

BITOU LOCAL MUNICIPALITY



## **Budget Statement for the month ended 31 May 2024**



## Table of Contents

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

## BITOU LOCAL MUNICIPALITY

### Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## BITOU LOCAL MUNICIPALITY

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

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

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

**Virement** – A transfer of budget.

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

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

# BITOU LOCAL MUNICIPALITY

## **Legislative Framework**

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

## **PART 1 – IN-YEAR REPORT**

### **Section 1 – May Report**

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

The report outlines the financial performance and position of the municipality for the month ended May 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 May 2024 amounts to R454.2 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 May 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) - M11 May										
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	36 637	437 257	444 664	(7 407)	-2%	485 088
Service charges - Electricity		210 201	241 830	232 677	16 724	210 063	213 287	(3 224)	-2%	232 677
Service charges - Water		86 449	86 725	82 972	7 410	78 655	76 058	2 597	3%	82 972
Service charges - Waste Water Management		78 406	77 663	66 874	5 721	65 282	61 302	3 981	6%	66 874
Service charges - Waste management		45 502	58 016	46 784	4 401	43 137	42 885	252	1%	46 784
Sale of Goods and Rendering of Services		6 867	11 571	11 559	328	6 621	10 596	(3 975)	-38%	11 559
Agency services		2 501	3 014	2 803	175	2 186	2 569	(383)	-15%	2 803
Interest earned from Receivables		17 120	13 282	15 483	849	12 368	14 192	(1 825)	-13%	15 483
Interest earned from Current and Non Current Assets		8 035	4 950	12 325	451	9 154	11 298	(2 144)	-19%	12 325
Rental from Fixed Assets		1 124	1 030	1 117	133	1 216	1 024	193	19%	1 117
Licence and permits		1 196	589	1 269	97	1 346	1 163	182	16%	1 269
Operational Revenue		3 683	2 207	11 226	350	7 230	10 290	(3 060)	-30%	11 226
Non-Exchange Revenue		378 896	400 177	423 668	27 337	365 814	399 686	(33 872)	-8%	423 668
Property rates		151 445	179 779	179 802	14 789	163 493	164 819	(1 326)	-1%	179 802
Surcharges and Taxes		-	1 500	1 500	119	1 419	1 375	44	3%	1 500
Fines, penalties and forfeits		46 722	31 699	45 096	3 916	34 190	41 338	(7 148)	-17%	45 096
Licence and permits		-	696	696	-	-	638	(638)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	175 758	7 253	157 985	172 435	(14 450)	-8%	175 758
Interest		4 242	3 759	2 130	164	2 108	1 953	155	8%	2 130
Operational Revenue		2 064	15 518	14 735	1 094	6 619	13 507	(6 888)	-51%	14 735
Gains on disposal of Assets		441	3 950	3 950	-	-	3 621	(3 621)	-100%	3 950
Other Gains		18 011	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	908 756	63 974	803 071	844 349	(41 279)	-5%	908 756
Expenditure By Type										
Employee related costs		286 329	333 063	345 596	45 566	308 078	316 688	(8 610)	-3%	345 596
Remuneration of councillors		6 721	7 674	7 675	584	6 715	7 035	(320)	-5%	7 675
Bulk purchases - electricity		162 599	206 241	196 241	15 097	161 145	179 888	(18 743)	-10%	196 241
Inventory consumed		15 349	19 543	20 501	1 898	13 886	18 806	(4 920)	-26%	20 501
Debt impairment		28 623	18 270	18 270	-	-	23 483	(23 483)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	982	34 363	36 719	(2 356)	-6%	40 059
Interest		19 740	13 428	13 428	18	5 743	12 309	(6 566)	-53%	13 428
Contracted services		72 886	95 793	97 954	6 007	43 164	88 458	(45 295)	-51%	97 954
Transfers and subsidies		5 626	12 230	12 774	650	7 493	11 206	(3 713)	-33%	12 774
Irrecoverable debts written off		88 945	64 900	64 900	92	40 680	59 492	(18 812)	-32%	64 900
Operational costs		72 058	89 075	88 809	4 604	54 708	80 649	(25 941)	-32%	88 809
Losses on Disposal of Assets		1 515	-	-	-	-	-	-		-
Other Losses		9	-	-	-	-	-	-		-
Total Expenditure		796 794	900 274	906 207	75 499	675 975	834 733	(158 758)	-19%	906 207
Surplus/(Deficit)		43 185	780	2 549	(11 525)	127 095	9 616	117 479	0	2 549
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	59 278	12 790	22 959	50 228	(27 269)	(0)	59 278
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	61 826	1 265	150 054	59 844			61 826
Surplus/(Deficit) after income tax		79 752	38 248	61 826	1 265	150 054	59 844			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	1 265	150 054	59 844			61 826
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-			-
Surplus/( Deficit) for the year		79 752	38 248	61 826	1 265	150 054	59 844			61 826

## **BITOU LOCAL MUNICIPALITY**

### **Revenue by Source**

#### **Property Rates**

Property rates for the month amounts to R14.8 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 R210.1 million. Anticipated budgeted revenue amounted to R213.3 million, which is an under performance of 2%. 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 May 2024 amounts to R78.7 million while the YTD budget amounts to R76.1 million. This represents a 3% over-performance, consistent with the previous months report. Looking at the current season and anticipating the colder months ahead, consumption generally decreases.

#### **Sanitation Service**

Sanitation revenue amounts to R65.3 million while YTD budget amounts to R61.3 million. This translates to an over-performance of 6% 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 May 2024 amounts R43.1 million while the YTD budget amounts to R42.9 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 May 2024 amounts to R 1.2 million. 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 9.2 million and R 12.4 million respectively, which in turn equates to an under-performance of 19% and 13% 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 May 2024 amounts to R34.2 million compared to the anticipated budgeted revenue of R41.3 million. This is an underperformance of 17%. Revenue recognition is only done on the 7<sup>th</sup> of each month, which means revenue for the month of May 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.

## **BITOU LOCAL MUNICIPALITY**

### **Transfers and Subsidies**

Revenue from Transfers and Subsidies amounts to R157.9 as at end of May 2024. This revenue source has an under-performance of 8%. 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 May 2024 amounts to R6.6 million compared to an anticipated R10.6 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 May 2024 amounts to R7.2 million compared to an anticipated R10.3 million. The major contributor of the revenue development charges, and landing fees.

**Total revenue** for the month of May 2024 amounts to R63.9 million. YTD revenue compared to YTD anticipated budgeted revenue for the month amounts to an under-performance of 5%. This, however, exclude revenue from capital contributions.

## **Expenditure**

### **Employee related cost**

Employee related cost for the month of May 2024 amounts to R45.6 million. The sharp increase from the previous month is mainly due to labour settlements to staff. The YTD budget amounts to R316.7 million and YTD actuals equates to R308.1 million. In totality it translates to an under-performance of 3%. 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 May 2024 amounts to R 6.7 million. This expenditure item is underperforming by 5%.

### **Debt Impairment**

No Debt Impairment was done for the month of May 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 May 2024 amounts to R161.1 million compared to R179.9 million YTD budget, thus reporting an under performance of 10%. 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 that came into effect on 01 April 2024, we anticipate that the item will even out over the remainder of the financial year.

### **Depreciation**

Depreciation as at end May 2024 amounts to R34.4 million which translates to an under-performance of 6%. This expenditure line will even out, after the capitalisation, with the anticipated budget.

### **Inventory Consumed**

Expenditure related to this item as at the end of May 2024 amounts to R13.9 million while the YTD budget amounts to R18.8 million. This expenditure item is under-performing by 26% 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 May 2024 amounts to R43.2 million and is under-performing by 51% when compared to the YTD budget of R88.5 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 May 2024 amounts R7.5 million compared to the YTD budget of R11.2 million. An under-performance of 33% 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 May 2024 amounts to R54.7 million while the YTD budget amounts to R80.6 million, which translates to an under performance of 32%. 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 May 2024 amounts to R75.5 million.

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

The municipality is reporting a surplus for the month of May 2024 of R1.3 million, the year-to-date shows an operating surplus of R150.1 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 conclusion 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 May 2024.

# BITOU LOCAL MUNICIPALITY

## WC047 Bitou - Table C1 Monthly Budget Statement Summary - M11 May

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	151 445	179 779	179 802	14 789	163 493	164 819	(1 326)	-1%	179 802
Service charges	420 558	464 234	429 307	34 256	397 137	393 532	3 605	1%	429 307
Investment revenue	8 035	4 950	12 325	451	9 154	11 298	(2 144)	-19%	12 325
Transfers and subsidies - Operational	155 970	163 277	175 758	7 253	157 985	172 435	(14 450)	-8%	175 758
Other own revenue	103 971	88 815	111 563	7 226	75 302	102 266	(26 964)	-26%	111 563
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>839 979</b>	<b>901 055</b>	<b>908 756</b>	<b>63 974</b>	<b>803 071</b>	<b>844 349</b>	<b>(41 279)</b>	<b>-5%</b>	<b>908 756</b>
Employee costs	286 329	333 063	345 596	45 566	308 078	316 688	(8 610)	-3%	345 596
Remuneration of Councillors	6 721	7 674	7 675	584	6 715	7 035	(320)	-5%	7 675
Depreciation and amortisation	36 393	40 059	40 059	982	34 363	36 719	(2 356)	-6%	40 059
Interest	19 740	13 428	13 428	18	5 743	12 309	(6 566)	-53%	13 428
Inventory consumed and bulk purchases	177 949	225 784	216 742	16 995	175 031	198 693	(23 663)	-12%	216 742
Transfers and subsidies	5 626	12 230	12 774	650	7 493	11 206	(3 713)	-33%	12 774
Other expenditure	264 036	268 038	269 934	10 703	138 552	252 082	(113 530)	-45%	269 934
<b>Total Expenditure</b>	<b>796 794</b>	<b>900 274</b>	<b>906 207</b>	<b>75 499</b>	<b>675 975</b>	<b>834 733</b>	<b>(158 758)</b>	<b>-19%</b>	<b>906 207</b>
<b>Surplus/(Deficit)</b>	<b>43 185</b>	<b>780</b>	<b>2 549</b>	<b>(11 525)</b>	<b>127 095</b>	<b>9 616</b>	<b>117 479</b>	<b>1222%</b>	<b>2 549</b>
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	59 278	12 790	22 959	50 228	(27 269)	-54%	59 278
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>79 752</b>	<b>38 248</b>	<b>61 826</b>	<b>1 265</b>	<b>150 054</b>	<b>59 844</b>	<b>90 211</b>	<b>151%</b>	<b>61 826</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>79 752</b>	<b>38 248</b>	<b>61 826</b>	<b>1 265</b>	<b>150 054</b>	<b>59 844</b>	<b>90 211</b>	<b>151%</b>	<b>61 826</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84 807</b>	<b>109 432</b>	<b>128 793</b>	<b>14 226</b>	<b>66 145</b>	<b>118 060</b>	<b>(51 914)</b>	<b>-44%</b>	<b>128 793</b>
Capital transfers recognised	33 505	34 335	57 821	4 612	27 517	53 002	(25 485)	-48%	57 821
Borrowing	32 098	45 150	38 998	8 422	27 255	35 748	(8 493)	-24%	38 998
Internally generated funds	19 203	29 947	31 974	1 192	11 373	29 309	(17 936)	-61%	31 974
<b>Total sources of capital funds</b>	<b>84 806</b>	<b>109 432</b>	<b>128 793</b>	<b>14 226</b>	<b>66 145</b>	<b>118 060</b>	<b>(51 914)</b>	<b>-44%</b>	<b>128 793</b>
<b>Financial position</b>									
Total current assets	428 647	429 672	476 234		845 459				476 234
Total non current assets	1 255 346	1 335 112	1 331 844		1 287 128				1 331 844
Total current liabilities	391 275	426 612	412 629		671 576				412 629
Total non current liabilities	162 293	190 333	181 699		158 982				181 699
<b>Community wealth/Equity</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 213 749</b>		<b>1 302 042</b>				<b>1 213 749</b>
<b>Cash flows</b>									
Net cash from (used) operating	(308 935)	76 938	101 658	33 125	435 522	103 379	(332 143)	-321%	744 446
Net cash from (used) investing	(81 867)	(98 470)	(117 831)	(14 226)	(66 145)	120 579	186 724	155%	131 541
Net cash from (used) financing	-	40 150	40 150	(93)	(10 214)	-	10 214		40 150
<b>Cash/cash equivalents at the month/year end</b>	<b>(342 175)</b>	<b>78 358</b>	<b>119 055</b>	<b>-</b>	<b>454 241</b>	<b>319 036</b>	<b>(135 205)</b>	<b>-42%</b>	<b>1 011 215</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	36 558	10 803	8 776	8 260	273 088	-	-	-	337 484
<b>Creditors Age Analysis</b>									
Total Creditors	34	0	-	-	2	0	10	-	45

## BITOU LOCAL MUNICIPALITY

### Financial Performance Expenditure by Municipal Vote

#### Revenue by vote

The performance of revenue by vote as at end May 2024 amounts to R826 million, this is an under-performance of 7.7%. The detail on revenue per item can be seen on executive summary.

#### Expenditure by vote

The expenditure by vote as at May 2024 amounts R675.9 million. The total expenditure budget is under-performing by 19.0%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May										
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	130	100 910	62 051	38 859	62,6%	62 149
Vote 3 - Community Services		116 837	137 471	139 665	15 211	102 949	129 444	(26 496)	-20,5%	139 665
Vote 4 - Corporate Services		3 910	19	541	63	105	522	(418)	-79,9%	541
Vote 5 - Financial Services		170 985	207 447	213 905	15 987	185 063	197 261	(12 198)	-6,2%	213 905
Vote 6 - Economic Development & Planning		20 989	21 821	47 383	6 821	13 849	38 404	(24 555)	-63,9%	47 383
Vote 7 - Engineering Services		431 662	506 765	501 474	38 552	423 154	463 977	(40 823)	-8,8%	501 474
Total Revenue by Vote	2	876 072	938 523	968 034	76 764	826 030	894 577	(68 548)	-7,7%	968 034
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 174	794	10 854	11 621	(767)	-6,6%	13 174
Vote 2 - Office of the Municipal Manager		28 233	24 180	30 607	7 110	30 523	27 288	3 235	11,9%	30 607
Vote 3 - Community Services		224 314	220 646	219 448	18 312	170 253	226 605	(56 352)	-24,9%	219 448
Vote 4 - Corporate Services		61 082	81 193	81 522	6 841	52 958	74 102	(21 143)	-28,5%	81 522
Vote 5 - Financial Services		47 102	67 121	68 967	7 890	50 557	63 238	(12 682)	-20,1%	68 967
Vote 6 - Economic Development & Planning		45 203	43 237	50 366	5 847	35 515	45 748	(10 233)	-22,4%	50 366
Vote 7 - Engineering Services		382 787	450 669	442 124	28 706	325 315	386 132	(60 816)	-15,8%	442 124
Total Expenditure by Vote	2	796 794	900 274	906 207	75 499	675 975	834 733	(158 758)	-19,0%	906 207
Surplus/ (Deficit) for the year	2	79 278	38 248	61 826	1 265	150 054	59 844	90 211	150,7%	61 826

# BITOU LOCAL MUNICIPALITY

## Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 3 - Community Services		1 685	3 430	3 836	3	351	3 516	(3 165)	-90%	3 836
Vote 4 - Corporate Services		2 086	1 016	1 138	122	640	1 043	(403)	-39%	1 138
Vote 7 - Engineering Services		40 411	46 159	50 890	6 327	22 700	46 649	(23 949)	-51%	50 890
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>44 182</b>	<b>50 605</b>	<b>55 864</b>	<b>6 452</b>	<b>23 692</b>	<b>51 209</b>	<b>(27 517)</b>	<b>-54%</b>	<b>55 864</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 2 - Office of the Municipal Manager		-	1 000	880	2	8	807	(799)	-99%	880
Vote 3 - Community Services		5 563	2 185	1 486	52	721	1 362	(641)	-47%	1 486
Vote 4 - Corporate Services		59	561	785	135	154	719	(565)	-79%	785
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	169	221	279	(58)	-21%	304
Vote 7 - Engineering Services		34 567	54 777	69 474	7 416	41 350	63 684	(22 334)	-35%	69 474
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>40 625</b>	<b>58 827</b>	<b>72 929</b>	<b>7 774</b>	<b>42 454</b>	<b>66 851</b>	<b>(24 397)</b>	<b>-36%</b>	<b>72 929</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>84 807</b>	<b>109 432</b>	<b>128 793</b>	<b>14 226</b>	<b>66 145</b>	<b>118 060</b>	<b>(51 914)</b>	<b>-44%</b>	<b>128 793</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>2 549</b>	<b>20 857</b>	<b>19 767</b>	<b>2 091</b>	<b>16 270</b>	<b>18 120</b>	<b>(1 850)</b>	<b>-10%</b>	<b>19 767</b>
Executive and council		-	1 000	880	2	8	807	(799)	-99%	880
Finance and administration		2 549	19 857	18 887	2 089	16 262	17 313	(1 051)	-6%	18 887
<b>Community and public safety</b>		<b>5 607</b>	<b>4 265</b>	<b>4 471</b>	<b>55</b>	<b>611</b>	<b>4 098</b>	<b>(3 487)</b>	<b>-85%</b>	<b>4 471</b>
Community and social services		2 352	2 880	4 086	20	369	3 745	(3 377)	-90%	4 086
Sport and recreation		921	1 000	-	-	-	-	-	-	-
Public safety		2 334	385	385	34	243	353	(110)	-31%	385
<b>Economic and environmental services</b>		<b>9 570</b>	<b>13 973</b>	<b>18 258</b>	<b>1 889</b>	<b>11 183</b>	<b>16 737</b>	<b>(5 554)</b>	<b>-33%</b>	<b>18 258</b>
Planning and development		435	304	304	169	221	279	(58)	-21%	304
Road transport		9 135	13 669	17 954	1 720	10 962	16 458	(5 496)	-33%	17 954
<b>Trading services</b>		<b>67 081</b>	<b>70 337</b>	<b>86 296</b>	<b>10 191</b>	<b>38 081</b>	<b>79 105</b>	<b>(41 024)</b>	<b>-52%</b>	<b>86 296</b>
Energy sources		25 395	23 741	23 321	4 177	9 184	21 378	(12 194)	-57%	23 321
Water management		25 002	27 350	39 711	3 668	21 758	36 402	(14 644)	-40%	39 711
Waste water management		15 302	17 896	23 214	2 346	7 128	21 279	(14 151)	-67%	23 214
Waste management		1 382	1 350	50	-	12	46	(34)	-75%	50
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>84 807</b>	<b>109 432</b>	<b>128 793</b>	<b>14 226</b>	<b>66 145</b>	<b>118 060</b>	<b>(51 914)</b>	<b>-44%</b>	<b>128 793</b>
<b>Funded by:</b>										
National Government		26 721	23 581	29 407	2 715	18 864	26 956	(8 093)	-30%	29 407
Provincial Government		6 741	10 754	28 414	1 897	8 653	26 046	(17 393)	-67%	28 414
District Municipality		43	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>33 505</b>	<b>34 335</b>	<b>57 821</b>	<b>4 612</b>	<b>27 517</b>	<b>53 002</b>	<b>(25 485)</b>	<b>-48%</b>	<b>57 821</b>
<b>Borrowing</b>	<b>6</b>	<b>32 098</b>	<b>45 150</b>	<b>38 998</b>	<b>8 422</b>	<b>27 255</b>	<b>35 748</b>	<b>(8 493)</b>	<b>-24%</b>	<b>38 998</b>
<b>Internally generated funds</b>		<b>19 203</b>	<b>29 947</b>	<b>31 974</b>	<b>1 192</b>	<b>11 373</b>	<b>29 309</b>	<b>(17 936)</b>	<b>-61%</b>	<b>31 974</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>84 806</b>	<b>109 432</b>	<b>128 793</b>	<b>14 226</b>	<b>66 145</b>	<b>118 060</b>	<b>(51 914)</b>	<b>-44%</b>	<b>128 793</b>

## BITOU LOCAL MUNICIPALITY

### Capital Expenditure Analysis

Capital Expenditure for the month amounts to R 14.2 million. Comparing the YTD budget and actual YTD expenditure we are looking at a 51% spending of the total capital budget.

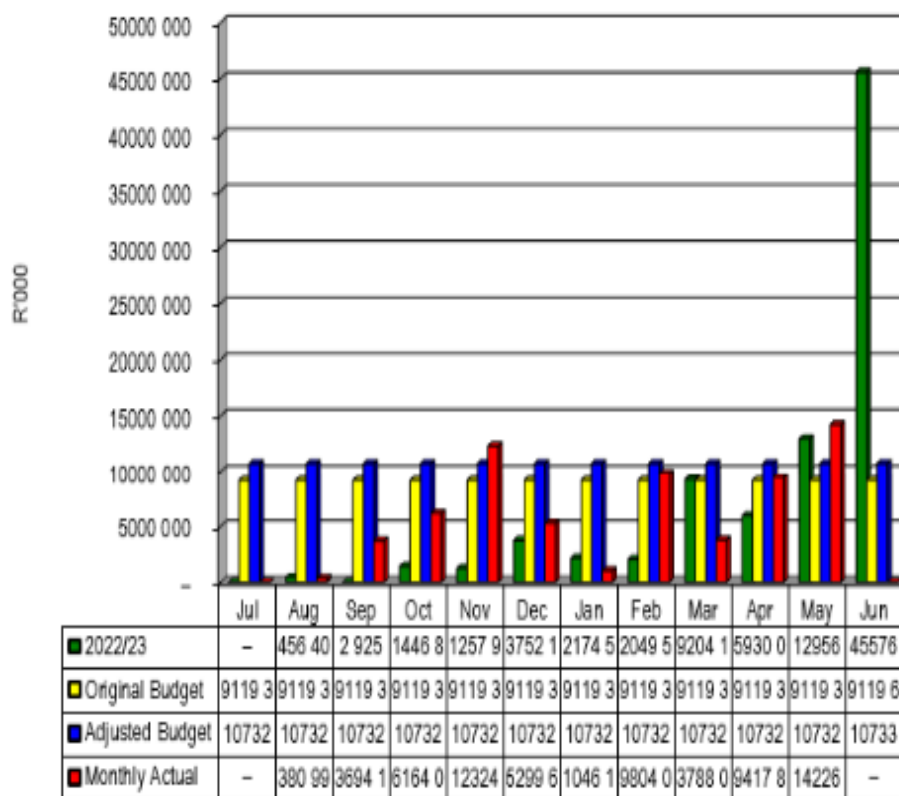
It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects and these applications, at times, get rejected.

It should also be noted that the commitments (shadow balances) loaded on the FMS amounts to R40.7 million, which translates to 31.6% of the total capital budget still being under commitments.

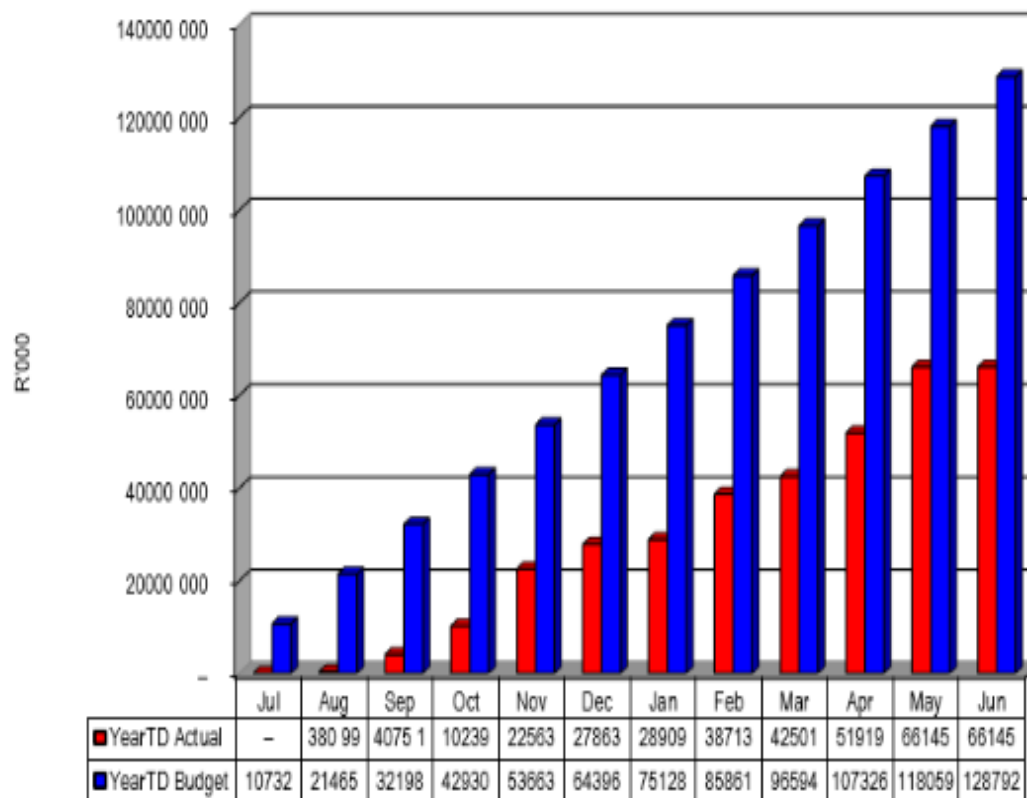
### Capital Grants Analysis

Grants	Original Budget	Adjusted Budget	Monthly Actual	Shadow Balance	YTD Expenditure
<b>MIG</b>	20 299 130.00	26 125 306.00	2 714 904.59	7 586 888.08	17 358 747.08
<b>INEP</b>	3 281 739.00	3 281 739.00	0.00	1 776 821.99	1 504 917.01
<b>INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT</b>	10 000 000.00	11 659 471.00	0.00	783 990.00	704 924.71
<b>HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT</b>	0	16 000 000.00	1 710 784.37	6 625 042.75	7 710 098.37
<b>LIBRARY CONDITIONAL GRANT</b>	450 000.00	450 000.00	17 475.60	220 479.99	17 475.60
<b>RSEP</b>	304 348.00	304 348.00	168 504.17	92 399.83	220 870.74
<b>BORROWINGS</b>	45 150 000.00	38 998 172.00	8 422 304.57	10 474 349.25	27 255 234.28
<b>AFR</b>	29 946 887.00	31 973 655.00	1 192 365.87	13 179 777.47	11 373 214.88
<b>TOTAL</b>	<b>109 432 104.00</b>	<b>128 792 691.00</b>	<b>14 226 342.17</b>	<b>40 739 744.36</b>	<b>66 145 482.67</b>

**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 - M11 May**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		95 078	55 750	104 582	454 241	104 582
Trade and other receivables from exchange transactions		50 064	43 839	12 534	57 066	12 534
Receivables from non-exchange transactions		11 450	100 771	87 987	56 027	87 987
Current portion of non-current receivables		9	11	9	9	9
Inventory		15 357	16 538	14 433	14 456	14 433
VAT		256 271	212 584	256 271	262 899	256 271
Other current assets		418	180	418	761	418
<b>Total current assets</b>		<b>428 647</b>	<b>429 672</b>	<b>476 234</b>	<b>845 459</b>	<b>476 234</b>
<b>Non current assets</b>						
Investment property		12 692	12 692	12 692	12 691	12 692
Property, plant and equipment		1 242 619	1 322 385	1 319 117	1 274 402	1 319 117
Heritage assets		35	35	35	35	35
<b>Total non current assets</b>		<b>1 255 346</b>	<b>1 335 112</b>	<b>1 331 844</b>	<b>1 287 128</b>	<b>1 331 844</b>
<b>TOTAL ASSETS</b>		<b>1 683 993</b>	<b>1 764 784</b>	<b>1 808 078</b>	<b>2 132 587</b>	<b>1 808 078</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Financial liabilities		19 531	0	19 507	8 786	19 507
Consumer deposits		10 793	9 848	10 793	11 324	10 793
Trade and other payables from exchange transactions		92 089	79 612	117 756	300 527	117 756
Trade and other payables from non-exchange transactions		(17 007)	(15 640)	(43 719)	6 904	(43 719)
Provision		39 585	113 636	62 008	66 864	62 008
VAT		246 284	239 157	246 284	277 169	246 284
<b>Total current liabilities</b>		<b>391 275</b>	<b>426 612</b>	<b>412 629</b>	<b>671 576</b>	<b>412 629</b>
<b>Non current liabilities</b>						
Financial liabilities		82 764	121 558	102 170	82 764	102 170
Provision		13 052	10 320	13 052	10 896	13 052
Other non-current liabilities		66 477	58 456	66 477	65 322	66 477
<b>Total non current liabilities</b>		<b>162 293</b>	<b>190 333</b>	<b>181 699</b>	<b>158 982</b>	<b>181 699</b>
<b>TOTAL LIABILITIES</b>		<b>553 568</b>	<b>616 946</b>	<b>594 329</b>	<b>830 557</b>	<b>594 329</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 130 425</b>	<b>1 147 839</b>	<b>1 213 749</b>	<b>1 302 029</b>	<b>1 213 749</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 183 799	1 272 092	1 183 799
Reserves and funds		29 950	48 500	29 950	29 950	29 950
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 213 749</b>	<b>1 302 042</b>	<b>1 213 749</b>

The table above reflects the statement of financial position of the municipality. The total current assets at the end of May 2024 amounts to R845.5 million. The municipality reports total short-term investments at R 135.2 million and cash of R319.1 million for the month. The municipality reports a positive cashbook balance of R319.1 million.

The current liabilities for the month amounts R671.6 million. The current ratio for the month equates 1.26:1, which is below best practice norms. 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 - M11 May										
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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		433	163 156	163 105	14 353	163 477	149 513	13 964	9%	163 105
Service charges		-	422 573	418 554	35 623	377 290	383 675	(6 385)	-2%	418 554
Other revenue		-	22 595	23 655	(9 137)	32 183	21 683	10 500	48%	23 655
Transfers and Subsidies - Operational		462	163 277	167 745	9 163	170 385	165 186	5 200	3%	167 745
Transfers and Subsidies - Capital		-	37 468	48 907	-	34 470	43 157	(8 687)	-20%	48 907
Interest		10 179	8 221	15 596	1 241	23 079	14 296	8 783	61%	15 596
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(320 008)	(714 694)	(710 246)	(17 450)	(353 134)	(650 611)	(297 476)	46%	(67 458)
Interest		-	(13 428)	(13 428)	(18)	(5 743)	(12 309)	(6 566)	53%	(13 428)
Transfers and Subsidies		-	(12 230)	(12 230)	(650)	(6 484)	(11 211)	(4 727)	42%	(12 230)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(308 935)</b>	<b>76 938</b>	<b>101 658</b>	<b>33 125</b>	<b>435 522</b>	<b>103 379</b>	<b>(332 143)</b>	<b>-321%</b>	<b>744 446</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	10 962	10 962	-	-	10 048	(10 048)	-100%	10 962
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		372	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(82 239)	(109 432)	(128 793)	(14 226)	(66 145)	110 530	176 676	160%	120 579
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(81 867)</b>	<b>(98 470)</b>	<b>(117 831)</b>	<b>(14 226)</b>	<b>(66 145)</b>	<b>120 579</b>	<b>186 724</b>	<b>155%</b>	<b>131 541</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	40 150	40 150	31	531	-	531	0%	40 150
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	(125)	(10 745)	-	10 745	0%	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>40 150</b>	<b>40 150</b>	<b>(93)</b>	<b>(10 214)</b>	<b>-</b>	<b>10 214</b>	<b>0%</b>	<b>40 150</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(390 802)</b>	<b>18 618</b>	<b>23 977</b>	<b>18 805</b>	<b>359 163</b>	<b>223 958</b>			<b>916 137</b>
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	119 055		454 241	319 036			1 011 215

The municipality is reporting a positive R33.1 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 R14.2 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 - M11 May													
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	6 044	2 927	2 971	2 804	80 829	–	–	–	95 574	83 633	12 927	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 544	2 309	911	657	15 177	–	–	–	30 599	15 834	812	–
Receivables from Non-exchange Transactions - Property Rates	1400	9 320	1 808	1 322	1 106	41 300	–	–	–	54 856	42 406	2 313	–
Receivables from Exchange Transactions - Waste Water Management	1500	3 691	1 485	1 371	1 358	55 542	–	–	–	63 448	56 900	15 370	–
Receivables from Exchange Transactions - Waste Management	1600	5 162	2 146	2 079	2 217	93 142	–	–	–	104 746	95 359	8 969	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	796	128	123	117	(12 902)	–	–	–	(11 738)	(12 785)	290	–
Total By Income Source	2000	36 558	10 803	8 776	8 260	273 088	–	–	–	337 484	281 347	40 680	–
2022/23 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	552	221	203	104	1 354	–	–	–	2 434	1 458	–	–
Commercial	2300	4 077	1 401	406	418	4 321	–	–	–	10 622	4 739	–	–
Households	2400	31 930	9 181	8 167	7 738	267 413	–	–	–	324 428	275 150	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	36 558	10 803	8 776	8 260	273 088	–	–	–	337 484	281 347	–	–

### Debtor’s age analysis

The debtors’ book of the municipality reflects R 337.5 million as outstanding debt older than 121 days with a total outstanding amount of R 273.1 million.

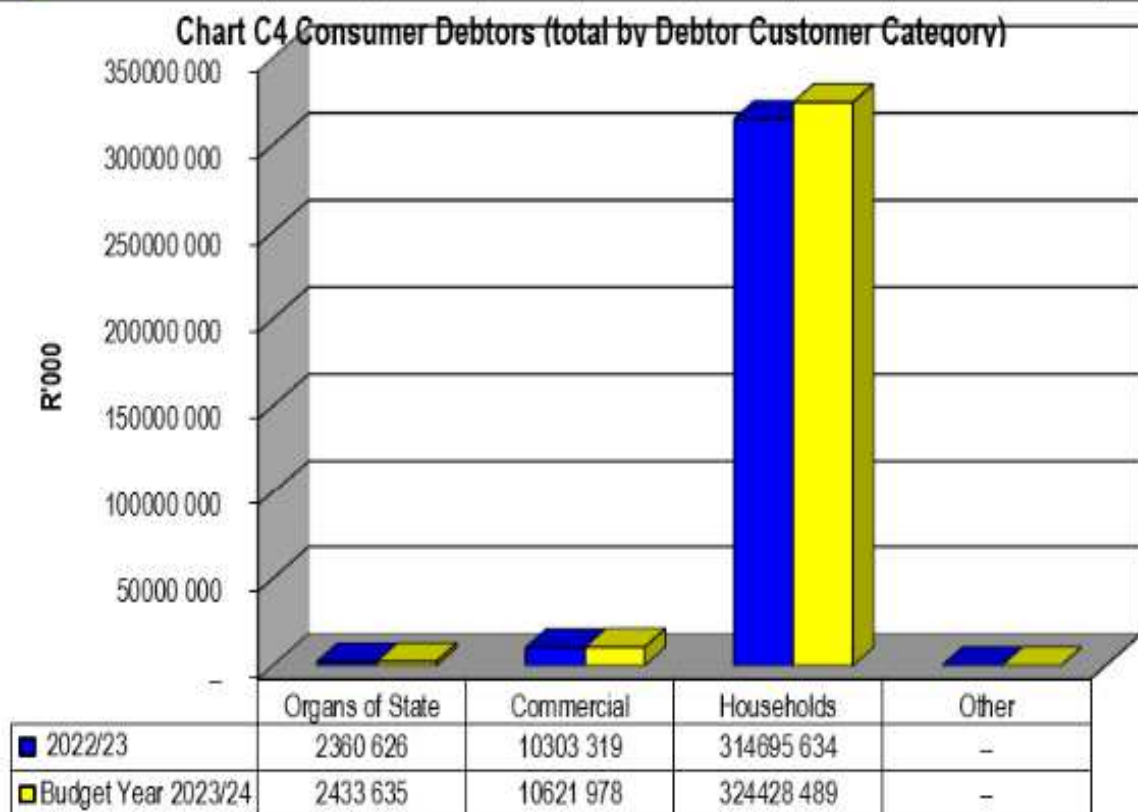
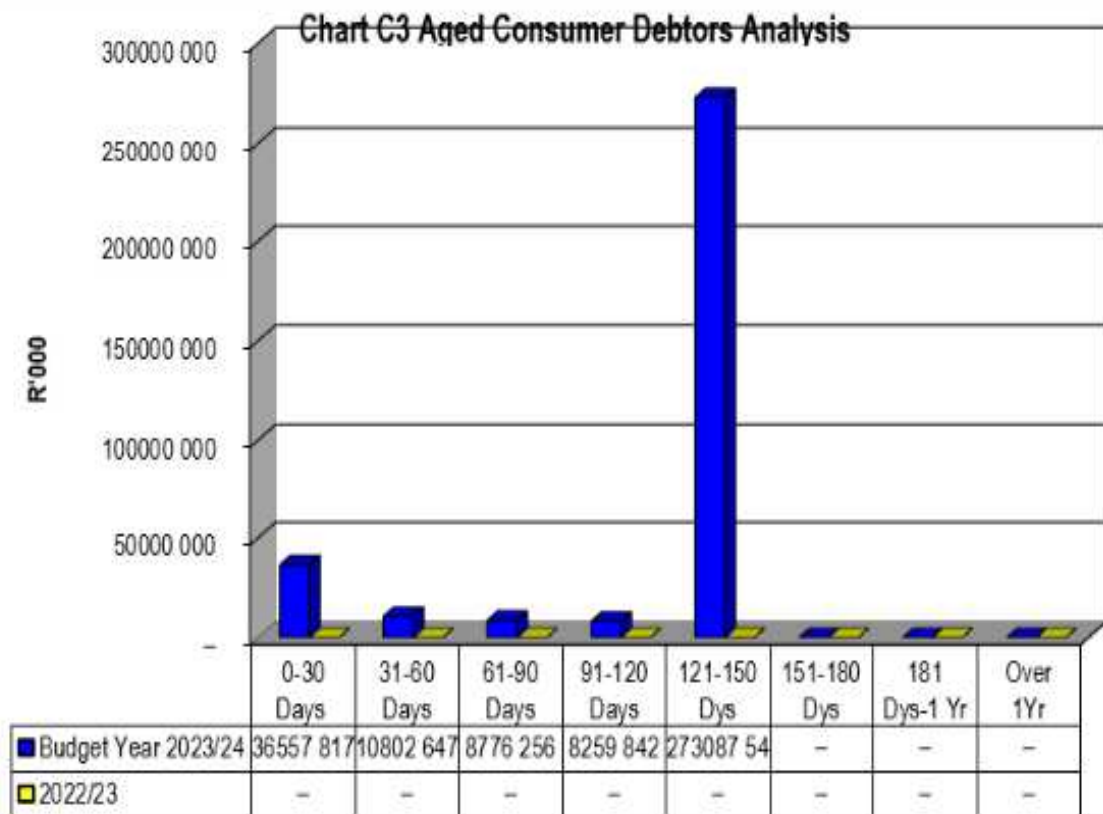
The contributors to the outstanding debt remain the household debt which represent 96.13% of total debt, followed by businesses with 3.15% and organs of state contributing 0.72%.

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

The collection rate for the month of May 2024 is 93%, resulting in an average payment rate of just 90% for the financial year to date. See below debtor payment percentage breakdown achieved from March 2024 to May 2024.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Mar-24	Apr-24	May-24	Annual
Gross Debtors Opening Balance	328 406 291,13	327 090 662,17	333 176 656,94	311 714 712,48
Billed Revenue	66 103 474,59	65 862 187,14	61 386 737,90	693 991 528,91
Gross Debtors Closing Balance	327 090 662,17	333 176 656,94	337 484 101,66	337 484 101,66
Bad Debt Written off	90 231,87	2 722 581,46	-	45 489 325,94
Payment received	67 328 871,68	57 053 610,91	57 079 293,18	622 732 813,79
Billed Revenue	66 103 474,59	65 862 187,14	61 386 737,90	693 991 528,91
<b>% Debtor payment achieved</b>	<b>102%</b>	<b>87%</b>	<b>93%</b>	<b>90%</b>

## BITOU LOCAL MUNICIPALITY



## BITOU LOCAL MUNICIPALITY

### Section 6 – Creditors' age analysis

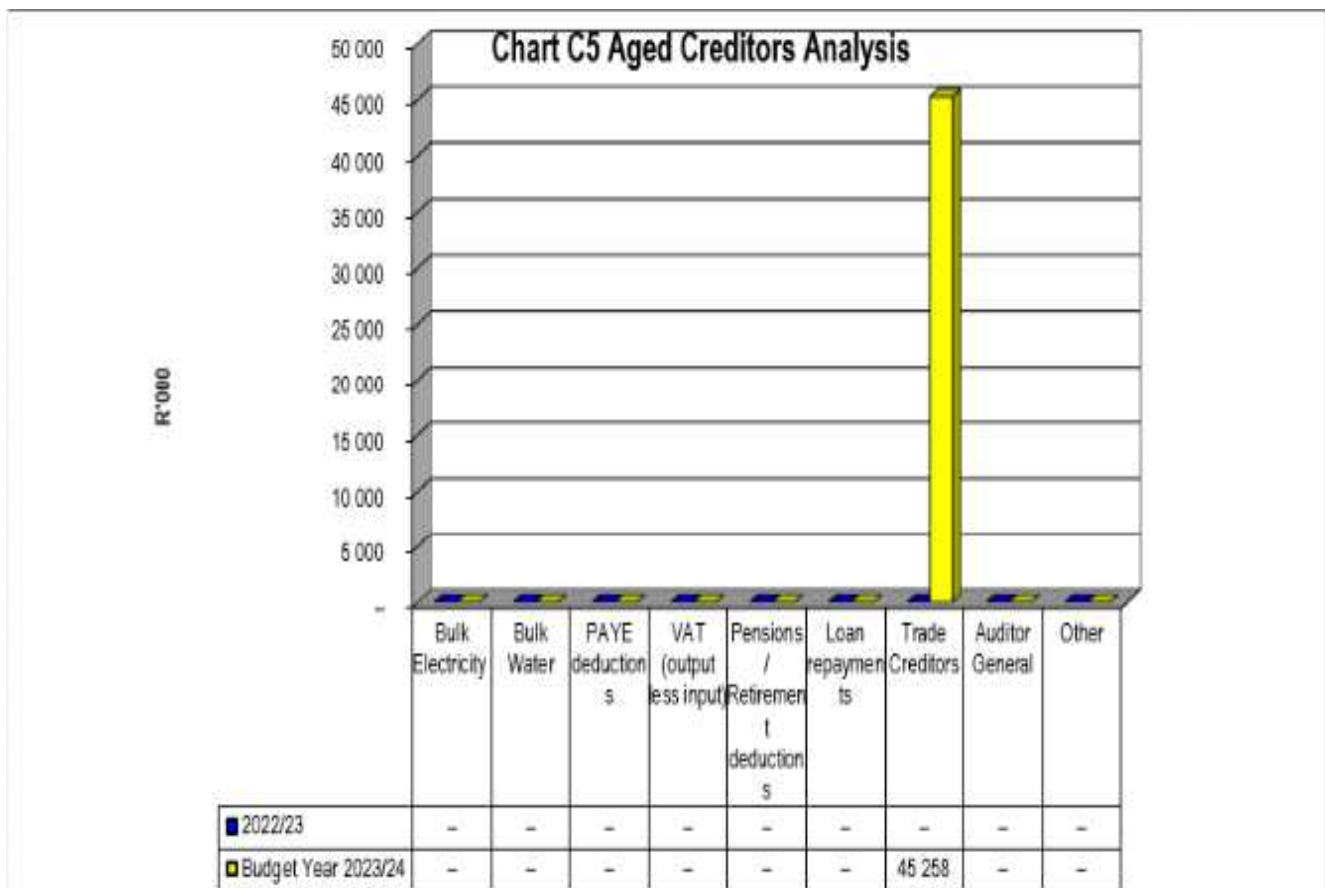
#### 6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May											
Description	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	
R thousands											
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	34	0	-	-	2	0	10	-	45	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	34	0	-	-	2	0	10	-	45	-

#### Creditors Age Analysis

The municipality reports a total amount of R45 000 on trade creditors in May 2024.



# BITOU LOCAL MUNICIPALITY

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May														
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												
<b>Municipality</b>														
Absa Bank: 9378543662		-	Call deposit							8 050	59		-	8 109
Absa Bank:9377092408-3		-	Call deposit							2 925	21		-	2 947
Absa Bank:9380348553		-	Call deposit							19 215	141		-	19 356
Nedbank: 1766000029 - 2		-	Fixed deposit							12 500	-		-	12 500
Standard Bank: 488607000-079		-	Call deposit							5 274	37		-	5 311
Standard Bank: 488607000-078		-	Call deposit							5 274	37		-	5 311
Absa Bank:9381946782			Call deposit							11 556	85		-	11 641
Standard Bank: 488607000-082			Fixed deposit							15 000	-		-	15 000
Standard Bank: 488607000-083			Fixed deposit							15 000	-		-	15 000
Absa Bank: 2081502184			Fixed deposit							15 000	-		-	15 000
Standard Bank: 488607000-084		-	Fixed deposit							15 000	-		-	15 000
Absa Bank: 2081502443		-	Fixed deposit							10 000	-		-	10 000
-		-								-	-		-	-
-		-								-	-		-	-
<b>Municipality sub-total</b>										<b>134 795</b>	<b>379</b>		<b>-</b>	<b>135 174</b>

### Investment portfolio analysis

The municipality has investments with a total value of R135.2 million as at May 2024. Interest earned on fixed deposits will only be recognised upon maturity, but it will be accrued at year end.

## BITOU LOCAL MUNICIPALITY

### Section 8 – Grant Performance

#### 8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M11)
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES) - CAPITAL	97 500,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 879 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	1 104 255,38
EQUITABLE SHARE	144 726 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	679 607,75
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES -	8 624 448,88
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	1 504 917,01
MUNICIPAL INFRASTRUCTURE GRANT	14 696 787,09
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) - CAPITAL	52 366,57
THUSONG SERVICES CENTRES	14,90
TITLE DEEDS RESTORATION	-
LOCAL GOVERNMENT GRADUATE INTERNSHIP - OPERATIONAL	234 000,00
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	1 219 148,17
FINANCIAL MANAGEMENT CAPACITY BUILDING	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	121 730,00

**174 939 775,75**

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

Grant Description	Year- To-Date Actual Balance (M11)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	3 382 695,66
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	21 783 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	-
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	832 363,49
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	9 891 000,00
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	120 000,00
COMMUNITY LIBRARY SERVICES	2 406 000,00
COMMUNITY DEVELOPMENT WORKERS	19 000,00
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	-
EMERGENCY MUNICIPAL LOAD SHEDDING RELIEF GRANT	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	140 000,00
FINANCIAL MANAGEMENT CAPACITY BUILDING	700 000,00

**42 455 059,15**

The table above reflects the grant receipts for May 2024.

## 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:*

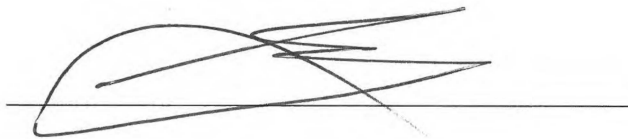
### QUALITY CERTIFICATE

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 May 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

13/06/2024