



**Monthly Budget Statement**  
**April 2019**

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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 revise 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 timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month 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.

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**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.

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

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

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

**Virement** – A transfer of budget.

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

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

# BITOU LOCAL MUNICIPALITY

## Legislative Framework

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

## PART 1 – IN-YEAR REPORT

### Section 1 – Mayor’s Report

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

The report outline the financial performance and position of the municipality for the month of April 2019. The budget of the municipality is compiled with the objective that Bitou municipality remains a financial viable and sustainable institution. The financial management and sustainability of the municipality is critical for the future of this community. We have made various financial commitments through loans and some of our plans require stable financial position of the municipality.

The financial viability is measured through the current ratio and acid test ratio. This ratios are critical in terms of evaluation the ability of the municipality to meet its short term obligations. As can be seen in the C7 Cash flow statement the municipality requires almost over R41 000 000 million per month to be able to cover its operating cost. The current cash position as at April 2019 will cover the municipality for the next three to four months as the cash flow for the month is R55 427 000.

Revenue collection continues to be a matter of concern as the impact it has is the increased debtor’s book ability of the institution. The municipality has initially budget for 95% collection however later was reduced to an 85% collection rate. The municipality is targeting to cover over 4600 indigent households with our indigent policy.

### Section 2 – Resolutions

#### *IN-YEAR REPORTS 2018/2019*

This is the resolution that will be presented to Council when the In-Year Report is tabled:

#### **RECOMMENDATION:**

- That Council notes the monthly budget statement and supporting documentation for April 2019.

### Section 3 – Executive Summary

#### 3.1 Introduction

As was said in the Mayor’s report, the monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations

#### 1.2 Consolidated performance

##### Revenue by Source

- The revenue for electricity has been performing below target with an amount of R9 860 000. The actual amount on Electricity equates to R11 995 000 and R127 194 on the target to date. The estimate cannot be accurately made due to the fact that the electricity income is based on the consumption.

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- Water, Refuse and Waste water services charges are performing above targeted estimates to date.
- The revenue from Property Rates is below target with a total amount of R4 157 833 and with a total amount of R9 622 000 for the month of April.
- The revenue of the municipality is generally performing as expected. We do not foresee any future anomalies in this regard except where the collection rate could be reduced further or credit control not implemented consistently.

### **Expenditure by Type**

**Depreciation:** The cost relating to depreciation and impairment of assets amounts to R2 250 000 and year to date amounts to R26 595 000.

**Bulk Purchases:** The expenditure for bulk purchases amounts to R 8 261 000 for April 2019, and the expenditure year to date amounts to R89 319 000 which is within target.

### **Capital expenditure**

The actual capital expenditure as at April 2019 was R5 017 000 million and actual expenditure year to date on capital expenditure for the month amounts to R99 661 000. This is translated into a spending percentage to date of 76%. The expenditure has significantly increased since January and fluctuated from February to date.

## **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.

The municipality is reporting a surplus of R1 963 000 for the month of April 2019 with a surplus of R221 762 000 on year to date. The operating expenditure for the month amounts R 53 463 000.

Operating expenditure has slightly improved by R10 222 000 for the month of April 2019. The municipality is anticipating to see an expenditure of 100% of its budget.

Below tables analyse the income and expenditure by Function and the performance of each sub function. As mentioned above the performance will increased with the implementation of the SDBIP.

Table below relates to the budget performance by municipal vote. Most of the departments has spent their budget to date as seen below. This is due to systems that were improved internally such as Expenditure committee that was established, appointment of new Bid committee members which is more effective.

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WC047 Bitou - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		-	200,627	197,762	10,955	185,319	164,802	20,518	12%	200,627
Executive and council		-	48,059	39,097	190	58,011	32,581	25,430	78%	48,059
Finance and administration		-	152,568	158,665	10,765	127,308	132,221	(4,913)	-4%	152,568
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	73,550	103,930	6,675	96,937	86,609	10,328	12%	73,550
Community and social services		-	12,668	11,961	643	8,955	9,967	(1,013)	-10%	12,668
Sport and recreation		-	475	524	-	53	437	(384)	-88%	475
Public safety		-	375	112	2	73	94	(20)	-22%	375
Housing		-	60,033	91,333	6,030	87,856	76,111	11,745	15%	60,033
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	36,551	66,028	1,808	58,996	55,023	3,973	7%	36,551
Planning and development		-	9,414	15,735	1,304	8,634	13,112	(4,478)	-34%	9,414
Road transport		-	27,138	50,293	504	50,362	41,911	8,451	20%	27,138
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	386,859	402,511	35,954	353,951	335,426	18,525	6%	386,859
Energy sources		-	188,884	186,683	13,766	139,520	155,569	(16,050)	-10%	188,884
Water management		-	95,549	108,556	11,738	98,520	90,463	8,057	9%	95,549
Waste water management		-	61,331	58,125	6,651	71,126	48,437	22,689	47%	61,331
Waste management		-	41,094	49,147	3,798	44,786	40,956	3,829	9%	41,094
<i>Other</i>	4	-	3,371	-	34	343	-	343	#DIV/0!	3,371
<b>Total Revenue - Functional</b>	2	-	700,958	770,231	55,427	695,546	641,859	53,686	8%	700,958
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		-	144,301	146,487	11,858	116,307	122,072	(5,765)	-5%	144,301
Executive and council		-	27,037	33,428	2,918	26,301	27,857	(1,555)	-6%	27,037
Finance and administration		-	112,484	108,827	8,600	86,443	90,689	(4,246)	-5%	112,484
Internal audit		-	4,781	4,231	340	3,563	3,526	36	1%	4,781
<i>Community and public safety</i>		-	128,627	151,118	11,456	115,319	125,932	(10,612)	-8%	128,627
Community and social services		-	21,840	20,105	1,407	16,240	16,754	(514)	-3%	21,840
Sport and recreation		-	19,440	19,624	1,654	17,406	16,354	1,052	6%	19,440
Public safety		-	31,474	65,313	2,670	38,635	54,428	(15,792)	-29%	31,474
Housing		-	55,873	46,075	5,726	43,038	38,396	4,642	12%	55,873
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	91,857	76,818	4,702	54,560	64,015	(9,455)	-15%	91,857
Planning and development		-	42,740	43,263	2,209	31,289	36,052	(4,764)	-13%	42,740
Road transport		-	49,118	33,555	2,493	23,271	27,963	(4,692)	-17%	49,118
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	243,202	223,265	24,882	187,022	186,054	968	1%	243,861
Energy sources		-	149,844	143,890	10,838	116,094	119,908	(3,814)	-3%	150,504
Water management		-	43,008	36,329	7,384	32,292	30,274	2,017	7%	43,008
Waste water management		-	18,161	16,567	1,217	12,446	13,806	(1,359)	-10%	18,161
Waste management		-	32,189	26,479	5,443	26,190	22,066	4,124	19%	32,189
<i>Other</i>		-	9,577	4,578	565	576	3,815	(3,239)	-85%	9,577
<b>Total Expenditure - Functional</b>	3	-	617,565	602,265	53,463	473,784	501,888	(28,103)	-6%	618,224
<b>Surplus/ (Deficit) for the year</b>		-	83,393	167,966	1,963	221,762	139,972	81,790	58%	82,734

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WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		-	130,947	137,947	9,622	110,798	114,956	(4,157)	-4%	130,947
Service charges - electricity revenue		-	165,844	164,465	11,995	127,194	137,054	(9,860)	-7%	165,844
Service charges - water revenue		-	67,808	72,275	7,334	68,745	60,229	8,515	14%	67,808
Service charges - sanitation revenue		-	53,310	50,045	6,250	64,184	41,704	22,480	54%	53,310
Service charges - refuse revenue		-	31,443	38,293	3,572	37,382	31,911	5,471	17%	31,443
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	1,560	1,560	126	908	1,300	(392)	-30%	1,560
Interest earned - external investments		-	8,842	7,660	715	8,065	6,383	1,682	26%	8,842
Interest earned - outstanding debtors		-	5,654	5,654	1,329	10,909	4,711	6,198	132%	5,654
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	23,813	47,382	12	48,532	39,485	9,047	23%	23,813
Licences and permits		-	2,500	348	61	547	290	257	89%	2,500
Agency services		-	1,372	1,914	458	1,574	1,595	(21)	-1%	1,372
Transfers and subsidies		-	149,028	145,075	7,597	137,982	120,896	17,086	14%	149,028
Other revenue		-	19,511	10,262	509	6,718	8,551	(1,833)	-21%	19,511
Gains on disposal of PPE		-	782	782	-	-	652	(652)	-100%	782
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>662,413</b>	<b>683,661</b>	<b>49,579</b>	<b>623,538</b>	<b>569,718</b>	<b>53,821</b>	<b>9%</b>	<b>662,413</b>
<b>Expenditure By Type</b>										
Employee related costs		-	209,541	208,591	16,957	178,132	173,826	4,306	2%	209,541
Remuneration of councillors		-	7,047	6,849	528	5,486	5,708	(222)	-4%	7,047
Debt impairment		-	20,112	40,112	9,393	24,477	33,427	(8,950)	-27%	20,112
Depreciation & asset impairment		-	29,908	31,914	2,450	25,009	26,595	(1,586)	-6%	29,908
Finance charges		-	17,805	16,945	78	9,117	14,120	(5,003)	-35%	17,805
Bulk purchases		-	112,024	112,024	8,261	89,319	93,353	(4,034)	-4%	112,024
Other materials		-	3,237	4,909	726	3,418	4,091	(673)	-16%	3,237
Contracted services		-	139,445	115,864	9,428	91,151	96,553	(5,402)	-6%	139,445
Transfers and subsidies		-	11,500	8,571	480	5,271	5,476	(206)	-4%	11,500
Other expenditure		-	66,946	58,485	5,162	42,404	48,738	(6,334)	-13%	66,946
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	<b>617,565</b>	<b>602,265</b>	<b>53,463</b>	<b>473,784</b>	<b>501,888</b>	<b>(28,103)</b>	<b>-6%</b>	<b>617,565</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (provincial, national, district)		-	44,848	81,396	(3,884)	149,754	67,830	81,924	0	44,848
(National / Provincial and District)		-	38,545	86,570	5,848	72,007	72,142	(135)	(0)	38,545
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	<b>83,393</b>	<b>167,966</b>	<b>1,963</b>	<b>221,762</b>	<b>139,972</b>			<b>83,393</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		-	<b>83,393</b>	<b>167,966</b>	<b>1,963</b>	<b>221,762</b>	<b>139,972</b>			<b>83,393</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		-	<b>83,393</b>	<b>167,966</b>	<b>1,963</b>	<b>221,762</b>	<b>139,972</b>			<b>83,393</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		-	<b>83,393</b>	<b>167,966</b>	<b>1,963</b>	<b>221,762</b>	<b>139,972</b>			<b>83,393</b>

Total Revenue (excluding capital transfers and contributions) incl 700,958 770,231 55,427 695,546 641,860 53,686 8% 700,958

The table above reflects the detail of the C1 and C4. The electricity income has been performing below target by R9 860 000 to date.

Other revenue such as Property Rates amounts has decreased from R10 015 000 to R9 622 000 for the month of April 2019 and equates to R101 176 000 year to date on billed properties,

Sanitation amounts to R6 250 000 and R64 184 000 performing within target on year to date

Refuse Removal amounts to R3 572 000 and R37 382 000, Water services amounts to R7 334 000 and R68 745 000 year to date. All these utility services are performing within the anticipated target.

Revenue for Fines has significantly decreased from R20 847 000 R 12 000 .00 due to the traffic fines not yet processed for the month of April with a total year to date amounting to R48 532 000 which has exceeded the budget.



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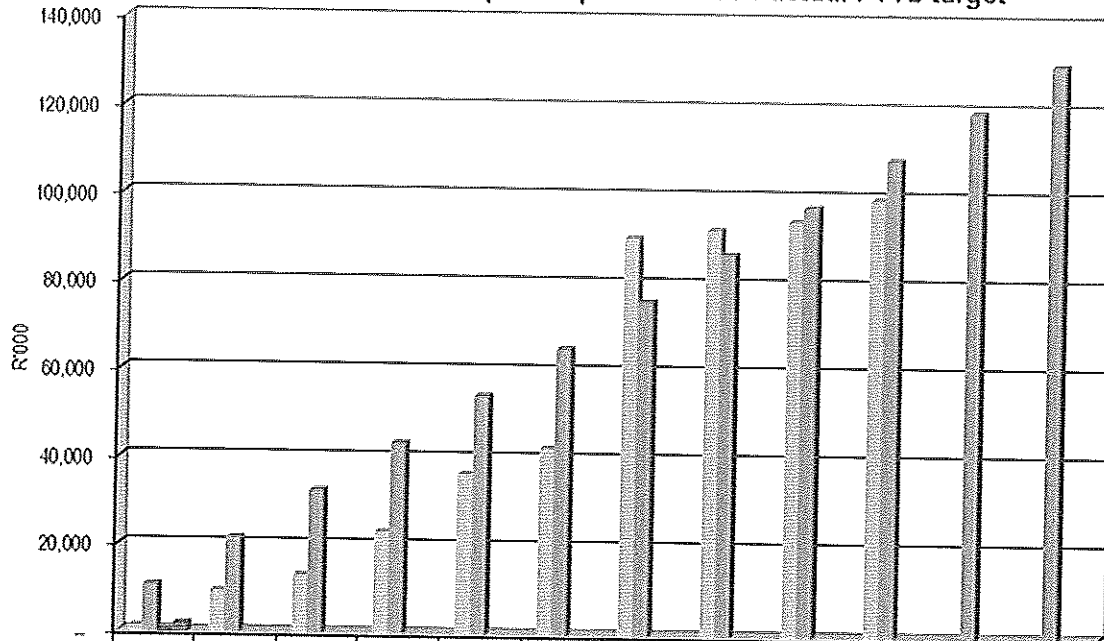
WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		-	2,092	1,510	14	1,109	1,258	(149)	-12%	2,092
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2,092	1,510	14	1,109	1,258	(149)	-12%	2,092
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	6,031	55,621	369	49,406	46,351	3,055	7%	6,031
Community and social services		-	703	307	82	551	255	296	116%	703
Sport and recreation		-	4,978	4,848	287	3,733	4,040	(307)	-8%	4,978
Public safety		-	350	350	-	12	292	(280)	-96%	350
Housing		-	-	50,117	-	45,110	41,764	3,346	8%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	27,318	24,680	281	16,851	20,567	(3,716)	-18%	27,318
Planning and development		-	2,094	2,094	64	77	1,745	(1,668)	-96%	2,094
Road transport		-	25,224	22,586	217	16,774	18,822	(2,047)	-11%	25,224
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	46,528	48,531	4,353	32,294	40,443	(8,148)	-20%	46,528
Energy sources		-	12,306	13,198	1,947	6,045	10,998	(4,953)	-45%	12,306
Water management		-	13,820	16,931	1,588	11,863	14,110	(2,247)	-16%	13,820
Waste water management		-	19,402	17,402	819	14,355	14,502	(147)	-1%	19,402
Waste management		-	1,000	1,000	-	31	833	(802)	-96%	1,000
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	-	<b>81,969</b>	<b>130,342</b>	<b>5,017</b>	<b>99,661</b>	<b>108,619</b>	<b>(8,958)</b>	<b>-8%</b>	<b>81,969</b>
<b>Funded by:</b>										
National Government		-	24,210	30,123	4,840	22,457	25,103	(2,646)	-11%	24,210
Provincial Government		-	10,703	51,928	249	45,970	43,273	2,697	6%	10,703
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	34,913	82,052	5,089	68,427	68,376	50	0%	34,913
Public contributions & donations	5	-	-	969	-	-	808	(808)	-100%	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	47,056	47,322	(72)	31,234	39,435	(8,201)	-21%	47,056
<b>Total Capital Funding</b>		-	<b>81,969</b>	<b>130,342</b>	<b>5,017</b>	<b>99,661</b>	<b>108,619</b>	<b>(8,958)</b>	<b>-8%</b>	<b>81,969</b>

The table above reflects the capital expenditure by vote. The municipality have spent on the month of April 2019 an amount of R5 017 000 and R108 619 000 year to date of the total capital budget of R130 342 000 after the adjustment budget to include an additional grant funding on housing grant and MIG grant.

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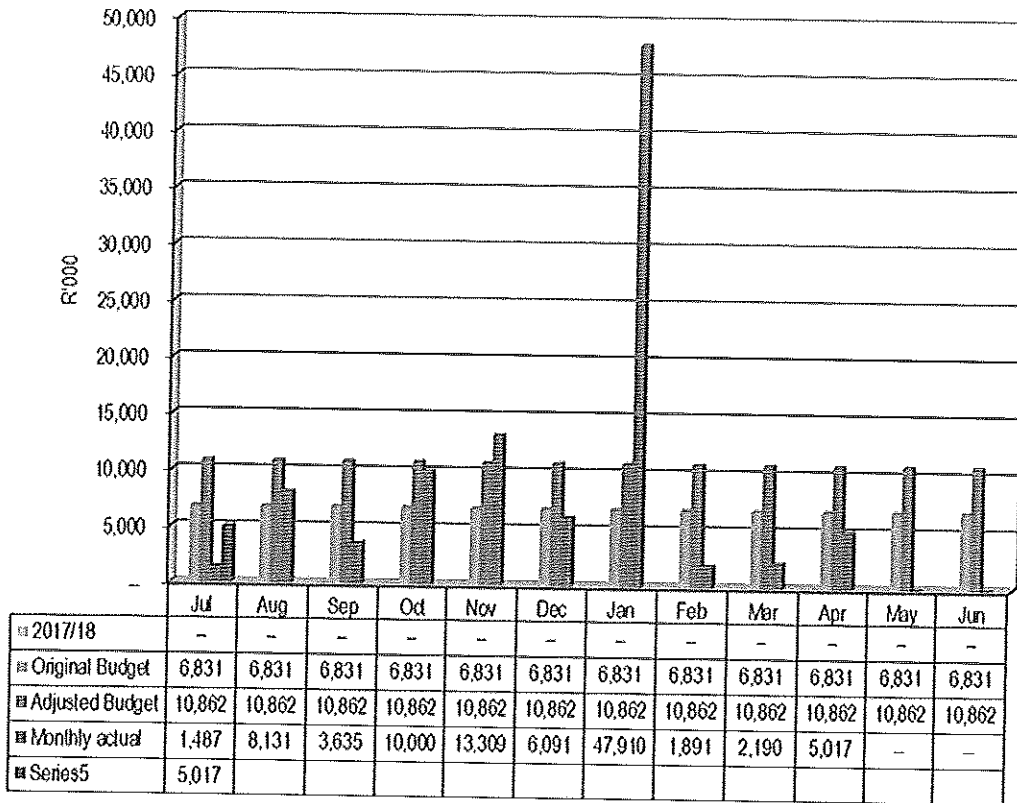
Chart C2 2018/19 Capital Expenditure: YTD actual v YTD target



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	1,487	9,618	13,252	23,252	36,562	42,653	90,563	92,454	94,644	99,661	-	-
YearTD budget	10,862	21,724	32,585	43,447	54,309	65,171	76,033	86,895	97,756	108,618	119,480	130,342
Series3	231446.8											
Series4	2008648.2											

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Chart C1 2018/19 Capital Expenditure Monthly Trend: actual v target



The table below reflects the statement of financial position of the municipality. The total current assets of the municipality have decreased from R325 408 000 to R304 843 000, due to the following items decreasing Cash and cash equivalent, Call investment deposit depots and Consumer deposits.

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The current liabilities has increased from R83 399 000 to R183 657 630 for the month of April 2019 due to the opening balance that was not accounted for in the previous months.

The norm for the current ratio is between 1.5:1 to 2.1:1. For the current month is 1.7: 1 which is within the norm. This means that municipality will be to pay its current or short-term obligations.

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		140,813	77,970	35,005	27,475	35,005
Call investment deposits		-	121,963	61,963	122,539	61,963
Consumer debtors		33,575	68,078	78,078	55,477	78,078
Other debtors		35,962	4,202	22,402	130,354	22,402
Current portion of long-term receivables		3	2	(0)	3	(0)
Inventory		10,083	-	2,356	7,650	2,356
<b>Total current assets</b>		<b>220,437</b>	<b>272,215</b>	<b>199,805</b>	<b>343,498</b>	<b>199,805</b>
<b>Non current assets</b>						
Long-term receivables		9	7	7	-	7
Investments		6,853	8,090	8,090	6,853	8,090
Investment property		26,620	55,425	55,425	26,619	55,425
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1,056,100	1,084,837	1,086,588	1,131,071	1,086,588
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		143	592	592	118	592
Other non-current assets		35	35	35	35	35
<b>Total non current assets</b>		<b>1,089,759</b>	<b>1,148,987</b>	<b>1,150,738</b>	<b>1,164,697</b>	<b>1,150,738</b>
<b>TOTAL ASSETS</b>		<b>1,310,195</b>	<b>1,421,202</b>	<b>1,350,542</b>	<b>1,508,195</b>	<b>1,350,542</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	(0)	-	(0)
Borrowing		20,904	19,804	19,804	-	19,804
Consumer deposits		7,996	6,910	6,910	7,130	6,910
Trade and other payables		74,570	76,244	76,244	121,772	76,244
Provisions		52,520	44,370	44,370	54,755	44,370
<b>Total current liabilities</b>		<b>155,991</b>	<b>147,329</b>	<b>147,329</b>	<b>183,658</b>	<b>147,329</b>
<b>Non current liabilities</b>						
Borrowing		140,691	122,206	122,206	151,925	122,206
Provisions		99,937	112,730	112,730	-	112,730
<b>Total non current liabilities</b>		<b>240,628</b>	<b>234,936</b>	<b>234,936</b>	<b>151,925</b>	<b>234,936</b>
<b>TOTAL LIABILITIES</b>		<b>396,619</b>	<b>382,265</b>	<b>382,265</b>	<b>335,583</b>	<b>382,265</b>
<b>NET ASSETS</b>	2	<b>913,577</b>	<b>1,038,937</b>	<b>968,278</b>	<b>1,172,612</b>	<b>968,278</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		864,722	973,535	885,823	1,123,757	885,823
Reserves		48,855	65,403	65,403	48,855	65,403
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>913,577</b>	<b>1,038,938</b>	<b>951,226</b>	<b>1,172,612</b>	<b>951,226</b>

References

# BITOU LOCAL MUNICIPALITY

## WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - M10 April

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		113,361	121,803	117,255	9,867	108,611	97,712	10,899	11%	121,803
Service charges		234,036	296,172	277,489	25,694	235,882	231,241	4,641	2%	296,172
Other revenue		45,875	30,053	30,493	1,165	48,959	25,411	23,548	93%	30,053
Government - operating		104,838	149,028	132,635	203	97,286	110,530	(13,244)	-12%	149,028
Government - capital		66,575	38,546	79,770	1,492	41,142	66,475	(25,334)	-38%	38,546
Interest		18,329	14,101	14,101	1,329	12,562	11,751	812	7%	14,101
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(447,756)	(517,337)	(521,924)	(41,062)	(413,339)	(434,937)	(21,598)	5%	(517,337)
Finance charges		(17,658)	(15,572)	(15,572)	(78)	(9,117)	(12,977)	(3,860)	30%	(15,572)
Transfers and Grants		(4,000)	(11,500)	(11,500)	(480)	(5,271)	(9,583)	(4,313)	45%	(11,500)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>113,601</b>	<b>105,292</b>	<b>102,746</b>	<b>(1,870)</b>	<b>116,714</b>	<b>85,621</b>	<b>(31,093)</b>	<b>-36%</b>	<b>105,292</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(2,307)	1,274	1,274	-	-	1,062	(1,062)	-100%	1,274
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		3	2	2	-	3	2	1	90%	2
Decrease (increase) in non-current investments		(750)	(1,146)	(1,146)	-	6,102	(955)	7,057	-739%	(1,146)
<b>Payments</b>										
Capital assets		(113,062)	(66,470)	(130,342)	(5,017)	(99,744)	(108,619)	(8,875)	8%	(66,470)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(116,116)</b>	<b>(66,340)</b>	<b>(130,212)</b>	<b>(5,017)</b>	<b>(93,639)</b>	<b>(108,510)</b>	<b>(14,872)</b>	<b>14%</b>	<b>(66,340)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		30,874	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		1,705	352	352	-	-	293	(293)	-100%	352
<b>Payments</b>										
Repayment of borrowing		(18,164)	(19,223)	(19,223)	(65)	(17,699)	(16,019)	1,680	-10%	(19,223)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>14,414</b>	<b>(18,871)</b>	<b>(18,871)</b>	<b>(65)</b>	<b>(17,699)</b>	<b>(15,726)</b>	<b>1,973</b>	<b>-13%</b>	<b>(18,871)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>11,899</b>	<b>20,081</b>	<b>(46,337)</b>	<b>(6,951)</b>	<b>5,377</b>	<b>(38,614)</b>			<b>20,081</b>
Cash/cash equivalents at beginning:		136,997	136,997	140,814		136,997	140,814			136,997
Cash/cash equivalents at month/year end:		148,897	157,078	94,476		142,374	102,199			157,078

The municipality is reporting a negative net cash from operating activities of R1 870 000 for the month of April 2019 however reports R1 16 174 000 year to date. Net cash from investing activities is influenced by payments relating to capital spending. The financing activities are mostly influenced by the repayment of the loans and the interest. Cash and cash equivalents at month end amounts to R94 476 000.

BITOU LOCAL MUNICIPALITY

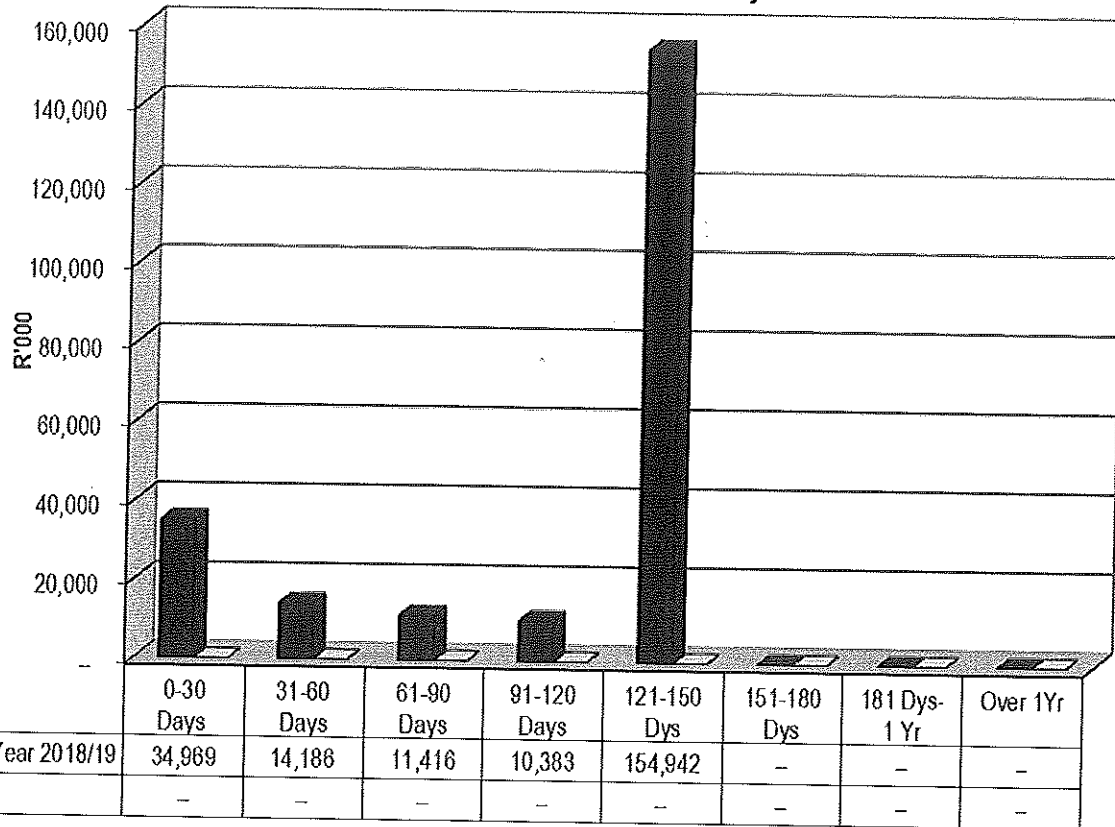
Section 5 – Debtors' analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

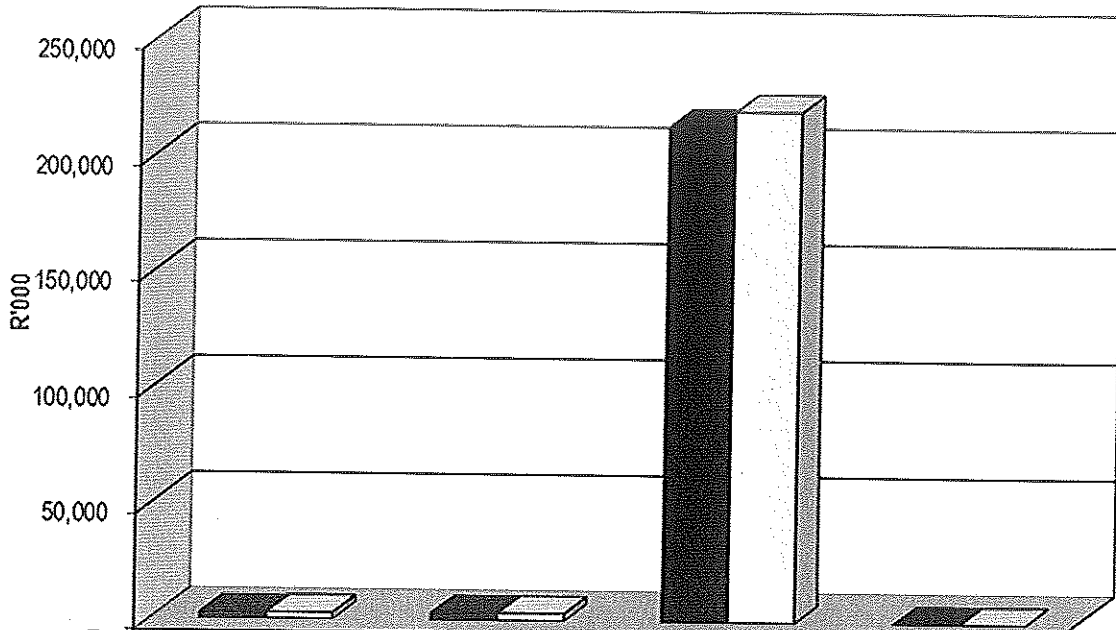
Description	NT Code	Budget Year 2018/19									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts H to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,857	3,974	3,283	3,247	41,019					59,379	44,265	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	10,107	2,178	1,260	955	11,258					25,743	12,213	
Receivables from Non-exchange Transactions - Property Rates	1400	7,731	2,517	1,694	1,236	28,643					41,735	29,684	
Receivables from Exchange Transactions - Waste Water Management	1500	6,363	3,442	3,192	3,037	37,424					53,572	40,570	
Receivables from Exchange Transactions - Waste Management	1600	3,773	2,609	1,858	1,759	29,549					39,368	31,748	
Receivables from Exchange Transactions - Property Rental Debtors	1700										-	-	
Interest on Arrear Debtor Accounts	1810										-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-	
Other	1900	134	65	290	59	6,566					7,074	6,645	
<b>Total By Income Source</b>	<b>2000</b>	<b>34,969</b>	<b>14,166</b>	<b>11,416</b>	<b>10,363</b>	<b>154,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,895</b>	<b>165,326</b>	<b>-</b>
<b>2017/18 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	262	155	193	150	1,945					2,725	2,075	
Commercial	2300	492	211	205	212	1,555					3,115	2,203	
Households	2400	34,215	13,780	11,018	10,641	151,002					220,056	161,043	
Other	2500										-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>34,969</b>	<b>14,166</b>	<b>11,416</b>	<b>10,363</b>	<b>154,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,895</b>	<b>165,326</b>	<b>-</b>

Chart C3 Aged Consumer Debtors Analysis



BITOU LOCAL MUNICIPALITY

Chart C4 Consumer Debtors (total by Debtor Customer Category)



	Organs of State	Commercial	Households	Other
■ 2017/18	2,643	3,022	213,454	-
□ Budget Year 2018/19	2,725	3,115	220,056	-

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

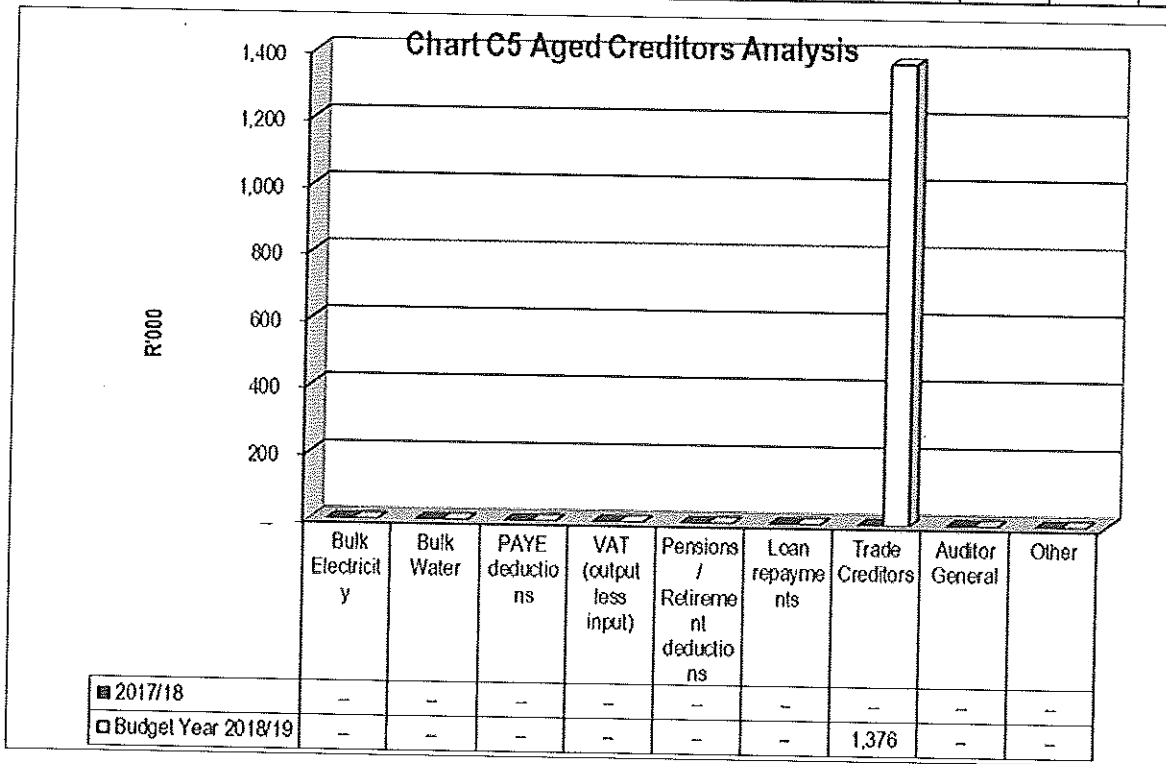
Table SC4 reflects the trade creditors,



BITOU LOCAL MUNICIPALITY

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description R thousands	NT Code	Budget Year 2018/19									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	619,758	243,333	1,250	8,697	3	-	-	-	500	1,375,567	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>619,758</b>	<b>243,333</b>	<b>1,250</b>	<b>8,697</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>1,375,567</b>	<b>-</b>



The municipality reports R1 376 000 on trade creditors which are 30 days old, and zero outstanding creditors older than 30 days as at April 2019.

BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

Investment Management

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Expiry date of Investment	Accrued Interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<b>Municipality</b>									
Standard Bank: 48-860-7000-056		90 days	Fixed deposit	24/06/2019		7.6%	20,000	-	20,000
Investec: 1100443838501		Call deposit	Call deposit	Call deposit	58	6.6%	10,621	58	10,678
Investec: 1100443838451		90 days	Fixed deposit	21/05/2019		7.7%	10,000	-	10,000
Investec: 1100443838450		90 days	Fixed deposit	25/06/2019		7.7%	20,000	-	20,000
Nedbank: 03/7881052406/000075		LONG TERM	Fixed deposit	30/12/2022	-	14.2%	6,853	-	6,853
Nedbank: 03/7881052406/000087		180 days	Fixed deposit	18/04/2018	408	8.2%	10,000	(10,406)	(0)
Nedbank: 03/7881052406/000088		90 days	Fixed deposit	22/05/2019		7.9%	10,000	-	10,000
Nedbank: 03/7881052406/000089		90 days	Fixed deposit	18/06/2019		7.8%	20,000	-	20,000
Absa: 4094254174		Call deposit	Call deposit	Call deposit	58	6.6%	10,620	58	10,678
Absa: 4094250421		Call deposit	Call deposit	Call deposit	115	6.6%	21,240	115	21,355
<b>Municipality sub-total</b>					637		139,334	(10,176)	129,564
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				637		139,334	(10,176)	129,564

The market value of investments at the end of the April 2019 has decreased from R149 334 000 to R129 564 000. Total investments for the month of April 2019 has decreased due to the withdrawal of the investment

BITOU LOCAL MUNICIPALITY

The market value of investments at the end of the April 2019 has decreased from R149 334 000 to R129 564 000. Total investments for the month of April 2019 has decreased due to the withdrawal of the investment

Municipal manager's quality certification

*Municipal manager's quality certification*

27. An in-year report must be covered by a quality certificate in the format described below:

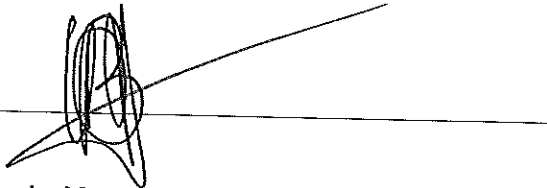
QUALITY CERTIFICATE

I Advocate Lonwabo Ngoqo the Municipal Manager of Bitou Local Municipality, hereby certify that - (mark as appropriate)

- The monthly budget statement
- Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- Mid-year budget and performance assessment

for the month of April 2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: Adv. Lonwabo Ngoqo

Municipal Manager of Bitou Local Municipality – WC047

Date

16 May 2019