

**BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY**

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

E [info@bcmda.org.za](mailto:info@bcmda.org.za) | T +27 (0) 43 101 0160  
[www.bcmda.org.za](http://www.bcmda.org.za)



Enquires: 0431010160

Email: [sivuyisiwe@bcmda.org.za](mailto:sivuyisiwe@bcmda.org.za)

BCMDA-FMR-002-19

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

Dear Mr Sihlahla

**BCMDA MONTHLY PERFORMANCE REPORT – DECEMBER 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 December 2018.

Kind Regards

**MR B NELANA**  
**CHIEF EXECUTIVE OFFICER**  
**DATE: 10 JANUARY 2019**

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BCM DA-FMR-001-19

## QUALITY CERTIFICATE

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

The monthly budget statement

Mid-year budget and performance assessment

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

Print Name: Mr. B Nelana

Chief Executive Officer of Buffalo City Metropolitan Development Agency.

Signature

Date

10 JANUARY 2019



Ref: BCMDA-SUB-001-19

Enquires: S Mgudlwa

Tel: 043 101 0172

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

**EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE AGENCY FOR THE PERIOD ENDING DECEMBER 2018**

**4.3. Dashboard/Performance Summary**

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

**Table 1: Performance Summary**

<b>OVERALL OPERATING RESULTS</b>		<b>CASH MANAGEMENT</b>	
Income	30 102 661	Cash and Bank Balance	198 750
Expenditure	12 855 942	Call investments	11 247
<b>Operating Surplus</b>	<b>17 246 719</b>	Cash and cash equivalents	209 997
Capital Expenditure	1 304 348	Account Payables	(2 574 051)
<b>Surplus after capital expenditure</b>	<b>15 942 371</b>	Unspent conditional grants	( 0)
<b>FINANCIAL</b>		<b>HUMAN RESOURCES</b>	
Operating surplus for the period	15 942 371	Total Staff Compliment (excluding interns)	16
YTD Grants and subsidies	29 847 218	Staff Appointments	0
% Creditors paid within term	100%	Staff Terminations	0
Current ratio	5,5:1	Number of funded vacant posts	2
		Salary bill – Officials	7 065 778
		Workforce costs as a % of expenditure (incl. capex)	50 %

#### 4.4. Liquidity position

BCMDA's liquidity is 5,5:1 for the month ending 31 December 2018, which indicates that the Agency's current assets are sufficient to cover its current liabilities (debts) which are short-term debts. For the month of December, current assets comprise mainly of a receivable of 2<sup>nd</sup> tranche of the grant from BCMM. An invoice was issued to BCMM and it's expected to be settled during the month of January 2019.

#### 4.5. Expenditure on allocations received

BCMDA has an approved budget of R72 million (R44 million for operational expenditure and R27 million for capital expenditure) and has incurred total expenditure (operational) amounting to R 14.1 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 R 14.9 million (VAT exclusive) received to date from the parent municipality, BCMDA has incurred an expenditure of R 14.1 million YTD and R 2.7 million was incurred in the current month. The breakdown of the R 2.7 million is as follows:

- Employee related Costs R1.1 million
- Other general expenditure R 1.6 million (including remuneration of board members and depreciation)

The expenditure at this point of the financial year is expected to be at 100 % of the total BCMM operational grant allocation received at the beginning of the financial year amounting to R 14 923 609 (net of VAT) and the agency has achieved 95% which is acceptable.

No expenditure has been transferred to revenue pertaining to the GMC project as the project account has been closed. This project came to an end in January 2018, the funder is yet to release the retention of R54 821 to the Agency as project management fees. It is imperative to note that the account has been accumulating minimal interest

which according to DEA must be used within the conditions of the grant hence upon closure the said funds reverted back to the funder.

#### **4.6. Cash and cash equivalents**

BCDMA's cash and cash equivalents balance at 31 December 2018 is R 209 997, which is made up of cash and bank account amounting to R 198 750, call investment balance of R 11 247. These funds are all banked with First National Bank.

#### **4.7. Outstanding Creditors**

The Agency's' creditors are made up of trade creditors to be settled on the 15<sup>th</sup> of January 2019 VAT payable and a BCMM debt.

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

## 5. IN YEAR BUDGET STATEMENT MAIN TABLES

### 5.1. Monthly Budget Statement Summary

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

Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M06 December

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	145	789	-	7	230	394	(0)	-42%	789
Transfers recognised - operational	21 724	32 033	-	14 924	29 847	16 016	14	85%	32 033
Other own revenue	153	11 534	-	-	25	5 767	(6)	-100%	11 534
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>22 022</b>	<b>44 355</b>	<b>-</b>	<b>14 931</b>	<b>30 103</b>	<b>22 178</b>	<b>7 925</b>	<b>0</b>	<b>44 355</b>
Employee costs	14 481	21 727	-	1 128	7 065	10 863	(3 799)	(0)	21 727
Remuneration of Board Members	900	850	-	14	281	425	(144)	(0)	850
Depreciation and asset impairment	799	1 412	-	111	530	706	(176)	(0)	1 412
Finance charges	5	10	-	0	0	5	(5)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	1 457	4 980	10 178	(5 198)	(0)	20 356
<b>Total Expenditure</b>	<b>24 347</b>	<b>44 355</b>	<b>-</b>	<b>2 709</b>	<b>12 856</b>	<b>22 178</b>	<b>(9 322)</b>	<b>(0)</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>	<b>(2 325)</b>	<b>(0)</b>	<b>-</b>	<b>12 221</b>	<b>17 247</b>	<b>(0)</b>	<b>17 247</b>	<b>(2 866 492)</b>	<b>(0)</b>
Transfers recognised - capital	-	27 292	-	-	1 304	13 646	(12 342)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 325)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>0</b>	<b>(0)</b>
Taxation	(558)	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(1 767)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>0</b>	<b>(0)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>-</b>	<b>27 291</b>	<b>-</b>	<b>-</b>	<b>1 304</b>	<b>11 562</b>	<b>(10 258)</b>	<b>(0)</b>	<b>2 291</b>
Transfers recognised - capital	-	27 292	-	-	1 304	13 646	(12 342)	(0)	2 291
Public contributions & donations	-	-	-	#REF!	-	-	-	-	-
Borrowing	-	-	-	#REF!	-	-	-	-	-
Internally generated funds	-	-	-	#REF!	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>27 292</b>	<b>-</b>	<b>#REF!</b>	<b>1 304</b>	<b>13 646</b>	<b>(12 342)</b>	<b>(0)</b>	<b>27 292</b>
<b>Financial position</b>									
Total current assets	709	1 187	-	-	17 505	-	-	-	1 187
Total non current assets	2 194	2 370	-	-	2 346	-	-	-	2 370
Total current liabilities	3 465	1 965	-	-	3 156	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(562)	1 592	-	-	16 695	-	-	-	1 592
<b>Cash flows</b>									
Net cash from (used) operating	(2 630)	27 921	-	(3 090)	2 066	13 961	(11 894)	(0)	36 364
Net cash from (used) investing	(351)	(27 292)	-	-	(1 500)	(13 646)	12 146	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(56)	(334)	(315)	(19)	0	(629)
<b>Cash/cash equivalents at the year end</b>	<b>(2 614)</b>	<b>367</b>	<b>367</b>	<b>(3 146)</b>	<b>233</b>	<b>(0)</b>	<b>233</b>	<b>(119 919)</b>	<b>8 810</b>

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

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

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

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

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
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	145	789	-	7	230	394	(164)	-41.7%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	495	(495)	-100.0%	990
Transfers and subsidies	21 724	32 033	-	14 924	29 847	16 016	13 831	86.4%	32 033
Other revenue	153	10 544	-	-	25	5 272	(5 247)	-99.5%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>22 022</b>	<b>44 355</b>	<b>-</b>	<b>14 931</b>	<b>30 103</b>	<b>22 178</b>	<b>7 925</b>	<b>35.7%</b>	<b>44 355</b>
<b>Expenditure By Type</b>									
Employee related costs	14 481	21 727	-	1 126	7 065	10 863	(3 798)	-35.0%	21 727
Remuneration of Directors	900	850	-	14	281	425	(144)	-34.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	799	1 412	-	111	530	706	(176)	-24.0%	1 412
Finance charges	5	10	-	0	0	5	(5)	-99.9%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	1 457	4 669	10 178	(5 198)	-51.1%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>24 347</b>	<b>44 355</b>	<b>-</b>	<b>2 709</b>	<b>12 856</b>	<b>22 178</b>	<b>(9 322)</b>	<b>-42.0%</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations)	(2 325)	(0)	-	12 221	17 247	(0)	17 247	#####	(0)
(National / Provincial and District)	-	27 292	-	-	1 304	13 646	(12 342)	-90.4%	-
(National / Provincial Departmental Agencies)	-	-	-	-	-	-	-	-	-
Households, Non-profit Institutions, Private Enterprises	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>(2 325)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>35.9%</b>	<b>(0)</b>
Taxation	(558)	-	-	-	-	-	-	-	(0)
<b>Surplus/(Deficit) for the year</b>	<b>(1 767)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>-</b>	<b>(0)</b>

### 5.2.1. Revenue by Source

Out of a total operational revenue budget of R 44 million, BCMDA heavily relies on operational grant of R34.3 million from BCMM. R14.9 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 230 186, which is below than the anticipated R789 000. A downward adjustment would be effected during the adjustment budget period.
- Project management fees of R990 000 that were not received will also be adjusted downwards during the adjustment budget period. This is because the project has not commenced and the business plan is still not approved by the Department of Environmental Affairs. There is therefore no indication of the expected commencement of the project.

#### **5.2.2. Expenditure by Type**

- The expenditure on employee related costs is currently at 65 % 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 5 funded vacancies have not been filled (3 interns and 2 Managers) three of which were subsequently filled in January 2019. Further included in employee related costs are DEA project workers wages which have not been spent due to reasons in the preceding paragraph. The agency is currently engaging with DEA on the way forward to ensure approval of the business plan.
- The year to date "other expenditure" on the schedules relate to operational costs for running daily activities of the agency.
- There is no expenditure for Greenest Municipality Competition (GMC) grant for the month under review as the unspent fund were transferred back to the funder. The agency is still awaiting retention fees in relation to the GMC project.
- The board expenditure it anticipated to pick up in the subsequent quarter as there will be meeting and attendance of a strategic session.

### 5.3. Monthly Budget Statement – Financial Position

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

**Table 4: F4: Monthly Budget Statement – Financial Position**

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

Vote Description	2017/18	Current Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	344	155	-	199	155
Call investment deposits	23	1 032	-	11	1 032
Consumer debtors	-	-	-	45	-
Other debtors	309	-	-	17 217	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	33	-	-	33	-
<b>Total current assets</b>	<b>709</b>	<b>1 187</b>	<b>-</b>	<b>17 505</b>	<b>1 187</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	351	341	-	248	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	1 221	2 029	-	2 097	2 029
Other non-current assets	622	-	-	-	-
<b>Total non current assets</b>	<b>2 194</b>	<b>2 370</b>	<b>-</b>	<b>2 346</b>	<b>2 370</b>
<b>TOTAL ASSETS</b>	<b>2 903</b>	<b>3 557</b>	<b>-</b>	<b>19 851</b>	<b>3 557</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	2 086	-	-	1 121	-
Provisions	1 378	1 335	-	582	1 335
<b>Total current liabilities</b>	<b>3 465</b>	<b>1 965</b>	<b>-</b>	<b>1 703</b>	<b>1 965</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
<b>Total non current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3 465</b>	<b>1 965</b>	<b>-</b>	<b>1 703</b>	<b>1 965</b>
<b>NET ASSETS</b>	<b>(562)</b>	<b>1 592</b>	<b>-</b>	<b>18 148</b>	<b>1 592</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	(562)	1 592	-	18 148	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>(562)</b>	<b>1 592</b>	<b>-</b>	<b>18 148</b>	<b>1 592</b>

#### **5.3.1. Assets**

- The Agency cash and investment is made up of the primary bank account balance, money market account balance and petty cash on hand.
- Consumer debtors related to the deposit due to the entity for office accommodation.
- Other debtors related to GMC retention and the Operational Grant funding to be received from the City by end of January 2019
- There were no additions for the month under review as procurement processes are underway.

#### **5.3.2. Liabilities**

- Trade and Other payables relate to trade creditors and a BCMM debt.

## 5.4. Monthly Budget Statement – Cash Flows

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

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

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
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	153	11 534	-	-	-	-	-	-	-
Government - operating	21 724	34 324	-	-	162	5 767	(5 605)	-97.2%	11 534
Government - capital	-	25 000	-	-	17 162	17 162	-	-	34 324
Interest	145	789	-	7	223	394	(171)	-43.4%	25 000
Dividends	-	-	-	-	-	-	-	-	2 681
<b>Payments</b>									
Suppliers and employees	(24 647)	(43 715)	-	(3 097)	(15 481)	(21 858)	6 376	-29.2%	(37 165)
Finance charges	(5)	(10)	-	-	-	(5)	5	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(2 630)</b>	<b>27 921</b>	<b>-</b>	<b>(3 090)</b>	<b>2 066</b>	<b>13 961</b>	<b>(24 657)</b>	<b>-176.6%</b>	<b>36 364</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(351)	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	-	(27 292)	-	-	(1 500)	(13 646)	12 146	-89.0%	(27 292)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(351)</b>	<b>(27 292)</b>	<b>-</b>	<b>-</b>	<b>(1 500)</b>	<b>(13 646)</b>	<b>(12 146)</b>	<b>89.0%</b>	<b>(27 292)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	-	(629)	-	(56)	(334)	(315)	(19)	6.0%	(629)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(629)</b>	<b>-</b>	<b>(56)</b>	<b>(334)</b>	<b>(315)</b>	<b>19</b>	<b>-6.0%</b>	<b>(629)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 981)</b>	<b>(0)</b>	<b>-</b>	<b>(3 146)</b>	<b>233</b>	<b>(0)</b>	<b>233</b>	<b>#####</b>	<b>8 443</b>
Cash/cash equivalents at the year begin	367	367	367	-	-	-	-	-	367
Cash/cash equivalents at the year end:	(2 614)	367	367	(3 146)	233	(0)	233	#####	8 810

Cash inflow for the month of December amounted to R 6 908 for interest on call investment and maintaining a positive bank balance. The cash outflow amounted to R 3 153 281. Kindly refer to attached supporting schedule.

## 5.5. Aged debtors

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

Buffalo City Metropolitan Development Agency - Supporting Table F3 Entity Aged debtors - M06 December

Detail	NT Code	Current Year 2018/19										
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Bad Debts	>90 days
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1100	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1200	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	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	17 162	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>2000</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2100	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	-	-	-	-	-	55	-	45	100	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-
Other	2500	17 162	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>17 162</b>	-	-	-	-	<b>55</b>	-	<b>45</b>	<b>17 162</b>	-	-

The debtors are made up of property deposit, BCMM operational grant 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 - M06 December

Detail	NT Code	Current Year 2018/19								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	1 453	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	1 453
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 003	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	(1)	1 001
Other	0900	120	-	-	0	-	-	-	-	-
<b>Total By Customer Type</b>	<b>2600</b>	<b>2 575</b>	-	-	<b>0</b>	-	-	-	<b>(1)</b>	<b>2 574</b>

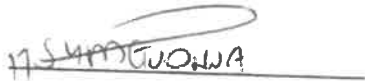
All creditors due are settled within 30 days from the date of receiving an invoice unless there are disputes or cash flow constraints. All invoices are date stamped on arrival in order to track the settlement date thereof. For the period under review, there were no disputed invoices. The agency's creditors are made up of trade creditors, BCMM debt, and VAT payable for the month under review.

## **6. BCMDA Challenges**

- 6.1. Output VAT which has been paid to SARS in relation to the operational grant which subsequently reduces the funds available for expenditure of the Agency.
- 6.2. Non-approval of the DEA project business plan which can lead to loss of operational revenue.
- 6.3. Office space as the staff complement has increased coupled by the lease agreement is coming to an end in April 2019 and the fact that the agency is not in a good financial position to procure a building for its operations.

## **7. RECOMMENDATION**

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



**B NELANA**

**CHIEF EXECUTIVE OFFICER**

**DATE: 10 JANUARY 2019**

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

# ANNEXURE A



# Municipal In-year reports & supporting tables

mSCOA Version 6.2

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**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Technical enquiries to the MFMA Helpline at:  
[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za)

Data submission enquiries:  
Elsabé Rossouw  
National Treasury  
Tel: (012) 315-5534

Electronic documents: [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za)  
Queries on formats: [lgdataqueries@treasury.gov.za](mailto: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 - M06 December**

Description	2017/18 Audited Outcome	Current Year 2018/19							
		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	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	145	789	-	7	230	394	(0)	-42%	789
Transfers recognised - operational	21 724	32 033	-	14 924	29 847	16 016	14	86%	32 033
Other own revenue	153	11 534	-	-	25	5 767	(6)	-100%	11 534
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>22 022</b>	<b>44 355</b>	<b>-</b>	<b>14 931</b>	<b>30 103</b>	<b>22 178</b>	<b>7 925</b>	<b>0</b>	<b>44 355</b>
Employee costs	14 481	21 727	-	1 128	7 065	10 863	(3 799)	(0)	21 727
Remuneration of Board Members	900	850	-	14	281	425	(144)	(0)	850
Depreciation and asset impairment	799	1 412	-	111	530	706	(176)	(0)	1 412
Finance charges	5	10	-	0	0	5	(5)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	8 162	20 356	-	1 457	4 980	10 178	(5 198)	(0)	20 356
<b>Total Expenditure</b>	<b>24 347</b>	<b>44 355</b>	<b>-</b>	<b>2 709</b>	<b>12 856</b>	<b>22 178</b>	<b>(9 322)</b>	<b>(0)</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>	<b>(2 325)</b>	<b>(0)</b>	<b>-</b>	<b>12 221</b>	<b>17 247</b>	<b>(0)</b>	<b>17 247</b>	<b>(2 866 492)</b>	<b>(0)</b>
Transfers recognised - capital	-	27 292	-	-	1 304	13 646	(12 342)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(2 325)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>0</b>	<b>(0)</b>
Taxation	(558)	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(1 767)</b>	<b>27 292</b>	<b>-</b>	<b>12 221</b>	<b>18 551</b>	<b>13 646</b>	<b>4 905</b>	<b>0</b>	<b>(0)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>-</b>	<b>27 291</b>	<b>-</b>	<b>-</b>	<b>1 304</b>	<b>11 562</b>	<b>(10 258)</b>	<b>(0)</b>	<b>2 291</b>
Transfers recognised - capital	-	27 292	-	-	1 304	13 646	(12 342)	(0)	27 292
Public contributions & donations	-	-	-	#REF!	-	-	-	-	-
Borrowing	-	-	-	#REF!	-	-	-	-	-
Internally generated funds	-	-	-	#REF!	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>27 292</b>	<b>-</b>	<b>#REF!</b>	<b>1 304</b>	<b>13 646</b>	<b>(12 342)</b>	<b>(0)</b>	<b>27 292</b>
<b>Financial position</b>									
Total current assets	709	1 187	-	-	17 505	-	-	-	1 187
Total non current assets	2 194	2 370	-	-	2 346	-	-	-	2 370
Total current liabilities	3 465	1 965	-	-	3 156	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	(562)	1 592	-	-	16 695	-	-	-	1 592
<b>Cash flows</b>									
Net cash from (used) operating	(2 630)	27 921	-	(3 090)	2 066	13 961	(11 894)	(0)	36 364
Net cash from (used) investing	(351)	(27 292)	-	-	(1 500)	(13 646)	12 146	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(56)	(334)	(315)	(19)	0	(629)
<b>Cash/cash equivalents at the year end</b>	<b>(2 614)</b>	<b>367</b>	<b>367</b>	<b>(3 146)</b>	<b>233</b>	<b>(0)</b>	<b>233</b>	<b>(119 919)</b>	<b>8 810</b>

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

Description	2017/18	Current Year 2018/19							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-
Interest earned - external investments	145	789	-	7	230	394	(164)	-41.7%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	495	(495)	-100.0%	990
Transfers and subsidies	21,724	32,033	-	14,924	29,847	16,016	13,831	86.4%	32,033
Other revenue	153	10,544	-	-	25	5,272	(5,247)	-99.5%	10,544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>22,022</b>	<b>44,355</b>	<b>-</b>	<b>14,931</b>	<b>30,103</b>	<b>22,178</b>	<b>7,925</b>	<b>35.7%</b>	<b>44,355</b>
<b>Expenditure By Type</b>									
Employee related costs	14,481	21,727	-	1,128	7,065	10,863	(3,799)	-35.0%	21,727
Remuneration of Directors	900	850	-	14	281	425	(144)	-34.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	799	1,412	-	111	530	706	(176)	-24.9%	1,412
Finance charges	5	10	-	0	0	5	(5)	-99.9%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8,162	20,356	-	1,457	4,980	#####	(5,198)	-51.1%	20,356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>24,347</b>	<b>44,355</b>	<b>-</b>	<b>2,709</b>	<b>12,856</b>	<b>22,178</b>	<b>(9,322)</b>	<b>-42.0%</b>	<b>44,355</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(2,325)	(0)	-	12,221	17,247	(0)	17,247	#####	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations,	-	27,292	-	-	1,304	13,646	(12,342)	-90.4%	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>(2,325)</b>	<b>27,292</b>	<b>-</b>	<b>12,221</b>	<b>18,551</b>	<b>13,646</b>	<b>4,905</b>	<b>35.9%</b>	<b>(0)</b>
Taxation	(558)	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(1,767)</b>	<b>27,292</b>	<b>-</b>	<b>12,221</b>	<b>18,551</b>	<b>13,646</b>	<b>4,905</b>		<b>(0)</b>



<b>Community Assets</b>	-	25,000	-	-	-	10,417	10,417	100.0%	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematorie	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	25,000	-	-	-	10,417	10,417	100.0%	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	25,000	-	-	-	10,417	10,417	100.0%	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	1,829	-	-	1,304	914	(390)	-42.6%	1,829
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1,829	-	-	1,304	914	(390)	-42.6%	1,829
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1,829	-	-	1,304	914	(390)	-42.6%	1,829
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	193	-	-	-	96	96	100.0%	193
Computer Equipment	-	193	-	-	-	96	96	100.0%	193
<b>Furniture and Office Equipment</b>	-	270	-	-	-	135	135	100.0%	270
Furniture and Office Equipment	-	270	-	-	-	135	135	100.0%	270

<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	-	<b>27,291</b>	-	-	<b>1,304</b>	<b>11,562</b>	<b>10,258</b>	<b>88.7%</b>	<b>2,291</b>

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

Vote Description	2017/18	Current Year 2018/19			Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	344	155	-	199	155
Call investment deposits	23	1 032	-	11	1 032
Consumer debtors	-	-	-	45	-
Other debtors	309	-	-	17 217	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	33	-	-	33	-
<b>Total current assets</b>	<b>709</b>	<b>1 187</b>	<b>-</b>	<b>17 505</b>	<b>1 187</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	351	341	-	248	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	1 221	2 029	-	2 097	2 029
Other non-current assets	622	-	-	-	-
<b>Total non current assets</b>	<b>2 194</b>	<b>2 370</b>	<b>-</b>	<b>2 346</b>	<b>2 370</b>
<b>TOTAL ASSETS</b>	<b>2 903</b>	<b>3 557</b>	<b>-</b>	<b>19 851</b>	<b>3 557</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	2 086	-	-	2 574	-
Provisions	1 378	1 335	-	582	1 335
<b>Total current liabilities</b>	<b>3 465</b>	<b>1 965</b>	<b>-</b>	<b>3 156</b>	<b>1 965</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
<b>Total non current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3 465</b>	<b>1 965</b>	<b>-</b>	<b>3 156</b>	<b>1 965</b>
<b>NET ASSETS</b>	<b>(562)</b>	<b>1 592</b>	<b>-</b>	<b>16 695</b>	<b>1 592</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	(562)	1 592	-	16 695	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>(562)</b>	<b>1 592</b>	<b>-</b>	<b>16 695</b>	<b>1 592</b>

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

Description	2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Current Year 2018/19		YTD variance	YTD variance %	Full Year Forecast
					YearTD actual	YearTD budget			
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	153	11 534	-	-	162	5 767	(5 605)	-97.2%	11 534
Government - operating	21 724	34 324	-	-	17 162	17 162	-	-	34 324
Government - capital	-	25 000	-	-	-	12 500	(12 500)	-100.0%	25 000
Interest	145	789	-	7	223	394	(171)	-43.4%	2 681
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(24 647)	(43 716)	-	(3 097)	(15 481)	(21 858)	6 376	-29.2%	(37 165)
Finance charges	(5)	(10)	-	-	-	(5)	5	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(2 630)</b>	<b>27 921</b>	<b>-</b>	<b>(3 090)</b>	<b>2 066</b>	<b>13 961</b>	<b>(24 657)</b>	<b>-176.6%</b>	<b>36 364</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(351)	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	-	(27 292)	-	-	(1 500)	(13 646)	12 146	-89.0%	(27 292)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(351)</b>	<b>(27 292)</b>	<b>-</b>	<b>-</b>	<b>(1 500)</b>	<b>(13 646)</b>	<b>(12 146)</b>	<b>89.0%</b>	<b>(27 292)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	-	(629)	-	(55)	(334)	(315)	(19)	6.0%	(629)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(629)</b>	<b>-</b>	<b>(56)</b>	<b>(334)</b>	<b>(315)</b>	<b>19</b>	<b>-6.0%</b>	<b>(629)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(2 981)</b>	<b>(0)</b>	<b>-</b>	<b>(3 146)</b>	<b>233</b>	<b>(0)</b>	<b>233</b>	<b>#####</b>	<b>8 443</b>
Cash/cash equivalents at the year begin	367	367	367	367	367	367	367	#####	367
Cash/cash equivalents at the year end:	(2 614)	367	367	(3 146)	233	(0)	233	#####	8 810



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

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
<b>R thousands</b>			
<b>Revenue items</b>			
Transfers and subsidies	13,831	The variance is caused by VAT as the actual revenue recognised excludes VAT and the budget actuals VAT incl.	None required
Other revenue and agency fees	(5,742)	DEA grant has not been received, awaiting final approval of business plan by DEA	Request DEA to approve business plan
<b>Expenditure items</b>			
Total expenditure	(9,322)	Vacancies have not been filled for three interns and two Managers DEA participants have also not been appointed due to business plan non-approval and the DEA general expenditure	The said appointees will commence duty in January and February 2018 Awaiting feedback from DEA on the submitted business plan however there are continuous engagements
<b>Capital Expenditure items</b>			
Total capital expenditure	12,342	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
<b>Cash flow items</b>			
<b>Cash flows from operating activities</b>			
<b>Measurable performance</b>			
Total variance			

**Buffalo City Metropolitan Development Agency - Supporting Table F2 Entity Financial and non-financial indicators - M06 December**

Description of financial indicator	Basis of calculation	Ref	2017/18	Current Year 2018/19		
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
<b>Borrowing Management</b>						
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		3.3%	3.2%	0.0%	4.1%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		(616.9%)	123.4%	0.0%	9.4%
Gearing	Long Term Borrowing/ Funds & Reserves					123.4%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities		20.5%	60.4%	0.0%	1028.1%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		20.5%	60.4%	0.0%	1028.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		10.6%	60.4%	0.0%	12.3%
<b>Revenue Management</b>						
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		1.4%	0.0%	0.0%	57.3%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		0.0%	100.0%	100.0%	100.0%
<b>Funding of Provisions</b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0.0%	0.0%	0.0%	0.0%
<b>Other Indicators</b>						
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		65.8%	49.0%	0.0%	23.5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		3.7%	3.2%	0.0%	1.8%
<b>Financial viability indicators</b>						
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 - M06 December**

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		
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	1100	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1200	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1400	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1600	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1700	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1810	-	-	-	-	-	-	-	-	-	-
Other	1820	-	-	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	1900	17,162	-	-	-	-	-	55	-	45	-
	2000	-	-	-	-	-	-	-	-	-	-
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2100	-	-	-	-	-	-	-	-	-	-
Commercial	2200	-	-	-	-	-	-	55	-	45	100
Households	2300	-	-	-	-	-	-	-	-	-	-
Other	2400	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	2500	17,162	-	-	-	-	-	55	-	45	17,162
	2600	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		17,162	-	-	-	-	-	55	-	45	17,262

**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 - M06 December**

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	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	1 453	-	-	-	-	-	-	-	1 453
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 003	-	-	-	-	-	-	(1)	1 001
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	120	-	-	0	-	-	-	-	120
<b>Total By Customer Type</b>	<b>2600</b>	<b>2 575</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>2 574</b>

Notes

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













Testing Stations	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	
<b>Other assets</b>	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	
Pay/Equity Points	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	1,829	-	-	1,304	914	(390)	-42.6%	1,829
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	1,829	-	-	1,304	914	(390)	-42.6%	1,629
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	1,829	-	-	1,304	914	(390)	-42.6%	1,829
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	193	-	-	-	96	96	100.0%	193
Computer Equipment	-	193	-	-	-	96	96	100.0%	193
<b>Furniture and Office Equipment</b>	-	270	-	-	-	135	135	100.0%	270
Furniture and Office Equipment	-	270	-	-	-	135	135	100.0%	270
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	-	2,291	-	-	1,304	1,148	(159)	-13.8%	2,291









<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	-	15	-	-	0	8	7	95.8%	-









<u>Transport Assets</u>	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-
<u>Land</u>	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	-	<b>1,412</b>	-	<b>111</b>	<b>530</b>	<b>706</b>	<b>176</b>	<b>24.9%</b>





<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	-	25,000	-	-	-	-	10,417	10,417	100.0%

# **ANNEXURE B**

**BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY SOC LTD****SUMMARY CASH AND CASH EQUIVALENTS****SECOND QUARTER- DECEMBER 2018****2018/19****Working Capital**

<b>Description</b>	<b>Amount</b>
Cash and Investments Available	<b>209 997.39</b>
Cash and cash equivalents at beginning of the month (All	<b>3 356 370.67</b>
<b>Total receipts</b>	<b>6 907.76</b>
Interest	6 907.76
<b>Payments made</b>	<b>3 153 281.04</b>
Bank Charges (All Accounts)	963.29
Suppliers and Recruitment Costs	662 077.52
SARS Tax	958 406.14
Salaries,Wages,Allowances and Benefits	1 373 235.06
Staff Claims	23 173.26
Board and Audit Committee remuneration	135 425.77
<b>Total cash and investments available</b>	<b>209 997.39</b>