

BITOU LOCAL MUNICIPALITY



**Quarterly Budget Statement in  
accordance with MFMA Section  
52(d), for the quarter ended 30 June  
2024**

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## 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 52(d) Quarterly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations (MBRR)

## **PART 1 – IN-YEAR REPORT**

### **Section 1 – Quarter 4 Report**

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

The report outlines the financial performance and position of the municipality for the quarter ended 30 June 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 the quarter amounts to R184.4 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 quarterly budget statement and supporting documentation for the quarter ended 30 June 2024.

### **Section 3 – Executive Summary**

#### **3.1 Introduction**

The quarterly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations and section 52(d) 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) - Q4 Fourth Quarter										
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	37 050	474 307	485 088	(10 781)	-2%	485 088
Service charges - Electricity		210 201	241 830	232 677	18 138	228 201	232 677	(4 476)	-2%	232 677
Service charges - Water		86 449	86 725	82 972	6 926	85 581	82 972	2 608	3%	82 972
Service charges - Waste Water Management		78 406	77 663	66 874	2 076	67 358	66 874	484	1%	66 874
Service charges - Waste management		45 502	58 016	46 784	1 827	44 964	46 784	(1 820)	-4%	46 784
Sale of Goods and Rendering of Services		6 867	11 571	11 559	764	7 385	11 559	(4 174)	-36%	11 559
Agency services		2 501	3 014	2 803	156	2 342	2 803	(460)	-16%	2 803
Interest earned from Receivables		17 120	13 282	15 483	875	13 243	15 483	(2 240)	-14%	15 483
Interest earned from Current and Non Current Assets		8 035	4 950	12 325	4 077	13 231	12 325	906	7%	12 325
Rental from Fixed Assets		1 124	1 030	1 117	138	1 354	1 117	237	21%	1 117
Licence and permits		1 196	589	1 269	82	1 428	1 269	159	13%	1 269
Operational Revenue		3 683	2 207	11 226	1 990	9 220	11 226	(2 006)	-18%	11 226
Non-Exchange Revenue		378 896	400 177	423 668	28 280	394 094	423 668	(29 574)	-7%	423 668
Property rates		151 445	179 779	179 802	14 736	178 229	179 802	(1 574)	-1%	179 802
Surcharges and Taxes		–	1 500	1 500	119	1 538	1 500	38	3%	1 500
Fines, penalties and forfeits		46 722	31 699	45 096	3 076	37 266	45 096	(7 830)	-17%	45 096
Licence and permits		–	696	696	–	–	696	(696)	-100%	696
Transfer and subsidies - Operational		155 970	163 277	175 758	3 490	161 475	175 758	(14 283)	-8%	175 758
Interest		4 242	3 759	2 130	184	2 292	2 130	161	8%	2 130
Operational Revenue		2 064	15 518	14 735	6 675	13 295	14 735	(1 441)	-10%	14 735
Gains on disposal of Assets		441	3 950	3 950	–	–	3 950	(3 950)	-100%	3 950
Other Gains		18 011	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		839 979	901 055	908 756	65 330	868 401	908 756	(40 355)	-4%	908 756
Expenditure By Type										
Employee related costs		286 329	333 063	345 596	28 918	336 995	345 596	(8 601)	-2%	345 596
Remuneration of councillors		6 721	7 674	7 675	584	7 300	7 675	(376)	-5%	7 675
Bulk purchases - electricity		162 599	206 241	196 241	14 695	175 840	196 241	(20 401)	-10%	196 241
Inventory consumed		15 349	19 543	20 501	2 225	16 111	20 501	(4 390)	-21%	20 501
Debt impairment		28 623	18 270	18 270	–	–	18 270	(18 270)	-100%	18 270
Depreciation and amortisation		36 393	40 059	40 059	3 065	37 429	40 059	(2 630)	-7%	40 059
Interest		19 740	13 428	13 428	5 008	10 751	13 428	(2 677)	-20%	13 428
Contracted services		72 886	95 793	97 954	19 371	62 535	97 954	(35 419)	-36%	97 954
Transfers and subsidies		5 626	12 230	12 774	1 602	9 095	12 774	(3 679)	-29%	12 774
Irrecoverable debts written off		88 945	64 900	64 900	5 286	45 966	64 900	(18 934)	-29%	64 900
Operational costs		72 058	89 075	88 809	13 714	68 422	88 809	(20 387)	-23%	88 809
Losses on Disposal of Assets		1 515	–	–	–	–	–	–		–
Other Losses		9	–	–	–	–	–	–		–
Total Expenditure		796 794	900 274	906 207	94 468	770 444	906 207	(135 764)	-15%	906 207
Surplus/(Deficit)		43 185	780	2 549	(29 138)	97 958	2 549	95 409	0	2 549
Transfers and subsidies - capital (monetary allocations)		36 567	37 468	59 278	6 495	29 454	59 278	(29 823)	(0)	59 278
Surplus/(Deficit) after capital transfers & contributions		79 752	38 248	61 826	(22 642)	127 412	61 826			61 826
Surplus/(Deficit) after income tax		79 752	38 248	61 826	(22 642)	127 412	61 826			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	(22 642)	127 412	61 826			61 826
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		79 752	38 248	61 826	(22 642)	127 412	61 826			61 826

## **BITOU LOCAL MUNICIPALITY**

### **Revenue by Source**

#### **Property Rates**

Property rates for the end of quarter amounts to R178.2 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 R228.2 million. Anticipated budgeted revenue amounted to R232.7 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 June 2024 amounts to R85.6 million while the YTD budget amounts to R82.9 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 R67.4 million while YTD budget amounts to R66.9 million, meaning this revenue source is performing adequately. The revenue item was adjusted downward and is still being monitored to ensure its performance remains adequate through the revenue enhancement program.

#### **Refuse Service**

Refuse revenue as at the end of June 2024 amounts R44.9 million while the YTD budget amounts to R46.8 million, which represents a 4% underperformance. This revenue source forms part of the focus areas of the revenue enhancement programme and a concerted effort will be made in the current financial year and the next 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 June 2024 amounts to R 1.4 million. This source of revenue is over performing by 21%. 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 13.2 million and R 13.2 million respectively, which in turn equates to an overperformance of 9% and a under-performance 14% respectively for this revenue source. The interest on outstanding debtors remains 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 June 2024 amounts to R37.3 million compared to the anticipated budgeted revenue of R45.1 million. This is an underperformance of 17%. Revenue recognition for the remainder of the revenue will be done as part of the Year end Annual Financial Statement preparation, as the service provider has to give a final report for the entire financial year. Taking the revenue still to be accounted for into consideration, the revenue source will be adequately performing.

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### **Transfers and Subsidies**

Revenue from Transfers and Subsidies amounts to R161.5 as at end of June 2024. This revenue source has an under-performance of 8%. It is anticipated that this result may come in-line with the budgetary predictions as the final revenue recognitions are done as part of the finalisation of the Grant Reconciliation.

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

Revenue collected as at end June 2024 amounts to R7.4 million compared to an anticipated R11.6 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 June 2024 amounts to R9.2 million compared to an anticipated R11.2 million. The major contributor of the revenue development charges, and landing fees.

**Total revenue** at the end of the quarter amounts to R65.3 million. YTD revenue compared to YTD anticipated budgeted revenue for the quarter amounts to an under-performance of 4%. This, however, exclude revenue from capital contributions.

## **Expenditure**

### **Employee related cost**

Employee related cost the YTD budget amounts to June 2024 amounts to R37.1 million. The YTD budget amounts to R345.6 million and YTD actuals equates to R336.9 million. In totality it translates to an under-performance of 2%, bearing in mind that the final employee benefit provisions still need to be concluded as part of the Financial Statement preparation.

### **Remuneration of councillors**

Remuneration of councillors as at end of June 2024 amounts to R 7.3 million. This expenditure item is underperforming by 5%.

### **Debt Impairment**

No Debt Impairment was done for the quarter, 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 June 2024 amounts to R175.8 million compared to R196.2 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 the final invoices still to be paid, we anticipate the revenue source to come more in-line with the budgeted figure.

### **Depreciation**

Depreciation as at end June 2024 amounts to R37.4 million which translates to an under-performance of 7%. This expenditure line will even out, after the capitalisation as part of the year end processes, with the anticipated budget.

### **Inventory Consumed**

Expenditure related to this item as at the end of June 2024 amounts to R16.1 million while the YTD budget amounts to R20.5 million. This expenditure item is under-performing by 21% when compared to the YTD budget.



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### **Contracted Services**

Expenditure as at end of June 2024 amounts to R62.5 million and is under-performing by 36% when compared to the YTD budget of R97.9 million. It is expected that this category of expenditure will increase once all invoices are paid as part of the year-end financial payments.

### **Transfers and subsidies**

Expenditure as at end of June 2024 amounts R9.1 million compared to the YTD budget of R12.7 million. An under-performance of 29% is reported at the end of the quarter. 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 June 2024 amounts to R68.4 million while the YTD budget amounts to R88.8 million, which translates to an under performance of 23%. 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 as all invoices are paid as part of the year-end financial payments.

**Total expenditure** for the quarter end of June 2024 amounts to R94.5 million.

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

The municipality is reporting a year-to-date operating surplus of R127.4 million. The current cash flow is sufficient to meet the short and medium-term operational requirements however, it is still not sufficient to sustain operations in the long term. The current ratio is below the best practice norms. The liquidity position remains below the best practise norm and a concerted effort is still necessary to ensure the financial turnaround of the municipality.

The implementation of the financial recovery plan, especially the revenue enhancement strategy, receives dedicated attention to aid in the financial turnaround and to ensure that financial viability and long-term sustainability will be attained.

## **Section 4 – In-year budget statement tables**

### ***4.1 Quarterly budget statements***

The tables included in section 4 to the end of this report are from the 'C Schedule quarterly 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 quarter ended 30 June 2024.

# BITOU LOCAL MUNICIPALITY

## WC047 Bitou - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

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	14 736	178 229	179 802	(1 574)	-1%	179 802
Service charges	420 558	464 234	429 307	28 967	426 104	429 307	(3 203)	-1%	429 307
Investment revenue	8 035	4 950	12 325	4 077	13 231	12 325	906	7%	12 325
Transfers and subsidies - Operational	155 970	163 277	175 758	3 490	161 475	175 758	(14 283)	-8%	175 758
Other own revenue	103 971	88 815	111 563	14 061	89 363	111 563	(22 201)	-20%	111 563
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>839 979</b>	<b>901 055</b>	<b>908 756</b>	<b>65 330</b>	<b>868 401</b>	<b>908 756</b>	<b>(40 355)</b>	<b>-4%</b>	<b>908 756</b>
Employee costs	286 329	333 063	345 596	28 918	336 995	345 596	(8 601)	-2%	345 596
Remuneration of Councillors	6 721	7 674	7 675	584	7 300	7 675	(376)	-5%	7 675
Depreciation and amortisation	36 393	40 059	40 059	3 065	37 429	40 059	(2 630)	-7%	40 059
Interest	19 740	13 428	13 428	5 008	10 751	13 428	(2 677)	-20%	13 428
Inventory consumed and bulk purchases	177 949	225 784	216 742	16 920	191 951	216 742	(24 791)	-11%	216 742
Transfers and subsidies	5 626	12 230	12 774	1 602	9 095	12 774	(3 679)	-29%	12 774
Other expenditure	264 036	268 038	269 934	38 372	176 923	269 934	(93 010)	-34%	269 934
<b>Total Expenditure</b>	<b>796 794</b>	<b>900 274</b>	<b>906 207</b>	<b>94 468</b>	<b>770 444</b>	<b>906 207</b>	<b>(135 764)</b>	<b>-15%</b>	<b>906 207</b>
<b>Surplus/(Deficit)</b>	<b>43 185</b>	<b>780</b>	<b>2 549</b>	<b>(29 138)</b>	<b>97 958</b>	<b>2 549</b>	<b>95 409</b>	<b>3743%</b>	<b>2 549</b>
Transfers and subsidies - capital (monetary allocations)	36 567	37 468	59 278	6 495	29 454	59 278	(29 823)	-50%	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>(22 642)</b>	<b>127 412</b>	<b>61 826</b>	<b>65 586</b>	<b>106%</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>(22 642)</b>	<b>127 412</b>	<b>61 826</b>	<b>65 586</b>	<b>106%</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>36 435</b>	<b>102 580</b>	<b>128 793</b>	<b>(26 212)</b>	<b>-20%</b>	<b>128 793</b>
Capital transfers recognised	33 505	34 335	57 821	16 133	43 650	57 821	(14 170)	-25%	57 821
Borrowing	32 098	45 150	38 998	8 010	35 265	38 998	(3 733)	-10%	38 998
Internally generated funds	19 203	29 947	31 974	12 291	23 664	31 974	(8 309)	-26%	31 974
<b>Total sources of capital funds</b>	<b>84 806</b>	<b>109 432</b>	<b>128 793</b>	<b>36 435</b>	<b>102 580</b>	<b>128 793</b>	<b>(26 212)</b>	<b>-20%</b>	<b>128 793</b>
<b>Financial position</b>									
Total current assets	428 647	429 672	476 234		596 487				476 234
Total non current assets	1 255 346	1 335 112	1 331 844		1 320 498				1 331 844
Total current liabilities	391 275	426 612	412 629		454 166				412 629
Total non current liabilities	162 293	190 333	181 699		183 665				181 699
<b>Community wealth/Equity</b>	<b>1 151 923</b>	<b>1 147 839</b>	<b>1 213 749</b>		<b>1 279 154</b>				<b>1 213 749</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	76 938	101 658	(269 789)	165 734	101 658	(64 075)	-63%	744 446
Net cash from (used) investing	-	(98 470)	(117 831)	(36 435)	(102 580)	131 541	234 121	178%	131 541
Net cash from (used) financing	-	40 150	40 150	36 403	26 190	40 150	13 960	35%	40 150
<b>Cash/cash equivalents at the month/year end</b>	<b>-</b>	<b>78 358</b>	<b>119 055</b>	<b>-</b>	<b>184 421</b>	<b>368 427</b>	<b>184 006</b>	<b>50%</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	35 121	10 874	7 875	7 717	273 990	-	-	-	335 577
<b>Creditors Age Analysis</b>									
Total Creditors	22 378	5 120	-	-	-	-	-	-	27 498

## BITOU LOCAL MUNICIPALITY

### Financial Performance Expenditure by Municipal Vote

#### Revenue by vote

The performance of revenue by vote as at end June 2024 amounts to R897.9 million, this is an under-performance of 7.2%. The detail on revenue per item can be seen on executive summary.

#### Expenditure by vote

The expenditure by vote as at June 2024 amounts R770.4 million. The total expenditure budget is under-performing by 15.0%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter										
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	137	101 047	62 149	38 898	62,6%	62 149
Vote 3 - Community Services		116 837	137 471	139 665	10 700	113 648	139 665	(26 017)	-18,6%	139 665
Vote 4 - Corporate Services		3 910	19	541	25	130	541	(411)	-75,9%	541
Vote 5 - Financial Services		170 985	207 447	213 905	20 010	205 073	213 905	(8 832)	-4,1%	213 905
Vote 6 - Economic Development & Planning		20 989	21 821	47 383	4 158	18 008	47 383	(29 375)	-62,0%	47 383
Vote 7 - Engineering Services		431 662	506 765	501 474	36 796	459 950	501 474	(41 524)	-8,3%	501 474
Total Revenue by Vote	2	876 072	938 523	968 034	71 826	897 856	968 034	(70 178)	-7,2%	968 034
Expenditure by Vote	1									
Vote 1 - Council		8 072	13 229	13 174	950	11 804	13 174	(1 370)	-10,4%	13 174
Vote 2 - Office of the Municipal Manager		28 233	24 180	30 607	3 015	33 539	30 607	2 932	9,6%	30 607
Vote 3 - Community Services		224 314	220 646	219 448	23 880	194 133	219 448	(25 315)	-11,5%	219 448
Vote 4 - Corporate Services		61 082	81 193	81 522	7 881	60 840	81 522	(20 683)	-25,4%	81 522
Vote 5 - Financial Services		47 102	67 121	68 967	6 065	56 622	68 967	(12 345)	-17,9%	68 967
Vote 6 - Economic Development & Planning		45 203	43 237	50 366	6 257	41 772	50 366	(8 594)	-17,1%	50 366
Vote 7 - Engineering Services		382 787	450 669	442 124	46 420	371 735	442 124	(70 389)	-15,9%	442 124
Total Expenditure by Vote	2	796 794	900 274	906 207	94 468	770 444	906 207	(135 764)	-15,0%	906 207
Surplus/ (Deficit) for the year	2	79 278	38 248	61 826	(22 642)	127 412	61 826	65 586	106,1%	61 826

# BITOU LOCAL MUNICIPALITY

## Capital expenditure

### WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

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	2 982	3 334	3 836	(502)	-13%	3 836
Vote 4 - Corporate Services		2 086	1 016	1 138	423	1 063	1 138	(75)	-7%	1 138
Vote 7 - Engineering Services		40 411	46 159	50 890	18 520	41 221	50 890	(9 670)	-19%	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>21 926</b>	<b>45 617</b>	<b>55 864</b>	<b>(10 247)</b>	<b>-18%</b>	<b>55 864</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 2 - Office of the Municipal Manager		-	1 000	880	142	150	880	(730)	-83%	880
Vote 3 - Community Services		5 563	2 185	1 486	300	1 021	1 486	(465)	-31%	1 486
Vote 4 - Corporate Services		59	561	785	608	761	785	(23)	-3%	785
Vote 5 - Financial Services		1	-	-	-	-	-	-	-	-
Vote 6 - Economic Development & Planning		435	304	304	(22)	198	304	(106)	-35%	304
Vote 7 - Engineering Services		34 567	54 777	69 474	13 482	54 832	69 474	(14 642)	-21%	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>14 509</b>	<b>56 963</b>	<b>72 929</b>	<b>(15 966)</b>	<b>-22%</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>36 435</b>	<b>102 580</b>	<b>128 793</b>	<b>(26 212)</b>	<b>-20%</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>1 329</b>	<b>17 599</b>	<b>19 767</b>	<b>(2 169)</b>	<b>-11%</b>	<b>19 767</b>
Executive and council		-	1 000	880	142	150	880	(730)	-83%	880
Finance and administration		2 549	19 857	18 887	1 186	17 448	18 887	(1 439)	-8%	18 887
<b>Community and public safety</b>		<b>5 607</b>	<b>4 265</b>	<b>4 471</b>	<b>3 267</b>	<b>3 878</b>	<b>4 471</b>	<b>(592)</b>	<b>-13%</b>	<b>4 471</b>
Community and social services		2 352	2 880	4 086	3 238	3 607	4 086	(479)	-12%	4 086
Sport and recreation		921	1 000	-	-	-	-	-	-	-
Public safety		2 334	385	385	29	271	385	(114)	-29%	385
<b>Economic and environmental services</b>		<b>9 570</b>	<b>13 973</b>	<b>18 258</b>	<b>870</b>	<b>12 053</b>	<b>18 258</b>	<b>(6 205)</b>	<b>-34%</b>	<b>18 258</b>
Planning and development		435	304	304	(22)	198	304	(106)	-35%	304
Road transport		9 135	13 669	17 954	893	11 855	17 954	(6 099)	-34%	17 954
<b>Trading services</b>		<b>67 081</b>	<b>70 337</b>	<b>86 296</b>	<b>30 969</b>	<b>69 050</b>	<b>86 296</b>	<b>(17 246)</b>	<b>-20%</b>	<b>86 296</b>
Energy sources		25 395	23 741	23 321	9 221	18 405	23 321	(4 917)	-21%	23 321
Water management		25 002	27 350	39 711	11 496	33 254	39 711	(6 458)	-16%	39 711
Waste water management		15 302	17 896	23 214	10 237	17 365	23 214	(5 849)	-25%	23 214
Waste management		1 382	1 350	50	15	27	50	(23)	-46%	50
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>84 807</b>	<b>109 432</b>	<b>128 793</b>	<b>36 435</b>	<b>102 580</b>	<b>128 793</b>	<b>(26 212)</b>	<b>-20%</b>	<b>128 793</b>
<b>Funded by:</b>										
National Government		26 721	23 581	29 407	9 766	28 629	29 407	(778)	-3%	29 407
Provincial Government		6 741	10 754	28 414	6 368	15 021	28 414	(13 393)	-47%	28 414
District Municipality		43	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>33 505</b>	<b>34 335</b>	<b>57 821</b>	<b>16 133</b>	<b>43 650</b>	<b>57 821</b>	<b>(14 170)</b>	<b>-25%</b>	<b>57 821</b>
<b>Borrowing</b>	<b>6</b>	<b>32 098</b>	<b>45 150</b>	<b>38 998</b>	<b>8 010</b>	<b>35 265</b>	<b>38 998</b>	<b>(3 733)</b>	<b>-10%</b>	<b>38 998</b>
<b>Internally generated funds</b>		<b>19 203</b>	<b>29 947</b>	<b>31 974</b>	<b>12 291</b>	<b>23 664</b>	<b>31 974</b>	<b>(8 309)</b>	<b>-26%</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>36 435</b>	<b>102 580</b>	<b>128 793</b>	<b>(26 212)</b>	<b>-20%</b>	<b>128 793</b>

## BITOU LOCAL MUNICIPALITY

### Capital Expenditure Analysis

Capital Expenditure at the end of the quarter amounts to R 36.4 million. Comparing the YTD budget and actual YTD expenditure we are looking at a 80% spending of the total capital budget.

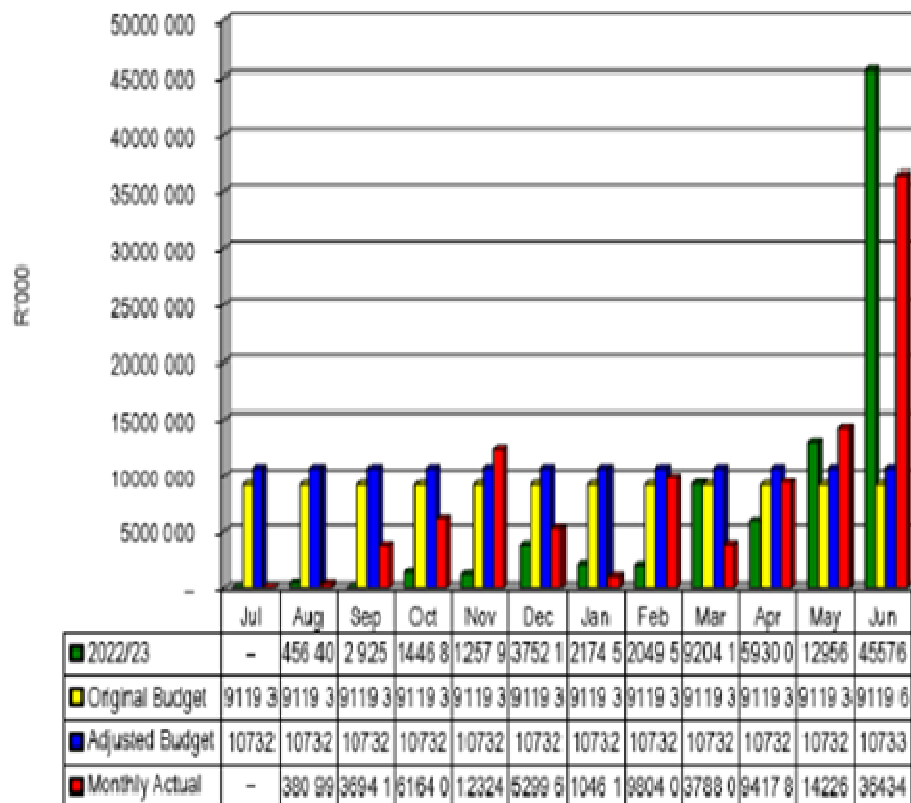
It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects and these applications, at times, get rejected.

### Capital Grants Analysis

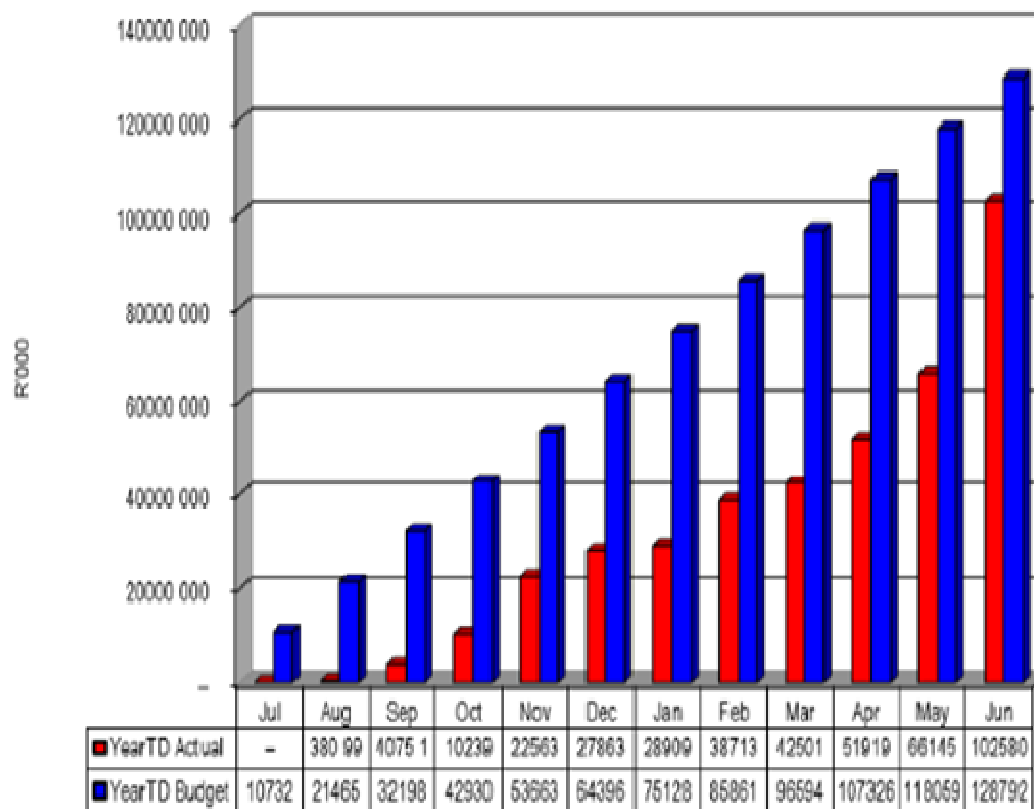
Grants	Original Budget	Adjusted Budget	Q1-YTD Expenditure	Q2-YTD Expenditure	Q3-YTD Expenditure	Q4-YTD Expenditure
<b>MIG</b>	20 299 130.00	27 118 522.00	2 080 264.87	8 661 760.89	13 522 423.34	25 802 536.77
<b>INEP</b>	3 281 739.00	3 281 739.00	0	1 240 610.85	1 240 610.85	2 826 761.29
<b>INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT</b>	10 000 000.00	8 659 471.00	200 319.83	683 254.71	683 254.71	1 600 424.71
<b>HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT</b>	0	16 000 000.00	0	0	1 811 055.01	12 948 953.62
<b>LIBRARY CONDITIONAL GRANT</b>	450 000.00	450 000.00	0	0	408 716.90	273 415.59
<b>RSEP</b>	304 348.00	304 348.00	1 278 489.74	0	52 366.57	198 388.32
<b>BORROWINGS</b>	45 150 000.00	46 871 649.00	516 040.91	12 347 536.56	17 759 447.78	35 265 299.62
<b>AFR</b>	29 946 887.00	33 778 624.00	4 075 115.35	4 929 855.88	7 432 171.83	23 664 462.10
<b>TOTAL</b>	<b>109 432 104.00</b>	<b>136 464 353.00</b>	<b>25 343 024.25</b>	<b>27 863 018.92</b>	<b>42 501 329.99</b>	<b>102 580 242.02</b>

## BITOU LOCAL MUNICIPALITY

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



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



# BITOU LOCAL MUNICIPALITY

## Statement of Financial Position

**WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter**

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	184 421	104 582
Trade and other receivables from exchange transactions		50 064	43 839	12 534	69 774	12 534
Receivables from non-exchange transactions		11 450	100 771	87 987	58 616	87 987
Current portion of non-current receivables		9	11	9	9	9
Inventory		15 357	16 538	14 433	14 885	14 433
VAT		256 271	212 584	256 271	268 136	256 271
Other current assets		418	180	418	646	418
<b>Total current assets</b>		<b>428 647</b>	<b>429 672</b>	<b>476 234</b>	<b>596 487</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	1 307 771	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>1 320 498</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>1 916 985</b>	<b>1 808 078</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Financial liabilities		19 531	0	19 507	20 425	19 507
Consumer deposits		10 793	9 848	10 793	11 359	10 793
Trade and other payables from exchange transactions		92 089	79 612	117 756	77 286	117 756
Trade and other payables from non-exchange transactions		(17 007)	(15 640)	(43 719)	(3 081)	(43 719)
Provision		39 585	113 636	62 008	70 895	62 008
VAT		246 284	239 157	246 284	277 282	246 284
<b>Total current liabilities</b>		<b>391 275</b>	<b>426 612</b>	<b>412 629</b>	<b>454 166</b>	<b>412 629</b>
<b>Non current liabilities</b>						
Financial liabilities		82 764	121 558	102 170	107 718	102 170
Provision		13 052	10 320	13 052	10 754	13 052
Other non-current liabilities		66 477	58 456	66 477	65 194	66 477
<b>Total non current liabilities</b>		<b>162 293</b>	<b>190 333</b>	<b>181 699</b>	<b>183 665</b>	<b>181 699</b>
<b>TOTAL LIABILITIES</b>		<b>553 568</b>	<b>616 946</b>	<b>594 329</b>	<b>637 831</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>1 279 154</b>	<b>1 213 749</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 121 973	1 099 339	1 183 799	1 249 204	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>1 279 154</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 June 2024 amounts to R596.5 million. The municipality reports total short-term investments at R 108.2 million and cash of R76.2 million for the month. The municipality reports a positive cashbook balance of R76.2 million.

The current liabilities for the month amounts R454.2 million. The current ratio for the month equates 1.31:1, 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 - Q4 Fourth Quarter

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>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	163 156	163 105	27 512	190 989	163 105	27 884	17%	163 105
Service charges		-	422 573	418 554	45 008	422 282	418 554	3 728	1%	418 554
Other revenue		-	22 595	23 655	23 170	55 352	23 655	31 698	134%	23 655
Transfers and Subsidies - Operational		-	163 277	167 745	0	170 385	167 745	2 640	2%	167 745
Transfers and Subsidies - Capital		-	37 468	48 907	-	34 470	48 907	(14 437)	-30%	48 907
Interest		-	8 221	15 596	9 283	32 362	15 596	16 766	108%	15 596
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		-	(714 694)	(710 246)	(368 378)	(721 512)	(710 246)	11 266	-2%	(67 458)
Interest		-	(13 428)	(13 428)	(5 008)	(10 735)	(13 428)	(2 693)	20%	(13 428)
Transfers and Subsidies		-	(12 230)	(12 230)	(1 376)	(7 860)	(12 230)	(4 370)	36%	(12 230)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	<b>76 938</b>	<b>101 658</b>	<b>(269 789)</b>	<b>165 734</b>	<b>101 658</b>	<b>(64 075)</b>	<b>-63%</b>	<b>744 446</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	10 962	10 962	-	-	10 962	(10 962)	-100%	10 962
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		-	(109 432)	(128 793)	(36 435)	(102 580)	120 579	223 159	185%	120 579
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	<b>(98 470)</b>	<b>(117 831)</b>	<b>(36 435)</b>	<b>(102 580)</b>	<b>131 541</b>	<b>234 121</b>	<b>178%</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	45 150	45 150	40 150	5 000	12%	40 150
Increase (decrease) in consumer deposits		-	-	-	34	565	-	565	0%	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	(8 781)	(19 526)	-	19 526	0%	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	<b>40 150</b>	<b>40 150</b>	<b>36 403</b>	<b>26 190</b>	<b>40 150</b>	<b>13 960</b>	<b>35%</b>	<b>40 150</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	<b>18 618</b>	<b>23 977</b>	<b>(269 820)</b>	<b>89 343</b>	<b>273 349</b>			<b>916 137</b>
Cash/cash equivalents at beginning:		-	59 740	95 078		95 078	95 078			95 078
Cash/cash equivalents at month/year end:		-	78 358	119 055		184 421	368 427			1 011 215

The municipality is reporting a negative R269.8 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 R36.4 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 R36.4 million for the month. The bi-annual redemption was done 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 - Q4 Fourth Quarter

2024/25 - Supporting Table 000 Monthly Budget Statement - Budgeted Debtors - Q4/24 in quarter													
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	5 697	3 030	2 553	2 805	81 469	-	-	-	95 554	84 273	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 409	1 389	681	459	15 293	-	-	-	29 231	15 752	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 453	1 975	1 324	1 107	42 103	-	-	-	55 962	43 210	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 214	1 576	1 281	1 285	55 591	-	-	-	62 947	56 876	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 051	2 225	1 948	1 947	93 297	-	-	-	104 469	95 244	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	297	679	87	114	(13 763)	-	-	-	(12 585)	(13 649)	-	-
Total By Income Source	2000	35 121	10 874	7 875	7 717	273 990	-	-	-	335 577	281 707	-	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	464	151	133	96	1 493	-	-	-	2 336	1 589	-	-
Commercial	2300	4 027	638	346	324	4 678	-	-	-	10 013	5 002	-	-
Households	2400	30 629	10 086	7 396	7 297	267 820	-	-	-	323 228	275 117	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	35 121	10 874	7 875	7 717	273 990	-	-	-	335 577	281 707	-	-

### Debtor’s age analysis

The debtors’ book of the municipality reflects R 273.9 million as outstanding debt older than 121 days with a total outstanding amount of R 335.6 million.

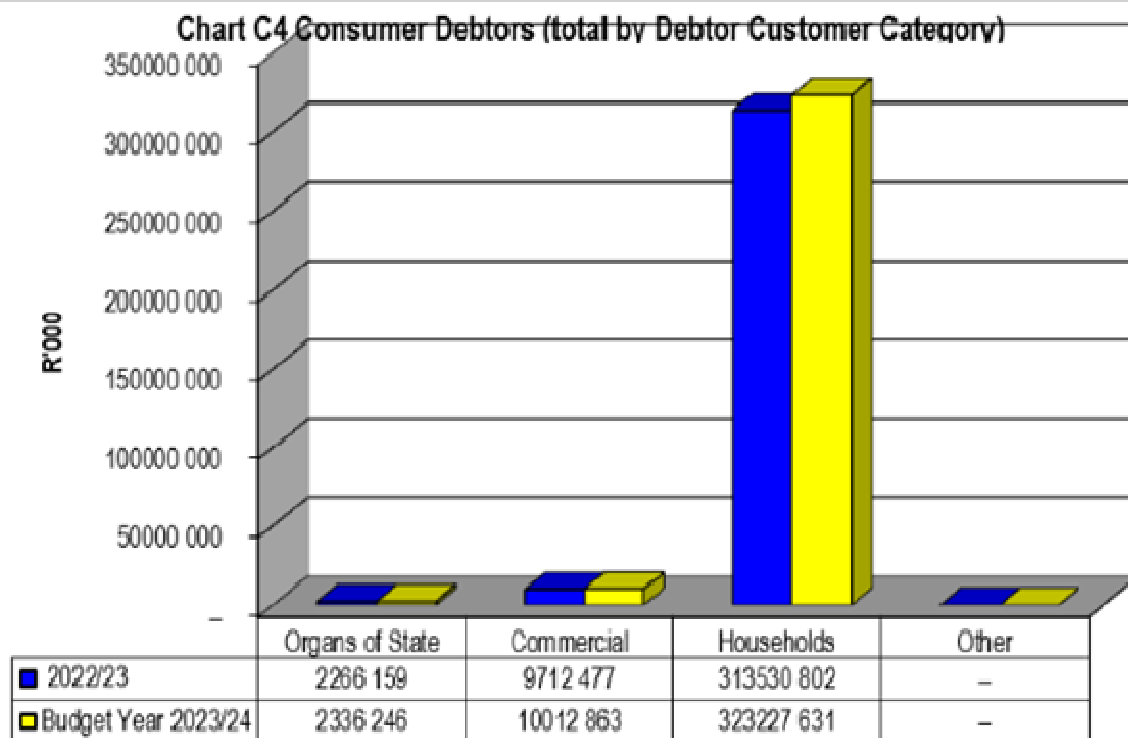
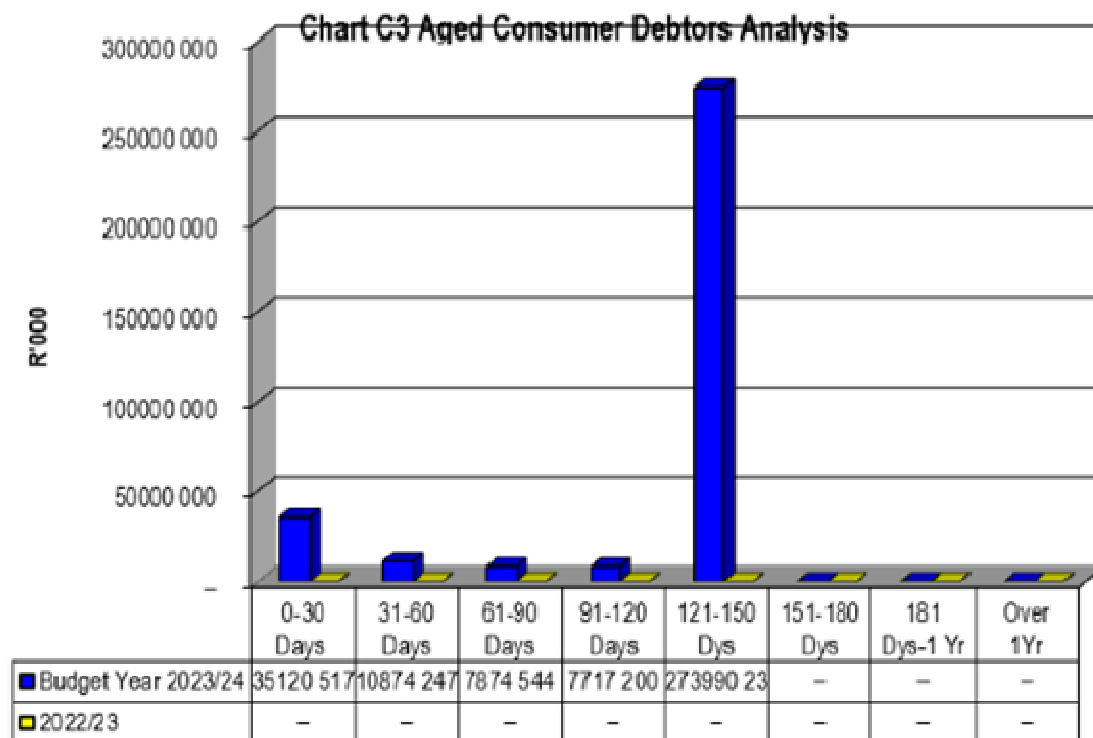
The contributors to the outstanding debt remain the household debt which represent 96.32% of total debt, followed by businesses with 2.98% and organs of state contributing 0.70%.

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 7th of every month.

The collection rate for the month of June 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 April 2024 to June 2024.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Apr-24	May-24	Jun-24	Annual
Gross Debtors Opening Balance	327 090 662.17	333 176 656.94	337 484 101.66	311 714 712.48
Billed Revenue	65 862 187.14	61 386 737.90	60 423 619.35	754 415 148.26
Gross Debtors Closing Balance	333 176 656.94	337 484 101.66	336 576 739.61	337 484 101.66
Bad Debt Written off	2 722 581.46		5 910 741.08	51 400 067.02
Payment received	57 053 610.91	57 079 293.18	56 420 240.32	677 245 692.06
Billed Revenue	65 862 187.14	61 386 737.90	60 423 619.35	754 415 148.26
% Debtor payment achieved	87%	93%	93%	90%

## BITOU LOCAL MUNICIPALITY



## BITOU LOCAL MUNICIPALITY

### Section 6 – Creditors' age analysis

#### 6.1 Supporting Table SC4

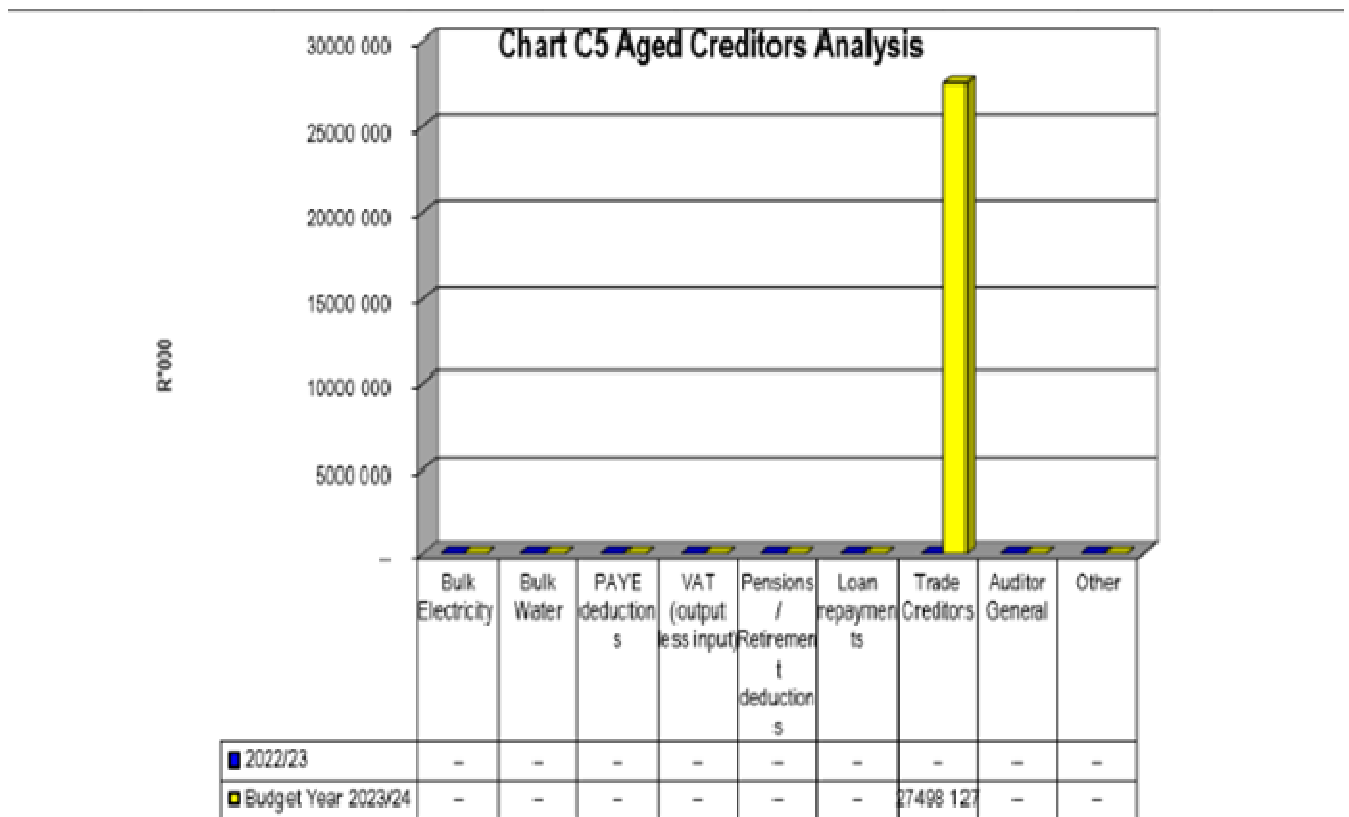
Table SC4 reflects the trade creditors

**WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter**

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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	22 378	5 120	-	-	-	-	-	-	27 498	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>22 378</b>	<b>5 120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 498</b>	<b>-</b>

#### Creditors Age Analysis

The municipality reports a total amount of R27.5 million on trade creditors in June 2024.



## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

WOMF BOD – Supporting Table SC5: Municipality Budget Statement – Investment portfolio – 2024/25

Investment by maturity Name of institution & investment ID	Age of investment	Type of investment	Default Guarantee Yes/No	Variable or Fixed interest rate	Interest Rate	Commission Paid/Received	Commitment to Repayment	Expiry date of investment	Opening balance	Current balance	Future Payments/Withdrawals	Investment Return	Opening Balance
R100,000,000	Yes/No/None												
<b>Municipality</b>													
Alisa Bank 9370543662	✓	- Call deposit	No	Variable	8,400%	No	No	Call deposit	8 109	121	✓	-	8 230
Alisa Bank 9377092408-3	✓	- Call deposit	No	Variable	8,400%	No	No	Call deposit	2 047	44	✓	-	2 091
Alisa Bank 9380346553	✓	- Call deposit	No	Variable	8,900%	No	No	Call deposit	19 358	289	✓	-	20 647
Nedbank: 0378810624061000105	✓	- Fixed deposit	No	Fixed	10,130%	No	No	01/07/2024	12 500	1 251	✓	-	13 751
Standard Bank 488607000-079	✓	- Call deposit	No	Variable	8,250%	No	No	Call deposit	5 305	37	✓	-	5 342
Standard Bank 488607000-078	✓	- Call deposit	No	Variable	8,250%	No	No	Call deposit	5 305	37	✓	-	5 342
Alisa Bank 9381946782	✓	- Call deposit	No	Variable	8,900%	No	No	Call deposit	11 641	173	✓	-	11 814
Standard Bank 488607000-082	✓	- Fixed deposit	No	Fixed	9,150%	No	No	12/06/2024	15 000	338	(15 338)	-	-
Standard Bank 488607000-083	✓	- Fixed deposit	No	Fixed	9,150%	No	No	12/06/2024	15 000	338	(15 338)	-	-
Alisa Bank 2081502184	✓	- Fixed deposit	No	Fixed	9,210%	No	No	12/07/2024	15 000	413	✓	-	15 413
Standard Bank 488607000-084	✓	- Fixed deposit	No	Fixed	9,250%	No	No	12/07/2024	15 000	414	✓	-	15 414
Alisa Bank 2081502443	✓	- Fixed deposit	No	Fixed	9,390%	No	No	10/09/2024	10 000	280	✓	-	10 280
<b>Municipality subtotal</b>									<b>108 209</b>	<b>2 723</b>	<b>(15 338)</b>	<b>-</b>	<b>105 594</b>

### Investment portfolio analysis

The municipality has investments with a total value of R108.2 million as at June 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 (M12)
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES) - CAPITAL	1 117 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	1 879 000,00
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	1 057 885,84
EQUITABLE SHARE	144 726 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	810 397,67
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES - CAPITAL	9 611 232,78
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	1 504 917,01
MUNICIPAL INFRASTRUCTURE GRANT	19 046 438,30
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) - CAPITAL	220 870,74
THUSONG SERVICES CENTRES	146 770,10
TITLE DEEDS RESTORATION	-
LOCAL GOVERNMENT GRADUATE INTERNSHIP - OPERATIONAL	234 000,00
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	2 566 686,97
FINANCIAL MANAGEMENT CAPACITY BUILDING	886 718,68
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	121 730,00

**132 929 648,09**

The table above reflects the income recognition done up until the month of June 2024. Transfers and subsidies amount to R 182.9 million, which includes capital and operational grants.

Grant Description	Year- To-Date Actual Balance (M12)
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	1 879 000,00
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

**42 924 059,15**

The table above reflects the grant receipts for June 2024.

## BITOU LOCAL MUNICIPALITY

### 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 quarter ended 30 June 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

19/07/2024