

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF  
THE 2016/17 BUDGET FOR THE PERIOD ENDED 31 MAY 2017**

**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 May 2017.

**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 May 2017 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 May 2017 of 87.01%.

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**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 MAY 2017**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 5,344,075,345	Bank Balance	R 99,288,075
Expenditure	(R 5,389,923,576)	Call investments (excl. int.)	R 2,015,322,970
Operating Deficit	(R 45,848,231)	<b>Cash and cash equivalents</b>	<b>R 2,114,611,045</b>
Transfers Recognised - Capital	R 450,624,514	<i>Account Payables</i>	<i>(R 423,854,056)</i>
Surplus After Capital Transfers	R 404,776,283	<i>Unspent conditional grants</i>	<i>(R 374,360,003)</i>
<b>DEBTORS</b>		<i>Committed to Capital budget-own funds</i>	<i>(R 334,180,302)</i>
Total debtors book	R 1,860,386,922	<b>Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years</b>	<b>R 982,216,684</b>
Total debtors - Government	R 25,029,233	Total Long term loans	R 460,137,491
Total debtors - Business	R 502,849,729	<b>SURPLUS / (DEFICIT) PER SERVICE</b>	
Total debtors - Households	R 1,107,005,592	Water	(R 8,751,462)
Total debtors - Other	R 225,502,368	Electricity	R 182,491,877
Total debt written off	R 230,976,060	Refuse	(R 12,988,402)
<b>REPAIRS AND MAINTENANCE</b>		Sewerage	(R 3,437,734)
<b>2015/2016:</b> Exp. = R274.28 m, which is 74% of adjusted budget of R371.61 m	<b>2016/2017:</b> Exp.= R305.05 m, which is 73% of adjusted budget of R418.61 m		
<b>CAPITAL EXPENDITURE</b>		<b>OPERATING PROJECTS EXPENDITURE</b>	
<b>2015/2016: Exp. as a % of Adjusted Budget of R1.39b:</b> Exp. (excl. vat) = R743.28 mil % exp (Excl. vat) : 53%  Exp. (incl. vat) = R800.74 mil % exp (incl. vat): 58%	<b>2016/2017: Exp. as a % of Adjusted Budget of R1.49b:</b> Exp. (excl. vat) = R877.64 mil % exp (Excl. vat) :59%  Exp. (incl. vat) = R937.27 mil % exp (incl. vat): 63%	<b>2015/2016: Exp. as a % of Adjusted Budget of R501.84m:</b> Exp.(excl. vat)= R289.97 mil % exp.(excl. vat): 58%  Exp.(incl. vat) = R292.45 mil % exp.(incl. vat): 58%	<b>2016/2017: Exp. as a % of Adjusted Budget of R336.91m:</b> Exp. (excl. vat) = R206.10 mil % exp.(excl. vat): 61%  Exp. (incl. vat) = R214.57 mil % exp.(incl. vat): 64%
<b>FINANCIAL</b>		<b>HUMAN RESOURCES</b>	
Operating Deficit for the period	(R 45,848,231)	Total staff complement	5 165
Debtors collection ratio	87.01%	Staff Appointments	565
YTD Grants and subsidies	R 1,244,319,551	Staff Terminations	163
% of Creditors paid within terms	100%	Number of funded vacant posts	677
Current ratio	3.13:1	Total overtime paid (YTD)	R 120,102,652
Total Debt to Revenue	10.03%	Allowances and benefits - Councillors	R 50,379,959
Capital Charges to Operating Expenditure	1.25%	Salary bill - Officials	R1,524,698,980
Cost coverage ratio	5.01 months	Workforce costs as a % of expenditure	29.22%

## **6.2 Liquidity position**

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.13:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 35% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 62% of the current assets. The City has a stronger cash and cash equivalent and can easily meet its immediate obligations.

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

The year to date collection rate for the month ended 31 May 2017 is 87.01% (2015/16: 85.86%). The collection rate reflects an improvement when compared to the previous financial year. This ratio denotes the City's ability to collect the billed revenue from its consumers. The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors management.

Total debtors book (including current accounts) as at 31 May 2017 amounts to R1.86 billion (2015/16: R1.62 billion). Households: R1.11 billion, Business: R502.85 million, Government: R25.03 million, Other: R225.50 million. BCMM analyses recoverability of debt on a monthly basis. During the latest review, an amount of R272.77 million was identified as irrecoverable in respect of rates and service charges. A report was prepared for Council's consideration and it was approved by Council and the debt has been written off during the 2016/2017 financial period.

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 63% (R937.27 million, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.49 billion as at 31 May 2017. This reflects an improvement in both percentage and rand value terms when compared to the same period in the previous financial year where 58% (R800.74 million, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent.

The capital expenditure is expected to speedily improve during the last month of the financial year as major projects have passed procurement to implementation stage. (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 64% (R214.57 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R336.91 million as at 31 May 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 58% (R292.45 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent. (Refer to Section 15 for further details).

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

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

The Metro has spent 73% (R602.09 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 31 May 2017. This reflects a slight regression when compared to the same period in the previous financial year where 75% (R618.53 million, inclusive of reclaimed of vat) of conditional grants budget of R824.32 million was spent. Expenditure is expected to speedily improve during the last month of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 11 for further details).

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

BCMM has spent 80% (R582.75 million, inclusive of reclaimed vat) of its 2016/2017 USDG budget of R731.50 million as at 31 May 2017. This reflects an improvement in percentage value terms when compared to the same period in the previous financial year where 77% (R583.43 million, inclusive of reclaimed of vat) of USDG budget of R755.5 million was spent. Expenditure is expected improve during the last month of the financial year



as major projects have passed procurement to implementation stage. (Refer to Section 11 for further details).

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

The cash and cash equivalents of the City as at 31 May 2017 are R2.11 billion made up of cash and bank amounting to R99.29 million and call investment deposits of R2.02 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 5.01 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 5 times, which 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. However, Small Micro Medium Enterprises (SMME) are paid on a fortnightly basis to assist emerging service providers. Refer to Section 9 for details.

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

The total long term borrowings of the municipality as at 31 May 2017 amounts to R460.14 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 31 May 2017 is 1.25%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%; BCMM is below the norm and has the capacity to take on additional borrowing to invest in infrastructure projects that generate revenue. The City is currently in the process of securing additional loan funding which will result in the actual ratio moving closer to the norm.

The total debt to revenue ratio is 10.03% as at 31 May 2017, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The municipality is therefore highly solvent to meet its debt obligation as it is below the set ceiling of 45% in accordance with the MFMA circular 71.

## 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 - M11 May**

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	865 235	1 122 920	1 122 920	74 632	917 160	1 028 347	(111 187)	-11%	1 122 920
Service charges	2 749 648	2 928 610	2 928 610	351 255	2 722 631	2 647 179	75 452	3%	2 928 610
Investment revenue	154 775	143 844	143 775	12 310	136 963	136 315	649	0%	143 775
Transfers recognised - operational	963 670	1 319 728	1 356 414	13 464	1 244 320	1 139 518	104 801	9%	1 356 414
Other own revenue	714 463	391 937	391 737	36 017	323 001	370 197	(47 196)	-13%	391 737
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5 447 791</b>	<b>5 907 039</b>	<b>5 943 457</b>	<b>487 678</b>	<b>5 344 075</b>	<b>5 321 556</b>	<b>22 519</b>	<b>0%</b>	<b>5 943 457</b>
Employee costs	1 352 201	1 531 068	1 506 068	135 018	1 524 699	1 424 388	100 311	7%	1 506 068
Remuneration of Councillors	54 375	58 099	58 099	4 545	50 380	54 061	(3 681)	-7%	58 099
Depreciation & asset impairment	789 811	748 339	748 339	62 362	685 977	685 977	0	0%	748 339
Finance charges	54 878	57 105	52 105	4 088	39 427	50 192	(10 765)	-21%	52 105
Materials and bulk purchases	1 427 318	1 521 587	1 526 587	109 487	1 383 795	1 418 788	(34 994)	-2%	1 526 587
Transfers and grants	237 321	288 468	306 068	126 371	362 780	264 426	98 354	37%	306 068
Other expenditure	1 548 531	1 701 295	1 745 112	134 182	1 342 866	1 328 956	13 910	1%	1 745 112
<b>Total Expenditure</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 379</b>	<b>576 052</b>	<b>5 389 924</b>	<b>5 226 788</b>	<b>163 135</b>	<b>3%</b>	<b>5 942 379</b>
<b>Surplus/(Deficit)</b>	<b>(16 644)</b>	<b>1 078</b>	<b>1 078</b>	<b>(88 374)</b>	<b>(45 848)</b>	<b>94 768</b>	<b>(140 616)</b>	<b>-148%</b>	<b>1 078</b>
Transfers recognised - capital	670 394	848 269	730 249	33 920	450 625	703 435	(252 810)	-36%	730 249
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>653 750</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>	<b>(393 426)</b>	<b>-49%</b>	<b>731 327</b>
Share of surplus/ (deficit) of associate	30 383	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>684 133</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>	<b>(393 426)</b>	<b>-49%</b>	<b>731 327</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</b>
Capital transfers recognised	670 394	848 269	730 249	33 920	450 625	514 233	(63 609)	-12%	730 249
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 582	-	-	-	-	-	-	(0)
Internally generated funds	515 979	640 283	761 199	48 971	427 019	536 028	(109 009)	-20%	761 199
<b>Total sources of capital funds</b>	<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</b>
<b>Financial position</b>									
Total current assets	3 571 174	3 526 080	3 526 080		3 404 692				3 526 080
Total non current assets	13 495 258	14 131 021	14 064 335		13 687 549				14 064 335
Total current liabilities	1 440 811	1 131 155	1 131 155		1 086 034				1 131 155
Total non current liabilities	944 139	1 177 274	1 107 692		919 566				1 107 692
<b>Community wealth/Equity</b>	<b>14 681 482</b>	<b>15 348 672</b>	<b>15 351 568</b>		<b>15 086 640</b>				<b>15 351 568</b>
<b>Cash flows</b>									
Net cash from (used) operating	1 395 072	1 648 938	1 452 884	(59 753)	653 012	1 331 811	678 799	51%	1 452 884
Net cash from (used) investing	(1 175 532)	(1 558 134)	(1 491 448)	(82 891)	(877 644)	(1 367 161)	(489 517)	36%	(1 491 448)
Net cash from (used) financing	(44 499)	17 757	(51 825)	-	(36 339)	(47 506)	(11 167)	24%	(51 825)
<b>Cash/cash equivalents at the month/year end</b>	<b>2 375 582</b>	<b>2 490 747</b>	<b>2 291 798</b>	<b>-</b>	<b>2 114 611</b>	<b>2 299 330</b>	<b>184 719</b>	<b>8%</b>	<b>2 285 193</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	288 226	88 703	69 760	56 806	56 707	54 222	275 102	970 863	1 860 387
<b>Creditors Age Analysis</b>									
Total Creditors	420 339	3 515	-	-	-	-	-	-	423 854

## 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) - M11 May**

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>2 029 240</b>	<b>2 268 639</b>	<b>2 238 758</b>	<b>104 348</b>	<b>2 015 190</b>	<b>2 310 104</b>	(294 914)	-13%	<b>2 238 758</b>
Executive and council		23 255	30 796	22 902	1 181	15 760	21 816	(6 056)	-28%	22 902
Budget and treasury office		1 939 625	2 222 421	2 206 638	101 048	1 991 508	2 280 819	(289 311)	-13%	2 206 638
Corporate services		66 360	15 421	9 218	2 119	7 922	7 470	453	6%	9 218
<i><b>Community and public safety</b></i>		<b>331 234</b>	<b>127 228</b>	<b>481 481</b>	<b>22 691</b>	<b>330 327</b>	<b>427 645</b>	(97 318)	-23%	<b>481 481</b>
Community and social services		20 861	19 511	30 208	1 090	25 849	22 928	2 922	13%	30 208
Sport and recreation		3 780	6 161	9 822	504	6 737	7 455	(718)	-10%	9 822
Public safety		113 972	98 758	156 226	14 765	128 673	131 390	(2 717)	-2%	156 226
Housing		192 193	–	285 203	6 321	168 769	265 855	(97 086)	-37%	285 203
Health		428	2 797	22	12	298	18	281	1597%	22
<i><b>Economic and environmental services</b></i>		<b>35 488</b>	<b>100 222</b>	<b>317 362</b>	<b>11 596</b>	<b>156 856</b>	<b>244 160</b>	(87 304)	-36%	<b>317 362</b>
Planning and development		22 073	26 543	35 004	4 138	24 959	7 093	17 866	252%	35 004
Road transport		13 251	73 255	281 944	7 451	131 653	236 753	(105 100)	-44%	281 944
Environmental protection		165	423	414	7	244	314	(70)	-22%	414
<i><b>Trading services</b></i>		<b>3 018 173</b>	<b>3 384 579</b>	<b>3 610 308</b>	<b>379 322</b>	<b>3 248 302</b>	<b>3 032 927</b>	215 374	7%	<b>3 610 308</b>
Electricity		1 751 891	1 931 170	1 947 625	167 851	1 688 373	1 670 276	18 097	1%	1 947 625
Water		505 016	541 296	579 336	143 141	626 065	468 983	157 082	33%	579 336
Waste water management		384 179	446 227	669 618	47 122	569 220	542 068	27 152	5%	669 618
Waste management		377 087	465 885	413 729	21 207	364 644	351 601	13 043	4%	413 729
<i><b>Other</b></i>	4	<b>734 434</b>	<b>874 641</b>	<b>25 797</b>	<b>3 641</b>	<b>44 025</b>	<b>10 155</b>	<b>33 870</b>	<b>334%</b>	<b>25 797</b>
<b>Total Revenue - Standard</b>	2	<b>6 148 568</b>	<b>6 755 308</b>	<b>6 673 705</b>	<b>521 598</b>	<b>5 794 700</b>	<b>6 024 991</b>	<b>(230 291)</b>	<b>-4%</b>	<b>6 673 705</b>
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		<b>967 780</b>	<b>1 189 292</b>	<b>1 042 362</b>	<b>85 330</b>	<b>874 310</b>	<b>878 718</b>	(4 408)	-1%	<b>1 042 362</b>
Executive and council		250 586	209 046	301 700	18 743	268 707	266 902	1 805	1%	301 700
Budget and treasury office		452 161	553 044	471 839	44 741	369 474	394 899	(25 424)	-6%	471 839
Corporate services		265 033	427 203	268 823	21 847	236 128	216 918	19 210	9%	268 823
<i><b>Community and public safety</b></i>		<b>719 662</b>	<b>738 246</b>	<b>718 908</b>	<b>54 356</b>	<b>659 908</b>	<b>638 157</b>	21 752	3%	<b>718 908</b>
Community and social services		131 649	94 309	118 611	10 786	107 384	110 406	(3 023)	-3%	118 611
Sport and recreation		74 197	77 113	68 111	6 397	110 860	63 399	47 460	75%	68 111
Public safety		266 258	224 016	308 513	29 012	310 311	273 724	36 586	13%	308 513
Housing		216 633	280 019	188 415	5 472	100 339	160 737	(60 398)	-38%	188 415
Health		30 925	62 789	35 258	2 688	31 015	29 890	1 125	4%	35 258
<i><b>Economic and environmental services</b></i>		<b>832 752</b>	<b>919 523</b>	<b>937 614</b>	<b>73 513</b>	<b>769 703</b>	<b>833 186</b>	(63 483)	-8%	<b>937 614</b>
Planning and development		192 695	270 451	287 111	20 612	235 490	261 816	(26 325)	-10%	287 111
Road transport		532 428	543 263	540 848	43 721	438 900	469 301	(30 401)	-6%	540 848
Environmental protection		107 629	105 809	109 655	9 181	95 313	102 070	(6 757)	-7%	109 655
<i><b>Trading services</b></i>		<b>2 928 376</b>	<b>3 041 214</b>	<b>3 223 058</b>	<b>359 270</b>	<b>3 059 769</b>	<b>2 857 876</b>	201 893	7%	<b>3 223 058</b>
Electricity		1 575 891	1 725 555	1 787 089	134 898	1 610 085	1 624 642	(14 556)	-1%	1 787 089
Water		647 217	531 791	595 721	129 823	637 240	516 099	121 141	23%	595 721
Waste water management		368 775	467 437	460 117	46 526	435 659	405 110	30 549	8%	460 117
Waste management		336 495	316 432	380 131	48 023	376 785	312 027	64 758	21%	380 131
<i><b>Other</b></i>		<b>15 865</b>	<b>17 685</b>	<b>20 438</b>	<b>3 583</b>	<b>26 234</b>	<b>18 852</b>	<b>7 382</b>	<b>39%</b>	<b>20 438</b>
<b>Total Expenditure - Standard</b>	3	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 379</b>	<b>576 052</b>	<b>5 389 924</b>	<b>5 226 788</b>	<b>163 135</b>	<b>3%</b>	<b>5 942 379</b>
<b>Surplus/ (Deficit) for the year</b>		<b>684 133</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>	<b>(393 426)</b>	<b>-49%</b>	<b>731 327</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) - M11 May										
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>	1									
Vote 1 - Directorate - Executive Support Services		383	145	548	-	4	129	(125)	-97.0%	548
Vote 2 - Directorate - City Manager		22 871	52 588	22 354	1 181	15 756	21 687	(5 931)	-27.3%	22 354
Vote 3 - Directorate - Human Settlements		192 193	362 572	285 203	13 097	175 545	265 855	(90 310)	-34.0%	285 203
Vote 4 - Directorate - Finance		2 610 019	2 947 365	2 206 638	101 048	1 991 661	2 280 819	(289 158)	-12.7%	2 206 638
Vote 5 - Directorate - Corporate Services		6 667	13 036	9 001	1 860	7 654	7 294	360	4.9%	9 001
Vote 6 - Directorate - Infrastructure Services		2 744 983	2 744 633	3 376 530	356 865	3 020 068	2 905 440	114 628	3.9%	3 376 530
Vote 7 - Directorate - Development Planning		42 563	64 067	127 214	7 411	30 383	43 422	(13 039)	-30.0%	127 214
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 995	162 440	156 248	14 776	128 892	131 407	(2 516)	-1.9%	156 248
Vote 9 - Directorate - Municipal Services		401 893	408 195	454 173	23 066	398 004	358 784	39 221	10.9%	454 173
Vote 10 - Directorate - Economic Development		-	-	35 797	2 294	26 733	10 155	16 578	163.3%	35 797
<b>Total Revenue by Vote</b>	2	<b>6 148 568</b>	<b>6 755 039</b>	<b>6 673 705</b>	<b>521 598</b>	<b>5 794 700</b>	<b>6 024 991</b>	<b>(230 291)</b>	<b>-3.8%</b>	<b>6 673 705</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		177 703	206 009	203 711	12 027	179 842	180 933	(1 091)	-0.6%	203 711
Vote 2 - Directorate - City Manager		72 883	115 928	97 988	14 687	80 847	85 968	(5 122)	-6.0%	97 988
Vote 3 - Directorate - Human Settlements		216 633	346 542	188 415	6 371	107 558	160 737	(53 179)	-33.1%	188 415
Vote 4 - Directorate - Finance		452 161	551 753	471 839	44 741	390 363	394 899	(4 536)	-1.1%	471 839
Vote 5 - Directorate - Corporate Services		137 998	192 959	203 902	8 713	169 896	156 235	13 661	8.7%	203 902
Vote 6 - Directorate - Infrastructure Services		3 230 074	3 234 571	3 405 480	357 646	3 148 660	3 043 572	105 088	3.5%	3 405 480
Vote 7 - Directorate - Development Planning		229 830	333 338	264 136	20 124	211 133	235 164	(24 031)	-10.2%	264 136
Vote 8 - Directorate - Health / Public Safety & Emergency Services		297 183	321 998	343 771	31 701	339 539	303 614	35 925	11.8%	343 771
Vote 9 - Directorate - Municipal Services		649 970	602 596	676 507	74 156	691 551	590 801	100 750	17.1%	676 507
Vote 10 - Directorate - Economic Development		-	-	86 628	5 887	70 535	74 865	(4 330)	-5.8%	86 628
<b>Total Expenditure by Vote</b>	2	<b>5 464 435</b>	<b>5 905 692</b>	<b>5 942 379</b>	<b>576 052</b>	<b>5 389 924</b>	<b>5 226 788</b>	<b>163 135</b>	<b>3.1%</b>	<b>5 942 379</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>684 133</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>	<b>(393 426)</b>	<b>-49.3%</b>	<b>731 327</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 May 2017.

**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) - M11 May										
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		865 235	1 122 920	1 122 920	74 632	917 160	1 028 347	(111 187)	-11%	1 122 920
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		1 694 297	1 815 256	1 815 256	158 795	1 603 707	1 654 548	(50 841)	-3%	1 815 256
Service charges - water revenue		425 276	444 291	444 291	137 604	509 352	390 687	118 665	30%	444 291
Service charges - sanitation revenue		298 552	339 107	339 107	27 172	303 864	311 346	(7 481)	-2%	339 107
Service charges - refuse revenue		287 400	308 375	308 375	25 534	282 680	270 785	11 895	4%	308 375
Service charges - other		44 122	21 580	21 580	2 150	23 028	19 813	3 215	16%	21 580
Rental of facilities and equipment		16 583	20 045	20 045	2 180	13 823	15 957	(2 134)	-13%	20 045
Interest earned - external investments		154 775	143 844	143 775	12 310	136 963	136 315	649	0%	143 775
Interest earned - outstanding debtors		32 661	34 651	34 651	4 574	45 954	30 511	15 443	51%	34 651
Dividends received		–	–	–	–	–	–	–	–	–
Fines		5 594	8 385	8 385	1 727	9 074	7 758	1 316	17%	8 385
Licences and permits		12 612	13 958	13 958	1 558	12 499	13 141	(643)	-5%	13 958
Agency services		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		963 670	1 319 728	1 356 414	13 464	1 244 320	1 139 518	104 801	9%	1 356 414
Other revenue		646 513	314 898	314 698	25 978	241 652	302 830	(61 178)	-20%	314 698
Gains on disposal of PPE		500	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>5 447 791</b>	<b>5 907 039</b>	<b>5 943 457</b>	<b>487 678</b>	<b>5 344 075</b>	<b>5 321 556</b>	<b>22 519</b>	<b>0%</b>	<b>5 943 457</b>

**BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May**

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		1 352 201	1 531 068	1 506 068	135 018	1 524 699	1 424 388	100 311	7%	1 506 068
Remuneration of councillors		54 375	58 099	58 099	4 545	50 380	54 061	(3 681)	-7%	58 099
Debt impairment		210 111	303 865	303 865	25 322	278 543	279 624	(1 081)	0%	303 865
Depreciation & asset impairment		789 811	748 339	748 339	62 362	685 977	685 977	0	0%	748 339
Finance charges		54 878	57 105	52 105	4 088	39 427	50 192	(10 765)	-21%	52 105
Bulk purchases		1 427 318	1 521 587	1 526 587	109 487	1 383 795	1 418 788	(34 994)	-2%	1 526 587
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	22 486	38 960	3 816	32 913	35 713	(2 801)	-8%	38 960
Transfers and grants		237 321	288 468	306 068	126 371	362 780	264 426	98 354	37%	306 068
Other expenditure		1 338 420	1 374 944	1 402 287	105 043	1 031 411	1 013 618	17 792	2%	1 402 287
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 379</b>	<b>576 052</b>	<b>5 389 924</b>	<b>5 226 788</b>	<b>163 135</b>	<b>3%</b>	<b>5 942 379</b>
<b>Surplus/(Deficit)</b>		<b>(16 644)</b>	<b>1 078</b>	<b>1 078</b>	<b>(88 374)</b>	<b>(45 848)</b>	<b>94 768</b>	<b>(140 616)</b>	<b>(0)</b>	<b>1 078</b>
Transfers recognised - capital		670 394	848 269	730 249	33 920	450 625	703 435	(252 810)	(0)	730 249
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>653 750</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>			<b>731 327</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>653 750</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>			<b>731 327</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>653 750</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>			<b>731 327</b>
Share of surplus/ (deficit) of associate		30 383	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>684 133</b>	<b>849 347</b>	<b>731 327</b>	<b>(54 454)</b>	<b>404 776</b>	<b>798 202</b>			<b>731 327</b>

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

The explanation below pertains to all variances in excess of 10%.

### **7.4.1.1 Property rates**

The current rating tariff for vacant land is 3 times higher than the residential tariff, leading to reduction of revenue in most cases when a property is improved, as the value of the property will increase, whereas a lower rating factor is applied.

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

During the month of May 2017 an additional amount of R96.6m was raised in respect of free water provision to rural indigent customers for the period of 01 July 2016 to 30 April 2017. This was previously not accounted for as there were no bulk meters installed. During the month there was an increase in the urban billing component as additional actual readings were processed which resulted in the reversal of interim accounts whereby the actual consumption exceeded the interim consumptions.

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

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

- Availability charges
- Connection / Reconnection charges

The situation is however monitored on a monthly basis.

### **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 and debt collection actions that are implemented, the



primary contributing factor to the increase in interest earned from outstanding debtors is attributed to the non-payment by customers as a result of poor economic outlook and high unemployment rates.

#### **7.4.1.6 Fines**

The increase in revenue in terms of Traffic Fines can be attributed to the appointment of Total Client Services (service provider appointed by BCMM to assist with collection of fines), the use of the Automatic Number Plate Recognition system whereby offenders/vehicles are stopped if their vehicle is spotted with outstanding fines, the use of the sms system alerting offenders of their obligation to pay for outstanding fines, as well as an increase in operational activities such as road blocks and speed enforcements.

#### **7.4.1.7 Other revenue**

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, fire levy charges, market income, road & transport registration fees, cemetery & burial fees, etc.). The revenue items contributing to the material variance are the following:

- Transport fees: loss of revenue is due to reduced bus services, buses have been reduced from twenty-one (21) to five (5) as they were older than 20 years. A Section 78 Study on BCMM buses will be completed by July 2017, the purpose of the study is to assess whether the municipality should run or outsource the bus service.
- Commission - Market: the commission of the Market is depended on sales and is equivalent to 5% of sales generated. The prices at the Markets are driven by the invisible hand of demand and supply.
- Vehicle Registration Fees: loss of revenue can be attributed to the fact that licences and permits can be renewed at the Post Office and Provincial Traffic Department in Wilsonia.

#### **7.4.1.8 Finance charges**

The variance of 21 percent is a result of the two DBSA loans that are paid bi-

annually at the end of September and March of every year which is different from the rest of the other loans that are paid end of December and June of every year. An interest accrual of R5.6 million for the two DBSA loans will be raised at year end correcting the timing difference between the payment and the budget.

#### **7.4.1.9 Transfers and grants**

During the month of May 2017 an additional amount of R96.6m was accounted in respect of free water provision to rural indigent customers for the period of 01 July 2016 to 30 April 2017. This was previously not accounted for as there were no bulk meters installed.

#### **7.4.1.11 Repairs and Maintenance**

Table 6 below reflects that as at 31 May 2017, the repairs and maintenance expenditure is 73% of the adjusted budget of R418.61 million (2015/16: 74%). 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><u>2016/2017 Adjusted Budget</u> R</b>	<b><u>2016/2017 Annual Expenditure</u> R</b>	<b><u>2016/2017 Variance</u> R</b>	<b><u>2016/2017 % of Budget</u> %</b>
Directorate Of Executive Support Services	3 235 637	1 544 998	1 690 639	48%
Directorate Of The City Manager	134 478	14 278	120 200	11%
Directorate Of Corporate Services	6 540 381	3 306 489	3 233 892	51%
Directorate Of Spatial Planning and Development	28 357 088	17 919 486	10 437 602	63%
Directorate Of Economic Development & Agencies	1 180 627	806 207	374 420	68%
Directorate Of Finance	3 273 630	715 630	2 558 000	22%
Directorate Of Health / Public Safety & Emergency Services	6 195 492	3 200 302	2 995 190	52%
Directorate Of Human Settlement	108 421	102 623	5 798	95%
Directorate Of Infrastructure Services	331 976 103	244 287 682	87 688 421	74%
<i>Electricity</i>	126 668 926	101 357 109	25 311 817	80%
<i>Water</i>	47 248 367	41 659 656	5 588 711	88%
<i>Sanitation</i>	37 045 111	30 521 214	6 523 897	82%
<i>Other</i>	121 013 699	70 749 703	50 263 996	58%
Directorate Of Municipal Services	37 607 278	33 147 411	4 459 867	88%
<b>TOTAL</b>	<b>418 609 135</b>	<b>305 045 105</b>	<b>113 564 030</b>	<b>73%</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 - M11 May)**

Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		2 222	5 500	6 578	233	2 541	5 615	(3 073)	-55%	6 578
Vote 2 - Directorate - City Manager		5 142	17 522	78 822	261	49 869	51 595	(1 726)	-3%	78 822
Vote 3 - Directorate - Human Settlements		203 043	202 441	140 779	6 776	106 579	61 523	45 056	73%	140 779
Vote 4 - Directorate - Finance		2 034	10 600	18 798	73	737	10 833	(10 096)	-93%	18 798
Vote 5 - Directorate - Corporate Services		9 001	7 100	4 534	231	846	4 169	(3 323)	-80%	4 534
Vote 6 - Directorate - Infrastructure Services		818 247	887 671	870 932	62 385	609 273	681 943	(72 670)	-11%	870 932
Vote 7 - Directorate - Development Planning		66 629	230 290	191 432	9 376	42 377	113 958	(71 581)	-63%	191 432
Vote 8 - Directorate - Health / Public Safety & Emergency Services		4 810	30 032	29 765	1 663	3 590	27 621	(24 032)	-87%	29 765
Vote 9 - Directorate - Municipal Services		75 245	122 478	96 045	272	41 905	52 885	(10 980)	-21%	96 045
Vote 10 - Directorate - Economic Development		-	44 500	53 764	1 622	19 926	40 120	(20 194)	-50%	53 764
<b>Total Capital Multi-year expenditure</b>	4.7	<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</b>
<b>Total Capital Expenditure</b>		<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		<b>18 399</b>	<b>40 722</b>	<b>108 731</b>	<b>797</b>	<b>53 993</b>	<b>76 567</b>	<b>(22 574)</b>	<b>-29%</b>	<b>108 731</b>
Executive and council		7 364	23 022	85 400	494	52 411	60 137	(7 727)	-13%	85 400
Budget and treasury office		2 034	10 600	18 798	73	737	13 237	(12 500)	-94%	18 798
Corporate services		9 001	7 100	4 534	231	846	3 193	(2 347)	-73%	4 534
<b>Community and public safety</b>		<b>245 226</b>	<b>276 498</b>	<b>222 422</b>	<b>13 035</b>	<b>151 591</b>	<b>156 627</b>	<b>(5 036)</b>	<b>-3%</b>	<b>222 422</b>
Community and social services		14 751	23 300	30 226	3 816	20 426	21 285	(859)	-4%	30 226
Sport and recreation		22 622	20 725	21 651	780	20 996	15 246	5 750	38%	21 651
Public safety		4 810	30 032	29 765	1 663	3 590	20 960	(17 370)	-83%	29 765
Housing		203 043	202 441	140 779	6 776	106 579	99 135	7 444	8%	140 779
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>398 399</b>	<b>541 969</b>	<b>524 795</b>	<b>21 503</b>	<b>257 984</b>	<b>369 555</b>	<b>(111 571)</b>	<b>-30%</b>	<b>524 795</b>
Planning and development		66 629	274 790	245 196	10 998	62 303	172 664	(110 361)	-64%	245 196
Road transport		331 770	267 179	279 599	10 505	195 681	196 891	(1 210)	-1%	279 599
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>476 965</b>	<b>680 946</b>	<b>602 738</b>	<b>44 732</b>	<b>387 003</b>	<b>424 442</b>	<b>(37 439)</b>	<b>-9%</b>	<b>602 738</b>
Electricity		146 652	143 000	154 613	16 414	94 185	108 877	(14 691)	-13%	154 613
Water		116 452	87 500	155 541	11 962	134 097	109 530	24 566	22%	155 541
Waste water management		175 989	371 992	248 417	20 680	158 239	174 932	(16 694)	-10%	248 417
Waste management		37 872	78 454	44 168	(4 324)	483	31 103	(30 620)	-98%	44 168
<b>Other</b>		<b>47 384</b>	<b>18 000</b>	<b>32 762</b>	<b>2 823</b>	<b>27 071</b>	<b>23 071</b>	<b>4 001</b>	<b>17%</b>	<b>32 762</b>
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</b>
<b>Funded by:</b>										
National Government		596 567	741 969	715 886	33 809	446 606	504 119	(57 513)	-11%	715 886
Provincial Government		73 827	106 300	14 134	111	4 018	9 953	(5 935)	-60%	14 134
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	229	-	-	161	(161)	-100%	229
<b>Transfers recognised - capital</b>		<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>33 920</b>	<b>450 625</b>	<b>514 233</b>	<b>(63 609)</b>	<b>-12%</b>	<b>730 249</b>
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	69 582	-	-	-	-	-	-	(0)
<b>Internally generated funds</b>		515 979	640 283	761 199	48 971	427 019	536 028	(109 009)	-20%	761 199
<b>Total Capital Funding</b>		<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>82 891</b>	<b>877 644</b>	<b>1 050 262</b>	<b>(172 618)</b>	<b>-16%</b>	<b>1 491 448</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 R15.09 billion.

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

**BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May**

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>ASSETS</b>						
<b>Current assets</b>						
Cash		223 091	80 644	80 644	99 288	80 644
Call investment deposits		2 152 490	2 410 242	2 410 242	2 015 323	2 410 242
Consumer debtors		695 008	820 635	820 635	516 078	820 635
Other debtors		464 554	108 064	108 064	726 419	108 064
Current portion of long-term receivables		–	15	15	–	15
Inventory		36 030	106 480	106 480	47 584	106 480
<b>Total current assets</b>		<b>3 571 174</b>	<b>3 526 080</b>	<b>3 526 080</b>	<b>3 404 692</b>	<b>3 526 080</b>
<b>Non current assets</b>						
Long-term receivables		–	66	66	–	66
Investments		–	–	–	–	–
Investment property		342 030	485 540	485 540	342 030	485 540
Investments in Associate		112 292	90 099	90 099	112 292	90 099
Property, plant and equipment		12 885 962	13 447 560	13 380 874	13 078 262	13 380 874
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		85 956	25 080	25 080	85 948	25 080
Other non-current assets		69 018	82 676	82 676	69 018	82 676
<b>Total non current assets</b>		<b>13 495 258</b>	<b>14 131 021</b>	<b>14 064 335</b>	<b>13 687 549</b>	<b>14 064 335</b>
<b>TOTAL ASSETS</b>		<b>17 066 433</b>	<b>17 657 101</b>	<b>17 590 415</b>	<b>17 092 241</b>	<b>17 590 415</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		50 709	51 825	51 825	38 943	51 825
Consumer deposits		53 708	59 455	59 455	57 047	59 455
Trade and other payables		1 161 531	852 917	852 917	798 214	852 917
Provisions		174 863	166 958	166 958	191 830	166 958
<b>Total current liabilities</b>		<b>1 440 811</b>	<b>1 131 155</b>	<b>1 131 155</b>	<b>1 086 034</b>	<b>1 131 155</b>
<b>Non current liabilities</b>						
Borrowing		445 768	518 175	448 593	421 195	448 593
Provisions		498 372	659 099	659 099	498 372	659 099
<b>Total non current liabilities</b>		<b>944 139</b>	<b>1 177 274</b>	<b>1 107 692</b>	<b>919 566</b>	<b>1 107 692</b>
<b>TOTAL LIABILITIES</b>		<b>2 384 950</b>	<b>2 308 429</b>	<b>2 238 847</b>	<b>2 005 600</b>	<b>2 238 847</b>
<b>NET ASSETS</b>	2	<b>14 681 482</b>	<b>15 348 672</b>	<b>15 351 568</b>	<b>15 086 640</b>	<b>15 351 568</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		10 067 541	12 256 811	12 259 707	10 472 700	12 259 707
Reserves		4 613 941	3 091 861	3 091 861	4 613 941	3 091 861
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>14 681 482</b>	<b>15 348 672</b>	<b>15 351 568</b>	<b>15 086 640</b>	<b>15 351 568</b>

## 7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R260.97 million resulting in cash and cash equivalents closing balance of R2.11 billion as at May 2017. The net decrease in cash and cash equivalents can be attributed to the back pay on salaries' standardisation.

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

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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		865 235	1 038 701	1 038 701	70 414	798 021	952 143	(154 122)	-16%	1 038 701
Service charges		2 749 648	2 708 964	2 708 964	319 035	2 348 924	2 483 217	(134 293)	-5%	2 708 964
Other revenue		73 095	330 374	330 305	30 735	261 096	302 779	(41 683)	-14%	330 305
Government - operating		963 670	1 319 728	1 356 414	13 726	1 244 320	1 243 380	940	0%	1 356 414
Government - capital		670 394	848 269	730 249	-	704 273	669 395	34 878	5%	730 249
Interest		187 436	178 495	178 426	16 884	182 917	163 557	19 360	12%	178 426
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(3 822 207)	(4 430 013)	(4 534 446)	(380 087)	(4 484 333)	(4 156 575)	327 758	-8%	(4 534 446)
Finance charges		(54 878)	(57 113)	(52 105)	(4 088)	(39 427)	(47 763)	(8 336)	17%	(52 105)
Transfers and Grants		(237 321)	(288 468)	(303 624)	(126 371)	(362 780)	(278 322)	84 458	-30%	(303 624)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 395 072</b>	<b>1 648 938</b>	<b>1 452 884</b>	<b>(59 753)</b>	<b>653 012</b>	<b>1 331 811</b>	<b>678 799</b>	<b>51%</b>	<b>1 452 884</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		10 841	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(1 186 373)	(1 558 134)	(1 491 448)	(82 891)	(877 644)	(1 367 161)	(489 517)	36%	(1 491 448)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1 175 532)</b>	<b>(1 558 134)</b>	<b>(1 491 448)</b>	<b>(82 891)</b>	<b>(877 644)</b>	<b>(1 367 161)</b>	<b>(489 517)</b>	<b>36%</b>	<b>(1 491 448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	69 582	0	-	-	-	-	-	-
Increase (decrease) in consumer deposits		5 203	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		(49 702)	(51 825)	(51 825)	-	(36 339)	(47 506)	(11 167)	24%	(51 825)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(44 499)</b>	<b>17 757</b>	<b>(51 825)</b>	<b>-</b>	<b>(36 339)</b>	<b>(47 506)</b>	<b>(11 167)</b>	<b>24%</b>	<b>(51 825)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>175 041</b>	<b>108 561</b>	<b>(90 389)</b>	<b>(142 645)</b>	<b>(260 971)</b>	<b>(82 856)</b>			<b>(90 389)</b>
Cash/cash equivalents at beginning:		2 200 541	2 382 186	2 382 186		2 375 582	2 382 186			2 375 582
Cash/cash equivalents at month/year end:		2 375 582	2 490 747	2 291 798		2 114 611	2 299 330			2 285 193

## **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 - M11 May

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			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	62 415	25 144	25 420	22 029	25 202	23 672	80 634	236 311	500 827	387 849		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	111 874	16 578	9 629	4 651	3 384	3 537	14 566	26 340	190 580	52 479		
Receivables from Non-exchange Transactions - Property Rates	1400	68 886	26 525	19 413	16 262	14 810	14 327	93 227	315 500	568 949	454 126		
Receivables from Exchange Transactions - Waste Water Management	1500	21 631	8 240	5 649	4 902	4 520	4 302	29 867	119 192	198 302	162 783		
Receivables from Exchange Transactions - Waste Management	1600	16 764	8 426	6 347	5 848	5 572	5 425	37 552	161 159	247 093	215 557		
Receivables from Exchange Transactions - Property Rental Debtors	1700	74	70	74	67	67	67	492	3 503	4 413	4 196		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	6 581	3 721	3 229	3 046	3 151	2 892	18 763	108 858	150 242	136 710		
<b>Total By Income Source</b>	<b>2000</b>	<b>288 226</b>	<b>88 703</b>	<b>69 760</b>	<b>56 806</b>	<b>56 707</b>	<b>54 222</b>	<b>275 102</b>	<b>970 863</b>	<b>1 860 387</b>	<b>1 413 699</b>	<b>-</b>	<b>-</b>
<b>2015/16 - totals only</b>		<b>291 855</b>	<b>76 034</b>	<b>61 181</b>	<b>45 985</b>	<b>38 837</b>	<b>3 439</b>	<b>210 133</b>	<b>719 269</b>	<b>1 446 733</b>	<b>1 017 663</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	11 696	4 316	918	348	306	167	2 021	5 258	25 029	8 099		
Commercial	2300	150 869	27 086	21 183	14 803	12 895	11 373	66 094	198 546	502 850	303 711		
Households	2400	115 549	51 708	42 524	36 445	38 076	37 576	174 092	611 037	1 107 006	897 225		
Other	2500	10 112	5 592	5 134	5 210	5 430	5 106	32 896	156 022	225 502	204 664		
<b>Total By Customer Group</b>	<b>2600</b>	<b>288 226</b>	<b>88 703</b>	<b>69 760</b>	<b>56 806</b>	<b>56 707</b>	<b>54 222</b>	<b>275 102</b>	<b>970 863</b>	<b>1 860 387</b>	<b>1 413 699</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 R1.57 billion as at 31 May 2017 which is a decrease of R208.05 million over the amount of R1.78 billion as at 30 April 2017. However, it should be noted that an amount of R226.66 million was processed as write-off in the period under review having been approved by Council on 26 April 2017.

Despite credit control and debt collection actions that are implemented, the primary contributing factor to the increase in debtors and reduction in

collection rate can be attributed to the non-payment by customers as a result of the poor economic outlook and high unemployment rates.

Furthermore, the municipality is experiencing the following challenges, which have a negative impact in the collection ratio:

- Consumers, who are unable to pay, deliberately raise queries, so their accounts can be held in abeyance. When a query is logged, the account is flagged and protected against credit control action while the query is being investigated.
- Instability of the network, especially in the Mdantsane and King Williams Town areas, this continuously hampers the staff from attending to consumer accounts on time.
- Illegal connections and meter tampering is contributing to non-payment of services.

Revenue management has however embarked on implementing the following strategies in order to improve the collection rate:

- Effective implementation of disconnection of the electricity is being monitored and reviewed continuously;
- A Task Team within Revenue Management has been constituted to identify and to ensure that the consumer accounts in arrears are scrutinized with the intention of fast tracking collection of the debt, which will result in the reduction of the book debt;
- The Credit Control and Indigent Support Policy has been reviewed with the intention to implement strict controls over collection;
- Standard operating procedures have been reviewed and adopted which is currently being implemented;
- The Rates and Valuation are constantly checking whether properties are zoned correctly and subsequently raising the correct rates tariff.



## **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 May 2017. It also provides comparison with the previous month (30 April 2017) which indicates a decrease from R1.78 billion to R1.57 billion.

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

<b>AGEING</b>	<b>RATES</b>	<b>SEWERAGE</b>	<b>ELECTRICITY</b>	<b>WATER</b>	<b>REFUSE</b>	<b>SUNDRY DEBTORS</b>	<b>TOTAL FOR MAY 2017</b>	<b>TOTAL FOR APRIL 2017</b>
<b>30 DAYS</b>	26 524 501	8 239 715	16 577 986	25 143 672	8 425 894	3 790 908	88 702 678	108 305 852
<b>60 DAYS</b>	19 412 506	5 648 582	9 628 697	25 420 324	6 346 576	3 302 984	69 759 670	70 037 978
<b>90 DAYS</b>	16 261 913	4 901 930	4 651 098	22 029 370	5 847 950	3 113 324	56 805 584	62 745 133
<b>120 DAYS TO 360 DAYS</b>	122 363 257	38 689 396	21 487 088	129 508 472	48 549 948	25 432 549	386 030 710	411 700 327
<b>YEAR 2</b>	121 119 368	29 970 797	9 948 563	78 870 079	38 554 709	21 614 516	300 078 034	352 756 521
<b>YEAR 3</b>	90 131 188	20 609 491	5 556 066	47 069 864	26 762 131	19 457 735	209 586 474	230 558 944
<b>YEAR 4</b>	25 765 992	18 021 250	3 163 322	32 358 763	23 253 194	19 138 499	121 701 020	140 330 043
<b>YEAR 5</b>	19 737 029	13 111 124	2 271 320	19 830 678	17 567 311	14 524 795	87 042 257	100 800 786
<b>YEAR 5+</b>	58 746 822	37 479 477	5 401 152	58 181 284	55 021 290	37 624 752	252 454 777	302 970 655
<b>TOTAL</b>	<b>500 062 576</b>	<b>176 671 762</b>	<b>78 685 292</b>	<b>438 412 507</b>	<b>230 329 004</b>	<b>148 000 062</b>	<b>1 572 161 204</b>	<b>1 780 206 240</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 May 2017. 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>	43 460 257	33 158 517	28 668 392	795 337 885	900 625 051	<b>57.29</b>
<b>Indigent</b>	7 927 010	9 188 655	7 601 779	64 444 306	89 161 750	<b>5.67</b>
<b>Business</b>	27 086 013	21 183 247	14 802 975	288 908 164	351 980 400	<b>22.39</b>
<b>Government</b>	4 316 143	918 243	347 742	7 751 484	13 333 611	<b>0.85</b>
<b>Municipal Staff</b>	321 121	176 790	174 534	997 752	1 670 197	<b>0.11</b>
<b>Other</b>	5 592 134	5 134 217	5 210 162	199 453 682	215 390 195	<b>13.70</b>
<b>Total</b>	<b>88 702 678</b>	<b>69 759 669</b>	<b>56 805 584</b>	<b>1 356 893 273</b>	<b>1 572 161 204</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. Stop orders are only receipted on the billing system after the salary run and this now creates an impression that the accounts are in arrears as payment was receipted after the due date. Business Connexion (BCX) as the system vendor has been tasked to look into ways that can resolve the timing issue.

### 8.2.3. Government Accounts

The total arrears (30 days and above) owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 May 2017 amounted to R13.33 million. This indicates a decrease of R16.19 million when compared to the prior month amount of R29.52 million. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 May 2017.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 31 May 2017 and comparison with the previous month.

**Table 13: Analysis of Government Debtors**

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 MAY 2017	ARREARS AS AT 30 APRIL 2017	DIFFERENCE
National Department Of Public Works	522 280	53 348	575 628	9 657 805	(9 082 177)
Provincial Department Of Public Works	4 309	627 957	632 266	6 437 514	(5 805 248)
Department Of Education		1 467 412	1 467 412	1 794 659	(327 248)
Department Of Health		4 103 584	4 103 584	5 076 764	(973 180)
Department Of Social Development		606 472	606 472	245 814	360 658
Department Of Transport		4 268	4 268	2 134	2 134
Department Of Agriculture		0	0	13 150	(13 150)
Department Of Nature Conservation		10 895	10 895	5 448	5 448
Department of Human Settlements		10 184	10 184	5 586	4 598
Department of Labour - UIF Services		12 729	12 729	374 003	(361 274)
Members Of Provincial Legislature		98 149	98 149	139 389	(41 240)
Department of Rural Development and Land Reform		619 683	619 683	613 887	5 796
Department of Public Works and Department of Human Settlements in respect of RDP Houses		5 192 342	5 192 342	5 152 855	39 487
<b>TOTAL</b>	<b>526 589</b>	<b>12 807 023</b>	<b>13 333 611</b>	<b>29 519 007</b>	<b>16 185 395)</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 - M11 May

Description	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>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	115 500	-	-	-	-	-	-	-	115 500	84 169	
Bulk Water	0200	17 893	-	-	-	-	-	-	-	17 893	16 072	
PAYE deductions	0300	14 701	-	-	-	-	-	-	-	14 701	12 135	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	19 495	-	-	-	-	-	-	-	19 495	15 490	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	213 762	3 515	-	-	-	-	-	-	217 277	100 376	
Auditor General	0800	944	-	-	-	-	-	-	-	944	435	
Other	0900	38 045	-	-	-	-	-	-	-	38 045	114 702	
<b>Total By Customer Type</b>	<b>1000</b>	<b>420 339</b>	<b>3 515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423 854</b>	<b>343 380</b>	

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in May 2017.

**Table 15: Payments made to the 20 highest paid creditors – May 2017**

<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				115 499 521	115 499 521	115 499 521
AMATOLA WATER				17 892 707	17 892 707	17 892 707
MAZIYA GENERAL SERVICES				11 224 653	11 224 653	11 224 653
HAW & ENGLIS (PTY) LTD				9 549 203	9 549 203	9 549 203
EYA BANTU PROFESSIONAL SERVICES CC				9 216 994	9 216 994	9 216 994
T V R CONSTRUCTION				8 952 274	8 952 274	8 952 274
CZAR CONSTRUCTION				7 171 968	7 171 968	7 171 968
MANTELLA TRADING 522CC				6 632 936	6 632 936	6 632 936
S A M E WATER (PTY) LTD				5 763 892	5 763 892	5 763 892
ABERDARE CABLES (PTY) LTD				4 891 112	4 891 112	4 891 112
DOWN TOUCH INVESTMENTS (PTY) LTD				4 762 601	4 762 601	4 762 601
MVEZO PLANT & CIVILS CC				3 856 592	3 856 592	3 856 592
AMANZ ABANTU SERVICES (PTY) LTD			3 515 477		3 515 477	3 515 477
NEW AGE FLEET MAINTENANCE CC T/A FLEET DYNAMICS				3 175 746	3 175 746	3 175 746
M W P CONSTRUCTION CC				3 034 999	3 034 999	3 034 999
MOTHEO / MPUMALANGA JOINT VENTURE				2 911 008	2 911 008	2 911 008
AMABHAYI CONTRACTORS				2 903 270	2 903 270	2 903 270
MTIMA PLUMBING SERVICES				2 750 228	2 750 228	2 750 228
C & M FASTNERS CC				2 678 792	2 678 792	2 678 792
INTERWASTE				2 530 874	2 530 874	2 530 874
<b>TOTAL</b>	-	-	3 515 477	225 399 367	228 914 844	228 914 844

## 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 - M11 May**

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	277	2.5%	50 233	277	50 510
Absa 91 2884 4539		Call Account	Call Account	Call Account	5	0.0%	936	(214)	722
Standard 422 742		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 4102 2241		Call Account	Call Account	Call Account	50	0.4%	9 180	(45)	9 135
Absa 91 4163 6965		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 5484 1280		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	52	0.5%	9 419	(95)	9 323
Standard 76586/442740		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 92 0562 2137		Call Account	Call Account	Call Account	9	0.1%	853	9	862
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	87	0.8%	15 801	87	15 888
Stanlib 551 660 303		Call Account	Call Account	Call Account	208	1.8%	36 963	(9 757)	27 206
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	8	0.1%	1 376	8	1 383
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	6	0.1%	1 086	6	1 092
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	49	0.4%	8 873	49	8 922
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	44	0	44
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	4	0.0%	1 082	(583)	499
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	182	1	183
Absa 92 2975 5568		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 9360 7257		Call Account	Call Account	Call Account	6	0.1%	1 049	6	1 055
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	263	1	264

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May**

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	432	3.8%	78 281	432	78 713
Stanlib 551 989 180		Call Account	Call Account	Call Account	261	2.3%	39 909	261	40 171
Absa 92 2590 9850		Call Account	Call Account	Call Account	6	0.1%	1 034	6	1 039
Stanlib 551 539 764		Call Account	Call Account	Call Account	13	0.1%	1 954	13	1 967
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	–	0.0%	0	–	0
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 692	9	1 701
Standard 76586/442743		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 742 405		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	253	2.2%	63 634	(38 228)	25 406
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	383	3.4%	85 942	(29 855)	56 087
Standard 76586/442745		Call Account	Call Account	Call Account	280	2.5%	64 416	(24 720)	39 696
Absa 92 6406 3148		Call Account	Call Account	Call Account	613	5.4%	141 720	(55 387)	86 333
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	30	0.3%	5 886	(1 685)	4 201
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	145	1	146
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	493	3	496
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	2	0.0%	363	2	365
Standard 76586/494573		Call Account	Call Account	Call Account	34	0.3%	6 147	(34)	6 113
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	3	0.0%	535	3	538

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May**

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><u>Municipality</u></b>									
Nedbank 03/7881532939/000134		Call Account	Call Account	Call Account	191	1.7%	35 093	(1 054)	34 039
Stanlib 753 72 270		Call Account	Call Account	Call Account	356	3.2%	54 347	356	54 702
Stanlib 551 353 708		Call Account	Call Account	Call Account	7	0.1%	1 103	7	1 111
Standard 76586/442736		Call Account	Call Account	Call Account	253	2.2%	45 038	25 253	70 291
Stanlib 753 72 271		Call Account	Call Account	Call Account	415	3.7%	63 422	415	63 837
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	275	2.4%	48 791	31 275	80 066
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	225	2.0%	39 606	34 225	73 831
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 155	10.2%	209 294	1 155	210 449
Absa 92 2110 3430		Call Account	Call Account	Call Account	1 005	8.9%	181 958	1 005	182 962
Standard 76586/442741		Call Account	Call Account	Call Account	184	1.6%	33 419	184	33 603
Standard 76586/442744		Call Account	Call Account	Call Account	165	1.5%	29 883	165	30 048
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	298	2.6%	54 020	298	54 318
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	266	2.4%	48 178	266	48 444
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	1 735	15.4%	314 239	1 735	315 973
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	900	8.0%	162 953	900	163 853
Standard 76586/470801		Call Account	Call Account	Call Account	749	6.6%	135 712	749	136 461
Standard 76586/442738		Call Account	Call Account	Call Account	14	0.1%	2 538	14	2 552
<b>Municipality sub-total</b>					<b>11 278</b>		<b>2 089 083</b>	<b>(62 482)</b>	<b>2 026 601</b>
<b><u>Reconciling item</u></b>									
					-		-	-	
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>11 278</b>		<b>2 089 083</b>	<b>(62 482)</b>	<b>2 026 601</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(1) Monthly Budget Statement – transfers and grants expenditure**

**BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May**

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>		<b>763 536</b>	<b>1 174 961</b>	<b>1 193 311</b>	<b>13 524</b>	<b>1 175 623</b>	<b>1 184 554</b>	<b>(8 931)</b>	<b>-0.8%</b>	<b>1 193 311</b>
Local Government Equitable Share		655 141	678 197	678 197	–	678 197	678 197	–	–	678 197
Urban Settlement Development Grant		98 783	75 445	88 745	11 761	78 150	81 350	(3 200)	-3.9%	88 745
Finance Management		1 194	1 200	1 250	502	1 084	1 146	(62)	-5.4%	1 250
EPWP Incentive		1 034	1 188	1 188	–	854	1 089	(235)	-21.5%	1 188
Infrastructure Skills Development Grant		4 186	8 900	8 900	1 032	5 729	8 158	(2 429)	-29.8%	8 900
Public Transport Infrastructure and Systems Grant		–	–	5 000	228	1 578	4 583	(3 005)	-65.6%	5 000
Department of Public Works		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant		3 198	–	–	–	–	–	–	–	–
General Fuel Levy		–	410 031	410 031	–	410 031	410 031	–	–	410 031
<b>Provincial Government:</b>		<b>197 710</b>	<b>141 272</b>	<b>162 289</b>	<b>2 680</b>	<b>88 802</b>	<b>149 603</b>	<b>(60 801)</b>	<b>-40.6%</b>	<b>162 289</b>
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		3 130	–	–	–	–	–	–	–	–
Health Subsidy - ATIC		–	–	–	–	–	–	–	–	–
DSRAC - Library Subsidy		9 638	15 000	15 000	–	15 000	15 000	–	–	15 000
Reclaim Land Claims Commission(RLCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		30	–	–	–	–	–	–	–	–
Department of Public Works		–	2 470	2 470	314	1 829	1 852	(23)	-1.2%	2 470
Human Settlement Development Grant		184 186	123 802	144 819	2 366	71 973	132 751	(60 778)	-45.8%	144 819
Dept of Land Affairs		727	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>262</b>	<b>–</b>	<b>262</b>	<b>#DIV/0!</b>	<b>–</b>
Health Subsidy - Environmental Health		–	–	–	–	262	–	262	#DIV/0!	–
<b>Other grant providers:</b>		<b>2 424</b>	<b>3 496</b>	<b>815</b>	<b>–</b>	<b>2 935</b>	<b>2 655</b>	<b>280</b>	<b>10.5%</b>	<b>815</b>
SETA - Skills Development		2 309	–	–	–	2 935	–	2 935	#DIV/0!	–
Donor Funding - Leiden & Galve		–	–	229	–	–	2 118	(2 118)	-100.0%	229
Salaida		–	–	–	–	–	–	–	–	–
Transnet		–	3 000	–	–	–	–	–	–	–
Trust Funds		–	–	–	–	–	–	–	–	–
Umsobomvu Youth Fund		116	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	–	–	–	–	–	–	–
Donor Funding - European Commission		–	–	–	–	–	–	–	–	–
City of Oldenburg		–	496	496	–	–	454	(454)	-100.0%	496
Vuna Awards		–	–	90	–	0	82	(82)	-100.0%	90
<b>Total operating expenditure of Transfers and Grants:</b>		<b>963 670</b>	<b>1 319 728</b>	<b>1 356 414</b>	<b>16 204</b>	<b>1 267 622</b>	<b>1 336 812</b>	<b>(69 190)</b>	<b>-5.2%</b>	<b>1 356 414</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>596 567</b>	<b>741 969</b>	<b>715 886</b>	<b>33 809</b>	<b>446 606</b>	<b>656 228</b>	<b>(209 622)</b>	<b>-31.9%</b>	<b>715 886</b>
Urban Settlement Development Grant		576 870	656 054	642 754	33 792	437 001	589 191	(152 191)	-25.8%	642 754
Infrastructure Skills Development Grant		88	100	100	–	27	92	(65)	-70.5%	100
Energy Efficiency and Demand Management		3 998	–	–	–	–	–	–	–	–
Public Transport Network Grant		–	35 289	30 289	–	–	27 765	(27 765)	-100.0%	30 289
Neighbourhood Development Partnership		–	19 346	–	–	–	–	–	–	–
Integrated National Electrification Programme		10 517	25 000	36 613	–	9 560	33 562	(24 002)	-71.5%	36 613
Finance Management		102	100	50	18	19	46	(27)	-58.3%	50
Integrated City Development Grant		4 908	6 080	6 080	–	–	5 573	(5 573)	-100.0%	6 080
Municipal Human Settlement Capacity Grant		83	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>73 827</b>	<b>106 300</b>	<b>13 647</b>	<b>111</b>	<b>4 018</b>	<b>12 509</b>	<b>(8 491)</b>	<b>-67.9%</b>	<b>13 647</b>
Human Settlement Development Grant		70 224	106 300	–	–	–	–	–	–	–
Human Settlement Development Grant - MPCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		3 603	–	4 411	111	4 018	4 044	(25)	-0.6%	4 411
Dept of Local Government and Traditional Affairs		–	–	9 036	–	–	8 283	(8 283)	-100.0%	9 036
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	199	–	–	183	(183)	-100.0%	199
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>716</b>	<b>–</b>	<b>–</b>	<b>4 719</b>	<b>(4 719)</b>	<b>-100.0%</b>	<b>716</b>
Public Funding		–	–	–	–	–	–	–	–	–
European Commission		–	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	487	–	–	4 509	–	–	487
Lieden		–	–	229	–	–	210	(210)	-100.0%	229
<b>Total capital expenditure of Transfers and Grants</b>		<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>33 920</b>	<b>450 625</b>	<b>673 457</b>	<b>(222 833)</b>	<b>-33.1%</b>	<b>730 249</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 634 064</b>	<b>2 167 997</b>	<b>2 086 663</b>	<b>50 124</b>	<b>1 718 246</b>	<b>2 010 269</b>	<b>(292 023)</b>	<b>-14.5%</b>	<b>2 086 663</b>

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

The Metro has spent 73% (R602.09 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 31 May 2017. This reflects a slight regression when compared to the same period in the previous financial year where 75% (R618.53 million, inclusive of reclaimed of vat) of conditional grants mid-year adjusted budget of R824.34 million was spent. Expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage.

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</b>	<b>2016/2017 Rollover Adjustment Budget</b>	<b>YTD Expenditure (incl. VAT)</b>	<b>Variance (incl. VAT)</b>	<b>% Expenditure (incl. VAT)</b>
Integrated National Electrification Programme Grant	36 612 579	9 658 394	26 954 185	26%
Finance Management Grant	1 300 000	1 105 821	194 179	85%
Infrastructure Skills Development Grant	9 000 000	5 923 420	3 076 580	66%
Urban Settlement Development Grant	731 499 000	582 749 776	148 749 224	80%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Expanded Public Works Programme Grant	1 188 000	855 768	332 232	72%
Public Transport Network Grant	35 289 000	1 799 233	33 489 767	5%
<b>TOTAL CONDITIONAL GRANTS</b>	<b>820 968 579</b>	<b>602 092 412</b>	<b>218 876 167</b>	<b>73%</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 following contracts are planned for the 2016/17 financial year:

<b>AREA</b>	<b>CONNECTIONS</b>
Buffer Strip Mdantsane Households	550
Chicken Farm Households	475
Fynbos/Scenery Park Households	550
Infills Households	50

The INEP funding is utilised to fund the above mentioned electrification programme. The Department of Electricity is currently having tenders that are still being evaluated. It is highly likely these contracts will be awarded prior to financial year end and a roll-over will be requested as funds will be committed. Fifty (50) connections have been completed for infills households.

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

Spending is progressive as current six interns have been remunerated accordingly. Three interns have been appointed effective from 01 November 2016 in addition to the six that were already appointed. An amount of R312 000 has been paid in May 2017 for a training in Municipal Finance Management Programme (MFMP) that is attended by three interns and three finance officials. The remaining funding will be fully utilised at year end.

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

The funding is only being used to pay the interns stipends as well as mentor salaries. Previously there were eleven (11) interns in the program together with 2 external mentors. Nine (9) additional interns started on 01 December 2016 and their stipends have increased expenditure. Four (4) additional mentors were appointed effective from 01 April 2017 and expenditure increased thereof. Journals for the stipend and salaries for the month of May 2017 totaling up to R499 191.81 were submitted late and will reflect in June 2017 reporting. The finalization of the contract and implementation of the two (2) ISDG training programs is being accelerated and this will improve the expenditure.

#### **11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)**

Currently awaiting for finalisation of the approval by the bid committee for the rehabilitation of Oxford Street. The scope of work is milling, patching and overlaying of Oxford Street.

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

##### **INFRASTRUCTURE SERVICES**

###### **Sanitation**

The extended time period to award the Reeston waste water treatment works contract resulted in the slow progress in the expenditure as the project commenced on 7 October 2016. The multi-year project for the upgrading of the Zwelithsa waste water treatment works contract is ongoing.

###### **Electricity**

Three (3) of the six (6) electrification projects have been completed, those being SOGA, Mount Ruth Change Overs and Fynbos Buffalo Flats. Slovo Park, Andrew Malangeni and Nazo Park 2 are expected to be completed during June 2017.

##### **SPATIAL PLANNING & DEVELOPMENT**

###### **KwaTshathsu Pedestrian Bridge**

Tender was awarded on 22 November 2016 and construction commenced on 06 March 2017; the project would be approximately 90% completed by end June 2017.

###### **Needs Camp / Potsdam Bridge**

The construction tender was awarded on the 09 December 2016. One of the losing bidders contested the award and recently withdrew. Construction was meant to commence late in April 2017 but due to the Department of Labour delaying to issue a construction permit, the contractor can only commence once this permit has been issued.

###### **Traffic calming measures**

Traffic calming measures tender is in the procurement processes. Tender is expected to be awarded not later than end June 2017.

### **Traffic signals**

Service Providers have been appointed to assess intersection controls that need improvement. Once the studies are completed, implementation will then be undertaken by means of acquiring materials and installing traffic signals at Amalinda (SPCA & Amalinda Stadium intersection) and Dice and Mdantsane Access Road intersections. Count Down signals will also be installed in the East London and King Williams Town Central Business District (CBD).

### **Sidewalks**

There were delays in the evaluation of the contract at Bid Evaluation Committee (BEC). An annual contract is currently being used for concrete works.

### **ECONOMIC DEVELOPMENT AND AGENCIES**

The Upgrading of the Market project is being implemented by an annual contractor that is currently on site. The contractors are currently on site and progressing well with work. The invoices that were submitted have been settled and the department is now waiting for the contractors to submit invoices for the other stages of completion.

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

The Construction of King William's Town Traffic Centre tender was awarded on the 27<sup>th</sup> February 2017. Sod Turning ceremony took place on the 5 April 2017 and site Construction is in progress & contractor is at foundation stage.

### **MUNICIPAL SERVICES**

The contractor is on site for the construction of Cell 3 and 4 for Roundhill landfill site and the project is progressing well .

#### **11.1.5.1. PUBLIC TRANSPORT NETWORK GRANT**

##### **Transport Register**

Meetings were held with Taxi Associations so that preparation for Data Collections can proceed. Data Collection resumed in February 2017 and is expected to be completed in June 2017 and this will provide almost 50% expenditure of the project with the balance of the work being undertaken on the assessment and reporting of the data.

##### **Operational plan review of integrated rapid public transport network**

The tender is currently in the procurement process and is anticipated to be awarded in June 2017.

##### **Qumza Highway**

The tender for the Construction of Qumza Highway is currently in the procurement processes and is anticipated to be awarded in June 2017.

##### **Development and Upgrading of Public Transport Facilities in KWT**

The contractor started construction in January 2017 and building works is progressing well.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration. The workforce costs as a percentage of expenditure amounted to 29.22%.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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>										
Basic Salaries and Wages		30 991	33 999	33 999	2 618	29 522	31 636	(2 114)	-7%	33 999
Pension and UIF Contributions		3 306	3 495	3 495	315	3 086	3 252	(166)	-5%	3 495
Medical Aid Contributions		1 783	1 987	1 987	161	1 551	1 849	(297)	-16%	1 987
Motor Vehicle Allowance		11 682	13 412	13 412	1 063	11 494	12 480	(986)	-8%	13 412
Cellphone Allowance		2 147	2 279	2 279	191	2 119	2 120	(2)	0%	2 279
Housing Allowances		2 847	2 927	2 927	197	2 608	2 724	(116)	-4%	2 927
Other benefits and allowances		1 620	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>54 375</b>	<b>58 099</b>	<b>58 099</b>	<b>4 545</b>	<b>50 380</b>	<b>54 061</b>	<b>(3 681)</b>	<b>-7%</b>	<b>58 099</b>
<b>% increase</b>	4		<b>6.8%</b>	<b>6.8%</b>						<b>6.8%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5 998	12 192	12 192	419	4 779	11 342	(6 563)	-58%	12 192
Pension and UIF Contributions		1 166	2 216	2 216	81	906	2 062	(1 155)	-56%	2 216
Medical Aid Contributions		136	262	262	14	133	244	(110)	-45%	262
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 370	2 630	2 630	94	1 050	2 447	(1 397)	-57%	2 630
Cellphone Allowance		195	414	414	10	124	386	(262)	-68%	414
Housing Allowances		1	-	-	-	-	-	-	-	-
Other benefits and allowances		1 551	2 202	2 202	110	1 295	2 048	(753)	-37%	2 202
Payments in lieu of leave		885	-	-	-	-	-	-	-	-
Long service awards		(1)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>11 300</b>	<b>19 916</b>	<b>19 916</b>	<b>728</b>	<b>8 287</b>	<b>18 528</b>	<b>(10 241)</b>	<b>-55%</b>	<b>19 916</b>
<b>% increase</b>	4		<b>76.2%</b>	<b>76.2%</b>						<b>76.2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		788 780	913 258	888 258	80 594	952 383	849 625	102 759	12%	888 258
Pension and UIF Contributions		146 210	174 823	174 823	15 182	165 035	162 642	2 393	1%	174 823
Medical Aid Contributions		60 245	81 759	81 759	6 745	67 963	76 063	(8 099)	-11%	81 759
Overtime		121 192	72 218	72 218	12 431	120 103	67 186	52 916	79%	72 218
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		20 565	30 051	30 051	2 042	22 072	27 958	(5 886)	-21%	30 051
Cellphone Allowance		3 967	3 884	3 884	339	3 404	3 613	(209)	-6%	3 884
Housing Allowances		11 858	14 767	14 767	881	8 965	13 738	(4 773)	-35%	14 767
Other benefits and allowances		136 219	179 077	179 077	14 375	155 921	166 599	(10 678)	-6%	179 077
Payments in lieu of leave		33 749	16 209	16 209	-	1 387	15 079	(13 693)	-91%	16 209
Long service awards		18 114	18 925	18 925	1 695	19 110	17 606	1 504	9%	18 925
Post-retirement benefit obligations		-	6 181	6 181	6	69	5 750	(5 682)	-99%	6 181
<b>Sub Total - Other Municipal Staff</b>		<b>1 340 901</b>	<b>1 511 153</b>	<b>1 486 153</b>	<b>134 290</b>	<b>1 516 412</b>	<b>1 405 860</b>	<b>110 552</b>	<b>8%</b>	<b>1 486 153</b>
<b>% increase</b>	4		<b>12.7%</b>	<b>10.8%</b>						<b>10.8%</b>
<b>Total Parent Municipality</b>		<b>1 406 576</b>	<b>1 589 167</b>	<b>1 564 167</b>	<b>139 563</b>	<b>1 575 079</b>	<b>1 478 449</b>	<b>96 630</b>	<b>7%</b>	<b>1 564 167</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>1 406 576</b>	<b>1 602 436</b>	<b>1 577 436</b>	<b>139 563</b>	<b>1 575 079</b>	<b>1 478 449</b>	<b>96 630</b>	<b>7%</b>	<b>1 577 436</b>
<b>% increase</b>	4		<b>13.9%</b>	<b>12.1%</b>						<b>12.1%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>1 352 201</b>	<b>1 544 233</b>	<b>1 519 233</b>	<b>135 018</b>	<b>1 524 699</b>	<b>1 424 388</b>	<b>100 311</b>	<b>7%</b>	<b>1 519 233</b>

## 12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 May 2017. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 May 2017.

**Table 20: Overtime per Directorate**

Directorate Overtime	2016/2017 Adjusted 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	1 501 648	3 244 103	(1 742 455)	216%
Directorate Of The City Manager	310 477	284 604	289 680	(5 076)	102%
Directorate Of Corporate Services	597 129	547 368	923 979	(376 611)	169%
Directorate Of Spatial Planning & Development	623 454	571 500	322 145	249 355	56%
Directorate Of Economic Development & Agencies	468 800	429 733	333 517	96 216	78%
Directorate Of Finance	1 358 753	1 245 524	2 262 452	(1 016 928)	182%
Directorate Of Health / Public Safety & Emergency Services	24 680 251	22 623 563	35 859 362	(13 235 798)	159%
Directorate Of Human Settlement	101 931	93 437	1 180	92 256	1%
Directorate Of Infrastructure Services	17 131 302	15 703 694	34 396 524	(18 692 831)	219%
<i>Electricity</i>	7 741 181	7 096 083	11 526 023	(4 429 941)	162%
<i>Water</i>	3 352 141	3 072 796	12 669 180	(9 596 385)	412%
<i>Sanitation</i>	4 954 818	4 541 917	9 256 907	(4 714 991)	204%
<i>Other</i>	1 083 162	992 899	944 413	48 485	95%
Directorate Of Municipal Services	20 279 324	18 589 380	42 469 710	(23 880 330)	228%
<b>Total</b>	<b>67 189 582</b>	<b>61 590 450</b>	<b>120 102 652</b>	<b>(58 512 202)</b>	<b>195%</b>



**Table 21: Overtime Per Cost Centre: March 2017 – May 2017**

**OVERTIME PER COST CENTRE**

		March 2017 Amount	April 2017 Amount	May 2017 Amount
	<b>Directorate -Executive Support Services</b>			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	223 290.09	286 454.22	275 710.40
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	14 936.53	14 180.17	25 272.24
0523	IDP & BUDGET INTEGRATION	5 864.79	6 016.56	1 143.29
0526	IEMP & SUSTAINABLE DEVELOPMENT	-	-	756.30
0531	POLITICAL OFFICE ADMINISTRATION	18 657.63	503.76	39 852.65
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	22 881.10	16 931.67	8 720.31
0542	SPECIAL PROGRAMMES	-	-	7 497.44
		<b>285 630.14</b>	<b>324 086.38</b>	<b>358 952.63</b>
	<b>DIRECTORATE OF THE CITY MANAGER</b>			
1005	OFFICE OF THE CITY MANAGER	30 133.17	29 203.74	34 993.44
1015	INFORMATION / TECHNOLOGY & SUPPORT	17 734.73	17 897.29	21 731.07
1041	GOVERNANCE & INTERNAL AUDITING	6 690.28	-	-
		<b>54 558.18</b>	<b>47 101.03</b>	<b>56 724.51</b>
	<b>DIRECTORATE OF CORPORATE SERVICES</b>			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	6 894.88	22 471.49	25 290.94
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	39 651.38	40 571.66	37 810.08
1531	HUMAN RESOURCES MANAGEMENT	58 764.85	-	-
1532	ADMINISTRATIVE SUPPORT	2 950.42	8 851.26	8 851.26
1533	EMPLOYEE RELATIONS	-	6 511.66	-
1536	ORGANISATIONAL DEVELOPMENT	334.74	1 163.68	-
1537	RECRUITMENT & SELECTION	-	-	-
		<b>108 596.27</b>	<b>79 569.75</b>	<b>71 952.28</b>
	<b>DIRECTORATE OF SPATIAL PLANNING AND DEVELOPMENT</b>			
2023	BUILDING MAINTENANCE	-	14 960.86	-
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	4 952.97	9 192.76	5 782.56
2037	TRAFFIC MANAGEMENT & SAFETY	13 944.34	12 738.26	6 271.42
2040	GM - URBAN & RURAL REGENERATION	18 897.31	-	-
		<b>18 897.31</b>	<b>36 891.88</b>	<b>12 053.98</b>

		March 2017 Amount	April 2017 Amount	May 2017 Amount
	<b>DIRECTORATE OF ECONOMIC DEVELOPMENT &amp; AGENCIES</b>			
2511	FRESH PRODUCE MARKET	11 204.40	19 113.05	248.12
2521	TOURISM / ARTS / CULTURE & HERITAGE	-	47 772.66	-
2531	TRADE / INDUSTRY & RURAL AGRARIAN	-	7 713.24	-
		<b>11 204.40</b>	<b>74 598.95</b>	<b>248.12</b>
	<b>DIRECTORATE OF FINANCE</b>			
3011	BUDGET & TREASURY MANAGEMENT	1 630.76	652.30	-
3031	EXPENDITURE & PAYMENTS MANAGEMENT	5 498.41	9 750.93	-
3033	PAYROLL & BENEFITS	2 833.82	-	-
3034	VAT / LEASES & PAYMENTS	2 510.74	-	-
3051	REVENUE MANAGEMENT	17 222.64	3 860.91	6 524.08
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	85 010.80	108 576.04	141 315.66
3053	COASTAL REVENUE MANAGEMENT	33 393.94	33 974.71	34 562.43
3061	STRATEGY & OPERATIONS	4 110.00	2 520.70	2 520.70
3071	SUPPLY CHAIN MANAGEMENT	3 182.78	3 910.62	16 759.28
		<b>155 393.89</b>	<b>163 246.21</b>	<b>201 682.15</b>
	<b>DIRECTORATE OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>			
3511	EMERGENCY SERVICES	1 783.98	-	-
3512	DISASTER MANAGEMENT	7 519.26	7 598.90	1 500.82
3513	FIRE & RESCUE	322 721.30	378 674.26	1 165 185.40
3521	MUNICIPAL HEALTH SERVICES	2 164.99	9 198.27	16 371.61
3531	PUBLIC SAFETY & PROTECTION SERVICES	43 013.43	63 269.14	43 775.94
3532	LAW ENFORCEMENT SERVICES	1 237 965.47	1 488 327.91	2 368 026.53
3533	TRAFFIC SERVICES	298 685.74	439 741.31	422 271.94
		<b>1 913 854.17</b>	<b>2 386 809.79</b>	<b>4 017 132.24</b>
	<b>DIRECTORATE OF INFRASTRUCTURE SERVICES</b>			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	2 099.69	2 757.19	1 166.49
4511	ELECTRICAL & ENERGY SERVICES	5 295.62	12 575.25	1 536.78
4512	CUSTOMER SERVICES & REVENUE PROTECTION	75 608.05	88 026.62	95 728.13
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	4 994.61	3 859.15	3 043.02
4514	ELECTRICAL DISTRIBUTION	806 392.20	1 264 111.11	958 635.42
4524	ROADS	5 945.83	12 510.42	19 119.31
4532	SANITATION	678 436.50	798 198.59	933 839.18
4533	SCIENTIFIC SERVICES	8 712.28	-	12 751.61

		March 2017 Amount	April 2017 Amount	May 2017 Amount
4535	WATER SERVICES	977 760.44	1 128 020.81	1 127 331.96
4542	FLEET SERVICES & PLANT	3 983.39	23 499.98	5 250.82
4543	WORKSHOPS	47 848.86	48 209.15	56 186.50
		<b>2 617 077.47</b>	<b>3 381 768.27</b>	<b>3 214 589.22</b>
	<b>DIRECTORATE OF MUNICIPAL SERVICES</b>			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	27 340.16	20 238.77	24 815.19
5011	COMMUNITY AMENITIES	7 264.64	21 849.55	24 388.15
5013	LIBRARIES	491.93	90 396.16	37 334.16
5014	HALLS	46 898.44	262 132.19	195 459.70
5015	RECREATION	425 647.32	467 283.76	577 080.89
5016	SPORTS FACILITIES	243 379.60	247 519.69	207 959.25
5021	PARKS / CEMETRIES & CONSERVATION	980.79	-	-
5022	CEMETRIES & CREMATORIA	260 357.11	260 746.35	293 882.71
5023	CONSERVATION	112 971.63	123 180.44	155 668.17
5024	PARKS: COASTAL	985 715.82	1 102 069.74	420 000.87
5031	SOLID WASTE MANAGEMENT	14 429.63	11 036.42	15 082.49
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 530 388.41	1 688 595.11	1 660 917.53
5035	LANDFILLS & TRANSFER STATIONS	105 117.33	121 380.43	134 000.60
		<b>3 760 982.81</b>	<b>4 416 428.61</b>	<b>3 746 589.71</b>
	<b>TOTAL OVERTIME</b>	<b>8 926 194.64</b>	<b>10 910 500.87</b>	<b>11 679 924.84</b>

### 12.2.1. Comments On Overtime

#### a) Directorate of Executive Support Services

The over expenditure is due to the respective political office's Bodyguards having to work extended overtime and night shifts. Furthermore, Public Participation (Political Office) unit staff had to work overtime due to loudhailing done after business hours and on weekends and also attending IDP/Budget Hearings.

#### b) City Managers Office

The over expenditure on overtime was due to the year end procedures that were undertaken 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 outside the normal operating

hours.

**d) Directorate of Finance**

A large portion of the over expenditure was due to Financial Reporting and Supply Chain Management officials having to work overtime in order to meet the deadlines for the submission of Requests for Information (RFI's) to the Auditor General (AGSA). Furthermore, in the month of April 2017 staff worked emergency overtime due to the implementation of credit control policy to BCMM consumers for all three regions. Coastal region consumer support staff had to attend to all consumers that were being disconnected and blocked due to network challenges that were experienced in Midland and Inland regions. This resulted in extended hours being worked by coastal staff. In the month of May 2017 some staff attended the IDP/budget roadshows.

**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 illegal connections 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 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. Health Officials attended events to ensure health compliance regarding catering, vendors and toilet facilities and measuring of noise levels at place of entertainment following complaints. Big events were held where presence of Health officials was most vital, eg Africa Bike Week and BCMM Easter Festival Buffalo Park Stadium in April.

#### **g) Directorate of Municipal Services**

Overtime is linked to hall usage, the staff working overtime are halls staff. Most bookings occur after hours or over weekends which results in overtime. This is a service to the public and it is therefore essential that the overtime is worked.

The Department of Solid Waste Management is experiencing a shortage of trucks due to mechanical problems and a shortage of staff. The department is forced to allow workers to work after hours in order to curb the backlogs in certain 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 past three months ended 31 May 2017. There was an increase in the total payment between March 2017 and April 2017 of R288 335 and a decrease in the total payment between April 2017 and May 2017 of R97 265.

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

	<b>MARCH 2017</b>	<b>APRIL 2017</b>	<b>MAY 2017</b>
Directorate of Executive Support Services	7 540	8 579	7 778
Directorate of the City Manager	30 686	33 499	45 274
Directorate of Corporate Services	7 315	1 120	1 267
Directorate of Spatial Planning and Development	12 230	14 028	10 721
Directorate Economic Development & Agencies	1 217	3 110	-
Directorate of Finance	8 264	18 476	17 815
Directorate of Health / Public Safety & Emergency Services	594 066	669 131	636 116
Directorate of Infrastructure Services	553 356	712 396	662 998
Directorate of Municipal Services	273 968	316 639	297 744
<b>TOTAL</b>	<b>1 488 641</b>	<b>1 776 977</b>	<b>1 679 712</b>

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

The total payment of Temporary Staff for the past three months ended 31 May 2017 is reflected below. There was an increase in the total payment between

March 2017 and April 2017 of R5 386 622. The increase was attributed to the back pay on salaries' standardization. There was a decrease in the total payment between April 2017 and May 2017 of R3 874 563.

**Table 23: Temporary Staff per Directorate**

	<b>MARCH 2017</b>	<b>APRIL 2017</b>	<b>MAY 2017</b>
Directorate of Executive Support Services	253 292	688 371	437 804
Directorate of the City Manager	127 118	574 588	233 149
Directorate of Corporate Services	957 567	1 419 200	1 246 128
Directorate of Spatial Planning and Development	73 247	283 488	153 693
Directorate Economic Development & Agencies	63 992	77 484	58 221
Directorate of Finance	339 906	710 983	423 909
Directorate of Health / Public Safety & Emergency Services	67 547	237 147	182 884
Directorate of Human Settlements	84 967	263 347	112 290
Directorate of Infrastructure Services	95 947	363 618	190 683
Directorate of Municipal Services	1 410 347	4 242 324	1 947 225
<b>TOTAL</b>	<b>3 473 928</b>	<b>8 860 550</b>	<b>4 985 986</b>

### **12.5. Councillors Costs**

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R53 257 234 less the year to date expenditure of R50 379 959 leaves a variance of R2 877 275.

**Table 24: Councillors Costs**

Councillors Allowances and Benefits	2016/2017	2016/2017	2016/2017	2016/2017	2016/2017
	Annual Budget	YTD Budget	YTD Expenditure	Variance	YTD Expenditure
	R	R	R	R	%
Mayoral Allowance	790 172	724 324	669 515	54 809	92%
Deputy Mayoral Allowance	638 158	584 978	544 610	40 368	93%
Mayoral Committee Allowance	6 599 489	6 049 532	4 952 819	1 096 713	82%
Speakers Allowance	638 158	584 978	548 080	36 898	94%
Out of Pocket Expenses	1 208 400	1 107 700	387 683	720 017	35%
Councillors Allowance	24 124 437	22 114 067	22 419 553	-305 486	101%
Cllr Cell Phone Allowance	2 278 635	2 088 749	2 118 534	-29 785	101%
Cllr Housing Subsidy	2 927 329	2 683 385	2 608 153	75 232	97%
Cllr Medical Aid	1 986 812	1 821 244	1 551 491	269 753	85%
Cllr Pension Scheme	3 495 042	3 203 789	3 085 679	118 109	96%
Cllr Travel Allowance	13 412 169	12 294 488	11 493 842	800 647	93%
<b>TOTAL</b>	<b>58 098 801</b>	<b>53 257 234</b>	<b>50 379 959</b>	<b>2 877 275</b>	<b>95%</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 had a budget of R18.38 million which has been adjusted to R 20.8 million to include the Greenest Municipal Competition grant received from Department of Environmental Affairs. The business plan for the said grant was only approved in December 2016 hence it became imperative to include the grant amount in the adjustments budget. The entities expenditure to date is R 14.8 million (81%) of the R 18.38 million as at 31 May 2017. The expenditure in relation to the GMC project is 26% of the R2.5 million grants. This amount is not included in the R14.8 million expenditure mentioned above.

The statement of financial performance of the entity presented in the table below, compares the expenditure and revenue against budget for the period ended 31 May 2017.

**Table 25: Monthly Budget Statement – summary of municipal entity**

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M11 May

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 Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	69	199	22	185	182	3	1%	199
Transfers recognised - operational		764	18 116	18 116	-	15 891	18 116	(2 225)	-12%	18 116
Agency services			200	375	-	99	344			375
Other revenue		-		2 134	165	633	1 956	(1 323)	-68%	2 134
								-		
<b>Total Operating Revenue</b>	1	<b>764</b>	<b>18 385</b>	<b>20 824</b>	<b>187</b>	<b>16 808</b>	<b>20 598</b>	<b>(3 790)</b>	<b>-18%</b>	<b>20 824</b>
<b>Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		760	12 225	9 773	987	8 769	8 958	(189)	-2%	9 773
Remuneration of Directors		156	566	561	43	423	514	(91)	-18%	561
Depreciation & asset impairment		3	393	393	59	279	361	(82)	-23%	393
Finance charges		-	8	3	-	-	3	(3)	-100%	3
Other expenditure		276	5 192	7 336	473	4 012	6 724	(2 712)	-40%	7 336
								-		
<b>Total Operating Expenditure</b>	2	<b>1 194</b>	<b>18 385</b>	<b>18 065</b>	<b>1 562</b>	<b>13 483</b>	<b>16 560</b>	<b>(3 077)</b>	<b>-19%</b>	<b>18 065</b>
<b>Surplus/ (Deficit) for the yr/period</b>		(430)	-	2 758	(1 375)	3 324	4 038	(714)	-18%	2 758
<b>Capital Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers recognised - capital		-	-	2 758	20	1 976	2 529	(552)	-22%	2 758
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
								-		
<b>Total Capital Expenditure</b>	3	<b>-</b>	<b>-</b>	<b>2 758</b>	<b>20</b>	<b>1 976</b>	<b>2 529</b>	<b>(552)</b>	<b>-22%</b>	<b>2 758</b>

A detailed analysis of the entity's financial performance for month ended 31 May 2017 is outlined in the attached Annexure F.

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

BCMM has spent 63% (R937.27 million, inclusive of reclaimed vat) of its 2016/17 adjusted municipal capital budget of R1.49 billion as at 31 May 2017. This reflects an improvement in both the percentage and rand value terms when compared to the same period in the previous financial year where 58% (R800.74 million, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent. The capital expenditure is expected to speedily improve during the last month of the financial year as major projects have passed procurement to implementation stage. 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 26 below reflects capital expenditure performance per source of funding.

**Table 26: Capital Expenditure per Funding Source against Budget**

<b>Funding</b>	<b><u>2016/2017</u> <u>Mid-Year</u> <u>Adjustment</u> <u>Budget</u></b>	<b><u>YTD</u> <u>Expenditure</u> <u>(incl. VAT)</u></b>	<b><u>Variance</u> <u>(incl. VAT)</u></b>	<b><u>%</u> <u>Expenditure</u> <u>(incl. VAT)</u></b>
<b>Total Own Funding</b>	<b>761 199 310</b>	<b>427 019 008</b>	<b>334 180 302</b>	<b>56%</b>
BCMET	487 499	0	487 499	0%
DoE(Integrated National Electrification Programme)	25 000 000	148 389	24 851 611	1%
DoE(Integrated National Electrification Programme) c/o	11 612 579	9 510 005	2 102 574	82%
DEDEAT	199 168	0	199 168	0%
DSRAC	4 411 277	4 018 181	393 096	91%
Finance Management Grant	50 000	21 994	28 006	44%
Galve	229 000	0	229 000	0%
Infrastructure Skills Development Grant	100 000	30 832	69 168	31%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Local Government & Traditional Affairs	9 036 112	0	9 036 112	0%
Urban Settlement Development Grant	642 754 030	496 518 686	146 235 345	77%
Public Transport Infrastructure and Systems Grant	30 289 000	0	30 289 000	0%
<b>Total Grants</b>	<b>730 248 665</b>	<b>510 248 087</b>	<b>220 000 578</b>	<b>70%</b>
<b>TOTAL PER FUNDING</b>	<b>1 491 447 975</b>	<b>937 267 095</b>	<b>554 180 880</b>	<b>63%</b>

Table 27 below reflects capital expenditure performance per service.

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

<b>Services</b>	<b><u>2016/2017</u> <u>Mid-Year</u> <u>Adjustment</u> <u>Budget</u></b>	<b><u>YTD</u> <u>Expenditure</u> <u>(incl. VAT)</u></b>	<b><u>Variance (incl.</u> <u>VAT)</u></b>	<b><u>%</u> <u>Expenditure</u> <u>(incl. VAT)</u></b>
Water	173 541 122	139 183 506	34 357 616	80%
Waste Water	229 916 852	179 904 113	50 012 739	78%
Electricity	154 612 579	95 559 698	59 052 881	62%
Roads and Stormwater	325 019 469	211 084 304	113 935 165	65%
Housing	137 743 340	119 747 671	17 995 669	87%
Transport Planning	91 325 112	24 296 663	67 028 449	27%
Local Economic Development	52 364 025	20 703 644	31 660 381	40%
Spatial Planning	67 627 225	19 109 266	48 517 959	28%
Waste Management / Refuse	9 384 723	1 153 003	8 231 721	12%
Amenities	51 376 990	40 956 918	10 420 072	80%
Public Safety	25 565 169	3 716 416	21 848 753	15%
Support Services	101 759 808	54 780 448	46 979 359	54%
Other BCM Fleet	71 211 561	27 071 446	44 140 115	38%
<b>TOTAL PER SERVICE</b>	<b>1 491 447 975</b>	<b>937 267 095</b>	<b>554 180 880</b>	<b>63%</b>

Table 28 below reflects capital expenditure performance per directorate.

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

Directorate	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Directorate of Executive Support Services	6 578 062	2 541 399	4 036 663	39%
Directorate of the City Manager	78 821 500	49 907 970	28 913 530	63%
Directorate of Human Settlement	137 743 340	119 747 671	17 995 669	87%
Directorate of Finance	797 535	633 612	163 923	79%
Directorate of Corporate Services	4 533 820	849 945	3 683 875	19%
Directorate of Infrastructure Services	960 881 583	653 079 524	307 802 059	68%
Directorate of Spatial Planning and Development	152 872 337	43 405 929	109 466 408	28%
Directorate of Economic Development and Agencies	52 364 025	20 703 644	31 660 381	40%
Directorate of Health, Public Safety and Emergency Services	25 565 169	3 716 416	21 848 753	15%
Directorate of Municipal Services	61 290 604	42 575 052	18 715 552	69%
<b>TOTAL DIRECTORATES</b>	<b>1 481 447 975</b>	<b>937 161 162</b>	<b>544 286 813</b>	<b>63%</b>
Asset Replacement	10 000 000	105 933	9 894 067	1%
<b>GRAND TOTAL</b>	<b>1 491 447 975</b>	<b>849 529 396</b>	<b>641 918 579</b>	<b>63%</b>

The capital programme performance by month is tabulated in table 29 below (Exclusive of Vat).

**Table 29: SC12 Monthly budget Statement – capital expenditure trend**

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M11 May

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	148	6 746	2 968	1 611	1 611	2 968	1 357	45.7%	0%
August	42 068	42 169	36 980	39 205	40 817	39 948	(869)	-2.2%	3%
September	57 530	34 991	30 233	86 333	127 150	70 181	(56 969)	-81.2%	8%
October	101 591	58 305	66 616	78 499	205 649	136 797	(68 852)	-50.3%	13%
November	85 219	56 652	54 769	124 330	329 978	191 565	(138 413)	-72.3%	21%
December	111 569	69 364	75 406	161 499	491 477	266 971	(224 506)	-84.1%	32%
January	62 851	41 215	26 444	26 493	517 970	293 415	(224 555)	-76.5%	33%
February	49 495	42 842	44 831	70 080	588 050	338 246	(249 804)	-73.9%	38%
March	117 166	65 464	214 714	162 725	750 775	552 961	(197 815)	-35.8%	48%
April	19 396	89 153	239 220	43 977	794 752	792 181	(2 571)	-0.3%	0
May	96 244	87 115	258 081	82 891	877 644	1 050 262	172 618	16.4%	0
June	443 096	964 116	441 186			1 491 448	-		
<b>Total Capital expenditure</b>	<b>1 186 373</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>877 644</b>					

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

**Table 30: 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 - M11 May										
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>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		146 506	417 323	361 870	10 212	129 135	254 825	125 690	49.3%	361 870
Infrastructure - Road transport		19 428	106 080	106 080	2 873	65 048	74 700	9 652	12.9%	106 080
Roads, Pavements & Bridges		19 428	106 080	106 080	2 873	65 048	74 700	9 652	12.9%	106 080
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		43 610	43 000	54 613	1 266	19 018	38 458	19 440	50.5%	54 613
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		43 610	43 000	54 613	1 266	19 018	38 458	19 440	50.5%	54 613
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		83 468	268 243	201 177	6 073	45 069	141 667	96 598	68.2%	201 177
Waste Management		26 799	78 454	13 637	(4 324)	483	9 603	9 120	95.0%	13 637
Transportation		44 810	145 789	134 276	7 063	24 881	94 556	69 675	73.7%	134 276
Gas		-	-	-	-	-	-	-	-	-
Other		11 859	44 000	53 264	3 334	19 706	37 508	17 802	47.5%	53 264
<b>Community</b>		13 726	21 000	21 926	4 659	20 279	15 440	(4 839)	-31.3%	21 926
Parks & gardens		-	500	500	127	403	352	(51)	-14.4%	500
Sportsfields & stadia		-	500	1 426	927	1 420	1 004	(415)	-41.3%	1 426
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		5 791	10 000	10 000	1 853	9 782	7 042	(2 740)	-38.9%	10 000
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Cemeteries		-	10 000	10 000	1 752	8 674	7 042	(1 632)	-23.2%	10 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		7 935	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		202 832	201 941	140 279	6 776	106 579	98 783	(7 796)	-7.9%	140 279
Housing development		202 832	201 941	140 279	6 776	106 579	98 783	(7 796)	-7.9%	140 279
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		74 614	113 570	210 571	4 575	86 633	148 282	61 649	41.6%	210 571
General v ehicles		47 384	18 200	65 552	2 924	27 496	46 161	18 665	40.4%	65 552
Specialised vehicles		3 533	11 000	6 532	-	-	4 600	4 600	100.0%	6 532
Plant & equipment		13 154	14 966	18 414	(388)	2 246	12 967	10 721	82.7%	18 414
Computers - hardware/equipment		10 542	20 700	79 600	187	49 250	56 053	6 804	12.1%	79 600
Furniture and other office equipment		-	23 972	35 143	948	6 710	24 748	18 037	72.9%	35 143
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	5 286	5 229	904	904	3 682	2 778	75.4%	5 229
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	19 446	100	-	27	70	43	61.6%	100
<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	437 677	753 834	734 647	26 222	342 626	517 330	174 704	33.8%	734 647
<b>Specialised vehicles</b>		3 533	11 000	6 532	-	-	4 600	4 600	0	6 532
Refuse		-	-	-	-	-	-	-	-	-
Fire		3 533	11 000	6 532	-	-	4 600	4 600	0	6 532
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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

**Table 31: 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 class - M11 May

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 renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		712 733	720 091	676 977	55 435	497 859	476 720	(21 139)	-4.4%	676 977
Infrastructure - Road transport		317 251	161 099	173 519	7 632	130 633	122 191	(8 442)	-6.9%	173 519
<i>Roads, Pavements &amp; Bridges</i>		317 251	161 099	173 519	7 632	130 633	122 191	(8 442)	-6.9%	173 519
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		103 042	100 000	100 000	15 147	75 167	70 419	(4 748)	-6.7%	100 000
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		103 042	100 000	100 000	15 147	75 167	70 419	(4 748)	-6.7%	100 000
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		116 452	87 500	155 541	11 518	133 095	109 530	(23 565)	-21.5%	155 541
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		116 452	87 500	155 541	11 518	133 095	109 530	(23 565)	-21.5%	155 541
Infrastructure - Sanitation		16 835	371 492	247 917	21 137	158 964	174 580	15 617	8.9%	247 917
<i>Reticulation</i>		16 835	371 492	247 917	21 137	158 964	174 580	15 617	8.9%	247 917
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		159 154	-	-	-	-	-	-	-	-
<i>Waste Management</i>		159 154	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Community</b>		18 895	19 855	25 805	763	19 319	18 172	(1 147)	-6.3%	25 805
<i>Parks &amp; gardens</i>		-	-	-	-	-	-	-	-	-
<i>Sportsfields &amp; stadia</i>		11 815	10 000	15 931	576	13 553	11 219	(2 334)	-20.8%	15 931
<i>Swimming pools</i>		-	2 500	2 500	-	1 556	1 760	204	11.6%	2 500
<i>Community halls</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Recreational facilities</i>		7 080	7 355	7 374	187	4 210	5 193	983	18.9%	7 374
<b>Other assets</b>		17 067	64 355	54 019	472	17 839	38 039	20 200	53.1%	54 019
<i>General vehicles</i>		-	-	-	-	-	-	-	-	-
<i>Specialised vehicles</i>		-	-	-	-	-	-	-	-	-
<i>Plant &amp; equipment</i>		-	700	1 057	-	357	744	387	52.1%	1 057
<i>Civic Land and Buildings</i>		16 336	62 655	51 962	452	17 168	36 591	19 423	53.1%	51 962
<i>Other</i>		731	1 000	1 000	20	314	704	390	55.4%	1 000
<b>Total Capital Expenditure on renewal of existing assets</b>	1	748 696	804 300	756 801	56 670	535 017	532 931	(2 086)	-0.4%	756 801
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Fire</i>		-	-	-	-	-	-	-	-	-
<i>Conservancy</i>		-	-	-	-	-	-	-	-	-
<i>Ambulances</i>		-	-	-	-	-	-	-	-	-

## **15. OTHER SUPPORTING DOCUMENTS**

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

The Metro has spent 64% (R214.57 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R336.91 million as at 31 May 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 58% (R292.45 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent. The operating expenditure is expected to speedily improve during the last month of the financial year as major projects have passed procurement to implementation stage.

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

Tables 32 and 33 below summarise Annexure D.

**Table 32: Operating Projects per Directorate**

<b><u>Directorate</u></b>	<b><u>2016/2017 Mid-Year Adjustment Budget</u></b>	<b><u>YTD Expenditure (incl.vat)</u></b>	<b><u>Variance (incl.vat)</u></b>	<b><u>% Expenditure (incl.vat)</u></b>
Executive Support Services	568 858	0	568 858	0%
Directorate of the City Manager	32 935 935	20 790 031	12 145 904	63%
Directorate of Human Settlement	145 569 532	72 201 442	73 368 090	50%
Directorate of Finance	44 099 700	23 784 686	20 315 014	54%
Directorate of Corporate Services	8 900 000	5 892 588	3 007 412	66%
Directorate of Infrastructure Services	57 495 761	58 029 221	-533 460	101%
Directorate of Spatial Planning and Development	6 250 000	2 682 086	3 567 914	43%
Directorate of Economic Development and Agencies	22 770 000	15 246 843	7 523 157	67%
Directorate of Health, Public Safety and Emergency Services	500 000	0	500 000	0%
Directorate of Municipal Services	17 819 600	15 944 364	1 875 236	89%
<b>TOTAL</b>	<b>336 909 386</b>	<b>214 571 262</b>	<b>122 338 124</b>	<b>64%</b>

**Table 33: Operating Projects per Funding Source**

<b>Funding</b>	<b><u>2016/2017 Mid-Year Adjustment Budget</u></b>	<b><u>YTD Expenditure (incl. vat)</u></b>	<b><u>Variance (incl. vat)</u></b>	<b><u>% Expenditure (incl. vat)</u></b>
<b>Total Own Funding</b>	<b>83 722 910</b>	<b>44 906 855</b>	<b>38 816 055</b>	<b>54%</b>
City of Oldenburg	495 761	0	495 761	0%
Department of Public Works	2 469 600	1 829 087	640 513	74%
Expanded Public Works Programme Incentives Grant	1 188 000	855 768	332 232	72%
Finance Management Grant	1 250 000	1 083 828	166 172	87%
Human Settlement Development Grant	143 802 000	71 972 814	71 829 186	50%
Human Settlement Development Grant c/o Glasgow	1 017 287	0	1 017 287	0%
Infrastructure Skills Development Grant	89 858	0	89 858	0%
Urban Settlement Development Grant	8 900 000	5 892 588	3 007 412	66%
Public Transport Infrastructure Grant	88 744 970	86 231 090	2 513 880	97%
Galve	5 000 000	1 799 233	3 200 767	36%
<b>Total Grants</b>	<b>253 186 476</b>	<b>169 664 407</b>	<b>83 522 069</b>	<b>67%</b>
<b>TOTAL PER FUNDING</b>	<b>336 909 386</b>	<b>214 571 262</b>	<b>122 338 124</b>	<b>64%</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 34: 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>	<b>0</b>	<b>2 812 621</b>	<b>274 883</b>	<b>44 600</b>	<b>3 132 104</b>
<b>GM - EMERGENCY SERVICES</b>	<b>(79 045 212)</b>	<b>77 035 431</b>	<b>27 135 186</b>	<b>1 096 101</b>	<b>105 266 719</b>
EMERGENCY SERVICES	0	2 243 236	365 340	139 958	2 748 534
DISASTER MANAGEMENT	0	2 382 072	883 347	24 526	3 289 945
FIRE & RESCUE	(79 045 212)	72 410 123	25 886 499	931 618	99 228 240
<b>GM - MUNICIPAL HEALTH SERVICES</b>	<b>(298 068)</b>	<b>26 327 273</b>	<b>3 691 332</b>	<b>225 492</b>	<b>30 244 097</b>
MUNICIPAL HEALTH SERVICES	(298 068)	26 327 273	3 691 332	225 492	30 244 097
<b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>	<b>(48 644 240)</b>	<b>185 136 774</b>	<b>13 925 161</b>	<b>1 834 108</b>	<b>200 896 043</b>
PUBLIC SAFETY & PROTECTION SERVICES	(39 652)	16 141 157	3 296 916	1 065 693	20 503 766
LAW ENFORCEMENT SERVICES	(1 020)	110 900 171	2 960 956	450 333	114 311 460
TRAFFIC SERVICES	(48 603 568)	58 095 445	7 667 289	318 082	66 080 817
<b>Total</b>	<b>(127 987 520)</b>	<b>291 312 099</b>	<b>45 026 562</b>	<b>3 200 302</b>	<b>339 538 963</b>

## 16.2. Municipal Services

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

**Table 35: Municipal Services – Cost Analysis**

<b>Municipal 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>	<b>0</b>	<b>6 873 993</b>	<b>2 873 327</b>	<b>3 138</b>	<b>9 750 459</b>
<b>GM - COMMUNITY AMENITIES</b>	<b>(19 306 585)</b>	<b>103 276 003</b>	<b>23 736 013</b>	<b>4 328 739</b>	<b>131 340 754</b>
COMMUNITY AMENITIES	0	11 029 760	651 818	89 195	11 770 773
LIBRARIES	(15 226 467)	19 975 074	2 099 658	197 570	22 272 302
HALLS	(1 361 139)	15 064 511	3 262 724	736 802	19 064 037
RECREATION	(2 578 306)	35 767 855	8 391 455	2 046 126	46 205 436
SPORTS FACILITIES	(140 674)	21 438 802	9 330 358	1 259 046	32 028 207
					0
<b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>	<b>(9 763 577)</b>	<b>139 560 308</b>	<b>26 983 572</b>	<b>6 011 800</b>	<b>172 555 681</b>
PARKS / CEMETRIES & CONSERVATION	0	2 275 672	209 671	0	2 485 343
CEMETRIES & CREMATORIA	(8 416 906)	22 421 336	9 758 441	385 286	32 565 063
CONSERVATION	(1 251 436)	15 070 520	3 191 287	815 417	19 077 224
PARKS: COASTAL	(95 235)	99 792 781	13 824 173	4 811 097	118 428 051
<b>GM - SOLID WASTE MANAGEMENT</b>	<b>(364 916 093)</b>	<b>139 632 877</b>	<b>215 467 884</b>	<b>22 803 734</b>	<b>377 904 495</b>
SOLID WASTE MANAGEMENT	(60)	10 144 197	10 830 556	10 222 094	31 196 846
CLEANSING & REFUSE REMOVAL: COASTAL	(357 700 873)	117 807 045	168 876 523	12 581 640	299 265 208
LANDFILLS & TRANSFER STATIONS	(7 215 161)	11 681 635	35 760 805	0	47 442 440
<b>Total</b>	<b>(393 986 255)</b>	<b>389 343 181</b>	<b>269 060 797</b>	<b>33 147 411</b>	<b>691 551 389</b>



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

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

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

The monthly budget statement (Section 71 Report)

for the period ending **May 2017** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print name: Andile Sihlahla**

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

**Signature: .....**

**Date: .....**

## **ANNEXURES:**

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- 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)
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- SC2 Performance Indicators
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- SC11 Monthly Budget Statement – Summary of Municipal Entity
- SC12 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
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### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Buffalo City Metropolitan Development Agency Financial Performance Report