

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

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

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



Enquires: 043 101 0161

Email: vicky@bcmda.org.za

BCMDA-FMR-002-18

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

Dear Mr Sihlahla

BCMDA MONTHLY PERFORMANCE REPORT – DECEMBER 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 December 2017.

Kind Regards

MR BULUMKO NELANA
CHIEF EXECUTIVE OFFICER
DATE: 10/01/2018



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Enquires: 043 101 0161

Email: vicky@bcmda.org.za

BCMDA-FMR-043-17

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 December 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Mr. B Nelana

Chief Executive Officer of Buffalo City Metropolitan Development Agency

Signature

Date

10 January 2018



Ref: BCMDA-SUB-147-17
Enquires: V Ntsodo
Tel: 043 101 0161

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – DECEMBER 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 period ended 31 December 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 – DECEMBER 2017

5. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING 31 DECEMBER 2017.

5.1. Dashboard/Performance Summary

BCMDA hereby presents its' 2017/18 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	11 306 819	Cash and Bank Balance	721 936
Expenditure	12 583 985	Call investments	3 502
Operating Deficit	(1 277 166)	Cash and cash equivalents	725 438
Capital Expenditure	190 228	Account Payables	(172 314)
Deficit after capital expenditure	1 467 394	Unspent conditional grants	(318 569)
		BCDA Closing balance	(1 681 517)
FINANCIAL		HUMAN RESOURCES	
Operating deficit for the period	1 467 394	Total Staff Compliment	17
YTD Grants and subsidies	11 211 868	Staff Appointments	0
% Creditors paid within term	100%	Staff Terminations	0
Current ratio	0:71	Number of funded vacant posts	1
		Salary bill – Officials	7 387 399
		Workforce costs as a % of expenditure	63.17%

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

5.2. Liquidity position

BCMDA's liquidity is 0:71 for the month ending December 2017, which indicates the ability of the agency's current assets which are not sufficient to cover its current liabilities (debts). 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 and has also been included as a liability by virtue of it belonging to BCDA.

5.3. Capital expenditure

The agency incurred capital expenditure pertaining to website hosting.

5.4. Expenditure on allocations received

BCMDA has spent all the funds received from the parent municipality as the first and second tranches of operational grant.

BCMDA has spent R 11.694 million (57.7 %) of its 2017/2018 operating budget of R 20 263 157.89 million from the operational grant received (net of VAT) from the City. The expenditure at this point of the financial year is expected to be at 50 % and that has been achieved.

BCMDA has spent in total R 1 080 288.67 (72.04 % spent on the 2017/2018 roll over budget) year to date from the grant received from DEA. This project has been extended to January 2017 to ensure surplus funds are exhausted through EPWP initiatives.

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

5.5. Cash and cash equivalents

BCDMA's cash and cash equivalents balance at 31 December 2017 is R 1.0 million, which is made up of cash and bank account amounting to R 721 935.74 , call investment balance of R 3 502.00 and unspent funds received from Department of Environmental Affairs (DEA) of R 318 568.64. These funds are all banked with First National Bank.

5.6. Outstanding Creditors

The agency's creditors are made up of trade creditors which will all be settled by the 15th of December 2017, BCDA liability which will be settled by the end of December and a GMC unspent grant.

BCMDA's suppliers are paid twice a month on the 15th and the last of the month, this reduces the risk of having suppliers that are not settled within 30 days.

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – DECEMBER 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 - Table F1 Monthly Budget Statement Summary - M06 December

Description	2016/17	Current Year 2017/18							
	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	-	-	-	-	-	-	-	-	-
Services charges	-	-	-	-	-	-	-	-	-
Investment revenue	200	238	-	7	90	119	(0)	-24%	238
Transfers recognised - operational	16 382	22 138	-	-	10 132	11 069	(1)	-8%	22 138
Other own revenue	877	10 764	-	177	1 085	5 392	(4)	-80%	10 734
Total Revenue (excluding capital transfers and contributions)	17 959	33 160	-	183	11 307	16 580	(5 273)	(0)	33 160
Employee costs	10 144	15 178	-	1 378	8 309	7 589	720	0	15 178
Remuneration of Board Members	459	850	92	#REF!	406	425	(19)	(3)	850
Depreciation and asset impairment	332	471	-	71	414	236	178	0	471
Finance charges	0	2	-	-	5	1	4	0	2
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	4 751	16 659	(92)	#REF!	3 451	8 329	(4 878)	(0)	16 659
Total Expenditure	15 686	33 160	-	#REF!	12 584	16 580	(3 956)	(0)	33 160
Surplus/(Deficit)	2 274	0	-	#REF!	(1 277)	0	(1 277)	(18)	0
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	962	-	1	190	481	(291)	(0)	962
Surplus/(Deficit) after capital transfers & contributions	2 274	962	-	#REF!	(1 087)	481	(1 568)	(0)	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2 274	962	-	#REF!	(1 087)	481	(1 568)	(0)	962
Capital expenditure & funds sources									
Capital expenditure	-	962	-	1	190	531	(340)	(0)	962
Transfers recognised - capital	-	962	-	1	190	481	(291)	(0)	962
Public contributors & donors	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	962	-	1	190	481	(291)	(0)	962
Financial position									
Total current assets	4 400	3 193	-	-	1 746	-	-	-	3 193
Total non current assets	2 034	1 113	-	-	1 815	-	-	-	1 113
Total current liabilities	5 293	2 518	-	-	2 470	-	-	-	2 518
Total non current liabilities	-	1 391	-	-	71	-	-	-	-
Community wealth/Equity	-	387	-	-	1 020	-	-	-	387
Cash flows									
Net cash from (used) operating	5 662	2 828	-	(1 562)	(1 901)	(1 473)	(428)	0	(8 155)
Net cash from (used) investing	(2 314)	(562)	-	-	(294)	(401)	107	(0)	(962)
Net cash from (used) financing	-	(526)	-	(97)	(103)	(219)	116	(0)	(526)
Cash/cash equivalents at the year end	3 348	1 140	(0)	1 042	26 426	(2 093)	28 519	(0)	(5 643)

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – DECEMBER 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 - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2016/17	Current Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD 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	200	230	-	7	50	119	(209)	-24.1%	230
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and rebates	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	3 630	-	-	-	1 815	(1 815)	-100.0%	3 630
Transfers and subsidies	16 282	22 138	-	-	10 132	11 069	(937)	-4.2%	22 138
Other revenue	877	7 154	-	177	1 083	3 577	(2 494)	-34.9%	7 154
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	17 359	33 160	-	187	11 207	16 580	(5 273)	-15.9%	33 160
Expenditure By Type									
Employee related costs	10 144	15 178	-	1 078	8 209	7 583	720	8.9%	15 178
Remuneration of Directors	459	650	-	92	406	425	(19)	-2.9%	650
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	332	471	-	71	414	235	179	37.8%	471
Finance charges	-	2	-	-	5	1	4	554.5%	2
Bank purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	4 751	16 669	-	375	3 451	8 325	(4 874)	-29.2%	16 669
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	15 686	33 180	-	1 916	12 584	16 580	(3 996)	-31.1%	33 180
Surplus/(Deficit)									
Variance and surplus - capital money/ accounts	2 274	0	-	(1 733)	(1 277)	0	(1 277)	-102.4620.0%	0
National / Provincial and District	-	-	-	-	-	-	-	-	-
National / Provincial Departments/Agencies	-	-	-	-	-	-	-	-	-
Household Non-profit Institutions, Private Enterprises	-	962	-	1	130	481	(281)	-60.5%	962
Transfers and subsidies - capital fund - all	2 274	962	-	(1 732)	(1 087)	481	(1 568)	-325.0%	962
Surplus/(Deficit) before taxation	2 274	962	-	(1 732)	(1 087)	481	(1 568)	-325.0%	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 274	962	-	(1 732)	(1 087)	481	(1 568)	-325.0%	962

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

6.2.1. Revenue by Source

Out of a total revenue budget of R33.1 million, BCMDA heavily relies on operational grant from the BCMM. This grant is 70% of this budget.

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

6.2.2. Expenditure by Type

- The expenditure on employee related costs is currently at 48.67 % when excluding GMC grant participants.
- The Board related expenditure has now picked up and the expenditure to date is satisfactory.
- BCMDA has spent R 11 503 696 million (50.36%) of its 2017/2018 operating budget of R 22 841 275 million from the operational grant received (net of VAT) from the City and its internally generated revenue when excluding DEA, Capital expenditure and GMC funding. The expenditure at this point of the financial year is expected to be at 50 % and that has been achieved.
- The expenditure on Greenest Municipality Competition (GMC) grant for the month under review relates to the salaries, refuse bags and catering.

6.3. Monthly Budget Statement – Financial Position

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

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

Table 4: F4: Monthly Budget Statement – Financial Position

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M05 December

Vote Description	2016/17	Current Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	1 654	713	-	1 041	713
Call investment deposits	1 694	2 469	-	4	2 469
Consumer debtors	45	-	-	-	-
Other debtors	94	-	-	702	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	25	-	-	-	-
Total current assets	4 400	3 183	-	1 746	3 183
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	446	455	-	452	465
Agriculture	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	1 588	628	-	1 363	628
Other non-current assets	64	-	-	-	-
Total non current assets	2 034	1 113	-	1 815	1 113
TOTAL ASSETS	6 438	4 296	-	3 561	4 296
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	4	526	-	298	526
Consumer deposits	-	-	-	-	-
Trade and other payables	5 010	1 000	-	2 172	1 000
Provisions	279	992	-	-	992
Total current liabilities	5 293	2 518	-	2 470	2 518
Non current liabilities					
Borrowing	-	1 391	-	71	-
Provisions	-	-	-	-	-
Total non current liabilities	-	1 391	-	71	-
TOTAL LIABILITIES	5 293	3 909	-	2 541	2 518
NET ASSETS	1 142	387	-	1 020	1 778
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	-	337	-	1 020	387
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	387	-	1 020	387

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

6.3.1. Assets

- The Agency cash is made up of the primary bank account balance, money market account balance, petty cash on hand and what is available on the GMC Account.
- Property, Plant and Equipment and Intangible Assets consist of carrying amounts of current assets and additions for the current month which are website hosting services.

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, BCMM liability and an unspent GMC grant.

6.4. Monthly Budget Statement – Cash Flows

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

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

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2016/17	Current Year 2017/18							
	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	36	10 784	-	185	250	-	250	#D/W/O	-
Government - operating	20 559	23 100	-	-	11 550	11 550	-	-	23 100
Government - capital	-	-	-	-	-	-	-	-	-
Interest	100	238	-	8	122	99	23	23.2%	238
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(15 134)	(31 432)	-	(1 758)	(13 829)	(13 122)	(707)	6.4%	(31 432)
Finance charges	(2)	(2)	-	-	(5)	(1)	(4)	685.4%	(2)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 662	2 626	-	(1 862)	(1 901)	(1 473)	995	-47.8%	(8 153)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	28	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(2 318)	(262)	-	-	(294)	(401)	107	-26.8%	(262)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 314)	(262)	-	-	(294)	(401)	(107)	26.8%	(262)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(926)	-	(97)	(103)	(219)	116	-52.8%	(926)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(926)	-	(97)	(103)	(219)	(116)	52.8%	(926)
NET INCREASE/ (DECREASE) IN CASH HELD	3 348	1 441	-	(1 659)	(2 299)	(2 093)	(205)	9.8%	(9 649)
Cash/cash equivalents at the year begin:	0	(2)	(2)	2 701	28 724	-	28 724	#D/W/O	(2)
Cash/cash equivalents at the year end:	3 348	1 140	(2)	1 042	26 426	(2 093)	28 519	1362.6%	(9 649)

An amount of cash inflow for the month of November amounted to R 195 898.45 with the cash outflow of R 1 854 789.14. Kindly refer to attached supporting schedules.

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

6.5. 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 - M06 December

Detail	NT Code	Current Year 2017/18								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	1130											
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											
Receivables from Other Debtors	1811											
Recoverable environmental regulations fines and penalties	1820											
Other	1900											
Total By Income Source	2000											
Debtors Age Analysis By Customer Group	2100											
Organ of State	2200									701	701	
Commercial	2300											
Household	2400											
Other	2500											
Total By Customer Group	2600									701	701	

The debtors are made up of amounts owed by the City for payments incurred by BCMDA on behalf of BCDA.

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 - M06 December

Detail	NT Code	Current Year 2017/18								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									
PAVE deductions	0300									
VAT (output less input)	0400									
Pensions / Retirement deductions	0500	64								64
License repayments	0600									
Trade Creditors	0700	89			3					92
Auditor General	0800									
Other	0900	319								319
Total By Customer Type	2600	488			3					1 682
										1 682
										2 172

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. These creditors are made up of trade creditors, provident fund, BCDA liability and a GMC unspent grant.

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

The trade creditor which is beyond 30 days outstanding is a result of a supplier's inactive bank account leading to a transfer reverting back to the Agency's bank account. Emails are continuously sent to the supplier as a reminder.

6.6. 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 – DECEMBER 2017

Buffalo City Metropolitan Development Agency - Supporting Table F&a Entity capital expenditure on new assets by asset class - MO6 December

Description	2016/17 Actuals Outcome	Current Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	Y&M TD actual	Y&M TD budget	YTD variance	YTD variance %	Y or F Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure									
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 Stations									
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									
Reticulation									
Waste Water Treatment Works									
Odour Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure									
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure									
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure									
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure									
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets									
Community Facilities									
Halls									
Centres									
Clubs									
Clubs/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									

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

Intangible Assets	-	853	-	1	92	427	335	78.5%	863
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	853	-	1	92	427	335	78.5%	863
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	715	-	-	73	358	278	77.8%	716
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	138	-	1	12	89 153.50	57	82.3%	138
Computer Equipment	-	99	-	-	99	99	0	0.3%	99
Computer Equipment	-	99	-	-	99	99	0	0.3%	99
Furniture and Office Equipment	-	10	-	-	-	5	5	100.0%	10
Furniture and Office Equipment	-	10	-	-	-	5	5	100.0%	10
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	-	962	-	1	190	531	340	64.2%	962

There were no capital expenditure items procured during this month, the only expenditure incurred is the recurring website hosting costs for December 2017.

7. BCMDA Challenges

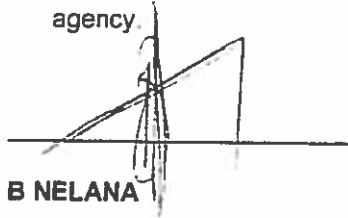
7.1. Output VAT which has to be paid to SARS upon receipt of the operational grant which subsequently reduces the funds available for expenditure of the Agency. This has now become a reality as budgeted items not fully spent on in 2016/2017 are not supported by available funds due to Output VAT of approximately R 2.2 million paid to SARS in 2016/2017.

7.2. Non-payment of the BCDA liability by the end of December 2017 after netting off the debtor due to insufficient funds in the Agency's primary bank account. The payment will therefore be made upon receipt of the 3rd tranche of operational grant.

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

8. RECOMMENDATION

8.1. It is recommended that the City Manager considers and notes the challenges of the
agency.

A handwritten signature in black ink, appearing to be 'B Nelana', is written over a horizontal line. The signature is somewhat stylized and overlaps the line.

B NELANA

CHIEF EXECUTIVE OFFICER

DATE: 10 JANUARY 2018

Municipal In-year reports & supporting tables

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lgdataqueries@treasury.gov.za

Data submission enquiries:
Elsabé Rossouw

National Treasury

Tel: (012) 315-5534

Electronic documents: lgdocuments@treasury.gov.za

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Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - R06 December

Description	2016/17 Audited Outcome	Current Year 2017/18							
		Original Budget	Adjusted Budget	Monthly actual	Year/TD actual	Year/TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	200	258	7	90	119	238	(0)	-24%	238
Transfers recognised - operational	16,882	22,136	-	10,132	11,863	(1)	(1)	-8%	22,136
Other revenues	877	10,784	177	1,005	5,392	(4)	(4)	-80%	10,784
Total Revenue (excluding capital transfers and contributions)	17,859	33,180	183	11,207	16,590	(5,273)	(0)		33,180
Employee costs	12,144	15,178	1,373	8,309	7,593	720	0	15,178	15,178
Remuneration of Board Members	459	650	#REF!	406	425	(19)	(0)	(0)	650
Depreciation and asset impairment	332	471	71	414	236	178	0	471	471
Finance charges	0	2	-	5	1	4	0	0	2
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	4,751	16,650	(92)	3,451	9,229	(4,878)	(0)	16,650	16,650
Total Expenditure	15,686	33,180	#REF!	12,584	16,590	(3,906)	(0)		33,180
Surplus/(Deficit)	2,274	0	#REF!	(1,277)	0	(1,277)	(18)		0
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	2,274	962	#REF!	1,180	481	(281)	(0)	962	962
Surplus/(Deficit) after capital transfers & contributions	-	-	-	(1,067)	481	(1,568)	(0)		962
Taxation	-	962	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,274	962	#REF!	(1,067)	481	(1,568)	(0)		962
Capital Expenditure & funds equity									
Capital expenditure	-	962	1	190	531	(340)	(0)	962	962
Transfers recognised - capital	-	962	1	190	481	(291)	(0)	962	962
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	962	1	190	481	(291)	(0)		962
Financial position									
Total current assets	4,400	3,183	-	1,748	-	-	-	-	3,183
Total non-current assets	2,004	1,113	-	1,815	-	-	-	-	1,113
Total current liabilities	5,293	2,518	-	2,470	-	-	-	-	2,518
Total non-current liabilities	-	1,291	-	71	-	-	-	-	-
Community wealth/Equity	-	387	-	1,820	-	-	-	-	387
Cash flows									
Net cash from (used) operating	5,662	(962)	(1,562)	(1,301)	(1,473)	(429)	0	(8,155)	(8,155)
Net cash from (used) investing	(2,314)	-	-	(294)	(401)	107	(0)	(962)	(962)
Net cash from (used) financing	-	(626)	(97)	(103)	(219)	116	(0)	(826)	(826)
Cash/cash equivalents at the year end	3,248	1,140	(0)	26,426	(2,080)	28,519	(0)	(8,643)	(8,643)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2016/17	Current Year 2017/18							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
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	200	238	-	7	99	119	(29)	-24.1%	239
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	3,630	-	-	-	1,815	(1,815)	-100.0%	3,630
Transfers and subsidies	16,882	22,138	-	-	10,132	11,069	(937)	-8.6%	22,138
Other revenue	877	7,154	-	177	1,085	3,577	(2,432)	-69.7%	7,154
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	17,959	33,160	-	183	11,307	16,580	(5,273)	-31.8%	33,160
Expenditure By Type									
Employee related costs	10,144	15,178	-	1,378	8,309	7,589	720	9.5%	15,178
Remuneration of Directors	459	850	-	92	406	425	(19)	-4.5%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	332	471	-	71	414	236	178	75.5%	471
Finance charges	0	2	-	-	5	1	4	554.5%	2
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	4,751	16,659	-	375	3,451	8,329	(4,878)	-58.6%	16,659
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	15,686	33,160	-	1,916	12,584	16,580	(3,996)	-24.1%	33,160
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,274	0	-	(1,733)	(1,277)	0	(1,277)	-1824620.6%	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations)	-	962	-	1	190	481	(291)	-60.5%	962
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	2,274	962	-	(1,732)	(1,087)	481	(1,568)	-325.9%	962
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,274	962	-	(1,732)	(1,087)	481	(1,568)		962

Rail Platform
 Damaged Caisson
 Storm water Channelizer
 Abseilation
 MV Substations
 LV Networks
 Capital Spares
 Coastal Infrastructure
 San't Plants
 Piers
 Revetments
 Promenades
 Capital Spares
Information and Communication Infrastructure
 Data Centres
 Core Layers
 Backhaul Layers
 Capital Spares
Community Assets
 Community Facilities
 Arts
 Centres
 CACTUS
 Civic/Care Centres
 Fire/Armedical Stations
 Training Stations
 Museums
 Galleries
 Theatres
 Libraries
 Churches/Chapels
 Parks
 Pubs
 Public Open Space
 Nature Reserves
 Public Adulton Facilities
 Markets
 Salls
 Anishers
 Airports
 Tourist/Bus Terminals
 Capital Spares
 Sport and Recreation Facilities
 Indoor Facilities
 Outdoor Facilities
 Capital Spares
Heritage Assets
 Monuments
 Historic Buildings
 Works of Art
 Conservation Areas
 Other Heritage
Historical Landmarks
 Historic Gardens
 Improved Property

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M06 De

R thousands	Vote Description	2016/17	Current Year 2017/18			Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Year/0 actual	
ASSETS						
	Current assets					
	Cash	1,654	713		1,041	713
	Call investment deposits	1,694	2,469		4	2,469
	Consumer debtors	45				
	Other debtors	982			702	
	Current portion of long-term receivables	-				
	Inventory	25				
	Total current assets	4,400	3,183		1,746	3,183
	Non current assets					
	Long-term receivables					
	Investments					
	Investment property					
	Property, plant and equipment	448	485		452	485
	Agricultural					
	Biological					
	Intangible	1,586	628		1,363	628
	Other non-current assets	64				
	Total non current assets	2,094	1,113		1,815	1,113
	TOTAL ASSETS	6,435	4,296		3,561	4,296
	LIABILITIES					
	Current liabilities					
	Bank overdraft					
	Borrowing		526		298	526
	Consumer deposits					
	Trade and other payables	5,010	1,000		2,172	1,000
	Provisions	279	992			992
	Total current liabilities	5,283	2,518		2,470	2,518
	Non current liabilities					
	Borrowing		1,391		71	
	Provisions					
	Total non current liabilities		1,391		71	
	TOTAL LIABILITIES	5,283	3,909		2,541	2,518
	NET ASSETS	1,142	387		1,020	1,778
	COMMUNITY WEALTH/EQUITY					
	Accumulated Surplus/(Deficit)		387		1,020	387
	Reserves					
	Share capital					
	TOTAL COMMUNITY WEALTH/EQUITY	-	387		1,020	387

Buffalo City Metropolitan Development Agency - Supporting Table F1 Entity Material variance explanation - M06 December

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
<u>R thousands</u>			
<u>Revenue Items</u>			
Other revenue	(2,492)	The business plan for the waste management project has not yet been approved so the revenue is in relation to GMC expenditure transferred to revenue.	
Agency services	(1,615)	The project is still ongoing and the revenue will be received during the year The DEA project is awaiting business plan approval upon which the planning phase funds will be transferred	
<u>Expenditure Items</u>			
Total Expenditure	(3,986)	The non approval of the above mentioned business plan has a huge impact on under expenditure	The business plan is currently being reviewed as the project is to be transferred from Aspire
Finance Charges	4	Interest levied by SARS due a transfer of VAT payment made during the weekend though it was the last day of the month	
Depreciation	178	The assets are being depreciated above what was expected during budget preparation	The depreciation will be adjusted for accordingly during the adjustments budget processes
<u>Capital Expenditure Items</u>			
All Assets			
<u>Cash flow Items</u>			
<u>Measurable performance</u>			
Total variance			

Buffalo City Metropolitan Development Agency - Supporting Table F2 Entity Financial and non-financial indicators - #06 December

Description of financial indicator	Ref	Basis of calculation	Ref	2016/17			Current Year 2017/18			Full Year Forecast
				Audited Outcomes	Original Budget	Adjusted Budget	YearTD actual	YearTD actual	Full Year Forecast	
Borrowings Management										
Borrowing to Asset Ratio		Total Long-term Borrowing/ Total Assets		0.0%	32.4%	0.0%	2.0%	0.0%	0.0%	0.0%
Capital Changes to Operating Expenditure		Interest & Depreciation /Operating Expenditure		2.1%	1.4%	0.0%	3.3%	1.4%	1.4%	1.4%
Borrowed funding of capital expenditure		Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital										
Debt to Equity		Loans, Accounts Payable, Overdraft & Tax Provision Funds & Reserves		0.0%	1010.0%	0.0%	249.1%	650.7%	650.7%	650.7%
Gearing										
Liquidity										
Current Ratio		Current asset/current liabilities		83.1%	126.4%	0.0%	70.7%	126.4%	126.4%	126.4%
Current Ratio adjusted for debtors		Current asset/current liabilities less debtors > 90 days		83.1%	126.4%	0.0%	70.7%	126.4%	126.4%	126.4%
Liquidity Ratio		Monetary Assets/Current Liabilities		63.3%	126.4%	0.0%	42.3%	126.4%	126.4%	126.4%
Revenue Measurement										
Annual Debtors Collection Rate (Payment Level %)		Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue		Total Outstanding Debtors to Annual Revenue		5.7%	0.0%	0.0%	6.2%	0.0%	0.0%	0.0%
Longstanding Debtors Reduction Due To Recovery		Debtors > 12 Mths Recovered/Total Debtors > 12 Mths Old		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency		% of Creditors Paid Within Terms (within MFMA s 65(6))		0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Funding of Provisions										
Percentage Of Provisions Not Funded		Unfunded Provisions/Total Provisions		0.0%	0.0%	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%	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%	0.0%	0.0%
Employee costs		Employee costs/Total Revenue - capital revenue		56.5%	45.8%	0.0%	73.5%	45.8%	45.8%	45.8%
Repairs & Maintenance		R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation		I&D/Total Revenue - capital revenue		1.8%	1.4%	0.0%	3.7%	1.4%	1.4%	1.4%
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%	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%	0.0%	0.0%
iii. Cost coverage		(Available cash + investments)/monthly fixed operational expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

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

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged Debtors - 3016 December

Description	HF Code	Current Year 2017/18										Total	Bad Debt	
		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				
Debtors Aged Analyzed By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1120													
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 Factors	1600													
Interest on Asset Debit Accounts	1700													
Receivables unallocated, irregular or disputed and unscrupulous	1810													
Other	1900													
Total By Income Source	2000												701	
Debtors Aged Analyzed By Customer Group														
Organic of Sale	2100													
Commercial	2200													
Household	2300													
Other	2400													
Total By Customer Group	2500													
AS21	2600	0												702

Bad Debt increases in table of debitors categorized in previous month to be explained

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged Creditors - M06 December

R thousands	Detail	NT Code	Current Year 2017/18										Over 1 Year	Total				
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 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	84	-	-	-	-	-	-	-	-	-	-	-	-	-	84	
	Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Trade Creditors	0700	85	-	-	-	3	-	-	-	-	-	-	-	-	-	88	
	Auxiliary General	0800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other	0900	319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total By Customer Type	2500	488	-	-	-	3	-	-	-	-	-	-	-	-	1,682	2,000	
																		2,172

Notes

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

Buffalo City Metropolitan Development Agency - Supporting Table F5 Entity investment portfolio monthly statement - M06 December

Investments by maturity		Current Year 2017/18						
Name of Institution & Investment ID	Period of Investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
R thousands	Months					Begin	End	
First National Bank - 62068719358	N/A	Commercial Money Market	Ongoing	3502	Tiers balance	2,117	(2,114)	
								4
Total Investments								

Buffalo City Metropolitan Development Agency - Supporting Table F7 Entity monthly actuals & revised targets - M06 December

Description	Current Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source															
Service charges	5,231	171	236	183	177	183	-	-	-	-	-	28,978	33,160	31,365	27,009
Other revenue															
Gain on disposal of PPE															
Total Revenue	5,231	171	236	183	177	183	-	-	-	-	-	28,978	33,160	31,365	27,009
Expenditure By Type															
Employee related costs	1,328	1,559	1,387	1,773	1,303	1,378	-	-	-	-	-	6,052	15,178	16,698	17,772
Remuneration of Board Members		141	46	2	131	32	-	-	-	-	-		850	850	850
Rabli impairment	(6)						-	-	-	-	-				
Depreciation & asset impairment		67	69	77	69	71	-	-	-	-	-	50	471	495	520
Finance charges				5			-	-	-	-	-	(3)	2	2	2
Dividends paid							-	-	-	-	-				
Bulk purchases							-	-	-	-	-				
Other materials							-	-	-	-	-				
Contractual services							-	-	-	-	-				
Transfers and grants							-	-	-	-	-				
Other expenditure	240	477	155	860	1,059	375	-	-	-	-	-	18,659	18,659	13,321	7,866
Loss on disposal of PPE							-	-	-	-	-				
Total expenditure	1,841	2,244	1,656	2,018	2,602	1,916	-	-	-	-	-	23,659	33,160	31,365	27,009
Capital expenditure															
Capital assets							-	-	-	-	-				
Total capital expenditure							-	-	-	-	-				
Cash flow															
Riskpayers and other							-	-	-	-	-				
Grants	5,775		12	11		188	-	-	-	-	-	18,523	10,784	7,502	1,175
Interest	10	32	20	5,775			-	-	-	-	-		23,100	24,417	27,784
Suppliers, employees and other	(1,247)	(1,597)	(3,243)	(2,532)	(3,305)	(1,759)	-	-	-	-	-		228	228	298
Finance charges							-	-	-	-	-		(31,492)	(30,545)	(28,010)
Dividends paid							-	-	-	-	-		(2)	(2)	(2)
NET CASH FROM(USED) OPERATING ACTIVITIES	4,546	(1,544)	(3,181)	3,266	(3,282)	(1,582)	-	-	-	-	-	(7,369)	2,828	1,500	1,245
Decrease (increase) other non-current investments							-	-	-	-	-				
Decrease (increase) in non-current investments							-	-	-	-	-				
Proceeds on disposal of PPE							-	-	-	-	-				
Capital assets	(59)	(90)	(102)	(3)	(3)		-	-	-	-	-		(962)	(742)	(248)
NET CASH FROM(USED) INVESTING ACTIVITIES	(58)	(90)	(102)	(3)	(3)		-	-	-	-	-		(962)	(742)	(248)
Borrowing long term financing/short term							-	-	-	-	-				
Repayment of borrowing	(48)		(100)	(82)	(97)		-	-	-	-	-		(53)	(54)	(72)
Increase in consumer deposits							-	-	-	-	-				
NET CASH FROM(USED) FINANCING ACTIVITIES	(48)		(100)	(82)	(97)		-	-	-	-	-		(53)	(54)	(72)
NET INCREASE/(DECREASE) IN CASH HELD	4,440	(1,634)	(3,383)	3,212	(3,282)	(1,659)	-	-	-	-	-	(8,227)	1,141	(564)	(722)
														254	275

Buffalo City Metropolitan Development Agency - Supporting Table F8a Entry capital expenditure on new assets by asset class - NOS December

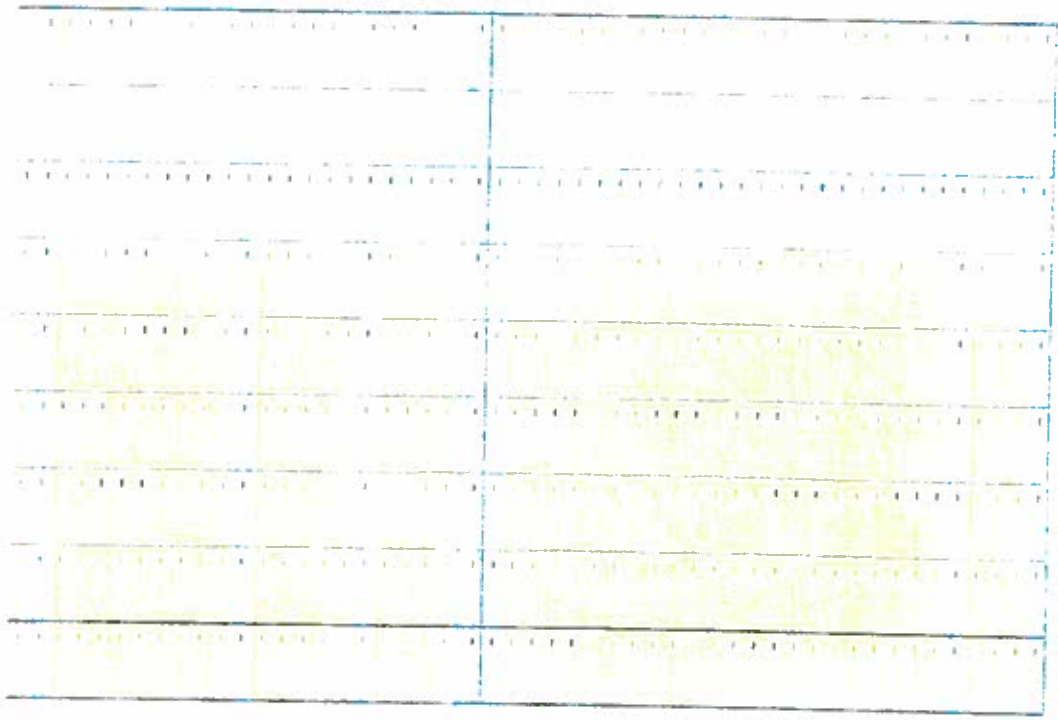
In thousands	Description	2016/17	Current year 2017/18		YTD variance		YTD variance %	Full Year Forecast
		Actual Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		
Capital Expenditure on new assets by Asset Class - NOS								
	Access Infrastructure							
	Roads							
	Road Structures							
	Road Furniture							
	Capital Spares							
	Storm water Infrastructure							
	Drainage Channels							
	Storm water Conveyance							
	Abutments							
	Electrical Infrastructure							
	Power Poles							
	HT Substations							
	HT Switching Station							
	HT Transmission Conductors							
	HT Substations							
	HT Switching Stations							
	HT Networks							
	HT Networks							
	Water Supply Infrastructure							
	Chlorine and Filters							
	Screening							
	Reversers							
	Pump Stations							
	Water Treatment Works							
	Ball Abits							
	Distribution							
	Distribution Poles							
	PTV Stations							
	Control Systems							
	Sanitation Infrastructure							
	Pump Station							
	Rehabilitation							
	Water Meter Treatment Works							
	Control Systems							
	Treatment Facilities							
	Control Systems							
	Solid Waste Infrastructure							
	Landfill Sites							
	North Transfer Station							
	Waste Processing Facilities							
	Heats Dry-out Pouch							
	Water Separation Facilities							
	Electricity Generation Facilities							

Category	Item	Quantity	Unit Cost	Total Cost	Percentage	Other	
Monuments	Historic Buildings	1	853	853	76.5%		
	Works of Art						
	Conservation Areas						
	Other Heritage						
	Improved Landfills	Revenue Generating					
		Improved Property					
		Unimproved Property					
		Non-revenue Generating					
		Improved Property					
		Unimproved Property					
Operational Buildings	Municipal Offices						
	Public Safety						
	Police						
	Fire						
	Public Works						
	Water						
	Sewer						
	Public Housing						
	Community Centers						
	Libraries						
	Senior Centers						
	Manufacturing Plant						
	Depot						
	Capital System						
	Health						
Social Housing							
Community Centers							
Miscellaneous or Unallocated Assets	Blanket or Unallocated Assets						
	Blanket or Unallocated Assets						
	Services						
	Licenses and Rights						
	Water Rights						
	Other Licenses						
	Road Right of Way						
	Computer Software and Applications						
	Land Subsurface Software Applications						
	(Inventory)						
Computer Equipment	Computer Equipment						
	Computer Equipment						
	Furniture and Office Equipment						
	Furniture and Office Equipment						
	Machinery and Equipment						
Transport Assets	Transport Assets						
	Transport Assets						

- Supporting Table F05: City capital expenditure on the renewal of existing assets by asset class - 06/05 December

R Resources	Description	2018/17		Current Year 2017/18		Full Year Forecast	
		Actual Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
	Infrastructure						
	Roads Infrastructure						
	Roads						
	Road Structures						
	Road Furniture						
	Cable Spans						
	Span with Pile/Post/Column						
	Drainage Collection						
	Storm water Conveyance						
	Attenuation						
	Electrical Infrastructure						
	Power Poles						
	HV Substations						
	HV Switching Station						
	HV Transmission Conductors						
	MV Substations						
	MV Switching Station						
	MV Network						
	LV Network						
	Cable Spans						
	Water Supply Infrastructure						
	Cane and Main						
	Storage						
	Reservoirs						
	Pump Stations						
	Water Treatment Works						
	Bulk Store						
	Distribution						
	Distribution Poles						
	PVP Poles						
	Cable Spans						
	Sewerage Infrastructure						
	Pump Station						
	Reservoirs						
	Waste Water Treatment Works						
	Cable Spans						
	Tank/Factory						
	Cable Spans						
	Road Works Infrastructure						
	Landscape						
	Waste Transfer Station						
	Waste Processing/Transfer						
	Waste Drop-off Point						
	Waste Separation Facilities						
	Electricity Generation Facilities						

- Control Systems
- Rail Infrastructure
- Rail Lines
- Rail Structures
- Rail Furniture
- Damage Collection
- Storm water Management
- Automation
- AV Subsystem
- TV Networks
- Control Systems
- Output infrastructure
- Signal Power
- Power
- Releasable
- Protections
- Control System
- Information and Communication Infrastructure
- Rail Carriage
- Core Layers
- Distribution Layers
- Control Systems
- Community Assets
- Community Facilities
- Health
- Delivery
- Colours
- Clinical Care Centres
- Financial/Operational System
- Testing Stations
- Management
- Galaxies
- Theaters
- Leisure
- Children's Development
- Policy
- Ports
- Public Open Space
- Human Resources
- Public Attention Factors
- Alcohol
- Stops
- Abolition
- Aspects
- Traffic Regulation Terminals
- Control Systems
- Event and Recreation Facilities
- Indoor / Seating
- Outdoor Facilities
- Control Systems



Account Name	Account Description	Account Type	Account Code	Account Balance	Account Status
Miscellaneous					
Historic Buildings					
Wares of Art					
Construction Area					
Other Heritage					
Development Activities					
Revenue Generating					
Improved Property					
Unimproved Property					
Non-revenue Generating					
Improved Property					
Unimproved Property					
Other Assets					
Donorated Buildings					
Municipal Offices					
Parliamentary Halls					
Building Main Offices					
Workshops					
Yards					
Stores					
Laboratories					
Tramway Offices					
Miscellaneous Plant					
Depot					
Capital Stores					
Housing					
Self-Housing					
Social Housing					
Capital Stores					
Biological or Cultural Assets					
Biological Assets					
Services					
License and Rights					
Water Rights					
Patent Licenses					
Soft Water Licenses					
Computer Software and Applications					
Local Government Software Applications					
Disasters					
Computer Equipment					
Computer Equipment					
Public and Civic Facilities					
Furniture and Office Equipment					
Machinery and Equipment					
Machinery and Equipment					
Transport Assets					
Transport Assets					

Account	2017	2018	2019	2020	2021	2022	2023	2024	2025
Grants									
Lanes									
Zoo, Marine and Non-Mammal Health									
Zoo, Marine and Non-Mammal Annuals									
Total Repairs and Maintenance Expenditures	6	20	1	28	17	8.2%			

- Supporting Table F60 Entry Depreciation by asset class - 10/6 December

Description	2016/17		Current Year 2017/18				Full Year Forecast
	Actual Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	
Infrastructure							
Roads Infrastructure							
Roads							
Road Structures							
Road Furniture							
Road Signs							
Storm water infrastructure							
Drainage Collection							
Storm water Conveyance							
Attenuation							
Electrical infrastructure							
Power Poles							
MV Substation							
MV Switching Station							
MV Transmission Conductors							
MV Substations							
MV Switching Substation							
MV Networks							
LV Networks							
Cable Street							
Water Supply Infrastructure							
Dams and Weirs							
Boreholes							
Reservoirs							
Pump Stations							
Water Treatment Works							
Bulk Tanks							
Distribution							
Distribution Ponds							
PTV Stations							
Control Spices							
Sanitation Infrastructure							
Pump Station							
Retention							
Water Works Treatment Works							
Control Systems							
Test Facilities							
Capital Spares							
Soft Works Infrastructure							
Landfill Sites							
Water Transfer Stations							
Water Processing Facilities							
Water Distribution Ponds							
Water Separation Facilities							
Electricity Generation Facilities							

- Supporting Table Five: Capital expenditures on the upgrading of existing assets by asset class - \$2016/17

Description	2016/17		Current Year est/17/18		YTD variance	YTD variance	Full Year Forecast
	Actual Outcome	Original Budget	Adjusted Budget	YearTD actual budget			
Capital expenditures on upgrading of existing assets by Asset Class - \$2016/17							
Highway/RT							
Road Infrastructure							
Roads							
Road Structures							
Road Furniture							
Capital Spares							
Storm water Infrastructure							
Disposal Collection							
Storm water Conveyance							
Attenuation							
Electrical Infrastructure							
Power Poles							
NY Substations							
NY Switching Sites							
NY Transmission Conductors							
NY Subscribers							
NY Switching Stations							
NY Networks							
LV Networks							
Control Systems							
Water Supply Infrastructure							
Dams and Weirs							
Reservoirs							
Pump Stations							
Weir/ Treatment Works							
River Weirs							
Distribution							
Distribution Poles							
PPV Poles							
Capital Spares							
Sanitation Infrastructure							
Pump Station							
Purification							
Water Wast Treatment Works							
Quarry Sites							
Tower Facilities							
Control Systems							
Solid Waste Infrastructure							
Landfill Sites							
Water Treatment Stations							
Waste Processing Facilities							
Waste Transfer Plants							
Waste Separation Facilities							
Waste Separation Facilities							
Facility Construction Facilities							

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD**SUMMARY CASH AND CASH EQUIVALENTS**July 2017 - ~~December~~ 2017

2017/18

Working Capital

Description	Amount
Cash and Investments Available	26,417,934.37
Cash and cash equivalents at beginning of month (All Accounts)	28,724,394.67
Total receipts	11,924,554.37
Operational grant	11,550,000.00
Interest Received (All Accounts)	114,069.94
Other Cash Receipts	260,484.43
Payments Made	14,231,014.67
Bank Charges (All Accounts)	9,873.23
Suppliers and Recruitment Costs	3,954,729.73
SARS - Tax and VAT	3,325,333.46
Salaries, Wages, Allowances and Benefits	6,329,107.33
Board and Audit Committee remuneration	473,472.54
Petty Cash	8,000.00
Staff Claims	130,498.38
Total cash and investments available	26,417,934.37



QUARTER 1 PERFORMANCE REPORT
01 JULY 2017 – 30 SEPTEMBER 2017

GENERAL DESCRIPTION

1.1 VISION

A city that is more welcoming and competitive with ample opportunities to invest, work, live and play.

1.2 MISSION STATEMENT

Building a better Buffalo City through facilitating and undertaking development initiatives for the benefit of all the citizens of the city.

1.3 GOALS OF BCMDA

- A stable and fully capacitated agency to deliver on its mandate efficiently and effectively
- Improved number of tourists and tourism spend in Buffalo City
- Efficient, productive and sustainable management of land and buildings
- Improved socio-economic benefits within Buffalo City

1.4 STRATEGIC OBJECTIVES OF BCMDA

- Equitable and sound corporate governance
- Adequate and appropriately skilled staff
- Efficient and effective information technology and knowledge management service
- Effective board secretariat and legal support
- Effective brand management and communication
- Tourism opportunities exploited in high value products
- Inner City Regeneration
- A well-developed beach front

- Effective open space management
- Job creation

1.5 STRATEGIC ALIGNMENT

MGDS 2030 Strategic Pillar	BCMDA Outcome Oriented Goal	BCMDA Strategic Objective
A Well Governed City	A stable and fully capacitated agency to deliver on its mandate efficiently and effectively	<ul style="list-style-type: none"> • Equitable and sound corporate governance • Adequate and appropriately skilled staff • Efficient and effective information technology and knowledge management service • Effective board secretariat and legal support • Effective brand management and communication
Innovative & Productive City	Improved number of tourists and tourism spend in Buffalo City	<ul style="list-style-type: none"> • Tourism opportunities exploited in high value products
A Spatially Transformed City	Efficient, productive and sustainable management of land and buildings	<ul style="list-style-type: none"> • Inner City Regeneration • A well-developed beach front
A Green City	Improved socio-economic benefits within Buffalo City	<ul style="list-style-type: none"> • Effective open space management • Job creation

1.6 ACTIVITIES AND QUARTERLY TARGETS FOR 2017/18

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
Effective board Secretariat and Legal Support	Number of board & committee meetings organised and recorded	21	20	Q1-5	Q1-6	None – so far, the target for the scheduled meetings for the first quarter has been met	None
	Percentage Implementation of board resolutions	100%	100%	Q1-100%	Q1-100%	Due for submission and reporting in November 2017	None
	Percentage of legal matters (including litigation) dealt with as per legislated timeframe	100%	100%	Q1-100%	Q1-100%	External legal team utilised therefore the Agency can only monitor progress	None
Equitable and sound corporate governance	Percentage expenditure	84%	99%	Q1 – 19%	Q1 - 22% expenditure was achieved as at 30 September 2017.	Gathering invoices from other divisions to ensure finance to ensure timeous recording, before	Divisions are encouraged that when invoices are received they are attended to timeously by confirming that

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
						invoices are processed for payment.	services have been rendered or goods were received. Lead times were communicated to all during the policy session as the implementation of Mscoa has led to some changes to be made on the standard operating procedures that were previously implemented.
	Audit Outcome	Unqualified audit report	Unqualified audit report	Q1- Submit Annual Financial Statements to AGSA & BCMM by 31 August 2017.	Achieved.	None.	None.
	Percentage Implementation	90%	90%	Q1 - Nil	None	None	None

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/ Progress	Challenges	Corrective Measures
	of audit recommendations from audit reports (External)						
	Percentage Implementation of audit recommendations from Internal audit reports	90%	90%	Q1 – 20% Implementation of internal audit recommendations	Q1 – 60% of findings that were reported in Q3 & Q4 have been addressed.	None	None
	Percentage vacancy rate on funded posts	35.2%	10%	Q1 – 10%	Q1 - 0% - The target was over exceeded	None	None
Adequate and appropriately skilled staff	Percentage of woman employed	54%	50%	Q1 – 50%	Q1 - 64% - The target was over exceeded	None	None
	Percentage implementation of Performance Management system	66%	100%	Q1 – 100%	Q1 – 100% - All employees have signed Performance agreements and	None	None

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
					annual work plans		
	Percentage turnover of staff	Nil	12%	Q1 – 12%	Q1 – 0% - Full staff compliance by 30 September 2017	None	None
Efficient and effective Information Technology and knowledge management service	Percentage of a web based Electronic Program Management system	Nil	30% of concept and design approval	Q1 – Draft concept for phase 2 (Development of EDMS)	Q1 – Developed Terms of reference for EDMS	None	None
Effective Brand Management and communication	Percentage implementation of Marketing Strategy	Draft Marketing Strategy has been developed and some marketing	Marketing Strategy developed and implemented	Q1- Draft Marketing Strategy developed	Q1- Marketing Strategy approved by EXCO.	None	None

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/ Progress	Challenges	Corrective Measures
		activities implemented					
	Percentage implementation of Stakeholder Relations Management Strategy	Marketing Manager appointed	Stakeholder Relations Management Strategy developed and implemented	Q1 - Draft Stakeholder Relations Management Strategy developed	Stakeholder Relations Management Strategy developed as part of the Marketing Strategy which was approved by Exco	None	None
Tourism opportunities exploited in high value products	Number of tourist attractions activities implemented	Nil	2	Q1 - Engaging various partners for marketing collateral	30% of Planning and preparation tourism activities	None	None
	Percentage development of Water World as a leisure tourist site	Professional Service Provider for Precinct Plans appointed	25% Construction complete	Q1 – Draft designs developed	Q1 – Draft designs developed and working drawings in progress	Subdivision and rezoning application not yet submitted	Consultant requested to make a full submission of designs and zoning and subdivision application to BCMM

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/ Progress	Challenges	Corrective Measures
Inner City Regeneration	Number of City Improvement Districts	Visit various CID implementers	1	Q1- Appointment of a Service provider to provide Safety / Cleaning Services at Beach Front as initial CID concept	Q1- Specification was presented on the 4 th of August 2017 and subsequently approved by Bid Specification Committee (BSC) on the 26 th of September 2017 The Tender was advertised in the Daily Dispatch on the	EIA application not yet submitted due to Final Designs not yet completed Delay in attaining comments from the BCM's General Manager for Community Services and Safety and Security	EIA process to be expedited and to engage DEDEAT Appointment process in progress as Tender advertised for prospective service providers

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/ Progress	Challenges	Corrective Measures
A well-developed Beach Front	Percentage development of Marina Glen 'A' Site	Professional Service Provider for Precinct Plans appointed	10% Partnership agreement signed	Q1 – Draft approval of valuation and zoning completed	5 th of October 2017 Q1 – Market valuation completed. Zoning request submitted	Rezoning request submitted to BCMM – no progress on rezoning process to date since June 2017 No response to request for meeting to discuss these and various matters forwarded to the HOD SP&D.	BCMM to approve zoning extension BCMDA CEO/EM:DF to have further engagements with CM/BCMM: HOD – SP&D
	Percentage development of Court Crescent Site	Professional Service Provider for Precinct Plans appointed	25% Construction complete	Q1 – Draft designs completed	Q1 – Draft designs developed through public participation	Public participation process meetings far apart	Timeous consultation and involvement of stakeholders

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
					process and working drawings in progress	Land Availability agreement not signed	Consultant requested to make a full submission of designs and zoning and consolidation application to BCMM
	Percentage development of Seaview Terrace Site	Professional Service Provider for Precinct Plans appointed	10% Partnership agreement signed	Q1 – Draft approval of valuation and zoning completed	Q1 – Market valuation completed; however, taken for review. Zoning request submitted	Rezoning request submitted to BCMM – no progress on rezoning process to date since June 2017	Council to sign Land Availability agreement BCMM to approve zoning extension BCMDA CEO/EM:DF to have further engagements with CM/BCMM: HOD – SP&D
	Percentage development of Heroes Park Site	Input to Consultant on Design and Development options	Feasibility Study aligned to East London Beach Front Precinct Plans	Q1 – Support to BCM Aquarium and Consultant to align plans to EL Beach	Q1 – Continuous engagement with BCMM Aquarium	Land Availability agreement not signed	Council to sign Land Availability agreement BCMDA to facilitate potential investor

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
				Front Precincts			(SST) engagement and PPP agreement
	Percentage development of Esplanade	Professional Service Provider for Precinct Plans appointed	20% (Designs developed and approved and Contractor appointed)	Q1 – Draft designs completed	Q1 – Draft designs developed through public participation process and working drawings in progress	Public participation process meetings far apart Land Availability agreement not signed	Timeous consultation and involvement of stakeholders Consultant requested to make a full submission of designs to BCMM
Job Creation and Economic Empowerment	Fulltime Equivalent Jobs Created (GMC)	29	40	Q1 – 40	Q1 – 23 FTE's achieved	Target was incorrectly captured, as the target was for the overall financial year not for quarter one	40 FTE's to be achieved by December 2017
	% LEVEL ONE BBBEE expenditure on	36%	50%	Q1 – 35% YTD	Q1- 29%	The majority of Level 1 BBBEE service providers	We will try to improve and monitor this on the new tenders to

Strategic Objective	Performance Indicator	Baseline	Annual target 2017/18	Quarterly targets (activities)	Achievements/Progress	Challenges	Corrective Measures
	procurement of goods and services					are for the agency running costs. Budget items with huge allocations were not allocated to Level One.	be awarded for the next three quarters in order to achieve the target of 50%