

**BUFFALO CITY METROPOLITAN DEVELOPMENT AGENCY**

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BCMDA-FMR-023-18


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

Dear Mr Sihlahla

**BCMDA MONTHLY PERFORMANCE REPORT – JULY 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 July 2018.

Kind Regards

  
**MR BULUMKO NELANA**  
**CHIEF EXECUTIVE OFFICER**  
**DATE: 10 August 2018**

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BCMDA-FMR-025-18

## 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 July 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 P.P. SIVUYISIWE

Date 10 AUGUST 2018



**Ref: BCMDA-SUB-058-18**

**Enquires: S Mgudlwa**

**Tel: 043 101 0172**

## **REPORT TO THE CITY MANAGER TO CONSIDER AND NOTE BCMDA'S MONTHLY BUDGET STATEMENT – JULY 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 July 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 JULY 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	14 972 460	Cash and Bank Balance	1 423 204
Expenditure	1 568 172	Call investments	14 527 761
<b>Operating Surplus</b>	<b>13 404 288</b>	Cash and cash equivalents	15 950 965
Capital Expenditure	0	Account Payables	(2 271 351)
<b>Surplus after capital expenditure</b>	<b>13 404 288</b>	Unspent conditional grants	6 228
FINANCIAL		HUMAN RESOURCES	
Operating surplus for the period	13 404 288	Total Staff Compliment	18
YTD Grants and subsidies	14 972 460	Staff Appointments	1
% Creditors paid within term	100%	Staff Terminations	0
Current ratio	5.73:1	Number of funded vacant posts	1
		Salary bill – Officials	1 202 770
		Workforce costs as a % of expenditure	77 %

## **5.2. Liquidity position**

BCMDA's liquidity is 5.73:1 for the month ending 31 July 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 operation and R27 million for capital expenditure) and has incurred total expenditure amounting to R1.6 million (operational) 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 R25 million
- Agency services revenue of R990 000.00
- Interest received of R788 992.16
- Other income (conditional grants and tender fees etc) of R 10.5 million.

Out of the R17.1 million (VAT inclusive) received to date from the parent municipality, BCMDA has used R1.6 million and R1.5 of which relates to the current month. The breakdown of the R1.5 million is as follows:

- Employee related Costs R1.2 million
- Other general expenditure R291 698.50

In relation to the funds received, the expenditure at this point of the financial year is expected to be at 17%. However 9% of the funds received has been spent.

BCMDA has spent in total R 1 505 147.40 (100 % spent on the 2016/2017 roll over budget of R 1 499 624) year to date from the GMC grant received from DEA. This project came to an end in January 2018, the funder is yet to release the retention of R56 250 to the Agency as project management fees. It is imperative to note that the account accumulated interest which according to DEA must be used within the conditions of the grant hence the expenditure is more than what was initially budgeted for.

**5.4. Cash and cash equivalents**

BCDMA's cash and cash equivalents balance at 31 July 2018 is R15 950 965, which is made up of cash and bank account amounting to R1 423 204, call investment balance of R14 527 761 and unspent funds received from Department of Environmental Affairs (DEA) of R 6 293. These funds are all banked with First National Bank.

**5.5. Outstanding Creditors**

The agency's creditors are made up of trade creditors, retirement annuity, pension fund, and a GMC unspent grant. They will be paid by the end of August 2018 excluding GMC grant.

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.

## 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 - M01 July

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	-	789	-	49	49	66	(0)	-26%	789
Transfers recognised - operational	-	32 033	-	14 924	14 924	2 669	12	459%	32 033
Other own revenue	-	11 534	-	-	-	961	(1)	-100%	11 534
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>44 355</b>	-	<b>14 972</b>	<b>14 972</b>	<b>3 696</b>	<b>11 276</b>	<b>0</b>	<b>44 355</b>
Employee costs	-	21 727	-	1 203	1 203	1 811	(608)	(0)	21 727
Remuneration of Board Members	-	850	-	-	-	71	(71)	(0)	850
Depreciation and asset impairment	-	1 412	-	74	74	118	(44)	(0)	1 412
Finance charges	-	10	-	0	0	1	(1)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	292	292	1 696	(1 405)	(0)	20 356
<b>Total Expenditure</b>	-	<b>44 355</b>	-	<b>1 568</b>	<b>1 568</b>	<b>3 696</b>	<b>(2 128)</b>	<b>(0)</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>	-	<b>(0)</b>	-	<b>13 404</b>	<b>13 404</b>	<b>(0)</b>	<b>13 404</b>	<b>(13 367 156)</b>	<b>(0)</b>
Transfers recognised - capital	-	27 292	-	-	-	2 274	(2 274)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>	<b>0</b>	<b>(0)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>	<b>0</b>	<b>(0)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - capital	-	27 292	-	-	-	2 274	(2 274)	(0)	-
Public contributions & donations	-	-	-	0	-	-	-	-	27 292
Borrowing	-	-	-	0	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	<b>27 292</b>	-	<b>0</b>	<b>-</b>	<b>2 274</b>	<b>(2 274)</b>	<b>(0)</b>	<b>27 292</b>
<b>Financial position</b>									
Total current assets	-	1 187	-	-	16 305	-	-	-	1 187
Total non current assets	-	2 370	-	-	1 498	-	-	-	2 370
Total current liabilities	-	1 965	-	-	2 271	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	1 592	-	-	15 532	-	-	-	1 592
<b>Cash flows</b>									
Net cash from (used) operating	-	27 921	-	15 577	15 574	2 327	13 247	0	51 830
Net cash from (used) investing	-	(27 292)	-	-	-	(2 274)	2 274	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(4)	-	(52)	52	(0)	(629)
<b>Cash/cash equivalents at the year end</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>15 574</b>	<b>15 574</b>	<b>(0)</b>	<b>15 574</b>	<b>(48 127 248)</b>	<b>24 274</b>

## 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) - M01 July**

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	-	789	-	49	49	66	(17)	-25.7%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	83	(83)	-100.0%	990
Transfers and subsidies	-	32 033	-	14 924	14 924	2 669	12 254	459.1%	32 033
Other revenue	-	10 544	-	-	-	879	(879)	-100.0%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>44 355</b>	-	<b>14 972</b>	<b>14 972</b>	<b>3 696</b>	<b>11 276</b>	<b>305.1%</b>	<b>44 355</b>
<b>Expenditure By Type</b>									
Employee related costs	-	21 727	-	1 203	1 203	1 811	(608)	-33.6%	21 727
Remuneration of Directors	-	850	-	-	-	71	(71)	-100.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	1 412	-	74	74	118	(44)	-37.4%	1 412
Finance charges	-	10	-	0	0	1	(1)	-99.2%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	292	292	1 696	(1 405)	-82.8%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	-	<b>44 355</b>	-	<b>1 568</b>	<b>1 568</b>	<b>3 696</b>	<b>(2 128)</b>	<b>-57.6%</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	(0)	-	13 404	13 404	(0)	13 404	#####	(0)
Transfers and subsidies - capital (in-kind - all) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all))	-	27 292	-	-	-	2 274	(2 274)	-100.0%	-
Surplus/(Deficit) before taxation	-	27 292	-	13 404	13 404	2 274	11 130	489.4%	(0)
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>		<b>(0)</b>



### **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. 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 R48 877.

### **6.2.2. Expenditure by Type**

- The expenditure on employee related costs is currently at 66.4% 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 inters 1 Programme Manager). Programme Manager to be re-advertised due to a decline by the initially appointed candidate. Intern vacancies to be filled.
- 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 - M01 July**

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	-	155	-	1 423	155
Call investment deposits	-	1 032	-	14 528	1 032
Consumer debtors	-	-	-	274	-
Other debtors	-	-	-	47	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	33	-
<b>Total current assets</b>	-	<b>1 187</b>	-	<b>16 305</b>	<b>1 187</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	341	-	334	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	2 029	-	1 164	2 029
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	-	<b>2 370</b>	-	<b>1 498</b>	<b>2 370</b>
<b>TOTAL ASSETS</b>	-	<b>3 557</b>	-	<b>17 803</b>	<b>3 557</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	-	-	-	2 271	-
Provisions	-	1 335	-	532	1 335
<b>Total current liabilities</b>	-	<b>1 965</b>	-	<b>2 804</b>	<b>1 965</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
<b>Total non current liabilities</b>	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	<b>1 965</b>	-	<b>2 804</b>	<b>1 965</b>
<b>NET ASSETS</b>	-	<b>1 592</b>	-	<b>14 999</b>	<b>1 592</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	-	1 592	-	-	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	-	<b>1 592</b>	-	-	<b>1 592</b>

References

### 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 - M01 July

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	-	-	-	-	-	961	(961)	-100.0%	11 534
Other revenue	11 534	-	-	-	-	2 860	14 302	500.0%	34 324
Government - operating	34 324	-	-	17 162	17 162	2 083	(2 083)	-100.0%	25 000
Government - capital	25 000	-	-	-	-	-	-	-	-
Interest	789	-	-	49	49	66	(17)	-25.7%	587
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(43 716)	-	-	(1 634)	(1 637)	(3 643)	2 006	-55.1%	(19 605)
Finance charges	(10)	-	-	-	-	(1)	1	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-</b>	<b>27 921</b>	<b>-</b>	<b>15 577</b>	<b>15 574</b>	<b>2 327</b>	<b>9 234</b>	<b>396.9%</b>	<b>51 830</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	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(27 292)	-	-	-	-	(2 274)	2 274	-100.0%	(27 292)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(27 292)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 274)</b>	<b>(2 274)</b>	<b>100.0%</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)	-	-	(4)	-	(52)	52	-100.0%	(629)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(629)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(52)</b>	<b>(52)</b>	<b>100.0%</b>	<b>(629)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>15 574</b>	<b>15 574</b>	<b>(0)</b>	<b>15 574</b>	<b>#####</b>	<b>23 909</b>
Cash/cash equivalents at the year begin:	365	365	365	-	-	-	-	-	365
Cash/cash equivalents at the year end:	365	365	365	15 574	15 574	(0)	15 574	#####	24 274

Cash inflow for the month of July amounted to R17.2 million relating to the BCMM operating grant and interest on call investment and positive bank balance. The cash outflow amounted to R1.6 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 - M01 July

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>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>	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	2	-	-	-	-	-	-	-	-
Other	1900	56	1	-	-	-	-	-	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>	2100									
Organs of State	2200	56	-	-	-	-	-	-	-	56
Commercial	2300	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-
Other	2500	2	1	-	-	-	-	-	-	2
<b>Total By Customer Group</b>	<b>2600</b>	<b>58</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>

The debtors are made up of a recovery which is currently being followed up, staff recovery for a damaged laptop keyboard 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 - M01 July

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>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	363	-	-	-	-	-	-	-	363
VAT (output less input)	0400	2 196	-	-	-	-	-	-	-	2 196
Pensions / Retirement deductions	0500	109	-	-	-	-	-	-	-	109
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	595	-	-	-	-	-	(1)	-	593
Auditor General	0800	0	-	-	-	-	-	-	-	0
Other	0900	6	-	-	-	-	-	-	-	6
<b>Total By Customer Type</b>	<b>2600</b>	<b>3 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>3 267</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. 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 trade creditors, retirement annuity, provident fund and GMC unspent for the month under review. All the creditors appearing on the report will be settled in August 2018.

**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 coupled by an additional 1% effective from April 2018. 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.



**B NELANA**

**CHIEF EXECUTIVE OFFICER**

**DATE: 10 August 2018**

**Attachments: Annexure A - F Schedule**

**Annexure B - Cash flow report**

# **ANNEXURE A**

E n t i t i e s

# Municipal In-year reports & supporting tables

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### Preparation Instructions

Municipality Name:

Municipal Entity Name:

CFO Name:

Tel:  Fax:

E-Mail:

Reporting period:

MTREF:  Budget Year:

### Printing Instructions

#### Showing / Hiding Columns

Show Reference columns on all sheets

Hide Pre-audit columns on all sheets

#### Showing / Clearing Highlights

Clear Highlights on all sheets

### Submission of Data

#### Preparing Data File for Submission

Export Data to Data File



**Buffalo City Metropolitan Development Agency - Table F1 Monthly Budget Statement Summary - M01 July**

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	-	789	-	49	49	66	(0)	-26%	789
Transfers recognised - operational	-	32 033	-	14 924	14 924	2 669	12	459%	32 033
Other own revenue	-	11 534	-	-	-	961	(1)	-100%	11 534
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>44 355</b>	-	<b>14 972</b>	<b>14 972</b>	<b>3 696</b>	<b>11 276</b>	<b>0</b>	<b>44 355</b>
Employee costs	-	21 727	-	1 203	1 203	1 811	(608)	(0)	21 727
Remuneration of Board Members	-	850	-	-	-	71	(71)	(0)	850
Depreciation and asset impairment	-	1 412	-	74	74	118	(44)	(0)	1 412
Finance charges	-	10	-	0	0	1	(1)	(0)	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	292	292	1 696	(1 405)	(0)	20 356
<b>Total Expenditure</b>	-	<b>44 355</b>	-	<b>1 568</b>	<b>1 568</b>	<b>3 696</b>	<b>(2 128)</b>	<b>(0)</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>	-	<b>(0)</b>	-	<b>13 404</b>	<b>13 404</b>	<b>(0)</b>	<b>13 404</b>	<b>(13 367 156)</b>	<b>(0)</b>
Transfers recognised - capital	-	27 292	-	-	-	2 274	(2 274)	(0)	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>	<b>0</b>	<b>(0)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>	<b>0</b>	<b>(0)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	27 291	-	-	-	2 274	(2 274)	(0)	-
Transfers recognised - capital	-	27 292	-	-	-	2 274	(2 274)	(0)	27 292
Public contributions & donations	-	-	-	0	-	-	-	-	-
Borrowing	-	-	-	0	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	<b>27 292</b>	-	<b>0</b>	-	<b>2 274</b>	<b>(2 274)</b>	<b>(0)</b>	<b>27 292</b>
<b>Financial position</b>									
Total current assets	-	1 187	-	-	16 305	-	-	-	1 187
Total non current assets	-	2 370	-	-	1 498	-	-	-	2 370
Total current liabilities	-	1 965	-	-	2 804	-	-	-	1 965
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	<b>1 592</b>	-	-	-	-	-	-	<b>1 592</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	27 921	-	15 577	15 574	2 327	13 247	0	51 830
Net cash from (used) investing	-	(27 292)	-	-	-	(2 274)	2 274	(0)	(27 292)
Net cash from (used) financing	-	(629)	-	(4)	-	(52)	52	(0)	(629)
<b>Cash/cash equivalents at the year end</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>15 574</b>	<b>15 574</b>	<b>(0)</b>	<b>15 574</b>	<b>(48 127 248)</b>	<b>24 274</b>

**Buffalo City Metropolitan Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

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	-	789	-	49	49	66	(17)	-25.7%	789
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Agency services	-	990	-	-	-	83	(83)	-100.0%	990
Transfers and subsidies	-	32 033	-	14 924	14 924	2 669	12 254	459.1%	32 033
Other revenue	-	10 544	-	-	-	879	(879)	-100.0%	10 544
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>44 355</b>	-	<b>14 972</b>	<b>14 972</b>	<b>3 696</b>	<b>11 276</b>	<b>305.1%</b>	<b>44 355</b>
<b>Expenditure By Type</b>									
Employee related costs	-	21 727	-	1 203	1 203	1 811	(608)	-33.6%	21 727
Remuneration of Directors	-	850	-	-	-	71	(71)	-100.0%	850
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	1 412	-	74	74	118	(44)	-37.4%	1 412
Finance charges	-	10	-	0	0	1	(1)	-99.2%	10
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	20 356	-	292	292	1 696	(1 405)	-82.8%	20 356
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	-	<b>44 355</b>	-	<b>1 568</b>	<b>1 568</b>	<b>3 696</b>	<b>(2 128)</b>	<b>-57.6%</b>	<b>44 355</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	(0)	-	13 404	13 404	(0)	13 404	#####	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations,	-	27 292	-	-	-	2 274	(2 274)	-100.0%	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>	<b>489.4%</b>	<b>(0)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	<b>27 292</b>	-	<b>13 404</b>	<b>13 404</b>	<b>2 274</b>	<b>11 130</b>		<b>(0)</b>



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	25 000	-	-	-	2 083	2 083	100.0%	-
Indoor Facilities	-	-	-	-	-	-	-	-
Outdoor Facilities	25 000	-	-	-	2 083	2 083	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	-	-	-	152	152	100.0%	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	1 829	-	-	-	152	152	100.0%	-
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	1 829	-	-	-	152	152	100.0%	-
Lead Settlement Software Applications	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	193	-	-	-	16	16	100.0%	-
Computer Equipment	193	-	-	-	16	16	100.0%	-
<b>Furniture and Office Equipment</b>	270	-	-	-	23	23	100.0%	-
Furniture and Office Equipment	270	-	-	-	23	23	100.0%	-
<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>	27 291	-	-	-	2 274	2 274	100.0%	-

Buffalo City Metropolitan Development Agency - Table F4 Monthly Budget Statement - Financial Position - M01

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	-	155	-	1 423	155
Call investment deposits	-	1 032	-	14 528	1 032
Consumer debtors	-	-	-	274	-
Other debtors	-	-	-	47	-
Current portion of long-term receivables	-	-	-	-	-
Inventory	-	-	-	33	-
<b>Total current assets</b>	-	<b>1 187</b>	-	<b>16 305</b>	<b>1 187</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	-	-	-	-	-
Property, plant and equipment	-	341	-	334	341
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	-	2 029	-	1 164	2 029
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	-	<b>2 370</b>	-	<b>1 498</b>	<b>2 370</b>
<b>TOTAL ASSETS</b>	-	<b>3 557</b>	-	<b>17 803</b>	<b>3 557</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	629	-	-	629
Consumer deposits	-	-	-	-	-
Trade and other payables	-	-	-	2 271	-
Provisions	-	1 335	-	532	1 335
<b>Total current liabilities</b>	-	<b>1 965</b>	-	<b>2 804</b>	<b>1 965</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	-	-	-	-	-
<b>Total non current liabilities</b>	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	<b>1 965</b>	-	<b>2 804</b>	<b>1 965</b>
<b>NET ASSETS</b>	-	<b>1 592</b>	-	<b>14 999</b>	<b>1 592</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	-	1 592	-	-	1 592
Reserves	-	-	-	-	-
Share capital	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	-	<b>1 592</b>	-	-	<b>1 592</b>

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M01 July

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			
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	11 534	-	-	-	961	(961)	-100.0%	11 534
Government - operating	-	34 324	-	17 162	17 162	2 860	14 302	500.0%	34 324
Government - capital	-	25 000	-	-	-	2 083	(2 083)	-100.0%	25 000
Interest	-	789	-	49	49	66	(17)	-25.7%	587
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	-	(43 716)	-	(1 634)	(1 637)	(3 643)	2 006	-55.1%	(19 605)
Finance charges	-	(10)	-	-	-	(1)	1	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-</b>	<b>27 921</b>	<b>-</b>	<b>15 577</b>	<b>15 574</b>	<b>2 327</b>	<b>9 234</b>	<b>396.9%</b>	<b>51 830</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	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	-	(27 292)	-	-	-	(2 274)	2 274	-100.0%	(27 292)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(27 292)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 274)</b>	<b>(2 274)</b>	<b>100.0%</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)	-	(4)	-	(52)	52	-100.0%	(629)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(629)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(52)</b>	<b>(52)</b>	<b>100.0%</b>	<b>(629)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>15 574</b>	<b>15 574</b>	<b>(0)</b>	<b>15 574</b>	<b>#####</b>	<b>23 909</b>
Cash/cash equivalents at the year begin:	365	365	365	15 574	15 574	(0)	15 574	#####	365
Cash/cash equivalents at the year end:	365	365	365	15 574	15 574	(0)	15 574	#####	24 274

Buffalo City Metropolitan Development Agency - Table F5 Monthly Budget Statement - Cash Flows - M01 July

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			
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Other revenue	-	11 534	-	-	-	961	(961)	-100.0%	11 534
Government - operating	-	34 324	-	17 162	17 162	2 860	14 302	500.0%	34 324
Government - capital	-	25 000	-	-	-	2 083	(2 083)	-100.0%	25 000
Interest	-	789	-	49	49	66	(17)	-25.7%	587
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	-	(43 716)	-	(1 634)	(1 637)	(3 643)	2 006	-55.1%	(19 605)
Finance charges	-	(10)	-	-	-	(1)	1	-100.0%	(10)
Dividends paid	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-</b>	<b>27 921</b>	<b>-</b>	<b>15 577</b>	<b>15 574</b>	<b>2 327</b>	<b>9 234</b>	<b>396.9%</b>	<b>51 830</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	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	-	(27 292)	-	-	-	(2 274)	2 274	-100.0%	(27 292)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(27 292)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 274)</b>	<b>(2 274)</b>	<b>100.0%</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)	-	(4)	-	(52)	52	-100.0%	(629)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(629)</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(52)</b>	<b>(52)</b>	<b>100.0%</b>	<b>(629)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>15 574</b>	<b>15 574</b>	<b>(0)</b>	<b>15 574</b>	<b>#####</b>	<b>23 909</b>
Cash/cash equivalents at the year begin:	365	365	365	-	-	-	-	-	365
Cash/cash equivalents at the year end:	365	365	365	15 574	15 574	(0)	15 574	#####	24 274



**Buffalo City Metropolitan Development Agency - Supporting Table F1 Entity Material variance explanation - M01 July**

Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
<b>R thousands</b>			
<b>Revenue items</b>			
Transfers and subsidies	12 254	Grant from parent municipality received in advance for a 6 months period	None required
Other revenue and agency fees	(961)	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	(2 128)	6 Vacancies have not been filled 5 inters 1 Programme Manger. No board meetings in July 2018.	Programme Manager to be re-advertised due to a decline from initially appointed candidate. Intern vacancies to be filed.
<b>Capital Expenditure items</b>			
Total capital expenditure	2 274	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.
<b>Cash flow items</b>			
Cash flows from operating activities		Grant from parent municipality received in advance for a 6 months period	None required
<b>Measurable performance</b>			
Total variance			



**Buffalo City Metropolitan Development Agency - Supporting Table F2 Entity Financial and non-financial indicators - M01 July**

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		0.0%	3.2%	0.0%	4.7%
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		0.0%	123.4%	0.0%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves					123.4%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities		0.0%	60.4%	0.0%	581.6%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.0%	60.4%	0.0%	581.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	60.4%	0.0%	568.9%
<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		0.0%	0.0%	0.0%	2.1%
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%	0.0%	0.0%	0.0%
<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		0.0%	49.0%	0.0%	8.0%
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%	0.5%
<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 - M01 July**

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>	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	2	-	-	-	-	-	-	-	-	-
Other	1900	58	1	-	-	-	-	-	-	-	-
<b>Total By Income Source</b>	2000	-	-	-	-	-	-	-	-	-	-
<b>Debtors Age Analysis By Customer Group</b>	2100										
Organs of State	2200	58	-	-	-	-	-	-	-	58	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-
Other	2500	2	1	-	-	-	-	-	-	2	-
<b>Total By Customer Group</b>	2600	58	1	-	-	-	-	-	-	58	-

**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 - M01 July**

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	363	-	-	-	-	-	-	-	363
VAT (output less input)	0400	2 196	-	-	-	-	-	-	-	2 196
Pensions / Retirement deductions	0500	109	-	-	-	-	-	-	-	109
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	595	-	-	-	-	-	(1)	-	593
Auditor General	0800	0	-	-	-	-	-	-	-	0
Other	0900	6	-	-	-	-	-	-	-	6
<b>Total By Customer Type</b>	<b>2600</b>	<b>3 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>3 267</b>

**Notes**

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















<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>	-	<b>2 291</b>	-	-	-	<b>191</b>	<b>191</b>	<b>100.0%</b>	-









Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Ports									
Public Open Space									
Nature Reserves									
Public Abution 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>		5		0	0	0	0	27.0%	
Operational Buildings		5		0	0	0	0	27.0%	
Municipal Offices		5		0	0	0	0	27.0%	
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>									
Servitudes									
Licences and Rights									
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>		5				0	0	100.0%	
Computer Equipment		5				0	0	100.0%	
<b>Furniture and Office Equipment</b>		5				0	0	100.0%	
Furniture and Office Equipment		5				0	0	100.0%	
<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 Repairs and Maintenance Expenditure</b>		15		0	0	1	1	75.7%	









<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 Depreciation</b>	-	1 412	-	74	74	118	44	37.4%	-





<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 Capital Expenditure on upgrading of existing assets</b>	-	<b>25 000</b>	-	-	-	<b>2 083</b>	<b>2 083</b>	<b>100.0%</b>	-

# **ANNEXURE B**

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

<b>Description</b>	<b>Amount</b>
Cash and Investments Available	<b>15,938,690.95</b>
Cash and cash equivalents at beginning of the	<b>364,985.89</b>
<b>Total receipts</b>	<b>17,211,027.15</b>
Interest	48,877.15
Operational grant	17,162,150.00
<b>Payments made</b>	<b>1,637,322.09</b>
Bank Charges (All Accounts)	857.26
Suppliers and Recruitment Costs	319,197.51
SARS Tax	281,091.48
Salaries,Wages,Allowances and Benefits	936,690.45
Staff Claims	37,506.51
Board and Audit Committee remuneration	61,978.88
Petty cash	-
<b>Total cash and investments available</b>	<b>15,938,690.95</b>