

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month
ended 31 July 2025
Section 71 Report**

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Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of budget.

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

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

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Legislative Framework

This report is in accordance with the following enabling legislations. The Municipal Finance Management Act (MFMA) – 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 – July Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended 31 July 2025. 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.

Its 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 indicated below on the C7: Cash flow statement, the cash, and cash equivalents amounts to R299.1 million as at the end of July 2025, however total short-term investments equate to R277.6 million and the municipality has a favourable bank balance of R25.7 million. The difference between the bank balance and the Cash and Cash equivalents is the interest on accruals that form part of Debtors or rather Trade and other Receivables: Exchange and the remainder is reconciling items that still need to be receipted. On average, the municipality requires in excess of R65 million to cover the monthly operational expenditure, including the cost associated with the payment of employee cost and suppliers. This excludes payments made to suppliers for capital assets. Therefore, the current cash and cash equivalents is adequate to cover the operational expenditures as at 31 July 2025.

Section 2 – Resolutions

IN-YEAR REPORTS 2025/2026

Below is the resolution to be presented to Council when the In-Year Monitoring (IYM) Report is tabled:

RECOMMENDATION:

- That Council notes the monthly budget statement with the supporting documentation for the month ended 31 July 2025.

Section 3 – Executive Summary

3.1 Introduction

The Monthly budget statement is in accordance with the MBRR and section 71 of the MFMA.

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Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue										
Service charges - Electricity		-	291 114	291 114	21 752	21 752	24 260	(2 508)	-10%	291 114
Service charges - Water		-	101 466	101 466	7 789	7 789	8 456	(666)	-8%	101 466
Service charges - Waste Water Management		-	80 729	80 729	6 867	6 867	6 727	140	2%	80 729
Service charges - Waste management		-	52 852	52 852	4 391	4 391	4 404	(13)	0%	52 852
Sale of Goods and Rendering of Services		-	8 000	8 000	448	448	665	(217)	-33%	8 000
Agency services		-	2 663	2 663	-	-	222	(222)	-100%	2 663
Interest earned from Receivables		-	13 965	13 965	1 898	1 898	1 164	735	63%	13 965
Interest earned from Current and Non Current Assets		-	12 573	12 573	393	393	1 048	(654)	-62%	12 573
Rental from Fixed Assets		-	1 569	1 569	148	148	111	37	33%	1 569
Licence and permits		-	665	665	72	72	55	17	31%	665
Operational Revenue		-	6 728	6 728	29	29	70	(41)	-58%	6 728
Non-Exchange Revenue										
Property rates		-	214 575	214 575	23 168	23 168	17 881	5 287	30%	214 575
Surcharges and Taxes		-	1 547	1 547	133	133	129	4	3%	1 547
Fines, penalties and forfeits		-	55 024	55 024	7	7	3	4	174%	55 024
Licence and permits		-	819	819	-	-	68	(68)	-100%	819
Transfer and subsidies - Operational		-	211 047	211 047	67 203	67 203	2 664	64 539	2422%	211 047
Interest		-	2 433	2 433	391	391	203	189	93%	2 433
Operational Revenue		-	14 788	14 788	1 067	1 067	1 232	(166)	-13%	14 788
Total Revenue (excluding capital transfers and		-	1 072 557	1 072 557	135 756	135 756	69 361	-		1 072 557
Expenditure By Type										
Employee related costs		-	393 991	393 991	25 245	25 245	32 776	(7 531)	-23%	393 991
Remuneration of councillors		-	7 676	7 676	608	608	640	(32)	-5%	7 676
Bulk purchases - electricity		-	250 425	250 425	-	-	20 869	(20 869)	-100%	250 425
Inventory consumed		-	21 128	21 128	430	430	1 737	(1 307)	-75%	21 128
Debt impairment		-	24 450	24 450	-	-	7 697	(7 697)	-100%	24 450
Depreciation and amortisation		-	42 281	42 281	-	-	3 523	(3 523)	-100%	42 281
Interest		-	16 046	16 046	-	-	1 337	(1 337)	-100%	16 046
Contracted services		-	135 492	135 492	29	29	10 744	(10 716)	-100%	135 492
Transfers and subsidies		-	14 068	14 068	-	-	956	(956)	-100%	14 068
Irrecoverable debts written off		-	61 650	61 650	408	408	5 137	(4 730)	-92%	61 650
Operational costs		-	105 104	105 104	1 351	1 351	7 747	(6 396)	-83%	105 104
Total Expenditure		-	1 072 310	1 072 310	28 070	28 070	93 164	(65 094)	-70%	1 072 310
Surplus/(Deficit)		-	247	247	107 686	107 686	(23 803)	65 094	(0)	247
Transfers and subsidies - capital (monetary allocations)		-	70 466	70 466	-	-	5 872	(5 872)	(0)	70 466
Surplus/(Deficit) after capital transfers & contributions		-	70 713	70 713	107 686	107 686	(17 931)			70 713
Surplus/(Deficit) after income tax		-	70 713	70 713	107 686	107 686	(17 931)			70 713
Surplus/(Deficit) attributable to municipality		-	70 713	70 713	107 686	107 686	(17 931)			70 713
Surplus/ (Deficit) for the year		-	70 713	70 713	107 686	107 686	(17 931)			70 713

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Revenue by Source Summary

The total overall operating revenue to date amounts to R135.8 million against the year to-date budget of R69.4 million yielding a positive variance of R66.4 million or 96% as at 31 July 2025. The net variance is attributable to non-exchange transaction, revenue items such as transfers and subsidies (Grants R64.5m) to be recognised as revenue and Property Rates, (R5.3m). Others are related to exchange transactions.

Property Rates

The 1st month of the new financial year the municipality is recording property rates amounting to R23.2 million against the year-to-date budget of R17.9 million indicating a positive variance of 30% compared to the YTD budget, a difference of 5.3 million for the month.

Electricity

The Revenue from electricity amounts to R21.8 million against a budget of R24.3 million denoting an underperformance of 10%. Electricity revenue performance is influenced by fluctuating consumption during peak and off-peak periods and considering the winter season. This might have an impact on an increased consumption by the users. Bitou Municipality implemented its cost of supply study on electricity which was approved by NERSA which led to some structural changes in our tariff structure. The main risk remains on the effect of SSEG where consumers are migrating to solar (photovoltaics) installations. The impact of SSEG through the solar installations, is still to be determined and quantified since many residents are to register for their solar installations with the municipality.

Water Service

The water revenue for the 1st month amounts to R7.8 million against the YTD budget amounts to R8.5 million and denoting a 8% variance. The monetary difference is R 666 000 and as we are in the off-peak period a decrease in consumption is expected.

Sanitation Service

Sanitation revenue amounts to R6.9 million while the budget amounts to R6.7 million, which means this revenue source is adequately performing, an immense improvement from the previous financial year.

Refuse Service

Refuse revenue at the start of the financial year amounts R4.4 million while the budget amounts to R4.4 million. This revenue source is also adequately performing and just like Sanitation an immense improvement from the previous financial year.

Agency Services

No agency revenue was recognised during this month and will form part of next month's reporting. This revenue relates to our agency fee received for vehicle registrations and fluctuates based on registered vehicles.

Interest earned on external investment and outstanding debtors

Interest earned on external investment and outstanding debtors' revenue for the month amounts to R393 000 and R1.9 million respectively. This denotes a 62% under performance and 63% over-performance respectively.

Revenue for fines, penalties and forfeits

Revenue from Fines as at end of July 2025 amounts to R 7 000.00 compared to the anticipated budgeted revenue of R 4 000.00 and denotes an over-performance of 174%. The revenue for

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the month of July 2025 will form part of next months reporting as the service provider normally sends the revenue reports on the 7th of each month.

Transfers and Subsidies

Transfers have been recognised as at the end of July 2025 amounting to R67.2 million an over-performance. The main contributor is revenue from Equitable share as part of the 1st tranche payout on Grants.

Sale of Goods and Rendering of Services

Revenue collected as at end July 2025 amounts to R 448 000.00 an underperformance of 33%. This revenue source includes items such as building plan approval fees, town planning, fire services, staff housing etc. The biggest portion of underperformance relates to revenue expected from staff rentals and clearance certificates.

Operational revenue

Revenue collected as at the end of July 2025 amounts to R29 000.00 denoting an underperforming by 58%. The major contributor to this revenue source is development charges.

Total revenue We report for the month of July 2025 revenue of R135.8 million This, however, exclude revenue from capital contributions.

Expenditure

Expenditure by Source Summary

The total overall operating expenditure for the 1st month of the new financial year amounts to R28.1 million against the budget of R93.2 million denoting an underperformance of R65.1 million or 70%. The largest contributing factors are Employee Related Costs (R7.5m), Bulk Purchases (R20.9m); Interest (R1.3m); Depreciation (R3.5m); Debt impairment (7.7m), Contracted services (R10.7m); Irrecoverable Debt write off (R4.7) and Operational Cost (R6.4m).

Employee related cost

Employee related cost amounts to an actual monthly figure of R25.2 million at the end of July 2025, which denotes an under performance of 23%, when compared to the anticipated budgeted amount of R32.8 million. The main contributing factor to the under-spending are the vacant positions to date, including Director positions, as well as employee benefits provisions (GRAP 25).

Remuneration of councillors

Remuneration of councillors as at end of July 2025 amounted to R608 000.00 resulting in an underperformance of 23%. This underspending equates to R32 000.00, this will come in line once the upper limits for councillors is gazetted during December 2025.

Bulk Purchases

Bulk purchases will form part of next months reporting as the previous invoices were paid as part of the Year-end creditors. All payments in respect of July invoices and a portion of August 2025 will form part of Augusts reporting.

Depreciation

Depreciation will form part of next months reporting and will thus come in-line with budgetary predictions

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Debt impairment

Debt impairment will also form part of next months reporting and will thus come in-line with budgetary predictions.

Inventory Consumed

The expenditure on inventory as at July 2025, amounted to R430 000.00 against a budget of R1.7 million, which denotes an underspending by 75%. This expenditure type relates to the consumption of materials and supplies/inventory at the stores used in operational and maintenance activities and is dependent on the rate at which operational and maintenance activities occur. It is expected to come in line as we progress through the financial year.

Irrecoverable debts written off

The expenditure on debts written off amounted to R408 000.00 compared to an anticipated budget of R5.1 million. The biggest portion of debt write offs will be processed at year end this relates to Traffic Fines.

Interest

The expenditure on Interest will also form part of next months reporting to recognise the provision for interest on Borrowings.

Contracted Services

The expenditure amounts to R29 000.00 and when compared to the budget of R10.7 million, denotes an underspending of 100%. It is expected that this category of expenditure will come more in line as we commence through the year more importantly the 1st quarter of the financial year.

Transfers and subsidies

No expenditure is recorded for the month and will most probably form part of next months reporting. Expenditure falling under this category include grant-in-aid, Tourism contribution, bursaries, payment to the shark spotter programme and our contribution to the regional landfill site, which is the main reason for the under expenditure.

Operational Cost

Operational Cost as at end of July 2025 amounts to R1.4 million while the anticipated budgeted expenditure amounts to R7.7 million, which translates to an under performance of 83%. 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. This figure will most likely change as we progress through the year.

Total expenditure For July 2025 amounts to R28.1 million.

Conclusion on Financial Position and performance

The municipality is reporting a surplus for the month of R107.7 million. The current cash flow is sufficient to meet the short and medium-term operational requirements, and the focus now is to sustain operations in the long term. The current ratio is above the best practice norms and needs to be maintained now however a concerted effort is still necessary for the municipality to achieve financial sustainability.

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. Management to note that expenditure is more than revenue since the beginning of the year.

See tables below C1 and C3 for the month ended 31 July 2025.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - M01 July

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	214 575	214 575	23 168	23 168	17 881	5 287	30%	214 575
Service charges	-	526 161	526 161	40 799	40 799	43 847	(3 048)	-7%	526 161
Investment revenue	-	12 573	12 573	393	393	1 048	(654)	-62%	12 573
Transfers and subsidies - Operational	-	211 047	211 047	67 203	67 203	2 664	64 539	2422%	211 047
Other own revenue	-	108 201	108 201	4 193	4 193	3 921	272	7%	108 201
Total Revenue (excluding capital transfers and	-	1 072 557	1 072 557	135 756	135 756	69 361	66 395	96%	1 072 557
Employee costs	-	393 991	393 991	25 245	25 245	32 776	(7 531)	-23%	393 991
Remuneration of Councillors	-	7 676	7 676	608	608	640	(32)	-5%	7 676
Depreciation and amortisation	-	42 281	42 281	-	-	3 523	(3 523)	-100%	42 281
Interest	-	16 046	16 046	-	-	1 337	(1 337)	-100%	16 046
Inventory consumed and bulk purchases	-	271 553	271 553	430	430	22 606	(22 176)	-98%	271 553
Transfers and subsidies	-	14 068	14 068	-	-	956	(956)	-100%	14 068
Other expenditure	-	326 696	326 696	1 787	1 787	31 326	(29 539)	-94%	326 696
Total Expenditure	-	1 072 310	1 072 310	28 070	28 070	93 164	(65 094)	-70%	1 072 310
Surplus/(Deficit)	-	247	247	107 686	107 686	(23 803)	131 489	-552%	247
Transfers and subsidies - capital (monetary allocations)	-	70 466	70 466	-	-	5 872	(5 872)	-100%	70 466
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	70 713	70 713	107 686	107 686	(17 931)	125 616	-701%	70 713
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	70 713	70 713	107 686	107 686	(17 931)	125 616	-701%	70 713
Capital expenditure & funds sources									
Capital expenditure	-	181 908	181 908	1 504	1 504	15 159	(13 655)	-90%	181 908
Capital transfers recognised	-	66 588	66 588	1 504	1 504	5 549	(4 045)	-73%	66 588
Borrowing	-	86 921	86 921	-	-	7 243	(7 243)	-100%	86 921
Internally generated funds	-	28 400	28 400	-	-	2 367	(2 367)	-100%	28 400
Total sources of capital funds	-	181 908	181 908	1 504	1 504	15 159	(13 655)	-90%	181 908
Financial position									
Total current assets	-	561 364	561 364		767 599				561 364
Total non current assets	-	1 473 554	1 473 554		1 426 420				1 473 554
Total current liabilities	-	462 198	462 198		395 846				462 198
Total non current liabilities	-	241 864	241 864		212 617				241 864
Community wealth/Equity	-	1 330 857	1 330 857		1 585 557				1 330 857
Cash flows									
Net cash from (used) operating	-	114 255	114 255	76 094	76 094	1 493	(74 602)	-4997%	911 978
Net cash from (used) investing	-	(181 908)	(181 908)	(1 504)	(1 504)	15 159	16 663	110%	181 908
Net cash from (used) financing	-	44 060	44 060	96	96	-	(96)		64 400
Cash/cash equivalents at the month/year end	-	141 839	141 839	-	299 087	182 084	(117 003)	-64%	1 382 687
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 225	22 645	10 645	8 115	339 189	-	-	-	399 819
Creditors Age Analysis									
Total Creditors	1	-	-	-	-	-	-	-	1

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end July 2025 amounts to R135.8 million, this is an over-performance of 80.4%. The detailed explanation on the revenue per item is provided in the executive summary.

Expenditure by vote

The expenditure by vote as at July 2025 amounts R28.1 million. The total expenditure budget is under-performing by 69.9%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
		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		-	3 126	3 126	1 300	1 300	-	1 300		3 126
Vote 2 - Office of the Municipal Manager		-	69 295	69 295	35 152	35 152	107	35 045	32712,6%	69 295
Vote 3 - Community Services		-	91 224	91 224	12 051	12 051	4 950	7 101	143,5%	91 224
Vote 4 - Corporate Services		-	585	585	0	0	49	(48)	-99,7%	585
Vote 5 - Financial Services		-	249 715	249 715	31 036	31 036	19 325	11 711	60,6%	249 715
Vote 6 - Economic Development & Planning		-	82 184	82 184	435	435	4 203	(3 768)	-89,7%	82 184
Vote 7 - Engineering Services		-	588 232	588 232	55 716	55 716	46 288	9 428	20,4%	588 232
Vote 8 - Public Safety		-	58 663	58 663	66	66	313	(246)	-78,9%	58 663
Total Revenue by Vote	2	-	1 143 023	1 143 023	135 756	135 756	75 233	60 523	80,4%	1 143 023
Expenditure by Vote	1									
Vote 1 - Council		-	12 471	12 471	656	656	769	(113)	-14,7%	12 471
Vote 2 - Office of the Municipal Manager		-	42 887	42 887	1 685	1 685	2 599	(914)	-35,2%	42 887
Vote 3 - Community Services		-	131 718	131 718	4 606	4 606	10 113	(5 507)	-54,5%	131 718
Vote 4 - Corporate Services		-	108 746	108 746	4 828	4 828	9 062	(4 234)	-46,7%	108 746
Vote 5 - Financial Services		-	70 080	70 080	2 909	2 909	2 532	377	14,9%	70 080
Vote 6 - Economic Development & Planning		-	95 472	95 472	2 229	2 229	7 791	(5 562)	-71,4%	95 472
Vote 7 - Engineering Services		-	485 120	485 120	6 640	6 640	40 574	(33 934)	-83,6%	485 120
Vote 8 - Public Safety		-	125 814	125 814	4 518	4 518	19 724	(15 206)	-77,1%	125 814
Total Expenditure by Vote	2	-	1 072 310	1 072 310	28 070	28 070	93 164	(65 094)	-69,9%	1 072 310
Surplus/ (Deficit) for the year	2	-	70 713	70 713	107 686	107 686	(17 931)	125 616	-700,6%	70 713

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 3 - Community Services		-	700	700	-	-	58	(58)	-100%	700
Vote 4 - Corporate Services		-	239	239	-	-	20	(20)	-100%	239
Vote 7 - Engineering Services		-	130 662	130 662	1 504	1 504	10 889	(9 384)	-86%	130 662
Vote 8 - Public Safety		-	1 230	1 230	-	-	102	(102)	-100%	1 230
Total Capital Multi-year expenditure	4,7	-	132 831	132 831	1 504	1 504	11 069	(9 565)	-86%	132 831
Single Year expenditure appropriation	2									
Vote 3 - Community Services		-	14 200	14 200	-	-	1 183	(1 183)	-100%	14 200
Vote 4 - Corporate Services		-	2 013	2 013	-	-	168	(168)	-100%	2 013
Vote 7 - Engineering Services		-	31 647	31 647	-	-	2 637	(2 637)	-100%	31 647
Vote 8 - Public Safety		-	1 217	1 217	-	-	101	(101)	-100%	1 217
Total Capital single-year expenditure	4	-	49 077	49 077	-	-	4 090	(4 090)	-100%	49 077
Total Capital Expenditure	3	-	181 908	181 908	1 504	1 504	15 159	(13 655)	-90%	181 908
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	2 904	2 904	-	-	242	(242)	-100%	2 904
Finance and administration		-	2 904	2 904	-	-	242	(242)	-100%	2 904
<i>Community and public safety</i>		-	9 695	9 695	-	-	808	(808)	-100%	9 695
Sport and recreation		-	7 700	7 700	-	-	642	(642)	-100%	7 700
Public safety		-	1 995	1 995	-	-	166	(166)	-100%	1 995
<i>Economic and environmental services</i>		-	37 819	37 819	53	53	3 152	(3 099)	-98%	37 819
Planning and development		-	50	50	-	-	4	(4)	-100%	50
Road transport		-	37 769	37 769	53	53	3 147	(3 095)	-98%	37 769
<i>Trading services</i>		-	131 490	131 490	1 452	1 452	10 958	(9 506)	-87%	131 490
Energy sources		-	30 399	30 399	-	-	2 533	(2 533)	-100%	30 399
Water management		-	54 264	54 264	53	53	4 522	(4 469)	-99%	54 264
Waste water management		-	39 727	39 727	1 399	1 399	3 311	(1 911)	-58%	39 727
Waste management		-	7 100	7 100	-	-	592	(592)	-100%	7 100
Total Capital Expenditure - Functional Classification	3	-	181 908	181 908	1 504	1 504	15 159	(13 655)	-90%	181 908
Funded by:										
National Government		-	25 853	25 853	1 347	1 347	2 154	(808)	-37%	25 853
Provincial Government		-	40 735	40 735	158	158	3 395	(3 237)	-95%	40 735
Transfers recognised - capital		-	66 588	66 588	1 504	1 504	5 549	(4 045)	-73%	66 588
Borrowing	6	-	86 921	86 921	-	-	7 243	(7 243)	-100%	86 921
Internally generated funds		-	28 400	28 400	-	-	2 367	(2 367)	-100%	28 400
Total Capital Funding	7	-	181 908	181 908	1 504	1 504	15 159	(13 655)	-90%	181 908

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month equals R1 504 334.58, which results in a 9% spending when comparing the actual YTD with the YTD budget.

It should be noted that some of the approved capital projects still reflect a 0% spending, however an increase in spending is expected towards the end of the 1st quarter.

It is crucial to prioritise spending on grant funded projects 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	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	19 665 000,00	1 346 833,18	10 659 135,80	1 346 833,18
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME	2 887 826,00	-	-	-
REGIONAL BULK INFRASTRUCTURE GRANT	3 300 000,00	-	-	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT	7 500 000,00	-	-18 987,64	-
HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	33 235 000,00	157 501,40	72 884,37	157 501,40
AFR	28 399 707,00	-	-	-
BORROWINGS	86 920 919,00	-	-	-
TOTAL	181 908 452,00	1 504 334,58	10 713 032,53	1 504 334,58

BITOU LOCAL MUNICIPALITY

Chart C1 2025/26 Capital Expenditure Monthly Trend: actual v target

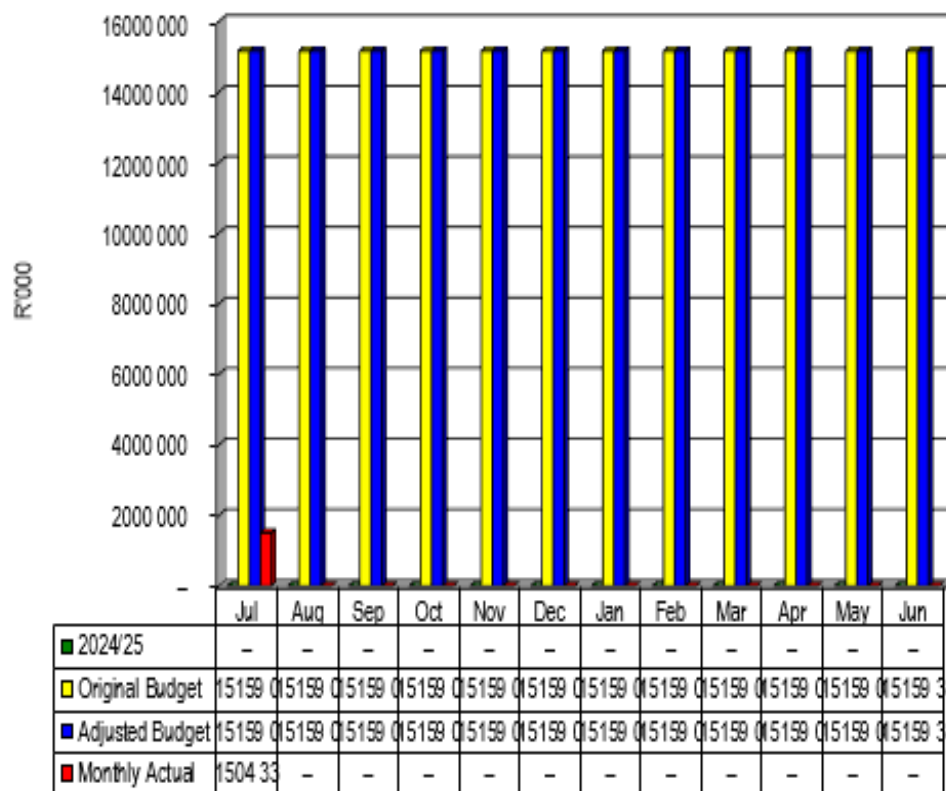
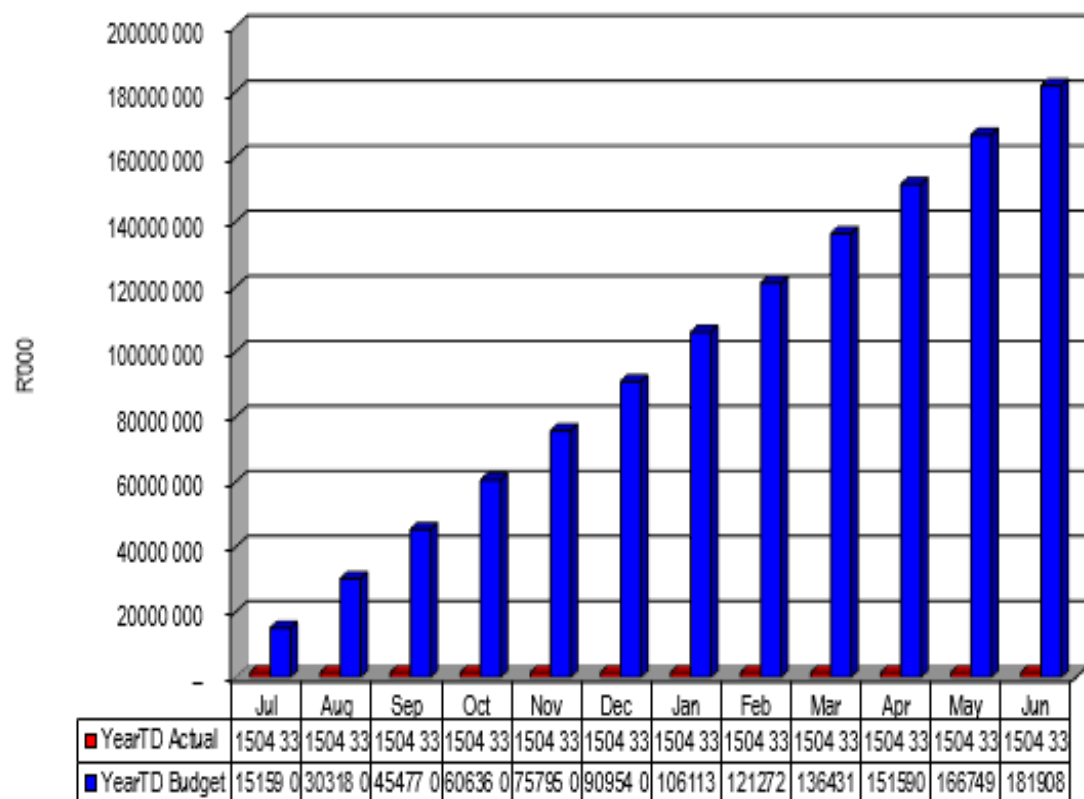


Chart C2 2025/26 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		–	125 446	125 446	299 087	125 446
Trade and other receivables from exchange transactions		–	72 190	72 190	98 419	72 190
Receivables from non-exchange transactions		–	62 108	62 108	65 045	62 108
Current portion of non-current receivables		–	9	9	9	9
Inventory		–	16 948	16 948	16 803	16 948
VAT		–	283 602	283 602	276 737	283 602
Other current assets		–	1 061	1 061	11 499	1 061
Total current assets		–	561 364	561 364	767 599	561 364
Non current assets						
Investment property		–	14 050	14 050	14 050	14 050
Property, plant and equipment		–	1 459 467	1 459 467	1 412 333	1 459 467
Heritage assets		–	38	38	38	38
Total non current assets		–	1 473 554	1 473 554	1 426 420	1 473 554
TOTAL ASSETS		–	2 034 919	2 034 919	2 194 019	2 034 919
LIABILITIES						
Current liabilities						
Financial liabilities		–	41 890	41 890	20 411	41 890
Consumer deposits		–	11 362	11 362	12 089	11 362
Trade and other payables from exchange transactions		–	129 577	129 577	60 969	129 577
Trade and other payables from non-exchange transactions		–	(37 294)	(37 294)	(15 924)	(37 294)
Provision		–	48 243	48 243	37 073	48 243
VAT		–	268 421	268 421	281 227	268 421
Total current liabilities		–	462 198	462 198	395 846	462 198
Non current liabilities						
Financial liabilities		–	130 313	130 313	127 938	130 313
Provision		–	13 801	13 801	11 311	13 801
Other non-current liabilities		–	97 750	97 750	73 368	97 750
Total non current liabilities		–	241 864	241 864	212 617	241 864
TOTAL LIABILITIES		–	704 062	704 062	608 463	704 062
NET ASSETS	2	–	1 330 857	1 330 857	1 585 557	1 330 857
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	1 254 176	1 254 176	1 517 648	1 254 176
Reserves and funds		–	76 681	76 681	67 909	76 681
TOTAL COMMUNITY WEALTH/EQUITY	2	–	1 330 857	1 330 857	1 585 557	1 330 857

The table above reflects the statement of financial position of the municipality. The total current assets at the end of July 2025 amounts to R 767.6 million. The municipality reports total short-term investments at R277.6 million and a bank balance of R25.7 million. The difference between the bank balance and the Cash and Cash equivalents is the interest on accruals that form part of Debtors or rather Trade and other Receivables: Exchange and the remainder is reconciling items that still need to be receipted.

The current liabilities for the month amounts R395.8 million. The current ratio for the month equals 4.46:1, this is above best practice norms. The calculation is based on the net effect on VAT, which this month equates to a Vat Payable. 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 - M01 July										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		-	193 054	193 054	10 817	10 817	13 803	(2 986)	-22%	193 054
Service charges		-	484 812	484 812	39 224	39 224	38 401	823	2%	484 812
Other revenue		-	36 782	36 782	2 167	2 167	3 038	(871)	-29%	36 782
Transfers and Subsidies - Operational		-	211 047	211 047	73 850	73 850	2 482	71 367	2875%	211 047
Transfers and Subsidies - Capital		-	70 466	70 466	5 515	5 515	5 872	(357)	-6%	70 466
Interest		-	12 573	12 573	1 245	1 245	1 048	197	19%	12 573
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(866 048)	(866 048)	(56 723)	(56 723)	(61 814)	(5 091)	8%	(68 325)
Interest		-	(16 046)	(16 046)	-	-	(1 337)	(1 337)	100%	(16 046)
Transfers and Subsidies		-	(12 383)	(12 383)	-	-	-	-		(12 383)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	114 255	114 255	76 094	76 094	1 493	(74 602)	-4997%	911 978
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(181 908)	(181 908)	(1 504)	(1 504)	15 159	16 663	110%	181 908
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(181 908)	(181 908)	(1 504)	(1 504)	15 159	16 663	110%	181 908
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	64 400	64 400	-	-	-	-		64 400
Increase (decrease) in consumer deposits		-	-	-	96	96	-	96	0%	-
Payments										
Repayment of borrowing		-	(20 340)	(20 340)	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	44 060	44 060	96	96	-	(96)	0%	64 400
NET INCREASE/(DECREASE) IN CASH HELD		-	(23 593)	(23 593)	74 686	74 686	16 652			1 158 287
Cash/cash equivalents at beginning:		-	165 432	165 432		224 401	165 432			224 401
Cash/cash equivalents at month/year end:		-	141 839	141 839		299 087	182 084			1 382 687

The municipality is reporting a surplus of R76.1 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 R1.5 million which is mostly influenced by spending on capital projects.

The net cash **(used)** for financing activities which are mostly influenced by the repayment of loans. The amount as at July 2025 amounts to R96 000.00. The next payment will occur in December 2025:

The municipality reports cash and cash equivalents amounting to R299.1 million, this includes cash at bank and short-term investment, however as previously stated, the difference between the bank balance and the Cash and Cash equivalents is payment and receipting not done in the bank reconciliation.

BITOU LOCAL MUNICIPALITY

Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	7 274	3 301	3 272	2 271	93 879	-	-	-	109 997	96 150	174	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 461	2 232	1 530	937	18 748	-	-	-	38 908	19 685	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	16 445	12 727	1 607	1 208	45 814	-	-	-	77 800	47 022	60	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 302	2 618	2 703	2 238	106 461	-	-	-	120 322	108 699	92	-
Receivables from Exchange Transactions - Waste Management	1600	4 047	1 672	1 470	1 406	64 248	-	-	-	72 842	65 654	77	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(30 304)	95	64	55	10 040	-	-	-	(20 050)	10 095	4	-
Total By Income Source	2000	19 225	22 645	10 645	8 115	339 189	-	-	-	399 819	347 304	408	-
2024/25 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	229	498	493	397	3 534	-	-	-	5 150	3 931	-	-
Commercial	2300	2 169	2 356	1 090	799	30 962	-	-	-	37 377	31 762	-	-
Households	2400	16 828	19 791	9 062	6 919	304 693	-	-	-	357 292	311 611	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	19 225	22 645	10 645	8 115	339 189	-	-	-	399 819	347 304	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 347.3 million or 86 per cent of outstanding debtors older than 90 days over the total outstanding amount of R 399.8 million. The majority of the outstanding debt is on waste water management R120.3million or 30%, water by R110 million or 27.5%, property rates R77.8 million or 19%, waste management by R72.8 million or 18% and electricity by R39 million or 9.7%.

The contributors to the outstanding debt remain the household debt which represent 89.36% of total debt, followed by businesses with 9.35% and organs of state contributing 1.29%

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

The collection rate for the month of July 2025 is 84%. See below debtor payment percentage breakdown achieved for July 2025.

DEBTOR PAYMENT % ACHIEVED		
DETAILS	Jul-25	Annual
Gross Debtors Opening Balance	389 186 811,53	389 186 811,53
Billed Revenue	70 786 213,61	70 786 213,61
Gross Debtors Closing Balance	399 818 708,24	399 818 708,24
Bad Debt Written off	356 969,28	356 969,28
Payment received	59 797 347,62	59 797 347,62
Billed Revenue	70 786 213,61	70 786 213,61
% Debtor payment achieved	84%	84%

BITOU LOCAL MUNICIPALITY

Chart C3 Aged Consumer Debtors Analysis

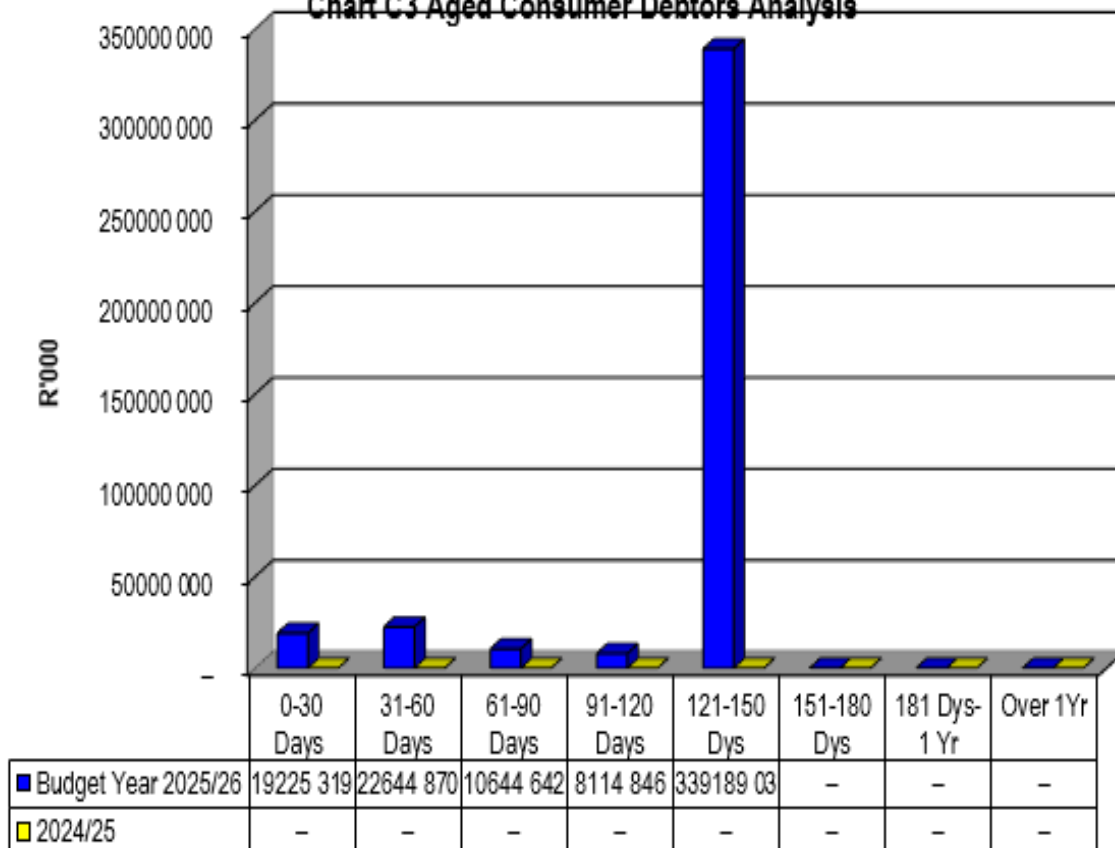
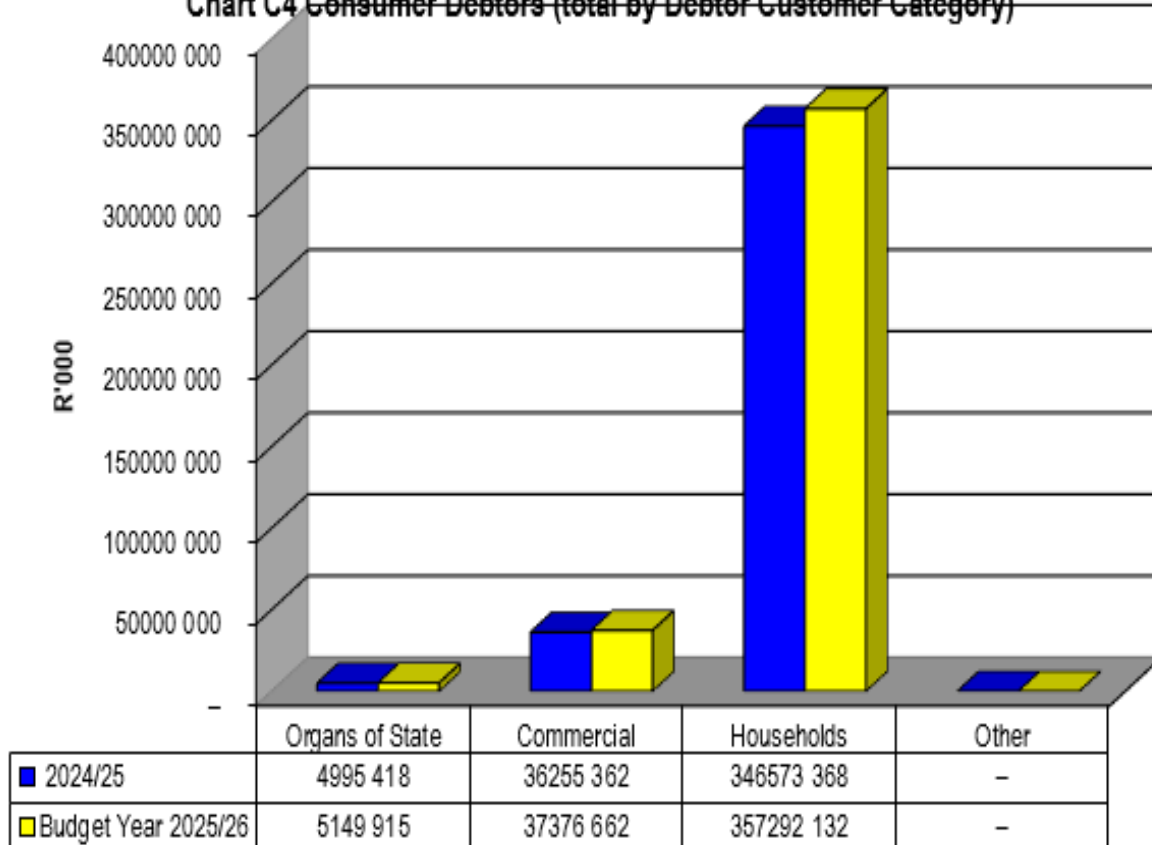


Chart C4 Consumer Debtors (total by Debtor Customer Category)



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

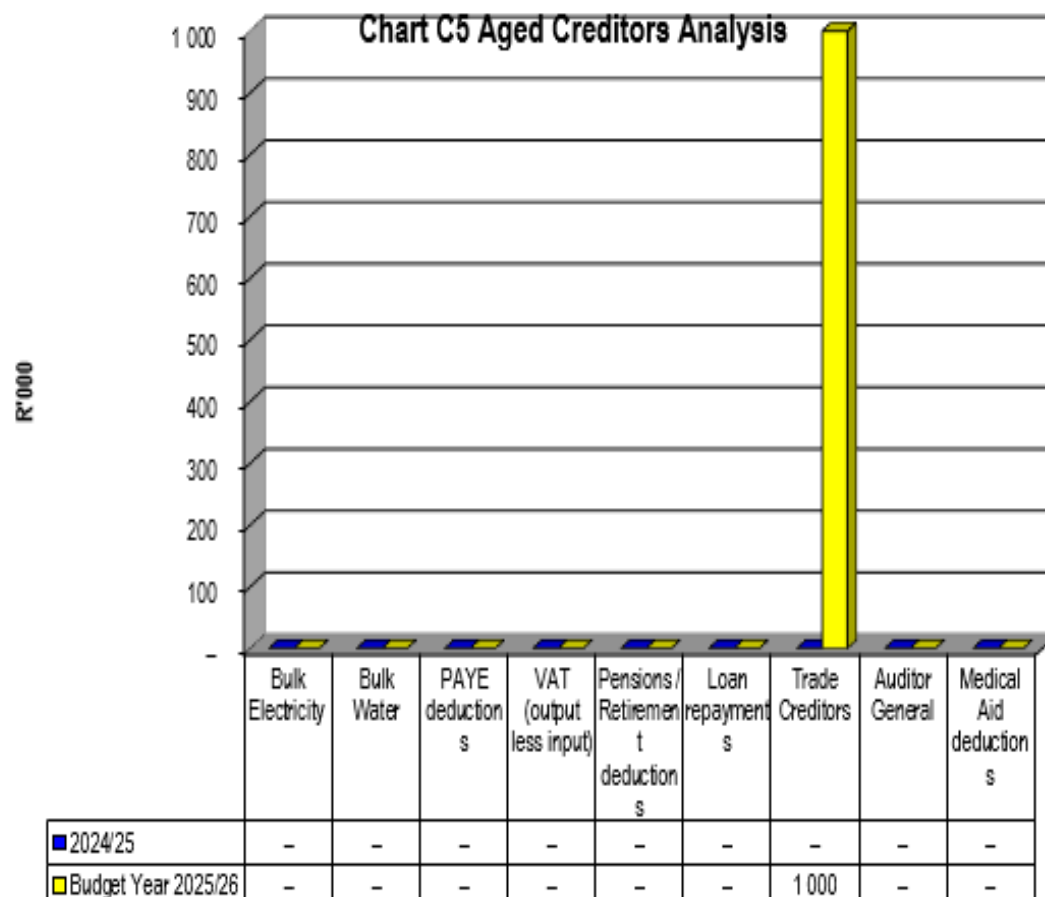
6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July											
Description	NT Code	Budget Year 2025/26									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	1	-	-	-	-	-	-	-	1	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1	-	-	-	-	-	-	-	1	-

Creditors Age Analysis

The municipality reports R 1 000.00 trade creditors in July 2025. There are no older than 30 days creditors.



BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank:9380348553		Call deposit	Call deposit							21 359	-		-	21 359
Standard Bank: 488607000-078		Call deposit	Call deposit							5 772	36		-	5 807
Absa Bank:9381946782		Call deposit	Call deposit							12 845	-		-	12 845
Nedbank: 03/7881052406/000108		365 days	Fixed deposit							53 620	383		-	54 003
Standard bank: 488607000-087		360 days	Fixed deposit							51 125	-		-	51 125
Absa Bank: 9395881776		Call deposit	Call deposit							12 335	-		-	12 335
Nedbank: 03/7881052406/000110		Call deposit	Call deposit							-	-		30 000	30 000
Absa Bank:9399584104		Call deposit	Call deposit							-	-		30 000	30 000
FNB: 63164533440		Call deposit	Call deposit							-	-		30 000	30 000
Standard Bank:488607000-090		Call deposit	Call deposit							-	133		30 000	30 133
Municipality sub-total										157 057	551		120 000	277 609

Investment portfolio analysis

The municipality has investments with a total value of R277.6 million as at July 2025. Interest earned on fixed deposits has been accrued at year end.

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M01)
WATER SERVICES INFRASTRUCTURE GRANT	-
LOCAL GOVERNMENT, WATER AND RELATED SERVICE SETA	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	-
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	-
EQUITABLE SHARE	67 203 000,00
HUMAN SETTLEMENT DEVELOPMENT	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	-
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES -	-
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	-
MUNICIPAL INFRASTRUCTURE GRANT	-
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) - CAPITAL	-
THUSONG SERVICES CENTRES	-
TITLE DEEDS RESTORATION	-
LOCAL GOVERNMENT GRADUATE INTERNSHIP - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	-
FINANCIAL MANAGEMENT CAPACITY BUILDING	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-

67 203 000,00

The table above reflects the income recognition done for the month of July 2025.

Grant Description	Year- To-Date Actual Balance (M01)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	-
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	6 621 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	-
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	25 873,84
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES SETA: RECEIPTS	-
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	-
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	-
COMMUNITY LIBRARY SERVICES	-
COMMUNITY DEVELOPMENT WORKERS	-
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WOMER)	-
EQUITABLE SHARE	67 203 000,00
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT: PROVINCES (BENEFICIARIES) - CAPITAL	1 372 448,61
HUMAN SETTLEMENT DEVELOPMENT - CAPITAL	4 142 461,82
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	-
FIRE SERVICE CAPACITY BUILDING GRANT	-
FINANCIAL MANAGEMENT CAPACITY BUILDING	-

79 364 584,07

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, **Victor Felton**, the Acting 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 July 2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: VF Felton

Acting Municipal Manager of Bitou Local Municipality – WC047

Date

14/08/2025