

## REPORT TO EXECUTIVE MAYOR: 12 OCTOBER 2018

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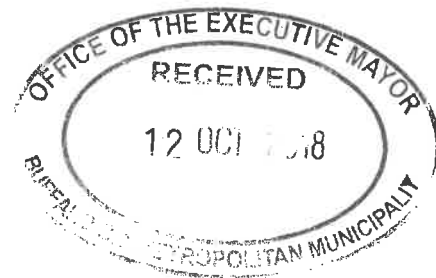
### STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2018/19 BUDGET FOR THE PERIOD ENDED 30 SEPTEMBER 2018

#### 1. PURPOSE

The purpose of the report is for Executive Mayor to consider and note the statement of financial performance and the implementation of the 2018/19 budget of the Buffalo City Metropolitan Municipality for the period ended 30 September 2018.

#### 2. AUTHORITY

Executive Mayor



#### 3. LEGAL / STATUTORY REQUIREMENTS

- 3.1. The Constitution of the Republic of South Africa, 1996
- 3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71
- 3.3. Municipal Budget and Reporting Regulations, 2009

#### 4. BACKGROUND

In terms of Section 71 of the Municipal Finance Management Act No 56, 2003, *“the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget”*.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, *“the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act”* (MFMA).

This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format).

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# **PART 1: IN-YEAR REPORT**

## **5. RESOLUTIONS**

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2018/19 budget for the period ended 30 September 2018 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 September 2018 of 71.26%.

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**A. SIHLAHLA**

**CITY MANAGER**

**BUFFALO CITY METROPOLITAN MUNICIPALITY**

SIYABULELA PETER/ NS

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**DATE**

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET  
AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE  
PERIOD ENDED 30 SEPTEMBER 2018**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

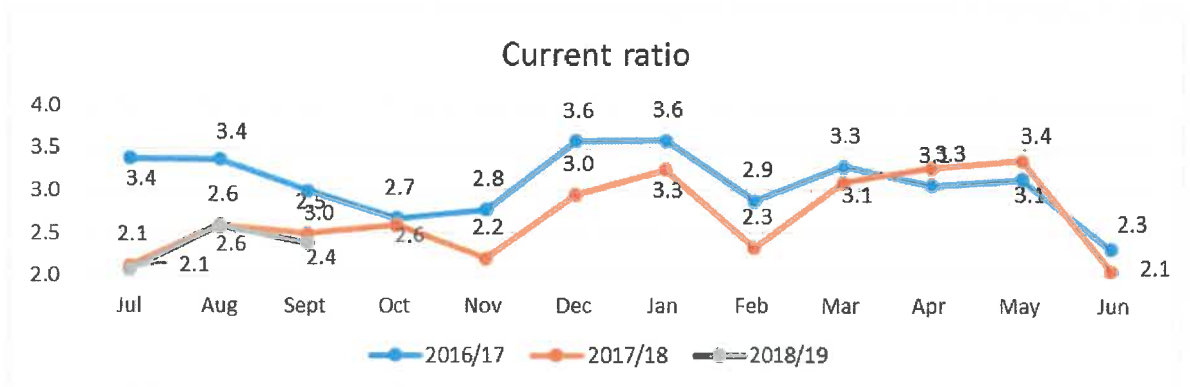
OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 1,795,278,502	Bank Balance	R 332,346,287.00
Expenditure	(R 1,861,975,655 )	Call investments (excl. int.)	R 1,217,109,764
Operating Deficit	(R 39,311,630)	<b>Cash and cash equivalents</b>	<b>R 1,549,456,051</b>
Transfers Recognised - Capital	R27,385,523.33	<i>Account Payables</i>	<i>(R 499,727,937)</i>
Surplus After Capital Transfers	(R 39,311,630)	<i>Unspent conditional grants</i>	<i>(R 410,629,813)</i>
<b>DEBTORS</b>		<i>Committed to Capital budget-own funds</i>	<i>(R 1,125,430,432)</i>
Total debtors book (incl. impairment)	R 2,057,386,018	<b>Possible cash deficit should there be no revenue collection made</b>	<b>(R 486, 332,131)</b>
Total debtors - Government	R 134,781,608		
Total debtors - Business	R 637,802,737	Total Long term loans	R 341,100,657
Total debtors - Households	R 1,284,801,673	<b>SURPLUS / (DEFICIT) PER SERVICE</b>	
Total debt written off	R 0	Water	R 92,051,348
<b>REPAIRS AND MAINTENANCE</b>		Electricity	(R 111,733,754)
<b>2017/2018:</b> Exp.= R61.3 m, which is 13% of adjusted budget of R462.49 m	<b>2018/2019:</b> Exp.= R94.38 m, which is 19% of adjusted budget of R493.62 m	Refuse	R 64,041,784
		Sewerage	R 69,515,957
<b>CAPITAL EXPENDITURE</b>		<b>OPERATING PROJECTS EXPENDITURE</b>	
<b>2017/2018: Exp. as a % of Adjusted Budget of R1.71b:</b>  Exp. (excl. vat) = R127,63mil % exp (Excl. vat) :7%  Exp. (incl. vat) = R136,23 mil % exp (incl. vat): 8%	<b>2018/2019: Exp. as a % of Adjusted Budget of R1.99b:</b>  Exp. (excl. vat) = R122,87 mil % exp. (Excl. vat) :6%  Exp. (incl. vat) = R133,10mil % exp. (incl. vat): 7%	<b>2017/2018: Exp. as a % of Adjusted Budget of R300.9m:</b>  Exp. (excl. vat) = R27,2 mil % exp.(excl. vat): 9%  Exp. (incl. vat) = R27,8 mil % exp.(incl. vat): 9%	<b>2018/2019: Exp. as a % of Adjusted Budget of R333.73m:</b>  Exp. (excl. vat) = R26,05 mil % exp. (excl. vat): 8%  Exp. (incl. vat) = R26.11mil % exp. (incl. vat): 8%
<b>FINANCIAL</b>		<b>HUMAN RESOURCES</b>	
Operating deficit for the period	(R 39,311,630)	Total staff complement	5 124
Debtors collection ratio	71.26%	Staff Appointments	13
YTD Grants and subsidies: recognized	R 503,942 000	Staff Terminations	9
% of Creditors paid within terms	100%	Number of funded vacant posts	763
Current ratio	2.4:1	Total overtime paid (YTD)	R 30,611,965
Total Debt to Revenue	9.18%	Allowances and benefits – Councillors (YTD)	R 15,230,627
Capital Charges to Operating Expenditure	1.02%	Salary bill - Officials	R 472,891,441
Cost coverage ratio	3 months	Workforce costs as a % of expenditure	26%

## 6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 2.4:1 which indicates the ability of municipality's current assets to cover its current liabilities. This is above the norm of 1.5-2:1. Net debtors constitute 50% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 49% of the current assets. The City has a strong cash and cash equivalent and can easily meet its immediate obligations, however, the stagnant revenue base and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City can meet its monthly operating commitments 3 times, which is within the norm of 1-3 months as per the MFMA circular 71.

The graph below shows comparison of the current ratio for the current financial year and the two previous financial years.

**Figure 1: Current Ratio**



## 6.3 Collection Rate and Outstanding Debtors

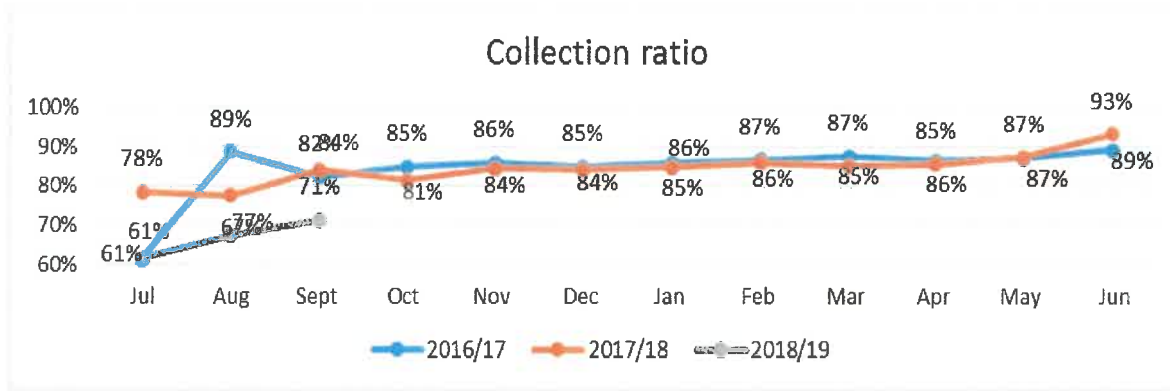
The year to date collection rate for the month ended 30 September 2018 is 71.26% (2017/18: 84.06%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection ratio for September 2018 has reduced due to the fact that the municipality has implemented a new general valuation this year which has increased the actual billing, of which some of the properties are still under the objections that are yet to be finalized. Factors that

contribute to collection rate are tampered meters and non-payment after disconnection.

The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors' management.

The graph below shows comparison of the monthly collection ratio for the current financial year and the two previous financial years.

**Figure 2: Collection Ratio**



Total gross debtors book (including current accounts) as at 30 September 2018 amounts to R2.06 billion (2017/18: R1.99 billion). Households: R1.28 billion, Business: R637.80 million and Government: R137.78 million.

Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

#### **6.4 Capital Expenditure**

BCMM has spent 7% (R133.10 million, inclusive of reclaimed vat) of its 2018/19 adjusted capital budget of R1.99 billion as at 30 September 2018. This reflects an a decline when compared to the same period in the previous financial year where 8% (R136.23 million, inclusive of reclaimed vat) of the adjusted budget of R1.71 billion was spent. (Refer to Section 14 for further details).



A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

### **6.5 Operating Projects**

The Metro has spent 8% (R26.11 million, inclusive of reclaimed vat) of its 2018/19 adjusted operating projects budget of R333.73 million as at 30 September 2018. This reflects a decline when compared to the same period in the previous financial year where 9% (R27.85 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R300.91 million was spent. (Refer to Section 15 for further details).

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**.

### **6.6 Expenditure on Conditional Grants (DoRA Allocation)**

The Metro has spent 10% (R92.65 million, inclusive of reclaimed vat) of its 2018/2019 conditional grants budget of R911.61 million as at 30 September 2018. This reflects a decline when compared to the same period in the previous financial year where 13% (R114.64 million, inclusive of reclaimed of vat) of conditional grants budget of R882.77 million was spent. (Refer to Section 11 for further details).

#### **6.6.1. Urban Settlement Development Grant (USDG) funded projects**

BCMM has spent 11% (R85.37 million, inclusive of reclaimed vat) of its 2018/2019 USDG budget of R762.99 million as at 30 September 2018. This reflects a decline when compared to the same period in the previous financial year where 14% (R104.78 million, inclusive of reclaimed of vat) of USDG budget of R768.13 million was spent. (Refer to Section 11 for further details).

### **6.7 Cash and Cash Equivalents**

The cash and cash equivalents of the City as at 30 September 2018 are R1.55 billion made up of cash and bank amounting to R332 million and call investment

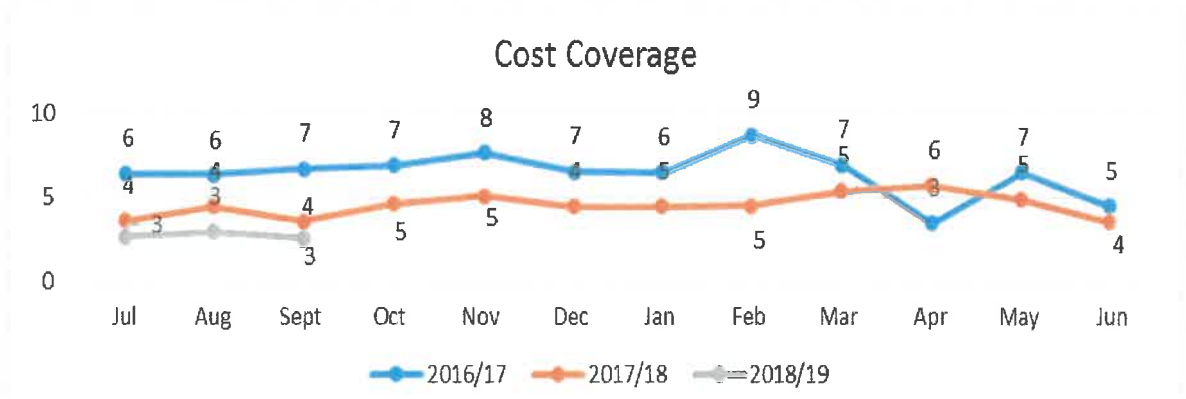
deposits of R1.22 billion. This funding is invested with various financial institutions in compliance with the MFMA.

Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown.

The cost coverage ratio of the City is 3 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 3 times, which is within the norm of 1-3 months as per the MFMA circular 71. It is however a concern to note that the City's cash and cash equivalent reserve is decreasing due to stagnant revenue base and operating expenditure that is increasing at a high rate. There have also been high capital investment that is funded by internally generated funds.

The graph below shows comparison of the monthly cost coverage for the current financial year and the two previous financial years.

**Figure 3: Cost Coverage**



**6.8 Outstanding Creditors**

The Metro is paying its creditors within 30 days as stipulated by the MFMA except when there are disputes on received invoices. Small Micro Medium

Enterprises (SMME) are paid on a fortnightly basis to assist emerging service providers. Refer to Section 9 for details.

### **6.9 Long-Term Debt Profile**

The total long term borrowings of the municipality as at 30 September 2018 amounts to R341 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 September 2018 is 1.02%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%.

The total debt to revenue ratio is 9.18% as at 30 September 2018, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities.

The above two ratios indicate that the City has additional capacity to take up additional loan.

## 7. IN-YEAR BUDGET STATEMENT MAIN TABLES

### 7.1 Monthly Budget Statement Summary

The table below provides a high-level summation of the Metro's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

**Table 2:C1: Monthly Budget Statement Summary**

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M03 September

Description	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>Financial Performance</b>									
Property rates	-	1,421,961	1,421,961	(323,688)	415,439	451,979	(36,540)	-8%	1,421,961
Service charges	-	3,172,285	3,151,081	214,451	770,524	778,601	(8,077)	-1%	3,151,081
Investment revenue	-	140,961	140,961	9,870	27,602	37,741	(9,940)	-26%	140,961
Transfers and subsidies	-	1,471,673	1,492,316	8,474	503,942	680,803	(176,861)	-26%	1,492,316
Other own revenue	-	310,342	310,342	19,750	77,572	69,133	8,439	12%	310,342
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>6,517,222</b>	<b>6,516,662</b>	<b>(71,144)</b>	<b>1,795,279</b>	<b>2,018,257</b>	<b>(222,979)</b>	<b>-11%</b>	<b>6,516,662</b>
Employee costs	-	1,961,118	1,939,914	177,017	472,891	492,573	(19,682)	-4%	1,939,914
Remuneration of Councillors	-	65,035	65,035	5,032	15,231	15,054	177	1%	65,035
Depreciation & asset impairment	-	896,426	896,426	195,750	445,987	100,688	345,299	343%	896,426
Finance charges	-	59,818	59,818	3,310	10,129	14,734	(4,605)	-31%	59,818
Materials and bulk purchases	-	1,784,885	1,784,885	139,522	554,823	558,804	(3,980)	-1%	1,784,885
Transfers and subsidies	-	60,526	60,526	636	23,662	5,357	18,306	342%	60,526
Other expenditure	-	1,685,490	1,706,127	120,747	339,252	303,760	35,491	12%	1,706,127
<b>Total Expenditure</b>	-	<b>6,513,298</b>	<b>6,512,731</b>	<b>642,013</b>	<b>1,861,976</b>	<b>1,490,970</b>	<b>371,006</b>	<b>25%</b>	<b>6,512,731</b>
<b>Surplus/(Deficit)</b>	-	<b>3,924</b>	<b>3,931</b>	<b>(713,157)</b>	<b>(66,697)</b>	<b>527,287</b>	<b>(593,984)</b>	<b>-113%</b>	<b>3,931</b>
Transfers and subsidies - capital (monetary allocations)	-	803,900	812,936	27,386	27,386	137,771	(110,386)	-80%	812,936
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>	<b>(704,370)</b>	<b>-106%</b>	<b>816,867</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>	<b>(704,370)</b>	<b>-106%</b>	<b>816,867</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>57,137</b>	<b>122,873</b>	<b>498,936</b>	<b>(376,063)</b>	<b>-75%</b>	<b>1,990,904</b>
Capital transfers recognised	-	803,900	812,936	33,502	71,352	203,728	(132,376)	-65%	812,936
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69,000	69,000	-	-	17,292	(17,292)	-100%	69,000
Internally generated funds	-	880,242	1,108,968	23,635	51,521	277,916	(226,395)	-81%	1,108,968
<b>Total sources of capital funds</b>	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>57,137</b>	<b>122,873</b>	<b>498,936</b>	<b>(376,063)</b>	<b>-75%</b>	<b>1,990,904</b>
<b>Financial position</b>									
Total current assets	3,174,072	3,693,847	3,590,140		3,300,010				3,590,140
Total non current assets	16,490,855	15,249,660	20,327,055		19,006,149				20,327,055
Total current liabilities	1,371,169	1,338,530	1,394,977		1,385,264				1,394,977
Total non current liabilities	915,192	1,147,602	1,153,005		867,904				1,153,005
Community wealth/Equity	17,378,567	16,457,375	21,369,213		20,052,991				21,369,213
<b>Cash flows</b>									
Net cash from (used) operating	-	1,683,238	1,692,274	(181,390)	67,247	420,810	353,563	84%	1,683,238
Net cash from (used) investing	-	(1,753,142)	(1,990,904)	(57,137)	(122,873)	(438,285)	(315,412)	72%	(1,753,142)
Net cash from (used) financing	-	9,333	9,333	(8,907)	(8,907)	(14,917)	(6,010)	40%	9,333
<b>Cash/cash equivalents at the month/year end</b>	-	<b>1,643,284</b>	<b>1,414,558</b>	<b>-</b>	<b>1,549,456</b>	<b>1,671,462</b>	<b>122,006</b>	<b>7%</b>	<b>1,553,418</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	329,105	164,098	160,715	62,111	67,112	48,969	228,692	996,584	2,057,386
<b>Creditors Age Analysis</b>									
Total Creditors	499,728	-	-	-	-	-	-	-	499,728

## 7.2 Monthly Budget Statement – Financial Performance (standard classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

**Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification)**

**BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M03 September**

Description	Ref	Budget Year 2018/19								
		2017/18 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>		–	2,538,086	2,538,932	(293,399)	790,420	990,265	(199,845)	-20%	2,538,932
Executive and council		–	26,940	26,940	7,035	7,035	339	6,696	1976%	26,940
Finance and administration		–	2,511,147	2,511,993	(300,434)	783,365	989,926	(206,541)	-21%	2,511,993
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	293,677	313,474	5,685	32,555	37,820	(5,265)	-14%	313,474
Community and social services		–	29,896	29,896	835	2,335	3,800	(1,464)	-39%	29,896
Sport and recreation		–	5,190	5,190	109	297	549	(252)	-46%	5,190
Public safety		–	98,778	98,778	4,741	29,923	23,957	5,966	25%	98,778
Housing		–	159,786	179,583	–	–	9,513	(9,513)	-100%	179,583
Health		–	27	27	–	–	2	(2)	-100%	27
<i>Economic and environmental services</i>		–	447,405	456,441	14,494	42,461	62,727	(20,266)	-32%	456,441
Planning and development		–	200,005	209,042	10,223	28,210	18,984	9,226	49%	209,042
Road transport		–	244,101	244,101	4,231	14,074	43,255	(29,180)	-67%	244,101
Environmental protection		–	3,299	3,299	41	177	489	(312)	-64%	3,299
<i>Trading services</i>		–	4,014,827	3,993,624	227,587	951,489	1,058,837	(107,348)	-10%	3,993,624
Energy sources		–	2,089,822	2,048,618	152,926	496,375	572,791	(76,416)	-13%	2,048,618
Water management		–	799,770	799,770	15,489	209,368	174,159	35,209	20%	799,770
Waste water management		–	680,364	680,364	37,675	127,449	187,296	(59,847)	-32%	680,364
Waste management		–	464,872	464,872	21,497	118,297	124,591	(6,294)	-5%	464,872
<i>Other</i>	4	–	27,126	27,126	1,873	5,740	6,379	(640)	-10%	27,126
<b>Total Revenue - Functional</b>	<b>2</b>	<b>–</b>	<b>7,321,123</b>	<b>7,329,598</b>	<b>(43,758)</b>	<b>1,822,664</b>	<b>2,156,028</b>	<b>(333,364)</b>	<b>-15%</b>	<b>7,329,598</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		–	1,354,222	1,352,058	95,902	297,373	280,196	17,177	6%	1,352,058
Executive and council		–	394,381	396,691	27,853	104,381	88,692	15,489	17%	396,691
Finance and administration		–	944,722	940,343	67,321	191,106	187,567	3,539	2%	940,343
Internal audit		–	15,119	15,024	727	1,887	3,737	(1,851)	-50%	15,024
<i>Community and public safety</i>		–	586,469	601,427	50,070	122,016	99,968	22,048	22%	601,427
Community and social services		–	98,652	97,945	10,012	23,959	26,774	(2,815)	-11%	97,945
Sport and recreation		–	230,543	227,910	20,727	53,774	26,314	27,461	104%	227,910
Public safety		–	108,256	107,233	8,916	23,431	21,981	1,449	7%	107,233
Housing		–	107,401	126,838	7,021	12,221	14,694	(2,473)	-17%	126,838
Health		–	41,617	41,501	3,395	8,631	10,205	(1,573)	-15%	41,501
<i>Economic and environmental services</i>		–	1,071,729	1,066,347	217,526	569,280	151,190	418,090	277%	1,066,347
Planning and development		–	186,929	185,984	61,655	328,088	9,993	318,095	3183%	185,984
Road transport		–	863,159	858,930	154,016	236,150	128,238	107,912	84%	858,930
Environmental protection		–	21,641	21,433	1,854	5,042	12,958	(7,916)	-61%	21,433
<i>Trading services</i>		–	3,394,903	3,387,324	272,429	859,713	948,577	(88,864)	-9%	3,387,324
Energy sources		–	1,989,513	1,986,483	184,462	613,105	628,682	(15,577)	-2%	1,986,483
Water management		–	641,479	640,000	42,139	116,138	173,724	(57,587)	-33%	640,000
Waste water management		–	455,370	454,074	18,351	47,456	88,686	(41,211)	-46%	454,074
Waste management		–	308,541	306,766	27,477	83,015	57,505	25,510	44%	306,766
<i>Other</i>		–	105,975	105,582	6,086	13,593	11,039	2,554	23%	105,582
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>–</b>	<b>6,513,298</b>	<b>6,512,737</b>	<b>642,013</b>	<b>1,861,976</b>	<b>1,490,970</b>	<b>371,006</b>	<b>25%</b>	<b>6,512,737</b>
<b>Surplus/ (Deficit) for the year</b>		<b>–</b>	<b>807,825</b>	<b>816,861</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>	<b>(704,370)</b>	<b>-106%</b>	<b>816,861</b>

### 7.3 Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)

The table below shows budgeted financial performance in relation to the revenue and expenditure by vote as well as the operating surplus or deficit for the City.

**Table 4: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)**

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September										
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										
<b>Revenue by Vote</b>	1									
Vote 01 - Directorate - Executive Support Services		-	-	846	-	-	-	-		846
Vote 02 - Directorate - Municipal Manager		-	26 940	26 940	7 035	7 035	341	6 694	1962.8%	26 940
Vote 03 - Directorate - Human Settlement		-	159 786	179 583	-	-	9 513	(9 513)	-100.0%	179 583
Vote 04 - Directorate - Chief Financial Officer		-	2 492 463	2 492 463	(303 090)	778 893	982 906	(204 013)	-20.8%	2 492 463
Vote 05 - Directorate - Corporate Services		-	10 801	10 801	1 328	1 328	2 203	(875)	-39.7%	10 801
Vote 06 - Directorate - Infrastructure Services		-	3 732 612	3 711 408	208 875	835 984	954 069	(118 085)	-12.4%	3 711 408
Vote 07 - Directorate - Spatial Planning And Development		-	195 565	204 601	11 499	16 282	38 670	(22 388)	-57.9%	204 601
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	160 250	160 250	6 187	41 205	32 746	8 459	25.8%	160 250
Vote 09 - Directorate - Municipal Services		-	503 257	503 257	22 482	121 106	130 182	(9 076)	-7.0%	503 257
Vote 10 - Directorate - Economic Development & Agencies		-	39 449	39 449	1 926	20 831	5 397	15 434	285.9%	39 449
<b>Total Revenue by Vote</b>	2	-	<b>7 321 123</b>	<b>7 329 598</b>	<b>(43 758)</b>	<b>1 822 664</b>	<b>2 156 028</b>	<b>(333 364)</b>	<b>-15.5%</b>	<b>7 329 598</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Directorate - Executive Support Services		-	275 413	277 971	15 808	64 370	61 617	2 753	4.5%	277 971
Vote 02 - Directorate - Municipal Manager		-	191 028	191 451	17 483	54 900	40 050	14 849	37.1%	191 451
Vote 03 - Directorate - Human Settlement		-	107 401	126 838	7 021	12 221	14 694	(2 473)	-16.8%	126 838
Vote 04 - Directorate - Chief Financial Officer		-	503 480	500 112	42 602	127 667	93 632	34 035	36.3%	500 112
Vote 05 - Directorate - Corporate Services		-	157 617	156 535	13 773	33 908	37 756	(3 848)	-10.2%	156 535
Vote 06 - Directorate - Infrastructure Services		-	3 748 890	3 742 735	377 269	960 634	978 479	(17 845)	-1.8%	3 742 735
Vote 07 - Directorate - Spatial Planning And Development		-	305 497	304 208	62 174	328 522	24 758	303 764	1227.0%	304 208
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	420 235	414 825	38 481	96 326	98 548	(2 222)	-2.3%	414 825
Vote 09 - Directorate - Municipal Services		-	653 407	648 125	59 721	164 896	125 262	39 634	31.6%	648 125
Vote 10 - Directorate - Economic Development & Agencies		-	150 330	149 937	7 682	18 532	16 175	2 358	14.6%	149 937
<b>Total Expenditure by Vote</b>	2	-	<b>6 513 298</b>	<b>6 512 737</b>	<b>642 013</b>	<b>1 861 976</b>	<b>1 490 970</b>	<b>371 006</b>	<b>24.9%</b>	<b>6 512 737</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>807 825</b>	<b>816 861</b>	<b>(685 772)</b>	<b>(39 312)</b>	<b>665 058</b>	<b>(704 370)</b>	<b>-105.9%</b>	<b>816 861</b>

#### 7.4 Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 September 2018.

Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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			1,421,961	1,421,961	(323,688)	415,439	451,979	(36,540)	-8%	1,421,961	
Service charges - electricity revenue			1,992,712	1,971,508	155,558	480,562	491,674	(11,112)	-2%	1,971,508	
Service charges - water revenue			563,043	563,043	10,419	138,371	126,516	11,855	9%	563,043	
Service charges - sanitation revenue			322,143	322,143	27,198	87,745	86,074	1,671	2%	322,143	
Service charges - refuse revenue			294,388	294,388	21,276	63,846	74,337	(10,491)	-14%	294,388	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			17,563	17,563	1,722	4,834	4,391	444	10%	17,563	
Interest earned - external investments			140,961	140,961	9,870	27,802	37,741	(9,940)	-26%	140,961	
Interest earned - outstanding debtors			41,807	41,807	6,559	13,138	13,251	(113)	-1%	41,807	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			16,591	16,591	1,039	3,173	3,651	(478)	-13%	16,591	
Licences and permits			14,597	14,597	899	2,936	2,163	774	36%	14,597	
Agency services			31,270	31,270	(504)	5,084	5,486	(402)	-7%	31,270	
Transfers and subsidies			1,471,673	1,492,316	8,474	503,942	680,803	(176,861)	-26%	1,492,316	
Other revenue			188,513	188,513	7,440	45,522	40,192	5,330	13%	188,513	
Gains on disposal of PPE			-	-	2,595	2,886	-	2,886	#DIV/0!	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>	<b>6,517,222</b>	<b>6,516,662</b>	<b>(71,144)</b>	<b>1,795,279</b>	<b>2,018,257</b>	<b>(222,978)</b>	<b>-11%</b>	<b>6,516,662</b>

**BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September**

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>Expenditure By Type</b>											
Employee related costs			1,981,118	1,938,914	177,017	472,891	492,573	(19,682)	-4%	1,939,914	
Remuneration of councillors			65,035	65,035	6,032	16,231	16,064	177	1%	65,035	
Debt Impairment			343,696	343,696	28,641	85,924	85,924	(0)	0%	343,696	
Depreciation & asset impairment			896,426	896,426	195,750	445,987	100,688	346,299	343%	896,426	
Finance charges			59,818	59,818	3,310	10,129	14,734	(4,605)	-31%	59,818	
Bulk purchases			1,898,510	1,698,510	131,256	543,076	541,576	1,499	0%	1,698,510	
Other materials			86,376	86,376	8,266	11,748	17,227	(5,479)	-32%	86,376	
Contracted services			857,589	876,473	54,707	132,746	146,603	(13,857)	-9%	876,473	
Transfers and subsidies			60,526	60,526	636	23,862	6,367	18,306	342%	60,526	
Other expenditure			484,205	485,957	37,398	120,591	71,233	49,348	69%	485,957	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>			<b>6,513,296</b>	<b>6,512,731</b>	<b>642,013</b>	<b>1,861,976</b>	<b>1,490,970</b>	<b>371,006</b>	<b>25%</b>	<b>6,512,731</b>	
<b>Surplus/(Deficit)</b>			<b>-</b>	<b>3,924</b>	<b>3,931</b>	<b>(713,157)</b>	<b>(66,897)</b>	<b>527,287</b>	<b>(593,984)</b>	<b>(0)</b>	<b>3,831</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			803,900	812,936	27,386	27,386	137,771	(110,385)	(0)	812,936	
Transfers and subsidies - capital (monetary allocations) (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>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>			<b>816,867</b>	
Taxation			-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after taxation</b>			<b>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>			<b>816,867</b>	
Attributable to minorities			-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>			<b>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>			<b>816,867</b>	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>			<b>807,825</b>	<b>816,867</b>	<b>(685,772)</b>	<b>(39,312)</b>	<b>665,058</b>			<b>816,867</b>	



## **7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE**

The explanation below pertains to all variances in excess of 10%.

### **7.4.1.1 Refuse Removal**

The variance noted is as a result of alignment between budgeted cash flows from historical actuals. This alignment will be corrected in the mid-year adjustment budget.

### **7.4.1.2 Interest earned on external investment**

Call and short-term levels of investments have decreased which directly impacts the amount of invested funds available to earn interest. This is due to year-end accruals paid in July 2018 resulting in a decrease in interest being realised.

### **7.4.1.3 Fines, Penalties and Forfeits**

The decrease in revenue in terms of Traffic Fines can be attributed to:

- Delays in court processes resulting in delays on payments
- Cases are struck off the Court Roll

Corrective measure: Traffic Department to increase its operations & roadblocks to get offenders to pay for their traffic fines.

### **7.4.1.4 Licences and Permits**

Cash receipting at the various municipal licencing offices has become more efficient & faster. There has been a marked increase in car dealerships in the Beacon Bay & Gonubie areas contributing to the increase in vehicle licence revenue as it is easier for dealerships to renew in bulk at one central point being Gonubie Traffic Dept. Generally during school holidays there is an increase in learners licence and drivers licences testing for their licences. Other factors include the fact that various car dealerships & institutions might register/renew vehicle licences during a particular month

thus indicating that revenue will fluctuate on a monthly basis depending on the trend of renewals & the amount of renewals in a month.

#### **7.4.1.5 Other revenue**

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, fire levy charges, market income, road & transport registration fees, cemetery & burial fees, etc.). The actual income realised is above the projected income for the period under review due to interdepartment transaction between the buffalo City metropolitan developmet agency and BCMM not being cancelled. An amount of R14.9 million transfer from BCMM to BCMDA was effected, hence the entity recognized it as revenue and the metro as transfers paid. During the integration of the entity and the parent, these transactions have not been cancelled and will be corrected in the month of October 2018 because this is the first consolidated reporting for the metro.

#### **7.4.1.6 Gains on Disposal of PPE**

The gain is as a result of land disposal during the quarter under review.

#### **7.4.1.7 Depreciation**

There was a challenge with seamless intergration, which resulted in double counting for depreciation. The correction has been done in October 2018. The correct amount for depreciation is R371 million.

#### **7.4.1.8 Finance charges**

BCMM is in the process of assessing additional loan funding options. Budgeted loans have not been accessed which results in budgeted finance expenditure being greater than actual expenditure incurred.

#### **7.4.1.9 Transfers and subsidies**

The variance is due to a transfer of R14.9 million made to BCMDA. The actual payment was greater than the anticipated budgeted cash flow projection. The budget was based on quarterly tranches that are paid in

advance, however the actual payment was on half-yearly payments that are paid in advance.

#### 7.4.1.10 Other expenditure

The variance noted is as a result of alignment between budgeted cash flows from historical actuals. This alignment will be corrected in the mid-year adjustment budget.

#### 7.4.2 REPAIRS AND MAINTENANCE

Table 6 below reflects that as at 30 September 2018, the repairs and maintenance expenditure is 19% of the approved budget of R493.62 million (2017/18: 13%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

**Table 6: Repairs and Maintenance per Directorate**

<b>Repairs and Maintenance</b>				
<b>Directorate</b>	<b><u>2018/2019</u> <u>Annual</u> <u>Budget</u> R</b>	<b><u>2018/2019</u> <u>Annual</u> <u>Expenditure</u> R</b>	<b><u>2018/2019</u> <u>-</u> <u>Variance</u> R</b>	<b><u>2018/2019</u> <u>% of</u> <u>Budget</u> %</b>
Directorate Of Executive Support Services	3,997,658	259,684	3,737,974	6%
Directorate Of The City Manager	7,345,360	4,052,863	3,292,497	55%
Directorate Of Corporate Services	2,475,095	278,685	2,196,410	11%
Directorate Of Development & Spatial Planning	31,831,477	1,690,258	30,141,219	5%
Directorate Of Economic Development & Agencies	1,415,075	323,820	1,091,255	23%
Directorate Of Finance	3,141,574	187,981	2,953,593	6%
Directorate Of Health / Public Safety & Emergency Services	6,436,172	543,559	5,892,613	8%
Directorate Of Human Settlement	118,466	98,824	19,642	83%
Directorate Of Infrastructure Services	394,877,800	79,884,341	314,993,459	20%
<i>Electricity</i>	152,873,689	27,511,590	125,362,099	18%
<i>Water</i>	55,108,722	2,455,640	52,653,082	4%
<i>Sanitation</i>	44,346,543	3,310,976	41,035,567	7%
<i>Other</i>	142,548,846	46,606,134	95,942,712	33%
Directorate Of Municipal Services	41,977,627	7,064,101	34,913,526	17%
<b>TOTAL</b>	<b>493,616,304</b>	<b>94,384,117</b>	<b>399,232,187</b>	<b>19%</b>

### 7.4.3 Capital Expenditure excluding vat (municipal vote, standard classification and funding)

The table below reflects the Metro's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification and funding sources.

**Table 7: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)**

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M03 September

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
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 01 - Directorate - Executive Support Services		-	3 500	5 887	628	680	1 472	(792)	-54%	5 887
Vote 02 - Directorate - Municipal Manager		-	51 840	55 040	9 493	28 781	13 760	15 021	100%	55 040
Vote 03 - Directorate - Human Settlement		-	104 755	105 220	31	31	26 305	(26 274)	-100%	105 220
Vote 04 - Directorate - Chief Financial Officer		-	152 538	215 866	919	1 014	53 956	(52 952)	-98%	215 866
Vote 05 - Directorate - Corporate Services		-	3 600	3 781	10	10	945	(938)	-99%	3 781
Vote 06 - Directorate - Infrastructure Services		-	916 280	1 001 135	33 089	65 243	251 788	(186 545)	-74%	1 001 135
Vote 07 - Directorate - Spatial Planning And Development		-	283 838	294 910	8 572	20 320	73 728	(53 407)	-72%	294 910
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	14 270	35 312	1 701	2 185	8 853	(6 668)	-75%	35 312
Vote 09 - Directorate - Municipal Services		-	160 829	178 495	2 402	4 272	44 624	(40 352)	-80%	178 495
Vote 10 - Directorate - Economic Development & Agencies		-	81 692	95 257	295	338	23 495	(23 167)	-99%	95 257
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	-	<b>1 753 142</b>	<b>1 990 904</b>	<b>57 137</b>	<b>122 873</b>	<b>498 936</b>	<b>(376 063)</b>	<b>-75%</b>	<b>1 990 904</b>
<b>Total Capital Expenditure</b>		-	<b>1 753 142</b>	<b>1 990 904</b>	<b>57 137</b>	<b>122 873</b>	<b>498 936</b>	<b>(376 063)</b>	<b>-75%</b>	<b>1 990 904</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	292 651	368 340	11 600	31 690	92 309	(60 619)	-88%	368 340
Executive and council		-	55 340	57 727	10 119	29 451	14 467	14 994	104%	57 727
Finance and administration		-	237 311	310 614	1 481	2 230	77 842	(75 613)	-87%	310 614
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	193 125	221 457	3 092	4 891	55 499	(50 608)	-81%	221 457
Community and social services		-	21 820	29 560	1 359	2 214	7 408	(5 194)	-70%	29 560
Sport and recreation		-	57 950	68 897	771	1 715	17 266	(15 551)	-80%	68 897
Public safety		-	7 700	16 965	69	69	4 001	(3 932)	-98%	16 965
Housing		-	104 755	105 220	31	31	26 369	(26 338)	-100%	105 220
Health		-	900	1 815	862	862	455	407	90%	1 815
<b>Economic and environmental services</b>		-	488 718	605 622	25 857	58 374	151 774	(101 400)	-67%	605 622
Planning and development		-	202 957	227 438	8 300	19 396	58 997	(37 602)	-66%	227 438
Road transport		-	281 335	372 540	17 184	30 536	93 362	(62 826)	-67%	372 540
Environmental protection		-	4 427	5 648	373	442	1 415	(972)	-89%	5 648
<b>Trading services</b>		-	688 248	706 515	16 294	35 580	177 058	(141 478)	-80%	706 515
Energy sources		-	128 450	142 345	2 814	3 872	35 673	(31 801)	-89%	142 345
Water management		-	198 451	202 823	6 836	13 834	50 829	(36 995)	-73%	202 823
Waste water management		-	283 394	283 394	6 132	17 362	71 021	(53 658)	-76%	283 394
Waste management		-	77 962	77 962	512	512	19 535	(19 024)	-97%	77 962
Other		-	79 400	88 970	295	338	22 288	(21 958)	-98%	88 970
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	-	<b>1 753 142</b>	<b>1 990 904</b>	<b>57 137</b>	<b>122 873</b>	<b>498 936</b>	<b>(376 063)</b>	<b>-75%</b>	<b>1 990 904</b>
<b>Funded by:</b>										
National Government		-	803 900	803 900	33 502	71 352	201 464	(130 111)	-65%	803 900
Provincial Government		-	-	9 036	-	-	2 285	(2 285)	-100%	9 036
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	<b>803 900</b>	<b>812 936</b>	<b>33 502</b>	<b>71 352</b>	<b>203 728</b>	<b>(132 376)</b>	<b>-65%</b>	<b>812 936</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-
Borrowing	<b>6</b>	-	69 000	69 000	-	-	17 282	(17 282)	-100%	69 000
Internally generated funds		-	880 242	1 108 968	23 635	51 521	277 916	(228 395)	-81%	1 108 968
<b>Total Capital Funding</b>		-	<b>1 753 142</b>	<b>1 990 904</b>	<b>57 137</b>	<b>122 873</b>	<b>498 936</b>	<b>(376 063)</b>	<b>-75%</b>	<b>1 990 904</b>

## 7.5 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R20 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments as per the statement of financial position.

**Table 8: C6: Monthly Budget Statement – Financial Position**

**BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03 September**

Description	Ref	2017/18	Budget Year 2018/19			
		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		24,591	80,713	80,155	332,346	80,155
Call investment deposits		1,665,511	2,461,881	1,563,129	1,217,110	1,563,129
Consumer debtors		558,848	915,237	937,997	1,015,466	937,997
Other debtors		886,552	118,870	880,000	695,810	880,000
Current portion of long-term receivables			17	19	-	19
Inventory		38,570	117,128	128,841	39,278	128,841
<b>Total current assets</b>		<b>3,174,072</b>	<b>3,693,847</b>	<b>3,590,140</b>	<b>3,300,010</b>	<b>3,590,140</b>
<b>Non current assets</b>						
Long-term receivables			73	80	-	80
Investments			-	-	-	-
Investment property		408,315	442,030	486,233	444,635	486,233
Investments in Associate		127,539	99,109	109,020	555,550	109,020
Property, plant and equipment		15,875,782	14,556,876	19,619,656	17,913,588	19,619,656
Agricultural				-	-	-
Biological				-	-	-
Intangible		7,073	60,628	12,029	17,656	12,029
Other non-current assets		72,145	90,944	100,038	74,720	100,038
<b>Total non current assets</b>		<b>16,490,855</b>	<b>15,249,660</b>	<b>20,327,055</b>	<b>19,006,149</b>	<b>20,327,055</b>
<b>TOTAL ASSETS</b>		<b>19,664,927</b>	<b>18,943,507</b>	<b>23,917,196</b>	<b>22,306,159</b>	<b>23,917,196</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft				-	-	-
Borrowing		47,642	49,274	59,667	48,119	59,667
Consumer deposits		57,321	65,401	71,941	61,242	71,941
Trade and other payables		1,079,482	1,039,209	1,060,015	1,053,365	1,060,015
Provisions		186,724	184,646	203,354	222,538	203,354
<b>Total current liabilities</b>		<b>1,371,169</b>	<b>1,338,530</b>	<b>1,394,977</b>	<b>1,385,264</b>	<b>1,394,977</b>
<b>Non current liabilities</b>						
Borrowing		398,126	422,603	355,516	341,101	355,516
Provisions		517,066	724,999	797,489	526,803	797,489
<b>Total non current liabilities</b>		<b>915,192</b>	<b>1,147,602</b>	<b>1,153,005</b>	<b>867,904</b>	<b>1,153,005</b>
<b>TOTAL LIABILITIES</b>		<b>2,286,361</b>	<b>2,486,132</b>	<b>2,547,982</b>	<b>2,253,168</b>	<b>2,547,982</b>
<b>NET ASSETS</b>	<b>2</b>	<b>17,378,567</b>	<b>16,457,375</b>	<b>21,369,213</b>	<b>20,052,991</b>	<b>21,369,213</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		10,405,662	13,056,327	17,628,061	11,002,630	17,628,061
Reserves		6,972,905	3,401,047	3,741,152	9,050,361	3,741,152
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>17,378,567</b>	<b>16,457,375</b>	<b>21,369,213</b>	<b>20,052,991</b>	<b>21,369,213</b>

## 7.6 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R64.53 million resulting in cash and cash equivalents closing balance of R1.55 billion as at 30 September 2018.

**Table 9: C7: Monthly Budget Statement – Cash Flow**

**BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September**

Description	Ref	Budget Year 2018/19									
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			1,315,314	1,315,314	(201,391)	296,042	328,829	(32,786)	-10%	1,315,314	
Service charges			2,934,363	2,913,160	172,571	542,238	733,591	(191,353)	-26%	2,934,363	
Other revenue			248,395	248,395	9,202	45,321	62,099	(16,778)	-27%	248,395	
Government- operating			1,471,673	1,492,316	6,146	512,826	367,918	144,908	39%	1,471,673	
Government- capital			803,900	812,936	-	226,041	200,975	25,066	12%	803,900	
Interest			182,768	182,768	16,429	40,939	45,692	(4,753)	-10%	182,768	
Dividends			-	-	-	-	-	-	-	-	
<b>Payments</b>											
Suppliers and employees			(5,152,832)	(5,152,271)	(180,848)	(1,562,985)	(1,288,208)	274,777	-21%	(5,152,832)	
Finance charges			(59,818)	(59,818)	(3,310)	(10,129)	(14,954)	(4,825)	32%	(59,818)	
Transfers and Grants			(60,526)	(60,526)	(189)	(23,046)	(15,132)	7,914	-52%	(60,526)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>	<b>1,683,238</b>	<b>1,692,274</b>	<b>(181,390)</b>	<b>67,247</b>	<b>420,810</b>	<b>353,563</b>	<b>84%</b>	<b>1,683,238</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors			-	-	-	-	-	-	-	-	
Decrease (Increase) other non-current receivables			-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	
<b>Payments</b>											
Capital assets			(1,753,142)	(1,990,904)	(57,137)	(122,873)	(438,285)	(315,412)	72%	(1,753,142)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>	<b>(1,753,142)</b>	<b>(1,990,904)</b>	<b>(57,137)</b>	<b>(122,873)</b>	<b>(438,285)</b>	<b>(315,412)</b>	<b>72%</b>	<b>(1,753,142)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-	-	-	
Borrowing long term/refinancing			69,000	69,000	-	-	-	-	-	69,000	
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	
<b>Payments</b>											
Repayment of borrowing			(59,667)	(59,667)	(8,907)	(8,907)	(14,917)	(6,010)	40%	(59,667)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>	<b>9,333</b>	<b>9,333</b>	<b>(8,907)</b>	<b>(8,907)</b>	<b>(14,917)</b>	<b>(6,010)</b>	<b>40%</b>	<b>9,333</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>			<b>-</b>	<b>(60,571)</b>	<b>(289,297)</b>	<b>(247,434)</b>	<b>(64,533)</b>	<b>(32,393)</b>			<b>(60,571)</b>
Cash/cash equivalents at beginning:			1,703,855	1,703,855		1,613,989	1,703,855				1,613,989
Cash/cash equivalents at month/year end:			-	1,643,284	1,414,558		1,549,456	1,671,462			1,553,418

## **PART 2: SUPPORTING** **DOCUMENTATION**

## 8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

### 8.1 Debtors

The debtor analysis below (table 10) provides an age analysis summary by revenue source and customer category for the total debtors.

**Table 10: SC3 Monthly Budget Statement Aged Debtors**

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2018/19										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.Lo 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				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	50 157	57 339	22 295	18 408	25 072	20 588	85 325	215 731	474 916	345 124			2 586
Trade and Other Receivables from Exchange Transactions - Electricity	1300	104 016	21 898	8 671	4 186	3 268	3 320	14 414	43 145	203 020	58 335			4 550
Receivables from Non-exchange Transactions - Property Rates	1400	111 667	47 845	88 058	15 817	14 878	7 637	43 654	184 279	533 836	276 268			4 483
Receivables from Exchange Transactions - Waste Water Management	1500	24 365	11 851	10 311	5 798	5 200	4 131	20 548	94 607	177 013	130 485			1 978
Receivables from Exchange Transactions - Waste Management	1600	19 809	10 331	7 627	6 335	6 082	5 311	26 976	143 463	225 933	188 166			1 800
Receivables from Exchange Transactions - Property Rental Debtors	1700							1	41	41	41			-
Interest on Arrear Debtor Accounts	1810	5 961	5 869	5 546	5 451	5 533	4 972	27 385	145 893	208 721	188 245			-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			-
Other	1900	13 130	8 765	8 205	6 114	7 079	3 010	30 378	159 224	235 906	205 805			273
<b>Total By Income Source</b>	<b>2000</b>	<b>329 105</b>	<b>164 098</b>	<b>160 715</b>	<b>62 111</b>	<b>67 112</b>	<b>48 969</b>	<b>228 692</b>	<b>996 584</b>	<b>2 057 386</b>	<b>1 403 468</b>	<b>-</b>	<b>-</b>	<b>15 671</b>
<b>2017/18 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	22 375	19 802	76 873	1 126	669	380	1 710	11 838	134 782	15 732			-
Commercial	2300	183 024	38 511	20 607	19 334	15 385	9 314	53 618	321 030	637 803	415 661			3 604
Households	2400	143 705	105 786	63 235	44 650	51 078	38 265	173 365	663 716	1 284 802	972 075			12 087
Other	2500									-	-			-
<b>Total By Customer Group</b>	<b>2800</b>	<b>329 105</b>	<b>164 098</b>	<b>160 715</b>	<b>62 111</b>	<b>67 112</b>	<b>48 969</b>	<b>228 692</b>	<b>996 584</b>	<b>2 057 386</b>	<b>1 403 468</b>	<b>-</b>	<b>-</b>	<b>15 671</b>

#### 8.1.1. Additional debtors' information

The arrears in respect of 30 days and more, which includes all charges excluding VAT, amounted to R1,728,281,158 as at 30 September 2018 which is a decrease of R336,469,810 over the amount of R2,064,750,968 as at 31 August 2018.

During the month, credit control action and debt collection action were implemented.

Please note that the debtor balance as indicated in the tables hereunder relates to arrears only (30 days and older) and excludes the September 2018 current account due by 15 October 2018.



## 8.2. Additional debtor's information.

### 8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 30 September 2018. It also provides comparison with the previous month (30 August 2018) which indicates a decrease from R2.064 billion to R1.72 billion.

**Table 11: Debtor's Age Analysis by Income Source Comparison**

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR SEPTEMBER 2018	TOTAL FOR AUGUST 2018
30 DAYS	49 668 743	12 921 563	22 377 218	62 704 152	11 109 057	5 317 481	164 098 213	617 002 458
60 DAYS	99 760 664	11 155 690	9 088 891	27 469 036	8 376 631	4 864 013	160 714 924	69 543 298
90 DAYS	17 505 211	6 673 425	4 581 336	22 739 267	7 092 392	3 518 952	62 110 583	71 173 786
120 DAYS TO 360 DAYS	84 939 417	38 345 486	26 669 379	154 405 007	47 954 969	33 290 443	385 604 700	366 090 349
YEAR 2	67 519 974	30 238 990	21 077 845	102 432 884	39 793 217	25 972 841	287 035 751	279 761 688
YEAR 3	46 204 570	21 721 589	9 396 837	56 726 724	28 793 215	18 631 376	181 474 312	178 507 379
YEAR 4	33 452 042	13 890 966	5 003 396	33 079 701	19 532 955	14 811 462	119 770 523	120 780 671
YEAR 5	21 551 209	12 195 561	2 923 223	23 735 037	17 342 431	16 778 044	94 525 505	91 987 161
YEAR 5+	62 676 736	36 492 374	7 229 026	60 591 003	58 928 061	47 029 444	272 946 645	269 904 178
<b>TOTAL</b>	<b>483 278 566</b>	<b>183 635 644</b>	<b>108 347 152</b>	<b>543 882 811</b>	<b>238 922 928</b>	<b>170 214 056</b>	<b>1 728 281 158</b>	<b>2 064 750 968</b>

### 8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 30 September 2018. It also reflects the percentage split per category with domestic consumers having the highest share followed by business. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
<b>Domestic</b>	78 239 136	41 880 510	27 077 940	801 077 233	948 274 818	54.87
<b>Indigent</b>	25 372 724	19 397 343	16 864 335	104 163 051	165 797 453	9.59
<b>Business</b>	31 966 962	14 935 410	12 623 592	188 076 966	247 602 931	14.33
<b>Government</b>	19 801 662	76 872 862	1 125 815	14 606 202	112 406 541	6.50
<b>Municipal Staff</b>	795 013	173 339	98 466	1 084 352	2 149 170	0.12
<b>Councillors</b>	29 042	8 079	2 694	28 234	68 048	0.00
<b>Other</b>	7 893 675	7 447 381	4 319 741	232 321 399	251 982 196	14.58
<b>Total</b>	<b>164 098 213</b>	<b>160 714 923</b>	<b>62 110 583</b>	<b>1 341 357 438</b>	<b>1 728 281 157</b>	<b>100.00</b>

Note\*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employ of the municipality in many instances there is services debt, and therefore the arrears will be liquidated over an acceptable period of time, in terms of the Credit Control Policy. The reason why the debt reflects in the 30/60/90 day columns relating to staff and councillors is due to the fact that when the stop orders are receipted the payment is allocated to the oldest ageing category, giving the impression that current is not being paid, which is not the case as an amount is being deducted for current accounts.

### 8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 September 2018 amounted to R112,406,542. This indicates a decrease of R376,441,524 when compared to the previous month, in the amount of R488,848,066 as at 31 August 2018. The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 30 September 2018.

The decrease relates to annual rates charges raised in July 2018 and due on 30 September 2018.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 30 September 2018 and comparison with the previous month.

**Table 13: Analysis of Government Debtors**

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 SEPTEMBER 2018	ARREARS AS AT 31 AUGUST 2018	DIFFERENCE
National Department Of Public Works	18 118 363	3 201 564	21 319 927	32 028 894	(10 708 967)
Provincial Department Of Public Works	62 856 267	2 738 724	65 594 992	440 067 731	(374 472 739)
Department Of Education	-	5 677 622	5 677 622	2 111 794	3 565 828
Department Of Health	-	7 307 881	7 307 881	4 137 847	3 170 034
Department Of Social Development	-	1 327 345	1 327 345	3 659	1 323 686
Department Of Transport	-	52 124	52 124	51 979	145
Department Of Agriculture	-	17 259	17 259	17 259	-
Department Of Nature Conservation	-	3 011	3 011	2 138	873
Department of Human Settlements	-	83 996	83 996	118 181	(34 185)
Sport, Recreation, Arts and Culture	-	76 367	76 367	638	75 729
Department of Labour - UIF Services	-	67 776	67 776	42 845	24 931
Members Of Provincial Legislature	-	81 729	81 729	36 888	44 842
Department of Water Affairs	-	-	-	-	-
Department of Cooperate Governance & Traditional Affairs	-	-	-	-	-
Department of Rural Development and Land Reform	-	641 123	641 123	105 152	535 971
Provincial RDP Houses	-	10 155 390	10 155 390	10 123 060	32 330
South African Social Security Agency	-	-	-	-	-
<b>TOTAL</b>	<b>80 974 630</b>	<b>31 431 911</b>	<b>112 406 542</b>	<b>488 848 066</b>	<b>(376 441 524)</b>

## 9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days.

**Table 14: SC4 Monthly Budget Statement Aged Creditors**

**BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September**

Description	NT Code	Budget Year 2013/14									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	123,080									123,080	
Bulk Water	0200	26,187									26,187	
PAYE deductions	0300	25,756									25,756	
VAT (output less input)	0400	-									-	
Pensions / Retirement deductions	0500	29,699									29,699	
Loan repayments	0600	19,511									19,511	
Trade Creditors	0700	230,588									230,588	
Auditor General	0800	1,453									1,453	
Other	0900	43,454									43,454	
<b>Total By Customer Type</b>	<b>1000</b>	<b>499,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>499,728</b>	<b>-</b>

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in September 2018.

**Table 15: Payments made to the 20 highest paid creditors – September 2018**

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				123,079,670.19	123,079,670.19	123,079,670.19
AMATOLA WATER				26,187,141.00	26,187,141.00	26,187,141.00
DOWN TOUCH INVESTMENTS (PTY) LTD				14,722,157.61	14,722,157.61	14,722,157.61
MANTELLA TRADING 522 CC				10,438,329.48	10,438,329.48	10,438,329.48
MIHLEKUTHI TRADING				8,169,609.85	8,169,609.85	8,169,609.85
MVEZO PLANT & CIVILS CC				5,581,886.89	5,581,886.89	5,581,886.89
KOJAMO CONSTRUCTION (PTY) LTD				5,328,392.60	5,328,392.60	5,328,392.60
SITA (PTY) LTD				4,941,846.42	4,941,846.42	4,941,846.42
GIBBS (PTY) LTD				3,778,918.58	3,778,918.58	3,778,918.58
EYA BANTU PROFESSIONAL SERVICES CC				3,760,014.34	3,760,014.34	3,760,014.34
RANDCIVILS				3,286,401.31	3,286,401.31	3,286,401.31
GOROGANG PLANT HIRE				2,448,987.94	2,448,987.94	2,448,987.94
M W P CONSTRUCTION				2,441,550.64	2,441,550.64	2,441,550.64
ARISTOPIX (PTY) LTD				2,198,361.16	2,198,361.16	2,198,361.16
INVESTOREX 28 (PTY) LTD T/A GS CIVILS				2,031,360.00	2,031,360.00	2,031,360.00
TSHUVANE SERVICES				2,027,808.87	2,027,808.87	2,027,808.87
BAY BREEZETRADING 390 CC				2,004,036.00	2,004,036.00	2,004,036.00
ABERDARE CABLES (PTY) LTD				1,797,779.57	1,797,779.57	1,797,779.57
MAKINWA MEDIA SOLUTIONS				1,700,315.41	1,700,315.41	1,700,315.41
AURECON SOUTH AFRICA (PTY) LTD				1,600,451.42	1,600,451.42	1,600,451.42
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,525,019.28</b>	<b>227,525,019.28</b>	<b>227,525,019.28</b>

## 10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 16 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

**Table 16: SC5 Monthly Budget Statement – investment portfolio**

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September**

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							
<b>R thousands</b>									
<b>Municipality</b>									
Land Affairs - West Bank		Call Account	Call Account	Call Account	284	3.7%	54,756	284	55,040
Finance Management Grant		Call Account	Call Account	Call Account	0	0.0%	10	0	10
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Call Account	57	0.7%	10,972	57	11,029
Workmans Compensation (COID)		Call Account	Call Account	Call Account	55	0.7%	10,587	55	10,642
Reeston Development		Call Account	Call Account	Call Account	1	0.0%	168	1	169
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Call Account	89	1.2%	17,224	89	17,313
Intergrated Electrification Programme (INEP)		Call Account	Call Account	Call Account	2	0.0%	331	2	333
Trust Funds		Call Account	Call Account	Call Account	6	0.1%	1,153	6	1,159
Vuna Awards		Call Account	Call Account	Call Account	6	0.1%	1,074	6	1,080
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	0	0.0%	48	0	48
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	1	0.0%	179	1	180
City of Leiden		Call Account	Call Account	Call Account	0	0.0%	79	0	80
Needscamp Planning		Call Account	Call Account	Call Account	5	0.1%	948	5	953
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Call Account	1	0.0%	287	1	288
Land Affairs - East Bank		Call Account	Call Account	Call Account	442	5.8%	85,330	442	85,772
Land Affairs West Bank		Call Account	Call Account	Call Account	265	3.5%	44,129	265	44,394
European Commission		Call Account	Call Account	Call Account	6	0.1%	1,126	6	1,132
Salaida		Call Account	Call Account	Call Account	8	0.1%	1,412	8	1,420
Electricity Demand Management Grant		Call Account	Call Account	Call Account	0	0.0%	38	0	38
ADM Funding		Call Account	Call Account	Call Account	9	0.1%	1,728	9	1,737
Urban Settlement Development Grant		Call Account	Call Account	Call Account	361	4.7%	82,326	(61,406)	30,920
Urban Settlement Development Grant		Call Account	Call Account	Call Account	305	4.0%	80,545	(58,695)	21,850

Urban Settlement Development Grant	Call Account	Call Account	Call Account	632	8.3%	144,484	(60,368)	84,116
Urban Settlement Development Grant	Call Account	Call Account	Call Account	478	6.2%	110,730	(49,522)	61,208
Infrastructure Skills Development Grant	Call Account	Call Account	Call Account	37	0.5%	7,232	37	7,269
Infrastructure Development Levy	Call Account	Call Account	Call Account	1	0.0%	160	1	161
Bomef	Call Account	Call Account	Call Account	3	0.0%	537	3	540
Expanded Public Works Programme	Call Account	Call Account	Call Account	5	0.1%	959	5	964
City of Oldenburg	Call Account	Call Account	Call Account	2	0.0%	426	2	428
Public Transport Network Grant	Call Account	Call Account	Call Account	327	4.3%	63,168	327	63,496
DEAT	Call Account	Call Account	Call Account	1	0.0%	210	1	212
Neighbourhood Development Grant (NDP Grant)	Call Account	Call Account	Call Account	13	0.2%	2,519	13	2,532
Capital Replacement Reserve ( CRR)	Call Account	Call Account	Call Account	93	1.2%	15,559	93	15,652
Mayoral Projects (CRR)	Call Account	Call Account	Call Account	7	0.1%	1,220	7	1,227
Own Funds	Call Account	Call Account	Call Account	61	0.8%	11,694	61	11,755
Own Funds	Call Account	Call Account	Call Account	268	3.5%	44,608	268	44,876
Own Funds	Call Account	Call Account	Call Account	244	3.2%	47,038	244	47,282
Own Funds	Call Account	Call Account	Call Account	239	3.1%	46,189	239	46,428
Own Funds	Call Account	Call Account	Call Account	364	4.8%	70,289	364	70,653
Own Funds	6 Months	Fixed Deposit	21/08/2018	202	2.6%	48,668	(48,668)	-
Own Funds	6 Months	Fixed Deposit	21/09/2018	200	2.6%	47,653	(47,653)	-
Own Funds	6 Months	Fixed Deposit	27/06/2018	307	4.0%	50,719	307	51,026
Own Funds	6 Months	Fixed Deposit	26/06/2018	316	4.1%	50,707	316	51,023
Own Funds - CRR	Call Account	Call Account	Call Account	644	8.4%	124,432	644	125,076
Own Funds - CRR	Call Account	Call Account	Call Account	189	2.5%	36,452	189	36,641
Own Funds - CRR	Call Account	Call Account	Call Account	169	2.2%	32,596	169	32,764
Own Funds - CRR	Call Account	Call Account	Call Account	117	1.5%	22,504	117	22,621
Own Funds - CRR	Call Account	Call Account	Call Account	131	1.7%	25,250	131	25,381
Own Funds (Depreciation)	Call Account	Call Account	Call Account	578	7.5%	111,618	578	112,196
Own Funds (Depreciation)	Call Account	Call Account	Call Account	79	1.0%	15,311	79	15,390
Own Funds (Depreciation)	Call Account	Call Account	Call Account	34	0.4%	6,542	34	6,576
Housing Development	Call Account	Call Account	Call Account	14	0.2%	2,769	14	2,783
<b>Municipality sub-total</b>				<b>7,660</b>		<b>1,546,694</b>	<b>(320,831)</b>	<b>1,225,864</b>

## 11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grants receipts per allocation or grant is provided in the table below. Further details on grants expenditure performance (inclusive of vat) is detailed in section 11.1 below.

**Table 17: SC6 Monthly Budget Statement – transfers and grants receipts**

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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>RECEIPTS:</b>	1,2										
<b>Operating Transfers and Grants</b>											
<b>National Government:</b>		-	1,399,602	-	1,150	502,631	502,631	-			1,399,602
Local Government Equitable Share			778,048		-	324,167	324,167	-			778,048
General Fuel Levy			513,844		-	171,261	171,261	-			513,844
Finance Management			1,150		1,150	1,150	1,150	-			1,150
EPWP Incentive			4,050		-	1,013	1,013	-			4,050
Urban Settlement Development Grant			77,810		-	-	-	-			77,810
Public Transport Network Grant			14,000		-	-	-	-			14,000
Infrastructure Skills Development Grant			10,700		-	5,000	5,000	-			10,700
Municipal Human Settlement Capacity Grant			-		-	-	-	-			-
Other transfers and grants [insert description]			-		-	-	-	-			-
<b>Provincial Government:</b>		-	72,071	-	4,996	10,195	18,016	(7,823)	-43.4%		72,071
Human Settlement Development Grant			56,201		4,996	10,195	14,050	(3,855)	-27.4%		56,201
DSRAC - Library Subsidy			15,870		-	-	3,968	(3,968)			15,870
Department of Public Works			-		-	-	-	-			-
Office of the Premier			-		-	-	-	-			-
DEDEA (BCMDA)			-		-	-	-	-			-
Other transfers/grants [insert description]			-		-	-	-	-			-
<b>District Municipality:</b>		-	-	-	-	-	-	-			-
[insert description]			-		-	-	-	-			-
<b>Other grant providers:</b>		-	-	-	-	-	-	-			-
SETA - Skills Development			-		-	-	-	-			-
Donor Funding - Leiden			-		-	-	-	-			-
Salakha / Gavle			-		-	-	-	-			-
City of Oldenburg			-		-	-	-	-			-
[insert description]			-		-	-	-	-			-
<b>Total Operating Transfers and Grants</b>	5	-	1,471,673	-	6,146	512,826	520,649	(7,823)	-1.5%		1,471,673
<b>Capital Transfers and Grants</b>											
<b>National Government:</b>		-	803,900	-	-	226,041	226,041	-			803,900
Urban Settlement Development Grant			685,182		-	190,748	190,748	-			685,182
Public Transport and Systems			81,165		-	23,791	23,791	-			81,165
Neighbourhood Development Partnership			13,250		-	2,500	2,500	-			13,250
Integrated National Electrification Programme			6,200		-	-	-	-			6,200
Electricity Demand Side Management			8,000		-	4,000	4,000	-			8,000
Integrated City Development Grant			10,003		-	5,002	5,002	-			10,003
Finance Management			-		-	-	-	-			-
Infrastructure Skills Development Grant			100		-	-	-	-			100
Other capital transfers [insert description]			-		-	-	-	-			-
<b>Provincial Government:</b>		-	-	-	-	-	-	-			-
Dept of Local Government and Traditional Affairs			-		-	-	-	-			-
Dept Sport, Recreation, Arts and Culture (DSRAC)			-		-	-	-	-			-
Department of Public Works			-		-	-	-	-			-
<b>District Municipality:</b>		-	-	-	-	-	-	-			-
[insert description]			-		-	-	-	-			-
<b>Other grant providers:</b>		-	-	-	-	-	-	-			-
Salakha / Gavle			-		-	-	-	-			-
Public Funding			-		-	-	-	-			-
<b>Total Capital Transfers and Grants</b>	5	-	803,900	-	-	226,041	226,041	-			803,900
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	2,275,573	-	6,146	738,867	746,690	(7,823)	-1.0%		2,275,573



### 11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 10% (R92.65 million, inclusive of reclaimed vat) of its 2018/2019 conditional grants budget of R911.61 million as at 30 September 2018. This reflects a decline when compared to the same period in the previous financial year where 13% (R114.64 million, inclusive of reclaimed of vat) of conditional grants budget of R882.77 million was spent. (Refer to Section 11 for further details).

Table 18 below reflects the year to date expenditure on 2018/19 total conditional grants.

**Table 18: Spending per Conditional Grant Funding Allocation**

<b>Funding/Grant</b>	<b>2018/19 Approved Budget</b>	<b>YTD Exp (vat) R</b>	<b>Variance (vat incl.) R</b>	<b>% Expenditure vs. Budget (vat incl.)</b>
Integrated National Electrification Programme Grant	6,200,000	0	6,200,000	0%
EEDSM ( Energy, Efficiency and Demand Side Management)	8,000,000	0	8,000,000	0%
Finance Management Grant	1,150,000	161,500	988,500	14%
Infrastructure Skills Development Grant	10,800,000	2,107,657	8,692,343	20%
Urban Settlement Development Grant	762,992,000	85,372,708	677,619,292	11%
Neighbourhood Development Partnership Grant	13,250,000	0	13,250,000	0%
Integrated City Development Grant	10,003,000	0	10,003,000	0%
Expanded Public Works Programme Grant	4,050,000	3,546,334	503,666	88%
Public Transport Infrastructure and Systems Grant	95,165,000	1,466,496	93,698,504	2%
<b>TOTAL</b>	<b>911,610,000</b>	<b>92,654,696</b>	<b>818,955,304</b>	<b>10%</b>

Comments on performance of programmes that are implemented by the above funding are detailed below.

**Details of the projects that are implemented by each grant are reflected in both Annexure D and E.**

### **11.1.1. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT**

#### **(INEP)**

Projects in line with change control request to Department of Energy

<b>AREA</b>	<b>CONNECTIONS</b>	<b>FUNDS</b>	<b>STAUTS</b>
Fynbos	350	R 5 425 000	Commenced 1 <sup>st</sup> week October 2018
Mdantsane NU 5	50	R 775 000	45%
<b>TOTAL</b>	<b>400</b>	<b>R 6 200 000</b>	

### **11.1.2. EXPANDED PUBLIC WORKS PROGRAMME GRANT**

The EPWP has recorded an above average expenditure due to the fact that departments have contributed to the EPWP Grant funding as stipulated in the EPWP Incentive Grant Funding Service Level Agreement. Own funding will also be used to counter fund the EPWP project for the duration of the current financial year.

### **11.1.3. ENERGY, EFFICIENCY AND DEMAND SIDE MANAGEMENT (EEDSM)**

The material needed for the implementation of the project has arrived and installation has commenced. Invoices have been submitted by the service provider and expenditure will reflect in mid-October 2018.

### **11.1.4. FINANCE MANAGEMENT GRANT (FMG)**

There are five (5) interns currently serving on the internship programme. The interns are being remunerated accordingly. Three (3) additional interns have been appointed and will start the internship programme on 01 November 2018. A recruitment process to advertise for one (1) intern position has already been started as the target for the current financial year is to have at least 9 interns.

### **11.1.5. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)**

Recruitment delays were experienced for 2 additional interns and one mentor at Property Valuation. Human Resource to accelerate recruitment in October 2018. However, the spending of the grant is progressing well.

## **11.1.6. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)**

### **SPATIAL PLANNING AND DEVELOPMENT**

#### **Bridge Designs & Implementation**

Nine sites have been identified. Works orders have been issued to Service Providers and work will commence shortly and expenditure will improve.

#### **Guardrails**

The tender for the project is at the Bid Evaluation Committee and is being packaged for bid adjudication committee.

#### **Sleeper Site Roads**

The tender for the project is at the Bid Adjudication Committee.

#### **Needs Camp / Potsdam Bridge**

Project is progressing well and as per the programme and the expenditure is as per cash flow.

#### **Bridge Designs & Implementation – Ward 8**

The site has been identified through the Feasibility Study. Works order has been issued and Service Provider has commenced with work and expenditure will improve.

#### **Bridge Designs & Implementation – Ward 14**

The site has been identified through the Feasibility Study. Works order has been issued and Service Provider has commenced.

#### **Guidance Signage**

Terms of Reference have been completed, anticipating to be on the next Bid Specification Committee sitting on 12 October 2018.

#### **Traffic Calming**

The contractor has commenced at Scenery Park, Ndancama, Mdantsane NU 14 and Elephant Road.

### **Traffic Signals**

The intersections to be signalised have been identified and the requisitions have been done.

### **Traffic Calming - Ward 16**

The sites have been identified and currently busy with the quotations so that orders can be generated.

### **Traffic Calming - Ward 10**

The contractor has completed the construction of speed humps and has commenced at Scenery Park, Ndancama, and Elephant Road.

### **Taxi Rank Infrastructure (Roads & Ablution Facilities)**

Service Provider is currently busy with Preliminary Reports for North End, Ebuhlanti, Ginsberg and Scenary Park.

### **Taxi /Bus Embayments**

Annual Contract is at Bid Adjudication Committee.

## **INFRASTRUCTURE SERVICES**

### **Roads & stormwater**

The annual contract 300 is currently at Bid Adjudication Committee stage, it is anticipated to be awarded by the end of October 2018 and Contract 301 for re-gravelling of gravel roads is at the Bid Evaluation stage, however the department is currently utilizing contract 13 which is a plant hire contract. Professional service providers have been appointed to undertake assessments and designs. The expenditure on roads, stormwater and bridges will increase rapidly as soon as all the above procurement processes have been concluded.

### **Water and Sanitation:**

The annual contracts are currently at Bid Evaluation stage, it is anticipated to be awarded by the end October 2018. Professional service providers are currently being appointed to undertake assessments and designs. Water expenditure is currently at 7% and most projects are at the bid evaluation stage.

### **MUNICIPAL SERVICES**

Construction of leachate treatment is progressing as per the cashflow projections and invoices for September 2018 will be processed in the month of October 2018.

#### **11.1.7. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)**

Currently, there is no contract in place for the implementation of Integrated City Development Grant, however contract 302 for rehabilitation and upgrading of roads was advertised on 01 June 2018 and closed on 06 July 2018. Contract 300 is at the Bid Adjudication Committee once the contract is awarded, that will improve the expenditure on roads, stormwater and bridges.

#### **11.1.8. PUBLIC TRANSPORT NETWORK GRANT**

##### **Qumza Highway**

Construction started on the 06 September 2018 and is busy with culvert excavations and stormwater pipes.

##### **Traffic Safety Master Plan**

The tender is currently in the Procurement phase as per the approved Procurement Plan.

##### **Operational & Business Plan**

The project is progressing as per the approved programme. Currently awaiting invoice from Service Provider.

### **Industry Transition Plan**

Tender specifications are currently being prepared for the appointment of a Service Provider to implement the project. Project is on track as per approved Procurement Plan.

### **Universal Access Development Plan**

The tender specifications are currently being prepared for the appointment of a Service Provider to implement the project. The project is on track as per approved Procurement Plan.

### **Public Transport Plan**

The tender specifications are currently being prepared for the appointment of a Service Provider to attend to the project. The project is on track as per approved Procurement Plan.

#### **11.1.9. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

Currently, there is no contract in place for the implementation of Neighborhood Development Partnership Grant, however contract 302 for rehabilitation and upgrading of roads was advertised on 01 June 2018 and closed on 06 July 2018. Contract 300 is at the Bid Adjudication Committee. Once the contract is awarded, that will improve the expenditure on roads, stormwater and bridges.

#### **11.1.10. HUMAN SETTLEMENTS**

The expenditure is low for the first quarter since some major projects expenditure started towards the end of the last financial year. The expenditure on the second quarter will improve on projects under construction especial those that has just started and continue from the last financial year.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 26%. This is within the norm of 25% - 40%.

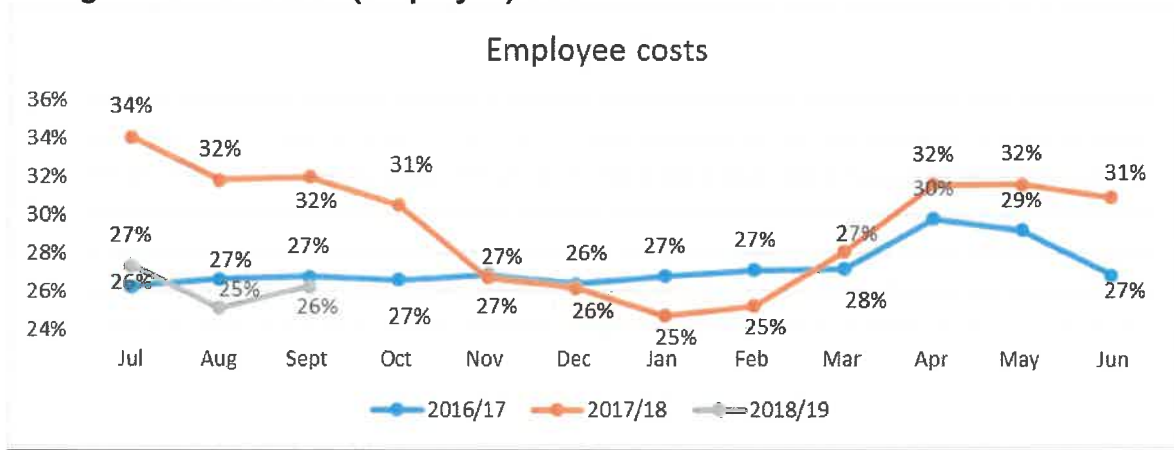
**Table 19: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits**

**BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September**

Summary of Employee and Councillor remuneration R thousands	Budget Year 2018/19							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	40,253	40,253	2,817	8,387	9,441	(1,044)	-11%	40,253
Pension and UIF Contributions	3,999	3,999	346	1,029	838	92	10%	3,999
Medical Aid Contributions	1,885	1,885	183	542	442	100	23%	1,885
Motor Vehicle Allowance								
Cellphone Allowance	2,624	2,624	346	1,243	615	627	102%	2,624
Housing Allowances	2,274	2,274	198	596	533	63	12%	2,274
Other benefits and allowances	13,150	13,150	1,144	3,423	3,084	338	11%	13,150
<b>Sub Total - Councillors</b>	<b>64,185</b>	<b>64,185</b>	<b>5,032</b>	<b>15,231</b>	<b>15,054</b>	<b>177</b>	<b>1%</b>	<b>64,185</b>
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	15,446	16,297	786	2,358	3,884	(1,527)	-39%	15,297
Pension and UIF Contributions	2,851	2,823	137	412	717	(305)	-43%	2,823
Medical Aid Contributions	284	281	21	60	71	(11)	-16%	281
Overtime								
Performance Bonus								
Motor Vehicle Allowance	3,311	3,277	173	507	832	(325)	-39%	3,277
Cellphone Allowance			23	77		77	0%	
Housing Allowances	520	516	192	580	131	449	343%	516
Other benefits and allowances	2,745	2,717	7	23	680	(687)	-97%	2,717
Payments in lieu of leave								
Long service awards								
Post-retirement benefit obligations								
<b>Sub Total - Senior Managers of Municipality</b>	<b>25,157</b>	<b>24,910</b>	<b>1,340</b>	<b>4,016</b>	<b>6,325</b>	<b>(2,309)</b>	<b>-36%</b>	<b>24,910</b>
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	1,167,270	1,153,950	108,975	288,949	293,014	(4,065)	-1%	1,153,950
Pension and UIF Contributions	221,985	219,719	22,066	59,331	55,792	3,540	6%	219,719
Medical Aid Contributions	104,778	103,713	7,487	21,941	26,335	(4,394)	-17%	103,713
Overtime	7,370	84,118	10,160	30,612	21,359	8,253	43%	84,118
Performance Bonus	97,741	96,741	10,963	23,592	24,565	(972)	-4%	96,741
Motor Vehicle Allowance	37,813	37,448	2,668	7,180	8,509	(2,349)	-25%	37,448
Cellphone Allowance	4,903	4,855	368	1,062	1,233	(171)	-14%	4,855
Housing Allowances	18,130	18,939	664	1,795	4,809	(3,014)	-63%	18,939
Other benefits and allowances	201,244	122,256	8,795	24,846	31,044	(6,399)	-21%	122,256
Payments in lieu of leave	20,475	20,267	16	44	5,148	(5,102)	-99%	20,267
Long service awards	23,922	23,672	2,332	6,131	6,011	120	2%	23,672
Post-retirement benefit obligations	7,604	7,601	3	8	1,930	(1,922)	-100%	7,601
<b>Sub Total - Other Municipal Staff</b>	<b>1,914,233</b>	<b>1,893,277</b>	<b>174,476</b>	<b>485,270</b>	<b>480,748</b>	<b>(5,478)</b>	<b>-3%</b>	<b>1,893,277</b>
<b>Total Parent Municipality</b>	<b>2,003,576</b>	<b>1,982,372</b>	<b>180,848</b>	<b>484,517</b>	<b>502,125</b>	<b>(17,608)</b>	<b>-4%</b>	<b>1,982,372</b>
<b>Board Members of Entities</b>								
Board Fees	850	850						850
<b>Sub Total - Board Members of Entities</b>	<b>850</b>	<b>850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>850</b>
<b>Senior Managers of Entities</b>								
Basic Salaries and Wages	5,764	5,764	481	1,442	1,464	(22)	-1%	5,764
Pension and UIF Contributions	577	577	48	143	147	(3)	-2%	577
Medical Aid Contributions								
Overtime								
Performance Bonus	378	378			98	(98)	-100%	378
Motor Vehicle Allowance								
Cellphone Allowance								
Housing Allowances								
Other benefits and allowances	61	61			15	(15)	-100%	61
Payments in lieu of leave	172	172			44	(44)	-100%	172
Long service awards								
Post-retirement benefit obligations								
<b>Sub Total - Senior Managers of Entities</b>	<b>6,951</b>	<b>6,951</b>	<b>528</b>	<b>1,585</b>	<b>1,765</b>	<b>(180)</b>	<b>-10%</b>	<b>6,951</b>
<b>Other Staff of Entities</b>								
Basic Salaries and Wages	12,926	12,926	600	1,802	3,282	(1,480)	-45%	12,926
Pension and UIF Contributions	847	847	62	187	215	(28)	-13%	847
Medical Aid Contributions								
Overtime								
Performance Bonus	518	518			132	(132)	-100%	518
Motor Vehicle Allowance	60	60	10	30	15	15	97%	60
Cellphone Allowance								
Housing Allowances								
Other benefits and allowances	99	99			25	(25)	-100%	99
Payments in lieu of leave	266	266			68	(68)	-100%	266
Long service awards								
Post-retirement benefit obligations								
<b>Sub Total - Other Staff of Entities</b>	<b>14,717</b>	<b>14,717</b>	<b>673</b>	<b>2,019</b>	<b>3,737</b>	<b>(1,717)</b>	<b>-46%</b>	<b>14,717</b>
<b>Total Municipal Entities</b>	<b>22,518</b>	<b>22,518</b>	<b>1,201</b>	<b>3,605</b>	<b>5,502</b>	<b>(1,897)</b>	<b>-34%</b>	<b>22,518</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>2,026,094</b>	<b>2,004,890</b>	<b>182,049</b>	<b>488,122</b>	<b>507,627</b>	<b>(19,505)</b>	<b>-4%</b>	<b>2,004,890</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>1,981,059</b>	<b>1,939,855</b>	<b>177,017</b>	<b>472,891</b>	<b>492,573</b>	<b>(19,682)</b>	<b>-4%</b>	<b>1,939,855</b>

The graph below shows the workforce costs as a percentage of total expenditure for the current financial year and the two previous financial years.

**Figure 4: Workforce (Employee) Costs**



## 12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 September 2018. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 September 2018.

**Table 20: Overtime per Directorate**

Directorate Overtime	2018/2019 Annual Budget R	2018/2019 YTD Expenditure R	2018/2019 YTD Variance R	2018/2019 % of YTD Budget
Directorate Of Executive Support Services	1,719,220	905,268	813,952	53%
Directorate Of The City Manager	603,240	327,728	275,512	54%
Directorate Of Corporate Services	531,768	188,236	343,532	35%
Directorate Of Development & Spatial Planning	779,665	56,699	722,966	7%
Directorate Of Economic Development & Agencies	586,261	60,956	525,305	10%
Directorate Of Finance	2,110,426	638,908	1,471,518	30%
Directorate Of Health / Public Safety & Emergency Services	30,863,991	8,612,941	22,251,050	28%
Directorate Of Human Settlement	127,471	7,944	119,527	6%
Directorate Of Infrastructure Services	21,433,979	9,277,442	12,156,537	43%
Electricity	9,680,766	3,238,739	6,442,027	33%
Water	6,196,268	3,172,663	3,023,605	51%
Sanitation	4,192,032	2,600,886	1,591,146	62%
Other	1,364,913	265,155	1,099,758	19%
Directorate Of Municipal Services	25,360,396	10,535,843	14,824,553	42%
<b>Total</b>	<b>84,116,417</b>	<b>30,611,965</b>	<b>53,504,452</b>	<b>36%</b>



**Table 21: Overtime Per Cost Centre: July 2018 – September 2018**

**OVERTIME PER COST CENTRE**

		July 2018 Amount	August 2018 Amount	September 2018 Amount
<b>Directorate -Executive Support Services</b>				
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	249 223.38	250 979.36	297 126.25
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	24 789.60	2 065.59	1 078.39
0523	IDP & BUDGET INTEGRATION	9 953.33	0	4 671.94
0531	POLITICAL OFFICE ADMINISTRATION	1 510.96	0	2 755.43
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	0	1 522.42	106.57
0541	SPORTS SERVICES & SPECIAL PROGRAMMES	8 453.28	4 322.70	0
0542	SPECIAL PROGRAMMES	20 754.42	9 137.70	0
		<b>314 684.97</b>	<b>268 027.77</b>	<b>305 738.58</b>
<b>DIRECTORATE OF THE CITY MANAGER</b>				
1005	OFFICE OF THE CITY MANAGER	69 562.94	75 549.46	75 125.80
1015	INFORMATION / TECHNOLOGY & SUPPORT	29 071.40	32 183.59	26 739.73
1041	GOVERNANCE & INTERNAL AUDITING	4 216.68	0	0
		<b>102 851.02</b>	<b>107 733.05</b>	<b>101 865.53</b>
<b>DIRECTORATE OF CORPORATE SERVICES</b>				
1505	OFFICE OF THE DIRECTOR CORPORATE SERVICES	0	(138.56)	(138.56)
1512	ADMINISTRATIVE & CORPORATE SUPPORT	16 570.07	3 400.82	19 160.30
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	28 984.83	55 886.32	43 176.96
1531	HUMAN RESOURCES MANAGEMENT	0	12 120.87	10 198.33
1532	ADMINISTRATIVE SUPPORT	7 787.64	0	10 662.18
1536	ORGANISATIONAL DEVELOPMENT	273.73	(500.00)	(500.00)
		<b>53 616.27</b>	<b>70 769.45</b>	<b>82 559.21</b>
<b>DIRECTORATE OF DEVELOPMENT &amp; SPATIAL PLANNING</b>				
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	6 538.57	4 458.42	4 371.81
2037	TRAFFIC MANAGEMENT & SAFETY	0	23 716.11	6 208.83
		<b>6 538.57</b>	<b>28 174.53</b>	<b>10 580.64</b>
<b>DIRECTORATE OF ECONOMIC DEVELOPMENT &amp; AGENCIES</b>				
2505	OFFICE OF THE DIRECTOR ECONOMIC DEVELOPMENT	4 445.95	0	0

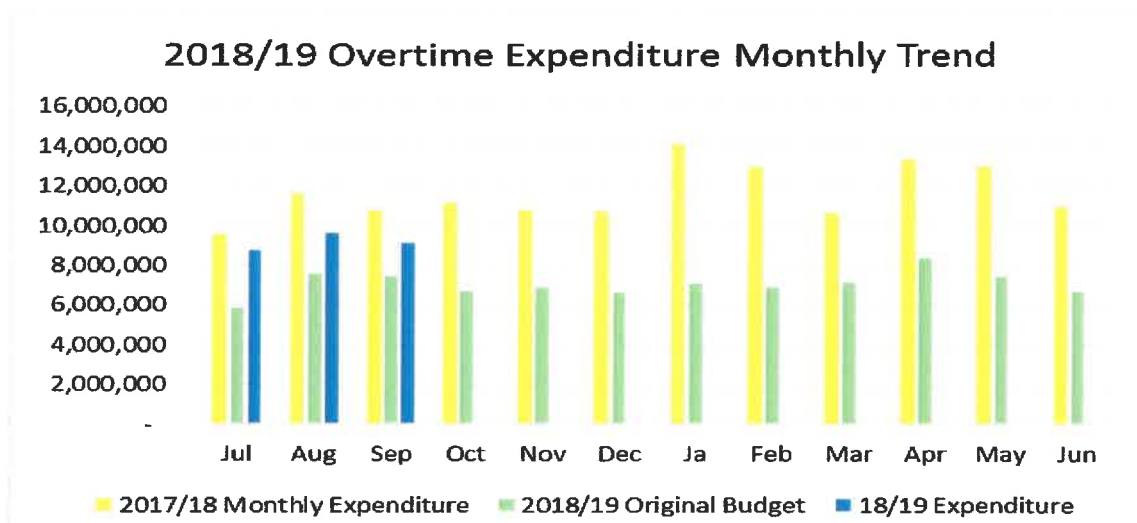
		July 2018 Amount	August 2018 Amount	September 2018 Amount
2511	FRESH PRODUCE MARKET	8 719.14	3 868.82	9 546.68
2521	TOURISM / ARTS / CULTURE & HERITAGE	0	12 872.86	17 558.22
		<b>13 165.09</b>	<b>16 741.68</b>	<b>27 104.90</b>
	<b>DIRECTORATE OF FINANCE</b>			
3005	OFFICE OF THE DIRECTOR FINANCE	0	1 410.00	98.70
3031	EXPENDITURE & PAYMENTS MANAGEMENT	0	0	8 861.55
3033	PAYROLL & BENEFITS	1 849.68	2 660.99	186.27
3034	VAT / LEASES & PAYMENTS	38 210.27	44 122.20	2 994.39
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	2 895.75	3 363.75	4 116.30
3053	COASTAL REVENUE MANAGEMENT	1 972.92	6 077.37	6 650.43
3054	CUSTOMER RELATIONS (CALL CENTRE)	118 853.69	120 379.36	135 319.91
3055	INLAND REVENUE MANAGEMENT	0	(176.43)	(176.43)
3056	MIDLAND REVENUE MANAGEMENT	2 709.84	2 923.45	3 770.36
3061	STRATEGY & OPERATIONS	1 287.00	0	0
3071	SUPPLY CHAIN MANAGEMENT	98 459.85	-4 416.34	4 419.52
		<b>266 239.00</b>	<b>176 344.35</b>	<b>166 241.00</b>
	<b>DIRECTORATE OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>			
3512	DISASTER MANAGEMENT	9 135.42	1 609.86	3 017.40
3513	FIRE & RESCUE	464 592.99	316 797.90	466 148.02
3521	MUNICIPAL HEALTH SERVICES	0	18 751.68	5 055.09
3532	LAW ENFORCEMENT SERVICES	1 166 852.75	1 705 292.75	1 207 606.10
3533	TRAFFIC SERVICES	528 282.15	678 116.08	475 628.46
		<b>2 168 863.31</b>	<b>2 720 568.27</b>	<b>2 157 455.07</b>
	<b>DIRECTORATE OF HUMAN SETTLEMENT</b>			
4005	OFFICE OF THE DIRECTOR OF HUMAN SETTLEMENT	3 727.50	0	0
		<b>3 727.50</b>	<b>0</b>	<b>0</b>
	<b>DIRECTORATE OF INFRASTRUCTURE SERVICES</b>			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	4 025.75	2 888.82	2 871.73
4511	ELECTRICAL & ENERGY SERVICES	2 202.51	2 209.70	154.68
4512	CUSTOMER SERVICES & REVENUE PROTECTION	78 637.01	88 101.45	90 551.90
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	3 992.57	638.40	44.69
4514	ELECTRICAL DISTRIBUTION	644 773.37	1 166 595.92	971 466.58

		July 2018 Amount	August 2018 Amount	September 2018 Amount
4521	ROADS / PIU & CONSTRUCTION	0	1 200.60	0
4522	CONSTRUCTION	712.71	0	0
4524	ROADS	19 652.03	10 360.25	17,957.43
4532	SANITATION	633 165.99	707 092.38	984,996.55
4535	WATER SERVICES	745 193.82	1 134 724.83	1 034 911.73
4542	FLEET SERVICES & PLANT	2 904.63	0	0
4543	WORKSHOPS	57 866.37	65 997.23	56 548.43
		<b>2 193 126.76</b>	<b>3 179 809.58</b>	<b>3 159 503.72</b>
	<b>DIRECTORATE OF MUNICIPAL SERVICES</b>			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	10 101.06	4 957.26	2 537.80
5011	COMMUNITY AMENITIES	21 920.77	21 185.41	21 791.22
5013	LIBRARIES	11 796.37	14 221.07	11 707.19
5014	HALLS	204 897.46	193 749.38	223 847.10
5015	RECREATION	315 637.93	252 888.16	271 053.10
5016	SPORTS FACILITIES	218 637.31	82 366.76	90 403.03
5022	CEMETRIES & CREMATORIA	326 895.84	316 604.99	498 385.82
5023	CONSERVATION	132 488.63	124 445.03	133 520.28
5024	PARKS: COASTAL	768 338.95	311 438.12	172 472.73
5031	SOLID WASTE MANAGEMENT	24 508.42	33 227.56	25 425.22
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 469 881.07	1 573 290.80	1 536 193.55
5035	LANDFILLS & TRANSFER STATIONS	140 081.49	149 312.89	143 716.06
		<b>3 645 185.30</b>	<b>3 077 687.43</b>	<b>3 131 053.10</b>
	<b>TOTAL OVERTIME</b>	<b>8 767 997.79</b>	<b>9 645 856.11</b>	<b>9 142 101.75</b>

The total overtime payment for the months of July 2018, August 2018 and September 2018 is reflected above. There was a increase in the total payment of overtime between July 2018 and August 2018 of R877 859 and a decrease in the total payment of overtime between August 2018 and September 2018 of R503 755.

The graph below shows the overtime expenditure monthly trend for the current financial year.

**Figure 5: Overtime Expenditure Monthly Trend**



**12.2.1. Comments On Overtime**

**a) Directorate of Executive Support**

IDP/PMS staff worked overtime during the 1st quarter consolidating 2017/18 Annual Performance Report, providing secretarial support during By-Laws workshop, consolidation of annual performances for section 56 managers/ HODs. Communications Department worked overtime for SALGA National Communicators Forum from 26th - 28th September 2018. Overtime incurred for Mayoral duties.

Overtime in the office of the City Manager is also based on emergency work for the support of the network, applications, IT Environment and server room. This cannot be avoided as these are crucial services in support of the IT environment.

**b) Directorate of Finance**

Overtime was worked by the office of the Acting CFO to assist supply chain Management in the preparation of the Annual report. This overtime was incorrectly

allocated in the office of the ACFO instead of supply chain management department. Therefore a journal will be processed in order to transfer the expenditure to their vote.

**c) Directorate of Corporate Services**

Overtime is worked for payroll ammendments such as, allowances, new appointments, additional responsibility allowance backpay, and July to August 2018 salary increments.

**d) Directorate of Infrastructure Services**

Electricity – Overtime due to emegency raids to eradicate ilegal connections and vandalism and theft contribute to a large percentage of overtime

Water and Sanitation - Expenditure is due to the standby duties/ emergency callouts for repairs on water and sanitation infrastructure

Other - Workshops' overtime is mainly caused by call outs by departments for either mechanical breakdown, tyre punctures , vehicles getting stuck & accidents.

**e) Directorate of Municipal Services**

Overtime is linked to hall usage, most bookings occur after hours or over weekends which results in overtime. Measures have been put in place to reduce overtime by the Directorate.

The Department is trying its level best to stick to the 40 hour overtime as required. Measures to reduce overtime have been put in place eg. No overtime is worked on Sundays and also where necessary the numbers of employees working overtime have been reduced on most of the sections/ areas.

**f) Human Settlements**

Overtime is used as contingency and emergency fund, spent when personnel are compelled to work odd hours because of demand for service delivery. Expenditure is incurred as the need for such services arises and should increase as the year progresses.

### **12.3. Standby and Shift Allowance Analysis**

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 September 2018. There was an increase in the total payment between July 2018 and August 2018 of R 474 008 and a a further increase in the total payment between August 2018 and September 2018 of R172 654.

**Table 22: Standby & Shift Allowance per Directorate**

<b>DIRECTORATE</b>	<b>JULY 2018</b>	<b>AUGUST 2018</b>	<b>SEPT 2018</b>
Directorate of Executive Support Services	6 184	4 031	6 103
Directorate of the City Manager	44 329	64 172	61 460
Directorate of Corporate Services	328	879	2 040
Directorate of Development & Spatial Planning	4 076	11 940	18 491
Directorate Economic Development & Agencies	1 076	1 230	1 398
Directorate of Finance	9 029	9 855	10 686
Directorate of Health/Public Safety & Emergency Services	437 898	586 679	604 859
Directorate of Human Settlement	0	0	0
Directorate of Infrastructure Services	396 704	629 733	755 670
Directorate of Municipal Services	242 480	307 591	328 057
<b>TOTAL</b>	<b>1 142 103</b>	<b>1 616 111</b>	<b>1 788 765</b>

### **12.4. Cost of Temporary Staff**

The total payment of Temporary Staff for the months of July 2018, August 2018 and September 2018 is reflected below. There was an increase in the total payment between July 2018 and August 2018 of R584 726 and an increase in the total payment between August 2018 and September 2018 of R59 827.

**Table 23: Temporary Staff per Directorate**

<b>DIRECTORATE</b>	<b>JULY 2018</b>	<b>AUGUST 2018</b>	<b>SEPT 2018</b>
Directorate of Executive Support Services	506 021	499 962	594 717
Directorate of the City Manager	426 661	303 553	354 273
Directorate of Corporate Services	1 333 461	1 314 045	1 290 117
Directorate of Development & Spatial Planning	210 807	226 711	236 562
Directorate Economic Development & Agencies	35 889	31 732	39 327
Directorate of Finance	711 752	1 265 052	795 282
Directorate of Health/Public Safety & Emergency Services	198 029	217 640	234 819
Directorate of Human Settlement	239 595	216 405	263 498
Directorate of Infrastructure Services	296 963	277 704	342 609
Directorate of Municipal Services	1 780 377	1 971 477	2 232 905
<b>TOTAL</b>	<b>5 739 555</b>	<b>6 324 281</b>	<b>6 384 108</b>

**12.5. Councillors Costs**

The table below shows the budget and expenditure to date for councillors' costs. The year to date expenditure of R15.23 million less Annual Budget of R 65 million leaves a variance of R 33.43 million.

**Table 24: Councillors Costs****Councillors Allowances and Benefits**

<b>Councillors Allowances And Benefits</b>	<b>2018/2019 Annual Budget R</b>	<b>2018/2019 YTD Expenditure R</b>	<b>2018/2019 Variance R</b>	<b>2018/2019 Variance %</b>
Councillors Allowances	43,727,130	9,639,988	34,087,142	22%
Housing Allowance	2,274,000	596,166	(69,800)	26%
Medical Aid Allowance	1,884,903	542,405	(106,104)	29%
Pension Allowance	3,998,763	1,029,445	(103,845)	26%
Travel Allowance	13,150,247	3,422,623	(378,717)	26%
<b>Total</b>	<b>65,035,043</b>	<b>15,230,627</b>	<b>33,428,675</b>	<b>23%</b>

### 13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R3.427 million (7.72%) of its 2018/2019 approved operating budget of R44.35 million.

**Table 25: Monthly Budget Statement – summary of municipal entity**

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M03 September

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>Revenue By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	789	-	62	111	131	(21)	-16%	789
Agency services		-	990	-	-	-	165	(165)	-100%	990
Transfers and subsidies		-	32,033	-	-	14,924	16,016	(1,093)	-7%	32,033
Other revenue		-	10,544	-	5	5	1,757	(1,752)	-100%	10,544
<b>Total Operating Revenue</b>	<b>1</b>	<b>-</b>	<b>44,355</b>	<b>-</b>	<b>67</b>	<b>15,039</b>	<b>18,070</b>	<b>(3,031)</b>	<b>-17%</b>	<b>44,355</b>
<b>Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		-	21,727	-	1,201	2,404	3,621	(1,217)	-34%	21,727
Remuneration of Directors		-	850	-	84	84	142	(58)	-41%	850
Depreciation & asset impairment		-	1,412	-	74	147	235	(88)	-37%	1,412
Finance charges		-	10	-	0	0	2	(2)	-100%	10
Other expenditure		-	20,356	-	501	793	3,393	(2,600)	-77%	20,356
<b>Total Operating Expenditure</b>	<b>2</b>	<b>-</b>	<b>44,355</b>	<b>-</b>	<b>1,859</b>	<b>3,427</b>	<b>7,393</b>	<b>(3,965)</b>	<b>-54%</b>	<b>44,355</b>
<b>Surplus/ (Deficit) for the yrperiod</b>		<b>-</b>	<b>(0)</b>	<b>-</b>	<b>(1,793)</b>	<b>11,612</b>	<b>10,678</b>	<b>(6,996)</b>	<b>-66%</b>	<b>(0)</b>
<b>Capital Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	27,292	-	-	-	4,549	(4,549)	-100%	4,549
<b>Total Capital Expenditure</b>	<b>3</b>	<b>-</b>	<b>27,292</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,549</b>	<b>(4,549)</b>	<b>-100%</b>	<b>4,549</b>

A detailed analysis of the entity's performance for month ended 30 September 2018 is outlined in the attached **Annexure F**.

### 14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 7% (R133.10 million, inclusive of reclaimed vat) of its 2018/19 adjusted capital budget of R1.99 billion as at 30 September 2018. This reflects an a decline when compared to the same period in the previous financial year where 8% (R136.23 million, inclusive of reclaimed vat) of the adjusted budget of R1.71 billion was spent.

Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).



A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

Table 26 below reflects capital expenditure performance per source of funding.

**Table 26: Capital Expenditure per Funding Source against Budget**

2018/2019 CAPITAL BUDGET PER FUNDING SOURCE	2018/2019 ROLLOVER ADJUSTMENT BUDGET	2018/2019 YTD EXPENDITURE INCLD. VAT	2018/2019 VARIANCE INCLD. VAT	2018/2019 EXPENDITURE INCLD. VAT %
Own Funds	877,950,000	49,610,443	828,339,557	6%
Own Funds - CO	228,726,022	635,147	228,090,875	0%
Loan	69,000,000	0	69,000,000	0%
<b>TOTAL OWN FUNDS</b>	<b>1,175,676,022</b>	<b>50,245,590</b>	<b>1,125,430,432</b>	<b>4%</b>
Urban Settlements Grant	685,182,240	81,392,275	603,789,965	12%
Public Transport Network Grant	81,165,000	1,466,496	79,698,504	2%
Intergrated City Development Grant	10,003,000	0	10,003,000	0%
Infrastructure Skills Development Grant	100,000	0	100,000	0%
Neighbourhood Development Partnership Grant	13,250,000	0	13,250,000	0%
Energy Efficiency and Demand Side Management	8,000,000	0	8,000,000	0%
Integrated National Electrification Grant	6,200,000	0	6,200,000	0%
Local Governmental and traditional Affairs	9,036,112	0	9,036,112	0%
<b>TOTAL GRANTS</b>	<b>812,936,352</b>	<b>82,858,771</b>	<b>730,077,581</b>	<b>10%</b>
<b>TOTAL - FUNDING SOURCES</b>	<b>1,988,612,374</b>	<b>133,104,362</b>	<b>1,855,508,012</b>	<b>7%</b>
BCMDA Projects	2,291,750	0	2,291,750	0%
<b>TOTAL CONSOLIDATED CAPITAL - FUNDING SOURCES</b>	<b>1,990,904,124</b>	<b>133,104,362</b>	<b>1,857,799,762</b>	<b>7%</b>

Table 27 below reflects capital expenditure performance per service

**Table 27: Actual Expenditure per Service against Budget**

2018/2019 CAPITAL BUDGET PER SERVICE	2018/2019 ROLLOVER ADJUSTMENT BUDGET	2018/2019 YTD EXPENDITURE INCLD. VAT	2018/2019 VARIANCE INCLD. VAT	2018/2019 EXPENDITURE INCLD. VAT %
Amenities	97,542,927	3,759,836	93,783,091	4%
Electricity	141,345,421	3,757,044	137,588,377	3%
Housing	104,254,640	30,851	104,223,789	0%
LED	92,535,322	305,015	92,230,308	0%
Other	18,000,000	280,746	17,719,254	2%
Public Safety	33,897,065	1,974,687	31,922,378	6%
Roads	354,572,365	33,836,525	320,735,840	10%
Spatial Planning	89,183,654	1,298,773	87,884,881	1%
Support Services	286,910,118	30,863,410	256,046,708	11%
Transport Planning	204,201,112	21,217,156	182,983,956	10%
Waste Management	79,952,360	511,691	79,440,669	1%
Waste Water	288,512,859	19,705,012	268,807,847	7%
Water	197,704,531	15,563,616	182,140,915	8%
<b>TOTAL - PER SERVICE</b>	<b>1,988,612,374</b>	<b>133,104,362</b>	<b>1,855,508,012</b>	<b>7%</b>
BCMDA Projects	2,291,750	0	2,291,750	0%
<b>TOTAL CONSOLIDATED CAPITAL - PER SERVICE</b>	<b>1,990,904,124</b>	<b>133,104,362</b>	<b>1,857,799,762</b>	<b>7%</b>

Table 28 below reflects capital expenditure performance per directorate.

**Table 28: Actual Expenditure per Directorate against Budget**

2018/2019 CAPITAL BUDGET PER DIRECTORATE	2018/2019 ROLLOVER ADJUSTMENT BUDGET	2018/2019 YTD EXPENDITURE INCLD. VAT	2018/2019 VARIANCE INCLD. VAT	2018/2019 EXPENDITURE INCLD. VAT %
1. Executive Support Services	5,886,795	679,505	5,207,290	12%
2. City Manager's Office	55,040,000	28,781,294	26,258,706	52%
3. Corporate Services	3,781,438	9,500	3,771,938	0%
4. Spatial Planning & Development	294,910,424	22,515,930	272,394,494	8%
5. Economic Development & Agencies	93,035,322	338,012	92,697,311	0%
6. Finance Services	205,865,666	181,967	205,683,699	0%
7. Health/Public Safety & Emergency Services	35,312,335	2,184,629	33,127,706	6%
8. Human Settlements	105,149,931	30,851	105,119,080	0%
9. Infrastructure Services	1,001,135,176	73,278,723	927,856,453	7%
10. Municipal Services	178,495,287	4,271,527	174,223,760	2%
<b>Total Directorates</b>	<b>1,978,612,374</b>	<b>132,271,937</b>	<b>1,846,340,437</b>	<b>7%</b>
Asset Replacement	10,000,000	832,424	9,167,576	8%
<b>Total Budget Per Directorate</b>	<b>1,988,612,374</b>	<b>133,104,362</b>	<b>1,855,508,012</b>	<b>7%</b>
BCMDA Projects	2,291,750	0	2,291,750	0%
<b>TOTAL CONSOLIDATED CAPITAL - PER DIRECTORATE</b>	<b>1,990,904,124</b>	<b>133,104,362</b>	<b>1,857,799,762</b>	<b>7%</b>

The capital programme performance by month is tabulated in table 29 below (inclusive of Vat).

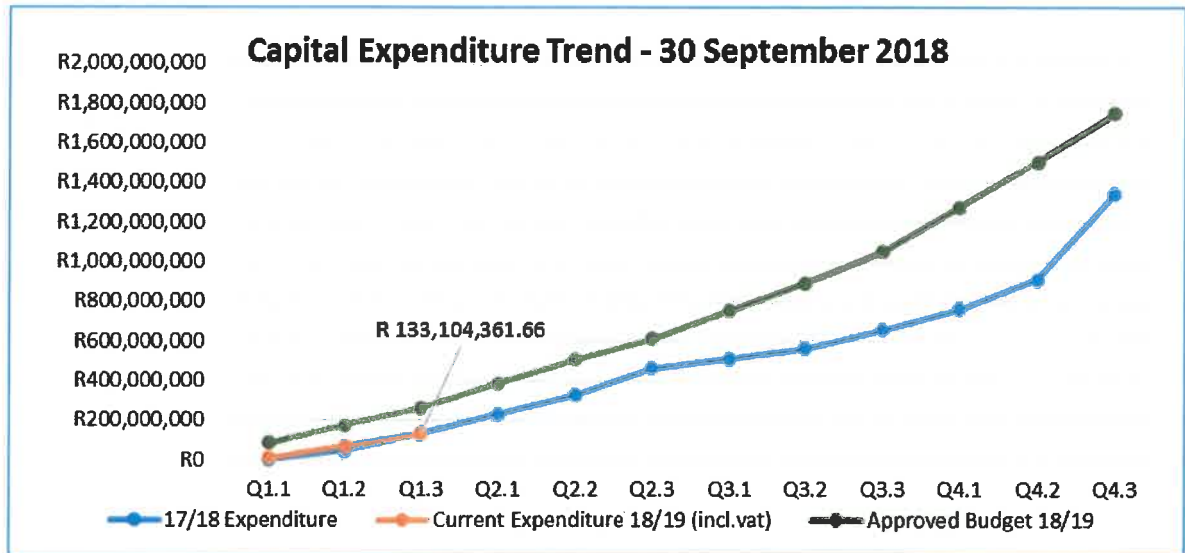
**Table 29: SC12 Monthly Budget Statement – capital expenditure trend**

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July		131,677	923	10,979	10,979	923	(10,056)	-1089.6%	1%
August		131,677	166,312	54,757	65,736	167,235	101,499	60.7%	4%
September		131,677	166,312	57,137	122,873	333,547	210,674	63.2%	7%
October		131,677	166,312	-		499,859	-		
November		131,677	166,312	-		666,171	-		
December		131,677	166,312	-		832,483	-		
January		131,677	166,312	-		998,795	-		
February		131,677	166,312	-		1,165,107	-		
March		131,677	166,312	-		1,331,419	-		
April		131,677	166,312	-		1,497,731	-		
May		131,677	166,312	-		1,664,043	-		
June		304,692	326,931	-		1,990,974	-		
<b>Total Capital expenditure</b>	<b>-</b>	<b>1,753,142</b>	<b>1,999,974</b>	<b>122,873</b>					

The graph below shows the capital expenditure trend inclusive of reclaimed vat for the current financial year and the previous financial year.

**Figure 6: Capital Expenditure Trend**



## 15. OTHER SUPPORTING DOCUMENTS

### 15.1. Operating Projects Expenditure

The Metro has spent 8% (R26.11 million, inclusive of reclaimed vat) of its 2018/19 adjusted operating projects budget of R333.73 million as at 30 September 2018. This reflects a decline when compared to the same period in the previous financial year where 9% (R27.85 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R300.91 million was spent.

It is expected that the expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded.

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**.

Tables 30 and 30 below summarise Annexure D.

**Table 30: Operating Projects per Directorate**

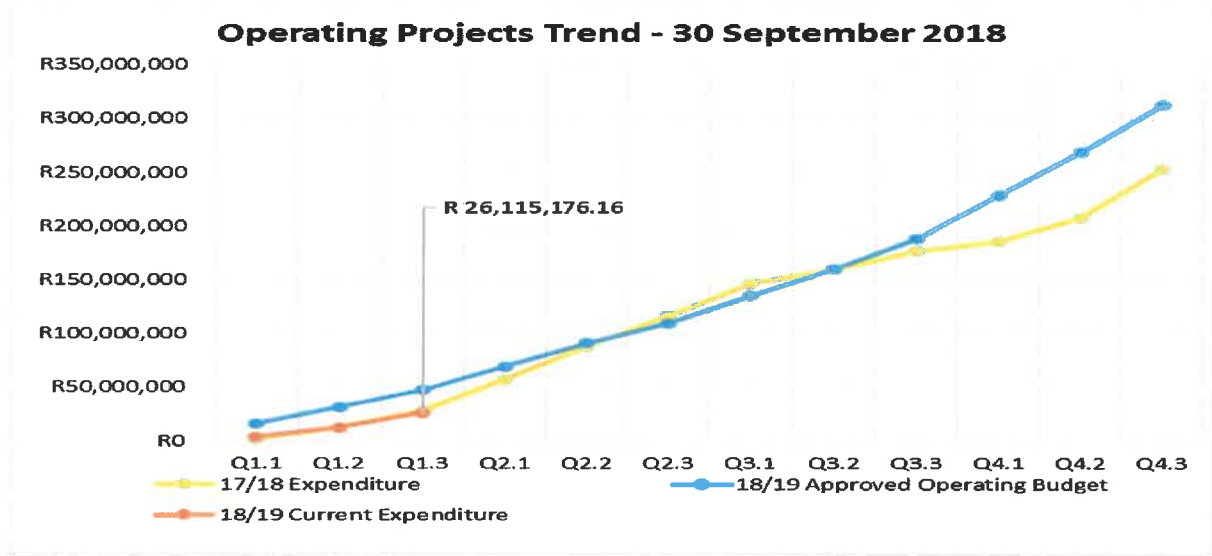
Directorate	2018/19 1ST ADJUSTMENT BUDGET	2018/2019 YTD EXP. INCLD. VAT	2018/2019 VARIANCE INCLD. VAT	2018/2019 EXP. INCLD. VAT %
1. Executive Support Services	44,173,011	1,005,817	43,167,194	2%
2. Municipal Manager's Office	37,559,760	8,645,686	28,914,074	23%
3. Human Settlements	76,568,064	3,677,191	72,890,873	5%
4. Directorate of Financial Services	26,430,933	2,394,872	24,036,061	9%
5. Directorate of Corporate Services	21,710,375	3,760,375	17,950,000	17%
6. Directorate of Infrastructure Services	61,000,000	999,154	60,000,846	2%
7. Development and Spatial Planning	15,900,000	587,197	15,312,803	4%
8. Directorate of Economic Development	34,310,000	3,153,530	31,156,470	9%
9. Directorate of Health & Public Safety	1,179,300	91,405	1,087,895	8%
10. Directorate of Municipal Services	14,900,000	1,799,949	13,100,051	12%
<b>TOTAL PER DIRECTORATE</b>	<b>333,731,443</b>	<b>26,115,176</b>	<b>307,616,267</b>	<b>8%</b>

**Table 31: Operating Projects Per Funding Source**

Funding	2018/19 1ST ADJUSTMENT BUDGET	2018/2019 YTD EXP. INCLD. VAT	2018/2019 VARIANCE INCLD. VAT	2018/2019 EXP. INCLD. VAT %
Own Funds	149,177,518	12,642,060	136,535,458	8%
<b>Total Own Funding</b>	<b>149,177,518</b>	<b>12,642,060</b>	<b>136,535,458</b>	<b>8%</b>
Expanded Public Works Programme Incentives Grant	4,050,000	3,546,334	503,666	88%
Finance Management Grant	1,150,000	161,500	988,500	14%
Human Settlement Development Grant	56,201,024	0	56,201,024	0%
Human Settlement Development Grant c/o	19,797,040	3,677,191	16,119,849	19%
Infrastructure Skills Development Grant	10,700,000	2,107,658	8,592,342	20%
Public Transport Infrastructure Grant	14,000,000	0	14,000,000	0%
Salaida (Galve)	846,101	0	846,101	0%
Urban Settlement Development Grant	77,809,760	3,980,433	73,829,327	5%
<b>TOTAL GRANTS</b>	<b>184,553,925</b>	<b>13,473,116</b>	<b>171,080,809</b>	<b>7%</b>
<b>TOTAL PER FUNDING</b>	<b>333,731,443</b>	<b>26,115,176</b>	<b>307,616,267</b>	<b>8%</b>

The graph below shows the operating projects expenditure trend for the current financial year and the previous financial year.

**Figure 7: Operating Projects Expenditure Trend**



**15.2. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES**

**15.2.1. Health / Public Safety & Emergency Services**

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

**Table 32: Health / Public Safety & Emergency Services – Cost Analysis**

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
<b>OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>	<b>0</b>	<b>1,018,198</b>	<b>28,496</b>	<b>0</b>	<b>1,046,694</b>
<b>GM - EMERGENCY SERVICES</b>	<b>(29,922,593)</b>	<b>21,590,652</b>	<b>2,463,726</b>	<b>270,640</b>	<b>24,325,018</b>
EMERGENCY SERVICES	0	641,360	15,333	0	656,693
DISASTER MANAGEMENT	0	740,554	135,853	18,080	894,487
FIRE & RESCUE	(29,922,593)	20,208,738	2,312,540	252,560	22,773,837
<b>GM - MUNICIPAL HEALTH SERVICES</b>	<b>0</b>	<b>8,184,683</b>	<b>429,741</b>	<b>16,863</b>	<b>8,631,286</b>
MUNICIPAL HEALTH SERVICES: COASTAL REGION	0	8,184,683	429,741	16,863	8,631,286
<b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>	<b>(11,282,503)</b>	<b>59,610,173</b>	<b>2,456,538</b>	<b>256,056</b>	<b>62,322,766</b>
PUBLIC SAFETY & PROTECTION SERVICES	(72,900)	514,928	306,065	164,815	985,808
LAW ENFORCEMENT SERVICES	(1,833)	34,360,773	850,001	71,176	35,281,949
TRAFFIC SERVICES	(11,207,771)	24,734,471	1,300,472	20,066	26,055,008
<b>Total</b>	<b>(41,205,097)</b>	<b>90,403,705</b>	<b>5,378,500</b>	<b>543,559</b>	<b>96,325,764</b>

### 15.2.2. Municipal Services

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

**Table 33: Municipal Services – Cost Analysis**

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
<b>OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES</b>	<b>0</b>	<b>2,090,333</b>	<b>86,888</b>	<b>8,916</b>	<b>2,186,138</b>
<b>GM - COMMUNITY AMENITIES</b>	<b>(653,995)</b>	<b>31,453,247</b>	<b>2,355,201</b>	<b>2,757,820</b>	<b>36,566,267</b>
COMMUNITY AMENITIES	0	3,376,348	88,651	164,977	3,629,976
LIBRARIES	(40,422)	6,546,405	250,907	34,242	6,831,554
HALLS	(343,679)	5,395,107	706,851	149,094	6,251,052
RECREATION	(223,509)	9,932,508	695,226	679,942	11,307,676
SPORTS FACILITIES	(46,384)	6,202,879	613,566	1,729,564	8,546,010
<b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>	<b>(2,154,975)</b>	<b>38,202,733</b>	<b>5,145,330</b>	<b>1,967,174</b>	<b>45,315,238</b>
PARKS / CEMETRIES & CONSERVATION	0	737,574	12,397	0	749,971
CEMETRIES & CREMATORIA	(1,951,145)	6,783,199	2,332,330	866,762	9,982,291
CONSERVATION	(177,053)	4,638,676	218,835	184,606	5,042,116
PARKS: COASTAL	(26,778)	26,043,284	2,581,769	915,806	29,540,859
<b>GM - SOLID WASTE MANAGEMENT</b>	<b>(118,296,902)</b>	<b>44,038,989</b>	<b>34,459,625</b>	<b>2,330,191</b>	<b>80,828,804</b>
SOLID WASTE MANAGEMENT	0	3,583,961	2,424,737	2,188,452	8,197,150
CLEANSING & REFUSE REMOVAL: COASTAL	(117,629,289)	36,718,047	24,581,616	141,739	61,441,402
LANDFILLS & TRANSFER STATIONS	(667,612)	3,736,981	7,453,272	0	11,190,253
<b>Total</b>	<b>(121,105,872)</b>	<b>115,785,302</b>	<b>42,047,044</b>	<b>7,064,101</b>	<b>164,896,447</b>



**16.MUNICIPAL MANAGER’S QUALITY CERTIFICATION**

**QUALITY CERTIFICATE**

I, ANDILE SIHLAHLA Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **September 2018** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print name: Andile Sihlahla**

**City Manager of Buffalo City Metropolitan Municipality**

**Signature: .....**

**Date: .....**

## **ANNEXURES:**

### **Annexure A**

- C1 Monthly Budget Statement - Summary
- C2 Monthly Budget Statement - Financial Performance (Std Classification)
- C3 Monthly Budget Statement - Financial Performance (By Municipal Vote)
- C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure)
- C5 Monthly Budget Statement - Capital Expenditure (Municipal Vote, Std Classification and Funding)
- C6 Monthly Budget Statement - Financial Position
- C7 Monthly Budget Statement - Cash Flow

### **Annexure B**

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
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- SC11 Monthly Budget Statement – Summary of Municipal Entity
- SC12 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
- SC13b Capital Expenditure on Renewal of Existing Assets by Class
- SC13c Expenditure on Repairs and Maintenance by Asset Class
- SC13d Depreciation by Asset Class

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Buffalo City Metropolitan Development Agency Performance Report