

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY

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BCMDA-FMR-026-18

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

Dear Mr Sihlahla

BCMDA MONTHLY PERFORMANCE REPORT – AUGUST 2018

Buffalo City Metropolitan Development Agency hereby submits the monthly report as required by section 87 of the MFMA. Attached is the Financial Performance report for the month of August 2018.

Kind Regards

pp: 

DR ELDRID UITHALER
ACTING CHIEF EXECUTIVE OFFICER
DATE: 11 SEPTEMBER 2018

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BCMDA-FMR-028-18

QUALITY CERTIFICATE

I, E Uithaler, Acting Chief Executive Officer of Buffalo City Metropolitan Development Agency, hereby certify that

The monthly budget statement

Mid-year budget and performance assessment

for the month of August 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Dr. E Uithaler

Acting Chief Executive Officer of Buffalo City Metropolitan Development Agency.

Signature

PP: 

Date

11.09.2018



Ref: BCMDA-SUB-066-18

Enquires: S Mgudiwa

Tel: 043 101 0172

REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – AUGUST 2018

1. PURPOSE

The purpose of this report is to present to the City Manager the monthly budget statement of the Buffalo City Metropolitan Development Agency (BCMDA) for the period ended 31 August 2018.

2. AUTHORITY

Buffalo City Metropolitan Municipality.

3. LEGISLATIVE FRAMEWORK

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING 31 AUGUST 2018.

5.1. Dashboard/Performance Summary

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

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	15 039 215	Cash and Bank Balance	181 147
Expenditure	3 427 492	Call investments	13 287 522
Operating Surplus	11 611 723	Cash and cash equivalents	13 468 669
Capital Expenditure	0	Account Payables	(2 372 689)
Surplus after capital expenditure	11 611 723	Unspent conditional grants	(6 1 64)
FINANCIAL		HUMAN RESOURCES	
Operating surplus for the period	11 611 723	Total Staff Compliment	18
YTD Grants and subsidies	14 923 609	Staff Appointments	0
% Creditors paid within term	100%	Staff Terminations	0
Current ratio	5.73:1	Number of funded vacant posts	1
		Salary bill – Officials	2 403 716
		Workforce costs as a % of expenditure	71 %

5.2. Liquidity position

BCMDA's liquidity is 5.73:1 for the month ending 31 August 2018, which indicates that the Agency's current assets are sufficient to cover its current liabilities (debts) which are short-term debts. Its current assets comprise mainly of cash and cash equivalents.

5.3. Expenditure on allocations received

BCMDA has an approved budget of R72 million (R44 million for operational expenditure and R27 million for capital expenditure) and has incurred total expenditure (operational) amounting to R 3.4 million to date. The DEA waste management project has not yet commenced as the business plan has not been approved by the funder hence its related expenditure has not been expended on resulting in a huge variance between the budgeted funds and the expenditure incurred. The approved budget has the following revenue elements:

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

Out of the R14.9 million (VAT exclusive) received to date from the parent municipality, BCMDA has used R 3.4 million and R1.8 of which relates to the current month. The breakdown of the R1.8 million is as follows:

- Employee related Costs R1.2 million
- Other general expenditure R0. 658 thousand

In relation to the funds received, the expenditure at this point of the financial year is expected to be at 17% and that has been achieved as the percentage expenditure to date on the received funds is 23%.

No expenditure has been transferred to revenue pertaining to the GMC project as the outstanding funds have not yet been received. This project came to an end in January 2018, the funder is yet to release the retention of R54 821 (after reducing bank charges) to the Agency as project management fees. It is imperative to note that the account is accumulating minimal interest which according to DEA must be used within the conditions of the grant.

5.4. Cash and cash equivalents

BCDMA's cash and cash equivalents balance at 31 August 2018 is R 13 468 669, which is made up of cash and bank account amounting to R 174 983, call investment balance of R13 287 522 and unspent funds received from Department of Environmental Affairs (DEA) of R 6 164. These funds are all banked with First National Bank.

5.5. Outstanding Creditors

The agency's creditors are made up of a trade creditor, provident fund, amount owed to BCMM and a GMC unspent grant. The said amount will be settled by the end of September 2018 excluding GMC grant and the BCMM debts as the Agency will initiate engagements of considering writing off the BCMM debt.

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

6. IN YEAR BUDGET STATEMENT MAIN TABLES

6.1. Monthly Budget Statement Summary

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

Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M02 August

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	-	-	-	-	-	-	-		-
Investment revenue	-	789	-	62	111	131	(0)	-16%	789
Transfers recognised - operational	-	32 033	-	-	14 924	16 016	(1)	-7%	32 033
Other own revenue	-	11 534	-	5	5	1 922	(2)	-100%	11 534
Total Revenue (excluding capital transfers and contributions)	-	44 355	-	67	15 039	18 070	(3 031)	(0)	44 355
Employee costs	-	21 727	-	1 201	2 404	3 621	(1 217)	(0)	21 727
Remuneration of Board Members	-	850	-	84	84	142	(58)	(0)	850
Depreciation and asset impairment	-	1 412	-	74	147	235	(88)	(0)	1 412
Finance charges	-	10	-	0	0	2	(2)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-		-
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	-	20 356	-	501	793	3 393	(2 600)	(0)	20 356
Total Expenditure	-	44 355	-	1 859	3 427	7 393	(3 965)	(0)	44 355
Surplus/(Deficit)	-	(0)	-	(1 793)	11 612	10 678	934	0	(0)
Transfers recognised - capital	-	27 292	-	-	-	4 549	(4 549)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	-	27 292	-	(1 793)	11 612	15 226	(3 614)	(0)	(0)
Taxation	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	27 292	-	(1 793)	11 612	15 226	(3 614)	(0)	(0)
Capital expenditure & funds sources									
Capital expenditure	-	27 291	-	-	-	4 549	(4 549)	(0)	-
Transfers recognised - capital	-	27 292	-	-	-	4 549	(4 549)	(0)	27 292
Public contributions & donations	-	-	-	0	-	-	-		-
Borrowing	-	-	-	0	-	-	-		-
Internally generated funds	-	-	-	-	-	-	-		-
Total sources of capital funds	-	27 292	-	0	-	4 549	(4 549)	(0)	27 292
Financial position									
Total current assets	-	1 187	-	-	13 602	-	-		1 187
Total non current assets	-	2 370	-	-	1 424	-	-		2 370
Total current liabilities	-	1 965	-	-	2 377	-	-		1 965
Total non current liabilities	-	-	-	-	-	-	-		-
Community wealth/Equity	-	1 592	-	-	-	-	-		1 592
Cash flows									
Net cash from (used) operating	-	27 921	-	(2 309)	13 119	16 095	(2 976)	(0)	41 886
Net cash from (used) investing	-	(27 292)	-	-	-	(4 549)	4 549	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(161)	(165)	(105)	(60)	0	(629)
Cash/cash equivalents at the year end	365	365	365	(2 471)	12 954	11 441	1 513	0	14 330

6.2. Monthly Budget Statement – Financial Performance (Standard Classification)

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

Table 3: F2: Monthly Budget Statement – Financial Performance (Standard Classification)

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	789	-	62	111	131	(21)	-15.9%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	165	(165)	-100.0%	990
Transfers and subsidies	-	32 033	-	-	14 924	16 016	(1 093)	-6.8%	32 033
Other revenue	-	10 544	-	5	5	1 757	(1 752)	-99.7%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	44 355	-	67	15 039	18 070	(3 031)	-16.6%	44 355
Expenditure By Type									
Employee related costs	-	21 727	-	1 201	2 404	3 621	(1 217)	-33.6%	21 727
Remuneration of Directors	-	850	-	84	84	142	(58)	-41.1%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	1 412	-	74	147	235	(88)	-37.4%	1 412
Finance charges	-	10	-	0	0	2	(2)	-99.6%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	501	793	3 393	(2 600)	-76.6%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	-	44 355	-	1 859	3 427	7 393	(3 965)	-53.6%	44 355
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary associations)	-	(0)	-	(1 793)	11 612	10 678	934	8.7%	(0)
(National / Provincial and District)	-	27 292	-	-	-	4 549	(4 549)	-100.0%	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all))	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	-	27 292	-	(1 793)	11 612	15 226	(3 614)	-23.7%	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	27 292	-	(1 793)	11 612	15 226	(3 614)		(0)

6.2.1. Revenue by Source

Out of a total operational revenue budget of R 44 million, BCMDA heavily relies on operational grant of R34.3 million from the BCMM. R15.0 million (Excluding VAT) of this has been realised.

Other revenue sources are:

- The interest received is related to investment of surplus funds and always maintaining a positive bank balance on the primary bank account. Interest received to date is R 110 650.

6.2.2. Expenditure by Type

- The expenditure on employee related costs is currently at 11% in relation to the year to date budget. These costs are below the expected year to date figure. The reason for this variance is that 6 funded vacancies have not been filled (5 interns and 1 Programme Manager) and DEA wages that have not yet been expended on. All the vacant positions have since been advertised. The agency is currently in talks with DEA on the way forward to ensure approval of the business plan.
- The year to date other expenditure on the schedules relate to operational costs for running daily activities of the agency.
- There is no expenditure for Greenest Municipality Competition (GMC) grant for the month under review except for bank charges as the contract ended in January 2018 and the last recoveries were done in March in relation to the UIF of project participants paid using the Agency's primary account. The bank account cannot be closed as yet as the agency is awaiting retention fees which were anticipated in May 2018 and have not yet been received.

6.3. Monthly Budget Statement – Financial Position

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

Table 4: F4: Monthly Budget Statement – Financial Position

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M02 August

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	155	-	181	155
Call investment deposits	-	1 032	-	13 288	1 032
Consumer debtors	-	-	-	55	-
Other debtors	-	-	-	45	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	33	-
Total current assets	-	1 187	-	13 602	1 187
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	341	-	316	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	2 029	-	1 108	2 029
Other non-current assets	-	-	-	-	-
Total non current assets	-	2 370	-	1 424	2 370
TOTAL ASSETS	-	3 557	-	15 026	3 557
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	-	-	-	2 377	-
Provisions	-	1 335	-	-	1 335
Total current liabilities	-	1 965	-	2 377	1 965
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities	-	-	-	-	-
TOTAL LIABILITIES	-	1 965	-	2 377	1 965
NET ASSETS	-	1 592	-	12 649	1 592
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	-	1 592	-	-	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	1 592	-	-	1 592

6.3.1. Assets

- The Agency cash and investment is made up of the primary bank account balance, money market account balance, petty cash on hand and what is available on the GMC Account.
- There were no additions for the month to non-current assets.

6.3.2. Liabilities

- Trade and Other payables relate to trade creditors, pension fund, retirement annuity, SARS Tax payment and an unspent GMC grant.

6.4. Monthly Budget Statement – Cash Flows

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

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M02 August

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	11 534	-	-	153	6	1 922	(1 917)	-99.7%	11 534
Government - operating	34 324	-	-	-	17 162	17 162	-	-	34 324
Government - capital	25 000	-	-	-	-	4 167	(4 167)	-100.0%	25 000
Interest	789	-	-	62	111	131	(21)	-15.8%	1 328
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(43 716)	-	(2 524)	(4 159)	(7 286)	3 127	-42.9%	(30 290)
Finance charges	-	(10)	-	-	-	-1 666.67	2	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	27 921	-	(2 309)	13 119	16 085	(9 232)	-57.4%	41 886
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(27 292)	-	-	-	(4 549)	4 549	-100.0%	(27 292)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(27 292)	-	-	-	(4 549)	(4 549)	100.0%	(27 292)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(629)	-	(161)	(165)	-104 912.17	(60)	57.2%	(629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(629)	-	(161)	(165)	(105)	60	-57.2%	(629)
NET INCREASE/ (DECREASE) IN CASH HELD	-	(0)	-	(2 471)	12 954	11 441	1 513	13.2%	13 965
Cash/cash equivalents at the year begin:	365	365	365	-	-	-	-	-	365
Cash/cash equivalents at the year end:	365	365	365	(2 471)	12 954	11 441	1 513	13.2%	14 330

Cash inflow for the month of August amounted to R 15.9 million relating to the BCMM operating grant and interest on call investment and positive bank balance. The cash outflow amounted to R 2.6 million. Kindly refer to attached supporting schedule.

6.5. Aged debtors

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

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M02 August

Detail	NT Code	Current Year 2018/19									Total	Bad Debts	>90 days
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year				
Debtors Age Analysis By Income Source	1100												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	55	-	0	-	-	-	-	45	-	-	-	-
Total By Income Source	2000	-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group	2100												
Organs of State	2200	55	-	-	-	-	-	-	45	100	-	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	-	-	0	-	-	-	-	-	0	-	-	-
Total By Customer Group	2600	55	-	0	-	-	-	-	45	100	-	-	-

The debtors are made up of a recovery which is currently being followed up, staff recovery for a damaged laptop keyboard, property deposit and the project management fees outstanding from the GCM project.

6.6 Aged creditors

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

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M02 August

Detail	NT Code	Current Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	2 166	-	-	-	-	-	-	-	2 166
Pensions / Retirement deductions	0500	91	-	-	-	-	-	-	-	91
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	116	-	-	-	-	-	(1)	-	115
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	6	-	-	-	-	-	-	-	6
Total By Customer Type	2600	2 379	-	-	-	-	-	(1)	-	2 377

All creditors due are settled within 30 days from the date of receiving an invoice unless there are disputes or cash flow constraints. All invoices are date stamped on arrival in order to track the settlement date thereof. Correspondence file is maintained for all disputed invoices. For the period under review, there were no disputed invoices. The agency's creditors are made up of a trade creditor, provident fund, BCMM debt and GMC unspent for the month under review. All the creditors appearing on the report will be settled in September 2018 except those specified above.

7. BCMDA Challenges

7.1. Output VAT which has to be paid to SARS upon receipt of the operational grant which subsequently reduces the funds available for expenditure of the Agency. The agency is in the process of applying for an Income Tax exemption at SARS.

8. RECOMMENDATION

8.1. It is recommended that the City Manager considers and notes the report and the challenges highlighted above.

A handwritten signature in black ink, appearing to read 'E. Uithaler', is written over a horizontal line. To the left of the signature, the letters 'pp' are written vertically.

E UITHALER

ACTING CHIEF EXECUTIVE OFFICER

DATE: 11 September 2018

Attachments: Annexure A - F Schedule

Annexure B - Cash flow report

ANNEXURE A

Municipal In-year reports & supporting tables

mSCOA Version 6.2

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Tel: (012) 315-5534
Electronic documents: lgdocuments@treasury.gov.za
Queries on formats: lgdataqueries@treasury.gov.za

Preparation Instructions

Municipality Name:

Municipal Entity Name:

CFO Name:

Tel: Fax:

E-Mail:

Reporting period:

MTREF:

Budget Year: 2018/19

Printing Instructions

Showing / Hiding Columns

Showing / Clearing Highlights

Submission of Data

Preparing Data File for Submission

Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M02 August

Description	2017/18	Current Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	789	-	62	111	131	(0)	-16%	789
Transfers recognised - operational	-	32 033	-	-	14 924	16 016	(1)	-7%	32 033
Other own revenue	-	11 534	-	5	5	1 922	(2)	-100%	11 534
Total Revenue (excluding capital transfers and contributions)	-	44 355	-	67	15 039	18 070	(3 031)	(0)	44 355
Employee costs	-	21 727	-	1 201	2 404	3 621	(1 217)	(0)	21 727
Remuneration of Board Members	-	850	-	84	84	142	(58)	(0)	850
Depreciation and asset impairment	-	1 412	-	74	147	235	(88)	(0)	1 412
Finance charges	-	10	-	0	0	2	(2)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	501	793	3 393	(2 600)	(0)	20 356
Total Expenditure	-	44 355	-	1 859	3 427	7 393	(3 965)	(0)	44 355
Surplus/(Deficit)	-	(0)	-	(1 793)	11 612	10 678	934	0	(0)
Transfers recognised - capital	-	27 292	-	-	-	4 549	(4 549)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	27 292	-	(1 793)	11 612	15 226	(3 614)	(0)	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	27 292	-	(1 793)	11 612	15 226	(3 614)	(0)	(0)
Capital expenditure & funds sources									
Capital expenditure	-	27 291	-	-	-	4 549	(4 549)	(0)	-
Transfers recognised - capital	-	27 292	-	-	-	4 549	(4 549)	(0)	27 292
Public contributions & donations	-	-	-	0	-	-	-	-	-
Borrowing	-	-	-	0	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	27 292	-	0	-	4 549	(4 549)	(0)	27 292
Financial position									
Total current assets	-	1 187	-	-	13 602	-	-	-	1 187
Total non current assets	-	2 370	-	-	1 424	-	-	-	2 370
Total current liabilities	-	1 965	-	-	2 377	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	1 592	-	-	-	-	-	-	1 592
Cash flows									
Net cash from (used) operating	-	27 921	-	(2 309)	13 119	16 095	(2 976)	(0)	41 886
Net cash from (used) investing	-	(27 292)	-	-	-	(4 549)	4 549	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(161)	(165)	(105)	(60)	0	(629)
Cash/cash equivalents at the year end	365	365	365	(2 471)	12 954	11 441	1 513	0	14 330

Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	2017/18		Current Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	789	-	62	111	131	(21)	-15.9%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	165	(165)	-100.0%	990
Transfers and subsidies	-	32 033	-	-	14 924	16 016	(1 093)	-6.8%	32 033
Other revenue	-	10 544	-	5	5	1 757	(1 752)	-99.7%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	44 355	-	67	15 039	18 070	(3 031)	-16.8%	44 355
Expenditure By Type									
Employee related costs	-	21 727	-	1 201	2 404	3 621	(1 217)	-33.6%	21 727
Remuneration of Directors	-	850	-	84	84	142	(58)	-41.1%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	1 412	-	74	147	235	(88)	-37.4%	1 412
Finance charges	-	10	-	0	0	2	(2)	-99.6%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	501	793	3 393	(2 600)	-76.6%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	-	44 355	-	1 859	3 427	7 393	(3 965)	-53.6%	44 355
Surplus/(Deficit)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	(0)	-	(1 793)	11 612	10 678	934	8.7%	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit institutions, Private Enterprises, Public Corporations, Transfers and subsidies - capital (in-kind - all)	-	27 292	-	-	-	4 549	(4 549)	-100.0%	-
Surplus/(Deficit) before taxation	-	27 292	-	(1 793)	11 612	15 226	(3 614)	-23.7%	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	27 292	-	(1 793)	11 612	15 226	(3 614)		(0)

Licences and Rights	-	1 829	-	-	-	305	305	100.0%	-
<i>Water Rights</i>	-	-	-	-	-	-	-		-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-		-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-		-
<i>Computer Software and Applications</i>	-	1 829	-	-	-	305	305	100.0%	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-	-	-		-
<i>Unspecified</i>	-	-	-	-	-	-	-		-
Computer Equipment	-	193	-	-	-	32	32	100.0%	-
Computer Equipment	-	193	-	-	-	32	32	100.0%	-
Furniture and Office Equipment	-	270	-	-	-	45	45	100.0%	-
Furniture and Office Equipment	-	270	-	-	-	45	45	100.0%	-
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment	-	-	-	-	-	-	-		-
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-	-	-	-	-	-		-
Land	-	-	-	-	-	-	-		-
Land	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-
Total Capital Expenditure	-	27 291	-	-	-	4 549	4 549	100.0%	-

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M02

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	-	155	-	181	155
Call investment deposits	-	1 032	-	13 288	1 032
Consumer debtors	-	-	-	55	-
Other debtors	-	-	-	45	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	33	-
Total current assets	-	1 187	-	13 602	1 187
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	341	-	316	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	2 029	-	1 108	2 029
Other non-current assets	-	-	-	-	-
Total non current assets	-	2 370	-	1 424	2 370
TOTAL ASSETS	-	3 557	-	15 026	3 557
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	-	-	-	2 377	-
Provisions	-	1 335	-	-	1 335
Total current liabilities	-	1 965	-	2 377	1 965
Non current liabilities					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
Total non current liabilities	-	-	-	-	-
TOTAL LIABILITIES	-	1 965	-	2 377	1 965
NET ASSETS	-	1 592	-	12 649	1 592
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	-	1 592	-	-	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	-	1 592	-	-	1 592

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M02 August

Description	2017/18	Current Year 2018/19					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	11 534	-	-	153	6	1 922	(1 917)	-99.7%	11 534
Government - operating	34 324	-	-	-	17 162	17 162	-	-	34 324
Government - capital	25 000	-	-	-	-	4 167	(4 167)	-100.0%	25 000
Interest	789	-	-	62	111	131	(21)	-15.8%	1 328
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(43 716)	-	(2 524)	(4 159)	(7 286)	3 127	-42.9%	(30 290)
Finance charges	-	(10)	-	-	-	-1 666.67	2	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	27 921	-	(2 309)	13 119	16 095	(9 232)	-57.4%	41 886
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	-	(27 292)	-	-	-	(4 549)	4 549	-100.0%	(27 292)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(27 292)	-	-	-	(4 549)	(4 549)	100.0%	(27 292)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	-	(629)	-	(161)	(165)	-104 912.17	(60)	57.2%	(629)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(629)	-	(161)	(165)	(105)	60	-57.2%	(629)
NET INCREASE/ (DECREASE) IN CASH HELD	-	(0)	-	(2 471)	12 954	11 441	1 513	13.2%	13 965
Cash/cash equivalents at the year begin:	365	365	365	-	-	-	-	-	365
Cash/cash equivalents at the year end:	365	365	365	(2 471)	12 954	11 441	1 513	13.2%	14 330

Buffalo City Metropolitan Development Agency - Supporting Table F1 Entity Material variance explanation - M02 August

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
R thousands			
Revenue items			
Transfers and subsidies	(1 093)	Grant from parent municipality received in advance for a 6 months period	None required
Other revenue and agency fees	(1 917)	DEA grant has not been received, awaiting final approval of business plan by DEA	Request DEA to approve business plan
Expenditure items			
Total expenditure	(3 965)	6 Vacancies have not been filled for 5 interns and 1 Programme Manger. DEA participant have also not been appointed due to business plan non-approval	All vacancies have been advertised. Certain expenditure line items will pick up during the year
Capital Expenditure items			
Total capital expenditure	(4 549)	Expenditure on the Beach Front development project not yet started as the Agency is finalising design work.	Design phase to be completed in December 2018. Project implementation to commence thereafter Procurement processes are underway for all other capital expenditure
Cash flow items			
Cash flows from operating activities		Grant from parent municipality received in advance for a 6 months period	None required
Measurable performance			
Total variance			

Buffalo City Metropolitan Development Agency - Supporting Table F2 Entity Financial and non-financial indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2017/18	Current Year 2018/19		
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
Borrowing Management						
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		0.0%	3.2%	0.0%	3.2%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	123.4%	0.0%	123.4%
Gearing	Long Term Borrowing/ Funds & Reserves					
Liquidity						
Current Ratio	Current assets/current liabilities		0.0%	60.4%	0.0%	60.4%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.0%	60.4%	0.0%	60.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	60.4%	0.0%	60.4%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	0.0%	0.0%	0.7%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		0.0%	0.0%	0.0%	0.0%
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%	0.0%	0.0%
Other Indicators						
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/Total Revenue - capital revenue		0.0%	49.0%	0.0%	49.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0.0%	3.2%	0.0%	3.2%
Financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		0.0%	0.0%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0.0%	0.0%	0.0%	0.0%

References

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

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M02 August

Detail	NT Code	Current Year 2018/19								Total	Bad Debts
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Debtors Age Analysis By Income Source	1100										
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	55	-	0	-	-	-	-	45	-	-
Total By Income Source	2000	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group	2100										
Organs of State	2200	55	-	-	-	-	-	-	45	100	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-
Other	2500	-	-	0	-	-	-	-	-	0	-
Total By Customer Group	2600	55	-	0	-	-	-	-	45	100	-

Notes

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

Buffalo City Metropolitan Development Agency - Supporting Table F4 Entity Aged creditors - M02 August

Detail	NT Code	Current Year 2018/19								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	2 166	-	-	-	-	-	-	-	2 166
Pensions / Retirement deductions	0500	91	-	-	-	-	-	-	-	91
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	116	-	-	-	-	-	(1)	-	115
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	6	-	-	-	-	-	-	-	6
Total By Customer Type	2600	2 379	-	-	-	-	-	(1)	-	2 377

Notes

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

Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	-	2 291	-	-	-	382	382	100.0%	-

Transport Assets												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land												
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals												
Total Repairs and Maintenance Expenditure	-	15	-	0	0	3	2	87.8%				-

Transport Assets									
Land	-	-	-	-	-	-	-	-	-
Land									
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Total Depreciation	-	1 412	-	74	147	235	88	37.4%	-

Transport Assets								-		
Land	-	-	-	-	-	-	-	-		-
Land										
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	-	25 000	-	-	-	-	4 167	4 167	100.0%	-

ANNEXURE B

BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD**SUMMARY CASH AND CASH EQUIVALENTS****THIRD QUARTER- AUGUST 2018****2017/18****Working Capital**

Description	Amount
Cash and Investments Available	13 468 669.69
Cash and cash equivalents at beginning of the	15 939 372.29
Total receipts	214 762.73
Interest	61 823.04
VAT Refund	147 239.69
Tender document fees	5 700.00
Payments made	2 685 465.33
Bank Charges (All Accounts)	1 149.45
Suppliers and Recruitment Costs	984 903.69
SARS Tax	695 247.71
Salaries,Wages,Allowances and Benefits	881 760.46
Staff Claims	17 062.26
Board and Audit Committee remuneration	105 341.76
Total cash and investments available	13 468 669.69