

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

A Investment Centre, East London IDZ,
Lower Chester Road, Sunnyridge,
East London, 5241
Eastern Cape, South Africa

E info@bcmda.org.za | T +27 (0) 43 101 0160
www.bcmda.org.za



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

Enquires: 043 101 0161

Email: vicky@bcmda.org.za

BCMDA-FMR-028-17

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

Dear Mr Sihlahla

BCMDA MONTHLY PERFORMANCE REPORT – JUNE 2017

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 June 2017.

Kind Regards

MR GCINUMZI QOTYWA
CHIEF EXECUTIVE OFFICER

DATE: 11/07/2017

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QUALITY CERTIFICATE

I, G Qotywa, 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 June 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Mr. G Qotywa

Chief Executive Officer of Buffalo City Metropolitan Development Agency

Signature



Date

11/07/2017



Ref: BCMDA-SUB-047-17

Enquires: V Ntsodo

Tel: 043 101 0161

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

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 month ended 30 June 2017.

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.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

5. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING 30 JUNE 2017.

5.1. Dashboard/Performance Summary

BCMDA hereby presents its' 2016/17 budget and performance assessment report to the Acting City Manager. Below is the high-level summary of the performance of the agency.

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	19 384 339	Bank Balance	1 654 305
Expenditure	15 141 189	Call Investments	1 693 966
Operating Surplus	4 243 150	Cash and cash equivalents	3 348 271
Capital Expenditure	2 365 747	Account Payables	(141 548)
Surplus after capital expenditure	1 877 403	Unspent conditional grants	(1 398 702)
		BCDA Closing balance	(1 681 517)
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	1 877 403	Total Staff Compliment	15
YTD Grants and subsidies	20 339 423	Staff Appointments	0
% Creditors paid within term	100%	Staff Terminations	1
Current ratio	2:20:1	Number of funded vacant posts	2
		Salary bill – Officials	9 669 868
		Workforce costs as a % of expenditure	63.86%

5.2. Liquidity position

BCMDA's liquidity is considered sound as the current ratio is 2:20:1, which indicates the ability of the agency's current assets to cover its current liabilities (debts). At the end of June 2017, the agency had no debtors other than anticipated refund from SARS

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

(specifically for the months of November and December 2016) and had a small quantity of inventory items. Its current assets comprise mainly of cash and cash equivalents. As previously reported, included in the cash equivalents though is a cash balance of R1.68 million that belonged to BCDA before the establishment of the BCMDA. BCMDA has since engaged the City in so far as the expenses that were paid by BCMDA on behalf of BCDA. An invoice has been issued in this regard. A decision on how to neatly close off on BCDA's cash balance has not been communicated as yet as agreed in a meeting that was held on 22 February 2017.

5.3. Capital expenditure

The major expenditure incurred for the month under review is for mSCOA Implementation as it relates to setup, customisation and its related training. Expenditure was also incurred for a replacement of a laptop which got lost and subsequently recovered from the insurance.

5.4. Expenditure on allocations received

BCMDA has spent in total R 16.5 million (90%) to date from the grant received from its parent municipality. The expenditure at this point of the financial year is expected to be at 100 %, which is 10% below target. The reasons are as follows:

- a) As previously reported, a service provider for the precinct plans only started working in March, with the second invoice received in June 2017. In terms of the project plan, the service provider will be paid in accordance with the agreed upon deliverables at a point in time. The agreement is that going forward the service provider will issue quarterly invoices based on the work satisfactorily performed in the quarter.
- b) The expenditure on training is also low due to late approval of the training policy by the board in May. The commitments made towards training initiated will be catered for in the roll-over of fund to be requested by from the parent municipality.

BCMDA has spent in total R 938 232 (38%) to date from the grant received from DEA. This is below the expected expenditure pattern, due to the procurement processes the Agency needs to comply with before expenditure can be incurred. This project is anticipated that it will be concluded in December 2017 and therefore expenditure will be spent in full.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

5.5. Cash and cash equivalents

BCDMA's cash and cash equivalents balance at 30 June 2017 is R 3.3 million, which is made up of cash and bank account amounting to R 154 681, call investment balance of R 1 693 966 and unspent funds received from Department of Environmental Affairs (DEA) of R 1 499 624. These funds are all banked with First National Bank.

5.6. Outstanding Creditors

The agency pays its creditors within 30 days of receipt of invoice unless there are disputes. The balance of payables as at 30 June 2017 is R 141 548, all of which will be paid during the month of July 2017. In addition, BCMDA's Exco took a decision to pay its suppliers fortnightly to ensure that this requirement is met at all times.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

6. IN YEAR BUDGET STATEMENT MAIN TABLES

6.1. 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 SOC Ltd - Table F1 Monthly Budget Statement Summary - M12 June

Description	2015/16	Current Year 2016/17							
	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	-	69	199	14	200	199	0	1%	199
Transfers recognised - operational	764	18 116	15 357	-	15 891	15 357	1	3%	15 357
Other own revenue	-	200	2 509	299	1 053	2 509	(1)	58%	2 509
Total Revenue (excluding capital transfers and contributions)	764	18 385	18 065	313	17 145	18 065	(921)	(9)	18 065
Employee costs	760	12 225	9 773	901	9 670	9 773	(103)	(0)	9 773
Remuneration of Board Members	156	566	561	36	458	561	(102)	(0)	561
Depreciation and asset impairment	3	393	393	55	334	393	(60)	(0)	393
Finance charges	-	8	3	-	-	3	(3)	(0)	3
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	276	5 192	7 336	670	4 675	7 336	(2 657)	(0)	7 336
Total Expenditure	1 194	18 385	18 065	1 661	15 141	18 065	(2 924)	(0)	18 065
Surplus/(Deficit)	(430)	-	(0)	(1 348)	2 003	(0)	2 003	(22)	(0)
Transfers recognised - capital	-	-	2 758	290	2 366	2 758	(393)	(0)	2 758
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(430)	-	2 758	(958)	4 369	2 758	1 611	0	2 758
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(430)	-	2 758	(958)	4 369	2 758	1 611	0	2 758
Capital expenditure & funds sources									
Capital expenditure	-	-	2 758	360	2 366	2 758	(393)	(0)	2 758
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	-	2 040	2 042	-	3 348	-	-	-	2 042
Total non current assets	52	688	2 376	-	1 701	-	-	-	2 376
Total current liabilities	482	1 287	3 053	-	1 531	-	-	-	3 053
Total non current liabilities	-	-	85	-	81	-	-	-	85
Community wealth/Equity	(430)	1 441	1 288	-	6 519	-	-	-	1 288
Cash flows									
Net cash from (used) operating	55	269	3 565	(2 148)	8 222	3 565	4 657	0	3 565
Net cash from (used) investing	(55)	-	(2 758)	(47)	(2 037)	(2 758)	722	(0)	(2 758)
Net cash from (used) financing	-	-	(508)	3	(508)	(508)	0	(0)	(508)
Cash/cash equivalents at the year end	1 744	2 013	2 042	(2 192)	5 677	258	5 379	0	2 042

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

6.2. 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 SOC Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12

Description	2015/16	Current Year 2016/17							
	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	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
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	-	69	199	14	200	199	1	0.5%	199
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	200	375	-	99	375	(276)	-73.7%	375
Transfers recognised - operational	784	18 116	15 357	-	15 891	15 357	534	3.5%	15 357
Other revenue	-	-	2 134	299	955	2 134	(1 179)	-55.3%	2 134
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	784	18 385	18 065	313	17 145	18 065	(921)	-5.1%	18 065
Expenditure By Type									
Employee related costs	760	12 225	9 773	901	9 670	9 773	(103)	-1.1%	9 773
Remuneration of Directors	156	566	561	36	459	561	(102)	-18.2%	561
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	3	393	393	55	334	393	(60)	-15.2%	393
Finance charges	-	8	3	-	-	3	(3)	-100.0%	3
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	276	5 192	7 336	670	4 679	7 336	(2 657)	-36.2%	7 336
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	1 194	18 385	18 065	1 661	15 141	18 065	(2 924)	-16.2%	18 065
Surplus/(Deficit)	(430)	-	(0)	(1 348)	2 003	(0)	2 003	-2226034.6%	(0)
Transfers recognised - capital	-	-	2 758	390	2 366	2 758	(393)	-14.2%	2 758
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(430)	-	2 758	(959)	4 369	2 758	1 611	58.4%	2 758
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(430)	-	2 758	(959)	4 369	2 758	1 611		2 758

6.2.1. Revenue by Source

- The interest received is related to frequent investment of surplus funds and always maintaining a positive bank balance on the primary bank account.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

Other revenue is in relation to what has been recognised as revenue pertaining to the DEA unspent grant and insurance proceeds.

- Transfer recognised relates to the operational grant received from the municipality for all four tranches excluding VAT.

6.2.2. Expenditure by Type

- The expenditure on employee related costs is currently at 99%, which is slightly below the expected 100%. The reason is mainly due to a resignations of two employees in April and May 2017. The recruitment process for the company secretary is underway as the other vacancy has since been filled.
- The Board expenditure has improved due to Board and sub-committee sittings continuously taking place as planned. It is currently at 82%, as the board sitting anticipated in June could not sit due to its submissions being tabled in the board meeting held in May 20017. Only a special organisational committee meeting was held in June 2017.
- Procurement processes for the precinct plans which is one of the biggest components of general expenditure have been concluded and the actual work is currently in progress and the expenditure is minimally incurred due to late start of the project.
- The expenditure on Greenest Municipality Competition (GMC) grant is below what was anticipated to be spent by end of June 2017 due to competitive procurement which led to goods and services being procured at a lower cost than what was budget for hence there is a need to extend the contracts of participants.
- The parent municipality has supplied the agency with skip bins and containers for the furtherance of the GMC project and that has led to minimal expenditure being incurred as the said items were included on the budget.
- The agency will therefore propose to the funder to extend contracts of participants beyond the six months' period to avoid revenue reverting back to DEA.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

6.3. 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 SOC Ltd - Table F4 Monthly Budget Statement - Financial Position - M12 June

Vote Description	2015/16	Current Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	644	644	1 654	644
Call investment deposits	-	1 369	1 398	1 694	1 398
Consumer debtors	-	-	-	-	-
Other debtors	-	27	-	-	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	-	2 040	2 042	3 348	2 042
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	44	220	489	483	489
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	9	469	1 887	1 218	1 887
Other non-current assets	-	-	-	-	-
Total non current assets	52	688	2 376	1 701	2 376
TOTAL ASSETS	52	2 728	4 418	5 049	4 418
LIABILITIES					
Current liabilities					
Bank overdraft	0	-	-	-	-
Borrowing	93	-	575	(9)	575
Consumer deposits	-	100	-	-	-
Trade and other payables	389	1 187	2 478	1 540	2 478
Provisions	-	-	-	-	-
Total current liabilities	482	1 287	3 053	1 531	3 053
Non current liabilities					
Borrowing	-	-	85	81	85
Provisions	-	-	-	-	-
Total non current liabilities	-	-	85	81	85
TOTAL LIABILITIES	482	1 287	3 138	1 612	3 138
NET ASSETS	(430)	1 441	1 280	3 437	1 280
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(430)	1 441	1 280	6 519	1 280
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(430)	1 441	1 280	6 519	1 280

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

6.3.1. Assets

- The Agency cash is made up of the primary bank account balance and what is available on the GMC Account.
- Property, Plant and Equipment and Intangible Assets consist of carrying amounts of current assets and this months 'additions (See attached Annexures for details).

6.3.2. Liabilities

- Borrowings are as a result of operating lease rentals of both the office space and a multifunction Copier.
- Trade and Other payables relate to trade creditors, statutory obligations (provident fund) and unspent GMC grant.

6.4. Monthly Budget Statement – Cash Flows

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

Buffalo City Metropolitan Development Agency SOC Ltd - Table F5 Monthly Budget Statement - Cash Flows - M12 June

Description	2015/16	Current Year 2016/17							
	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, penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	200	2 509	17	2 494	2 509	(15)	-0.6%	2 509
Government - operating	764	18 116	18 116	-	18 116	18 116	0	0.0%	18 116
Government - capital	-	-	-	-	-	-	-	-	-
Interest	-	69	199	21	211	199	12	6.0%	199
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(709)	(18 108)	(17 256)	(2 230)	(12 598)	(17 256)	4 658	-27.0%	(17 256)
Finance charges	-	(8)	(3)	-	(0)	(3)	3	-100.0%	(3)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	55	269	3 565	(2 192)	8 222	3 565	(4 664)	-130.8%	3 565
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	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(55)	-	(2 758)	(47)	(2 037)	(2 758)	722	-26.2%	(2 758)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(55)	-	(2 758)	(47)	(2 037)	(2 758)	(722)	26.2%	(2 758)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	(508)	3	(508)	(508)	0	0.0%	(508)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	(508)	3	(508)	(508)	(0)	0.0%	(508)
NET INCREASE/ (DECREASE) IN CASH HELD	(0)	269	298	(2 237)	5 677	298	5 379	1804.0%	298
Cash/cash equivalents at the year begin:	1 744	1 744	1 744	-	-	-	-	-	1 744
Cash/cash equivalents at the year end:	1 744	2 013	2 042	(2 237)	5 677	298	5 379	1804.0%	2 042

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

An amount of cash inflow for the period under review amounted to R 37 962.88 with the cash outflow of R 2 230 199. Kindly refer to attached supporting schedules.

6.5. Aged debtors

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

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F3 Entity Aged debtors - M12 June

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				
R thousands													
Debtors Age Analysis By Income Source	1100												
Trade and Other Receivables from Exchange Transactions - Water	1200												
Trade and Other Receivables from Exchange Transactions - Electricity	1300												
Receivables from Non-exchange Transactions - Property Rates	1400												
Receivables from Exchange Transactions - Waste Water Management	1500												
Receivables from Exchange Transactions - Waste Management	1600												
Receivables from Exchange Transactions - Property Rental Debtors	1700												
Interest on Arrear Debtor Accounts	1810												
Receivable unadministered, irregular or fruitless and wasteful Ex postfacto	1820												
Other	1900												
Total By Income Source	2000												
Debtors Age Analysis By Customer Group	2100												
Organs of State	2200												
Commercial	2300												
Households	2400												
Other	2500												
Total By Customer Group	2600												

There are no debtors as the anticipated VAT refund is now objected by the Agency as SARS assessment was done and it resulted in no refund in their view.

6.6. Aged creditors

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

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F4 Entity Aged creditors - M12 June

Detail	NT Code	Current Year 2016/17									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	78									78
Loan repayments	0600										
Trade Creditors	0700	55									55
Auditor General	0800										
Other	0900	8									8
Total By Customer Type	2600	134									142

All creditors due are settled within 30 days from the date of receiving an invoice unless there are disputes. All invoices are date stamped on arrival in order to track the settlement date thereof. Correspondence file is maintained for all disputed invoices. For the period under review, there were no disputed invoices.

**REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY
BUDGET STATEMENT – JUNE 2017**

6.7. Capital Expenditure

The table below is an overview of the capital expenditure incurred by the agency

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JUNE 2017

- 6.7.1. The Agency has managed during its adjustments budget process to reprioritize its needs in order to cater for the capital expenditure as it was initially not budgeted for.
- 6.7.2. The incurred capital expenditure for the month under review amounts to R 389 555 and is in relation to website hosting for the month, procurement of a laptop and for mSCOA implementation (set-up, customisation and training)

7. BCMDA Challenges

- 7.1. Reprioritisation of the agency service delivery related needs in order to cater for mSCOA implementation.
- 7.2. Output VAT which has to be paid to SARS upon receipt of the operational grant which subsequently reduces the funds available for expenditure of the Agency.
- 7.3. Non-conclusion on the treatment of amounts owed between the City and the Agency.

8. RECOMMENDATION

- 8.1. It is recommended that the City Manager considers and notes this report for further consideration.



GB QOTYWA

CHIEF EXECUTIVE OFFICER

DATE: 11/07/2017

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Department:
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Contact details:

Technical enquiries to the MFMA Helpline at:
lgdataqueries@treasury.gov.za

Data submission enquiries:

Eisabé Rossouw

National Treasury

Tel: (012) 315-5534

Electronic documents: lgdocuments@treasury.gov.za

Queries on formats: lgdataqueries@treasury.gov.za

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Buffalo City Metropolitan Development Agency SOC Ltd - Table F1 Monthly Budget Statement Summary - M12 June

Description	2015/16	Current Year 2016/17							
	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	-	69	199	14	200	199	0	1%	199
Transfers recognised - operational	764	18 116	15 357	-	15 891	15 357	1	3%	15 357
Other own revenue	-	200	2 509	299	1 053	2 509	(1)	-58%	2 509
Total Revenue (excluding capital transfers and contributions)	764	18 385	18 065	313	17 145	18 065	(921)	(0)	18 065
Employee costs	760	12 225	9 773	901	9 670	9 773	(103)	(0)	9 773
Remuneration of Board Members	156	566	561	36	459	561	(102)	(0)	561
Depreciation and asset impairment	3	393	393	55	334	393	(60)	(0)	393
Finance charges	-	8	3	-	-	3	(3)	(0)	3
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	276	5 192	7 336	670	4 679	7 336	(2 657)	(0)	7 336
Total Expenditure	1 194	18 385	18 065	1 661	15 141	18 065	(2 924)	(0)	18 065
Surplus/(Deficit)	(430)	-	(0)	(1 348)	2 003	(0)	2 003	(22)	(0)
Transfers recognised - capital	-	-	2 758	390	2 366	2 758	(393)	(0)	2 758
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(430)	-	2 758	(958)	4 369	2 758	1 611	0	2 758
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(430)	-	2 758	(958)	4 369	2 758	1 611	0	2 758
Capital expenditure & funds sources									
Capital expenditure	-	-	2 758	390	2 366	2 758	(393)	(0)	2 758
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	-	2 040	2 042		3 348				2 042
Total non current assets	52	688	2 376		1 701				2 376
Total current liabilities	482	1 287	3 053		1 531				3 053
Total non current liabilities	-	-	85		81				85
Community wealth/Equity	(430)	1 441	1 280		6 519				1 280
Cash flows									
Net cash from (used) operating	55	269	3 565	(2 192)	8 222	3 565	4 657	0	3 565
Net cash from (used) investing	(55)	-	(2 758)	(47)	(2 037)	(2 758)	722	(0)	(2 758)
Net cash from (used) financing	-	-	(508)	3	(508)	(508)	0	(0)	(508)
Cash/cash equivalents at the year end	1 744	2 013	2 042	(2 237)	5 677	298	5 379	0	2 042

Buffalo City Metropolitan Development Agency SOC Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2015/16	Current Year 2016/17							
	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	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
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	-	69	199	14	200	199	1	0.5%	199
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	200	375	-	99	375	(276)	-73.7%	375
Transfers recognised - operational	764	18 116	15 357	-	15 891	15 357	534	3.5%	15 357
Other revenue	-	-	2 134	299	955	2 134	(1 179)	-55.3%	2 134
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	764	18 385	18 065	313	17 145	18 065	(921)	-5.1%	18 065
Expenditure By Type									
Employee related costs	760	12 225	9 773	901	9 670	9 773	(103)	-1.1%	9 773
Remuneration of Directors	156	566	561	36	459	561	(102)	-18.2%	561
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	3	393	393	55	334	393	(60)	-15.2%	393
Finance charges	-	8	3	-	-	3	(3)	-100.0%	3
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	276	5 192	7 336	670	4 679	7 336	(2 657)	-36.2%	7 336
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	1 194	18 385	18 065	1 681	15 141	18 065	(2 924)	-16.2%	18 065
Surplus/(Deficit)	(430)	-	(0)	(1 348)	2 003	(0)	2 003	-2226034.6%	(0)
Transfers recognised - capital	-	-	2 758	390	2 366	2 758	(393)	-14.2%	2 758
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(430)	-	2 758	(959)	4 369	2 758	1 611	58.4%	2 758
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(430)	-	2 758	(959)	4 369	2 758	1 611		2 758

Buffalo City Metropolitan Development Agency SOC Ltd - Table F3 Monthly Budget Statement - Capital Expenditure - M12 June

Description	2009/10	Current Year 2010/11							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Rehabilitation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Rehabilitation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Rehabilitation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemetaries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	-	-	611	30	581	611	30	4.9%	611
General vehicles	-	-	-	-	-	-	-	-	-
Specialized vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	511	30	482	511	29	5.6%	511
Furniture and other office equipment	-	-	100	-	98	100	2	1.6%	100
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Intangibles	-	-	2 147	360	1 785	2 147	362	16.9%	2 147
Computers - software & programming	-	-	1 983	359	1 681	1 983	303	15.3%	1 983
Total Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	2 758	390	2 366	2 758	393	14.2%	2 758

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

Vote Description	2015/16	Current Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	644	644	1 654	644
Call investment deposits	-	1 369	1 398	1 694	1 398
Consumer debtors	-	-	-	-	-
Other debtors	-	27	-	-	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Total current assets	-	2 040	2 042	3 348	2 042
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	44	220	489	483	489
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	9	469	1 887	1 218	1 887
Other non-current assets	-	-	-	-	-
Total non current assets	52	688	2 376	1 701	2 376
TOTAL ASSETS	52	2 728	4 418	5 049	4 418
LIABILITIES					
Current liabilities					
Bank overdraft	0	-	-	-	-
Borrowing	93	-	575	(9)	575
Consumer deposits	-	100	-	-	-
Trade and other payables	389	1 187	2 478	1 540	2 478
Provisions	-	-	-	-	-
Total current liabilities	482	1 287	3 053	1 531	3 053
Non current liabilities					
Borrowing	-	-	85	81	85
Provisions	-	-	-	-	-
Total non current liabilities	-	-	85	81	85
TOTAL LIABILITIES	482	1 287	3 138	1 612	3 138
NET ASSETS	(430)	1 441	1 280	3 437	1 280
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	(430)	1 441	1 280	6 519	1 280
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	(430)	1 441	1 280	6 519	1 280

Buffalo City Metropolitan Development Agency SOC Ltd - Table F5 Monthly Budget Statement - Cash Flows - M12 June

Description	2015/16	Current Year 2016/17							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	200	2 509	17	2 494	2 509	(15)	-0.6%	2 509
Government - operating	764	18 116	18 116	-	18 116	18 116	0	0.0%	18 116
Government - capital	-	-	-	-	-	-	-	-	-
Interest	-	69	199	21	211	199	12	6.0%	199
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(709)	(18 108)	(17 256)	(2 230)	(12 598)	(17 256)	4 658	-27.0%	(17 256)
Finance charges	-	(8)	(3)	-	(0)	(3)	3	-100.0%	(3)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	55	289	3 565	(2 192)	8 222	3 565	(4 664)	-130.8%	3 565
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	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(55)	-	(2 758)	(47)	(2 037)	(2 758)	722	-26.2%	(2 758)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(55)	-	(2 758)	(47)	(2 037)	(2 758)	(722)	26.2%	(2 758)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	-	(508)	3	(508)	(508)	0	0.0%	(508)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	(508)	3	(508)	(508)	(0)	0.0%	(508)
NET INCREASE/ (DECREASE) IN CASH HELD	(0)	289	298	(2 237)	5 677	298	5 379	1804.0%	298
Cash/cash equivalents at the year begin	1 744	1 744	1 744	-	-	-	-	-	1 744
Cash/cash equivalents at the year end	1 744	2 013	2 042	(2 237)	5 677	298	5 379	1804.0%	2 042

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F1 Entity Material variance explanation - M12 June

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
R thousands			
Revenue Items			
Agency Fees	(276)	The project commenced later than expected so the project management fees that have been transferred are only for the planning phase	The remainder will be expended on in the subsequent year as the project is overlapping to 2017/2018
Other Revenue	(1 188)	Late approval of the DEA grant business plan which resulted in the project commencing late than anticipated.	Extension of participants' contract beyond the current financial year.
Transfers	534	That is due to output VAT which reduced the operational grant	
Expenditure Items			
Finance Charges	(2)	Minimal interest is incurred that year to date budget	
Remuneration of directors	(102)	The submissions which were meant to be discussed in the June board sitting were discussed in the sitting held in May	
Depreciation	(60)	mSCOA project is still underway and website support is less than anticipated	Roll over of the remaining funds to the subsequent year
Other Expenditure	(2 657)	Biggest components of expenditure are being as compared to what expended on minimally	Designs and the DEA projects are underway so the remaining fund will be rolled forward to 2017/2018 financial year.
Capital Expenditure Items			
Intangible	303	mSCOA project is still ongoing	
Cash flow Items			
Measurable performance			
Development of the website			
Institutional Launch			
Approval of the GMC business plan			
Total variance			

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F2 Entity Financial and non-financial indicators - M12 June

Description of financial indicator	Basis of calculation	Ref	2015/16	Current Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	0.0%	1.9%	1.6%	1.9%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		0.2%	2.2%	2.2%	2.2%	2.2%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		(112.1%)	89.3%	245.2%	24.7%	245.2%
Gearing	Long Term Borrowing/ Funds & Reserves						
Liquidity							
Current Ratio	Current assets/current liabilities		0.0%	158.5%	66.9%	218.7%	66.9%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.0%	158.5%	66.9%	218.7%	66.9%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	156.3%	66.9%	218.7%	66.9%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	0.1%	0.0%	0.0%	0.0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					100.0%	
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators							
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/Total Revenue - capital revenue		99.4%	66.5%	54.1%	56.4%	54.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0.4%	2.2%	2.2%	1.9%	2.2%
Financial viability Indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		0.0%	0.0%	0.0%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Delete if not an electricity entity
2. Delete if not an water entity

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F6 Entity Board member allowances & staff benefits - M12 June

Summary of Employee and Board Member remuneration	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C					%	D
Remuneration									
Board Members of Entities									
Basic Salaries	-	-	-	-	-	-	-	-	-
Pension Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Board Fees	-	566	561	36	459	561	(102)	-18.2%	561
Sub Total - Board Members of Entities	-	566	561	36	459	561	(102)	-18.2%	561
% Increase		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities									
Basic Salaries	-	5 580	4 801	400	4 058	4 801	(4 801)	-100.0%	4 801
Pension Contributions	-	-	475	40	395	475	(80)	-16.8%	475
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	74	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	60	5	46	60	#REF!	#REF!	60
Performance Bonus	-	135	-	-	-	-	46	#DIV/0!	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	-	5 790	5 335	444	4 500	5 335	(836)	-15.7%	5 335
% Increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries	-	6 322	3 984	412	4 517	3 984	533	13.4%	3 984
Pension Contributions	-	-	386	39	443	386	57	14.6%	386
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor vehicle allowance	-	-	-	-	-	-	-	-	-
Cell phone allowance	-	91	-	-	-	-	-	-	-
Housing allowance	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	22	-	-	-	-	-	-	-
Other benefits or allowances	-	-	67	5	62	67	#REF!	#REF!	67
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	-	6 435	4 437	456	5 021	4 437	584	13.2%	4 437
% Increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities remuneration	-	12 791	10 333	936	9 979	10 333	(354)	-3.4%	10 333
Unpaid salary, allowances & benefits in arrears:	-	-	-	78	-	-			-

Buffalo City Metropolitan Development Agency SOC Ltd - Supporting Table F7 Entity monthly actuals & revised targets - M12 June

Description	Current Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Revenue By Source															
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	3 982	23	17	3 985	28	19	4 068	27	18	4 573	187	(16 947)	-	-	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	3 982	23	17	3 985	28	19	4 068	27	18	4 573	187	(16 947)	-	-	-
Expenditure By Type															
Employee related costs	568	589	734	769	784	519	875	947	949	1 048	987	(8 759)	-	-	-
Remuneration of Board Members	-	63	-	36	68	-	-	53	128	33	43	-	-	-	-
Debt Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	4	6	13	16	16	21	22	24	43	49	59	(277)	-	-	-
Finance charges	0	0	-	-	-	-	0	-	-	-	-	(0)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	175	250	457	365	531	373	256	333	373	610	14 436	-	-	-	-
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditure	747	908	1 203	1 187	1 401	913	1 153	1 357	1 493	1 749	15 528	(9 047)	-	-	-
Capital expenditure															
Capital assets	263	2	309	7	2	92	176	42	863	191	20	(1 967)	-	-	-
Total capital expenditure	263	2	309	7	2	92	176	42	863	191	20	(1 967)	-	-	-
Cash flow															
Rolepayers and other	-	-	-	-	4	5	585	1 009	739	-	23	(2 364)	-	-	-
Grants	4 529	-	-	4 529	-	-	4 529	-	-	4 529	-	-	-	-	-
Interest	9	23	17	13	24	14	15	27	24	20	31	-	-	-	-
Suppliers, employees and other	(745)	(829)	(1 906)	(1 134)	(1 527)	(1 455)	(700)	(1 134)	(2 234)	(1 223)	(1 790)	14 789	-	-	-
Finance charges	0	(0)	-	-	-	-	-	-	-	-	-	0	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN OPERATING ACTIVITIES	3 792	(916)	(1 883)	3 488	(1 501)	(1 438)	4 423	(84)	(1 471)	3 326	(1 737)	12 425	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets	(263)	(2)	(309)	(7)	(2)	(92)	(700)	(206)	(1 018)	(223)	(223)	2 122	-	-	-
NET CASH FROM/USED IN INVESTING ACTIVITIES	(263)	(2)	(309)	(7)	(2)	(92)	(700)	(206)	(1 018)	(223)	(223)	2 122	-	-	-
Borrowing long term/finance/short term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(39)	(39)	(39)	(39)	(49)	(42)	-	(42)	(3)	(3)	(3)	300	-	-	-
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN FINANCING ACTIVITIES	(39)	(39)	(39)	(39)	(49)	(42)	-	(42)	(3)	(3)	(3)	300	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	3 490	(957)	(2 237)	3 362	(1 551)	(1 571)	4 429	(347)	(2 492)	3 322	(1 963)	14 847	-	-	-

- Supporting Table F&c Entity expenditure on repairs and maintenance by asset class - M12 June

Description	2015/16	Current Year 2016/17			YTD variance	YTD variance %	FMR 1997		
	Actuals	Original Budget	Adjusted Budget	monetary actual				Year TD actual	1997/10 Budget
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-		
Infrastructure - Road transport	-	-	-	-	-	-	-		
Roads, Pavements & Bridges	-	-	-	-	-	-	-		
Storm water	-	-	-	-	-	-	-		
Infrastructure - Electricity	-	-	-	-	-	-	-		
Generation	-	-	-	-	-	-	-		
Transmission & Reclamation	-	-	-	-	-	-	-		
Street Lighting	-	-	-	-	-	-	-		
Infrastructure - Water	-	-	-	-	-	-	-		
Dams & Reservoirs	-	-	-	-	-	-	-		
Water purification	-	-	-	-	-	-	-		
Reclamation	-	-	-	-	-	-	-		
Infrastructure - Sanitation	-	-	-	-	-	-	-		
Reclamation	-	-	-	-	-	-	-		
Sewerage purification	-	-	-	-	-	-	-		
Infrastructure - Other	-	-	-	-	-	-	-		
Waste Management	-	-	-	-	-	-	-		
Transportation	-	-	-	-	-	-	-		
Gas	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
Community	-	-	-	-	-	-	-		
Parks & gardens	-	-	-	-	-	-	-		
Sportsfields & stadia	-	-	-	-	-	-	-		
Swimming pools	-	-	-	-	-	-	-		
Community halls	-	-	-	-	-	-	-		
Libraries	-	-	-	-	-	-	-		
Recreational facilities	-	-	-	-	-	-	-		
Fire, safety & emergency	-	-	-	-	-	-	-		
Security and policing	-	-	-	-	-	-	-		
Buses	-	-	-	-	-	-	-		
Clinics	-	-	-	-	-	-	-		
Museums & Art Galleries	-	-	-	-	-	-	-		
Cemeteries	-	-	-	-	-	-	-		
Social rental housing	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		
Buildings	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
Investment properties	-	-	-	-	-	-	-		
Housing development	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-		
Other assets	-	-	10	-	5	10	4	44.0%	10
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	3	-	0	3	3	94.5%	3
Furniture and other office equipment	-	-	7	-	5	7	1	22.2%	7
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	-	-	10	-	5	10	4	44.0%	10

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD

SUMMARY BUDGET STATEMENT

FOURTH QUARTER - JUNE 2017

2016/17

Source	Budgeted	Revised Budget 2016/17	Actual YTD	% Received/Spent	Reason for Variance
BCMM On Grant	18 115 739.00	18 115 739.00	18 110 807.26	100%	
Interest	68 900.00	199 051.00	200 061.94	101%	
Other Income		8 948.00	34 852.92	390%	Other income includes tender document fees which were received in line with the budgeted amount. In addition to such fees insurance proceeds were received for a replacement of a stolen laptop and to repair a laptop with a damaged screen.
Agency Fees	200 000.00	373 000.00	98 684.21	26%	The business plan was approved later than anticipated in December 2017 and the project will therefore overtop to 2017/2018. An amount of R 112 500 (R 88684.21 VAT exclusive) got transferred to the primary bank account as project management fees.
Grant: DEA		2 125 000.00	919 932.24	43%	The business plan was approved later than anticipated in December 2017 which led to minimal expenditure being incurred in the current year and the project will therefore overtop in 2017/2018.
	18 884 639.00	20 823 738.00	18 464 468.35	89%	
Operational Expenditure	18 384 639.00	19 545 362.00	14 201 954.66	77%	
General Expenses	6 159 304.00	3 792 846.00	4 533 068.79	78%	The spending is below the acceptable norm of 100% as the major components of general expenditure have not been expended on as expected due to procurement processes being underway as a result of late appointment of consultants and approval of the DEA business plan (e.g. consultation).
GMC Expenditure		2 500 000.00	938 232.38	38%	
Employee Related Cost	12 225 335.00	9 772 516.00	9 669 867.87	99%	The spending is below an acceptable norm of 91.67% by the end April 2017. All vacancies have now been filled and expenditure has increased as compared to the previous months. There are two resignations for the quarter under review and that has affected the spending pattern.
Capital Expenditure	-	2 758 376.00	2 363 747.03	86%	
Assets		2 758 376.00	2 363 747.03	86%	Major expenditure relates to mSCDA software.
Total Expenditure	18 384 639.00	19 545 362.00	16 565 701.69	85%	
Net Surplus/(Deficit)		2 500 000.00	1 888 707.64		

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD**SUMMARY CASH AND CASH EQUIVALENTS****FOURTH QUARTER- JUNE 2017****2016/17****Working Capital**

Description	Amount
Cash and Investments Available	3 348 270.18
Cash and cash equivalents at beginning of month (All Accounts)	5 540 505.80
Tender Doc Sales	1 200.00
Interest Received (All Accounts)	20 794.09
Other Cash Receipts	15 968.79
Payments Made	2 230 198.50
Bank Charges (All Accounts)	824.67
Suppliers and Recruitment Costs	861 674.88
SARS - Tax and VAT	511 864.26
Salaries,Wages,Allowances and Benefits	804 926.29
Board Fees	28 600.81
Staff Claims	22 307.59
Total cash and investments available	3 348 270.18