

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

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BCMDA-FMR-005-19

Mr A Sihlahla
City Manager
Buffalo City Metropolitan Municipality
East London
5201

Dear Mr Sihlahla

BCMDA MONTHLY PERFORMANCE REPORT – JANUARY 2019

Buffalo City Metropolitan Development Agency hereby submits the monthly report as required by section 87 of the MFMA. Attached is the Financial Performance report for the month of January 2019.

Kind Regards

A handwritten signature in black ink, appearing to read "V. Ntsodo", is written over a horizontal line.

MS V NTSODO
ACTING CHIEF EXECUTIVE OFFICER
DATE: 11 FEBRUARY 2019

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BCMDA-FMR-006-19

QUALITY CERTIFICATE

I, B Nelana, Chief Executive Officer of Buffalo City Metropolitan Development Agency, hereby certify that

The monthly budget statement

Mid-year budget and performance assessment

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

Print Name: Ms. V Ntsodo

Acting Chief Executive Officer of Buffalo City Metropolitan Development Agency.

Signature 

Date 11/02/2019



Ref: BCMDA-SUB-008-19

Enquires: S Mgudlwa

Tel: 043 101 0172

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JANUARY 2019

1. PURPOSE

The purpose of this report is to present to the City Manager the monthly budget statement of the Buffalo City Metropolitan Development Agency (BCMDA) for the period ended 31 January 2019

2. AUTHORITY

Buffalo City Metropolitan Municipality.

3. LEGISLATIVE FRAMEWORK

- Municipal Finance Management Act, 56 of 2003, section 88
- Municipal Systems Amendment Act, 44 of 2003
- Municipal Budget and Reporting Regulations, 2009
- Companies Act, 71 of 2008

4. BACKGROUND

- 4.1.** In terms of section 87 (11) of the MFMA, the Accounting Officer of a municipal entity must by no later than seven working days after the end of each month submit to the Accounting Officer of the parent municipality, the entity's budget monthly statements in a prescribed format as stipulated on the MFMA.
- 4.2.** This report therefore follows the legislative reporting requirements as outlined in the Municipal Budget and Reporting Regulations.

EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING JANUARY 2019

4.3. Dashboard/Performance Summary

BCMDA hereby presents its 2018/19 budget and performance assessment report to the City Manager for year to date. Below is the high-level summary of the performance of the agency.

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	30 153 169	Cash and Bank Balance	61 683
Expenditure	14 582 993	Call investments	12 446 378
Operating Surplus	15 570 176	Cash and cash equivalents	12 508 061
Capital Expenditure	1 438 190	Account Payables	(619 533)
Surplus after capital expenditure	14 131 986	Unspent conditional grants	(0)
FINANCIAL		HUMAN RESOURCES	
Operating surplus for the period	14 131 986	Total Staff Compliment (excluding interns)	18
YTD Grants and subsidies	29 847 218	Staff Appointments	0
% Creditors paid within term	100%	Staff Terminations	0
Current ratio	9.13:1	Number of funded vacant posts	1
		Salary bill – Officials	8 299 864
		Workforce costs as a % of expenditure (incl. capex)	52 %

4.4. Liquidity position

BCMDA's liquidity is 9.13:1 for the month ending 31 January 2019, which indicates that the Agency's current assets are sufficient to cover its current liabilities (debts) which are short-term debts. Its current assets comprise mainly of cash and cash equivalents of which the major source of cash is from the parent municipality.

4.5. Expenditure on allocations received

BCMDA has an approved budget of R72 million (R44 million for operational expenditure and R27 million for capital expenditure) and the operational grant has been received in full with the remainder of capital grant as it will be disbursed on a claim basis. The DEA waste management project has not yet commenced as the business plan has not been approved by the funder hence its related expenditure has not been expended on resulting in a huge variance between the budgeted funds and the expenditure incurred. The approved budget has the following revenue elements:

- BCMM Operational Grant of R 34.3 million
- BCMM Capital Grant of R 25 million
- Agency services revenue of R 990 000.00
- Interest received of R 788 992.16
- Other income (conditional grants and tender fees etc.) of R 10.5 million.

Out of the R 29 8 million (VAT exclusive) received to date from the parent municipality, BCMDA has incurred an expenditure of R 16 million YTD (excluding VAT payable to SARS of R 4 million) R 2.0 million was incurred in the current month. The breakdown of the R 2.0 million is as follows:

- Employee related Costs R 1 235 086
- Board Fees R 98 571
- Depreciation R 113 310
- Other general expenditure R 460 703
- Capital expenditure R 133 842

In relation to the funds received, the expenditure at this point of the financial year is expected to be at 58 % and that has been achieved as the percentage expenditure to date on the allocation is 59 % including payments made to SARS. The grant from the municipality has been received in full and will be spent on by the end of the financial year, except the capital grant which is on claim basis. The capital grant has been

adjusted to R12 million in the adjustments budget with the City committing to top up the capital grant allocation of R50 million in 2019/20 by the R13 million anticipated to remain in the current financial year.

4.6. Cash and cash equivalents

BCDMA's cash and cash equivalents balance at 31 January 2019 is R 12 508 061, which is made up of cash and bank account amounting to R 61 683, call investment balance of R 12 446 378. These funds are all banked with First National Bank.

4.7. Outstanding Creditors

The Agency's creditors are made up of a BCMM debt and overpayment on tender document fees received. All trade creditors were all settled by month end.

5. IN YEAR BUDGET STATEMENT MAIN TABLES

5.1. Monthly Budget Statement Summary

The table below is a high-level summary of BCMDA's financial performance, capital expenditure, financial position and cash flow.

Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M07 January

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	145	789	-	46	276	460	(0)	-40%	789
Transfers recognised - operational	21 724	32 033	-	-	29 847	32 033	(2)	-7%	32 033
Other own revenue	153	11 534	-	4	30	6 728	(7)	-100%	11 534
Total Revenue (excluding capital transfers and contributions)	22 022	44 355	-	51	30 153	39 221	(9 068)	(0)	44 355
Employee costs	14 481	21 727	-	1 235	8 300	12 674	(4 374)	(0)	21 727
Remuneration of Board Members	900	850	-	99	379	496	(117)	(0)	850
Depreciation and asset impairment	799	1 412	-	113	644	824	(180)	(0)	1 412
Finance charges	5	10	-	-	0	6	(6)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	461	5 260	11 874	(6 614)	(0)	20 356
Total Expenditure	24 347	44 355	-	1 908	14 583	25 874	(11 291)	(0)	44 355
Surplus/(Deficit)	(2 325)	(0)	-	(1 857)	15 570	13 347	2 223	0	(0)
Transfers recognised - capital	-	27 292	-	134	1 438	15 920	(14 482)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 325)	27 292	-	(1 723)	17 008	29 267	(12 259)	(0)	(0)
Taxation	(558)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 767)	27 292	-	(1 723)	17 008	29 267	(12 259)	(0)	(0)
Capital expenditure & funds sources									
Capital expenditure	351	27 291	-	134	1 438	15 920	(14 482)	(0)	2 291
Transfers recognised - capital	-	27 292	-	134	1 438	15 920	(14 482)	(0)	27 292
Public contributions & donations	-	-	-	#REF!	-	-	-	-	-
Borrowing	-	-	-	#REF!	-	-	-	-	-
Internally generated funds	-	-	-	#REF!	-	-	-	-	-
Total sources of capital funds	-	27 292	-	#REF!	1 438	15 920	(14 482)	(0)	27 292
Financial position									
Total current assets	709	1 187	-	-	13 090	-	-	-	1 187
Total non current assets	2 194	2 370	-	-	2 366	-	-	-	2 370
Total current liabilities	3 465	1 965	-	-	929	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(562)	1 592	-	-	14 528	-	-	-	1 592
Cash flows									
Net cash from (used) operating	(2 630)	27 921	-	12 514	14 558	30 589	(16 032)	(0)	17 701
Net cash from (used) investing	(351)	(27 292)	-	(180)	(1 660)	(15 920)	14 260	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(56)	(390)	(367)	(23)	0	(629)
Cash/cash equivalents at the year end	(2 614)	367	367	12 298	12 508	14 302	(1 794)	(0)	(9 854)

5.2. 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: F2: Monthly Budget Statement – Financial Performance (Standard Classification)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	145	789	-	46	276	460	(184)	-40.0%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	578	(578)	-100.0%	990
Transfers and subsidies	21 724	32 033	-	-	29 847	32 033	(2 185)	-6.8%	32 033
Other revenue	153	10 544	-	4	30	6 150	(6 121)	-99.5%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	22 022	44 355	-	51	30 153	39 221	(9 068)	-23.1%	44 355
Expenditure By Type									
Employee related costs	14 481	21 727	-	1 235	8 300	12 674	(4 374)	-34.5%	21 727
Remuneration of Directors	900	850	-	99	379	496	(117)	-23.5%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	789	1 412	-	113	644	824	(180)	-21.9%	1 412
Finance charges	5	10	-	-	0	6	(6)	-99.9%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	461	5 260	11 874	(6 614)	-55.7%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	24 347	44 355	-	1 908	14 583	25 874	(11 291)	-43.6%	44 355
Surplus/(Deficit)	(2 325)	(0)	-	(1 857)	15 570	13 347	2 223	16.7%	(0)
Transfers and subsidies - capital (monetary allocations)	-	(0)	-	(1 857)	15 570	13 347	2 223	16.7%	(0)
(National / Provincial and District)	-	27 292	-	134	1 438	15 920	(14 482)	-91.0%	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all))	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(2 325)	27 292	-	(1 723)	17 008	29 267	(12 259)	-41.9%	(0)
Taxation	(558)	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 767)	27 292	-	(1 723)	17 008	29 267	(12 259)	-41.9%	(0)

5.2.1. Revenue by Source

Out of a total operational revenue budget of R 44 million, BCMDA heavily relies on operational grant of R34.3 million from BCMM. R29.8 million (Excluding VAT) of this has been realised.

Other revenue sources are:

- The interest received is related to investment of surplus funds and always maintaining a positive bank balance on the primary bank account. Interest received to date is R 276 339.

5.2.2. Expenditure by Type

- The expenditure on employee related costs is currently at 38 % in relation to the year to date budget. These costs are below the expected year to date figure. The reason for this variance is that 2 funded vacancies have not been filled (1 intern and 1 Manager) three of which have subsequently been filled now in February 2019 and DEA wages that have not yet been expended on. The adjustments budget is awaiting Council approval wherein a downward adjustment has been effected for staff salaries. The agency is currently in talks with DEA on the way forward to ensure approval of the business plan.
- The year to date other expenditure on the schedules relate to operational costs for running daily activities of the agency.
- There is no expenditure for Greenest Municipality Competition (GMC) grant for the month under review as the unspent fund were transferred back to the funder. The agency is still awaiting retention fees in relation to the GMC project.
- The board expenditure has picked up and a downward adjustment has been effected after costing the remaining meetings in the current financial year.

5.3. Monthly Budget Statement – Financial Position

The table below is an overview of the financial position of the agency.

Table 4: F4: Monthly Budget Statement – Financial Position

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M07 January

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	344	155	-	62	155
Call investment deposits	23	1 032	-	12 446	1 032
Consumer debtors	-	-	-	45	-
Other debtors	309	-	-	505	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	33	-	-	33	-
Total current assets	709	1 187		13 090	1 187
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	351	341	-	330	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	1 221	2 029	-	2 037	2 029
Other non-current assets	622	-	-	-	-
Total non current assets	2 194	2 370		2 366	2 370
TOTAL ASSETS	2 903	3 557		15 457	3 557
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	183	629
Consumer deposits	-	-	-	-	-
Trade and other payables	2 086	-	-	115	-
Provisions	1 378	1 335	-	631	1 335
Total current liabilities	3 465	1 965		929	1 965
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities					
TOTAL LIABILITIES	3 465	1 965		929	1 965
NET ASSETS	(562)	1 592		14 528	1 592
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(562)	1 592	-	14 528	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(562)	1 592		14 528	1 592

5.3.1. Assets

- The Agency cash and investment is made up of the primary bank account balance, money market account balance and petty cash on hand.
- Consumer debtors related to the deposit due to the entity for office accommodation.
- Other debtors related to GMC retention and VAT receivable from SARS upon submission.
- There were additions for the month under review for the anti-virus and procurement of computer equipment.

5.3.2. Liabilities

- Trade and Other payables relate to BCMM debt, leave provision, overpayment on tender document fees received and borrowings related to leased equipment.
- Engagements are in progress with the City to write of the debt due of R116 000 emanating from the 2015/16 financial year.

5.4. Monthly Budget Statement – Cash Flows

The table below is an overview of the cash flow of the agency

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M07 January

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	153	11 534	-	4	167	6 728	(6 561)	-97.5%	11 534
Government - operating	21 724	34 324	-	17 162	34 324	34 324	-	-	34 324
Government - capital	-	25 000	-	-	-	14 583	(14 583)	-100.0%	25 000
Interest	145	789	-	46	270	460	(191)	-41.4%	3 235
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(24 647)	(43 716)	-	(4 696)	(20 203)	(25 501)	5 298	-20.8%	(56 382)
Finance charges	(5)	(10)	-	-	-	(6)	6	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(2 630)	27 921	-	12 514	14 558	30 589	(26 639)	-87.1%	17 701
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(351)	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(27 292)	-	(160)	(1 660)	(15 920)	14 260	-89.6%	(27 292)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(351)	(27 292)	-	(160)	(1 660)	(15 920)	(14 260)	89.6%	(27 292)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(629)	-	(56)	(390)	(367)	(23)	6.1%	(629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(629)	-	(56)	(390)	(367)	23	-6.1%	(629)
NET INCREASE/ (DECREASE) IN CASH HELD	(2 981)	0	-	12 298	12 508	14 302	(1 794)	-12.5%	(10 221)
Cash/cash equivalents at the year begin:	367	367	367	12 298	12 508	14 302	(1 794)	-12.5%	367
Cash/cash equivalents at the year end:	(2 614)	367	367	12 298	12 508	14 302	(1 794)	-12.5%	(9 854)

Cash inflow for the month of January 2019 amounted to R 17.2 million relating to the LGSETA mandatory grant, BCMM operational grant and interest received on positive bank balances. The cash outflow amounted to R 4.9 million. Kindly refer to attached supporting schedule.

5.5. Aged debtors

The table below is an overview of aged debtors of the agency.

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M07 January

Detail	NT Code	Current Year 2018/19								Total	Bad Debts	>90 days
		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			
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1100	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1200	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1300	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1400	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1600	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1700	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1810	-	-	-	-	-	-	-	-	-	-	-
Other	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	505	-	-	-	-	-	55	45	-	-	-
Total By Income Source	2000	505	-	-	-	-	-	55	45	-	-	-
Debtors Age Analysis By Customer Group												
Organs of State	2100	-	-	-	-	-	-	-	-	-	-	-
Commercial	2200	-	-	-	-	-	-	55	45	100	-	-
Households	2300	-	-	-	-	-	-	-	-	-	-	-
Other	2400	-	-	-	-	-	-	-	-	-	-	-
Other	2500	505	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	505	-	-	-	-	-	55	45	604	-	-

The debtors are made up of property deposit, VAT receivable from SARS and the project management fees outstanding from the GCM project.

6.6 Aged creditors

The table below is an overview of aged creditors of the agency

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M07 January

Detail	NT Code	Current Year 2018/19								Total
		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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	115
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	-	-	-	-	0	-	-	-	115

The agency's creditors are made up of a BCMM debt and a refund due in relation to an overpayment.

6. BCMDA Challenges

- 6.1.** Growing needs of the Agency warranting additional financial resources.
- 6.2.** Non-approval of the DEA project business plan which can lead to loss of operational revenue.
- 6.3.** Office space as the staff complement has increased coupled by the lease agreement is coming to an end in April 2019 and the fact that the agency is not in a good financial position to procure a building for its operations.

7. RECOMMENDATION

- 7.1.** It is recommended that the City Manager considers and notes the report and the challenges highlighted above.



MS V NTSODO

ACTING CHIEF EXECUTIVE OFFICER

DATE: 11 FEBRUARY 2019

Attachments: Annexure A - F Schedule
Annexure B - Cash flow report

ANNEXURE A

Municipal In-year reports & supporting tables

mSCOA Version 6.2

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Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M07 January

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	145	789	-	46	276	460	(0)	-40%	789
Transfers recognised - operational	21 724	32 033	-	-	29 847	32 033	(2)	-7%	32 033
Other own revenue	153	11 534	-	4	30	6 728	(7)	-100%	11 534
Total Revenue (excluding capital transfers and contributions)	22 022	44 355	-	51	30 153	39 221	(9 068)	(0)	44 355
Employee costs	14 481	21 727	-	1 235	8 300	12 674	(4 374)	(0)	21 727
Remuneration of Board Members	900	850	-	99	379	496	(117)	(0)	850
Depreciation and asset impairment	799	1 412	-	113	644	824	(180)	(0)	1 412
Finance charges	5	10	-	-	0	6	(6)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	461	5 260	11 874	(6 614)	(0)	20 356
Total Expenditure	24 347	44 355	-	1 908	14 583	25 874	(11 291)	(0)	44 355
Surplus/(Deficit)	(2 325)	(0)	-	(1 857)	15 570	13 347	2 223	0	(0)
Transfers recognised - capital	-	27 292	-	134	1 438	15 920	(14 482)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 325)	27 292	-	(1 723)	17 008	29 267	(12 259)	(0)	(0)
Taxation	(558)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 767)	27 292	-	(1 723)	17 008	29 267	(12 259)	(0)	(0)
Capital expenditure & funds sources									
Capital expenditure	351	27 291	-	134	1 438	15 920	(14 482)	(0)	2 291
Transfers recognised - capital	-	27 292	-	134	1 438	15 920	(14 482)	(0)	27 292
Public contributions & donations	-	-	-	#REF!	-	-	-	-	-
Borrowing	-	-	-	#REF!	-	-	-	-	-
Internally generated funds	-	-	-	#REF!	-	-	-	-	-
Total sources of capital funds	-	27 292	-	#REF!	1 438	15 920	(14 482)	(0)	27 292
Financial position									
Total current assets	709	1 187	-	-	13 090	-	-	-	1 187
Total non current assets	2 194	2 370	-	-	2 366	-	-	-	2 370
Total current liabilities	3 465	1 965	-	-	929	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(562)	1 592	-	-	14 528	-	-	-	1 592
Cash flows									
Net cash from (used) operating	(2 630)	27 921	-	12 514	14 558	30 589	(16 032)	(0)	17 701
Net cash from (used) investing	(351)	(27 292)	-	(160)	(1 660)	(15 920)	14 260	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(56)	(390)	(367)	(23)	0	(629)
Cash/cash equivalents at the year end	(2 614)	367	367	12 298	12 508	14 302	(1 794)	(0)	(9 854)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	145	789	-	46	276	460	(184)	-40.0%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	578	(578)	-100.0%	990
Transfers and subsidies	21 724	32 033	-	-	29 847	32 033	(2 185)	-6.8%	32 033
Other revenue	153	10 544	-	4	30	6 150	(6 121)	-99.5%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	22 022	44 355	-	51	30 153	39 221	(9 068)	-23.1%	44 355
Expenditure By Type									
Employee related costs	14 481	21 727	-	1 235	8 300	12 674	(4 374)	-34.5%	21 727
Remuneration of Directors	900	850	-	99	379	496	(117)	-23.5%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	799	1 412	-	113	644	824	(180)	-21.9%	1 412
Finance charges	5	10	-	-	0	6	(6)	-99.9%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	461	5 260	11 874	(6 614)	-55.7%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	24 347	44 355	-	1 908	14 583	25 874	(11 291)	-43.6%	44 355
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(2 325)	(0)	-	(1 857)	15 570	13 347	2 223	16.7%	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations,	-	27 292	-	134	1 438	15 920	(14 482)	-91.0%	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(2 325)	27 292	-	(1 723)	17 008	29 267	(12 259)	-41.9%	(0)
Taxation	(558)	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 767)	27 292	-	(1 723)	17 008	29 267	(12 259)	-	(0)

Buffalo City Metropolitan Development Agency - Table F3 Monthly Budget Statement - Capital Expenditure - M07 January

R thousands	Description	2009/10	Current Year 2010/11				YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		
	<u>Capital expenditure by Asset Class/Sub-class</u>							
	<u>Infrastructure</u>							
	Roads Infrastructure							
	Roads							
	Road Structures							
	Road Furniture							
	Capital Spares							
	Storm water Infrastructure							
	Drainage Collection							
	Storm water Conveyance							
	Attenuation							
	Electrical Infrastructure							
	Power Plants							
	HV Substations							
	HV Switching Station							
	HV Transmission Conductors							
	MV Substations							
	MV Switching Stations							
	MV Networks							
	LV Networks							
	Capital Spares							
	Water Supply Infrastructure							
	Dams and Weirs							
	Boreholes							
	Reservoirs							
	Pump Stations							
	Water Treatment Works							
	Bulk Mains							
	Distribution							
	Distribution Points							
	PRV Stations							
	Capital Spares							
	Sanitation Infrastructure							
	Pump Station							
	Retiulation							
	Waste Water Treatment Works							

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M07

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	344	155	-	62	155
Call Investment deposits	23	1 032	-	12 446	1 032
Consumer debtors	-	-	-	45	-
Other debtors	309	-	-	505	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	33	-	-	33	-
Total current assets	709	1 187	-	13 090	1 187
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	351	341	-	330	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	1 221	2 029	-	2 037	2 029
Other non-current assets	622	-	-	-	-
Total non current assets	2 194	2 370	-	2 366	2 370
TOTAL ASSETS	2 903	3 557	-	15 457	3 557
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	183	629
Consumer deposits	-	-	-	-	-
Trade and other payables	2 086	-	-	115	-
Provisions	1 378	1 335	-	631	1 335
Total current liabilities	3 465	1 965	-	929	1 965
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities	-	-	-	-	-
TOTAL LIABILITIES	3 465	1 965	-	929	1 965
NET ASSETS	(562)	1 592	-	14 528	1 592
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(562)	1 592	-	14 528	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(562)	1 592	-	14 528	1 592

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M07 January

Description	2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Current Year 2018/19		YTD variance	YTD variance %	Full Year Forecast
					YearTD actual	YearTD budget			
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	153	11 534	-	4	167	6 728	(6 561)	-97.5%	11 534
Government - operating	21 724	34 324	-	17 162	34 324	34 324	-	-	34 324
Government - capital	-	25 000	-	-	-	14 583	(14 583)	-100.0%	25 000
Interest	145	769	-	46	270	460	(191)	-41.4%	3 235
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(24 647)	(43 716)	-	(4 698)	(20 203)	(25 501)	5 298	-20.8%	(56 382)
Finance charges	(5)	(10)	-	-	-	(5)	6	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(2 830)	27 921	-	12 514	14 558	30 589	(26 638)	-87.1%	17 701
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	(351)	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(27 292)	-	(160)	(1 660)	(15 920)	14 260	-89.6%	(27 292)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(351)	(27 292)	-	(160)	(1 660)	(15 920)	(14 280)	89.8%	(27 292)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(629)	-	(56)	(390)	(367)	(23)	6.1%	(629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(629)	-	(56)	(390)	(367)	23	-6.1%	(629)
NET INCREASE/ (DECREASE) IN CASH HELD	(2 981)	(0)	-	12 298	12 508	14 302	(1 794)	-12.5%	(10 221)
Cash/cash equivalents at the year begin:	367	367	367	12 298	12 508	14 302	1 794	-12.5%	367
Cash/cash equivalents at the year end:	(2 614)	367	367	12 298	12 508	14 302	1 794	-12.5%	(9 854)

Buffalo City Metropolitan Development Agency - Supporting Table F1 Entity Material variance explanation - M07 January

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
R thousands			
Revenue items			
Transfers and subsidies	(2 185)	The variance is caused by VAT as the actual revenue recognised excludes VAT and the budget actual is VAT incl.	None required
Other revenue and agency fees	(6 698)	DEA grant has not been received, awaiting final approval of business plan by DEA	Request DEA to approve business plan
Expenditure items			
Total expenditure	(11 291)	Vacancies which were not yet filled by end of January 2019	Adjustments budget and acceleration of expenditure from the subsequent month
		DEA participant have also not been appointed due to business plan non-approval and the DEA general expenditure	Awaiting feedback from DEA on the submitted business plan however there are continuous engagements
Capital Expenditure items			
Total capital expenditure	14 462	Expenditure on the Beach Front development project not yet started as the Agency is finalising design work.	Procurement processes are underway for all other capital expenditure
Cash flow items			
Cash flows from operating activities			
Measurable performance			
Total variance			

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M07 January

R thousands	Detail	NT Code	Current Year 2016/17								Total	Bad Debts	>90 days
			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			
Debtors Age Analysis By Income Source													
	Trade and Other Receivables from Exchange Transactions - Water	1100	-	-	-	-	-	-	-	-	-	-	-
	Trade and Other Receivables from Exchange Transactions - Electricity	1200	-	-	-	-	-	-	-	-	-	-	-
	Receivables from Non-exchange Transactions - Property Rates	1300	-	-	-	-	-	-	-	-	-	-	-
	Receivables from Exchange Transactions - Waste Water Management	1400	-	-	-	-	-	-	-	-	-	-	-
	Receivables from Exchange Transactions - Waste Management	1500	-	-	-	-	-	-	-	-	-	-	-
	Receivables from Exchange Transactions - Property Rental Debtors	1600	-	-	-	-	-	-	-	-	-	-	-
	Interest on Arrear Debtor Accounts	1700	-	-	-	-	-	-	-	-	-	-	-
	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1810	-	-	-	-	-	-	-	-	-	-	-
	Other	1820	-	-	-	-	-	-	-	-	-	-	-
	Total By Income Source	1900	505	-	-	-	-	-	-	55	45	-	-
	Total By Income Source	2000	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
	Organs of State	2100	-	-	-	-	-	-	-	-	-	-	-
	Commercial	2200	-	-	-	-	-	-	-	55	45	100	-
	Households	2300	-	-	-	-	-	-	-	-	-	-	-
	Other	2400	-	-	-	-	-	-	-	-	-	-	-
	Total By Customer Group	2500	505	-	-	-	-	-	-	55	45	505	-
	Total By Customer Group	2600	505	-	-	-	-	-	-	55	45	604	-

Notes
 Material increases in value of debtors' categories compared to previous month to be explained

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M07 January

Detail	NT Code	Current Year 2018/19								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	(1)	(1)
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	0	-	-	116	116
Total By Customer Type	2600	-	-	-	-	0	-	-	115	115

Notes

Material increases in value of creditors' categories compared to previous month to be explained

Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	391	2,291	-	134	1,438	1,337	(102)	-7.6%	2,291

Transport Assets										
Land	-	-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	-	15	-	-	0	9	8	98.5%		-

Transport Assets										
Land	-	-	-	-	-	-	-	-	-	-
Land										
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	-	1 412	-	113	644	824	180	21.8%		-

Transport Assets									
Land	-	-	-	-	-	-	-	-	-
Land									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Total Capital Expenditure on upgrading of existing assets	-	25 000	-	-	-	14 583	14 583	100.0%	-

ANNEXURE B

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD**SUMMARY CASH AND CASH EQUIVALENTS****THIRD QUARTER- JANUARY 2019****2018/19****Working Capital**

Description	Amount
Cash and Investments Available	12 508 061.39
Cash and cash equivalents at beginning of the month (All	209 997.39
Total receipts	17 212 658.67
Interest	46 153.35
LGSETA Mandatory Grant	4 355.32
Operational Grant 2nd Tranche Allocation	17 162 150.00
Payments made	4 914 594.67
Bank Charges (All Accounts)	1 444.33
Suppliers and Recruitment Costs	1 610 736.30
SARS Tax and VAT	2 264 410.72
Salaries,Wages,Allowances and Benefits	906 815.91
Staff Claims	16 205.06
Board and Audit Committee remuneration	114 982.35
Total cash and investments available	12 508 061.39