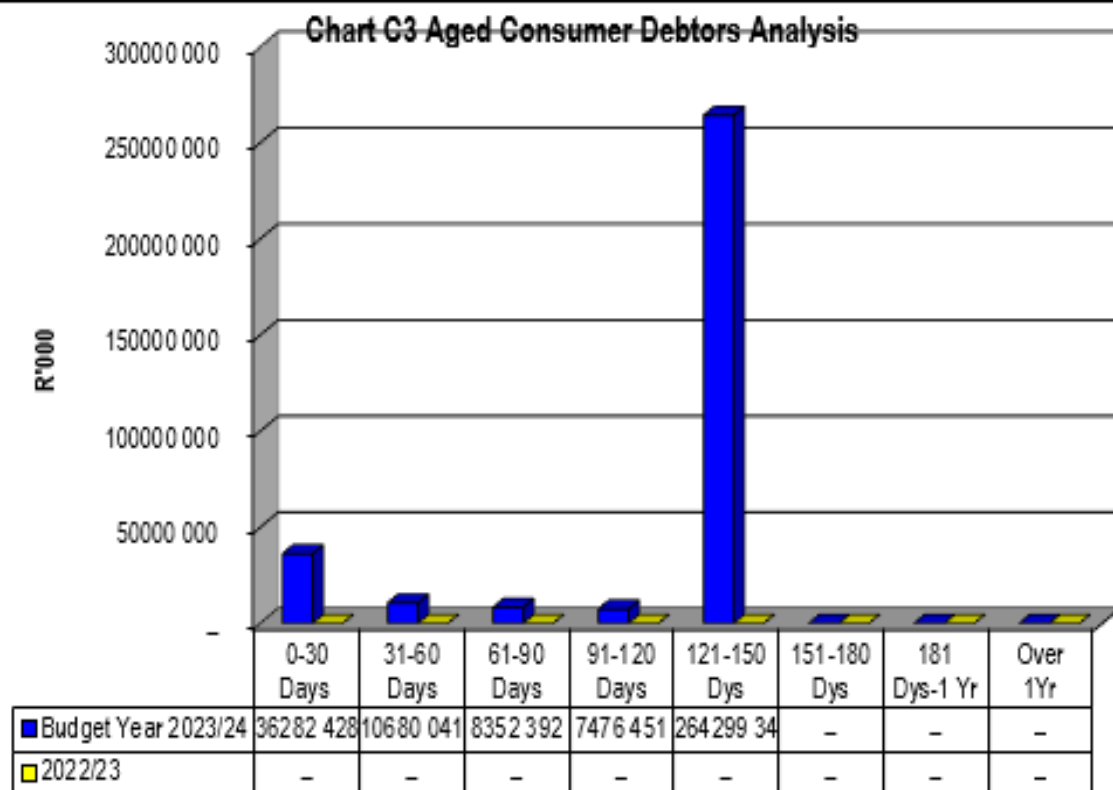
The debtors’ book of the municipality reflects R 327.1 million as outstanding debt older than 121 days with a total outstanding amount of R 271.8 million.

The contributors to the outstanding debt remain the household debt which represent 96.63% of total debt, followed by businesses with 2.50% and organs of state contributing 0.55%

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 March 2024 is 102%, this is the highest recorded payment rate in 7 years in Bitou Municipality, resulting in an average payment rate of 90% for the financial year to date. See below debtor payment percentage breakdown achieved from January 2024 to March 2024.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Jan-24	Feb-24	Mar-24	Annual
Gross Debtors Opening Balance	318 123 907,56	321 070 633,93	328 406 291,13	311 714 712,48
Billed Revenue	62 569 287,24	66 488 425,48	66 103 474,59	566 742 603,87
Gross Debtors Closing Balance	321 070 633,93	328 406 291,13	327 090 662,17	327 090 662,17
Bad Debt Written off	1 089 369,09	3 351 600,70	90 231,87	42 766 744,48
Payment received	58 533 191,78	55 801 167,58	67 328 871,68	508 599 909,70
Billed Revenue	62 569 287,24	66 488 425,48	66 103 474,59	566 742 603,87
% Debtor payment achieved	94%	84%	102%	90%



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

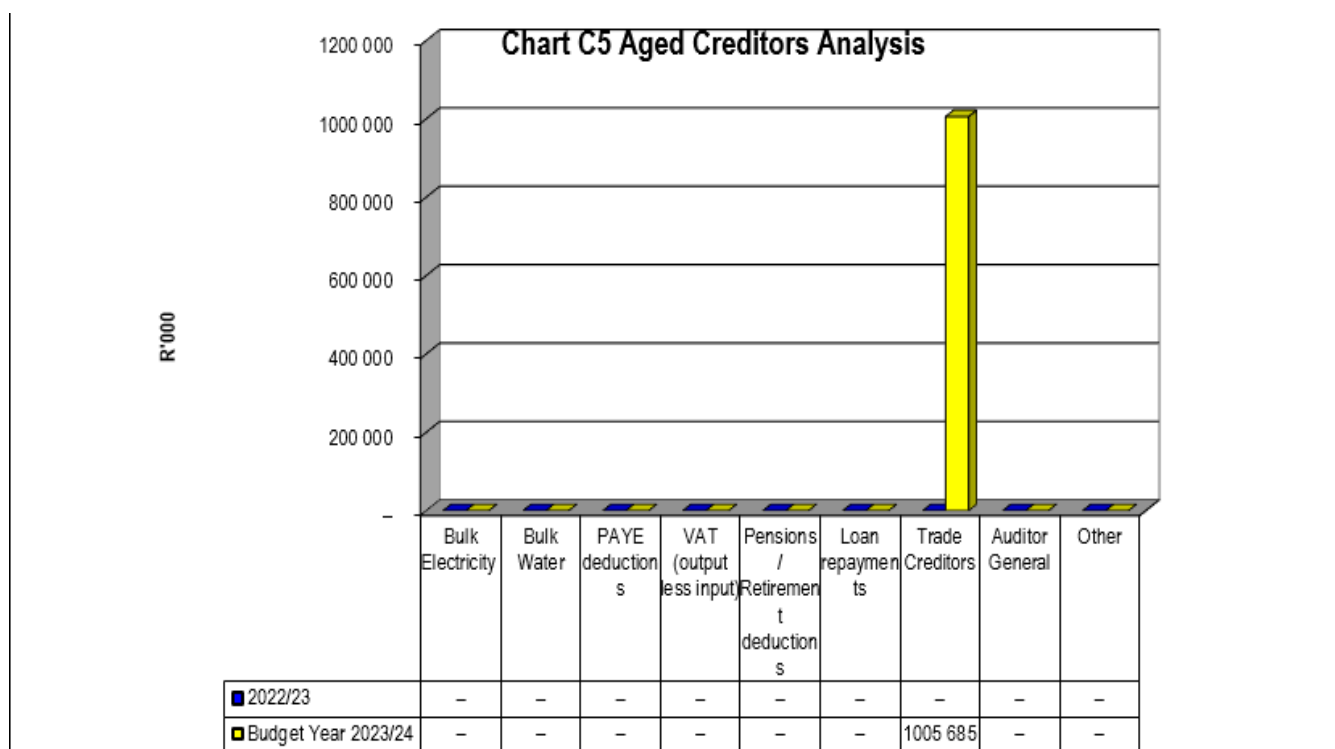
6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March											
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	17	919	2	0	-	3	65	-	1 006	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	17	919	2	0	-	3	65	-	1 006	-

Creditors Age Analysis

The municipality reports a total amount of R1.0 Million on trade creditors in March 2024.



BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio -														
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	✓	-	✓						✓	7 990	60	0	-	8 050
Absa Bank:9377092408-3	✓	-	✓						✓	2 903	22	0	-	2 925
Absa Bank:9380348553	✓	-	✓						✓	19 071	144	0	-	19 215
Nedbank: 1766000029 - 2	✓	-	✓						✓	12 500	-	0	-	12 500
Standard Bank: 488607000-079	✓	-	✓						✓	5 196	39	0	-	5 235
Standard Bank: 488607000-078	✓	-	✓						✓	5 196	39	0	-	5 235
Absa Bank:9381946782	✓	-	✓						✓	11 469	87	0	-	11 556
Standard Bank: 488607000-080										15 000	576	(15 576)	-	-
Standard Bank: 488607000-081										20 000	448	(20 448)	-	-
Standard Bank: 488607000-082										-	-	0	15 000	15 000
Standard Bank: 488607000-083										-	-	0	15 000	15 000
Absa Bank: 2081502184										-	-	0	15 000	15 000
Standard Bank: 488607000-084	✓	-	✓						✓	-	-	0	15 000	15 000
Absa Bank: 2081502443	✓	-	✓						✓	-	-	0	10 000	10 000
-	✓	-	✓						✓	-	-	-	-	-
Municipality sub-total										99 326	1 414		70 000	134 717

Investment portfolio analysis

The municipality has investments with a total value of R134.7 million as at March 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 197 769 032

Minus

Unspent conditional grants R 38 581 777

Agency services due R 335 593

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 132 637 030

Plus

Capital funding due from borrowing R 17 759 444

Available unencumbered cash resources R 82 891 446

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M09)
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	144 726 000,00
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	-

160 900 796,45

The table above reflects the income recognition done up until the month of March 2024. Transfers and subsidies amount to R 160.9 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M09)
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	140 000,00
FINANCIAL MANAGEMENT CAPACITY BUILDING	500 000,00

26 882 589,62

The table above reflects the grant receipts for March 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 31 March 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

15 / 04 / 2024