

**REPORT TO COUNCIL: 29 APRIL 2015**

**File No.:5/1/1/1[14/15]**

**Author: EXECUTIVE MAYOR (ZN)/AF**

**STATEMENT OF FINANCIAL PERFORMANCE AND THE  
IMPLEMENTATION OF THE 2014/15 BUDGET FOR THE PERIOD ENDING  
31 MARCH 2015**

**1. PURPOSE**

The purpose of the report is for Council to consider and note the statement of financial performance and the implementation of the 2014/15 budget of the Buffalo City Metropolitan Municipality for the period ending 31 March 2015.

**2. AUTHORITY**

Council

**3. LEGAL / STATUTORY REQUIREMENTS**

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 52

Municipal Budget and Reporting Regulations

**4. BACKGROUND**

In terms of Section 52 (d) of the Municipal Finance Management Act No 56, 2003 Chapter 7, *“the Mayor must within 30 (thirty) days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality”*.

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

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

## **5. RESOLUTIONS**

It is recommended that:

- (i) Council considers and notes the report on the statement of financial performance and the implementation of the 2014/15 budget for the period ending 31 March 2015 including supporting documentation attached as Annexure A to F.
- (ii) Council notes the spending rate on capital and operating projects as well as reasons for such as indicated in section 15 and 16 respectively of this report.
- (iii) Council notes the year to date collection rate for the period ending 31 March 2015 of 92% and the twelve (12) months average which is also 92%.

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**Z.V. NCITHA  
EXECUTIVE MAYOR  
BUFFALO CITY METROPOLITAN MUNICIPALITY**

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**DATE**

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND  
THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE  
PERIOD ENDING 31 MARCH 2015**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 3,872,880,413	Bank Balance	R 192,118,554
Expenditure	R 3,498,802,093	Call investment deposits (excl. int.)	R 2,569,418,273
Operating Surplus	R374,078,321	<b>Cash and cash equivalents</b>	<b>R 2,761,536,827</b>
		<i>Account Payables</i>	<i>(373,005,647)</i>
		<i>Unspent conditional grants</i>	<i>(R488,603,503)</i>
		<i>Committed to Capital budget-own funds</i>	<i>(R310,286,398)</i>
		<b>Therefore uncommitted cash and cash equivalents</b>	<b>R1,589,641,279</b>
		Total Long term loans	R 560,473,066
DEBTORS		SURPLUS PER SERVICE	
Total debtors book	R 1,363,657,075	Water	R 41,150,427
Total debtors - Government	R 25,515,459	Electricity	R 158,454,810
Total debtors - Business	R 265,797,278	Refuse	R 34,382,396
Total debtors - Households	R 909,899,762	Sewerage	R 7,840,070
Total debtors - Other	R 162,444,576		
Total debt written off	R 2,014,349		
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<b><u>2013/2014: Capital Expenditure as a % of Mid-Year Adjusted Budget of R1.01 billion:</u></b>	<b><u>2014/2015: Capital Expenditure as a % of Mid-Year Adjusted Budget of R1.17 billion:</u></b>	<b><u>2013/2014: Operating Expenditure as a % of Mid-Year Adjusted Budget of R315.73 million:</u></b>	<b><u>2014/2015: Operating Expenditure as a % of Mid-Year Adjusted Budget of R341.92 million:</u></b>
Exp.(excl. vat)=R445.53 mil % expenditure (excl. vat): 44%	Exp. (excl. vat)=R545.39 mil % exp (Excl. vat) :47%	Exp.(excl. vat)=R153.46 mil % expenditure (excl. vat): 49%	Exp.(excl. vat)=R174.63 mil % exp.(excl. vat): 51%
Exp.(incl. vat)=R484.17 mil % expenditure (incl. vat): 48%	Exp. (incl. vat)=R594.7 mil % exp (incl. vat): 51%	Exp.(incl. vat)=R153.66 mil % exp. (incl. vat): 49%	Exp.(incl. vat)=R175.29 mil % exp.(incl. vat): 51%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R374,078,321	Total staff complement	4,558
12 months average collection ratio	92.22%	Staff Appointments	533
YTD Grants and subsidies	R 762,299,539	Staff Terminations	233
Debtors to Revenue	14.66%	Number of funded vacant posts	691
Percentage of Creditors paid within terms	100%	Total overtime paid (YTD)	R 79,526,130
Current ratio	3.25:1	Allowances and benefits - Councillors	R 33,895,045
Total debt to Total assets	3.93%	Salary bill - Officials	R 901,571,026
Capital Charges to Operating Expenditure	16.49%	Workforce costs as a % of income	23.3%
Cost coverage ratio	7.97 months		

## **6.2. Liquidity position**

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.25:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 20% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 78% of the current assets.

## **6.3. Collection Rate and Outstanding Debtors**

The Executive Mayor notes the year to date collection rate for the period ending 31 March 2015 of 92% and the twelve (12) months average which is 92.22%.

The debtor's collection rate for the average twelve months ending 31 March 2015 is 92% (2013/14: 92%) and the year to date collection rate for the nine (9) months is 92.22% (2013/14: 90.31%).

Total debtors book as at 31 March 2015 amounts to R1,36 billion (2014: R1.13 billion). Households: R909.9 million, Business: R265.8 million, Government: R25.52 million, Other: R162.45 million. The ratio of debtors to revenue is 14.66%. The debtors' age analysis report is reflected on Annexure B – SC3.

## **6.4. Capital Expenditure**

BCMM has spent 51% (R594.7 million, inclusive of reclaimed vat) of its 2014/15 mid-year adjusted capital budget of R1.17 billion as at 31 March 2015. This reflects an improvement when compared to the same period in the previous financial year where 48% (R484.17 million) of the adjusted capital budget of R1.01 billion was spent. (Refer to Section 14 for further details)

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

## **6.5. Operating projects**

The Metro has spent 51% (R175.29 million, inclusive of reclaimed vat) of its 2014/15 mid-year adjusted budget of R341.92 million as at 31 March 2015. This reflects an improvement when compared to the same period in the previous financial year where 49% (R153.66 million) of the adjusted operating projects budget of R315.73 was spent. (Refer to Section 15 for further details)

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

### **6.6. Expenditure on DoRA Current Allocation**

The Metro has spent 63% (R442.37 million, inclusive of reclaimed vat) of its 2014/2015 DoRA allocation of R707.77 million. This reflects an improvement when compared to the same period in the previous financial year where 52% (R433.71 million) of the adjusted budget of R831.40 million was spent . (Refer to Section 11 for further details)

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

BCMM has spent 61% (R407.59 million, inclusive of reclaimed vat) of its 2014/15 USDG budget of R673.29 million as at 31 March 2015. This reflects an improvement when compared to the same period in the previous financial year where 52% (R409.32 million) of the adjusted budget of R790.18 million. (Refer to Section 11 for further details)

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

The cash and cash equivalents of the City as at 31 March 2015 are R2.76 billion made up of cash and bank amounting to R192.12 million and call investment deposits of R2.57 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The cost coverage ratio of the city is 7.97 months.

### **6.8. Outstanding Creditors**

The Metro is paying its creditors within 30 days as stipulated by the MFMA. Refer to Section 9 for details.

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

The total long term borrowings of the municipality as at 31 March 2015 amounts to R560.47 million (Refer to Annexure C for the schedule of borrowings).

The ratio of total debt to total assets is 3.93% and the total debt to revenue ratio is 14.22% as at 31 March 2015.

## 7. IN-YEAR BUDGET STATEMENT MAIN TABLES

### 7.1. Monthly Budget Statement Summary

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

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	672 957	797 180	813 811	68 371	612 736	606 560	6 176	1%	813 811
Service charges	2 201 410	2 420 088	2 411 705	192 448	1 844 699	1 744 562	100 137	6%	2 411 705
Investment revenue	96 432	77 491	77 491	8 438	85 964	53 496	32 467	61%	106 874
Transfers recognised - operational	812 167	825 736	929 301	179 801	762 300	692 066	70 234	10%	929 301
Other own revenue	689 906	638 051	639 450	178 236	567 183	486 552	80 631	17%	639 450
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 472 871</b>	<b>4 758 546</b>	<b>4 871 758</b>	<b>627 294</b>	<b>3 872 880</b>	<b>3 583 236</b>	<b>289 644</b>	<b>8%</b>	<b>4 901 141</b>
Employee costs	1 159 498	1 237 215	1 241 125	97 735	901 571	834 028	67 544	8%	1 241 125
Remuneration of Councillors	45 088	52 254	52 254	3 768	33 895	35 088	(1 193)	-3%	52 254
Depreciation & asset impairment	661 027	710 000	710 000	59 167	532 518	532 500	18	0%	710 000
Finance charges	65 775	59 248	59 248	4 568	44 294	44 436	(142)	-0%	59 248
Materials and bulk purchases	1 110 464	1 201 856	1 214 784	86 331	900 567	860 995	39 572	5%	1 214 784
Transfers and grants	145 865	204 013	195 638	11 094	153 909	146 728	7 180		195 638
Other expenditure	1 341 393	1 282 319	1 417 379	119 341	932 048	943 057	(11 009)	-1%	1 417 379
<b>Total Expenditure</b>	<b>4 529 110</b>	<b>4 746 906</b>	<b>4 890 429</b>	<b>382 004</b>	<b>3 498 802</b>	<b>3 396 833</b>	<b>101 970</b>	<b>3%</b>	<b>4 890 429</b>
<b>Surplus/(Deficit)</b>	<b>(56 239)</b>	<b>11 640</b>	<b>(18 672)</b>	<b>245 290</b>	<b>374 078</b>	<b>186 404</b>	<b>187 675</b>	<b>101%</b>	<b>10 712</b>
Transfers recognised - capital	734 503	700 782	720 400	74 030	407 792	317 186	90 607	29%	720 400
Contributions & Contributed assets	-	-	459	-	-	-	-		459
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>678 264</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>	<b>278 281</b>	<b>55%</b>	<b>731 570</b>
Share of surplus/ (deficit) of associate	54 223	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>732 487</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>	<b>278 281</b>	<b>55%</b>	<b>731 570</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>
Capital transfers recognised	734 503	700 782	720 400	74 030	407 792	192 216	215 576	112%	720 400
Public contributions & donations	-	-	459	-	-	122	(122)	-100%	459
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	100 136	241 226	447 886	30 048	137 600	119 504	18 096	15%	447 886
<b>Total sources of capital funds</b>	<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>
<b>Financial position</b>									
Total current assets	2 909 597	2 651 937	2 398 235		3 548 280				2 398 235
Total non current assets	10 710 989	12 429 377	12 429 377		10 723 670				12 429 377
Total current liabilities	1 073 577	985 433	985 433		1 092 429				985 433
Total non current liabilities	1 002 804	1 091 135	1 091 135		959 862				1 091 135
<b>Community wealth/Equity</b>	<b>11 544 205</b>	<b>13 004 746</b>	<b>12 751 045</b>		<b>12 219 659</b>				<b>12 751 045</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 456 969	1 439 866	1 412 901	487 647	1 140 438	1 079 899	60 539	6%	1 412 901
Net cash from (used) investing	(842 058)	(942 007)	(1 168 745)	(104 078)	(545 392)	(706 506)	161 113	-23%	(1 168 745)
Net cash from (used) financing	(293 793)	(54 633)	(54 633)	(16 392)	(42 942)	(40 975)	(1 968)	5%	(54 633)
<b>Cash/cash equivalents at the month/year end</b>	<b>2 164 433</b>	<b>1 313 269</b>	<b>1 059 567</b>	<b>-</b>	<b>2 716 537</b>	<b>1 202 463</b>	<b>1 514 074</b>	<b>126%</b>	<b>2 353 956</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	221 441	65 980	42 804	39 932	44 117	38 759	20 028	94 699	1 363 657
<b>Creditors Age Analysis</b>									
Total Creditors	353 089	19 917	-	-	-	-	-	-	373 006

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

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

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		<b>1 779 343</b>	<b>1 769 219</b>	<b>1 789 680</b>	<b>351 029</b>	<b>1 587 523</b>	<b>1 374 836</b>	212 688	15%	<b>1 789 680</b>
Executive and council		21 140	34 833	35 333	–	16 938	19 288	(2 350)	-12%	35 333
Budget and treasury office	1 748 881	1 748 881	1 719 752	1 735 875	350 883	1 562 925	1 346 137	216 788	16%	1 735 875
Corporate services	9 322	14 635	18 472	146	7 660	9 410	(1 750)	-19%	18 472	
<i><b>Community and public safety</b></i>		<b>328 680</b>	<b>215 350</b>	<b>312 523</b>	<b>11 152</b>	<b>152 442</b>	<b>187 116</b>	(34 674)	-19%	<b>312 523</b>
Community and social services	64 143	19 285	19 593	959	10 374	11 356	(982)	-9%	19 593	
Sport and recreation	4 976	5 179	5 179	378	2 773	2 963	(190)	-6%	5 179	
Public safety	84 165	82 659	83 882	9 812	63 211	61 371	1 840	3%	83 882	
Housing	173 837	105 580	201 328	–	75 117	110 295	(35 178)	-32%	201 328	
Health	1 559	2 648	2 541	3	967	1 131	(164)	-14%	2 541	
<i><b>Economic and environmental services</b></i>		<b>381 872</b>	<b>94 341</b>	<b>95 507</b>	<b>12 123</b>	<b>55 301</b>	<b>63 644</b>	(8 343)	-13%	<b>95 507</b>
Planning and development	47 958	24 323	25 382	1 543	14 964	15 738	(774)	-5%	25 382	
Road transport	332 638	69 658	69 658	10 562	40 160	47 653	(7 493)	-16%	69 658	
Environmental protection	1 275	361	468	18	177	253	(76)	-30%	468	
<i><b>Trading services</b></i>		<b>2 752 896</b>	<b>2 660 510</b>	<b>2 652 127</b>	<b>252 990</b>	<b>2 069 938</b>	<b>1 944 644</b>	125 294	6%	<b>2 652 127</b>
Electricity	1 509 239	1 574 260	1 541 060	137 507	1 173 983	1 097 473	76 509	7%	1 541 060	
Water	454 907	442 171	442 171	50 389	364 072	329 616	34 456	10%	442 171	
Waste water management	469 987	316 424	331 702	23 643	262 035	255 167	6 868	3%	331 702	
Waste management	318 764	327 654	337 194	41 452	269 849	262 388	7 461	3%	337 194	
<i><b>Other</b></i>	4	<b>18 805</b>	<b>722 702</b>	<b>742 779</b>	<b>–</b>	<b>7 676</b>	<b>330 182</b>	<b>(322 506)</b>	<b>-98%</b>	<b>742 779</b>
<b>Total Revenue - Standard</b>	2	<b>5 261 597</b>	<b>5 462 122</b>	<b>5 592 616</b>	<b>627 294</b>	<b>3 872 880</b>	<b>3 900 422</b>	<b>(27 541)</b>	<b>-1%</b>	<b>5 592 616</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		<b>907 173</b>	<b>917 021</b>	<b>935 985</b>	<b>59 587</b>	<b>609 856</b>	<b>630 040</b>	(20 183)	-3%	<b>935 985</b>
Executive and council		167 937	177 175	170 359	11 264	114 932	127 664	(12 733)	-10%	170 359
Budget and treasury office		465 564	381 616	388 248	25 025	265 064	267 410	(2 346)	-1%	388 248
Corporate services		273 672	358 231	377 377	23 298	229 861	234 966	(5 105)	-2%	377 377
<i><b>Community and public safety</b></i>		<b>513 174</b>	<b>516 563</b>	<b>610 417</b>	<b>59 650</b>	<b>421 183</b>	<b>398 603</b>	22 581	6%	<b>610 417</b>
Community and social services		82 725	91 962	90 871	6 148	63 966	63 852	114	0%	90 871
Sport and recreation		84 128	67 077	65 959	6 408	55 735	46 163	9 572	21%	65 959
Public safety		190 274	198 663	200 545	17 221	161 599	139 162	22 437	16%	200 545
Housing		128 134	128 988	223 207	27 743	119 251	129 283	(10 032)	-8%	223 207
Health		27 913	29 873	29 835	2 129	20 632	20 142	490	2%	29 835
<i><b>Economic and environmental services</b></i>		<b>723 547</b>	<b>822 108</b>	<b>846 889</b>	<b>66 637</b>	<b>621 423</b>	<b>492 892</b>	128 531	26%	<b>846 889</b>
Planning and development		192 670	202 735	225 129	19 205	152 319	152 947	(628)	0%	225 129
Road transport		435 262	529 388	528 829	37 847	396 089	273 686	122 403	45%	528 829
Environmental protection		95 615	89 985	92 931	9 585	73 015	66 259	6 756	10%	92 931
<i><b>Trading services</b></i>		<b>2 371 377</b>	<b>2 478 114</b>	<b>2 481 189</b>	<b>194 992</b>	<b>1 836 421</b>	<b>1 864 606</b>	(28 184)	-2%	<b>2 481 189</b>
Electricity		1 314 438	1 410 105	1 407 174	104 631	1 015 528	1 105 008	(89 481)	-8%	1 407 174
Water		461 736	444 307	444 941	35 314	331 233	332 449	(1 216)	0%	444 941
Waste water management		317 803	333 144	337 741	28 951	254 195	225 287	28 908	13%	337 741
Waste management		277 399	290 558	291 333	26 096	235 466	201 862	33 604	17%	291 333
<i><b>Other</b></i>		<b>13 840</b>	<b>15 895</b>	<b>15 949</b>	<b>1 138</b>	<b>9 918</b>	<b>10 693</b>	<b>(774)</b>	<b>-7%</b>	<b>15 949</b>
<b>Total Expenditure - Standard</b>	3	<b>4 529 110</b>	<b>4 749 700</b>	<b>4 890 429</b>	<b>382 004</b>	<b>3 498 802</b>	<b>3 396 833</b>	<b>101 970</b>	<b>3%</b>	<b>4 890 429</b>
<b>Surplus/ (Deficit) for the year</b>		<b>732 487</b>	<b>712 422</b>	<b>702 187</b>	<b>245 290</b>	<b>374 078</b>	<b>503 589</b>	<b>(129 511)</b>	<b>-26%</b>	<b>702 187</b>

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

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

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

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		251	979	1 336	–	355	669	(314)	-46.9%	1 336
Vote 2 - Directorate - Municipal Manager		21 135	34 833	35 333	–	16 938	19 288	(2 350)	-12.2%	35 333
Vote 3 - Directorate - Chief Operations Officer		174 742	109 776	206 619	36	76 473	112 878	(36 405)	-32.3%	206 619
Vote 4 - Directorate - Chief Financial Officer		1 694 658	1 719 752	1 735 875	350 883	1 562 925	1 346 137	216 788	16.1%	1 735 875
Vote 5 - Directorate - Corporate Services		7 270	8 309	8 309	–	5 388	4 350	1 038	23.9%	8 309
Vote 6 - Directorate - Engineering Services		2 718 289	2 335 908	2 317 985	211 586	1 800 415	1 640 548	159 867	9.7%	2 317 985
Vote 7 - Directorate - Development Planning		69 005	54 774	55 719	1 684	23 610	33 202	(9 592)	-28.9%	55 719
Vote 8 - Directorate - Health & Public Safety		132 865	144 532	145 755	20 299	103 603	104 932	(1 329)	-1.3%	145 755
Vote 9 - Directorate - Community Services		389 158	352 479	364 934	42 807	283 172	278 059	5 113	1.8%	364 934
Vote 10 - Directorate - Miscellaneous		54 223	700 782	720 859	–	–	360 357	(360 357)	-100.0%	720 859
<b>Total Revenue by Vote</b>	2	<b>5 261 597</b>	<b>5 462 122</b>	<b>5 592 723</b>	<b>627 294</b>	<b>3 872 880</b>	<b>3 900 422</b>	<b>(27 541)</b>	<b>-0.7%</b>	<b>5 592 723</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		150 857	155 549	166 677	10 883	120 964	116 613	4 351	3.7%	166 677
Vote 2 - Directorate - Municipal Manager		76 810	90 018	94 264	5 967	60 300	65 383	(5 083)	-7.8%	94 264
Vote 3 - Directorate - Chief Operations Officer		135 916	141 207	236 702	28 925	127 264	137 060	(9 796)	-7.1%	236 702
Vote 4 - Directorate - Chief Financial Officer		465 564	381 616	388 248	25 025	265 064	267 410	(2 346)	-0.9%	388 248
Vote 5 - Directorate - Corporate Services		106 354	161 132	164 015	11 407	102 553	101 281	1 272	1.3%	164 015
Vote 6 - Directorate - Engineering Services		2 545 434	2 737 758	2 741 415	207 992	2 009 745	1 946 940	62 804	3.2%	2 741 415
Vote 7 - Directorate - Development Planning		238 320	257 831	278 824	21 550	175 690	190 658	(14 968)	-7.9%	278 824
Vote 8 - Directorate - Health & Public Safety		243 319	260 864	261 778	21 456	203 115	179 599	23 516	13.1%	261 778
Vote 9 - Directorate - Community Services		566 536	563 726	558 507	48 798	434 108	391 888	42 220	10.8%	558 507
Vote 10 - Directorate - Miscellaneous		–	0	0	–	–	–	–		0
<b>Total Expenditure by Vote</b>	2	<b>4 529 110</b>	<b>4 749 700</b>	<b>4 890 431</b>	<b>382 004</b>	<b>3 498 802</b>	<b>3 396 833</b>	<b>101 970</b>	<b>3.0%</b>	<b>4 890 431</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>732 487</b>	<b>712 422</b>	<b>702 292</b>	<b>245 290</b>	<b>374 078</b>	<b>503 589</b>	<b>(129 511)</b>	<b>-25.7%</b>	<b>702 292</b>

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ending 31 March 2015.

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>								%	
<b><u>Revenue By Source</u></b>									
Property rates	672 059	796 668	813 298	68 371	612 736	606 084	6 652	1%	813 298
Property rates - penalties & collection charges	898	512	512	–	–	475	(475)	-100%	512
Service charges - electricity revenue	1 383 884	1 511 514	1 478 315	124 354	1 111 640	1 047 720	63 920	6%	1 478 315
Service charges - water revenue	325 360	370 613	370 613	33 048	297 442	274 804	22 637	8%	370 613
Service charges - sanitation revenue	230 786	271 995	287 272	11 980	219 916	210 983	8 933	4%	287 272
Service charges - refuse revenue	228 895	251 704	261 244	21 528	196 378	195 933	444	0%	261 244
Service charges - other	32 485	14 261	14 261	1 538	19 323	15 121	4 202	28%	14 261
Rental of facilities and equipment	15 018	17 013	17 013	1 093	9 930	10 291	(361)	-4%	17 013
Interest earned - external investments	96 432	77 491	77 491	8 438	85 964	53 496	32 467	61%	77 491
Interest earned - outstanding debtors	27 178	29 383	29 383	3 066	25 957	19 672	6 286	32%	29 383
Dividends received	–	–	–	–	–	–	–		–
Fines	5 910	9 400	9 400	1 022	3 483	5 725	(2 241)	-39%	9 400
Licences and permits	14 161	20 523	20 523	1 203	10 618	12 966	(2 348)	-18%	20 523
Agency services	–	–	–	–	–	–	–		–

Transfers recognised - operational	812 167	825 736	929 301	179 801	762 300	692 066	70 234	10%	929 301
Other revenue	626 920	561 732	563 131	171 823	517 167	437 899	79 268	18%	563 131
Gains on disposal of PPE	720	–	–	28	28	–	28		–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 472 871</b>	<b>4 758 546</b>	<b>4 871 758</b>	<b>627 294</b>	<b>3 872 880</b>	<b>3 583 236</b>	<b>289 644</b>	<b>8%</b>	<b>4 871 758</b>
<b>Expenditure By Type</b>									
Employee related costs	1 159 498	1 237 215	1 241 125	97 735	901 571	834 028	67 544	8%	1 241 125
Remuneration of councillors	45 088	52 254	52 254	3 768	33 895	35 088	(1 193)	-3%	52 254
Debt impairment	241 011	203 074	187 074	13 383	138 099	140 306	(2 207)	-2%	187 074
Depreciation & asset impairment	661 027	710 000	710 000	59 167	532 518	532 500	18	0%	710 000
Finance charges	65 775	59 248	59 248	4 568	44 294	44 436	(142)	0%	59 248
Bulk purchases	1 110 464	1 201 856	1 214 784	86 331	900 567	860 995	39 572	5%	1 214 784
Other materials		–	–	–	–	–	–		–
Contracted services	9 743	19 909	14 944	1 313	12 686	10 050	2 636	26%	14 944
Transfers and grants	145 865	204 013	195 638	11 094	153 909	146 728	7 180	5%	195 638
Other expenditure	1 078 878	1 059 336	1 215 362	104 645	781 263	792 701	(11 438)	-1%	1 215 362
Loss on disposal of PPE	11 761	–	–	–	–	–	–		–
<b>Total Expenditure</b>	<b>4 529 110</b>	<b>4 746 906</b>	<b>4 890 429</b>	<b>382 004</b>	<b>3 498 802</b>	<b>3 396 833</b>	<b>101 970</b>	<b>3%</b>	<b>4 890 429</b>
<b>Surplus/(Deficit)</b>	<b>(56 239)</b>	<b>11 640</b>	<b>(18 672)</b>	<b>245 290</b>	<b>374 078</b>	<b>186 404</b>	<b>187 675</b>	<b>0</b>	<b>(18 672)</b>
Transfers recognised - capital	734 503	700 782	720 400	74 030	407 792	317 186	(317 186)	(0)	720 400
Contributions recognised - capital			459			–	–		459
Contributed assets						–	–		

<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>678 264</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>			<b>702 187</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>678 264</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>			<b>702 187</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>678 264</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>			<b>702 187</b>
Share of surplus/ (deficit) of associate	54 223								
<b>Surplus/ (Deficit) for the year</b>	<b>732 487</b>	<b>712 422</b>	<b>702 187</b>	<b>319 321</b>	<b>781 871</b>	<b>503 589</b>			<b>702 187</b>

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

### **7.4.1.1. Property rates – Penalties and collection charges**

This relates to the flat rate charged on certain properties leased by the municipality. This revenue varies according to the number of such properties leased during the year.

### **7.4.1.2. Service charges - Other**

The demand for items mentioned below is not constant throughout the year. Income is earned when there is a demand by the clients. Therefore the trend in which income is earned is not constant.

The main contributors are:

- Availability charges
- Admission fees
- New connections – sewerage

The situation is monitored on a monthly basis.

### **7.4.1.3. Licenses and Permits**

The actual income earned from licences and permits is less than the year to date budget by 18% due to a decrease in driver's and learners licence applications; and roadworthy examinations.

### **7.4.1.4. Interest earned – External investments**

The variance of 61% is due to high interest earned on investments than what was projected.

### **7.4.1.5. Interest earned – Outstanding debtors**

The variance of 32% on the interest earned on outstanding debtors signifies that during the ninth month period July 2014 - March 2015, the amount owed by debtors has been more than what was expected. This is caused by the rise in outstanding debtors.

#### **7.4.1.6. Fines**

The under-recovery on fines is mostly due to non-payment of traffic fines, withdrawing of drunken driving cases by the Prosecutors, cases struck of the roll by the magistrates and cases withdrawn by the courts. The city has however obtained the Licence plate recognition system to facilitate the collection of outstanding fines.

#### **7.4.1.7. Transfers recognised – operational**

The transfers recognised relate to grants and subsidies received as well as revenue recognised on grant funded operating projects. Revenue from grant funded projects is recognised as the expenditure is incurred and to date R103.44 million has been recognised. Total Grants and Subsidies received amounts to R658.86 million. There has been improved spending and accelerated progress on operating projects.

#### **7.4.1.8. Other revenue**

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, market income, vehicle registration fees, cemetery fees, grave space sales, tender receipts, towing fees, etc.).

#### **7.4.1.9. Contracted services**

Contracted services are utilised as and when required. As the year progresses the use of contracted services will stabilise.



## 7.5. Capital Expenditure (municipal vote, standard classification and funding)

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

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

Vote Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		558	500	6 729	620	903	26 049	(25 146)	-97%	6 729
Vote 2 - Directorate - Municipal Manager		944	7 000	6 500	62	4 692	41	4 651	11425%	6 500
Vote 3 - Directorate - Chief Operations Officer		58 744	90 136	156 185	26 003	102 206	17 471	84 735	485%	156 185
Vote 4 - Directorate - Chief Financial Officer		3 544	12 350	11 282	87	2 475	5 455	(2 980)	-55%	11 282
Vote 5 - Directorate - Corporate Services		31 262	15 100	23 086	360	3 828	2 121	1 707	80%	23 086
Vote 6 - Directorate - Engineering Services		636 990	665 696	768 226	66 427	363 336	205 917	157 419	76%	768 226
Vote 7 - Directorate - Development Planning		28 432	54 895	51 543	6 628	22 314	25 467	(3 153)	-12%	51 543
Vote 8 - Directorate - Health & Public Safety		6 744	9 800	14 871	86	1 858	22 054	(20 196)	-92%	14 871
Vote 9 - Directorate - Community Services		67 420	86 530	130 323	3 807	43 781	7 269	36 512	502%	130 323
Vote 10 - Directorate - Miscellaneous		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Chief Operations Officer		-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Chief Financial Officer		-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Engineering Services		-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Development Planning		-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health & Public Safety		-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Community Services		-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Miscellaneous		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>		<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Expenditure - Standard</b>		<b>33 780</b>	<b>34 950</b>	<b>47 597</b>	<b>1 109</b>	<b>11 879</b>	<b>12 700</b>	<b>(821)</b>	<b>-6%</b>	<b>47 597</b>
Governance and administration		1 731	7 500	13 229	682	5 595	3 530	2 065	58%	13 229
Executive and council		1 369	12 350	11 282	68	2 456	3 010	(554)	-18%	11 282
Budget and treasury office		30 680	15 100	23 086	360	3 828	6 160	(2 332)	-38%	23 086
<b>Corporate services</b>		<b>134 713</b>	<b>140 467</b>	<b>208 795</b>	<b>28 629</b>	<b>111 817</b>	<b>55 710</b>	<b>56 106</b>	<b>101%</b>	<b>208 795</b>
Community and public safety		67 627	12 500	16 223	2 339	6 048	4 329	1 720	40%	16 223
Community and social services		-	28 030	21 516	201	1 704	5 741	(4 037)	-70%	21 516
Sport and recreation		8 386	9 800	14 871	86	1 858	3 968	(2 110)	-53%	14 871
Public safety		58 700	90 136	156 185	26 003	102 206	41 673	60 533	145%	156 185
Housing		-	-	-	-	-	-	-	-	-
<b>Health</b>		<b>312 120</b>	<b>262 895</b>	<b>390 442</b>	<b>28 195</b>	<b>182 427</b>	<b>104 177</b>	<b>78 250</b>	<b>75%</b>	<b>390 442</b>
Economic and environmental services		28 419	54 895	51 543	6 628	22 314	13 753	8 561	62%	51 543
Planning and development		283 701	198 000	327 199	20 387	157 024	87 303	69 722	80%	327 199
Road transport		-	10 000	11 700	1 180	3 089	3 122	(33)	-1%	11 700
<b>Environmental protection</b>		<b>348 551</b>	<b>503 196</b>	<b>521 410</b>	<b>46 083</b>	<b>239 074</b>	<b>139 122</b>	<b>99 952</b>	<b>72%</b>	<b>521 410</b>
Trading services		104 373	152 999	144 756	21 439	95 254	38 623	56 630	147%	144 756
Electricity		71 663	97 689	96 898	11 852	37 918	25 854	12 064	47%	96 898
Water		172 515	216 508	198 873	12 688	72 944	53 063	19 881	37%	198 873
Waste water management		-	36 000	80 884	105	32 958	21 581	11 377	53%	80 884
<b>Waste management</b>		<b>5 475</b>	<b>500</b>	<b>500</b>	<b>62</b>	<b>195</b>	<b>133</b>	<b>62</b>	<b>46%</b>	<b>500</b>
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>
<b>Funded by:</b>										
National Government		722 854	671 925	667 655	62 605	363 970	178 143	185 828	104%	667 655
Provincial Government		11 649	28 857	52 745	11 425	43 822	14 073	29 749	211%	52 745
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>734 503</b>	<b>700 782</b>	<b>720 400</b>	<b>74 030</b>	<b>407 792</b>	<b>192 216</b>	<b>215 576</b>	<b>112%</b>	<b>720 400</b>
<b>Public contributions &amp; donations</b>	5	<b>-</b>	<b>-</b>	<b>459</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>(122)</b>	<b>-100%</b>	<b>459</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>100 136</b>	<b>241 226</b>	<b>447 886</b>	<b>30 048</b>	<b>137 600</b>	<b>119 504</b>	<b>18 096</b>	<b>15%</b>	<b>447 886</b>
<b>Total Capital Funding</b>		<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>104 078</b>	<b>545 392</b>	<b>311 843</b>	<b>233 549</b>	<b>75%</b>	<b>1 168 745</b>

## 7.6. Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having high assets over liabilities resulting into the net worth of R12.22 billion.

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

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		197 584	80 000	80 000	192 049	80 000
Call investment deposits		1 965 156	1 233 269	979 567	2 569 418	979 567
Consumer debtors		504 740	1 160 451	1 160 451	620 920	1 160 451
Other debtors		191 519	90 203	90 203	112 799	90 203
Current portion of long-term receivables		–	14	14	–	14
Inventory		50 598	88 000	88 000	53 094	88 000
<b>Total current assets</b>		<b>2 909 597</b>	<b>2 651 937</b>	<b>2 398 235</b>	<b>3 548 280</b>	<b>2 398 235</b>
<b>Non current assets</b>						
Long-term receivables		–	60	60	–	60
Investments		–	–	–	–	–
Investment property		333 278	374 000	374 000	333 278	374 000
Investments in Associate		59 549	0	0	59 549	0
Property, plant and equipment		10 287 665	11 966 257	11 966 257	10 301 527	11 966 257
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		30 497	20 730	20 730	29 316	20 730
Other non-current assets		–	68 330	68 330	–	68 330
<b>Total non current assets</b>		<b>10 710 989</b>	<b>12 429 377</b>	<b>12 429 377</b>	<b>10 723 670</b>	<b>12 429 377</b>
<b>TOTAL ASSETS</b>		<b>13 620 586</b>	<b>15 081 314</b>	<b>14 827 612</b>	<b>14 271 950</b>	<b>14 827 612</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		57 416	54 633	54 633	57 416	54 633
Consumer deposits		44 838	49 140	49 140	47 018	49 140
Trade and other payables		844 937	737 100	737 100	861 609	737 100
Provisions		126 386	144 560	144 560	126 386	144 560
<b>Total current liabilities</b>		<b>1 073 577</b>	<b>985 433</b>	<b>985 433</b>	<b>1 092 429</b>	<b>985 433</b>
<b>Non current liabilities</b>						
Borrowing		545 999	546 515	546 515	503 057	546 515
Provisions		456 805	544 620	544 620	456 805	544 620
<b>Total non current liabilities</b>		<b>1 002 804</b>	<b>1 091 135</b>	<b>1 091 135</b>	<b>959 862</b>	<b>1 091 135</b>
<b>TOTAL LIABILITIES</b>		<b>2 076 381</b>	<b>2 076 568</b>	<b>2 076 568</b>	<b>2 052 291</b>	<b>2 076 568</b>
<b>NET ASSETS</b>	2	<b>11 544 205</b>	<b>13 004 746</b>	<b>12 751 045</b>	<b>12 219 659</b>	<b>12 751 045</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		9 140 702	10 327 810	10 074 109	9 816 156	10 074 109
Reserves		2 403 503	2 676 936	2 676 936	2 403 503	2 676 936
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>11 544 205</b>	<b>13 004 746</b>	<b>12 751 045</b>	<b>12 219 659</b>	<b>12 751 045</b>

## 7.7. Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R552.1 million resulting in cash and cash equivalents closing balance of R2.72 billion as at 31 March 2015.

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		3 305 609	3 577 250	3 586 270	435 989	2 998 660	2 682 937	315 723	12%	3 586 270
Government - operating		812 167	825 736	929 301	179 801	762 300	619 302	142 997	23%	929 301
Government - capital		734 503	700 782	720 859	234 659	665 412	525 586	139 825	27%	720 859
Interest		123 654	106 874	106 874	11 504	111 921	80 156	31 765	40%	106 874
Dividends		-	-	-	-	0	-	0	#DIV/0!	-
<b>Payments</b>										
Suppliers and employees		(3 308 223)	(3 507 515)	(3 675 516)	(358 644)	(3 199 685)	(2 630 636)	569 048	-22%	(3 675 516)
Finance charges		(65 777)	(59 248)	(59 248)	(4 568)	(44 260)	(44 436)	(176)	0%	(59 248)
Transfers and Grants		(144 964)	(204 013)	(195 638)	(11 094)	(153 909)	(153 010)	899	-1%	(195 638)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 456 969</b>	<b>1 439 866</b>	<b>1 412 901</b>	<b>487 647</b>	<b>1 140 438</b>	<b>1 079 899</b>	<b>60 539</b>	<b>6%</b>	<b>1 412 901</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		767	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		14	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		892	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(843 732)	(942 007)	(1 168 745)	(104 078)	(545 392)	(706 506)	(161 113)	23%	(1 168 745)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(842 058)</b>	<b>(942 007)</b>	<b>(1 168 745)</b>	<b>(104 078)</b>	<b>(545 392)</b>	<b>(706 506)</b>	<b>(161 113)</b>	<b>23%</b>	<b>(1 168 745)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(244 040)	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(681)	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(49 072)	(54 633)	(54 633)	(16 392)	(42 942)	(40 975)	1 968	-5%	(54 633)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(293 793)</b>	<b>(54 633)</b>	<b>(54 633)</b>	<b>(16 392)</b>	<b>(42 942)</b>	<b>(40 975)</b>	<b>1 968</b>	<b>-5%</b>	<b>(54 633)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>321 118</b>	<b>443 225</b>	<b>189 523</b>	<b>367 176</b>	<b>552 104</b>	<b>332 419</b>			<b>189 523</b>
Cash/cash equivalents at beginning:		1 843 315	870 044	870 044		2 164 433	870 044			2 164 433
Cash/cash equivalents at month/year end:		2 164 433	1 313 269	1 059 567		2 716 537	1 202 463			2 353 956

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

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

### 8.1. Debtors

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

**Table 10: SC3 Monthly budget statement Aged Debtors**

Description	NT Code	Budget Year 2014/15									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	44 376	18 155	12 915	12 009	19 256	10 075	70 301	194 151	381 238	305 792		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	78 360	10 060	3 685	2 399	2 660	1 935	7 907	25 496	132 501	40 397		
Receivables from Non-exchange Transactions - Property Rates	1400	56 764	18 346	12 826	11 928	11 496	15 388	50 884	146 118	323 750	235 813		
Receivables from Exchange Transactions - Waste Water Management	1500	19 280	6 857	4 113	3 519	3 335	3 894	23 881	102 970	167 849	137 600		
Receivables from Exchange Transactions - Waste Management	1600	14 657	6 761	4 775	4 537	4 336	4 327	31 584	139 681	210 658	184 464		
Receivables from Exchange Transactions - Property Rental Debtors	1700	75	66	64	63	64	62	400	2 525	3 319	3 115		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	7 928	5 735	4 427	5 476	2 970	3 078	20 028	94 699	144 343	126 253		
<b>Total By Income Source</b>	<b>2000</b>	<b>221 441</b>	<b>65 980</b>	<b>42 804</b>	<b>39 932</b>	<b>44 117</b>	<b>38 759</b>	<b>204 985</b>	<b>705 640</b>	<b>1 363 657</b>	<b>1 033 433</b>	-	-
<b>2013/14 - totals only</b>		<b>188 707</b>	<b>51 323</b>	<b>36 295</b>	<b>32 134</b>	<b>37 322</b>	<b>42 005</b>	<b>146 747</b>	<b>566 722</b>	<b>1 101 256</b>	<b>824 930</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	12 985	3 954	1 307	297	376	1 490	1 585	3 522	25 515	7 269		
Commercial	2300	108 414	19 534	12 834	12 225	9 932	9 621	31 945	61 293	265 797	125 016		
Households	2400	89 904	38 255	24 958	23 227	29 499	22 575	151 290	530 192	909 900	756 782		
Other	2500	10 138	4 236	3 705	4 183	4 310	5 074	20 166	110 633	162 445	144 366		
<b>Total By Customer Group</b>	<b>2600</b>	<b>221 441</b>	<b>65 980</b>	<b>42 804</b>	<b>39 932</b>	<b>44 117</b>	<b>38 759</b>	<b>204 985</b>	<b>705 640</b>	<b>1 363 657</b>	<b>1 033 433</b>	-	-

#### 8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1,142,216,376 at 31 March 2015 (Refer to 8.2.1 and 8.2.2 below) which is an increase of R11,594,800 over the amount of R1,130,621,576 at 28 February 2015. The primary reason for the increase relates to debtors who fail to settle their current accounts by the due date. Furthermore, the instability of the network, especially in the inland and midland areas has had a negative impact on credit control actions which had to be limited due to the network problems. The IT department is working on ensuring reliable network availability to all BCMM sites.

## **8.2. Additional debtor's information.**

### **8.2.1. Age Analysis per Category**

Table 11 below details debtors age analysis that are older than 30 days by income source as at 31 March 2015. It also provides comparison with the prior year (31 March 2014) which indicates an increase from R935.26 million to 1.14 billion.

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

<b>AGEING</b>	<b>RATES</b>	<b>SEWERAGE</b>	<b>ELECTRICITY</b>	<b>WATER</b>	<b>REFUSE</b>	<b>SUNDRY DEBTORS</b>	<b>TOTAL FOR MARCH 2015</b>	<b>TOTAL FOR MARCH 2014</b>
<b>30 DAYS</b>	18,346,388	6,856,741	10,059,670	18,155,330	6,760,597	5,800,899	65,979,623	68,472,702
<b>60 DAYS</b>	12,825,975	4,112,653	3,684,659	12,914,880	4,775,228	4,490,306	42,803,701	58,816,518
<b>90 DAYS</b>	11,928,315	3,518,865	2,398,747	12,009,462	4,536,975	5,539,511	39,931,875	43,340,552
<b>120 DAYS TO 360 DAYS</b>	77,767,557	31,110,836	12,502,212	99,631,496	40,246,102	26,602,719	287,860,922	235,038,537
<b>YEAR 2</b>	47,999,625	38,546,821	8,687,775	75,196,958	43,878,249	27,997,800	242,307,230	154,953,171
<b>YEAR 3</b>	26,670,349	17,734,029	6,520,647	34,337,438	24,358,146	18,788,168	128,408,776	96,726,714
<b>YEAR 4</b>	20,719,718	11,293,473	4,357,218	20,319,917	15,172,214	12,099,911	83,962,451	63,371,959
<b>YEAR 5</b>	13,024,217	7,659,781	1,780,442	15,263,600	11,607,247	8,766,275	58,101,562	67,947,784
<b>YEAR 5+</b>	37,703,678	27,735,858	4,149,656	49,032,793	44,665,545	29,572,708	192,860,239	146,589,596
<b>TOTAL</b>	<b>266,985,821</b>	<b>148,569,056</b>	<b>54,141,026</b>	<b>336,861,875</b>	<b>196,000,302</b>	<b>139,658,296</b>	<b>1,142,216,376</b>	<b>935,257,536</b>

### 8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 31 March 2015. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers.

**Table 12: Age Analysis per Category Type**

<b>CATEGORY TYPE</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS</b>	<b>120 DAYS+</b>	<b>Total</b>	<b>% Share</b>
<b>Domestic</b>	26,959,630	15,525,892	14,017,150	453,873,944	510,376,617	44.68
<b>Indigent</b>	11,077,533	9,327,393	9,115,732	279,082,276	308,602,934	27.02
<b>Business</b>	19,534,465	12,833,688	12,224,886	112,790,670	157,383,710	13.78
<b>Government</b>	3,954,422	1,306,717	297,341	6,972,140	12,530,620	1.10
<b>Municipal Staff</b>	198,627	100,729	87,752	583,521	970,629	0.08
<b>Councillors</b>	19,236	4,217	6,264	15,536	45,254	0.00
<b>Other</b>	4,235,710	3,705,064	4,182,749	140,183,090	152,306,612	13.33
<b>Total</b>	<b>65,979,623</b>	<b>42,803,701</b>	<b>39,931,875</b>	<b>993,501,178</b>	<b>1,142,216,376</b>	<b>100.00</b>

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

### 8.2.3. Billing, Receipts and Debtors Collection Rate

Table 13 below reflect the twelve monthly amounts billed, collected/received and collection rate for the current financial year and previous financial year.

**Table 13: Cumulative Nett Billing, Receipts and Debtors Collection Ratio per month from 2013/14 to 2014/15 financial year**

Month	2012/2013			2013/2014			2014/2015		
	Billing	Receipts	Collection Rate	Billing	Receipts	Collection Rate	Billing	Receipts	Collection Rate
<b>July</b>	238,333,589	-155,444,098	90.42	2,325,509,002	-2,153,249,916	92.59	2,602,264,135	-2,371,903,619	91
<b>August</b>	456,862,028	-318,827,484	68.55	2,360,722,274	-2,184,105,932	92.52	2,568,699,884	-2,383,877,074	93
<b>September</b>	637,913,507	-509,870,368	77.58	2,362,100,818	-2,201,573,537	93.20	2,589,585,746	-2,403,569,317	93
<b>October</b>	814,187,990	-711,819,642	87.22	2,390,760,330	-2,214,093,193	92.61	2,625,227,643	-2,450,270,791	93
<b>November</b>	1,003,917,047	-884,987,889	89.60	2,413,236,105	-2,237,227,839	92.71	2,652,206,738	-2,440,158,405	92
<b>December</b>	1,187,612,559	-1,046,276,767	89.74	2,451,423,493	-2,277,540,737	92.91	2,662,628,366	-2,446,012,486	92
<b>January</b>	1,376,713,577	-1,219,332,883	89.58	2,473,521,774	-2,288,389,311	92.52	2,712,272,987	-2,461,342,745	91
<b>February</b>	1,571,214,609	-1,399,676,516	90.38	2,489,423,294	-2,286,023,845	91.83	2,712,530,485	-2,497,487,079	92
<b>March</b>	1,756,245,816	-1,575,792,522	90.40	2,508,588,241	-2,317,244,720	92.37	2,733,798,105	-2,521,003,323	92
<b>April</b>	1,928,740,621	-1,770,276,496	91.95	2,533,810,040	-2,313,671,267	91.31			
<b>May</b>	2,136,072,369	-1,952,779,796	93.19	2,563,282,383	-2,324,079,609	90.67			
<b>June</b>	2,325,509,002	-2,134,450,531	92.65	2,565,798,810	-2,350,536,518	91.61			

#### **8.2.4. Debt Incentive Scheme**

The City is currently undertaking a debt incentive scheme to encourage consumers to pay its long outstanding debts. Any debt that was 120 days or older as at November 2014 will qualify for a write off of 50% provided that the remaining 50% plus the debt in the current to 90 days ageing categories is paid. This debt can be paid once-off, or in monthly instalment arrangements; or as a rand-for-rand option, whereby the consumer has an opportunity to pay 50% of the debt older than 120 days off as and when they can, until the end of June 2016 and for every payment made towards this debt, an amount of equal value will be written off.

As at 31 March 2015 a total of 1,572 consumers have registered in the scheme. This resulted in the registered debt value of R32,521,691.72 to date, debt payments received amounting to R15,625,274.15 and debt write-offs totalling R7,344,840.70.

#### **8.2.5. Government Accounts**

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 March 2015 amounted to R12,523,593. This amount has decreased by R814,827 when compared to prior month amount of R13,338,420.

A total payment of R9,555,420.69 was received from Government Departments in March 2015. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 March 2015.

Table 14 below provides an analysis of government debtors as at 31 March 2015 and comparison with the previous month.

**Table 14: Analysis of Government Debtors**

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 MARCH 2015	ARREARS AS AT 28 FEBRUARY 2015	DIFFERENCE
National Department Of Public Works	1,441,029	534,005	1,975,035	2,953,489	(978,454)
Provincial Department Of Public Works	2,516,216	3,829,281	6,345,497	6,571,905	(226,408)
Department Of Education		2,148,583	2,148,583	1,114,111	1,034,472
Department Of Health		1,896,926	1,896,926	2,422,197	(525,271)
Department Of Social Development		45,431	45,431	27,358	18,074
Department Of Agriculture		9,834	9,834	-	9,834
Department of Community Development		-	-	1	(1)
Unemployment Insurance		7,191	7,191	139,502	(132,311)
Members Of Provincial Legislature		95,096	95,096	109,858	(14,762)
<b>TOTAL</b>	<b>3,957,245</b>	<b>8,566,348</b>	<b>12,523,593</b>	<b>13,338,420</b>	<b>(814,826)</b>

**9. CREDITORS' ANALYSIS**

The creditors' analysis as depicted in table 15 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days, except when there are disputes on invoices received.

**Table 15: SC4 Monthly budget Statement Aged Creditors**

Description	NT Code	Budget Year 2014/15								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	88 779								88 779	65 708
Bulk Water	0200	14 253								14 253	14 232
PAYE deductions	0300	12 462								12 462	26 621
VAT (output less input)	0400	-								-	-
Pensions / Retirement deductions	0500	15 484								15 484	14 912
Loan repayments	0600	30 097								30 097	30 097
Trade Creditors	0700	101 981	19 917							121 897	108 442
Auditor General	0800	200								200	-
Other	0900	89 832								89 832	440 822
<b>Total By Customer Type</b>	<b>1000</b>	<b>353 089</b>	<b>19 917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373 006</b>	<b>700 835</b>

The table below (table 16) depicts actual payments made by BCMM to its top twenty (20) creditors in March 2015.

**Table 16: Payments made to the 20 highest Paid Creditors – March 2015**

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				88 779 418.71	88 779 418.71	<b>88 779 418.71</b>
AMATOLA WATER				142 525 608.00	142 525 608.00	<b>142 525 608.00</b>
SHONE'S ELECTRICAL			287 609.46	10 955 129.26	11 242 738.72	<b>11 242 738.72</b>
MANTELLA TRADING 522 CC			3 555 825.92	5 204 591.12	8 760 417.04	<b>8 760 417.04</b>
C & M FASTNERS CC				8 374 184.48	8 374 184.48	<b>8 374 184.48</b>
MAZIYA GENERAL SERVICES			1 791 720.71	5 604 155.28	7 395 875.99	<b>7 395 875.99</b>
T V R CONSTRUCTION				6 046 829.04	6 046 829.04	<b>6 046 829.04</b>
ACTOM MV SWITCHGEAR			4 725 488.10		4 725 488.10	<b>4 725 488.10</b>
MAKINWA MEDIA MANAGEMENT			1 848 998.00	2 794 092.68	4 643 090.68	<b>4 643 090.68</b>
LUQAQAMBO CIVILS CONSTRUCTION			2 118 984.94	2 428 751.00	4 547 735.94	<b>4 547 735.94</b>
ELECTRICAL MOULDED COMPONENTS			1 183 434.00	2 366 868.00	3 550 302.00	<b>3 550 302.00</b>
MVEZO JV ELITYENI			1 397 481.65	1 951 467.63	3 348 949.28	<b>3 348 949.28</b>
SIYASEBENZA TARRING & CONSTRUCTION CC				2 999 896.28	2 999 896.28	<b>2 999 896.28</b>
EYA BANTU PROFESSIONAL SERVICES CC				2 427 599.64	2 427 599.64	<b>2 427 599.64</b>
LIFETIME CONNECTION MANUFACTURING AND SUPPLY CC				1 959 524.16	1 959 524.16	<b>1 959 524.16</b>
AMANZ ABANTU SERVICES (PTY) LTD				1 811 743.84	1 811 743.84	<b>1 811 743.84</b>
NJINGAZONKE CONSTRUCTION			141 191.20	1 540 129.28	1 681 320.48	<b>1 681 320.48</b>
RENNIES TRAVEL (PTY) LTD			1 561 565.64		1 561 565.64	<b>1 561 565.64</b>
CDR ELECTRICAL T/A SISONKE POWER PROJECTS				1 357 764.20	1 357 764.20	<b>1 357 764.20</b>
MBALELANGA TRADING CC			1 304 490.74	52 800.00	1 357 290.74	<b>1 357 290.74</b>
<b>TOTAL</b>			<b>19 916 790.36</b>	<b>289 180 552.60</b>	<b>309 097 342.96</b>	<b>309 097 342.96</b>

## 10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 17 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

**Table 17: SC5 Monthly budget Statement – investment portfolio**

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
<b>Municipality</b>									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	197	1.8%	44 078	197	44 274
Absa 91 2884 4539		Call Account	Call Account	Call Account	4	0.0%	908	4	912
Standard 422 742		Call Account	Call Account	Call Account	5	0.0%	1 336	(360)	976
Absa 91 4102 2241		Call Account	Call Account	Call Account	38	0.3%	8 924	38	8 962
Absa 91 4163 6965		Call Account	Call Account	Call Account	1	0.0%	202	1	203
Absa 91 5484 1280		Call Account	Call Account	Call Account	10	0.1%	4 196	(2 894)	1 302
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	39	0.4%	8 747	39	8 786
Standard 76586/442740		Call Account	Call Account	Call Account	10	0.1%	2 146	10	2 156
Absa 92 0562 2137		Call Account	Call Account	Call Account	3	0.0%	754	3	757
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	37	0.3%	3 140	10 786	13 927
Rand Merchant Bank X021903300		Call Account	Call Account	Call Account	11	0.1%	2 375	11	2 386
Stanlib 551 557 338		Call Account	Call Account	Call Account	21	0.2%	3 962	21	3 983
Absa 92 4434 8061		Call Account	Call Account	Call Account	0	0.0%	30	0	30
Nedbank 03/7881532939/000126		Call Account	Call Account	Call Account	9	0.1%	1 995	9	2 003
Standard 76586/442739		Call Account	Call Account	Call Account	25	0.2%	5 637	25	5 662
Stanlib 551 660 303		Call Account	Call Account	Call Account	28	0.3%	4 857	615	5 471
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	30	0.3%	6 659	30	6 688
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	5	0.0%	1 100	5	1 105
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	26	0.2%	5 923	26	5 949
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	5	0.0%	1 174	5	1 179
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	48	0.4%	10 866	48	10 915
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	39	0	39
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	40	0.4%	8 922	40	8 962
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	159	1	160
Absa 92 2975 5568		Call Account	Call Account	Call Account	0	0.0%	14	0	15
Absa 91 9360 7257		Call Account	Call Account	Call Account	4	0.0%	972	4	976

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
<b>Municipality</b>									
Nedbank 03/7881532939/000112		Call Account	Call Account	Call Account	0	0.0%	1	0	1
Standard 76586/442737		Call Account	Call Account	Call Account	15	0.1%	3 385	15	3 400
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	2	0.0%	525	(105)	421
Nedbank 03/7881532939/000123		Call Account	Call Account	Call Account	1	0.0%	139	1	139
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	306	2.8%	68 689	306	68 995
Stanlib 551 989 180		Call Account	Call Account	Call Account	183	1.7%	34 192	183	34 375
Absa 92 2590 9850		Call Account	Call Account	Call Account	4	0.0%	909	4	913
Stanlib 551 539 764		Call Account	Call Account	Call Account	7	0.1%	1 153	190	1 343
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	10	0.1%	2 368	(194)	2 174
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	0	0.0%	79	0	80
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	2 023	9	2 032
Standard 76586/442743		Call Account	Call Account	Call Account	0	0.0%	83	0	83
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	1	0.0%	273	1	274
Stanlib 551 742 405		Call Account	Call Account	Call Account	2	0.0%	351	2	353
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	2	0.0%	346	2	348
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	207	1.9%	28 373	39 866	68 239
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	382	3.5%	64 460	41 382	105 842
Standard 76586/442745		Call Account	Call Account	Call Account	173	1.6%	7 914	60 173	68 088
Absa 92 6406 3148		Call Account	Call Account	Call Account	641	5.9%	122 410	49 815	172 226
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	20	0.2%	4 560	(264)	4 295
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	124	1	125
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	732	3	735
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	1	0.0%	4	568	572
Nedbank Refer to Confirmation					–		–	–	–
Stanlib 753 72 270		Call Account	Call Account	Call Account	127	1.2%	23 735	127	23 862
Stanlib 551 353 708		Call Account	Call Account	Call Account	5	0.0%	946	5	951

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
<b>Municipality</b>									
Standard 76586/442736		Call Account	Call Account	Call Account	459	4.2%	102 888	459	103 347
Stanlib 753 72 271		Call Account	Call Account	Call Account	658	6.0%	123 023	658	123 681
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	381	3.5%	85 509	381	85 890
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	475	4.3%	106 559	475	107 034
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 306	11.9%	310 632	1 306	311 938
Absa 92 2110 3430		Call Account	Call Account	Call Account	568	5.2%	135 016	568	135 583
Standard 76586/442741		Call Account	Call Account	Call Account	41	0.4%	9 188	41	9 229
Standard 76586/442744		Call Account	Call Account	Call Account	148	1.4%	33 206	148	33 354
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	40	0.4%	9 046	40	9 086
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	90	0.8%	20 221	90	20 311
Nedbank 03/7881532939/000125		Call Account	Call Account	Call Account	2	0.0%	463	2	465
Stanlib 551 748 914		Call Account	Call Account	Call Account	138	1.3%	25 880	138	26 019
Absa 92 6406 3407		Call Account	Call Account	Call Account	7	0.1%	1 702	7	1 710
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	1 735	15.9%	380 386	18 735	399 121
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	1 320	12.1%	288 161	16 486	304 648
Standard 76586/470801		Call Account	Call Account	Call Account	870	7.9%	181 200	27 870	209 070
Standard 76586/442738		Call Account	Call Account	Call Account	10	0.1%	2 227	10	2 237
<b>Municipality sub-total</b>					10 948		2 312 196	268 170	2 580 366
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				<b>10 948</b>		<b>2 312 196</b>	<b>268 170</b>	<b>2 580 366</b>

## 11.ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grants expenditure per allocation or grant is provided in the table below. Further details on grants expenditure performance is detailed in section 11.1 below.

**Table 18: SC7 Monthly budget Statement – transfers and grants expenditure**

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		29 373	698 929	699 729	2 124	28 429	524 796	(496 368)	-94.6%	699 729
Urban Settlement Development Grant		20 855	33 465	34 265	2 056	20 800	25 698	(4 899)	-19.1%	34 265
Financial Management Grant		1 294	1 500	1 500	-	867	1 125	(258)	-22.9%	1 500
Expanded Public works Programme Incentive Grant		3 278	1 890	1 890	-	1 588	1 418	171	12.1%	1 890
Department of Water Affairs		-	-	-	-	-	-	-	-	-
Equitable Share		-	656 674	656 674	-	-	492 506	(492 506)	-100.0%	656 674
Infrastructure Skills Development Grant		3 946	5 400	5 400	68	5 173	4 050	1 123	27.7%	5 400
<b>Provincial Government:</b>		117 320	122 746	221 486	27 653	117 097	166 115	(7 507)	-4.5%	221 486
Roads Subsidy - Provincial Roads		-	1 871	1 871	-	-	1 403	(1 403)	-100.0%	1 871
Dept of Environmental Affairs and Tourism		-	3 745	3 546	365	2 921	2 660	261	9.8%	3 546
Dept of Environmental Affairs and Tourism (Greening Award)		-	-	2 500	-	-	1 875	-	-	2 500
Department of Water Affairs		2 313	-	-	-	-	-	-	-	-
Local Government & Transitional Affairs		1 472	9 101	8 369	541	4 642	6 277	(1 635)	-26.0%	8 369
Health Subsidy - ATIC		-	2 522	2 522	-	-	1 891	(1 891)	-100.0%	2 522
Cooperative Governance and Traditional Affairs		-	1 049	-	-	1	-	1	#DIV/0!	-
Library Subsidy		-	3 638	3 638	-	-	2 729	(2 729)	-100.0%	3 638
Reclaim Land Claims Commission(RLCC)		228	-	72	-	63	54	9	17.0%	72
Dept Sport, Recreation, Arts and Culture (DSRAC)		-	37	37	-	-	28	(28)	-100.0%	37
Dept of Land Affairs		90	777	81	-	19	60	(42)	-69.4%	81
Human Settlement Development Grant		113 216	99 938	198 783	26 748	109 452	149 087	-	-	198 783
Office of the Premier		-	67	67	-	-	51	(51)	-100.0%	67
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Health Subsidy - Environmental Health		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		209	6 856	8 006	211	1 863	6 005	(4 142)	-69.0%	8 006
SETA - Skills Development		-	2 795	2 795	-	1 243	2 096	(853)	-40.7%	2 795
Donor Funding - Leiden & Galve		209	136	136	9	9	102	(93)	-91.3%	136
Salaida		-	-	-	-	-	-	-	-	-
Trust Funds		-	2 715	2 782	32	32	2 086	-	-	2 782
Umsobomvu Youth Fund		-	710	745	170	579	558	-	-	745
Donor Funding - European Commission		-	500	500	-	-	375	-	-	500
Vuna Award		-	-	1 049	-	1	787	-	-	1 049
<b>Total operating expenditure of Transfers and Grants:</b>		146 901	828 531	929 221	29 988	147 388	696 916	(508 017)	-72.9%	929 221
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		722 854	671 925	664 712	62 605	363 970	498 534	(134 563)	-27.0%	664 712
Urban Settlement Development Grant		693 162	639 825	639 025	61 992	340 391	479 268	(138 877)	-29.0%	639 025
Infrastructure Skills Development Grant		23	100	100	-	-	75	(75)	-100.0%	100
Electricity Demand Side Management		4 578	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	5 000	5 000	26	4 312	3 750	562	15.0%	5 000
Integrated National Electrification Programme		24 997	27 000	20 587	587	19 267	15 440	3 827	24.8%	20 587
<b>Provincial Government:</b>		10 506	28 857	55 432	11 425	43 822	41 424	2 398	5.8%	55 432
Human Settlement Development Grant		9 298	18 600	51 657	10 760	41 625	38 743	2 882	7.4%	51 657
Human Settlement Development Grant - MPCC		-	10 069	700	665	665	525	-	-	700
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 046	-	2 686	-	1 353	2 015	(661)	-32.8%	2 686
Local Government, Transitional Affairs & Housing		162	189	189	-	179	142	37	26.2%	189
Dept of Environmental Affairs and Tourism		-	-	199	-	-	-	-	-	199
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Amatola District Municipality		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		1 143	-	716	-	-	537	(537)	-100.0%	716
BCMET Funding		1 143	-	257	-	-	193	(193)	-100.0%	257
Lieden		-	-	459	-	-	344	(344)	-100.0%	459
<b>Total capital expenditure of Transfers and Grants</b>		734 503	700 782	720 859	74 030	407 792	540 495	(132 702)	-24.6%	720 859
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		881 404	1 529 313	1 650 079	104 018	555 181	1 237 410	(640 719)	-51.8%	1 650 079

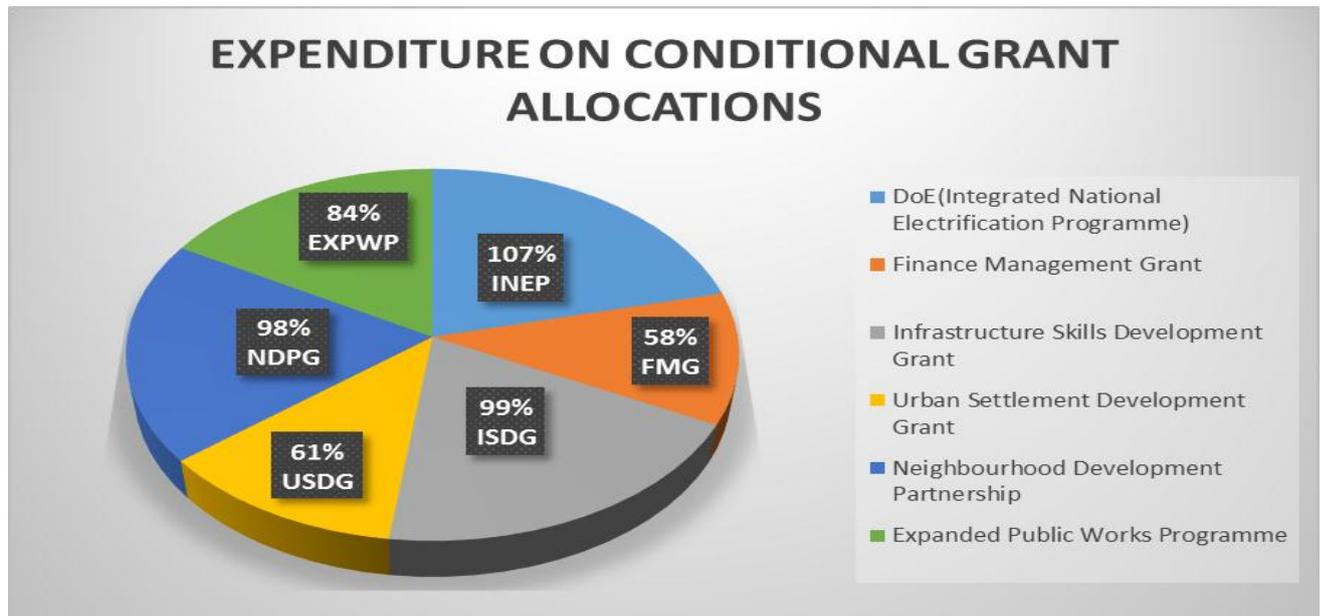
### 11.1. Expenditure On Conditional Grant Allocations

The total expenditure inclusive of reclaimed vat on conditional grants DoRA allocation as at 31 March 2015 amounts to R442.37 million which is 63% of the mid-year adjusted budget of R707.77 million.

Table 19 below reflects the year to date expenditure on 2014/15 total conditional grants.

**Table 19: Spending per Conditional Grant Funding Allocation**

<b>Funding/Grant</b>	<b>2014/2015 Approved Budget</b>	<b>YTD Expenditure (incl. vat)</b>	<b>Variance</b>	<b>% Exp vs. Budget</b>
DoE(Integrated National Electrification Programme)	20 587 000	21 955 634	(1 368 634)	107%
Finance Management Grant	1 500 000	870 766	629 234	58%
Infrastructure Skills Development Grant	5 500 000	5 444 820	55 180	99%
Urban Settlement Development Grant	673 289 000	407 591 984	265 697 016	61%
Neighbourhood Development Partnership	5 000 000	4 915 182	84 819	98%
Expanded Public Works Programme	1 890 000	1 588 430	301 570	84%
<b>TOTAL</b>	<b>707 766 000</b>	<b>442 366 816</b>	<b>265 399 184</b>	<b>63%</b>



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

### **11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)**

#### **Project Description**

Bulk construction Zoo 40Mva substation (Multiyear project).

Electrification in the following RDP areas:

- Airport Township Ext - 81 Connections(complete),
- Second Creek - 265 Connections(complete),
- Ilitha North - 180 Connections(complete) ,
- TRA Berlin - 179 Connections(complete),
- Infills - 300 Connections(229 complete),
- Potsdam Unit P Extension - 500 connections, Contract on site and expected completion date is end May 2015,
- Temporary Relocation Area (TRA) Duncan Village - 58 Connections, cancelled due to no TRAs complete.

All projects are being implemented in terms of the Construction Program and are delivered on time.

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

The year to date results indicate expenditure of 58% of the budgeted operating expenditure of R1.5million. The funding will be fully spent before year end on implementation of Standard Chart of Accounts (SCOA), training of municipal officials in financial management and remuneration of interns.

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

The project is progressing well and will meet the target for full utilisation of funds at year end. Currently the expenditure is sitting at 99%.

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

##### **HOUSING**

###### **Reasons for the Low Expenditure**

Technical timeframe delays in appointment of service providers and finalisation of contractual documents for projects at procurement stage contributed to low expenditure in some projects. Furthermore bad weather conditions affected positive progress on projects that are under implementation.

###### **Corrective Measures to improve expenditure**

The department has finalised the contractual documents and obligations with the newly appointed service providers, the service providers have commenced with project implementation. The department has further planned to advance project monitoring in order to ensure that the service providers deliver as per required milestones. Subsequent to the efforts, the process of procurement of annual contractors and consultant has been followed seeking to overcome procurement turnaround.

Overall expenditure has improved and should continuously increase as all service providers will be busy with execution of work. Additional allocation of budget is required for some projects in order to proceed with work and achieve the intended targets of service delivery in the financial year. The department has further planned to advance project monitoring in order to ensure that the service providers deliver as per required milestones.

##### **ENGINEERING SERVICES**

###### **Reasons for the Low Expenditure**

###### **Water and Sanitation Capital Projects**

Some of the Treatment Works projects have been delayed due to litigations, and another project is delayed due to bidders not meeting the minimum functionality requirement.

### **Corrective Measures to improve expenditure**

West Bank Restitution budget has been re-allocated to other projects within the Bulk Water Provision Programme as the project is still under litigation. The rural sanitation projects have reached practically completion.

## **DEVELOPMENT PLANNING & ECONOMIC DEVELOPMENT**

### **Transport Planning and Operations**

#### **Reasons for the Low Expenditure**

##### **1. KwaTshatshu Pedestrian Bridge**

Consultants appointed on July 2014. Inception stage complete and feasibility report submitted and approved. Environmental impact stage, land ownership process and detailed design stage currently underway.

##### **2. Needs Camp / Potsdam Bridge**

Service Provider appointed and currently busy with detailed design phase. Environmental impact stage and land ownership process underway.

##### **3. Sidewalks**

Sidewalks have been completed in Phakamisa. Potsdam and Mdantsane N.U.2. Sidewalks in Scenery Park are still under construction. The construction of sidewalks in Mdantsane N.U.1 will commence after the Easter holidays.

##### **4. Traffic Calming**

Traffic calming measures have been completed in Beacon Bay, Cambridge, Braelyn Duncan Village, Sweetwaters, Willow Park, KWT CBD, Amalinda, Mzamomhle, Mdantsane, Zwelitsha and Sunnyridge. The construction of traffic calming measures in Sunnyside Road will commence once the service provider has been issued with a works order.

##### **5. Guardrails**

Guardrails have been installed in Mdantsane, Cambridge, Scenery Park, Braelyn and Zwelitsha. Guardrails will be installed in Sweetwaters once the service provider has been issued with a works order.

## **6. Traffic Signals**

Traffic signals have been identified on NEX, Robbie de Lange, Potters Pass and Gullsway, due to the unavailability of cable only Robbie de Lange is currently being installed but there are delays due to the orders not being issued timeously.

## **7. Guidance Signage**

Guidance signs have been identified and designed for the rural areas and are currently being manufactured by the BCMM signage contractor and we are expecting the delivery shortly.

## **8. King William's Town Public Transport Facilities**

The designs for the project are at 95% complete.

## **9. Public Transport Facilities**

Construction of Bus/Taxi Embayments in Cambridge is complete. Gonubie Taxi Rank surfacing is complete. Construction in Scenery Park, Dimbaza and Mdantsane is in progress. Construction of taxi rank in Bonza Bay Road has commenced, the service provider is on site.

## **Local Economic Development**

### **Reasons for the Low Expenditure**

Enabling Infrastructure Programme - the tender was advertised twice without getting a responsive bidder. This resulted in the delays in commencing with the project.

### **Corrective Measures to improve expenditure**

The service provider has been appointed and is currently working on site. Eleven percent (11%) of the budget has been spent and work is continuing onsite in accordance to the project schedule. There is a revised project plan to ensure successful implementation of the project within the financial year.

## **HEALTH AND PUBLIC SAFETY**

### **Reasons for the Low Expenditure**

Design plans are being finalised by the service provider and will be presented to the

Traffic department in April 2015 prior to commencement of work on the King William's Town Traffic building.

**Corrective Measures to improve expenditure**

Draft plans for main building have been completed. First invoice was submitted at the end of March 2015 for the first stage of deliverables. The second invoice will be submitted before end of June 2015.

**COMMUNITY SERVICES**

Enterprise Project Management Office (EPMO) is assisting the amenities department with project implementation in order to speed up the processes. Annual contracts are also being used where possible.

**11.1.5. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)**

BCMM has spent 98% of its allocation for the Neighbourhood Development Partnership Grant Programme grant. The programme is progressing well.

**11.1.6. EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

BCMM has spent 84% of its allocation for the Expanded Public Works Programme. The programme is progressing well.

## 12.COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and Councilors remuneration.

**Table 20: SC8 Monthly Budget Statement – Councilor and Staff Benefits**

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		27 566	31 286	31 286	2 261	20 363	20 983	(621)	-3%	31 286
Pension and UIF Contributions		2 833	3 303	3 303	244	2 146	2 214	(69)	-3%	3 303
Medical Aid Contributions		1 368	1 524	1 524	132	1 123	714	408	57%	1 524
Motor Vehicle Allowance		10 796	12 907	12 907	929	8 362	8 743	(381)	-4%	12 907
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		2 525	3 234	3 234	203	1 903	2 433	(531)	-22%	3 234
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>45 088</b>	<b>52 254</b>	<b>52 254</b>	<b>3 768</b>	<b>33 895</b>	<b>35 088</b>	<b>(1 193)</b>	<b>-3%</b>	<b>52 254</b>
<b>% increase</b>	4		<b>15.9%</b>	<b>15.9%</b>						<b>15.9%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3 537	8 717	8 717	556	3 883	8 896	(5 013)	-56%	8 717
Pension and UIF Contributions		667	1 580	1 580	84	675	1 689	(1 014)	-60%	1 580
Medical Aid Contributions		103	205	205	11	85	285	(200)	-70%	205
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		808	2 277	2 277	92	752	1 901	(1 149)	-60%	2 277
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	77	77	1	4	204	(199)	-98%	77
Other benefits and allowances		959	1 621	1 621	207	1 504	1 583	(78)	-5%	1 621
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	33	33	1	24	-	24	#DIV/0!	33
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 074</b>	<b>14 510</b>	<b>14 510</b>	<b>952</b>	<b>6 927</b>	<b>14 557</b>	<b>(7 630)</b>	<b>-52%</b>	<b>14 510</b>
<b>% increase</b>	4		<b>138.9%</b>	<b>138.9%</b>						<b>138.9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		654 048	775 458	778 785	57 389	531 242	526 292	4 951	1%	778 785
Pension and UIF Contributions		126 960	144 765	145 867	11 139	101 144	97 829	3 315	3%	145 867
Medical Aid Contributions		46 769	57 614	58 141	4 640	38 913	36 544	2 370	6%	58 141
Overtime		80 707	57 128	57 148	7 843	79 526	40 656	38 870	96%	57 148
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		17 823	25 328	24 793	1 728	14 567	16 795	(2 228)	-13%	24 793
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		3 219	7 313	7 300	304	2 570	4 951	(2 381)	-48%	7 300
Other benefits and allowances		178 806	125 372	125 001	12 391	114 518	75 030	39 488	53%	125 001
Payments in lieu of leave		-	13 000	13 000	-	-	10 975	(10 975)	-100%	13 000
Long service awards		14 840	16 727	16 580	1 350	12 163	10 399	1 764	17%	16 580
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>1 123 172</b>	<b>1 222 705</b>	<b>1 226 615</b>	<b>96 783</b>	<b>894 643</b>	<b>819 470</b>	<b>75 173</b>	<b>9%</b>	<b>1 226 615</b>
<b>% increase</b>	4		<b>8.9%</b>	<b>9.2%</b>						<b>9.2%</b>
<b>Total Parent Municipality</b>		<b>1 174 333</b>	<b>1 289 469</b>	<b>1 293 379</b>	<b>101 503</b>	<b>935 466</b>	<b>869 116</b>	<b>66 350</b>	<b>8%</b>	<b>1 293 379</b>
			<b>9.8%</b>	<b>10.1%</b>						<b>10.1%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>1 174 333</b>	<b>1 289 469</b>	<b>1 293 379</b>	<b>101 503</b>	<b>935 466</b>	<b>869 116</b>	<b>66 350</b>	<b>8%</b>	<b>1 293 379</b>
<b>% increase</b>	4		<b>9.8%</b>	<b>10.1%</b>						<b>10.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>1 129 246</b>	<b>1 237 215</b>	<b>1 241 125</b>	<b>97 735</b>	<b>901 571</b>	<b>834 028</b>	<b>67 543</b>	<b>8%</b>	<b>1 241 125</b>

## 12.2. Overtime Analysis

Table 21 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 March 2015. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 31 March 2015. The municipality has overspent its overtime budget as at 31 March 2015, reasons for over expenditure are stated in section 12.2.1 below.

**Table 21: Overtime per Directorate**

Directorate	2014/2015 Annual Budget R	2014/2015 YTD Budget R	2014/2015 YTD Expenditure R	2014/2015 Variance R	2014/2015 % of YTD Budget %
Directorate of Executive Support Services	1 398 035	1 048 526	3 433 437	(2 384 911)	327%
Directorate of The Municipal Manager	265 184	198 888	415 628	(216 740)	209%
Directorate of Chief Operations Officer	91 062	68 297	88 860	(20 564)	130%
Directorate of Financial Service	1 170 142	877 607	749 631	127 976	85%
Directorate of Corporate Services	523 517	392 638	356 404	36 234	91%
Directorate of Engineering Services	14 355 233	10 766 425	20 309 073	(9 542 648)	189%
<i>Electricity</i>	6 742 973	5 057 230	5 859 881	(802 651)	116%
<i>Water</i>	2 617 693	1 963 270	7 591 793	(5 628 523)	387%
<i>Sanitation</i>	4 031 868	3 023 901	6 214 499	(3 190 598)	206%
<i>Other</i>	962 699	722 024	642 900	79 124	89%
Directorate of Development Planning	901 209	675 907	637 676	38 230	94%
Directorate of Health and Public Safety	21 784 059	16 338 044	19 732 589	(3 394 545)	121%
Directorate of Community Services	16 659 651	12 494 738	33 802 831	(21 308 093)	271%
<b>Total</b>	<b>57 148 092</b>	<b>42 861 069</b>	<b>79 526 130</b>	<b>(36 665 061)</b>	<b>186%</b>

**Table 22: Overtime Per Cost Centre: January 2015 – March 2015**

		January 2015 Amount	February 2015 Amount	March 2015 Amount
<b>Directorate -Executive Support Services</b>				
105 005	Office of The Director of Executive Support	332 114.43	217 986.23	260 541.98
105 020	Public Participation & Ward Committees	1 425.28	476.58	2 517.93
105 025	Strategic Support	-	-	631.14
105 030	Special Programmes	532.35	478.26	1 155.33
110 005	IDP	-	-	2 003.58
120 010	Public Relations & International Events	105 370.73	54 606.60	35 230.63
		<b>439 442.79</b>	<b>273 547.67</b>	<b>302 080.59</b>
<b>Directorate - Municipal Manager</b>				
205 005	Office of The Municipal Manager & Support Services	35 698.86	35 888.78	47 275.17
215 005	Internal Audit	-	-	2 463.58
225 005	Municipal Public Accounts Committee	-	-	2 951.40
225 010	Municipal Public Accounts Committee	-	2 526.00	4 622.58
		<b>35 698.86</b>	<b>38 414.78</b>	<b>57 312.73</b>
<b>Directorate - Chief Operations Officer</b>				
255 005	Housing Department	591.57	-	-
		<b>591.57</b>	-	-
<b>Directorate - Chief Financial Officer</b>				
305 010	Support Services Office	-	4 440.95	-
320 010	Supply Chain Management	1 149.48	4 089.15	-
320 015	Expenditure Office	-	2 293.73	-
320 020	Salary Office	-	868.00	-
330 005	Rates & Valuations Office	-	1 117.55	2 206.98
330 010	Consolidated Billing & Miscellaneous Revenue Office	30 874.02	62 963.90	13 221.34
330 015	Debtors Management Office	17 124.24	17 208.73	11 138.13
330 020	Customer Care Office	349.52	9 416.62	1 223.32
		<b>49 497.26</b>	<b>102 398.63</b>	<b>27 789.77</b>
<b>Directorate - Corporate Services</b>				
415 005	Administrative & Council Support	5 882.77	2 778.19	1 623.22
415 010	Auxilliary & Telecommunication Services	13 962.40	23 024.38	21 993.60
415 025	Management Information Services	3 849.24	5 846.60	11 911.77
420 010	Occupational Risk Management	9 178.96	7 628.46	1 674.08
420 020	Organisational Development	1 410.36	-	-
		<b>34 283.73</b>	<b>39 277.63</b>	<b>37 202.67</b>

		January 2015 Amount	February 2015 Amount	March 2015 Amount
<b>Directorate - Engineering Services</b>				
505 010	City Engineering Building	784.68	1 667.45	1 471.28
510 005	Scientific Services	-	-	19 573.70
515 006	Night Soil Removal - Coastal	97 101.49	76 872.29	66 185.10
515 007	Night Soil Removal - Central	-	2 883.54	2 479.42
515 010	Sewerage Admin	2 734.48	3 929.24	3 929.24
515 026	Sewerage Treatment - Coastal	58 907.51	53 447.76	53 915.54
515 027	Sewerage Treatment - Central	52 716.54	38 758.59	35 515.09
515 028	Sewerage Treatment - Inland	82 018.67	128 630.71	80 863.46
515 031	Sewerage Reticulation - Coastal	198 273.37	187 557.22	201 217.19
515 032	Sewerage Reticulation - Central	93 055.77	105 228.24	107 812.63
515 033	Sewerage Reticulation - Inland	108 170.20	85 949.55	76 336.41
520 005	Water Administration	7 625.16	8 004.00	3 784.07
520 011	Maden Dam	19 369.76	12 833.44	11 377.62
520 012	Bridle Drift Dam	3 848.04	2 565.36	2 565.36
520 015	Bulk Pumping Stations	18 082.80	21 018.90	17 093.94
520 021	Umzonyana Water Treatment Works	91 889.28	85 954.89	54 085.04
520 023	KWT Water Treatment Works	136 131.56	101 504.84	81 272.44
520 024	Mdantsane Bulk Pumping	36 471.90	30 493.12	18 609.60
520 025	Water Ops & Maint. - Inland	110 921.43	157 411.84	145 895.39
520 026	Water Ops & Maint. - Midland	189 373.41	189 196.27	177 448.36
520 030	Water Ops & Maint. - Coastal	244 738.00	254 141.72	232 943.04
525 005	Construction Distribution	-	-	1 355.31
525 010	Roads Administration	2 423.58	2 119.78	-
525 025	Roads & Stormwater Drainage	5 782.50	25 754.21	11 836.70
530 015	Mechanical Workshop - Braelyn	38 757.51	45 509.94	26 335.23
530 020	Fleet Management - Braelyn	3 831.60	-	-
535 005	Electricity Administration	1 622.00	2 162.66	2 064.36
535 010	Electricity Distribution Supervisory Staff	604 049.02	571 813.54	638 301.43
535 025	Electricity Planning & Design	393.21	622.59	589.82
535 040	Revenue Protection	81 539.69	73 816.55	73 117.17
		<b>2 290 613.16</b>	<b>2 269 848.24</b>	<b>2 147 973.94</b>
<b>Directorate - Development Planning</b>				
615 095	Building Maintenance - Coastal / Central	30 635.79	4 577.16	2 258.69
620 015	Traffic Signal Maintenance	4 229.77	10 542.81	8 395.43
625 005	Buffalo City Bus Services	6 121.13	10 567.36	14 593.84
635 005	Local Economic Development	-	83 604.27	12 122.55
635 010	Market	25 752.87	30 568.51	44 367.05
		<b>66 739.56</b>	<b>139 860.11</b>	<b>81 737.56</b>

		January 2015 Amount	February 2015 Amount	March 2015 Amount
<b>Directorate - Health &amp; Public Safety</b>				
710 030	Environmental Health	20 391.15	-	-
725 005	Public Safety Administration	3 099.72	-	-
725 010	Fire & Rescue Services	445 327.09	330 022.97	205 607.49
725 015	Law Enforcement Services	1 285 840.13	967 453.95	893 081.85
725 020	Traffic Administration	144 096.56	82 325.72	73 455.84
725 025	Traffic Control	361 423.46	340 784.52	199 352.85
725 030	Criminal Process	772.01	-	-
725 035	Vehicle Test Station / Examination	11 285.89	12 512.88	7 409.04
725 045	Traffic Technical Services	12 174.50	16 933.36	11 947.18
725 050	Parking Areas / Meters	74 697.35	57 375.26	36 498.46
725 055	Disaster Management	16 057.28	6 034.14	3 078.22
		<b>2 375 165.14</b>	<b>1 813 442.80</b>	<b>1 430 430.93</b>
<b>Directorate - Community Services</b>				
750 005	Office of The Director of Community Services	19 440.22	12 312.56	13 617.97
750 010	Cleansing Administration Support	11 153.58	-	4 793.02
755 010	Environmental Services	428 813.65	599 305.57	503 165.87
755 015	Environmental Conservation	139 438.63	174 383.54	172 594.08
755 020	Environmental Workshop	-	5 484.84	1 430.64
755 025	Interments	296 182.88	251 326.60	262 710.76
760 005	Arts & Cultural Services Admin	37 720.47	18 892.19	22 363.59
760 010	Libraries	6 853.08	6 261.64	7 909.52
760 015	Art Gallery	1 286.04	-	-
760 025	Halls	172 951.34	105 852.52	118 685.94
765 005	Amenities Administration Support	68 784.84	56 979.86	40 957.39
765 010	Sportsfields	101 631.82	147 426.22	195 579.94
765 015	Swimming Pools	206 036.36	173 222.79	98 658.32
765 020	Aquarium	60 743.63	54 911.76	32 290.19
765 025	Zoo	65 410.48	67 920.72	52 373.60
765 030	Beaches	412 173.16	286 361.69	220 938.68
765 035	Resorts	113 005.33	91 529.26	76 765.62
770 005	Cleansing Administration Support	45 675.26	55 018.97	33 962.37
770 010	Refuse Removal	1 208 106.44	1 084 725.52	899 781.18
770 015	Waste Disposal Sites	27 705.66	28 487.24	27 105.86
770 020	Street Sweeping	1 060 644.42	716 472.25	624 857.33
770 025	Public Conveniences	199 110.69	115 431.56	135 057.92
770 030	E.L Regional Waste Disposal Site & Transfer Station	59 315.33	65 494.85	39 329.65
		<b>4 742 183.31</b>	<b>4 117 802.15</b>	<b>3 584 929.44</b>
	<b>TOTAL OVERTIME</b>	<b>10 034 215.38</b>	<b>8 794 592.01</b>	<b>7 669 457.63</b>

### **12.2.1. Comments On Overtime**

#### **a) Directorate of Executive Support Services**

The planned and emergency nature of tasks within the Executive Mayors' Office contribute to excessive hours of work. Overtime incurred is also due to ward committee meetings, Inter-departmental and Inter-Governmental Relation programmes. Alternatives are being discussed to reduce the claim of overtime.

#### **b) Municipal Managers Office**

The over expenditure on overtime is due to unplanned and emergency overtime. Monitoring of overtime is continuously undertaken.

#### **c) Chief Operations Officer**

Overtime is spent when there is a need by the personnel working in Beneficiary Administration, Relocation and Education who have to work odd hours because of non availability of beneficiaries on normal working hours. Expenditure is incurred as per demand for such services. There is also overtime incurred in respect of eight security guards who are guarding the Municipal Offices in Duncan Village (DVRI), they work on public holidays and do night shifts.

#### **d) Directorate of Engineering Services**

Electricity – Overtime is incurred while carrying out emergency work in all areas of East London and King Williams Town/Bisho due to standby emergencies, vandalism, theft, revenue protection raids for illegals and load shedding, etc.

Water – Overtime is incurred while carrying out emergency work due to the high number of pipe bursts.

Sanitation – Overtime is incurred while carrying out emergency work (burst rising mains etc.) and attending to alarms received via the telemetry system of faults at pump stations i.e. tripped pumps etc.

**e) Directorate of Health and Public Safety**

Overexpenditure on the overtime can be attributed to the number of events, summer carnival, christmas festival & New Years day festivities as well as extra security duties to Council members.

**f) Directorate of Community Services**

Overtime is mostly due to halls usage, high volume of burials especially over weekends and the emergency overtime for grass cutting and vegetation control.

The Amenities functions are of such a nature that certain staff must be available seven days a week including public holidays. Services provided include emergency work over the holiday seasons, swimming pools (inland/ costal), sportsfields (inland/ coastal), resorts, aquarium, beaches, coastal conservation, nature reserves and the zoo.

**12.3. Standby and Shift Allowance Analysis**

Table 23 below reflects standby and shift allowance expenditure incurred per directorate for the past three months ended 31 March 2015. There was an increase in the total payment between January 2015 and February 2015 of R38 455 and a decrease in the total payment between February 2015 and March 2015 of R95 564.

**Table 23: Standby & Shift Allowance per Directorate**

	<b>JANUARY 2015</b>	<b>FEBRUARY 2015</b>	<b>MARCH 2015</b>
Directorate – Executive Support Services	15 062	10 541	12 624
Directorate – Municipal Manager	1 073	730	584
Directorate – Chief Financial Officer	5 469	7 599	5 319
Directorate – Corporate Services	14 915	13 551	10 792
Directorate – Engineering Services	467 967	494 844	436 010
Directorate – Development Planning	10 100	9 928	8 755
Directorate – Health & Public Safety	197 925	194 680	172 990
Directorate – Community Services	224 448	243 542	232 776
<b>TOTAL</b>	<b>936 960</b>	<b>975 415</b>	<b>879 851</b>

#### 12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the months of January 2015, February 2015 and March 2015 is reflected below. There was a decrease in the total payment between January 2015 and February 2015 of R5 098 125 and an increase in the total payment between February 2015 and March 2015 of R1 961 819.

**Table 24: Temporary Staff Per Directorate**

	<b>JANUARY 2015</b>	<b>FEBRUARY 2015</b>	<b>MARCH 2015</b>
Directorate – Executive Support Services	908 099	934 507	793 539
Directorate – Municipal Manager	186 188	215 559	261 667
Directorate – Chief Operations Officer	237 049	255 442	226 112
Directorate – Chief Financial Officer	526 849	497 688	580 837
Directorate – Corporate Services	958 703	880 175	1 948 582
Directorate – Engineering Services	189 579	129 884	196 598
Directorate – Development Planning	39 775	137 672	39 683
Directorate – Health & Public Safety	8 688 781	4 522 570	5 828 920
Directorate – Community Services	2 628 496	1 691 898	1 351 277
<b>TOTAL</b>	<b>14 363 520</b>	<b>9 265 396</b>	<b>11 227 215</b>

#### 12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors costs.

**Table 25: Councillors Costs**

	<b>MARCH 2015</b>	<b>YTD EXPEN</b>	<b>YTD BUDGET</b>	<b>VARIANCE</b>	<b>ANNUAL BUDGET</b>
Mayoral Allowance	56 078	504 702	<b>558 299</b>	53 596	<b>744 398</b>
Deputy Mayoral Allowance	44 862	403 762	<b>446 639</b>	42 876	<b>595 518</b>
Mayoral Committee Allowance	336 468	3 428 858	<b>4 187 237</b>	758 380	<b>5 582 983</b>
Speakers Allowance	44 862	403 762	<b>444 800</b>	41 038	<b>593 067</b>
Councillors Allowance	1 778 758	15 621 613	<b>17 827 460</b>	2 205 847	<b>23 769 946</b>
Cllr Housing Subsidy	202 658	1 902 593	<b>2 425 446</b>	522 853	<b>3 233 928</b>
Cllr Medical Aid	132 052	1 122 538	<b>1 142 908</b>	20 370	<b>1 523 877</b>
Cllr Pension Scheme	243 682	2 145 570	<b>2 343 595</b>	198 025	<b>3 124 793</b>
Cllr Travel Allowance	928 961	8 361 647	<b>9 680 491</b>	1 318 844	<b>12 907 321</b>
Cllr U.I.F	-	-	<b>133 848</b>	133 848	<b>178 464</b>
<b>TOTAL</b>	<b>3 768 382</b>	<b>33 895 045</b>	<b>39 190 721</b>	<b>5 295 676</b>	<b>52 254 295</b>

### **13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE**

The parent municipality Buffalo City Metropolitan Municipality has constituted the board members for Buffalo City Development Agency (BCDA). The board is currently in the process of recruiting staff for the running of the agency.

As at 31 March 2015, the Buffalo City Development Agency has a budget of R5,39 million within the Executive Support Services Directorate of BCMM, and has spent R1.76 million. The expenditure incurred relates mainly to audit fees, accounting fees and board members fees and expenses.

### **14. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

The SDBIP is a management, implementation and monitoring tool which assists the Executive Mayor, Councillors, Accounting Officer, Senior Managers and the community with the realization of Municipality's strategic objectives as contained in the Integrated Development Plan Finance. It also seeks to ensure monitoring and execution of the budget, performance of senior management and the achievement of the service delivery objectives set by Council. SDBIP enhances the principle of democratic and accountable local government as enshrined in section 152 of the Constitution.

The SDBIP should therefore contain information that pertains to performance indicators, service delivery targets as well as measurement source. The SDBIP for the 2014/2015, budget year per vote is informed by Councils resolution to improve the quality of life of residents and citizens of BCMM. In doing so, Council is renewing its pledge to create "a City that grows with you".

The BCMM 2014/15 Service Delivery Targets and Performance Indicators are attached as Annexure F.

## **14.1. Service Delivery Targets And Performance Indicators Third Quarter 2014/15 Per Directorate**

### **Executive Support Services**

The Executive Support Services Directorate has set 10 Key Performance Indicators (KPI's) on their SDBIP. The total of KPI's achieved is 7, not achieved is 3. Therefore, the overall 3rd Quarter Performance for Executive Support Services is standing at 70%.

### **Chief Operations Officer**

The Chief Operations Officer Directorate has set 8 Key Performance Indicators (KPI's) on their SDBIP. The total of KPI's achieved is 7, not achieved is 1. Therefore, the overall 3rd Quarter performance for COO is standing at 88%.

### **Chief Financial Officer**

The Chief Financial Officer Directorate has set 11 Key Performance Indicators (KPI's) on their SDBIP. The total of KPI's achieved is 9, not achieved is 2. Therefore, the overall 3rd Quarter performance for CFO is standing at 82%.

### **Corporate Services**

The Corporate Services Directorate has set 11 KPI's on their SDBIP. The total of KPI's achieved is 5 not achieved is 6. Therefore, the overall 3rd Quarter Performance for Corporate Services is 45%.

### **Engineering Services**

The Directorate of Engineering has set 34 KPI's on their SDBIP. The total of KPI's achieved is 28 and not achieved is 2. Not for reporting for this quarter is 4. Therefore, the overall 3rd Quarter Performance for Engineering Services is 93 %.

### **Planning and Economic Development**

The Directorate of Development Planning has set 18 KPI's on their SDBIP. The total of KPI's achieved is 4, not achieved is 10. No reporting this quarter 4. Therefore, the overall 3rd Quarter Performance for Development Planning is 29%.

### **Public Safety and Health**

The Directorate of Public Safety and Health has set 12 KPI's on their SDBIP. The total of KPI's achieved is 4 and not achieved is 8. Therefore, the overall 3rd Quarter Performance for Health and Public Safety is standing at 33%.

### **Community Services**

The Directorate of Community Services has set 19 KPI's on their SDBIP. The total of KPI's achieved is 12 and not achieved is 7. Therefore, the overall 3rd Quarter Performance for Community Services is 63%.

**Table 26: Summary of BCMM 3rd Quarter Performance according to the eight [8] Directorates is as follows:**

<b>Directorates</b>	<b>Total no. of KPI(s)</b>	<b>No. of KPI(s) achieved</b>	<b>No. of KPI's not achieved</b>	<b>Not for reporting this quarter</b>	<b>% of KPI's achieved</b>
Executive Support Services	10	7	3	0	70%
Chief Operating Officer	8	7	1	0	88%
Chief Financial Officer	11	9	2	0	82%
Corporate Services	11	5	6	0	45%
Engineering Services	34	28	2	4	93%
Planning and Economic Development	18	4	10	4	29%
Public Safety and Health	12	4	8	0	33%
Community Services	19	12	7	0	63%

## **15.CAPITAL PROGRAMME PERFORMANCE**

BCMM has spent 51% (R594.7 million, inclusive of reclaimed vat) of its 2014/15 mid-year adjusted capital budget of R1.17 billion as at 31 March 2015. This reflects an improvement when compared to the same period in the previous financial year where 48% (R484.17 million) of the adjusted capital budget of R1.01 billion was spent.

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

Table 27 below reflects capital expenditure performance per source of funding.

**Table 27: Capital Expenditure per Funding Source against Budget**

<b>Funding</b>	<b><u>2014/2015</u> <u>Mid-year</u> <u>Adjustment</u> <u>Budget</u></b>	<b><u>YTD</u> <u>Expenditure</u> <u>(VAT) incl)</u></b>	<b><u>Variance</u></b>	<b><u>%</u> <u>Exp</u></b>
<b>Total Own Funding</b>	<b>447 886 290</b>	<b>137 599 892</b>	<b>310 286 398</b>	<b>31%</b>
DoE(Intergrated National Electrification Programme)	20 587 000	21 955 634	-1 368 634	107%
Department of Sports, Recreation, Arts and Culture	2 686 285	1 353 372	1 332 913	50%
Department of Economic Affairs and Tourism	199 168	0	199 168	0%
Local Government, Traditional Affairs and Housing	188 726	178 585	10 141	95%
Infrastructure Skills Development Grant	100 000	0	100 000	0%
BCMET	256 818	0	256 818	0%
Leiden	458 860	0	458 860	0%
Neighbourhood Development Partnership Grant	5 000 000	4 915 182	84 819	98%
Urban Settlement Development Grant	639 024 500	386 410 871	252 613 629	60%
Human Settlement Development Grant	52 357 357	42 290 129	10 067 228	81%
<b>Total Grants</b>	<b>720 858 714</b>	<b>457 103 773</b>	<b>263 754 941</b>	<b>63%</b>
<b>TOTAL PER FUNDING</b>	<b>1 168 745 004</b>	<b>594 703 666</b>	<b>574 041 338</b>	<b>51%</b>

Table 28 below reflects capital expenditure performance per service.

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

<b>Services</b>	<b>2014/2015 Mid-year Adjustment Budget</b>	<b>YTD Expenditure (VAT incl)</b>	<b>Variance (VAT incl)</b>	<b>% Expenditure (VAT incl)</b>
Water	94 114 971	40 764 395	53 350 576	43%
Waste Water	201 677 160	83 221 914	118 455 246	41%
Electricity	122 629 851	77 211 852	45 417 999	63%
Roads and Stormwater	317 244 000	177 392 491	139 851 509	56%
Housing	156 156 090	110 095 591	46 060 499	71%
Transport Planning	51 577 627	24 590 432	26 987 195	48%
Waste Management / Refuse	81 183 621	32 963 559	48 220 062	41%
Amenities	41 468 909	9 791 963	31 676 946	24%
Environmental Services	10 000 000	3 521 345	6 478 655	35%
Public Safety	16 320 715	1 936 663	14 384 052	12%
Support Services	44 074 392	11 006 275	33 068 117	25%
Other - BCM Fleet	32 297 668	22 207 186	10 090 482	69%
	<b>1 168 745 004</b>	<b>594 703 666</b>	<b>574 041 338</b>	<b>51%</b>

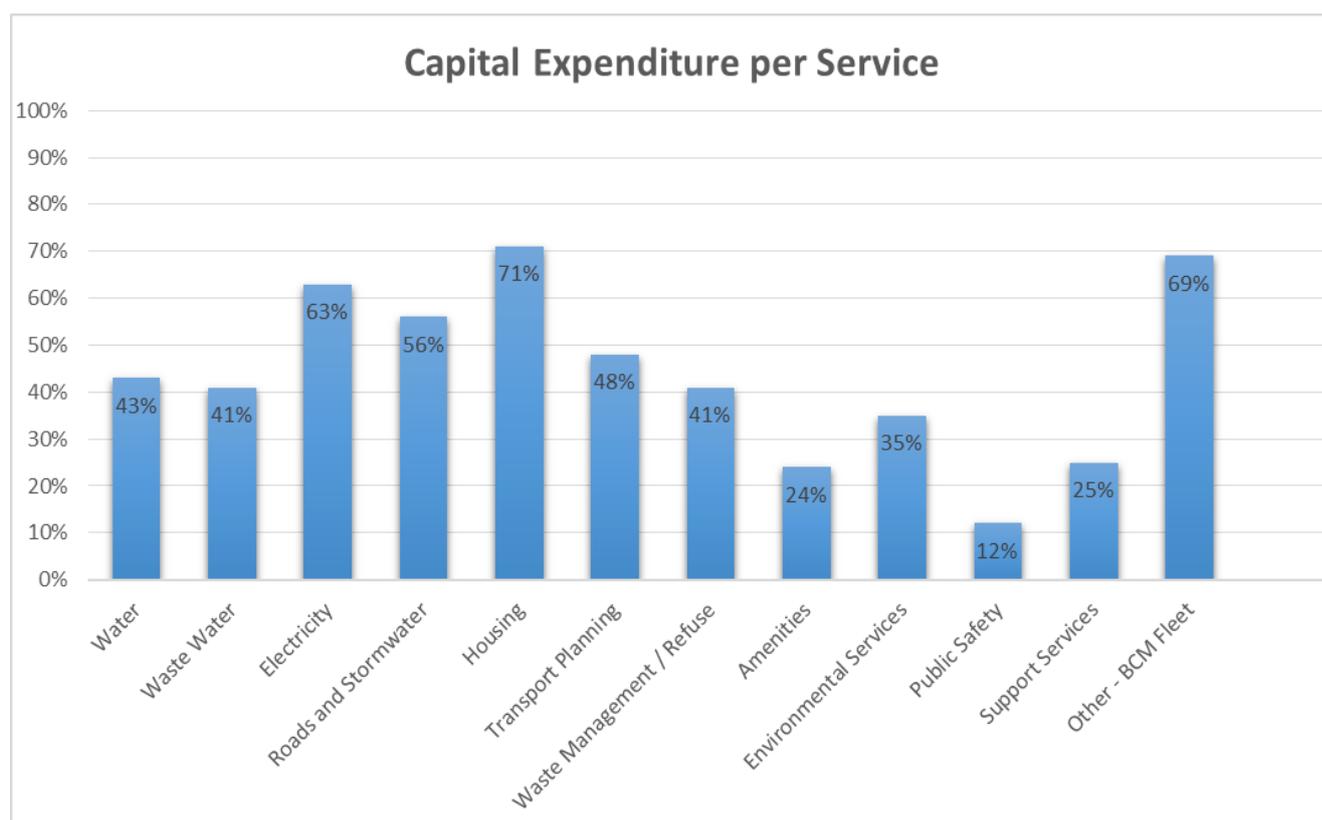


Table 29 below reflects capital expenditure performance per directorate.

**Table 29: Actual Expenditure per Directorate against Budget**

<b>Directorate</b>	<b>2014/2015 Mid-year Adjustment Budget</b>	<b>YTD Expenditure (VAT) incl</b>	<b>Variance</b>	<b>% Exp.</b>
Executive Support Services	6 851 376	941 218	5 910 158	14%
Municipal Manager's Office	6 508 500	5 324 243	1 184 257	82%
Human Settlements	156 208 056	110 214 581	45 993 475	71%
Directorate of Financial Services	1 335 567	458 326	877 241	34%
Directorate of Corporate Services	23 277 340	3 838 515	19 438 825	16%
Directorate of Engineering Services	768 463 650	400 993 197	367 470 453	52%
Directorate of Development Planning	51 577 627	24 590 432	26 987 195	48%
Directorate of Health & Public Safety	16 320 715	1 936 663	14 384 052	12%
Directorate of Community Services	132 915 530	46 406 491	86 509 039	35%
<b>TOTAL DIRECTORATES</b>	<b>1 163 458 361</b>	<b>594 703 666</b>	<b>568 754 695</b>	<b>51%</b>
Asset Replacement	5 286 643	0	5 286 643	0%
<b>GRAND - TOTAL</b>	<b>1 168 745 004</b>	<b>594 703 666</b>	<b>574 041 338</b>	<b>51%</b>

The capital programme performance by month is tabulated in table 30 below (Exclusive of Vat).

**Table 30: SC12 Monthly budget Statement – capital expenditure trend**

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	1 665	1 874	2 326	4 279	4 279	2 326	(1 954)	-84.0%	0%
August	11 311	23 357	28 978	36 998	41 278	31 304	(9 974)	-31.9%	4%
September	53 306	19 095	23 691	63 771	105 049	54 995	(50 054)	-91.0%	11%
October	46 876	42 074	52 201	82 385	187 434	107 196	(80 238)	-74.9%	20%
November	64 278	34 592	42 918	52 978	240 413	150 114	(90 299)	-60.2%	26%
December	84 284	47 624	59 087	123 417	363 829	209 201	(154 629)	-73.9%	39%
January	17 662	16 702	20 722	30 397	394 226	229 922	(164 304)	-71.5%	42%
February	43 138	28 314	35 129	47 087	441 314	265 051	(176 263)	-66.5%	47%
March	123 009	37 714	46 792	104 078	545 392	311 843	(233 549)	-74.9%	58%
April	33 107	53 193	65 997			377 839	-		
May	106 958	65 110	80 781			458 621	-		
June	249 046	572 360	710 124			1 168 745	-		
<b>Total Capital expenditure</b>	<b>834 638</b>	<b>942 007</b>	<b>1 168 745</b>	<b>545 392</b>					

The capital programme performance table 31 below provide summary of capital expenditure by asset class/sub-class for new assets (Exclusive of VAT).

**Table 31: SC13a Monthly budget Statement – capital expenditure on new assets by asset class**

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		592 952	225 500	271 349	22 152	150 251	72 401	(77 850)	-107.5%	271 349
Infrastructure - Road transport		282 801	110 000	113 740	13 857	72 481	30 348	(42 133)	-138.8%	113 740
Roads, Pavements & Bridges		282 801	110 000	113 740	13 857	72 481	30 348	(42 133)	-138.8%	113 740
Storm water										
Infrastructure - Electricity		103 228	45 500	39 087	4 308	29 359	10 429	(18 930)	-181.5%	39 087
Generation										
Transmission & Reticulation		103 228	45 500	39 087	4 308	29 359	10 429	(18 930)	-181.5%	39 087
Street Lighting										
Infrastructure - Water										
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		177 056								
Reticulation		177 056								
Sewerage purification										
Infrastructure - Other		29 867	70 000	118 522	3 987	48 411	31 624	(16 787)	-53.1%	118 522
Waste Management		2 037	36 000	79 815	103	32 796	21 296	(11 500)	-54.0%	79 815
Transportation		22 513	24 000	28 707	2 757	14 488	7 660	(6 829)	-89.2%	28 707
Gas										
Other		5 317	10 000	10 000	1 127	1 127	2 668	1 541	57.8%	10 000
<b>Community</b>		48 041	22 000	24 960	2 514	5 961	6 660	699	10.5%	24 960
Parks & gardens		1 078	2 000	3 685		184	983	799	81.3%	3 685
Sportsfields & stadia										
Swimming pools										
Community halls		4 729	10 000	11 275	1 334	2 688	3 008	320	10.7%	11 275
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries			10 000	10 000	1 180	3 089	2 668	(421)	-15.8%	10 000
Social rental housing										
Other		42 234								
<b>Heritage assets</b>										
Buildings										
Other										
<b>Investment properties</b>		58 680	89 536	156 385	26 634	102 764	41 726	(61 037)	-146.3%	156 385
Housing development		58 680	89 536	156 385	26 634	102 764	41 726	(61 037)	-146.3%	156 385
Other										
<b>Other assets</b>		51 706	65 150	94 078	6 633	41 864	25 102	(16 762)	-66.8%	94 078
General vehicles		6 211	18 600	28 160	2 586	24 960	7 514	(17 447)	-232.2%	28 160
Specialised vehicles		2 875	4 000	3 600			961	961	100.0%	3 600
Plant & equipment		2 230	3 500	5 595	12	12	1 461	1 449	99.2%	5 595
Computers - hardware/equipment				3 633	676	1 475	1 002	(474)	-47.3%	3 633
Furniture and other office equipment		21 568	28 550	40 779	606	7 606	10 881	3 274	30.1%	40 779
Abattoirs										
Markets		452								
Civic Land and Buildings		10 412	5 500	5 700	2 728	2 728	1 468	(1 260)	-85.9%	5 700
Other Buildings				1 612		771	483	(287)	-59.5%	1 612
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		7 959	5 000	5 000	26	4 312	1 334	(2 977)	-223.2%	5 000
<b>Agricultural assets</b>										
List sub-class										
<b>Biological assets</b>										
List sub-class										
<b>Intangibles</b>										
Computers - software & programming										
Other										
<b>Total Capital Expenditure on new assets</b>	1	751 379	402 186	546 773	57 933	300 839	145 889	(154 950)	-106.2%	546 773
<b>Specialised vehicles</b>		2 875	4 000	3 600			961	961	0	3 600
Refuse		2 875								
Fire			4 000	3 600			961	961	0	3 600
Conservancy										
Ambulances										

The capital programme performance table 32 below provide summary of capital expenditure by asset class/sub-class for renewal of existing assets (Exclusive of VAT).

**Table 32: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class**

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		80 525	491 396	589 230	45 637	236 531	157 218	(79 314)	-50.4%	589 230
Infrastructure - Road transport		-	88 000	213 459	6 529	84 543	56 955	(27 589)	-48.4%	213 459
Roads, Pavements & Bridges			88 000	213 459	6 529	84 543	56 955	(27 589)	-48.4%	213 459
Storm water										
Infrastructure - Electricity		-	89 199	80 000	14 568	41 125	21 345	(19 780)	-92.7%	80 000
Generation										
Transmission & Reticulation			89 199	80 000	14 568	41 125	21 345	(19 780)	-92.7%	80 000
Street Lighting										
Infrastructure - Water		68 763	97 689	96 898	11 852	37 918	25 112	(12 806)	-51.0%	96 898
Dams & Reservoirs										
Water purification										
Reticulation		68 763	97 689	96 898	11 852	37 918	25 112	(12 806)	-51.0%	96 898
Infrastructure - Sanitation		-	216 508	198 873	12 688	72 944	53 806	(19 139)	-35.6%	198 873
Reticulation			216 508	198 873	12 688	72 944	53 806	(19 139)	-35.6%	198 873
Sewerage purification										
Infrastructure - Other		11 762	-	-	-	-	-	-	-	-
Waste Management		11 762								
Transportation										
Gas										
Other										
<b>Community</b>		2 345	28 030	21 516	466	4 062	5 741	1 679	29.2%	21 516
Parks & gardens										
Sportsfields & stadia		2 343	24 792	18 678	265	3 857	4 984	1 127	22.6%	18 678
Swimming pools										
Community halls	1									
Libraries										
Recreational facilities			3 239	2 839	201	205	757	552	72.9%	2 839
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		390	20 395	11 226	42	3 960	2 995	(965)	-32.2%	11 226
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings		390	20 395	11 226	42	3 960	2 995	(965)	-32.2%	11 226
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
<b>Total Capital Expenditure on renewal of existing ass</b>	1	83 260	539 821	621 972	46 145	244 553	165 954	(78 599)	-47.4%	621 972
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

## **16. OTHER SUPPORTING DOCUMENTS**

### **16.1. Operating Projects Expenditure**

The Metro has spent 51% (R175.29 million) inclusive of reclaimed vat of its 2014/15 mid-year adjusted budget of R341.92 million as at 31 March 2015. This reflects an improvement when compared to the same period in the previous financial year where 49% (R153.66 million) of the adjusted operating projects budget of R315.73 was spent.

A detailed schedule of the operating projects expenditure is outlined in Annexure D. Tables 33 and 34 below summarise Annexure D.

**Table 33: Operating Projects per Directorate**

<b>OPERATING PROJECTS PER DIRECTORATE</b>	<b>2014/2015 Opex Mid-year Adjusted Budget</b>	<b><u>YTD</u> <u>Expenditure</u> <u>(VAT) incl</u></b>	<b><u>2014/2015</u> <u>Variance</u></b>	<b><u>%</u> <u>Expenditure</u></b>
Executive Support Services	5 032 564	739 732	4 292 832	15%
Municipal Manager's Office	41 005 902	24 456 564	16 549 338	60%
Chief Operations Officer	206 909 443	113 129 823	93 779 620	55%
Directorate of Financial Services	29 804 265	13 259 587	16 544 678	44%
Directorate of Corporate Services	14 673 060	6 159 776	8 513 284	42%
Directorate of Engineering Services	6 600 000	906 700	5 693 300	14%
Directorate of Development Planning	24 882 544	13 894 282	10 988 262	56%
Directorate of Health & Public Safety	101 522	29 930	71 592	29%
Directorate of Community Services	12 911 703	2 713 945	10 197 758	21%
<b>TOTAL PER DIRECTORATE</b>	<b>341 921 003</b>	<b>175 290 339</b>	<b>166 630 664</b>	<b>51%</b>

**Table 34: Operating Projects per Funding Source**

<b>OPERATING PROJECTS PER FUNDING SOURCE</b>	<b>2014/2015 Opex Mid- year Adjusted Budget</b>	<b>YTD Expenditure (VAT) incl)</b>	<b>2014/2015 Variance</b>	<b>% Expendit ure</b>
<b>Total Own Funding</b>	<b>80 199 727</b>	<b>28 488 850</b>	<b>51 710 877</b>	<b>34%</b>
Department of Land Affairs	152 436	81 506	70 930	53%
Department of Local Government & Traditional Affairs	4 790 672	2 006 565	2 784 107	42%
Department of Sport, Recreation and Arts and Culture	37 438	0	37 438	0%
Department of Economic Development, Environmental Affairs and Tourism(DEDEAT)	3 546 243	2 921 029	625 214	82%
European Commission	500 000	0	500 000	0%
Expanded Public Works Programme Incentives Grant	1 890 000	1 588 430	301 570	84%
Finance Management Grant	1 500 000	870 766	629 234	58%
Human Settlement Development Grant	198 783 128	109 451 767	89 331 361	55%
Infrastructure Skills Development Grant	5 400 000	5 444 820	-44 820	101%
Leiden	136 315	8 903	127 412	7%
Local Government and Traditional Affairs	3 578 127	2 635 182	942 945	74%
Premiers Fund	67 421	0	67 421	0%
Trust Funds	2 781 653	32 250	2 749 403	1%
Umsobomvu Youth Fund	744 585	578 625	165 960	78%
Urban Settlement Development Grant	34 264 500	21 181 113	13 083 387	62%
Department of Environmental Affairs (Greening Award)	2 500 000	0	2 500 000	0%
Vuna Awards	1 048 758	532	1 048 226	0%
<b>Total Grants</b>	<b>261 721 276</b>	<b>146 801 489</b>	<b>114 919 787</b>	<b>56%</b>
<b>TOTAL PER FUNDING</b>	<b>341 921 003</b>	<b>175 290 339</b>	<b>166 630 664</b>	<b>51%</b>

**17. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH  
AND PUBLIC SAFETY & COMMUNITY SERVICES**

**17.1. Health & Public Safety**

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

**Table 35: Health & Public Safety – Cost Analysis**

<b>Health &amp; Public Safety</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
Office of the Dir P/Safety, Health, DM	-	113 981	246 236	-	360 217
Support Services Office	(27)	1 254 908	78 469	-	1 333 377
Health Administration	-	2 359 070	736 667	1 990	3 097 727
Health Support	-	-	4 320	-	4 320
Pharmacy	-	-	8 461	-	8 461
Clinics	-	-	617 709	-	617 709
Aids Training Information Centre	-	-	88 757	-	88 757
Environmental Health	(947 541)	11 647 570	2 101 047	53 184	13 801 800
Pest Control	(19 355)	953 705	198 218	-	1 151 923
Pollution Control	-	625 028	427 208	63 560	1 115 796
Educare Centres	-	631 556	114 146	-	745 701
Public Safety Administration	-	1 606 558	344 011	-	1 950 569
Fire and Rescue Services	(58 872 540)	39 331 560	14 587 798	593 150	54 512 508
Security Services	(15 729)	56 567 991	1 670 479	290 951	58 529 421
Traffic Administration	(116 738)	13 497 778	10 926 031	632 113	25 055 922
Traffic Control	(5 865)	16 130 251	528 506	5 479	16 664 235
Criminal Process	(3 477 767)	2 251 983	72 147	-	2 324 130
Vehicle Test Station / Examination	(225 334)	2 907 905	182 115	850	3 090 869
Vehicle Registration	(28 894 733)	3 282 450	315 078	-	3 597 528
Drivers License Testing	(10 303 458)	4 692 906	429 983	-	5 122 888
Traffic Technical Services	-	3 165 316	155 492	149 119	3 469 927
Parking Areas / Meters	(1 841)	3 822 606	86 414	-	3 909 020
Disaster Management	-	1 404 560	561 643	26 769	1 992 971
Dog Tax Office	(722 368)	519 056	45 253	5 174	569 483
<b>Total</b>	<b>(103 603 296)</b>	<b>166 766 735</b>	<b>34 526 186</b>	<b>1 822 339</b>	<b>203 115 261</b>

## 17.2. Community Services

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

**Table 36: Community Services – Cost Analysis**

<b>Community Services</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
Office of Dir. Community Serv.	-	4 131 081	669 647	3 597	4 804 325
Community Services Administration	-	1 687 076	185 824	-	1 872 900
Environmental Administration Support	-	1 354 883	76 195	-	1 431 078
Environmental Services	(176 770)	45 930 749	6 743 976	718 184	53 392 910
Environmental Conservation	-	9 247 393	5 209 805	14 500	14 471 698
Environmental Workshop	-	2 331 768	109 076	1 278 786	3 719 630
Interments	(5 441 971)	15 552 604	4 929 305	202 639	20 684 547
Gompo Admin Building	-	-	-	-	-
Integrated Environmental Management	-	794 126	326 863	414	1 121 404
Arts & Cultural Serv:Admin	-	6 761 787	451 236	36 240	7 249 263
Libraries	(197 217)	12 881 256	1 369 010	43 125	14 293 391
Art Gallery	(441)	480 185	54 047	-	534 232
Art Centres	-	-	13 582	-	13 582
Halls	(3 770 188)	8 843 214	4 940 301	355 044	14 138 560
Amenities Administration Support	-	3 825 060	1 305 391	252 780	5 383 232
Sportsfields	(146 817)	11 739 230	3 158 798	244 763	15 142 791
Swimming Pools	(649 176)	7 500 037	1 634 781	138 237	9 273 055
Aquarium	(110 938)	5 648 289	967 011	109 296	6 724 596
Zoo	(964 627)	3 692 940	1 240 751	245 557	5 179 249
Beaches	(548 967)	10 599 335	2 538 115	447 115	13 584 565
Resorts	(1 316 621)	4 032 395	935 653	658 671	5 626 718
Cleansing Administration Support	-	6 507 276	10 653 885	4 426 594	21 587 755
Refuse Removal	(267 479 375)	34 244 557	106 389 229	10 529 442	151 163 228
Waste Disposal Sites	(2 325 820)	1 552 694	4 178 321	-	5 731 014
Street Sweeping	(43 321)	33 819 122	879 601	-	34 698 723
Public Conveniences	-	4 740 254	1 501 256	-	6 241 510
EL Regional Waste Disposal Site & Transfer Station	-	4 957 600	11 055 954	30 338	16 043 891
<b>Total</b>	<b>(283 172 250)</b>	<b>242 854 911</b>	<b>171 517 615</b>	<b>19 735 320</b>	<b>434 107 845</b>

**18. MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

<b>QUALITY CERTIFICATE</b>
----------------------------

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

Quarterly report on the implementation of the budget and financial state of affairs of the municipality (Section 52 Report)

for the period ending **March 2015** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print name:** .....

**City Manager of Buffalo City Metropolitan Municipality, BUF**

**Signature:** .....

**Date:** .....

## **ANNEXURES:**

### **Annexure A**

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

### **Annexure B**

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
- SC7 (2) Expenditure against approved rollovers
- SC8 Councillor and Staff Benefits
- SC9 Actuals and Revised Targets for Cash Receipts
- SC12 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
- SC13b Capital Expenditure on Renewal of Existing Assets by Class
- SC13c Expenditure on Repairs and Maintenance by Asset Class
- SC13d Depreciation by Asset Class

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Service Delivery and Budget Implementation Plans (SDBIP)