

## **REPORT TO EXECUTIVE MAYOR: 16 AUGUST 2016**

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Author: ACTING CITY MANAGER (NCEBA NCUNYANA)/VP

### **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2016/17 BUDGET FOR THE PERIOD ENDED 31 JULY 2016**

#### **1. PURPOSE**

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2016/17 budget of the Buffalo City Metropolitan Municipality for the period ended 31 July 2016.

#### **2. AUTHORITY**

Executive Mayor

#### **3. LEGAL / STATUTORY REQUIREMENTS**

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

#### **4. BACKGROUND**

In terms of Section 71 of the Municipal Finance Management Act No 56, 2003, *“the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget”*.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, *“the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA)*.

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

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

## **5. RESOLUTIONS**

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2016/17 budget for the period ended 31 July 2016 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 31 July 2016 of 61.17%.

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**ACTING CITY MANAGER**

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**DATE**

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 JULY 2016**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 709,517,062	Bank Balance	R 72,656,866
Expenditure	R 410,251,492	Call investments (excl. int.)	R 2,452,554,535
Operating Surplus	R 299,265,570	<b>Cash and cash equivalents</b>	<b>R 2,525,211,401</b>
Transfers Recognised - Capital	R 3,825	<i>Account Payables</i>	<i>(R 597,617,672)</i>
Surplus After Capital Transfers	R 299,269,395	<i>Unspent conditional grants</i>	<i>(R 342,102,370)</i>
<b>DEBTORS</b>		<i>Committed to Capital budget-own funds</i>	<i>(R 708,257,486)</i>
Total debtors book	R 1,818,037,822	<b>Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years</b>	<b>R 877,233,873</b>
Total debtors - Government	R 99,921,008		
Total debtors - Business	R 401,683,023	Total Long term loans	R 496,476,706
Total debtors - Households	R 1,079,055,506	<b>SURPLUS / (DEFICIT) PER SERVICE</b>	
Total debtors - Other	R 237,378,285	Water	R 32,718,326
Total debt written off	R 850,361	Electricity	<i>(R 40,446,281)</i>
<b>REPAIRS AND MAINTENANCE</b>		Refuse	R 41,159,603
<b>2015/2016:</b> Exp. = R7.2m, which is 2% of approved budget of R372.01m	<b>2016/2017:</b> Exp.= R5.54m, which is 1% of approved budget of R414.79m	Sewerage	R 45,822,561
<b>CAPITAL EXPENDITURE</b>		<b>OPERATING PROJECTS EXPENDITURE</b>	
<b>2015/2016: Exp. as a % of Approved Budget of R1.27b:</b> Exp. (excl. vat) = R148 272 % exp (Excl. vat) :0.01%  Exp. (incl. vat) = R167 350 % exp (incl. vat): 0.01%	<b>2016/2017: Exp. as a % of Approved Budget of R1.56b:</b> Exp. (excl. vat) = R1.61 mil % exp (Excl. vat) :0.1%  Exp. (incl. vat) = R1.61 mil % exp (incl. vat): 0.1%	<b>2015/2016: Exp. as a % of Approved Budget of R671.32m:</b> Exp.(excl. vat)=R3.09 mil % exp.(excl. vat): 0.46%  Exp.(incl. vat) = R3.09 mil % exp.(incl. vat): 0.46%	<b>2016/2017: Exp. as a % of Approved Budget of R329.02m:</b> Exp.(excl. vat)=R360 366 % exp.(excl. vat): 0.11%  Exp.(incl. vat) = R367 915 % exp.(incl. vat): 0.11%
<b>FINANCIAL</b>		<b>HUMAN RESOURCES</b>	
Operating Surplus for the period	R 299,265,570	Total staff complement	5 074
Debtors collection ratio	61.17%	Staff Appointments	135
YTD Grants and subsidies	R 282,582,000	Staff Terminations	20
% of Creditors paid within terms	100%	Number of funded vacant posts	694
Current ratio	3.38:1	Total overtime paid (YTD)	R 6,710,843
Total Debt to Revenue	10.82%	Allowances and benefits - Councillors	R 4,508,863
Capital Charges to Operating Expenditure	0.99%	Salary bill - Officials	R 103,032,451
Cost coverage ratio	6.42 months	Workforce costs as a % of expenditure	26.21%

## **6.2 Liquidity position**

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.38:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 33% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 62% of the current assets.

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

The year to date collection rate for the month ended 31 July 2016 is 61.17% (2015/16: 70%). The annual charges related to rates and sewerage are raised in July and are due and payable on 30 September 2016, this is the primary reason for the decrease in collection ratio. The ratio will improve going forward as this is the trend every financial year.

Total debtors book as at 31 July 2016 amounts to R1.82 billion (2015: R1.48 billion). Households: R1.08 billion, Business: R401.68 million, Government: R99.92 million, Other: R237.38 million. Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

## **6.4 Capital Expenditure**

BCMM has spent R1.61 million (2015/16: R167 350) which is 0.1% (2015/16: 0.01%) of its 2016/17 approved capital budget of R1.56 billion (2015/16: R1.27 billion) as at 31 July 2016. This depicts an improvement in both percentage and rand value terms when compared to the same period in the previous financial year. (Refer to Section 14 for further details).

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

## **6.5 Operating projects**

The Metro has spent 0.11% (R367 915, inclusive of reclaimed vat) of its 2016/17 approved budget of R329 million as at 31 July 2016. This reflects a regression when compared to the same period in the previous financial year where 0.46% (R3.09 million, inclusive of reclaimed vat) of the approved operating projects budget of R671.32 million was spent. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer

to Section 15 for further details).

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

### **6.6 Expenditure on Conditional Grants (DoRA Allocation)**

The Metro has spent R272 429 (2015/16: R1.93 million) which is 0.03% (2015/16: 0.24%) of its 2016/2017 conditional grants budget of R828.70 million (2015/16: R801.94 million) as at 31 July 2016. This reflects a regression when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 11 for further details)

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

BCMM has spent R229 181 (2015/16: R1.85 million) which is 0.03% (2015/16: 0.26%) of its 2016/17 USDG budget of R731.50 million (2015/16: R713.13 million) as at 31 July 2016. This reflects a regression when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 11 for further details).

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

The cash and cash equivalents of the City as at 31 July 2016 are R2.53 billion made up of cash and bank amounting to R72.66 million and call investment deposits of R2.45 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The cost coverage ratio of the city is 6.42 months. This indicates a strong financial health as it is above the norm of 1-3 months as per the MFMA circular 71.

### **6.8 Outstanding Creditors**

The Metro is paying its creditors within 30 days as stipulated by the MFMA except when there are disputes on received invoices. Refer to Section 9 for details.



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

The total long term borrowings of the municipality as at 31 July 2016 amounts to R496.48 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 31 July 2016 is 0.99%, the acceptable norm in accordance with the MFMA circular 71 is 6-8%.

The total debt to revenue ratio is 10.82% as at 31 July 2016, this indicates that the municipality is highly solvent to meet its debt obligation. The acceptable norm in accordance with the MFMA circular 71 is 45%.

## 7. IN-YEAR BUDGET STATEMENT MAIN TABLES

### 7.1 Monthly Budget Statement Summary

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

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

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M01 July

Description	2015/16	Budget Year 2016/17							
	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	-	1 122 920	-	158 500	158 500	157 660	841	1%	1 122 920
Service charges	-	2 928 610	-	233 656	233 656	232 620	1 036	0%	2 928 610
Investment revenue	-	143 844	-	11 616	11 616	10 793	822	8%	143 844
Transfers recognised - operational	-	1 319 728	-	282 582	282 582	260 327	22 255	9%	1 319 728
Other own revenue	-	391 937	-	23 163	23 163	22 182	981	4%	391 937
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>5 907 039</b>	-	<b>709 517</b>	<b>709 517</b>	<b>683 582</b>	<b>25 935</b>	<b>4%</b>	<b>5 907 039</b>
Employee costs	-	1 531 068	-	103 032	103 032	129 490	(26 457)	-20%	1 531 068
Remuneration of Councillors	-	58 099	-	4 509	4 509	4 915	(406)	-8%	58 099
Depreciation & asset impairment	-	748 339	-	62 362	62 362	62 362	0	0%	748 339
Finance charges	-	57 105	-	4 072	4 072	4 759	(687)	-14%	57 105
Materials and bulk purchases	-	1 521 587	-	180 382	180 382	175 846	4 536	3%	1 521 587
Transfers and grants	-	288 468	-	3 887	3 887	24 039	(20 151)	-84%	288 468
Other expenditure	-	1 701 295	-	52 008	52 008	132 838	(80 830)	-61%	1 701 295
<b>Total Expenditure</b>	-	<b>5 905 961</b>	-	<b>410 251</b>	<b>410 251</b>	<b>534 248</b>	<b>(123 996)</b>	<b>-23%</b>	<b>5 905 961</b>
<b>Surplus/(Deficit)</b>	-	<b>1 078</b>	-	<b>299 266</b>	<b>299 266</b>	<b>149 335</b>	<b>149 931</b>	<b>100%</b>	<b>1 078</b>
Transfers recognised - capital	-	848 269	-	4	4	5 935	(5 931)	-100%	848 269
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>849 347</b>	-	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>	<b>144 000</b>	<b>93%</b>	<b>849 347</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>849 347</b>	-	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>	<b>144 000</b>	<b>93%</b>	<b>849 347</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>
Capital transfers recognised	-	848 269	-	4	4	3 673	(3 669)	-100%	848 269
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 582	-	-	-	301	(301)	-100%	69 582
Internally generated funds	-	<b>640 283</b>	-	<b>1 607</b>	<b>1 607</b>	<b>2 772</b>	<b>(1 165)</b>	<b>-42%</b>	<b>640 283</b>
<b>Total sources of capital funds</b>	-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>
<b>Financial position</b>									
Total current assets	-	3 526 080	-	-	4 078 032	-	-	-	3 526 080
Total non current assets	-	14 131 021	-	-	12 981 071	-	-	-	14 131 021
Total current liabilities	-	1 131 155	-	-	1 205 760	-	-	-	1 131 155
Total non current liabilities	-	1 177 274	-	-	966 860	-	-	-	1 177 274
<b>Community wealth/Equity</b>	-	<b>15 348 672</b>	-	-	<b>14 886 484</b>	-	-	-	<b>15 348 672</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	1 648 938	-	12 814	12 814	137 411	124 597	91%	1 648 938
Net cash from (used) investing	-	(1 558 134)	-	(1 611)	(1 611)	(129 844)	(128 233)	99%	(1 558 134)
Net cash from (used) financing	-	17 757	-	-	-	1 480	1 480	100%	17 757
<b>Cash/cash equivalents at the month/year end</b>	-	<b>2 490 747</b>	-	-	<b>2 525 211</b>	<b>2 391 233</b>	<b>(133 978)</b>	<b>-6%</b>	<b>2 622 569</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	357 545	104 371	59 626	44 061	46 567	40 962	251 474	913 432	1 818 038
<b>Creditors Age Analysis</b>									
Total Creditors	587 719	9 894	-	-	-	-	-	-	597 613

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

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

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

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		–	<b>2 268 639</b>	–	<b>336 529</b>	<b>336 529</b>	<b>331 120</b>	5 409	2%	<b>2 268 639</b>
Executive and council		–	30 796	–	–	–	3 990	(3 990)	-100%	30 796
Budget and treasury office		–	2 222 421	–	336 427	336 427	325 622	10 804	3%	2 222 421
Corporate services		–	15 421	–	102	102	1 507	(1 405)	-93%	15 421
<i><b>Community and public safety</b></i>		–	<b>127 228</b>	–	<b>18 786</b>	<b>18 786</b>	<b>25 723</b>	(6 938)	-27%	<b>127 228</b>
Community and social services		–	19 511	–	757	757	355	402	113%	19 511
Sport and recreation		–	6 161	–	52	52	38	15	39%	6 161
Public safety		–	98 758	–	17 977	17 977	7 513	10 463	139%	98 758
Housing		–	–	–	–	–	17 632	(17 632)	-100%	–
Health		–	2 797	–	–	–	185	(185)	-100%	2 797
<i><b>Economic and environmental services</b></i>		–	<b>100 222</b>	–	<b>1 126</b>	<b>1 126</b>	<b>1 407</b>	(280)	-20%	<b>100 222</b>
Planning and development		–	26 543	–	1 113	1 113	556	557	100%	26 543
Road transport		–	73 255	–	7	7	845	(838)	-99%	73 255
Environmental protection		–	423	–	6	6	5	1	22%	423
<i><b>Trading services</b></i>		–	<b>3 384 579</b>	–	<b>351 348</b>	<b>351 348</b>	<b>329 265</b>	22 083	7%	<b>3 384 579</b>
Electricity		–	1 931 170	–	150 831	150 831	216 127	(65 296)	-30%	1 931 170
Water		–	541 296	–	73 887	73 887	42 448	31 438	74%	541 296
Waste water management		–	446 227	–	69 318	69 318	29 302	40 017	137%	446 227
Waste management		–	465 885	–	57 312	57 312	41 388	15 924	38%	465 885
<i><b>Other</b></i>	4	–	<b>874 641</b>	–	<b>1 732</b>	<b>1 732</b>	<b>2 002</b>	(270)	-14%	<b>874 641</b>
<b>Total Revenue - Standard</b>	2	–	<b>6 755 308</b>	–	<b>709 521</b>	<b>709 521</b>	<b>689 517</b>	<b>20 004</b>	<b>3%</b>	<b>6 755 308</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		–	<b>1 189 292</b>	–	<b>57 005</b>	<b>57 005</b>	<b>82 907</b>	(25 901)	-31%	<b>1 189 292</b>
Executive and council		–	209 046	–	8 775	8 775	27 383	(18 609)	-68%	209 046
Budget and treasury office		–	553 044	–	19 796	19 796	32 014	(12 218)	-38%	553 044
Corporate services		–	427 203	–	28 435	28 435	23 510	4 926	21%	427 203
<i><b>Community and public safety</b></i>		–	<b>738 246</b>	–	<b>19 626</b>	<b>19 626</b>	<b>39 204</b>	(19 578)	-50%	<b>738 246</b>
Community and social services		–	94 309	–	7 219	7 219	8 938	(1 718)	-19%	94 309
Sport and recreation		–	77 113	–	5 302	5 302	6 575	(1 273)	-19%	77 113
Public safety		–	224 016	–	2 966	2 966	18 916	(15 950)	-84%	224 016
Housing		–	280 019	–	1 896	1 896	2 013	(117)	-6%	280 019
Health		–	62 789	–	2 244	2 244	2 763	(519)	-19%	62 789
<i><b>Economic and environmental services</b></i>		–	<b>919 523</b>	–	<b>56 575</b>	<b>56 575</b>	<b>34 649</b>	21 925	63%	<b>919 523</b>
Planning and development		–	270 451	–	17 426	17 426	17 395	31	0%	270 451
Road transport		–	543 263	–	31 224	31 224	8 934	22 290	249%	543 263
Environmental protection		–	105 809	–	7 925	7 925	8 320	(395)	-5%	105 809
<i><b>Trading services</b></i>		–	<b>3 041 214</b>	–	<b>275 687</b>	<b>275 687</b>	<b>376 361</b>	(100 675)	-27%	<b>3 041 214</b>
Electricity		–	1 725 555	–	190 581	190 581	271 791	(81 210)	-30%	1 725 555
Water		–	531 791	–	44 474	44 474	49 996	(5 523)	-11%	531 791
Waste water management		–	467 437	–	23 522	23 522	30 190	(6 668)	-22%	467 437
Waste management		–	316 432	–	17 110	17 110	24 384	(7 273)	-30%	316 432
<i><b>Other</b></i>		–	<b>17 685</b>	–	<b>1 358</b>	<b>1 358</b>	<b>1 126</b>	<b>232</b>	<b>21%</b>	<b>17 685</b>
<b>Total Expenditure - Standard</b>	3	–	<b>5 905 961</b>	–	<b>410 251</b>	<b>410 251</b>	<b>534 248</b>	<b>(123 996)</b>	<b>-23%</b>	<b>5 905 961</b>
<b>Surplus/ (Deficit) for the year</b>		–	<b>849 347</b>	–	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>	<b>144 000</b>	<b>93%</b>	<b>849 347</b>

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July										
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<b>Revenue by Vote</b>										
Vote 1 - Directorate - Executive Support Services	1	-	145	-	-	-	16	(16)	-100.0%	145
Vote 2 - Directorate - City Manager		-	52 588	-	-	-	3 971	(3 971)	-100.0%	52 588
Vote 3 - Directorate - Human Settlements		-	362 572	-	0	0	17 906	(17 906)	-100.0%	362 572
Vote 4 - Directorate - Finance		-	2 947 365	-	336 427	336 427	325 226	11 200	3.4%	2 947 365
Vote 5 - Directorate - Corporate Services		-	13 036	-	-	-	1 448	(1 448)	-100.0%	13 036
Vote 6 - Directorate - Infrastructure Services		-	2 744 633	-	294 050	294 050	289 428	4 622	1.6%	2 744 633
Vote 7 - Directorate - Development Planning		-	64 067	-	2 936	2 936	1 337	1 599	119.6%	64 067
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	162 440	-	17 977	17 977	8 493	9 484	111.7%	162 440
Vote 9 - Directorate - Municipal Services		-	408 195	-	58 128	58 128	41 693	16 435	39.4%	408 195
Vote 10 - Directorate - Economic Development		-	-	-	4	4	-	4	#DNV/0!	-
<b>Total Revenue by Vote</b>	2	-	<b>6 755 039</b>	-	<b>709 521</b>	<b>709 521</b>	<b>689 517</b>	<b>20 004</b>	<b>2.9%</b>	<b>6 755 039</b>
<b>Expenditure by Vote</b>										
Vote 1 - Directorate - Executive Support Services	1	-	206 009	-	16 050	16 050	12 721	3 328	26.2%	206 009
Vote 2 - Directorate - City Manager		-	115 928	-	2 105	2 105	20 263	(18 158)	-89.6%	115 928
Vote 3 - Directorate - Human Settlements		-	346 542	-	2 578	2 578	2 848	(270)	-9.5%	346 542
Vote 4 - Directorate - Finance		-	551 753	-	19 796	19 796	32 014	(12 218)	-38.2%	551 753
Vote 5 - Directorate - Corporate Services		-	192 959	-	12 767	12 767	10 195	2 572	25.2%	192 959
Vote 6 - Directorate - Infrastructure Services		-	3 234 571	-	293 184	293 184	362 690	(69 506)	-19.2%	3 234 571
Vote 7 - Directorate - Development Planning		-	333 338	-	20 272	20 272	19 890	382	1.9%	333 338
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	321 998	-	5 406	5 406	24 286	(18 880)	-77.7%	321 998
Vote 9 - Directorate - Municipal Services		-	602 596	-	38 094	38 094	49 340	(11 246)	-22.8%	602 596
Vote 10 - Directorate - Economic Development		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	-	<b>5 905 692</b>	-	<b>410 251</b>	<b>410 251</b>	<b>534 248</b>	<b>(123 996)</b>	<b>-23.2%</b>	<b>5 905 692</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>849 347</b>	-	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>	<b>144 000</b>	<b>92.7%</b>	<b>849 347</b>

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 31 July 2016.

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

**BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

Description	Ref	2015/16	Budget Year 2016/17							
		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			1 122 920	–	158 500	158 500	157 660	841	1%	1 122 920
Property rates - penalties & collection charges			–	–	–	–	–	–	–	–
Service charges - electricity revenue			1 815 256	–	128 762	128 762	134 528	(5 766)	-4%	1 815 256
Service charges - water revenue			444 291	–	40 080	40 080	46 467	(6 387)	-14%	444 291
Service charges - sanitation revenue			339 107	–	35 764	35 764	24 376	11 388	47%	339 107
Service charges - refuse revenue			308 375	–	25 851	25 851	25 698	153	1%	308 375
Service charges - other			21 580	–	3 199	3 199	1 551	1 648	106%	21 580
Rental of facilities and equipment			20 045	–	947	947	757	190	25%	20 045
Interest earned - external investments			143 844	–	11 616	11 616	10 793	822	8%	143 844
Interest earned - outstanding debtors			34 651	–	3 297	3 297	2 485	812	33%	34 651
Dividends received			–	–	–	–	–	–	–	–
Fines			8 385	–	110	110	148	(38)	-25%	8 385
Licences and permits			13 958	–	431	431	861	(430)	-50%	13 958
Agency services			–	–	–	–	–	–	–	–
Transfers recognised - operational			1 319 728	–	282 582	282 582	260 327	22 255	9%	1 319 728
Other revenue			314 898	–	18 378	18 378	17 931	447	2%	314 898
Gains on disposal of PPE			–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>–</b>	<b>–</b>	<b>709 517</b>	<b>709 517</b>	<b>683 582</b>	<b>25 935</b>	<b>4%</b>	<b>5 907 039</b>

**BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>	-									
Employee related costs			1 531 068	-	103 032	103 032	129 490	(26 457)	-20%	1 531 068
Remuneration of councillors			58 099	-	4 509	4 509	4 915	(406)	-8%	58 099
Debt impairment			303 865	-	25 322	25 322	25 420	(98)	0%	303 865
Depreciation & asset impairment			748 339	-	62 362	62 362	62 362	0	0%	748 339
Finance charges			57 105	-	4 072	4 072	4 759	(687)	-14%	57 105
Bulk purchases			1 521 587	-	180 382	180 382	175 846	4 536	3%	1 521 587
Other materials				-	-	-	-	-		
Contracted services			22 486	-	90	90	914	(823)	-90%	22 486
Transfers and grants			288 468	-	3 887	3 887	24 039	(20 151)	-84%	288 468
Other expenditure			1 374 944	-	26 595	26 595	106 504	(79 908)	-75%	1 374 944
Loss on disposal of PPE			-	-	-	-	-	-		-
<b>Total Expenditure</b>			<b>5 905 961</b>	<b>-</b>	<b>410 251</b>	<b>410 251</b>	<b>534 248</b>	<b>(123 996)</b>	<b>-23%</b>	<b>5 905 961</b>
<b>Surplus/(Deficit)</b>			<b>1 078</b>	<b>-</b>	<b>299 266</b>	<b>299 266</b>	<b>149 335</b>	<b>149 931</b>	<b>0</b>	<b>1 078</b>
Transfers recognised - capital			848 269	-	4	4	5 935	(5 931)	(0)	848 269
Contributions recognised - capital			-	-	-	-	-	-		-
Contributed assets			-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>849 347</b>	<b>-</b>	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>			<b>849 347</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>			<b>849 347</b>	<b>-</b>	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>			<b>849 347</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>			<b>849 347</b>	<b>-</b>	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>			<b>849 347</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>			<b>849 347</b>	<b>-</b>	<b>299 269</b>	<b>299 269</b>	<b>155 269</b>			<b>849 347</b>

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

### **7.4.1.1 Service Charges – sanitation revenue**

The over-recovery of 47% is a combination of the non-alignment of the period budget which is based on past trends with the actual trend.

### **7.4.1.2 Service Charges – water revenue**

The billing actual depends on customer usage. It would appear that less water was used for the period.

### **7.4.1.3 Service Charges – other**

The over recovery is due to strict implementation of credit control and debt collection policy.

### **7.4.1.4 Rental of Facilities & Equipment**

Rental of facilities is demand driven and therefore difficult to predict accurately. The situation is monitored on a monthly basis.

### **7.4.1.5 Interest earned – outstanding debtors**

Despite credit control action and debt collection action that was implemented, a primary contributing factor to the increase in interest earned from outstanding debtors can be attributed to the non-payment by customers.

### **7.4.1.6 Fines**

The under-recovery on fines is mostly due to lack of collection of traffic fines for the month of July 2016 which can be attributed to the service delivery strikes, various other strikes & special events which hindered the normal operational duties of the department which includes road blocks whereby offenders are stopped and are required to pay for any outstanding fines. The mobile traffic fine bus was not operational for approximately two weeks due to migration of Traffic Contravention System (TCS) from old system to new system.

#### **7.4.1.7 Licences and permits**

Motor Vehicle Licence & Registration renewals are dependent on when the public requires renewals. It must be also be noted that the public can now renew vehicle licences at the Post Office. Applications for drivers or learners tests can also be done at Provincial Traffic Dept in Zwelitsha & Wilsonia which can result in loss of revenue. Roadworthy tests can also be done through privately approved companies and the Automobile Association (AA).

#### **7.4.1.8 Employee related costs**

The under expenditure in employee related costs is due to the vacant funded posts.

#### **7.4.1.9 Finance charges**

The budget amount included the loan that the municipality is in the process of taking up and actual amount includes interest that has been accrued on the existing loan.

#### **7.4.1.10 Contracted Services**

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

#### **7.4.1.11 Transfers and grants**

These transfers and grants are paid at predetermined intervals according to the existing contractual agreements. These payments are therefore not made at a constant rate throughout the year.

#### **7.4.1.12 Other expenditure**

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are under spent by 75% when compared to the year to date budget. This under- expenditure is mainly due to under expenditure on operating projects and repairs & maintenance which is expected to improve as the year progresses once procurement processes have been undertaken. Expenditure on repairs and maintenance is provided in table 6 below. Details on operating projects are provided on section 15 of the report.



### **7.4.1.13 Repairs and Maintenance**

Table 6 below reflects that as at 31 July 2016, the repairs and maintenance expenditure is 1% of the approved budget of R414.79 million (2015/16: 2%). This is a slight regression when compared with the prior year. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

**Table 6: Repairs and Maintenance per Directorate**

<b>Directorate</b>	<b>2016/2017 Annual Budget R</b>	<b>2016/2017 Annual Expenditure R</b>	<b>2016/2017 Variance R</b>	<b>2016/2017 % of Budget %</b>
Directorate Of Executive Support Services	3 235 637	3 477	3 232 160	0%
Directorate Of The City Manager	134 478	727	133 751	1%
Directorate Of Corporate Services	6 540 381	2 713	6 537 668	0%
Directorate Of Development & Spatial Planning	28 357 088	93 009	28 264 079	0%
Directorate Of Economic Development & Agencies	1 180 627	-	1 180 627	0%
Directorate Of Finance	3 273 630	5 879	3 267 751	0%
Directorate Of Health / Public Safety & Emergency Services	6 195 492	76 379	6 119 113	1%
Directorate Of Human Settlement	108 421	8 757	99 665	8%
Directorate Of Infrastructure Services	328 157 794	4 025 666	324 132 128	1%
<i>Electricity</i>	123 968 926	1 601 682	122 367 244	1%
<i>Water</i>	47 248 367	2 103 155	45 145 212	4%
<i>Sanitation</i>	33 026 802	243 289	32 783 513	1%
<i>Other</i>	123 913 699	77 540	123 836 159	0%
Directorate Of Municipal Services	37 607 278	1 326 232	36 281 046	4%
<b>TOTAL</b>	<b>414 790 826</b>	<b>5 542 838</b>	<b>409 247 988</b>	<b>1%</b>

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M01 July)										
Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		-	5 500	-	-	-	-	-	-	5 500
Vote 2 - Directorate - City Manager		-	17 522	-	-	-	-	-	-	17 522
Vote 3 - Directorate - Human Settlements		-	202 441	-	-	-	-	-	-	202 441
Vote 4 - Directorate - Finance		-	10 600	-	-	-	6	(6)	-100%	10 600
Vote 5 - Directorate - Corporate Services		-	7 100	-	-	-	-	-	-	7 100
Vote 6 - Directorate - Infrastructure Services		-	887 671	-	1 611	1 611	2 797	(1 186)	-42%	887 671
Vote 7 - Directorate - Development Planning		-	230 290	-	-	-	118	(118)	-100%	230 290
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	30 032	-	-	-	48	(48)	-100%	30 032
Vote 9 - Directorate - Municipal Services		-	122 478	-	-	-	69	(69)	-100%	122 478
Vote 10 - Directorate - Economic Development		-	44 500	-	-	-	3 708	(3 708)	-100%	44 500
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>
<b>Total Capital Expenditure</b>		-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	<b>40 722</b>	-	-	-	<b>176</b>	<b>(176)</b>	<b>-100%</b>	<b>40 722</b>
Executive and council		-	23 022	-	-	-	100	(100)	-100%	23 022
Budget and treasury office		-	10 600	-	-	-	46	(46)	-100%	10 600
Corporate services		-	7 100	-	-	-	31	(31)	-100%	7 100
<b>Community and public safety</b>		-	<b>276 498</b>	-	-	-	<b>1 197</b>	<b>(1 197)</b>	<b>-100%</b>	<b>276 498</b>
Community and social services		-	23 300	-	-	-	101	(101)	-100%	23 300
Sport and recreation		-	20 725	-	-	-	90	(90)	-100%	20 725
Public safety		-	30 032	-	-	-	130	(130)	-100%	30 032
Housing		-	202 441	-	-	-	877	(877)	-100%	202 441
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	<b>541 969</b>	-	-	-	<b>2 347</b>	<b>(2 347)</b>	<b>-100%</b>	<b>541 969</b>
Planning and development		-	274 790	-	-	-	1 190	(1 190)	-100%	274 790
Road transport		-	267 179	-	-	-	1 157	(1 157)	-100%	267 179
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	<b>680 946</b>	-	<b>1 396</b>	<b>1 396</b>	<b>2 948</b>	<b>(1 552)</b>	<b>-53%</b>	<b>680 946</b>
Electricity		-	143 000	-	1 396	1 396	619	777	126%	143 000
Water		-	87 500	-	-	-	379	(379)	-100%	87 500
Waste water management		-	371 992	-	-	-	1 611	(1 611)	-100%	371 992
Waste management		-	78 454	-	-	-	340	(340)	-100%	78 454
<b>Other</b>		-	<b>18 000</b>	-	<b>215</b>	<b>215</b>	<b>78</b>	<b>137</b>	<b>176%</b>	<b>18 000</b>
<b>Total Capital Expenditure - Standard Classification</b>	3	-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>
<b>Funded by:</b>										
National Government		-	741 969	-	4	4	3 212	(3 209)	-100%	741 969
Provincial Government		-	106 300	-	-	-	460	(460)	-100%	106 300
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	<b>848 269</b>	-	<b>4</b>	<b>4</b>	<b>3 673</b>	<b>(3 669)</b>	<b>-100%</b>	<b>848 269</b>
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	69 582	-	-	-	301	(301)	-100%	69 582
<b>Internally generated funds</b>		-	640 283	-	1 607	1 607	2 772	(1 165)	-42%	640 283
<b>Total Capital Funding</b>		-	<b>1 558 134</b>	-	<b>1 611</b>	<b>1 611</b>	<b>6 746</b>	<b>(5 135)</b>	<b>-76%</b>	<b>1 558 134</b>

## 7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R14.89 billion.

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

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2015/16	Budget Year 2016/17					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast		
<b>R thousands</b>	1							
<b><u>ASSETS</u></b>								
<b>Current assets</b>								
Cash			80 644	–	72 657	80 644		
Call investment deposits			2 410 242	–	2 452 555	2 410 242		
Consumer debtors			820 635	–	775 125	820 635		
Other debtors			108 064	–	742 165	108 064		
Current portion of long-term receivables			15	–	–	15		
Inventory			106 480	–	35 531	106 480		
<b>Total current assets</b>			–	3 526 080	–	4 078 032	3 526 080	
<b>Non current assets</b>								
Long-term receivables				66	–	–	66	
Investments				–	–	–	–	
Investment property				485 540	–	328 302	485 540	
Investments in Associate				90 099	–	81 908	90 099	
Property, plant and equipment				13 447 560	–	12 478 683	13 447 560	
Agricultural				–	–	–	–	
Biological assets				–	–	–	–	
Intangible assets				25 080	–	92 178	25 080	
Other non-current assets				82 676	–	–	82 676	
<b>Total non current assets</b>				–	14 131 021	–	12 981 071	14 131 021
<b>TOTAL ASSETS</b>				–	17 657 101	–	17 059 103	17 657 101
<b><u>LIABILITIES</u></b>								
<b>Current liabilities</b>								
Bank overdraft				–	–	–	–	
Borrowing				51 825	–	46 097	51 825	
Consumer deposits				59 455	–	53 708	59 455	
Trade and other payables				852 917	–	939 720	852 917	
Provisions				166 958	–	166 234	166 958	
<b>Total current liabilities</b>				–	1 131 155	–	1 205 760	1 131 155
<b>Non current liabilities</b>								
Borrowing				518 175	–	451 311	518 175	
Provisions				659 099	–	515 549	659 099	
<b>Total non current liabilities</b>				–	1 177 274	–	966 860	1 177 274
<b>TOTAL LIABILITIES</b>				–	2 308 429	–	2 172 620	2 308 429
<b>NET ASSETS</b>	2			–	15 348 672	–	14 886 484	15 348 672
<b><u>COMMUNITY WEALTH/EQUITY</u></b>								
Accumulated Surplus/(Deficit)				12 256 811	–	10 649 821	12 256 811	
Reserves				3 091 861	–	4 236 663	3 091 861	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2			–	15 348 672	–	14 886 484	15 348 672

## 7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R11.2 million resulting in cash and cash equivalents closing balance of R2.53 billion as at 31 July 2016.

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

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2015/16	Budget Year 2016/17								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges			1 038 701	–	158 500	158 500	86 558	71 942	83%	1 038 701	
Service charges			2 708 964	–	230 457	230 457	225 747	4 710	2%	2 708 964	
Other revenue			330 374	–	23 065	23 065	27 531	(4 466)	-16%	330 374	
Government - operating			1 319 728	–	282 582	282 582	109 977	172 605	157%	1 319 728	
Government - capital			848 269	–	257 450	257 450	70 689	186 761	264%	848 269	
Interest			178 495	–	14 913	14 913	14 875	38	0%	178 495	
Dividends			–	–	–	–	–	–	–	–	
<b>Payments</b>											
Suppliers and employees			(4 430 013)	–	(946 194)	(946 194)	(369 168)	577 026	-156%	(4 430 013)	
Finance charges			(57 113)	–	(4 072)	(4 072)	(4 759)	(688)	14%	(57 113)	
Transfers and Grants			(288 468)	–	(3 887)	(3 887)	(24 039)	(20 152)	84%	(288 468)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			–	1 648 938	–	12 814	12 814	137 411	124 597	91%	1 648 938
<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			(1 558 134)	–	(1 611)	(1 611)	(129 844)	(128 233)	99%	(1 558 134)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			–	(1 558 134)	–	(1 611)	(1 611)	(129 844)	(128 233)	99%	(1 558 134)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			–	–	–	–	–	–	–	–	
Borrowing long term/refinancing			69 582	–	–	–	5 798	(5 798)	-100%	69 582	
Increase (decrease) in consumer deposits			–	–	–	–	–	–	–	–	
<b>Payments</b>											
Repayment of borrowing			(51 825)	–	–	–	(4 319)	(4 319)	100%	(51 825)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			–	17 757	–	–	–	1 480	1 480	100%	17 757
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			–	108 561	–	11 203	11 203	9 047		108 561	
Cash/cash equivalents at beginning:			2 382 186	–	–	2 514 008	2 382 186	–	–	2 514 008	
Cash/cash equivalents at month/year end:			–	2 490 747	–	–	2 525 211	2 391 233	–	2 622 569	

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

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

### 8.1 Debtors

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

**Table 10: SC3 Monthly Budget Statement Aged Debtors**

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	53 600	47 225	21 376	14 095	17 866	14 744	80 237	249 750	498 894	376 693		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	82 764	11 837	5 258	3 238	2 950	1 921	9 378	31 700	149 045	49 187		
Receivables from Non-exchange Transactions - Property Rates	1400	154 465	23 394	17 543	14 392	13 827	12 901	87 384	238 959	562 866	367 463		
Receivables from Exchange Transactions - Waste Water Management	1500	33 104	8 321	5 670	4 326	4 113	3 794	25 573	114 711	199 610	152 516		
Receivables from Exchange Transactions - Waste Management	1600	23 079	8 414	6 475	5 424	5 215	4 966	31 668	161 760	247 001	209 033		
Receivables from Exchange Transactions - Property Rental Debtors	1700	119	67	63	61	61	60	432	3 041	3 903	3 655		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	10 414	5 114	3 242	2 525	2 535	2 576	16 802	113 511	156 719	137 949		
<b>Total By Income Source</b>	<b>2000</b>	<b>357 545</b>	<b>104 371</b>	<b>59 626</b>	<b>44 061</b>	<b>46 567</b>	<b>40 962</b>	<b>251 474</b>	<b>913 432</b>	<b>1 818 038</b>	<b>1 296 496</b>	<b>-</b>	<b>-</b>
<b>2015/16 - totals only</b>		<b>278 029</b>	<b>78 531</b>	<b>48 485</b>	<b>49 354</b>	<b>43 083</b>	<b>43 381</b>	<b>246 634</b>	<b>889 392</b>	<b>1 676 889</b>	<b>1 271 844</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	68 514	23 356	1 350	259	382	137	2 642	3 280	99 921	6 700		
Commercial	2300	144 853	21 517	13 992	10 489	9 713	8 616	56 921	135 580	401 683	221 320		
Households	2400	132 141	53 225	38 819	28 605	31 508	27 778	160 202	606 776	1 079 056	854 870		
Other	2500	12 036	6 272	5 465	4 707	4 965	4 431	31 708	167 795	237 378	213 606		
<b>Total By Customer Group</b>	<b>2600</b>	<b>357 545</b>	<b>104 371</b>	<b>59 626</b>	<b>44 061</b>	<b>46 567</b>	<b>40 962</b>	<b>251 474</b>	<b>913 432</b>	<b>1 818 038</b>	<b>1 296 496</b>	<b>-</b>	<b>-</b>

#### **8.1.1. Additional debtors information**

The debtors that are older than 30 days, which includes all charges, amounted to R1,460,493,013 as at 31 July 2016 which is an increase of R61,632,741 over the amount of R1,398,860,272 as at 30 June 2016.

Despite credit control action and debt collection action that was implemented, a primary contributing factor to the increase in debtors and reduction in collection rate can be attributed to the non-payment by customers.

## 8.2. Additional debtor's information.

### 8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 31 July 2016. It also provides comparison with the previous month (30 June 2016) which indicates an increase from R1.40 billion to R1.46 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR JULY 2016	TOTAL FOR JUNE 2016
<b>30 DAYS</b>	23,393,991	8,321,218	11,837,111	47,224,623	8,413,517	5,180,547	104,371,006	78,531,373
<b>60 DAYS</b>	17,543,483	5,669,650	5,257,561	21,376,277	6,474,549	3,304,834	59,626,354	48,484,836
<b>90 DAYS</b>	14,391,610	4,325,640	3,238,330	14,095,038	5,423,635	2,586,405	44,060,658	49,353,646
<b>120 DAYS TO 360 DAYS</b>	114,112,552	33,479,841	14,248,727	112,847,186	41,849,438	22,465,719	339,003,463	333,097,996
<b>YEAR 2</b>	110,541,633	26,613,885	9,361,011	90,132,771	34,848,626	22,167,966	293,665,892	283,187,205
<b>YEAR 3</b>	31,995,441	23,777,818	6,297,948	46,853,830	31,053,898	24,363,493	164,342,428	160,130,056
<b>YEAR 4</b>	24,039,436	16,662,018	4,649,598	28,296,288	22,383,742	18,674,073	114,705,155	112,455,314
<b>YEAR 5</b>	20,075,425	11,715,185	5,430,157	20,602,652	15,919,042	12,667,045	86,409,506	84,094,977
<b>YEAR 5+</b>	52,307,119	35,941,602	5,960,933	63,864,787	57,554,782	38,679,326	254,308,550	249,524,869
<b>TOTAL</b>	<b>408,400,690</b>	<b>166,506,858</b>	<b>66,281,375</b>	<b>445,293,452</b>	<b>223,921,230</b>	<b>150,089,407</b>	<b>1,460,493,013</b>	<b>1,398,860,272</b>

### 8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 31 July 2016. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

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

<b>CATEGORY TYPE</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS</b>	<b>120 DAYS+</b>	<b>Total</b>	<b>% Share</b>
<b>Domestic</b>	9,451,874	26,318,821	19,052,288	586,863,085	671,696,067	45.99
<b>Indigent</b>	3,423,245	2,311,646	9,434,020	238,570,433	273,739,345	18.74
<b>Business</b>	1,517,466	13,992,439	10,489,279	210,830,370	256,829,554	17.59
<b>Government</b>	23,356,342	1,350,168	259,414	6,440,993	31,406,918	2.15
<b>Municipal Staff</b>	340,369	188,234	118,946	831,101	1,478,649	0.10
<b>Other</b>	6,271,711	5,465,046	4,706,712	208,899,012	225,342,480	15.43
<b>Total</b>	<b>104,371,006</b>	<b>59,626,354</b>	<b>44,060,658</b>	<b>1,252,434,994</b>	<b>1,460,493,013</b>	<b>100.00</b>

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



### **8.2.3. Debt Incentive Scheme**

The City is currently undertaking a debt incentive scheme to encourage consumers to pay its long outstanding debts. Any debt that was 120 days or older as at November 2014 qualifies for a write off of 50% provided that the remaining 50% plus the debt in the current to 90 days ageing categories is paid.

This debt can be paid once-off, or in monthly instalment arrangements; or as a rand-for-rand option, whereby the consumer has an opportunity to pay 50% of the debt older than 120 days off as and when they can, until the end of September 2016 and for every payment made towards this debt, an amount of equal value is written off.

As at 31 July 2016 three thousand eight hundred and fifty one (3851) consumers have registered for the scheme. To date, the total registered debt value is R76,142,141.16 and R24,002,578.02 has been written off.

### **8.2.4. Government Accounts**

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 July 2016 amounted to R31.41 million. This indicates an increase of R19.18 million when compared to prior month amount of R12.23 million. The reason for increase relates to a R20 million backcharge related to water for Cecilia Makiwane Hospital Complex.

A total payment of R8.87 million was receipted from Government Departments in the month of July 2016. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 July 2016.

Table 13 below provides an analysis of government debtors as at 31 July 2016 and comparison with the previous month.

**Table 13: Analysis of Government Debtors**

<b>DEPARTMENT</b>	<b>PROPERTY RATES</b>	<b>SERVICES</b>	<b>ARREARS AS AT 31 JULY 2016</b>	<b>ARREARS AS AT 30 JUNE 2016</b>	<b>DIFFERENCE</b>
National Department Of Public Works	587,345	1,140,482	1,727,827	4,254,786	(2,526,959)
Provincial Department Of Public Works	725,966	2,778,690	3,504,656	1,471,849	2,032,807
Department Of Education		1,758,933	1,758,933	1,528,249	230,684
Department Of Health		19,935,247	19,935,247	612,476	19,322,771
Department Of Social Development		3,418	3,418	1,886	1,531
Department Of Transport		34,243	34,243	3,150	31,094
Department Of Agriculture		13,524	13,524	-	13,524
Department Of Nature Conservation		14,773	14,773	15,619	(846)
Department of Human Settlements		2,979	2,979	-	2,979
Sport, Recreation, Arts and Culture		-	-	3,780	(3,780)
Department of Labour - UIF Services		3,364	3,364	7,988	(4,624)
Members Of Provincial Legislature		28,950	28,950	8,796	20,153
Department of Rural Development and Land Reform		465,247	465,247	447,277	
Provincial RDP Houses		3,913,755	3,913,755	3,871,934	41,821
<b>TOTAL</b>	<b>1,313,311</b>	<b>30,093,605</b>	<b>31,406,917</b>	<b>12,227,790</b>	<b>19,179,127</b>

## 9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days, except when there are disputes on invoices received.

**Table 14: SC4 Monthly Budget Statement Aged Creditors**

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2016/17								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	185 412								185 412	174 128
Bulk Water	0200	13 440								13 440	18 416
PAYE deductions	0300	25 491								25 491	12 814
VAT (output less input)	0400	-								-	-
Pensions / Retirement deductions	0500	21 275								21 275	15 571
Loan repayments	0600	-								-	-
Trade Creditors	0700	206 404	9 894							216 298	215 844
Auditor General	0800	96								96	-
Other	0900	135 601								135 601	154 584
<b>Total By Customer Type</b>	<b>1000</b>	<b>587 719</b>	<b>9 894</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>597 613</b>	<b>591 357</b>

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in July 2016.

**Table 15: Payments made to the 20 highest paid creditors – July 2016**

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				185 412 495	185 412 495	<b>185 412 495</b>
MVEZO PLANT & CIVILS CC				14 391 441	14 391 441	<b>14 391 441</b>
LUQAQAMBO CIVILS CONSTRUCTION CC				13 622 135	13 622 135	<b>13 622 135</b>
AMATOLA WATER				13 439 616	13 439 616	<b>13 439 616</b>
MOTHEO / MPUMALANGA JOINT VENTURE				10 515 971	10 515 971	<b>10 515 971</b>
AGRISA COMMODITIES (PTY) LTD				10 478 959	10 478 959	<b>10 478 959</b>
XMOOR TRANSPORT (PTY) LTD			9 893 973		9 893 973	<b>9 893 973</b>
T V R CONSTRUCTION				8 765 546	8 765 546	<b>8 765 546</b>
DOWN TOUCH INVESTMENTS (PTY) LTD				8 385 448	8 385 448	<b>8 385 448</b>
MAMLAMBO CONSTRUCTION				8 367 396	8 367 396	<b>8 367 396</b>
CHEW BOWEN AND AFRICA CC T/A CBM AFRICA				8 300 241	8 300 241	<b>8 300 241</b>
AMANZ ABANTU SERVICES (PTY) LTD				7 872 118	7 872 118	<b>7 872 118</b>
SITA (PTY) LTD				7 243 934	7 243 934	<b>7 243 934</b>
RUWACON (PTY) LTD				6 573 685	6 573 685	<b>6 573 685</b>
ELECTRICAL MOULDED COMPONENTS				6 227 700	6 227 700	<b>6 227 700</b>
CZAR CONSTRUCTION				5 211 177	5 211 177	<b>5 211 177</b>
MAZIYA GENERAL SERVICES				4 878 491	4 878 491	<b>4 878 491</b>
CENTRAL LAKE TRADING 149 (PTY) LTD T/A EMPIRE TECHN				4 560 000	4 560 000	<b>4 560 000</b>
BARLOWORLD EQUIPMENT				4 440 886	4 440 886	<b>4 440 886</b>
IMVUSA TRADING 595 CC				3 929 655	3 929 655	<b>3 929 655</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>9 893 973</b>	<b>332 616 895</b>	<b>342 510 868</b>	<b>342 510 868</b>

## 10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 16 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

**Table 16: SC5 Monthly Budget Statement – investment portfolio**

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	263	2.0%	47 593	263	47 855
Absa 91 2884 4539		Call Account	Call Account	Call Account	5	0.0%	838	5	842
Standard 422 742		Call Account	Call Account	Call Account	2	0.0%	284	2	285
Absa 91 4102 2241		Call Account	Call Account	Call Account	53	0.4%	9 617	53	9 670
Absa 91 4163 6965		Call Account	Call Account	Call Account	1	0.0%	218	1	219
Absa 91 5484 1280		Call Account	Call Account	Call Account	4	0.0%	789	4	794
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	50	0.4%	9 166	(0)	9 166
Standard 76586/442740		Call Account	Call Account	Call Account	12	0.1%	2 258	12	2 270
Absa 92 0562 2137		Call Account	Call Account	Call Account	4	0.0%	812	4	817
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	83	0.6%	14 970	83	15 053
Stanlib 551 660 303		Call Account	Call Account	Call Account	139	1.1%	18 245	25 022	43 267
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	38	0.3%	6 839	38	6 877
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	6	0.0%	1 079	6	1 085
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	33	0.2%	5 922	33	5 955
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	7	0.1%	1 213	7	1 219
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	46	0.4%	8 406	46	8 453
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	42	0	42
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	36	0.3%	6 601	(105)	6 496
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	172	1	173
Absa 92 2975 5568		Call Account	Call Account	Call Account	0	0.0%	16	0	16
Absa 91 9360 7257		Call Account	Call Account	Call Account	5	0.0%	994	5	999
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	249	1	250

<b>BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July</b>									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	409	3.1%	74 166	409	74 576
Stanlib 551 989 180		Call Account	Call Account	Call Account	243	1.8%	37 421	243	37 664
Absa 92 2590 9850		Call Account	Call Account	Call Account	5	0.0%	979	5	985
Stanlib 551 539 764		Call Account	Call Account	Call Account	12	0.1%	1 792	12	1 804
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	0	0.0%	41	0	41
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	1	0	1
Stanlib 551 576 733		Call Account	Call Account	Call Account	1	0.0%	87	1	87
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 710	9	1 720
Standard 76586/442743		Call Account	Call Account	Call Account	0	0.0%	89	0	90
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	2	0.0%	294	2	296
Stanlib 551 742 405		Call Account	Call Account	Call Account	2	0.0%	333	2	335
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	2	0.0%	318	2	320
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	238	1.8%	6 929	56 238	63 167
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	268	2.0%	13 043	55 268	68 310
Standard 76586/442745		Call Account	Call Account	Call Account	352	2.7%	28 567	54 802	83 369
Absa 92 6406 3148		Call Account	Call Account	Call Account	708	5.4%	95 661	49 317	144 978
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	25	0.2%	4 740	(333)	4 407
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	136	1	137
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	517	3	520
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	1	0.0%	125	1	126
Standard 76586/494573		Call Account	Call Account	Call Account	31	0.2%	5 667	31	5 698
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	3	0.0%	507	3	510

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July**

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
Nedbank 03/7881532939/000134		Call Account	Call Account	Call Account	9	0.1%	(0)	13 009	13 009
Stanlib 753 72 270		Call Account	Call Account	Call Account	332	2.5%	50 958	332	51 289
Stanlib 551 353 708		Call Account	Call Account	Call Account	7	0.1%	1 035	7	1 041
Standard 76586/442736		Call Account	Call Account	Call Account	291	2.2%	52 632	291	52 923
Stanlib 753 72 271		Call Account	Call Account	Call Account	463	3.5%	49 487	32 463	81 950
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	169	1.3%	10 611	31 169	41 780
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	160	1.2%	7 008	34 160	41 167
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 471	11.2%	239 698	32 471	272 170
Absa 92 2110 3430		Call Account	Call Account	Call Account	947	7.2%	172 399	947	173 346
Standard 76586/442741		Call Account	Call Account	Call Account	175	1.3%	31 662	175	31 837
Standard 76586/442744		Call Account	Call Account	Call Account	156	1.2%	28 312	156	28 469
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	283	2.1%	51 180	283	51 463
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	252	1.9%	45 646	252	45 897
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	2 439	18.5%	451 031	(23 561)	427 470
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	1 694	12.8%	316 819	(26 306)	290 513
Standard 76586/470801		Call Account	Call Account	Call Account	1 227	9.3%	230 835	(22 773)	208 063
Standard 76586/442738		Call Account	Call Account	Call Account	13	0.1%	2 405	13	2 418
<b>Municipality sub-total</b>					<b>13 193</b>		<b>2 151 164</b>	<b>314 585</b>	<b>2 465 749</b>
<b>Entities</b>									
<b>Entities sub-total</b>					<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>13 193</b>		<b>2 151 164</b>	<b>314 585</b>	<b>2 465 749</b>

## 11.ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

**Table 17: SC7 Monthly Budget Statement – transfers and grants expenditure**

BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	1 177 431	-	282 843	282 843	290 016	(7 172)	-2.5%	1 177 431
Local Government Equitable Share			678 197		282 582	282 582	282 582	-		678 197
Urban Settlement Development Grant			75 445		218	218	6 287	(6 069)	-96.5%	75 445
Finance Management			1 200		43	43	100	(57)	-56.8%	1 200
EPWP Incentive			1 188		-	-	99	(99)	-100.0%	1 188
Infrastructure Skills Development Grant			8 900		-	-	742	(742)	-100.0%	8 900
Water Services Operating Subsidy			-		-	-	-	-	-	-
Department of Public Works			2 470		-	-	206	(206)	-100.0%	2 470
Integrated City Development Grant			-		-	-	-	-	-	-
Municipal Human Settlement Capacity Grant			-		-	-	-	-	-	-
General Fuel Levy			410 031		-	-	-	-	-	410 031
<b>Provincial Government:</b>		-	138 802	-	-	-	10 317	(10 317)	-100.0%	138 802
Roads Subsidy - Provincial Roads			-		-	-	-	-	-	-
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT) - Greening Award			-		-	-	-	-	-	-
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)			-		-	-	-	-	-	-
Department of Water Affairs			-		-	-	-	-	-	-
Local Government & Traditional Affairs			-		-	-	-	-	-	-
Health Subsidy - ATIC			-		-	-	-	-	-	-
DSRAC - Library Subsidy			15 000		-	-	-	-	-	15 000
Reclaim Land Claims Commission(RLCC)			-		-	-	-	-	-	-
Dept Sport, Recreation, Arts and Culture (DSRAC)			-		-	-	-	-	-	-
Dept of Land Affairs			-		-	-	-	-	-	-
Human Settlement Development Grant			123 802		-	-	10 317	(10 317)	-100.0%	123 802
Human Settlement Development Grant - MPCC			-		-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Health Subsidy - Environmental Health			-		-	-	-	-	-	-
<b>Other grant providers:</b>		-	3 496	-	-	-	41	(41)	-100.0%	3 496
SETA - Skills Development			-		-	-	-	-	-	-
Transnet			3 000		-	-	-	-	-	3 000
Trust Funds			-		-	-	-	-	-	-
Umsobomvu Youth Fund			-		-	-	-	-	-	-
BCMET Funding			-		-	-	-	-	-	-
City of Oldenburg			496		-	-	41	(41)	-100.0%	496
Vuna Awards			-		-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	1 319 728	-	282 843	282 843	300 374	(17 531)	-5.8%	1 319 728
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	741 969	-	4	4	61 831	(61 827)	-100.0%	741 969
Urban Settlement Development Grant			656 054		4	4	54 671	(54 667)	-100.0%	656 054
Infrastructure Skills Development Grant			100		-	-	8	(8)	-100.0%	100
Energy Efficiency and Demand Management			-		-	-	-	-	-	-
Public Transport Network Grant			35 289		-	-	2 941	(2 941)	-100.0%	35 289
Neighbourhood Development Partnership			19 346		-	-	1 612	(1 612)	-100.0%	19 346
Integrated National Electrification Programme			25 000		-	-	2 083	(2 083)	-100.0%	25 000
Finance Management			100		-	-	8	(8)	-100.0%	100
Integrated City Development Grant			6 080		-	-	507	(507)	-100.0%	6 080
Other capital transfers/grants [insert desc]			-		-	-	-	-	-	-
<b>Provincial Government:</b>		-	106 300	-	-	-	8 858	(8 858)	-100.0%	106 300
Human Settlement Development Grant			106 300		-	-	8 858	(8 858)	-100.0%	106 300
Human Settlement Development Grant - MPCC			-		-	-	-	-	-	-
Dept Sport, Recreation, Arts and Culture (DSRAC)			-		-	-	-	-	-	-
Dept of Local Government and Traditional Affairs			-		-	-	-	-	-	-
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)			-		-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Health Subsidy - Environmental Health			-		-	-	-	-	-	-
0			-		-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	848 269	-	4	4	70 689	(70 685)	-100.0%	848 269
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	2 167 997	-	282 847	282 847	371 063	(88 216)	-23.8%	2 167 997



### 11.1 Expenditure On Conditional Grants (DoRA Allocation)

The total expenditure inclusive of reclaimed vat on conditional grants budget as at 31 July 2016 amounts to R272 429 which is 0.03% of the approved budget of R828.70 million. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken.

Table 18 below reflects the year to date expenditure on 2016/17 total conditional grants.

**Table 18: Spending per Conditional Grant Funding Allocation**

<b>Funding/Grant</b>	<b>2016/2017 Approved Budget</b>	<b>YTD Expenditure</b>	<b>Variance</b>	<b>% Expenditure vs. Budget</b>
Integrated National Electrification Programme Grant	25 000 000	0	25 000 000	0.00%
Finance Management Grant	1 300 000	43 248	1 256 752	3.33%
Infrastructure Skills Development Grant	9 000 000	0	9 000 000	0.00%
Neighbourhood Development Partnership Grant	19 346 000	0	19 346 000	0.00%
Urban Settlement Development Grant	731 499 000	229 181	731 269 819	0.03%
Integrated City Development Grant	6 080 000	0	6 080 000	0.00%
Expanded Public Works Programme Grant	1 188 000	0	1 188 000	0.00%
Public Transport Infrastructure and Systems Grant	35 289 000	0	35 289 000	0.00%
<b>TOTAL</b>	<b>828 702 000</b>	<b>272 429</b>	<b>828 429 571</b>	<b>0.03%</b>

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

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

The grant funding is going to be used to service connections to RDP houses. The following contracts are currently within the Specification Process to be advertised in early September:

<b>AREA</b>	<b>CONNECTIONS</b>
Buffer Strip Mdantsane Households	550
Chicken Farm Households	600
Fynbos/Scenery Park Households:	550
Infills Households	50

### **11.1.2. FINANCE MANAGEMENT GRANT**

The funding will be utilised as follows: Implementation of Municipal Standard Chart of Accounts (mSCOA), training of municipal officials and interns in financial management and Interns remuneration.

Spending is progressive as current interns have been remunerated accordingly. The City is in the process of appointing three additional interns in the current financial year.

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

National Treasury has approved the in-take of 15 additional interns in order for BCMM to be able to utilise more effectively the amount of R9 million allocated for 2016/2017 financial year. Recruitment processes are already underway to have the interns in the system by 01 October 2016.

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

#### **HUMAN SETTLEMENTS**

The following projects are progressing well with the installation of internal engineering services (Reeston Phase 3 Stage 3, Cluster 1, Cluster 2 and Cluster 3). Internal Engineering services include roads, water and sanitation. Other projects are still at design stage. The department has invoices that were submitted by service providers but were being verified for accuracy and correctness. Expenditure is expected to reflect in the August 2016 report.

#### **INFRASTRUCTURE SERVICES**

##### **Sanitation**

Eastern Beach Sewers is in the process of litigation. The Mechanical / Electrical contract for the Reeston Waste Water Treatment Works (WWTW) is still within the Supply Chain Management process. The Multi-year project for the upgrading of the Zwelithsa Waste Water Treatment Works (WWTW) contract is ongoing and there will be efforts to expedite the legal and Supply Chain Management processes.

## **DEVELOPMENT & SPATIAL PLANNING**

Quotations have been requested for Speedhumps, sidewalks, Taxi embayments. The two bridges projects are at Bid Evaluation Committee stage and the KWT Taxi Rank is also at Bid Evaluation Committee stage. Prior planning for work will assist in moving expenditure. Projects at the award stages are being monitored so that awards are made in the next months.

## **ECONOMIC DEVELOPMENT AND AGENCIES**

The Directorate of Economic Development and Agencies has an approved allocation of R10 million from the USDG in the 2016/17 financial year. The tender for the Upgrading of Cashier Cubicles has been submitted to the Bid Evaluation Committee (BEC) and is awaiting resolution thereof.

## **HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES**

The Historically Disadvantaged Individuals (HDI) & Pricing schedule has been completed and submitted together with the amended reports to Bid Evaluation Committee Secretariat. The report is to progress to Bid Adjudication Committee (BAC).

## **MUNICIPAL SERVICES**

Procurement process is underway. Specification for Construction of Cell 3, 4 and ancilliary works was presented to the specifications committee on 29 July 2016.

The department is also finalizing the specification and designs of Transfer Stations.

### **11.1.5. EXPANDED PUBLIC WORKS PROGRAMME**

The transfer of the first tranche was suspended pending submission of the amended project list. The project list was amended and signed by the Acting City Manager and has since been sent to the Department of Public Works on the 08<sup>th</sup> August 2017. Receipt of the project list has been acknowledged by the Department of Public Works in the Province.

## 11.1.6. PUBLIC TRANSPORT INFRASTRUCTURE AND SYSTEMS GRANT

The Tender for the Construction of Qumza was being finalized and being made ready for Bid Specification Committee due to designs changes that delayed the work. The tender will be tabled at the Bid Specification Committee on the 12 August 2016.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration.

**Table 19: SC8 Monthly Budget Statement – Councilor and Staff Benefits**

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
Summary of Employee and Councillor remuneration	Ref	2015/16			Budget Year 2016/17					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages			33 999	—	2 648	2 648	2 876	(228)	-8%	33 999
Pension and UIF Contributions			3 495	—	273	273	296	(22)	-8%	3 495
Medical Aid Contributions			1 987	—	152	152	168	(16)	-10%	1 987
Motor Vehicle Allowance			13 412	—	1 036	1 036	1 135	(99)	-9%	13 412
Cellphone Allowance			2 279	—	176	176	193	(16)	-9%	2 279
Housing Allowances			2 927	—	223	223	248	(24)	-10%	2 927
Other benefits and allowances			—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>			<b>58 099</b>	<b>—</b>	<b>4 509</b>	<b>4 509</b>	<b>4 915</b>	<b>(406)</b>	<b>-8%</b>	<b>58 099</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages			12 192	—	491	491	1 031	(540)	-52%	12 192
Pension and UIF Contributions			2 216	—	95	95	187	(92)	-49%	2 216
Medical Aid Contributions			262	—	12	12	22	(10)	-45%	262
Overtime			—	—	—	—	—	—	—	—
Motor Vehicle Allowance			2 630	—	109	109	222	(113)	-51%	2 630
Cellphone Allowance			414	—	16	16	35	(19)	-55%	414
Housing Allowances			—	—	—	—	—	—	—	—
Other benefits and allowances			2 202	—	133	133	186	(53)	-29%	2 202
Payments in lieu of leave			—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2		—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>			<b>19 916</b>	<b>—</b>	<b>857</b>	<b>857</b>	<b>1 684</b>	<b>(828)</b>	<b>-49%</b>	<b>19 916</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Other Municipal Staff</b>	4									
Basic Salaries and Wages			913 258	—	59 925	59 925	77 239	(17 313)	-22%	913 258
Pension and UIF Contributions			174 823	—	13 169	13 169	14 786	(1 617)	-11%	174 823
Medical Aid Contributions			81 759	—	5 706	5 706	6 915	(1 209)	-17%	81 759
Overtime			72 218	—	6 711	6 711	6 108	603	10%	72 218
Motor Vehicle Allowance			30 051	—	2 078	2 078	2 542	(464)	-18%	30 051
Cellphone Allowance			3 884	—	334	334	328	5	2%	3 884
Housing Allowances			14 767	—	856	856	1 249	(393)	-31%	14 767
Other benefits and allowances			179 077	—	10 910	10 910	15 145	(4 236)	-28%	179 077
Payments in lieu of leave			16 209	—	1 080	1 080	1 371	(291)	-21%	16 209
Long service awards			18 925	—	1 402	1 402	1 601	(199)	-12%	18 925
Post-retirement benefit obligations	2		6 181	—	6	6	523	(517)	-99%	6 181
<b>Sub Total - Other Municipal Staff</b>			<b>1 511 153</b>	<b>—</b>	<b>102 176</b>	<b>102 176</b>	<b>127 805</b>	<b>(25 630)</b>	<b>-20%</b>	<b>1 511 153</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Total Parent Municipality</b>			<b>1 589 167</b>	<b>—</b>	<b>107 541</b>	<b>107 541</b>	<b>134 404</b>	<b>(26 863)</b>	<b>-20%</b>	<b>1 589 167</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages			103	—	—	—	—	—	—	103
<b>Sub Total - Board Members of Entities</b>	2		<b>103</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>103</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages			5 580	—	—	—	—	—	—	5 580
Pension and UIF Contributions			198	—	—	—	—	—	—	198
Medical Aid Contributions			98	—	—	—	—	—	—	98
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			135	—	—	—	—	—	—	135
Motor Vehicle Allowance			333	—	—	—	—	—	—	333
Cellphone Allowance			74	—	—	—	—	—	—	74
Housing Allowances			27	—	—	—	—	—	—	27
Other benefits and allowances			111	—	—	—	—	—	—	111
Post-retirement benefit obligations	2		—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Entities</b>			<b>6 557</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6 557</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Other Staff of Entities</b>										
Basic Salaries and Wages			6 322	—	—	—	—	—	—	6 322
Pension and UIF Contributions			37	—	—	—	—	—	—	37
Medical Aid Contributions			98	—	—	—	—	—	—	98
Overtime			—	—	—	—	—	—	—	—
Performance Bonus			22	—	—	—	—	—	—	22
Cellphone Allowance			91	—	—	—	—	—	—	91
Housing Allowances			18	—	—	—	—	—	—	18
Other benefits and allowances			20	—	—	—	—	—	—	20
<b>Sub Total - Other Staff of Entities</b>			<b>6 608</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6 608</b>
% increase	4		#DIV/0!							#DIV/0!
<b>Total Municipal Entities</b>			<b>13 269</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13 269</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			<b>1 602 436</b>	<b>—</b>	<b>107 541</b>	<b>107 541</b>	<b>134 404</b>	<b>(26 863)</b>	<b>-20%</b>	<b>1 602 436</b>
% increase	4		#DIV/0!							#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>			<b>1 544 233</b>	<b>—</b>	<b>103 032</b>	<b>103 032</b>	<b>129 490</b>	<b>(26 457)</b>	<b>-20%</b>	<b>1 544 233</b>

## 12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 July 2016. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 July 2016.

The Directorate Of Health / Public Safety & Emergency Services reflects a negative expenditure and this is as a result of progression backpay.

**Table 20: Overtime per Directorate**

Directorate	2016/2017 Annual Budget R	2016/2017 YTD Budget R	2016/2017 YTD Expenditure R	2016/2017 Variance R	2016/2017 % of YTD Budget %
Directorate Of Executive Support Services	1 638 161	136 513	262 875	(126 361)	193%
Directorate Of The City Manager	310 477	25 873	41 074	(15 201)	159%
Directorate Of Corporate Services	597 129	49 761	57 608	(7 848)	116%
Directorate Of Development & Spatial Planning	623 454	51 955	33 909	18 046	65%
Directorate Of Economic Development & Agencies	468 800	39 067	10 737	28 330	27%
Directorate Of Finance	1 358 753	113 229	242 732	(129 502)	214%
Directorate Of Health / Public Safety & Emergency Services	29 709 079	2 475 757	(264 799)	2 740 556	-11%
Directorate Of Human Settlement	101 931	8 494	0.00	8 494	0%
Directorate Of Infrastructure Services	17 131 302	1 427 609	2 971 267	(1 543 658)	208%
<i>Electricity</i>	7 741 181	645 098	835 365	(190 266)	129%
<i>Water</i>	3 352 141	279 345	1 266 587	(987 241)	453%
<i>Sanitation</i>	4 954 818	412 902	794 481	(381 580)	192%
<i>Other</i>	1 083 162	90 264	74 834	15 429	83%
Directorate Of Municipal Services	20 279 324	1 689 944	3 355 441	(1 665 497)	199%
<b>Total</b>	<b>72 218 410</b>	<b>6 018 201</b>	<b>6 710 843</b>	<b>(692 642)</b>	<b>112%</b>

### Analysis of Overtime

The total overtime payment for the months of May 2016, June 2016 and July 2016 is reflected below. There was an increase in the total payment of overtime between May 2016 and June 2016 of R1 934 715 and a decrease in the total payment of overtime between June 2016 and July 2016 of R676 423.

**Table 21: Overtime Per Cost Centre: May 2016 – July 2016**

**OVERTIME PER COST CENTRE**

		May 2016 Amount	June 2016 Amount	July 2016 Amount
<b>Directorate -Executive Support Services</b>				
105 005	Office of The Director of Executive Support	278 217.79	289 856.78	262 626.99
105 020	Public Participation & Ward Committees	28 818.12	51 267.26	5 727.62
105 025	Strategic Support	2 447.97	1 688.25	1 252.68
105 030	Special Programmes	5 196.55	13 892.17	12 436.59
110 005	IDP	6 803.66	16 352.41	2 279.15
120 010	Public Relations & International Events	75 146.56	105 541.44	10 810.30
		<b>396 630.65</b>	<b>478 598.31</b>	<b>295 133.33</b>
<b>Directorate - Municipal Manager</b>				
205 005	Office of The Municipal Manager & Support Services	41 393.08	27 897.73	22 905.41
215 005	Internal Audit	6 283.68	1 630.89	16 548.29
225 010	Municipal Public Accounts Committee	1 729.65	-	-
		<b>49 406.41</b>	<b>29 528.62</b>	<b>39 453.70</b>
<b>Directorate - Chief Operations Officer</b>				
250 005	Office of the Chief Operations Officer	-	2 189.75	-
255 010	Mdantsane Urban Renewal Unit	-	2 436.78	-
		-	<b>4 626.53</b>	-
<b>Directorate - Chief Financial Officer</b>				
315 005	Budget Office	-	1 277.10	17 874.49
320 005	Asset Risk & Financial Services	1 350.60	-	-
320 010	Supply Chain Management	26 013.98	38 736.51	104 340.78
320 015	Expenditure Office	13 343.02	9 468.52	25 185.58
330 005	Rates & Valuations Office	708.41	-	-
330 010	Consolidated Billing & Miscellaneous Revenue Office	4 823.34	6 900.72	75 701.69
330 015	Debtors Management Office	43 329.65	38 950.09	113 022.51
330 020	Customer Care Office	1 644.93	3 781.57	9 071.44
330 025	Pre-Payment Vending Office	-	3 507.58	4 744.35
		<b>91 213.93</b>	<b>102 622.09</b>	<b>349 940.84</b>
<b>Directorate - Corporate Services</b>				
415 005	Administrative & Council Support	16 069.21	26 133.65	4 302.89
415 010	Auxilliary & Telecommunication Services	28 161.31	49 700.60	24 289.36
415 025	Management Information Services	14 020.81	42 641.67	7 161.86
420 005	H.R. Administration	3 711.40	-	-

		May 2016 Amount	June 2016 Amount	July 2016 Amount
420 010	Occupational Risk Management	8 154.48	2 718.16	10 031.42
420 015	Labour Relations	3 865.80	4 585.28	1 866.39
425 005	Research Policy & Knowledge Management Unit	-	-	8 931.81
		<b>73 983.01</b>	<b>125 779.36</b>	<b>56 583.73</b>
	<b>Directorate - Engineering Services</b>			
505 010	City Engineering Building	1 719.48	1 934.42	2 099.69
515 006	Night Soil Removal - Coastal	47 952.96	91 909.21	73 934.03
515 007	Night Soil Removal - Central	2 103.75	-	2 675.97
515 026	Sewerage Treatment - Coastal	67 088.46	71 988.60	77 105.19
515 027	Sewerage Treatment - Central	69 620.49	35 240.01	44 126.58
515 028	Sewerage Treatment - Inland	112 199.76	107 486.25	104 838.36
515 031	Sewerage Reticulation - Coastal	245 804.20	230 225.83	214 076.26
515 032	Sewerage Reticulation - Central	75 996.87	114 385.82	113 379.00
515 033	Sewerage Reticulation - Inland	84 009.95	115 213.91	111 031.65
520 005	Water Administration	15 949.67	19 492.78	26 837.93
520 011	Maden Dam	17 718.80	15 463.43	15 534.71
520 012	Bridle Drift Dam	-	2 811.03	-
520 015	Bulk Pumping Stations	20 854.62	22 657.61	29 126.24
520 021	Umzonyana Water Treatment Works	85 426.02	94 342.84	76 609.86
520 023	KWT Water Treatment Works	105 806.92	118 709.02	114 924.21
520 024	Mdantsane Bulk Pumping	20 920.35	59 512.95	62 599.47
520 025	Water Ops & Maint. - Inland	157 848.91	215 444.23	196 816.98
520 026	Water Ops & Maint. - Midland	196 838.05	239 558.45	266 876.58
520 030	Water Ops & Maint. - Coastal	350 590.13	379 829.22	424 270.36
525 005	Construction Distribution	-	45 692.68	-
525 010	Roads Administration	726.57	855.08	535.47
525 025	Roads & Stormwater Drainage	1 280.20	64 035.12	22 816.20
530 005	Mechanical Workshop - Westbank	690.95	11 202.59	10 224.66
530 015	Mechanical Workshop - Braelyn	19 352.54	20 851.77	29 264.10
535 005	Electricity Administration	1 244.72	1 314.25	1 975.61
535 010	Electricity Distribution Supervisory Staff	429 961.80	806 982.96	727 735.17
535 025	Electricity Planning & Design	490.88	736.32	594.66
535 040	Revenue Protection	62 617.42	86 857.78	88 693.79
		<b>2 194 814.47</b>	<b>2 974 734.16</b>	<b>2 838 702.73</b>
	<b>Directorate - Development Planning</b>			
615 095	Building Maintenance - Coastal / Central	-	-	9 892.22
620 015	Traffic Signal Maintenance	10 190.37	14 935.77	12 475.94
625 005	Buffalo City Bus Services	14 580.22	9 808.55	10 175.25
635 005	Local Economic Development	-	9 523.03	-

		May 2016 Amount	June 2016 Amount	July 2016 Amount
635 010	Market	31 874.09	21 396.88	9 116.22
		<b>56 644.68</b>	<b>55 664.23</b>	<b>41 659.63</b>
	<b>Directorate - Health &amp; Public Safety</b>			
705 010	Support Services	468.12	-	-
710 005	Health Administration	-	588.26	-
710 030	Environmental Health	7 912.21	12 878.32	10 393.92
710 040	Pollution Control	-	-	1 542.65
725 010	Fire & Rescue Services	524 787.69	469 024.72	392 149.08
725 015	Law Enforcement Services	1 594 402.52	1 464 084.92	1 797 214.07
725 020	Traffic Administration	60 237.12	69 460.64	102 872.93
725 025	Traffic Control	285 248.61	263 289.60	273 313.68
725 035	Vehicle Test Station / Examination	10 747.77	5 961.06	14 625.39
725 036	Vehicle Registration	7 776.95	1 987.18	14 472.98
725 040	Drivers License Testing	-	473.76	2 763.60
725 045	Traffic Technical Services	7 847.70	29 028.00	33 563.52
725 050	Parking Areas / Meters	42 378.40	50 630.99	49 703.60
725 055	Disaster Management	5 207.66	15 886.84	6 057.73
		<b>2 547 014.75</b>	<b>2 383 294.29</b>	<b>2 698 673.15</b>
	<b>Directorate - Community Services</b>			
750 005	Office of The Director of Community Services	616.85	-	-
750 010	Cleansing Administration Support	5 912.33	-	2 576.86
755 010	Environmental Services	267 570.03	-	534 035.12
755 015	Environmental Conservation	55 616.75	-	148 885.64
755 025	Interments	245 622.35	-	263 420.37
760 005	Arts & Cultural Services Admin	54 393.31	-	35 659.87
760 010	Libraries	9 524.40	-	15 142.38
760 025	Halls	199 329.11	174 831.19	170 685.11
765 005	Amenities Administration Support	15 459.01	23 267.85	23 096.12
765 010	Sportsfields	122 052.46	175 786.04	151 964.10
765 015	Swimming Pools	118 667.66	182 687.84	66 747.06
765 020	Aquarium	49 604.89	50 867.40	53 109.46
765 025	Zoo	64 941.88	66 830.25	61 754.06
765 030	Beaches	323 890.90	227 120.91	194 589.93
765 035	Resorts	81 378.36	67 250.47	69 911.71
770 005	Cleansing Administration Support	21 256.83	39 739.51	40 104.61
770 010	Refuse Removal	765 671.77	899 224.71	729 205.98
770 015	Waste Disposal Sites	24 942.91	108 587.63	35 935.14
770 020	Street Sweeping	351 155.96	581 861.22	506 894.12
770 025	Public Conveniences	75 067.27	105 261.50	81 954.45



		May 2016 Amount	June 2016 Amount	July 2016 Amount
770 030	E.L Regional Waste Disposal Site & Transfer Station	63 367.78	57 855.44	78 223.81
		<b>2 916 042.81</b>	<b>4 105 618.01</b>	<b>3 263 895.90</b>
	<b>TOTAL OVERTIME</b>	<b>8 325 750.71</b>	<b>10 260 465.60</b>	<b>9 584 043.01</b>

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

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

The nature of work of the Mayoral Bodyguards exceeds the 40 hours as per BCMM policy and it has a bearing on night shift allowance. The funding is also used by Public Participation staff when they do loudhailing in particular the night time shift between 6pm - 8pm; attending ward committee meetings after hours and attending public participation events or programmes around BCMM.

#### **b) City Managers Office**

The over expenditure on overtime is due to the year end procedures by the Internal Audit unit.

#### **c) Directorate of Corporate Services**

The over expenditure on overtime is as a result of council meetings which necessitates the drivers to deliver council agendas.

#### **d) Directorate of Finance**

The over expenditure is due to the preparations of year end activities by Finance officials. Furthermore, there were delays in the ledger runs and the budget office was required to work overtime in order to complete the monthly reporting timeously in order to adhere to the deadlines as per the Municipal Finance Management Act (MFMA).

#### **e) Directorate of Infrastructure Services**

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

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

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

**f) Directorate of Health / Public Safety & Emergency Services**

The year to date over expenditure on overtime is due to officials attending security cluster raids at places of entertainment to ensure compliance with Regulation 962 of the Food Staff Cosmetics and Disinfectants Act. Furthermore, the traffic services as an emergency service will always have to work overtime due to the nature of services rendered in that it has to respond to all emergencies either road accidents, unrest situations, protest marches, shortage of staff and disasters. Operational staff duties performed over the weekends include Drunk and driving campaigns, events, roadblocks etc. in order to comply with the National rollout enforcement plan (NREP).

**g) Directorate of Municipal Services**

Overtime is linked to Hall usage. The staff working overtime are halls staff or other staff performing Caretaker duties. Most bookings occur after hours or over weekends which results in overtime.

The Department of Solid Waste Management experienced a shortage of trucks in July 2016 due to mechanical problems and a shortage of staff. The department was forced to allow workers to work after hours in order to curb the backlogs in our areas to meet service delivery expectations and some areas within the region require a seven days coverage of refuse removal due to large volumes of waste generated.

**12.3. Standby and Shift Allowance Analysis**

Table 22 below reflects the total standby and shift allowance incurred per directorate for the months of May 2016, June 2016 and July 2016. There was an increase in the total payment between May 2016 and June 2016 of R151 903 and an increase in the

total payment between June 2016 and July 2016 of R93 296.

**Table 22: Standby & Shift Allowance per Directorate**

	<b>MAY 2016</b>	<b>JUNE 2016</b>	<b>JULY 2016</b>
Directorate of Executive Support Services	12 829	13 859	8 381
Directorate of the City Manager	1 671	1 620	1 620
Directorate of Finance	11 457	12 710	16 564
Directorate of Corporate Services	22 833	43 420	20 593
Directorate of Infrastructure Services	477 465	541 683	565 075
Directorate of Development and Spatial Planning	12 491	14 046	13 991
Directorate of Health / Public Safety & Emergency Services	546 139	541 491	657 880
Directorate of Municipal Services	181 930	249 888	227 908
<b>TOTAL</b>	<b>1 266 815</b>	<b>1 418 718</b>	<b>1 512 014</b>

#### **12.4. Cost of Temporary Staff**

The total payment of Temporary Staff for the months of May 2016, June 2016 and July 2016 is reflected below. There was an increase in the total payment between May 2016 and June 2016 of R112 641 and a decrease in the total payment between June 2016 and July 2016 of R990 970.

**Table 23: Temporary Staff per Directorate**

	<b>MAY 2016</b>	<b>JUNE 2016</b>	<b>JULY 2016</b>
Directorate of Executive Support Services	1 264 858	1 328 550	1 049 667
Directorate of the City Manager	276 728	320 063	250 791
Directorate of Human Settlements	218 751	236 342	227 897
Directorate of Finance	430 633	420 324	341 083
Directorate of Corporate Services	837 144	689 966	658 588
Directorate of Infrastructure Services	114 533	134 845	114 545
Directorate of Development and Spatial Planning	69 611	82 726	47 479
Directorate of Health / Public Safety & Emergency Services	35 081	33 106	635 678
Directorate of Municipal Services	2 112 570	2 226 626	1 155 851
<b>TOTAL</b>	<b>5 359 908</b>	<b>5 472 549</b>	<b>4 481 579</b>

### **12.5. Councillors Costs**

The table below shows the budget and expenditure to date for councillors costs. The year to date budget of R4 841 567 less the year to date expenditure of R4 446 725 leaves a variance of R394 842.

**Table 24: Councillors Costs**

	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 YTD Expenditure %
Mayoral Allowance	790 172	65 848	62 120	3 727	94%
Deputy Mayoral Allowance	638 158	53 180	50 170	3 010	94%
Mayoral Committee Allowance	6 599 489	549 957	423 306	126 651	77%
Speakers Allowance	638 158	53 180	50 170	3 010	94%
Out of Pocket Expenses	1 208 400	100 700	498	100 202	0.5%
Councillors Allowance	24 124 437	2 010 370	2 000 004	10 366	99%
Cllr Cell Phone Allowance	2 278 635	189 886	176 298	13 589	93%
Cllr Housing Subsidy	2 927 329	243 944	223 359	20 585	92%
Cllr Medical Aid	1 986 812	165 568	151 933	13 635	92%
Cllr Pension Scheme	3 495 042	291 254	273 252	18 001	94%
Cllr Travel Allowance	13 412 169	1 117 681	1 035 615	82 065	93%
<b>TOTAL</b>	<b>58 098 801</b>	<b>4 841 567</b>	<b>4 446 725</b>	<b>394 842</b>	<b>92%</b>

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

The entity has started operating on its own with minimal need for daily support from the parent municipality. The Buffalo City Metropolitan Development Agency has a budget of R18.38 million and has spent R746 300 (4%) as at 31 July 2016.

A detailed analysis of the entity's financial performance for month ended 31 July 2016 is outlined in Annexure F.

### **14. CAPITAL PROGRAMME PERFORMANCE**

BCMM has spent R1.61 million inclusive of reclaimed vat (2015/16: R167 350) which is 0.10% (2015/16: 0.01%) of its 2016/17 approved capital budget of R1.56 billion

(2015/16: R1.27 billion) as at 31 July 2016. This depicts an improvement in both percentage and rand value terms when compared to the same period in the previous financial year. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

Table 25 below reflects capital expenditure performance per source of funding.

**Table 25: Capital Expenditure per Funding Source against Budget**

<b>Funding</b>	<b>2016/2017 Capital Budget</b>	<b>YTD Expenditure (incl. VAT)</b>	<b>Variance (incl. VAT)</b>	<b>% Expenditure (incl. VAT)</b>
Own Funds	640 283 103	1 607 442	638 675 661	0.25%
Loan	69 581 825	0	69 581 825	0.00%
<b>Total Own Funding</b>	<b>709 864 928</b>	<b>1 607 442</b>	<b>708 257 486</b>	<b>0.23%</b>
DoE(Integrated National Electrification Programme)	25 000 000	0	25 000 000	0.00%
Finance Management Grant	100 000	0	100 000	0.00%
Infrastructure Skills Development Grant	100 000	0	100 000	0.00%
Integrated City Development Grant	6 080 000	0	6 080 000	0.00%
Neighbourhood Development Partnership Grant	19 346 000	0	19 346 000	0.00%
Urban Settlement Development Grant	656 054 030	3 825	656 050 206	0.00%
Human Settlement Development Grant	106 300 000	0	106 300 000	0.00%
Public Transport Infrastructure and Systems Grant	35 289 000	0	35 289 000	0.00%
<b>Total Grants</b>	<b>848 269 030</b>	<b>3 825</b>	<b>848 265 206</b>	<b>0.00%</b>
<b>TOTAL PER FUNDING</b>	<b>1 558 133 958</b>	<b>1 611 266</b>	<b>1 556 522 692</b>	<b>0.10%</b>

Table 26 below reflects capital expenditure performance per service.

**Table 26: Actual Expenditure per Service against Budget**

<b>Services</b>	<b>2016/2017 Approved Budget</b>	<b>YTD Expenditure (incl. VAT)</b>	<b>Variance (incl. VAT)</b>	<b>% Expenditure (incl. VAT)</b>
Water	87 500 000	0	87 500 000	0.00%
Waste Water	371 492 022	0	371 492 022	0.00%
Electricity	143 000 000	1 396 481	141 603 519	0.98%
Roads and Stormwater	261 098 558	0	261 098 558	0.00%
Housing	202 441 082	0	202 441 082	0.00%
Transport Planning	139 789 000	0	139 789 000	0.00%
Local Economic Development	44 500 000	0	44 500 000	0.00%
Spatial Planning	96 581 051	0	96 581 051	0.00%
Waste Management / Refuse	78 453 700	0	78 453 700	0.00%
Amenities	44 024 644	0	44 024 644	0.00%
Public Safety	30 032 401	0	30 032 401	0.00%
Support Services	41 221 500	0	41 221 500	0.00%
Other - BCM Fleet	18 000 000	214 785	17 785 215	1.19%
	<b>1 558 133 958</b>	<b>1 611 266</b>	<b>1 556 522 692</b>	<b>0.10%</b>

Table 27 below reflects capital expenditure performance per directorate.

**Table 27: Actual Expenditure per Directorate against Budget**

<b>Directorate</b>	<b>2016/2017 Capital Budget</b>	<b>YTD Expenditure (incl. VAT)</b>	<b>Variance (incl. VAT)</b>	<b>% Expenditure (incl. VAT)</b>
Directorate of Executive Support Services	5 500 000	0	5 500 000	0.00%
Directorate of the City Manager	17 521 500	0	17 521 500	0.00%
Directorate of Human Settlement	202 441 082	0	202 441 082	0.00%
Directorate of Finance	600 000	0	600 000	0.00%
Directorate of Corporate Services	7 100 000	0	7 100 000	0.00%
Directorate of Infrastructure Services	887 670 580	1 611 266	886 059 313	0.18%
Directorate of Development and Spatial Planning	230 290 051	0	230 290 051	0.00%
Directorate of Economic Development and Agencies	44 500 000	0	44 500 000	0.00%
Directorate of Health, Public Safety and Emergency Services	30 032 401	0	30 032 401	0.00%
Directorate of Municipal Services	122 478 344	0	122 478 344	0.00%
<b>TOTAL DIRECTORATES</b>	<b>1 548 133 958</b>	<b>1 611 266</b>	<b>1 546 522 692</b>	<b>0.10%</b>
Asset Replacement	10 000 000	0	10 000 000	0.00%
<b>GRAND - TOTAL</b>	<b>1 558 133 958</b>	<b>1 611 266</b>	<b>1 556 522 692</b>	<b>0.10%</b>

The capital programme performance by month is tabulated in table 28 below (Exclusive of Vat).

**Table 28: SC12 Monthly budget Statement – capital expenditure trend**

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M01 July

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July		6 746		1 611	1 611	6 746	5 135	76.1%	0%
August		42 169				48 916	-		
September		34 991				83 907	-		
October		58 305				142 212	-		
November		56 652				198 865	-		
December		69 364				268 229	-		
January		41 215				309 443	-		
February		42 842				352 285	-		
March		65 464				417 750	-		
April		89 153				506 903	-		
May		87 115				594 018	-		
June		964 116				1 558 134	-		
<b>Total Capital expenditure</b>	-	<b>1 558 134</b>	-	<b>1 611</b>					

The capital programme performance table 29 below provide summary of capital expenditure by asset class/sub-class for new assets (Exclusive of VAT).

**Table 29: SC13a Monthly budget Statement – capital expenditure on new assets by asset class**

BUF Buffalo City - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	417 323	-	4	4	1 807	1 803	99.8%	417 323
Infrastructure - Road transport		-	106 080	-	-	-	459	459	100.0%	106 080
Roads, Pavements & Bridges		-	106 080	-	-	-	459	459	100.0%	106 080
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	43 000	-	4	4	186	182	97.9%	43 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	43 000	-	4	4	186	182	97.9%	43 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	268 243	-	-	-	1 161	1 161	100.0%	268 243
Waste Management		-	78 454	-	-	-	340	340	100.0%	78 454
Transportation		-	145 789	-	-	-	631	631	100.0%	145 789
Gas		-	-	-	-	-	-	-	-	-
Other		-	44 000	-	-	-	191	191	100.0%	44 000
<b>Community</b>		-	21 000	-	-	-	91	91	100.0%	21 000
Parks & gardens		-	500	-	-	-	2	2	100.0%	500
Sportsfields & stadia		-	500	-	-	-	2	2	100.0%	500
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	10 000	-	-	-	43	43	100.0%	10 000
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	10 000	-	-	-	43	43	100.0%	10 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	201 941	-	-	-	874	874	100.0%	201 941
Housing development		-	201 941	-	-	-	874	874	100.0%	201 941
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	113 570	-	215	215	492	277	56.3%	113 570
General vehicles		-	18 200	-	215	215	79	(136)	-172.6%	18 200
Specialised vehicles		-	11 000	-	-	-	48	48	100.0%	11 000
Plant & equipment		-	14 966	-	-	-	65	65	100.0%	14 966
Computers - hardware/equipment		-	20 700	-	-	-	90	90	100.0%	20 700
Furniture and other office equipment		-	23 972	-	-	-	104	104	100.0%	23 972
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	5 286	-	-	-	23	23	100.0%	5 286
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	19 446	-	-	-	84	84	100.0%	19 446
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	753 834	-	219	219	3 264	3 045	93.3%	753 834
<b>Specialised vehicles</b>		-	11 000	-	-	-	48	48	0	11 000
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	11 000	-	-	-	48	48	0	11 000
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-



The capital programme performance table 30 below provide summary of capital expenditure by asset class/sub-class for renewal of existing assets (Exclusive of VAT).

**Table 30: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class**

BUF Buffalo City - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		–	720 091	–	1 393	1 393	3 118	1 725	55.3%	720 091
Infrastructure - Road transport		–	161 099	–	–	–	698	698	100.0%	161 099
<i>Roads, Pavements &amp; Bridges</i>		–	161 099	–	–	–	698	698	100.0%	161 099
<i>Storm water</i>		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	100 000	–	1 393	1 393	433	(960)	-221.7%	100 000
<i>Generation</i>		–	–	–	–	–	–	–	–	–
<i>Transmission &amp; Reticulation</i>		–	100 000	–	1 393	1 393	433	(960)	-221.7%	100 000
<i>Street Lighting</i>		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	87 500	–	–	–	379	379	100.0%	87 500
<i>Dams &amp; Reservoirs</i>		–	–	–	–	–	–	–	–	–
<i>Water purification</i>		–	–	–	–	–	–	–	–	–
<i>Reticulation</i>		–	87 500	–	–	–	379	379	100.0%	87 500
Infrastructure - Sanitation		–	371 492	–	–	–	1 608	1 608	100.0%	371 492
<i>Reticulation</i>		–	371 492	–	–	–	1 608	1 608	100.0%	371 492
<i>Sewerage purification</i>		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
<i>Waste Management</i>		–	–	–	–	–	–	–	–	–
<i>Transportation</i>		–	–	–	–	–	–	–	–	–
<i>Gas</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–
<b>Community</b>		–	19 855	–	–	–	86	86	100.0%	19 855
Parks & gardens		–	–	–	–	–	–	–	–	–
Sportsfields & stadia		–	10 000	–	–	–	43	43	100.0%	10 000
Swimming pools		–	2 500	–	–	–	11	11	100.0%	2 500
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	7 355	–	–	–	32	32	100.0%	7 355
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
<b>Other assets</b>		–	64 355	–	–	–	279	279	100.0%	64 355
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment		–	700	–	–	–	3	3	100.0%	700
Computers - hardware/equipment		–	–	–	–	–	–	–	–	–
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	62 655	–	–	–	271	271	100.0%	62 655
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	1 000	–	–	–	4	4	100.0%	1 000
<b>Agricultural assets</b>		–	–	–	–	–	–	–	–	–
<i>List sub-class</i>		–	–	–	–	–	–	–	–	–
<b>Biological assets</b>		–	–	–	–	–	–	–	–	–
<i>List sub-class</i>		–	–	–	–	–	–	–	–	–
<b>Intangibles</b>		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of ex</b>	<b>1</b>	<b>–</b>	<b>804 300</b>	<b>–</b>	<b>1 393</b>	<b>1 393</b>	<b>3 482</b>	<b>2 090</b>	<b>60.0%</b>	<b>804 300</b>
<b>Specialised vehicles</b>		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Fire		–	–	–	–	–	–	–	–	–
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

## **15. OTHER SUPPORTING DOCUMENTS**

### **15.1. Operating Projects Expenditure**

The The Metro has spent 0.11% (R367 915) inclusive of reclaimed vat of its 2016/17 approved budget of R329 million as at 31 July 2016. This reflects a regression when compared to the same period in the previous financial year where 0.46% (R3.09 million) inclusive of reclaimed vat of the approved operating projects budget of R671.32 million was spent. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken.

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

Tables 31 and 32 below summarise Annexure D.

**Table 31: Operating Projects per Directorate**

<b>OPERATING PROJECTS PER DIRECTORATE</b>	<b><u>2016/2017 Approved Budget</u></b>	<b><u>YTD Expenditure (incl.vat)</u></b>	<b><u>Available Budget (incl.vat)</u></b>	<b><u>% Expenditure (incl.vat)</u></b>
Directorate of Executive Support Services	6 550 000	0	6 550 000	0.00%
Directorate of The City Manager	27 422 970	225 356	27 197 614	0.82%
Directorate of Human Settlements	126 302 000	0	126 302 000	0.00%
Directorate of Finance	53 449 700	110 658	53 339 042	0.21%
Directorate of Corporate Services	8 900 000	0	8 900 000	0.00%
Directorate of Infrastructure Services	54 495 761	0	54 495 761	0.00%
Directorate of Development & Spatial Planning	1 250 000	0	1 250 000	0.00%
Directorate of Economic Development & Agencies	36 500 000	31 901	36 468 099	0.09%
Directorate of Health / Public Safety & Emergency Services	3 599 600	0	3 599 600	0.00%
Directorate of Municipal Services	10 550 000	0	10 550 000	0.00%
<b>TOTAL</b>	<b>329 020 031</b>	<b>367 915</b>	<b>328 652 117</b>	<b>0.11%</b>

**Table 32: Operating Projects per Funding Source**

<b>OPERATING PROJECTS PER FUNDING SOURCE</b>	<b><u>2016/2017 Approved Budget</u></b>	<b><u>YTD Expenditure (incl. vat)</u></b>	<b><u>Available Budget (incl. vat)</u></b>	<b><u>% Expenditure (incl. vat)</u></b>
<b>Total Own Funding</b>	<b>112 519 700</b>	<b>99 311</b>	<b>112 420 389</b>	<b>0.09%</b>
City of Oldenburg	495 761	0	495 761	0.00%
Department of Public Works	2 469 600	0	2 469 600	0.00%
Expanded Public Works Programme Incentives Grant	1 188 000	0	1 188 000	0.00%
Finance Management Grant	1 200 000	43 248	1 156 752	3.60%
Human Settlement Development Grant	123 802 000	0	123 802 000	0.00%
Infrastructure Skills Development Grant	8 900 000	0	8 900 000	0.00%
Transnet	3 000 000	0	3 000 000	0.00%
Urban Settlement Development Grant	75 444 970	225 356	75 219 614	0.30%
<b>Total Grants</b>	<b>216 500 331</b>	<b>268 604</b>	<b>216 231 727</b>	<b>0.12%</b>
<b>TOTAL PER FUNDING</b>	<b>329 020 031</b>	<b>367 915</b>	<b>328 652 117</b>	<b>0.11%</b>

**16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES**

**16.1. Health / Public Safety & Emergency Services**

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

**Table 33: Health / Public Safety & Emergency Services – Cost Analysis**

<b>Health &amp; Public Safety</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
<b>OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>	-	194 903	1 891	-	196 794
<b>GM - EMERGENCY SERVICES</b>	(12 635 412)	(7 609 098)	331 849	22 719	(7 254 530)
EMERGENCY SERVICES	-	185 792	1 669	3 188	190 649
DISASTER MANAGEMENT	-	184 378	48 353	10 850	243 580
FIRE & RESCUE	(12 635 412)	(7 979 268)	281 828	8 681	(7 688 759)
<b>GM - MUNICIPAL HEALTH SERVICES</b>	-	2 064 560	103 311	2 526	2 170 397
MUNICIPAL HEALTH SERVICES	-	2 064 560	103 311	2 526	2 170 397
<b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>	(5 341 149)	9 078 847	627 318	51 134	9 757 298
PUBLIC SAFETY & PROTECTION SERVICES	-	1 440 605	44 629	27 005	1 512 239
LAW ENFORCEMENT SERVICES	-	7 785 115	183 979	24 128	7 993 222
TRAFFIC SERVICES	(5 341 149)	(146 873)	398 709	-	251 837
<b>Total</b>	<b>(17 976 561)</b>	<b>3 729 212</b>	<b>1 064 368</b>	<b>76 379</b>	<b>4 869 959</b>

## 16.2. Municipal Services

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

**Table 34: Municipal Services – Cost Analysis**

<b>Community Services</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
<b>OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES</b>	-	521 871	15 562	-	537 432
<b>GM - COMMUNITY AMENITIES</b>	(138 492)	7 454 875	1 152 754	57 453	8 665 082
COMMUNITY AMENITIES	-	891 129	13 245	-	904 374
<b>LIBRARIES &amp; HALLS</b>	-	-	-	-	-
LIBRARIES	(11 730)	1 371 969	64 734	24 946	1 461 648
HALLS	(104 356)	1 120 888	105 584	-	1 226 472
RECREATION	(7 472)	2 394 284	450 589	-	2 844 872
SPORTS FACILITIES	(14 934)	1 676 606	518 603	32 507	2 227 716
<b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>	(676 891)	10 151 178	587 338	324 977	11 063 494
PARKS / CEMETRIES & CONSERVATION	-	172 102	1 610	-	173 712
CEMETRIES & CREMATORIA	(640 688)	1 661 484	120 116	-	1 781 600
CONSERVATION	(29 964)	1 194 886	146 496	15 539	1 356 920
PARKS: COASTAL	(6 239)	7 122 706	319 117	309 439	7 751 262
<b>GM - SOLID WASTE MANAGEMENT</b>	(57 312 187)	10 716 081	4 971 512	943 801	16 631 394
SOLID WASTE MANAGEMENT	-	670 559	27 234	306 506	1 004 299
CLEANSING & REFUSE REMOVAL: COASTAL	(57 108 793)	9 191 752	4 929 176	637 295	14 758 223
LANDFILLS & TRANSFER STATIONS	(203 394)	853 770	15 102	-	868 872
<b>Total</b>	<b>(58 127 570)</b>	<b>28 844 004</b>	<b>6 727 166</b>	<b>1 326 232</b>	<b>36 897 402</b>

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

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

I, NCEBA NCUNYANA, the Acting City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **July 2016** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

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

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

**Signature:** .....

**Date:** .....

## **ANNEXURES:**

### **Annexure A**

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

### **Annexure B**

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

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Buffalo City Development Agency Financial Performance Report