



Msunduzi Municipality
MFMA s71 Monthly Report

February 2017 Report
Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Executive Summary

Legislative Requirements

In terms of Section 71 of the MFMA, the Accounting Officer of the 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 reflecting the following particulars for that month and for the financial year up to the end of that month.

- ✓ Actual revenue, per revenue source;
- ✓ Actual expenditure, per vote;
- ✓ Actual capital expenditure, per vote;
- ✓ The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- ✓ when necessary, an explanation of—
 - any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - any material variances from the service delivery and budget implementation plan; and
- ✓ Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R 2.798 billion for the period ending 28 February 2017. The YTD Budget was R 3.208 billion, therefore the actual underperformed against the budget by R 410.0 million against the revenue projected. The two main contributors, both accounting for 64% of the actual total YTD Revenue earned are Electricity (46%) & Property Rates revenue (18%). These two revenue sources make up more than 63% of the total YTD budget.

Operating Expenditure: The total actual YTD operating expenditure for the period ending 28 February 2017 amounted to R 2.660 billion while the YTD budget was R 3.173 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 67% of the annual budget expenditure.

Capital Expenditure: While the YTD capital expenditure budget was R 581.1 million, the actual YTD Capital expenditure incurred amounted to R 259.1 million resulting in underperformance of the capital budget. This is mainly due to the slow start of the new financial year.

Grant Receipts: The total budgeted operational and capital grant receipts for this financial year is R 936.9 million inclusive of equitable share of R 432.3 million and Capital transfers of R 470.2 million.

Cash & Cash equivalents as at 28 February 2017 was R 1.033 billion.

Consumer Debt: Consumer debt at 28 February 2017 is at R 1.842 billion.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only)

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance of the Municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - M08 February

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
R thousands									
Financial Performance									
Property rates	762 288	842 558	893 111	72 818	565 233	595 407	(30 174)	-5%	893 111
Service charges	2 468 237	2 878 830	3 116 589	211 905	1 724 200	2 077 726	(353 527)	-17%	3 116 589
Investment revenue	68 242	49 270	52 242	289	54 987	34 828	20 159	58%	52 242
Transfers recognised - operational	466 156	489 491	530 153	41	338 477	353 435	(14 959)	-4%	530 153
Other own revenue	229 530	212 797	221 307	#REF!	115 252	147 538	(32 286)	-22%	221 307
Total Revenue (excluding capital transfers and contributions)	3 994 454	4 472 946	4 813 403	#REF!	2 798 148	3 208 935	(410 787)	-13%	4 813 403
Employee costs	938 283	1 035 660	1 101 367	84 495	701 659	734 245	(32 585)	-4%	1 101 367
Remuneration of Councillors	41 763	43 033	45 615	3 558	28 521	30 410	(1 889)	-6%	45 615
Depreciation & asset impairment	554 292	506 103	569 317	35 147	304 452	379 545	(75 093)	-20%	569 317
Finance charges	75 095	65 460	58 263	5	33 934	38 842	(4 908)	-13%	58 263
Materials and bulk purchases	1 950 574	2 117 550	2 311 745	135 356	1 146 416	1 541 163	(394 748)	-26%	2 311 745
Transfers and grants	5 911	148 325	153 542	544	5 813	102 361	(96 548)	-94%	153 542
Other expenditure	679 556	536 243	520 498	56 609	440 139	346 999	93 140	27%	520 498
Total Expenditure	4 245 473	4 452 374	4 760 347	315 714	2 660 935	3 173 565	(512 630)	-16%	4 760 347
Surplus/(Deficit)	(251 020)	20 572	53 055	#REF!	137 213	35 370	101 843	288%	53 055
Transfers recognised - capital	303 484	447 414	460 223	17 914	115 738	306 815	(191 078)	-62%	460 223
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	52 465	467 986	513 278	#REF!	252 951	342 186	(89 235)	-26%	513 278
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	52 465	467 986	513 278	#REF!	252 951	342 186	(89 235)	-26%	513 278
Capital expenditure & funds sources									
Capital expenditure	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	871 726
Capital transfers recognised	303 484	447 973	459 374	20 678	182 366	306 250	(123 884)	-40%	459 374
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	62 181	158 268	158 268	5 666	12 146	105 512	(93 366)	-88%	158 268
Internally generated funds	110 621	120 000	254 084	10 436	64 595	169 389	(104 795)	-62%	254 084
Total sources of capital funds	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	871 726
Financial position									
Total current assets	2 301 492	3 134 961	3 201 273	-	-	-	-	-	3 134 961
Total non current assets	7 913 847	7 628 886	8 097 964	-	-	-	-	-	7 628 886
Total current liabilities	1 026 044	1 318 873	1 120 614	-	-	-	-	-	1 318 873
Total non current liabilities	1 261 220	1 255 546	1 222 899	-	-	-	-	-	1 255 546
Community wealth/Equity	7 928 075	8 189 428	8 955 724	-	-	-	-	-	8 189 428
Cash flows									
Net cash from (used) operating	567 242	773 696	866 263	(30 157)	170 763	433 132	262 368	61%	866 263
Net cash from (used) investing	(476 769)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
Net cash from (used) financing	46 218	(17 762)	(23 307)	50 068	19 638	(11 654)	(31 291)	269%	(23 307)
Cash/cash equivalents at the month/year end	969 624	1 051 338	1 026 910	-	915 665	1 039 249	123 585	12%	952 037
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	279 557	162 278	67 076	39 745	48 391	40 189	35 269	#####	1 842 350
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2 provides the statement of financial performance by standard classification.

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 546 404	1 542 450	1 439 698	73 908	828 372	959 799	(131 427)	-14%	1 439 698
Executive and council		3 116	-	1 700	-	-	1 133	(1 133)	-100%	1 700
Budget and treasury office		1 539 007	1 528 270	1 424 981	73 908	828 367	949 987	(121 620)	-13%	1 424 981
Corporate services		4 280	14 180	13 017	0	5	8 678	(8 673)	-100%	13 017
<i>Community and public safety</i>		153 173	93 565	72 220	4 513	29 820	48 147	(18 326)	-38%	72 220
Community and social services		51 647	52 155	30 150	3 284	20 505	20 100	405	2%	30 150
Sport and recreation		24 067	885	933	48	611	622	(11)	-2%	933
Public safety		57 463	23 347	24 656	634	4 151	16 437	(12 286)	-75%	24 656
Housing		19 982	17 144	16 445	547	4 553	10 963	(6 410)	-58%	16 445
Health		13	34	36	-	-	24	(24)	-100%	36
<i>Economic and environmental services</i>		186 360	435 042	445 083	22 915	134 647	296 722	(162 075)	-55%	445 083
Planning and development		44 444	53 331	43 268	484	5 852	28 845	(22 994)	-80%	43 268
Road transport		141 916	381 711	401 814	16 570	70 015	267 876	(197 862)	-74%	401 814
Environmental protection		-	-	-	5 861	58 780	-	58 780	#DIV/0!	-
<i>Trading services</i>		2 884 393	3 426 115	3 284 083	213 050	1 902 617	2 189 389	(286 771)	-13%	3 284 083
Electricity		1 853 876	2 074 912	2 119 662	154 010	1 293 018	1 413 108	(120 090)	-8%	2 119 662
Water		722 297	1 052 569	880 934	45 444	488 117	587 289	(99 172)	-17%	880 934
Waste water management		200 710	176 288	175 433	11 705	105 974	116 956	(10 982)	-9%	175 433
Waste management		107 510	122 345	108 054	1 891	15 509	72 036	(56 527)	-78%	108 054
<i>Other</i>	4	30 794	31 371	32 542	7 875	18 428	21 695	(3 266)	-15%	32 542
Total Revenue - Standard	2	4 801 124	5 528 543	5 273 626	322 261	2 913 885	3 515 750	(601 866)	-17%	5 273 626
Expenditure - Standard										
<i>Governance and administration</i>		839 933	995 248	498 364	48 898	414 944	332 243	82 701	25%	498 364
Executive and council		6 661	113 165	139 330	10 202	108 228	92 887	15 341	17%	139 330
Budget and treasury office		827 451	645 336	102 357	25 601	206 036	68 238	137 798	202%	102 357
Corporate services		5 821	236 747	256 677	13 095	100 680	171 118	(70 438)	-41%	256 677
<i>Community and public safety</i>		679 603	551 767	643 365	49 840	405 311	428 910	(23 599)	-6%	643 365
Community and social services		124 603	140 429	159 342	12 105	94 520	106 228	(11 708)	-11%	159 342
Sport and recreation		168 142	118 290	140 074	10 665	85 631	93 383	(7 752)	-8%	140 074
Public safety		274 361	236 010	272 714	24 465	202 918	181 809	21 109	12%	272 714
Housing		68 928	32 584	44 953	2 282	19 371	29 969	(10 598)	-35%	44 953
Health		43 569	24 453	26 282	322	2 872	17 521	(14 650)	-84%	26 282
<i>Economic and environmental services</i>		486 939	567 103	575 131	33 132	270 693	383 421	(112 728)	-29%	575 131
Planning and development		109 220	110 222	129 588	6 057	46 111	86 392	(40 280)	-47%	129 588
Road transport		377 719	456 881	445 543	22 960	191 771	297 029	(105 258)	-35%	445 543
Environmental protection		-	-	-	4 115	32 810	-	32 810	#DIV/0!	-
<i>Trading services</i>		2 686 812	2 904 545	2 995 001	179 029	1 536 464	1 996 667	(460 203)	-23%	2 995 001
Electricity		1 700 454	1 695 915	1 738 568	119 628	1 028 196	1 159 045	(130 849)	-11%	1 738 568
Water		623 176	912 149	903 438	39 625	345 809	602 292	(256 483)	-43%	903 438
Waste water management		204 428	192 253	226 066	15 161	127 878	150 711	(22 833)	-15%	226 066
Waste management		158 754	104 227	126 929	4 615	34 581	84 620	(50 038)	-59%	126 929
<i>Other</i>		55 373	41 895	48 485	4 815	33 521	32 324	1 197	4%	48 485
Total Expenditure - Standard	3	4 748 659	5 060 558	4 760 347	315 714	2 660 934	3 173 565	(512 631)	-16%	4 760 347
Surplus/ (Deficit) for the year		52 465	467 985	513 278	6 547	252 951	342 186	(89 235)	-26%	513 278

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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										
Revenue by Vote	1									
Vote 1 - City Manager		3 177	-	1 700	-	-	1 133	(1 133)	-100.0%	1 700
Vote 2 - City Finance		1 539 007	1 528 270	1 585 581	73 908	828 367	1 057 054	(228 687)	-21.6%	1 585 581
Vote 3 - Community Services & Social Equity		212 748	176 823	163 405	3 973	25 311	108 936	(83 625)	-76.8%	163 405
Vote 4 - Corporate Services		4 219	14 182	13 019	0	5	8 680	(8 674)	-99.9%	13 019
Vote 5 - Infrastructure Services		2 932 391	3 712 792	3 404 849	229 613	1 972 589	2 269 899	(297 310)	-13.1%	3 404 849
Vote 6 - Sustainable Development and City Enterprises		109 581	96 476	105 072	14 767	87 613	70 048	17 565	25.1%	105 072
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 801 124	5 528 543	5 273 626	322 261	2 913 885	3 515 750	(601 865)	-17.1%	5 273 626
Expenditure by Vote	1									
Vote 1 - City Manager		10 260	142 460	172 379	5 186	37 289	114 920	(77 631)	-67.6%	172 379
Vote 2 - City Finance		902 315	723 311	701 904	25 601	206 036	467 936	(261 900)	-56.0%	701 904
Vote 3 - Community Services & Social Equity		728 770	605 502	575 686	52 574	456 879	383 791	73 089	19.0%	575 686
Vote 4 - Corporate Services		8 747	216 740	264 003	13 095	100 680	176 002	(75 322)	-42.8%	264 003
Vote 5 - Infrastructure Services		2 860 578	3 220 418	2 860 289	201 989	1 728 236	1 906 859	(178 624)	-9.4%	2 860 289
Vote 6 - Sustainable Development and City Enterprises		237 989	152 126	186 086	17 269	131 814	124 057	7 757	6.3%	186 086
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 748 659	5 060 558	4 760 347	315 714	2 660 935	3 173 565	(512 630)	-16.2%	4 760 347
Surplus/ (Deficit) for the year	2	52 465	467 985	513 278	6 547	252 951	342 186	(89 235)	-26.1%	513 278

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 February 2017.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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										
Revenue By Source										
Property rates		742 052	798 728	846 651	70 251	543 443	564 434	(20 991)	-4%	846 651
Property rates - penalties & collection charges		20 236	43 830	46 460	2 567	21 790	30 973	(9 183)	-30%	46 460
Service charges - electricity revenue		1 784 586	2 008 246	2 161 676	152 947	1 261 194	1 441 117	(179 923)	-12%	2 161 676
Service charges - water revenue		473 021	623 188	692 674	40 669	315 639	461 782	(146 144)	-32%	692 674
Service charges - sanitation revenue		126 391	147 839	156 710	10 928	87 701	104 473	(16 772)	-16%	156 710
Service charges - refuse revenue		84 240	99 557	105 531	7 360	59 666	70 354	(10 688)	-15%	105 531
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		20 222	43 809	43 232	2 221	14 000	28 821	(14 821)	-51%	43 232
Interest earned - external investments		68 242	49 270	52 242	289	54 987	34 828	20 159	58%	52 242
Interest earned - outstanding debtors		60 214	66 349	70 330	4 733	42 683	46 887	(4 204)	-9%	70 330
Dividends received		-	-	-	-	-	-	-	-	-
Fines		52 658	18 538	19 528	128	691	13 019	(12 328)	-95%	19 528
Licences and permits		90	92	97	3	43	65	(22)	-33%	97
Agency services		532	670	704	41	294	469	(175)	-37%	704
Transfers recognised - operational		466 156	489 491	530 153	3 196	338 477	353 435	(14 959)	-4%	530 153
Other revenue		87 808	83 339	87 417	9 013	38 341	58 278	(19 937)	-34%	87 417
Gains on disposal of PPE		8 007	-	-	-	19 201	-	19 201	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		3 994 454	4 472 946	4 813 403	304 346	2 798 148	3 208 935	(410 787)	-13%	4 813 403
Expenditure By Type										
Employee related costs		938 283	1 035 660	1 101 367	84 495	701 659	734 245	(32 585)	-4%	1 101 367
Remuneration of councillors		41 763	43 033	45 615	3 558	28 521	30 410	(1 889)	-6%	45 615
Debt impairment		92 508	120 815	127 356	-	-	84 904	(84 904)	-100%	127 356
Depreciation & asset impairment		554 292	506 103	569 317	35 147	304 452	379 545	(75 093)	-20%	569 317
Finance charges		75 095	65 460	58 263	5	33 934	38 842	(4 908)	-13%	58 263
Bulk purchases		1 799 214	1 936 708	2 106 296	133 419	1 136 356	1 404 198	(267 842)	-19%	2 106 296
Other materials		151 360	180 842	205 449	1 936	10 060	136 966	(126 906)	-93%	205 449
Contracted services		65 468	35 108	45 589	35 989	276 487	30 393	246 094	810%	45 589
Transfers and grants		5 911	148 325	153 542	544	5 813	102 361	(96 548)	-94%	153 542
Other expenditure		521 580	380 320	347 553	20 620	144 459	231 702	(87 243)	-38%	347 553
Loss on disposal of PPE		-	-	-	-	19 193	-	19 193	#DIV/0!	-
Total Expenditure		4 245 473	4 452 374	4 760 347	315 714	2 660 935	3 173 565	(512 630)	-16%	4 760 347
Surplus/(Deficit)		(251 020)	20 572	53 055	(11 367)	137 213	35 370	101 843	0	53 055
Transfers recognised - capital		303 484	447 414	460 223	17 914	115 738	306 815	(191 078)	(0)	460 223
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52 465	467 986	513 278	6 547	252 951	342 186			513 278
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		52 465	467 986	513 278	6 547	252 951	342 186			513 278
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		52 465	467 986	513 278	6 547	252 951	342 186			513 278
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		52 465	467 986	513 278	6 547	252 951	342 186			513 278

Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		6 411	5 250	5 250	-	-	3 500	(3 500)	-100%	5 250
Vote 2 - City Finance		4 936	24 928	26 288	4 014	4 203	17 525	(13 322)	-76%	26 288
Vote 3 - Community Services & Social Equity		34 870	51 700	51 700	3 409	12 574	34 466	(21 893)	-64%	51 700
Vote 4 - Corporate Services		-	5 985	25 985	-	1 580	17 323	(15 743)	-91%	25 985
Vote 5 - Infrastructure Services		326 001	546 074	634 820	20 476	175 417	423 214	(247 797)	-59%	634 820
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	63 544	955	17 806	42 363	(24 557)	-58%	63 544
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	399 069	697 480	807 586	28 854	211 579	538 391	(326 812)	-61%	807 586
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	2 000	-	19	1 333	(1 314)	-99%	2 000
Vote 2 - City Finance		31 896	782	782	79	14 058	521	13 537	2597%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	46 065	481	15 289	30 710	(15 421)	-50%	46 065
Vote 4 - Corporate Services		6 460	527	511	149	2 313	340	1 973	580%	511
Vote 5 - Infrastructure Services		17 510	3 590	10 985	7 102	14 978	7 323	7 655	105%	10 985
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	3 798	114	870	2 532	(1 662)	-66%	3 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 217	28 761	64 140	7 925	47 528	42 760	4 768	11%	64 140
Total Capital Expenditure		476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	871 726
Capital Expenditure - Standard Classification										
Governance and administration		50 466	37 971	61 213	4 244	24 182	40 809	(16 627)	-41%	61 213
Executive and council		7 174	5 750	7 237	-	19	4 825	(4 805)	-100%	7 237
Budget and treasury office		36 832	25 710	27 200	4 093	18 261	18 133	128	1%	27 200
Corporate services		6 460	6 512	26 777	151	5 901	17 851	(11 950)	-67%	26 777
Community and public safety		52 921	103 238	136 872	3 889	31 923	91 248	(59 325)	-65%	136 872
Community and social services		4 763	32 740	63 364	3 467	14 065	42 242	(28 177)	-67%	63 364
Sport and recreation		39 271	31 425	34 434	423	13 580	22 956	(9 377)	-41%	34 434
Public safety		3 022	3 640	3 640	-	2 427	2 427	(2 427)	-100%	3 640
Housing		5 864	35 434	35 434	-	4 278	23 623	(19 344)	-82%	35 434
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		151 576	293 680	316 419	20 055	113 563	210 946	(97 382)	-46%	316 419
Planning and development		23 039	31 908	46 540	1 069	13 376	31 027	(17 651)	-57%	46 540
Road transport		126 943	260 312	268 418	18 986	100 188	178 946	(78 758)	-44%	268 418
Environmental protection		1 594	1 460	1 460	-	-	973	(973)	-100%	1 460
Trading services		218 966	291 352	357 223	8 590	89 307	238 149	(148 842)	-62%	357 223
Electricity		112 513	190 721	256 710	7 245	41 762	171 140	(129 378)	-76%	256 710
Water		65 591	58 728	70 304	149	1 256	46 870	(45 613)	-97%	70 304
Waste water management		37 404	31 403	19 159	1 196	33 936	12 773	21 163	166%	19 159
Waste management		3 457	10 500	11 050	-	12 353	7 367	4 986	68%	11 050
Other		2 357	-	-	-	132	-	132	#DIV/0!	-
Total Capital Expenditure - Standard Classification	3	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	871 726
Funded by:										
National Government		270 402	428 074	424 639	18 679	176 241	283 093	(106 852)	-38%	424 639
Provincial Government		28 696	19 899	34 735	1 999	6 125	23 157	(17 032)	-74%	34 735
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		4 386	-	-	-	-	-	-	-	-
Transfers recognised - capital		303 484	447 973	459 374	20 678	182 366	306 250	(123 884)	-40%	459 374
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	62 181	158 268	158 268	5 666	12 146	105 512	(93 366)	-88%	158 268
Internally generated funds	6	110 621	120 000	254 084	10 436	64 595	169 389	(104 795)	-62%	254 084
Total Capital Funding		476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	871 726

A detailed analysis of the capital expenditure programme is provided in section 2.7 “Capital Expenditure Programme”.

Table C6 displays the financial position of the municipality as at 28 February 2017.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		82 425	100 000	100 088		100 000
Call investment deposits		895 518	951 338	926 910		951 338
Consumer debtors		888 164	965 246	1 055 896		965 246
Other debtors		370 235	376 441	376 444		376 441
Current portion of long-term receivables		-	43	43		43
Inventory		65 151	741 893	741 893		741 893
Total current assets		2 301 492	3 134 961	3 201 273	-	3 134 961
Non current assets						
Long-term receivables		-	9 455	9 455		9 455
Investments			-			-
Investment property		656 409	356 914	356 914		356 914
Investments in Associate			-			-
Property, plant and equipment		6 919 378	7 009 706	7 478 784		7 009 706
Agricultural		54 276	-	46 520		-
Biological assets			46 520			46 520
Intangible assets		39 519	27 283	27 283		27 283
Other non-current assets		244 266	179 008	179 008		179 008
Total non current assets		7 913 847	7 628 886	8 097 964	-	7 628 886
TOTAL ASSETS		10 215 340	10 763 847	11 299 237	-	10 763 847
LIABILITIES						
Current liabilities						
Bank overdraft						-
Borrowing		69 315	67 762	73 307		67 762
Consumer deposits		92 378	92 798	92 798		92 798
Trade and other payables		836 519	1 152 229	948 424		1 152 229
Provisions		27 832	6 084	6 084		6 084
Total current liabilities		1 026 044	1 318 873	1 120 614	-	1 318 873
Non current liabilities						
Borrowing		568 480	511 999	438 691		511 999
Provisions		692 740	743 547	784 208		743 547
Total non current liabilities		1 261 220	1 255 546	1 222 899	-	1 255 546
TOTAL LIABILITIES		2 287 264	2 574 419	2 343 513	-	2 574 419
NET ASSETS	2	7 928 075	8 189 428	8 955 724	-	8 189 428
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 651 851	8 016 514	8 782 810		8 016 514
Reserves		276 224	172 914	172 914		172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 928 075	8 189 428	8 955 724	-	8 189 428

Table C7 below display the Cash Flow Statement for the month ending 28 February 2017.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		762 288	741 451	785 938	71 225	477 533	392 969	84 564	22%	785 938
Service charges		2 468 237	2 533 370	2 742 599	195 111	1 722 265	1 371 300	350 965	26%	2 742 599
Other revenue		68 802	138 875	143 350	27 460	270 243	71 675	198 568	277%	143 350
Government - operating		466 156	489 491	530 153	5 107	361 369	265 076	96 293	36%	530 153
Government - capital		303 484	447 973	460 223	3 260	368 624	230 112	138 513	60%	460 223
Interest		128 456	107 657	114 133	3 699	73 936	57 066	16 870	30%	114 133
Dividends				-			-	-		-
Payments										
Suppliers and employees		(3 554 849)	(3 611 671)	(3 843 266)	(335 470)	(3 065 278)	(1 921 633)	#####	-60%	(3 843 266)
Finance charges		(75 095)	(65 460)	(58 263)	(5)	(33 925)	(29 131)	4 794	-16%	(58 263)
Transfers and Grants		(238)	(7 990)	(8 603)	(544)	(4 004)	(4 301)	(297)	7%	(8 603)
NET CASH FROM/(USED) OPERATING ACTIVITIES		567 242	773 696	866 263	(30 157)	170 763	433 132	262 368	61%	866 263
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-					-	-		-
Decrease (Increase) in non-current debtors		-					-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(24 771)					-	-		-
Payments										
Capital assets		(451 998)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(476 769)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-	-		-
Borrowing long term/refinancing		5 348	50 000	50 000	50 000	50 000	25 000	25 000	100%	50 000
Increase (decrease) in consumer deposits					92	2 908	-	2 908	#DIV/0!	-
Payments										
Repayment of borrowing		40 870	(67 762)	(73 307)	(24)	(33 270)	(36 654)	(3 383)	9%	(73 307)
NET CASH FROM/(USED) FINANCING ACTIVITIES		46 218	(17 762)	(23 307)	50 068	19 638	(11 654)	(31 291)	269%	(23 307)
NET INCREASE/ (DECREASE) IN CASH HELD		136 691	138 629	(24 680)	(16 868)	(61 052)	(12 340)			(24 680)
Cash/cash equivalents at beginning:		832 933	912 709	1 051 589		976 717	1 051 589			976 717
Cash/cash equivalents at month/year end:		969 624	1 051 338	1 026 910		915 665	1 039 249			952 037

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M08 February

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
R thousands									
Financial Performance									
Property rates	762 288	842 558	893 111	72 818	565 233	595 407	(30 174)	-5%	893 111
Service charges	2 468 237	2 878 830	3 116 589	211 905	1 724 200	2 077 726	(353 527)	-17%	3 116 589
Investment revenue	68 435	49 330	52 307	298	55 041	34 872	20 169	58%	52 307
Transfers recognised - operational	466 156	489 491	530 153	3 196	338 477	353 435	(14 959)	-4%	530 153
Other own revenue	229 532	212 797	221 307	16 139	115 252	147 538	(32 286)	-22%	221 307
Total Revenue (excluding capital transfers and contributions)	3 994 648	4 473 006	4 813 468	304 355	2 798 202	3 208 978	(410 777)	-13%	4 813 468
Employee costs	942 483	1 040 938	1 106 645	84 903	705 120	737 763	(32 643)	-4%	1 106 645
Remuneration of Councillors	41 763	43 033	45 615	3 558	28 521	30 410	(1 889)	-6%	45 615
Depreciation & asset impairment	556 772	507 298	570 147	35 216	305 005	380 098	(75 093)	-20%	570 147
Finance charges	75 095	65 474	58 275	6	33 942	38 850	(4 908)	-13%	58 275
Materials and bulk purchases	1 950 786	2 118 107	2 312 234	135 555	1 146 746	1 541 489	(394 744)	-26%	2 312 234
Transfers and grants	238	140 526	153 542	544	5 813	102 361	(96 548)	-94%	153 542
Other expenditure	678 690	538 193	522 208	56 678	441 245	348 139	93 106	27%	522 208
Total Expenditure	4 245 827	4 453 569	4 768 666	316 460	2 666 393	3 179 111	(512 718)	-16%	4 768 666
Surplus/(Deficit)	(251 179)	19 436	44 801	(12 104)	131 809	29 868	101 941	341%	44 801
Transfers recognised - capital	303 484	447 973	460 223	17 914	115 738	306 815	(191 078)	-62%	460 223
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	52 305	467 410	505 024	5 810	247 547	336 683	(89 136)	-26%	505 024
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	52 305	467 410	505 024	5 810	247 547	336 683	(89 136)	-26%	505 024
Capital expenditure & funds sources									
Capital expenditure	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	726 241
Capital transfers recognised	303 484	447 973	459 374	20 678	182 366	306 250	(123 884)	-40%	447 973
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	62 181	158 268	158 268	5 666	12 146	105 512	(93 366)	-88%	158 268
Internally generated funds	110 621	120 000	254 084	10 436	64 595	169 389	(104 795)	-62%	120 000
Total sources of capital funds	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	726 241
Financial position									
Total current assets	2 302 946	3 135 284	3 202 376	-	-	-	-	-	3 136 412
Total non current assets	7 920 047	7 640 388	8 103 926	-	-	-	-	-	7 646 173
Total current liabilities	1 033 047	1 319 101	1 120 864	-	-	-	-	-	1 319 351
Total non current liabilities	1 261 220	1 255 547	1 222 899	-	-	-	-	-	1 255 547
Community wealth/Equity	7 928 726	8 201 024	8 962 539	-	-	-	-	-	8 207 687
Cash flows									
Net cash from (used) operating	567 142	773 947	858 350	(30 825)	170 763	429 175	258 412	60%	858 350
Net cash from (used) investing	(483 379)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
Net cash from (used) financing	46 218	(17 762)	(23 307)	50 068	19 638	(11 654)	(31 291)	269%	(23 307)
Cash/cash equivalents at the month/year end	971 061	1 051 589	(32 593)	-	915 665	896 413	(19 252)	-2%	944 124
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	279 557	162 278	67 076	39 745	48 391	40 189	35 269	#####	1 842 350
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 546 404	1 542 450	1 439 698	73 908	828 372	959 799	(131 427)	-14%	1 542 450
Executive and council		3 116	-	1 700	-	-	1 133	(1 133)	-100%	-
Budget and treasury office		1 539 007	1 528 270	1 424 981	73 908	828 367	949 987	(121 620)	-13%	1 528 270
Corporate services		4 280	14 180	13 017	0	5	8 678	(8 673)	-100%	14 180
<i>Community and public safety</i>		153 173	93 565	72 220	4 513	29 820	48 147	(18 326)	-38%	93 565
Community and social services		51 647	52 155	30 150	3 284	20 505	20 100	405	2%	52 155
Sport and recreation		24 067	885	933	48	611	622	(11)	-2%	885
Public safety		57 463	23 347	24 656	634	4 151	16 437	(12 286)	-75%	23 347
Housing		19 982	17 144	16 445	547	4 553	10 963	(6 410)	-58%	17 144
Health		13	34	36	-	-	24	(24)	-100%	34
<i>Economic and environmental services</i>		186 360	435 042	445 083	22 915	134 647	296 722	(162 075)	-55%	435 042
Planning and development		44 444	53 331	43 268	484	5 852	28 845	(22 994)	-80%	53 331
Road transport		141 916	381 711	401 814	16 570	70 015	267 876	(197 862)	-74%	381 711
Environmental protection		-	-	-	5 861	58 780	-	58 780	#DIV/0!	-
<i>Trading services</i>		2 884 393	3 426 115	3 284 083	213 050	1 902 617	2 189 389	(286 771)	-13%	3 426 115
Electricity		1 853 876	2 074 912	2 119 662	154 010	1 293 018	1 413 108	(120 090)	-8%	2 074 912
Water		722 297	1 052 569	880 934	45 444	488 117	587 289	(99 172)	-17%	1 052 569
Waste water management		200 710	176 288	175 433	11 705	105 974	116 956	(10 982)	-9%	176 288
Waste management		107 510	122 345	108 054	1 891	15 509	72 036	(56 527)	-78%	122 345
<i>Other</i>	4	30 794	31 371	32 542	7 875	18 428	21 695	(3 266)	-15%	31 371
Total Revenue - Standard	2	4 801 124	5 528 543	5 273 626	322 261	2 913 885	3 515 750	(601 866)	-17%	5 528 543
Expenditure - Standard										
<i>Governance and administration</i>		839 933	995 248	498 364	48 898	414 944	332 243	82 701	25%	995 248
Executive and council		6 661	113 165	139 330	10 202	108 228	92 887	15 341	17%	113 165
Budget and treasury office		827 451	645 336	102 357	25 601	206 036	68 238	137 798	202%	645 336
Corporate services		5 821	236 747	256 677	13 095	100 680	171 118	(70 438)	-41%	236 747
<i>Community and public safety</i>		692 791	552 342	643 365	49 840	405 311	428 910	(23 599)	-6%	552 342
Community and social services		124 603	141 004	159 342	12 105	94 520	106 228	(11 708)	-11%	141 004
Sport and recreation		168 142	118 290	140 074	10 665	85 631	93 383	(7 752)	-8%	118 290
Public safety		287 549	236 010	272 714	24 465	202 918	181 809	21 109	12%	236 010
Housing		68 928	32 584	44 953	2 282	19 371	29 969	(10 598)	-35%	32 584
Health		43 569	24 453	26 282	322	2 872	17 521	(14 650)	-84%	24 453
<i>Economic and environmental services</i>		486 939	567 103	583 385	33 869	276 097	388 923	(112 826)	-29%	567 103
Planning and development		109 220	110 222	137 842	6 794	51 515	91 894	(40 379)	-44%	110 222
Road transport		377 719	456 881	445 543	22 960	191 771	297 029	(105 258)	-35%	456 881
Environmental protection		-	-	-	4 115	32 810	-	32 810	#DIV/0!	-
<i>Trading services</i>		2 673 784	2 904 545	2 995 001	179 029	1 536 464	1 996 667	(460 203)	-23%	2 904 545
Electricity		1 687 426	1 695 915	1 738 568	119 628	1 028 196	1 159 045	(130 849)	-11%	1 695 915
Water		623 176	912 149	903 438	39 625	345 809	602 292	(256 483)	-43%	912 149
Waste water management		204 428	192 253	226 066	15 161	127 878	150 711	(22 833)	-15%	192 253
Waste management		158 754	104 227	126 929	4 615	34 581	84 620	(50 038)	-59%	104 227
<i>Other</i>		55 373	41 895	48 485	4 815	33 521	32 324	1 197	4%	41 895
Total Expenditure - Standard	3	4 748 819	5 061 133	4 768 601	316 451	2 666 338	3 179 068	(512 730)	-16%	5 061 133
Surplus/ (Deficit) for the year		52 305	467 410	505 024	5 810	247 547	336 683	(89 136)	-26%	467 410

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08

Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	3 177	-	1 700	-	-	1 133	(1 133)	-100.0%	1 700
Vote 2 - City Finance		1 539 007	1 528 270	1 585 581	73 908	828 367	1 057 054	(228 687)	-21.6%	1 585 581
Vote 3 - Community Services & Social Equity		212 748	176 823	163 405	3 973	25 311	108 936	(83 625)	-76.8%	163 405
Vote 4 - Corporate Services		4 219	14 182	13 019	0	5	8 680	(8 674)	-99.9%	13 019
Vote 5 - Infrastructure Services		2 932 391	3 712 792	3 404 849	229 613	1 972 589	2 269 899	(297 310)	-13.1%	3 404 849
Vote 6 - Sustainable Development and City Enterprises		109 581	96 476	105 072	14 767	87 613	70 048	17 565	25.1%	105 072
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 801 124	5 528 543	5 273 626	322 261	2 913 885	3 515 750	(601 865)	-17.1%	5 273 626
Expenditure by Vote										
Vote 1 - City Manager	1	10 260	142 460	172 379	5 186	37 289	114 920	(77 631)	-67.6%	172 379
Vote 2 - City Finance		902 315	723 311	701 904	25 601	206 036	467 936	(261 900)	-56.0%	701 904
Vote 3 - Community Services & Social Equity		741 958	605 502	575 686	52 574	456 879	383 791	73 089	19.0%	575 686
Vote 4 - Corporate Services		8 747	216 740	264 003	13 095	100 680	176 002	(75 322)	-42.8%	264 003
Vote 5 - Infrastructure Services		2 847 550	3 220 418	2 860 289	201 989	1 728 236	1 906 859	(178 624)	-9.4%	2 860 289
Vote 6 - Sustainable Development and City Enterprises		237 989	152 701	194 340	18 006	137 218	129 560	7 658	5.9%	194 340
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 748 819	5 061 133	4 768 601	316 451	2 666 339	3 179 068	(512 729)	-16.1%	4 768 601
Surplus/ (Deficit) for the year	2	52 305	467 410	505 024	5 810	247 547	336 683	(89 136)	-26.5%	505 024

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		742 052	798 728	846 651	70 251	543 443	564 434	(20 991)	-4%	846 651
Property rates - penalties & collection charges		20 236	43 830	46 460	2 567	21 790	30 973	(9 183)	-30%	46 460
Service charges - electricity revenue		1 784 586	2 008 246	2 161 676	152 947	1 261 194	1 441 117	(179 923)	-12%	2 161 676
Service charges - water revenue		473 021	623 188	692 674	40 669	315 639	461 782	(146 144)	-32%	692 674
Service charges - sanitation revenue		126 391	147 839	156 710	10 928	87 701	104 473	(16 772)	-16%	156 710
Service charges - refuse revenue		84 240	99 557	105 531	7 360	59 666	70 354	(10 688)	-15%	105 531
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		20 222	43 809	43 232	2 221	14 000	28 821	(14 821)	-51%	43 232
Interest earned - external investments		68 435	49 330	52 307	298	55 041	34 872	20 169	58%	52 307
Interest earned - outstanding debtors		60 214	66 349	70 330	4 733	42 683	46 887	(4 204)	-9%	70 330
Dividends received		-	-	-	-	-	-	-	-	-
Fines		52 658	18 538	19 528	128	691	13 019	(12 328)	-95%	19 528
Licences and permits		90	92	97	3	43	65	(22)	-33%	97
Agency services		532	670	704	41	294	469	(175)	-37%	704
Transfers recognised - operational		466 156	489 491	530 153	3 196	338 477	353 435	(14 959)	-4%	530 153
Other revenue		87 810	83 339	87 417	9 013	38 341	58 278	(19 937)	-34%	87 417
Gains on disposal of PPE		8 007	-	-	-	19 201	-	19 201	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		3 994 648	4 473 006	4 813 468	304 355	2 798 202	3 208 978	(410 777)	-13%	4 813 468
Expenditure By Type										
Employee related costs		942 483	1 040 938	1 106 645	84 903	705 120	737 763	(32 643)	-4%	1 106 645
Remuneration of councillors		41 763	43 033	45 615	3 558	28 521	30 410	(1 889)	-6%	45 615
Debt impairment		92 508	120 815	127 356	-	-	84 904	(84 904)	-100%	127 356
Depreciation & asset impairment		556 772	507 298	570 147	35 216	305 005	380 098	(75 093)	-20%	570 147
Finance charges		75 095	65 474	58 275	6	33 942	38 850	(4 908)	-13%	58 275
Bulk purchases		1 799 214	1 936 708	2 106 296	133 419	1 136 356	1 404 198	(267 842)	-19%	2 106 296
Other materials		151 572	181 399	205 938	2 135	10 390	137 292	(126 902)	-92%	205 938
Contracted services		65 468	35 408	45 852	36 009	276 654	30 568	246 086	805%	45 852
Transfers and grants		238	140 526	153 542	544	5 813	102 361	(96 548)	-94%	153 542
Other expenditure		520 715	381 970	349 000	20 669	145 398	232 667	(87 268)	-38%	349 000
Loss on disposal of PPE		-	-	-	-	19 193	-	19 193	#DIV/0!	-
Total Expenditure		4 245 827	4 453 569	4 768 666	316 460	2 666 393	3 179 111	(512 718)	-16%	4 768 666
Surplus/(Deficit)		(251 179)	19 436	44 801	(12 104)	131 809	29 868	101 941	0	44 801
Transfers recognised - capital		303 484	447 973	460 223	17 914	115 738	306 815	(191 078)	(0)	460 223
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52 305	467 410	505 024	5 810	247 547	336 683			505 024
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		52 305	467 410	505 024	5 810	247 547	336 683			505 024
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		52 305	467 410	505 024	5 810	247 547	336 683			505 024
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		52 305	467 410	505 024	5 810	247 547	336 683			505 024

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M08 February)

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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		6 411	5 250	5 250	-	-	3 500	(3 500)	-100%	5 250
Vote 2 - City Finance		4 936	24 928	26 288	4 014	4 203	17 525	(13 322)	-76%	24 928
Vote 3 - Community Services & Social Equity		34 870	51 700	51 700	3 409	12 574	34 466	(21 893)	-64%	51 700
Vote 4 - Corporate Services		-	5 985	25 985	-	1 580	17 323	(15 743)	-91%	5 985
Vote 5 - Infrastructure Services		326 001	546 074	634 820	20 476	175 417	423 214	(247 797)	-59%	546 074
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	63 544	955	17 806	42 363	(24 557)	-58%	63 544
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	399 069	697 480	807 586	28 854	211 579	538 391	(326 812)	-61%	697 480
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	2 000	-	19	1 333	(1 314)	-99%	500
Vote 2 - City Finance		31 896	782	782	79	14 058	521	13 537	2597%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	46 065	481	15 289	30 710	(15 421)	-50%	19 565
Vote 4 - Corporate Services		6 460	527	511	149	2 313	340	1 973	580%	527
Vote 5 - Infrastructure Services		17 510	3 590	10 985	7 102	14 978	7 323	7 655	105%	3 590
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	3 798	114	870	2 532	(1 662)	-66%	3 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 217	28 761	64 140	7 925	47 528	42 760	4 768	11%	28 761
Total Capital Expenditure		476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	726 241
Capital Expenditure - Standard Classification										
Governance and administration		50 466	37 971	61 213	4 244	24 182	40 809	(16 627)	-41%	37 971
Executive and council		7 174	5 750	7 237	-	19	4 825	(4 805)	-100%	5 750
Budget and treasury office		36 832	25 710	27 200	4 093	18 261	18 133	128	1%	25 710
Corporate services		6 460	6 512	26 777	151	5 901	17 851	(11 950)	-67%	6 512
Community and public safety		52 921	103 238	136 872	3 889	31 923	91 248	(59 325)	-65%	103 238
Community and social services		4 763	32 740	63 364	3 467	14 065	42 242	(28 177)	-67%	32 740
Sport and recreation		39 271	31 425	34 434	423	13 580	22 956	(9 377)	-41%	31 425
Public safety		3 022	3 640	3 640	-	-	2 427	(2 427)	-100%	3 640
Housing		5 864	35 434	35 434	-	4 278	23 623	(19 344)	-82%	35 434
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		151 576	293 680	316 419	20 055	113 563	210 946	(97 382)	-46%	293 680
Planning and development		23 039	31 908	46 540	1 069	13 376	31 027	(17 651)	-57%	31 908
Road transport		126 943	260 312	268 418	18 986	100 188	178 946	(78 758)	-44%	260 312
Environmental protection		1 594	1 460	1 460	-	-	973	(973)	-100%	1 460
Trading services		218 966	291 352	357 223	8 590	89 307	238 149	(148 842)	-62%	291 352
Electricity		112 513	190 721	256 710	7 245	41 762	171 140	(129 378)	-76%	190 721
Water		65 591	58 728	70 304	149	1 256	46 870	(45 613)	-97%	58 728
Waste water management		37 404	31 403	19 159	1 196	33 936	12 773	21 163	166%	31 403
Waste management		3 457	10 500	11 050	-	12 353	7 367	4 986	68%	10 500
Other		2 357	-	-	-	132	-	132	#DIV/0!	-
Total Capital Expenditure - Standard Classification	3	476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	726 241
Funded by:										
National Government		270 402	428 074	424 639	18 679	176 241	283 093	(106 852)	-38%	428 074
Provincial Government		28 696	19 899	34 735	1 999	6 125	23 157	(17 032)	-74%	19 899
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		4 386	-	-	-	-	-	-	-	-
Transfers recognised - capital		303 484	447 973	459 374	20 678	182 366	306 250	(123 884)	-40%	447 973
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	62 181	158 268	158 268	5 666	12 146	105 512	(93 366)	-88%	158 268
Internally generated funds		110 621	120 000	254 084	10 436	64 595	169 389	(104 795)	-62%	120 000
Total Capital Funding		476 286	726 241	871 726	36 779	259 107	581 151	(322 044)	-55%	726 241

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		83 861	100 068	100 238		100 218
Call investment deposits		895 518	951 589	927 860		952 539
Consumer debtors		888 164	965 246	1 055 896		965 246
Other debtors		370 252	376 444	376 447		376 472
Current portion of long-term receivables			43	43		43
Inventory		65 151	741 893	741 893		741 893
Total current assets		2 302 946	3 135 284	3 202 376	-	3 136 412
Non current assets						
Long-term receivables			9 455	9 455		9 455
Investments						-
Investment property		656 409	356 914	356 914		356 914
Investments in Associate						-
Property, plant and equipment		6 925 578	7 021 207	7 484 746		7 026 992
Agricultural		54 276	46 520	46 520		46 520
Biological assets						-
Intangible assets		39 519	27 283	27 283		27 283
Other non-current assets		244 266	179 008	179 008		179 008
Total non current assets		7 920 047	7 640 388	8 103 926	-	7 646 173
TOTAL ASSETS		10 222 993	10 775 671	11 306 302	-	10 782 584
LIABILITIES						
Current liabilities						
Bank overdraft						-
Borrowing		69 315	67 762	73 307		67 762
Consumer deposits		92 378	92 798	92 798		92 798
Trade and other payables		843 521	1 152 457	948 674		1 152 707
Provisions		27 832	6 084	6 084		6 084
Total current liabilities		1 033 047	1 319 101	1 120 864	-	1 319 351
Non current liabilities						
Borrowing		568 480	511 999	438 691		511 999
Provisions		692 740	743 548	784 208		743 548
Total non current liabilities		1 261 220	1 255 547	1 222 899	-	1 255 547
TOTAL LIABILITIES		2 294 267	2 574 648	2 343 763	-	2 574 898
NET ASSETS	2	7 928 726	8 201 024	8 962 539	-	8 207 687
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 352 502	8 028 109	8 789 625		8 034 772
Reserves		576 224	172 914	172 914		172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 928 726	8 201 024	8 962 539	-	8 207 687

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		762 288	741 451	785 938	71 225	477 533	392 969	84 564	22%	785 938
Service charges		2 468 237	2 533 370	2 742 599	195 111	1 722 265	1 371 300	350 965	26%	2 742 599
Other revenue		68 703	138 875	143 350	27 460	270 243	71 675	198 568	277%	143 350
Government - operating		466 156	489 491	530 153	5 107	361 369	265 076	96 293	36%	530 153
Government - capital		303 484	447 973	460 223	3 260	368 624	230 112	138 513	60%	460 223
Interest		128 456	107 717	114 198	3 708	73 990	57 099	16 892	30%	114 198
Dividends			-	-			-	-		-
Payments										
Suppliers and employees		(3 554 849)	(3 619 264)	(3 851 232)	(336 146)	(3 065 324)	(1 925 616)	#####	-59%	(3 851 232)
Finance charges		(75 095)	(65 474)	(58 275)	(6)	(33 933)	(29 137)	4 796	-16%	(58 275)
Transfers and Grants		(238)	(191)	(8 603)	(544)	(4 004)	(4 301)	(297)	7%	(8 603)
NET CASH FROM/(USED) OPERATING ACTIVITIES		567 142	773 947	858 350	(30 825)	170 763	429 175	258 412	60%	858 350
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-					-	-		-
Decrease (Increase) in non-current debtors							-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(31 380)					-	-		-
Payments										
Capital assets		(451 998)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(483 379)	(617 305)	(867 636)	(36 779)	(251 453)	(433 818)	(182 365)	42%	(867 636)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		-
Borrowing long term/refinancing		5 348	50 000	50 000	50 000	50 000	25 000	25 000	100%	50 000
Increase (decrease) in consumer deposits					92	2 908	-	2 908	#DIV/0!	-
Payments										
Repayment of borrowing		40 870	(67 762)	(73 307)	(24)	(33 270)	(36 654)	(3 383)	9%	(73 307)
NET CASH FROM/(USED) FINANCING ACTIVITIES		46 218	(17 762)	(23 307)	50 068	19 638	(11 654)	(31 291)	269%	(23 307)
NET INCREASE/ (DECREASE) IN CASH HELD		129 981	138 880	(32 593)	(17 536)	(61 052)	(16 296)			(32 593)
Cash/cash equivalents at beginning:		841 079	912 709			976 717	912 709			976 717
Cash/cash equivalents at month/year end:		971 061	1 051 589	(32 593)		915 665	896 413			944 124

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

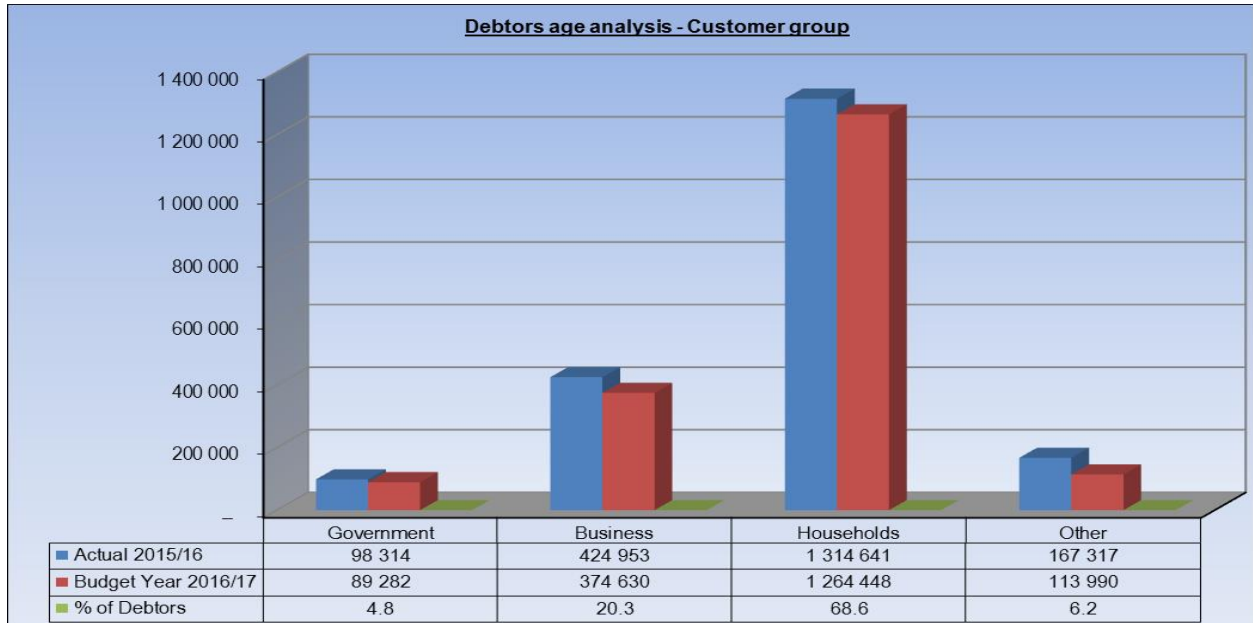
The table presented below summarises the Debtors Age Analysis as at 28 February 2017.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2016/17										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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	48 391	32 685	19 009	16 928	16 931	17 376	16 379	391 123	558 821	458 738		157 289
Trade and Other Receivables from Exchange Transactions - Electricity	1300	167 080	79 489	23 076	6 865	4 789	3 989	3 195	53 019	341 502	71 857		20 910
Receivables from Non-exchange Transactions - Property Rates	1400	45 341	30 619	12 057	14 013	16 181	8 006	7 489	233 485	367 192	279 175		136 260
Receivables from Exchange Transactions - Waste Water Management	1500	11 304	6 366	3 702	3 164	3 154	2 971	2 997	77 732	111 391	90 018		37 822
Receivables from Exchange Transactions - Waste Management	1600	7 308	3 909	1 812	1 685	1 601	1 557	1 539	39 734	59 145	46 116		18 905
Receivables from Exchange Transactions - Property Rental Debtors	1700	628	562	546	532	519	520	512	21 208	25 029	23 292		13 863
Interest on Arrear Debtor Accounts	1810	9 869	9 361	8 937	8 380	8 421	8 447	8 277	239 526	301 218	273 051		123 487
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	(10 364)	(713)	(2 064)	(11 823)	(3 206)	(2 677)	(5 119)	114 019	78 052	91 194		75 399
Total By Income Source	2000	279 557	162 278	67 076	39 745	48 391	40 189	35 269	1 169 847	1 842 350	1 333 440	-	583 933
2015/16 - totals only		305 263	143 556	69 982	49 054	50 393	48 481	41 040	1 297 459	2 005 226	1 486 426		725 491
Debtors Age Analysis By Customer Group													
Organs of State	2200	24 181	9 569	3 356	(4 176)	1 313	975	(2 342)	56 408	89 282	52 177		31 227
Commercial	2300	140 494	73 525	23 776	8 327	7 294	4 793	3 939	112 483	374 630	136 836		59 899
Households	2400	119 196	74 161	36 559	32 148	36 320	31 877	31 225	902 963	1 264 448	1 034 532		434 475
Other	2500	(4 314)	5 023	3 386	3 446	3 464	2 545	2 448	97 993	113 990	109 895		58 332
Total By Customer Group	2600	279 557	162 278	67 076	39 745	48 391	40 189	35 269	1 169 847	1 842 350	1 333 440	-	583 933

Chart 1: Debtors Age Analysis By Customer Group

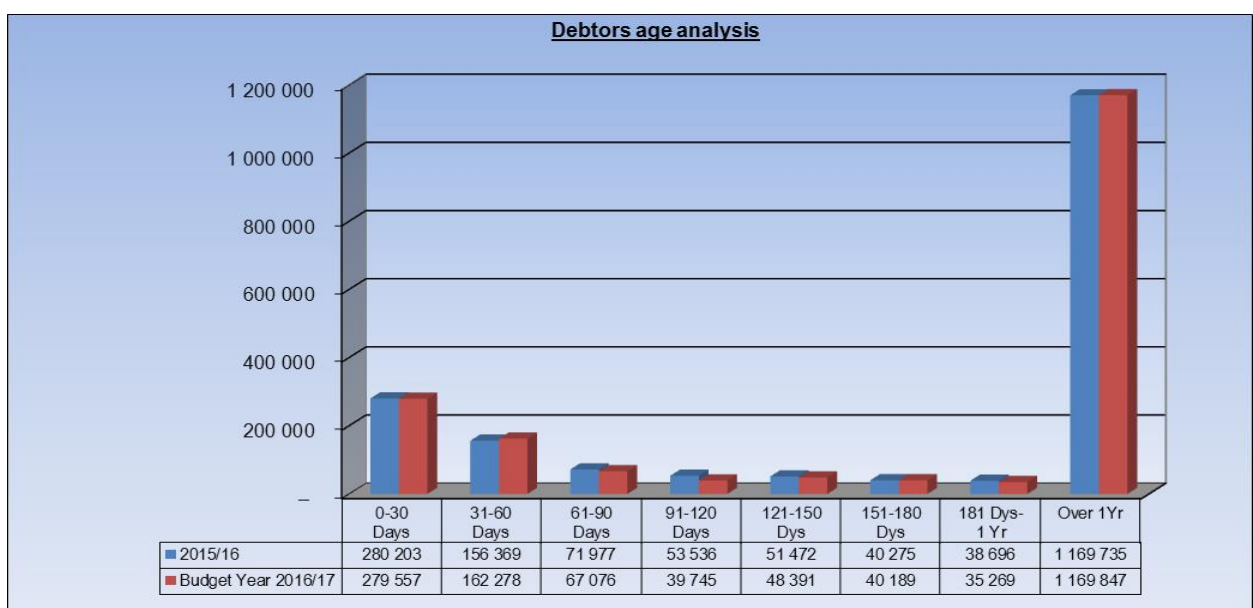


The information presented in the chart above reflects an increase in the outstanding debtor's balances as at 28 February 2017 of R 28.3 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1, 842 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 68% of the total municipal debt as detailed below:

- ✓ Households 69%
- ✓ Commercial 20%
- ✓ Other 6%
- ✓ Organs of State 5%

Chart 2: Year on Year Debtors Age Analysis



2.2 Creditors Analysis

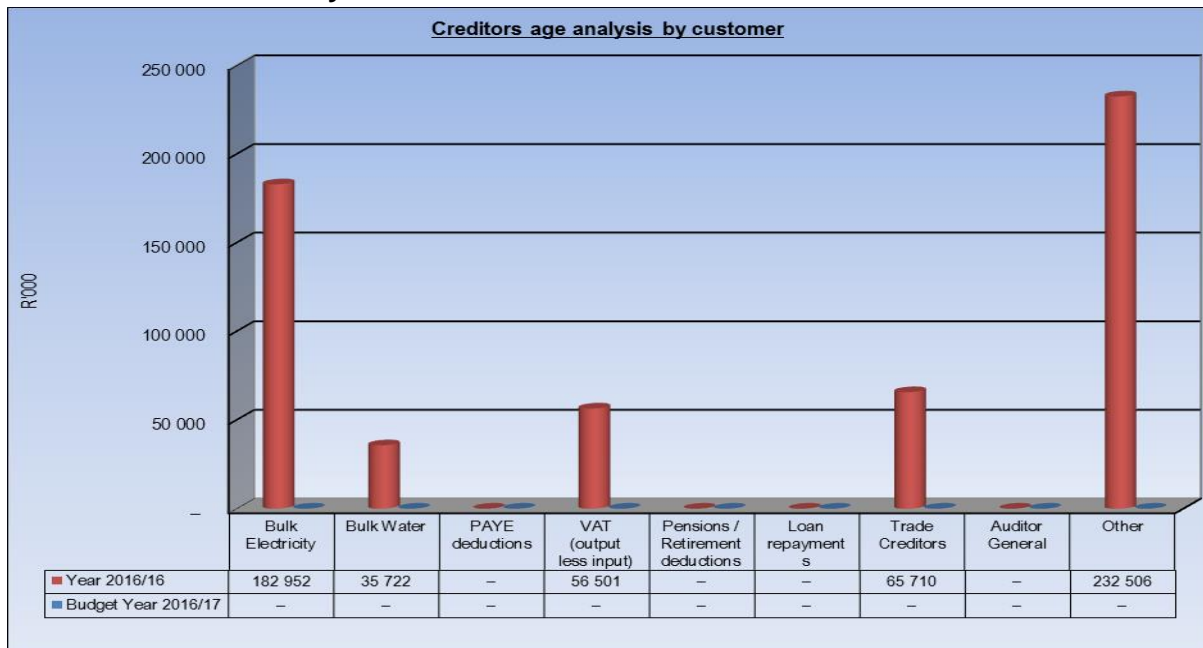
Table SC 4 below presents the aged creditors as at 28 February 2017

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2016/17									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	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	182 952
Bulk Water	0200									-	35 722
PAYE deductions	0300									-	-
VAT (output less input)	0400									-	56 501
Pensions / Retirement deductions	0500									-	-
Loan repayments	0600									-	-
Trade Creditors	0700									-	65 710
Auditor General	0800									-	-
Other	0900									-	232 506
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	573 392

The chart below presents a comparison of the age creditors between the current and prior year and for January month.

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 28 February 2017.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

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							
R thousands									
Municipality									
Fixed - ABSA - Call		Call	Call	on call					28 371
Fixed - ABSA - 12 months (WCA)		12 months							8 550
Fixed - ABSA - Various		Various							150 000
Standard bank		3 months							210 000
FNB Various									518 732
Municipality sub-total					-		-	-	915 653

The total consolidated investment balances as at 28 February 2017 was R 915.6 million.

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital grant receipts for the year is R 936.9 million which is inclusive of the equitable share of R 432.3 million and Capital allocation of R 470.2 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts							M08 February 2017		
Description	Ref	2014/15	Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		475 432	455 827	-	1 625	303 885	(302 260)	-99.5%	455 827
Local Government Equitable Share		373 541	432 307			288 205	(288 205)	-100.0%	432 307
Finance Management		1 600	1 625		1 625	1 083	542	50.0%	1 625
Municipal Systems Improvement		808	-			-	-	-	-
EPWP Incentive		2 784	6 809			4 539	(4 539)	-100.0%	6 809
Energy Efficiency and Demand Management		-	8 000			5 333	(5 333)	-100.0%	8 000
Water Services Operating Subsidy	3	1 758	-			-	-	-	-
Public Transport Infrastructure		88 849	-			-	-	-	-
Operating costs-MIG		6 092	7 086			4 724	(4 724)	-100.0%	7 086
Neighbourhood Development Partnership Technical ass		-	-			-	-	-	-
Provincial Government:		43 759	10 786	-	19 896	7 191	12 705	176.7%	10 786
Health subsidy		-	-			-	-	-	-
Provincial Government	3	-	-			-	-	-	-
Expanded Public Works Grant		-	-			-	-	-	-
Sport and Recreation	60	-	-			-	-	-	-
Health		-	-			-	-	-	-
Human Settlements	16 413	-	-			-	-	-	-
Public Works	-	-	-			-	-	-	-
Arts and Culture- Community Library Services	10 347	581	-			387	(387)	-100.0%	581
Arts and Culture- Provincialisation	16 201	9 805	-	19 896	6 537	13 359	204.4%	9 805	
Arts and Culture-Museum Subsidies	478	400	-	-	267	(267)	-100.0%	400	
COGTA	257	-	-			-	-	-	-
Other transfers and grants [insert description]		-	-			-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	519 191	466 613	-	21 521	311 075	(289 554)	-93.1%	466 613
Capital Transfers and Grants									
National Government:		289 651	450 393	-	371 010	300 262	70 748	23.6%	450 393
Municipal Infrastructure Grant (MIG)		157 065	183 531		151 000	122 354	28 646	23.4%	183 531
Public Transport and Systems		20 634	200 031		148 989	133 354	15 635	11.7%	200 031
Neighbourhood Development Partnership		20 195	22 110		18 300	14 740	3 560	24.2%	22 110
Dept of Mineral/Electricity		9 188	-		16 000	-	16 000	#DIV/0!	-
Intergrated National Electrification Programme		82 151	8 000			5 333	(5 333)	-100.0%	8 000
Municipal Systems Improvement		417	-			-	-	-	-
Municipal Water Infrastructure Grant		-	36 721		36 721	24 481	12 240	0.0%	36 721
		-	-			-	-	0.0%	-
Provincial Government:		66 807	19 899	-	13 233	13 266	(33)	0.0%	19 899
Airport Development Project		-	-		898	-	898	0.0%	-
Sport and Recreation	80	-	-		-	-	-	0.0%	-
Corridor Development		-	-		5 526	-	5 526	#DIV/0!	-
KZNPA	5 182	9 510	-	-	6 340	(6 340)	-100.0%	9 510	
Arts and Culture-Museum Subsidies	8 865	-	-		-	-	-	0.0%	-
COGTA	18 016	10 389	-	-	6 926	(6 926)	-100.0%	10 389	
Human Settlement	25 032	-	-		-	-	-	-	-
Municipal Water Infrastructure	9 631	-	-	6 809	-	6 809	0.0%	-	
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		413	-	-	-	-	-	-	-
Developer Contribution		413	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	356 872	470 292	-	384 243	313 528	70 715	22.6%	470 292
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	876 063	936 905	-	405 764	624 603	(218 839)	-35.0%	936 905

Capital and Operating grants: While the budgeted full year grant expenditure budget is R 936.9 million, the actual YTD Capital grant expenditure incurred amounted to R 199.6 million resulting in underperformance of the YTD capital grants budget of R 113.9 million.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure								M08 February 2017		
Description	Ref	2014/15	Budget Year 2016/17					YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YearTD variance			
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		475 432	455 827	-	3 582	303 885	(300 302)	-98.8%	455 827	
Local Government Equitable Share		373 541	432 307			288 205	(288 205)	-100.0%	432 307	
Finance Management		1 600	1 625		1 067	1 083	(16)	-1.5%	1 625	
Municipal Systems Improvement		808	-			-	-		-	
EPWP Incentive		2 784	6 809		2 515	4 539	(2 024)	-44.6%	6 809	
Energy Efficiency and Demand Management		-	8 000			5 333	(5 333)	-100.0%	8 000	
Water Services Operating Subsidy		1 758	-			-	-		-	
Public Transport Infrastructure		88 849	-			-	-		-	
Operating costs-MIG		6 092	7 086			4 724	(4 724)	-100.0%	7 086	
Neighbourhood Development Partnership Technical ass		-	-			-	-		-	
Other transfers and grants [insert description]		-	-			-	-		-	
Provincial Government:		43 759	10 786	-	7	7 191	(7 184)	-99.9%	10 786	
Health subsidy		-	-			-	-		-	
Provincial Government		3	-			-	-		-	
Expanded Public Works Grant		-	-			-	-		-	
Sport and Recreation		60	-			-	-		-	
Health		-	-			-	-		-	
Human Settlements		16 413	-		7	-	7	#DIV/0!	-	
Public Works		-	-			-	-		-	
Arts and Culture- Community Library Services		10 347	581			387	(387)	-100.0%	581	
DWAF		16 201	9 805			6 537	(6 537)	-100.0%	9 805	
Cogta		478	400			267	(267)	-100.0%	400	
Sport And Recreation		257	-			-	-		-	
District Municipality:		-	-	-	-	-	-	-	-	
[insert description]		-	-			-	-		-	
Total operating expenditure of Transfers and Grants:		519 191	466 613	-	3 589	311 075	(307 486)	-98.8%	466 613	
Capital expenditure of Transfers and Grants										
National Government:		289 651	450 393	-	197 264	300 262	(102 998)	-34.3%	450 393	
Municipal Infrastructure Grant (MIG)		157 065	183 531		83 167	122 354	(39 187)	-32.0%	183 531	
Public Transport and Systems		20 634	200 031		63 187	133 354	(70 167)	-52.6%	200 031	
Neighbourhood Development Partnership		20 195	22 110		1 232	14 740	(13 508)	-91.6%	22 110	
Dept of Mineral/Electricity		9 188	-		8 500	-	8 500	#DIV/0!	-	
Intergrated National Electrification Programme		82 151	8 000			5 333	(5 333)	-100.0%	8 000	
Municipal Systems Improvement		417	-			-	-		-	
Municipal Water Infrastructure Grant		-	36 721		29 943	24 481	5 462	0.0%	36 721	
Library		-	-		11 235	-	11 235	#DIV/0!	-	
Provincial Government:		66 807	19 899	-	2 359	13 266	(10 907)	0.0%	19 899	
Airport Development Project		-	-		-	-	-		-	
Sport and Recreation		80	-			-	-	0.0%	-	
Corridor Development		-	-		899	-	899	0.0%	-	
Arts and Culture-Museum Subsidies		8 865	-		132	-	132	0.0%	-	
COGTA		18 016	10 389			6 926	(6 926)	-100.0%	10 389	
Human Settlement		25 032	-		1 328	-	1 328	#DIV/0!	-	
Municipal Water Infrastructure		9 631	-		-	-	-	0.0%	-	
Other grant providers:		413	-	-	-	-	-	-	-	
Developer Contribution		413	-		-	-	-		-	
		-	-			-	-		-	
Total capital expenditure of Transfers and Grants		356 872	470 292	-	199 624	313 528	(113 904)	-36.3%	470 292	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		876 063	936 905	-	203 213	624 603	(421 391)	-67.5%	936 905	

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
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	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	28 637	28 637	2 507	20 320	19 091	1 228	6%	28 637
Pension and UIF Contributions		253	3 614	3 614	317	2 514	2 409	104	4%	3 614
Medical Aid Contributions		2 287	1 416	1 416	92	675	944	(269)	-29%	1 416
Motor Vehicle Allowance		528	7 292	7 292	478	3 959	4 861	(903)	-19%	7 292
Cellphone Allowance		133	2 034	2 034	139	1 131	1 356	(225)	-17%	2 034
Housing Allowances		10	41	41	10	61	27	34	124%	41
Other benefits and allowances		58			23	290		290	#DIV/0!	
Sub Total - Councillors		34 657	43 034	43 034	3 566	28 949	28 689	259	1%	43 034
% increase	4		24.2%	24.2%						24.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 651	6 102	6 102	630	5 562	4 068	1 494	37%	6 102
Pension and UIF Contributions		798	511	511	75	777	341	436	128%	511
Medical Aid Contributions			60	60	7	68	40	28	69%	60
Overtime										
Performance Bonus		210	382	382		180	255	(75)	-29%	382
Motor Vehicle Allowance		762	818	818	77	697	545	151	28%	818
Cellphone Allowance			100	100	8	71	67	5	7%	100
Housing Allowances		98	142	142	51	542	95	447	472%	142
Other benefits and allowances		38	509	509	4	18	339	(322)	-95%	509
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality		7 558	8 624	8 624	853	7 914	5 749	2 164	38%	8 624
% increase	4		14.1%	14.1%						14.1%
Other Municipal Staff										
Basic Salaries and Wages		504 910	698 784	727 819	47 295	440 383	485 213	(44 830)	-9%	698 784
Pension and UIF Contributions		112 428	134 410	134 410	7 104	77 226	89 607	(12 380)	-14%	134 410
Medical Aid Contributions		40 020	46 584	46 584	4 172	30 917	31 056	(139)	0%	46 584
Overtime		38 448	51 413	51 413	2 272	23 976	34 275	(10 299)	-30%	51 413
Performance Bonus						586		586	#DIV/0!	
Motor Vehicle Allowance		12 324	14 308	14 308	1 078	9 276	9 539	(263)	-3%	14 308
Cellphone Allowance		2 340	2 843	2 843	216	1 833	1 895	(62)	-3%	2 843
Housing Allowances		3 108	4 323	4 323	365	2 774	2 882	(108)	-4%	4 323
Other benefits and allowances		96 672	49 944	49 944	10 103	99 231	33 296	65 935	198%	49 944
Payments in lieu of leave		2 280				2 168		2 168	#DIV/0!	
Long service awards		12 444	18 100	18 100	777	4 947	12 067	(7 119)	-59%	18 100
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		824 974	1 020 709	1 049 744	73 382	693 319	699 829	(6 511)	-1%	1 020 709
% increase	4		23.7%	27.2%						23.7%
Total Parent Municipality		867 189	1 072 367	1 101 402	77 802	730 181	734 268	(4 087)	-1%	1 072 367
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Board Members of Entities										
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		329	442	442	33	297	295	2	1%	442
Pension and UIF Contributions										
Medical Aid Contributions		12	15	15	2	13	10	3	30%	15
Overtime		18								
Performance Bonus		6	6	6		6	4	2	50%	6
Motor Vehicle Allowance			19	19	2	12	13	(1)	-5%	19
Cellphone Allowance		4	4	4		2	3	(1)	-25%	4
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Entities		369	486	486	37	330	324	6	2%	486
% increase	4		31.7%	31.7%						31.7%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 969	2 969	242	2 079	1 979	100	5%	2 969
Pension and UIF Contributions		154	209	209	20	161	139	22	16%	209
Medical Aid Contributions		389	586	586	30	221	391	(170)	-43%	586
Overtime		416	597	597	52	399	398	1	0%	597
Performance Bonus		22	27	27		28	18	10	56%	27
Motor Vehicle Allowance		56	69	69	5	39	46	(7)	-15%	69
Cellphone Allowance		11	12	12	1	8	8			12
Housing Allowances										
Other benefits and allowances		219	288	288	22	196	192	4	2%	288
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Staff of Entities		3 526	4 757	4 757	372	3 131	3 171	(40)	-1%	4 757
% increase	4		34.9%	34.9%						34.9%
Total Municipal Entities		3 895	5 243	5 243	409	3 461	3 495	(34)	-1%	5 243
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 077 610	1 106 645	78 211	733 642	737 763	(4 122)	-1%	1 077 610
% increase	4		23.7%	27.0%						23.7%
TOTAL MANAGERS AND STAFF		836 427	1 034 576	1 063 611	74 644	704 693	709 074	(4 381)	-1%	1 034 576

Councillor Allowances

The expenditure on councillor allowances as at 28 February 2017 was under spent by 6%. The year to date budget for Remuneration of Councillor's is R 30.4 million while the actual expenditure incurred was R 28.5 million resulting in 94% YTD expenditure performance.

Employee Benefits

The total consolidated salaries expenditure as at 28 February 2017 was R 733.6 million, against the budget of R 737.7 million, resulting in a slight underperformance.

Board Member Fees – Safe City

The municipal entity's board members offer a voluntary service to the organisation and hence the nil expenditure in this regard.

The detailed staff benefits report is contained in the s66 report

2.6 Material Variances to the SDBIP

This section on material variances to the Service Delivery & Budget Implementation Plan analyses mainly the financial targets and non-financial target. This report analyses each major component under following headings;

- ✓ 2.6.1 Monthly Cash Projections
- ✓ 2.6.2 Material Variances: Financial Indicators
- ✓ 2.6.3 SDBIP: Non-Financial Performance

2.6.1 Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending 28 February 2017 and the monthly forecast till year end. The first table mainly presents cash inflows, while the next the page presents mainly outflows.

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Ref	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Cash Receipts By Source																	
Property rates		51 006	57 401	61 601	57 589	62 522	57 859	50 397	70 354	59 905	59 905	58 573	45 261	702 880	745 053	789 756	
Property rates - penalties & collection charges		1 111	1 036	1 415	1 009	1 374	1 021	968	870	3 287	3 287	3 214	2 484	38 570	40 885	43 338	
Service charges - electricity revenue		174 573	154 895	168 410	207 744	172 450	181 994	136 018	154 102	151 122	151 122	147 271	108 763	1 767 256	1 902 275	2 047 608	
Service charges - water revenue		30 590	32 291	33 777	32 729	29 983	27 932	32 645	27 013	38 020	38 020	45 700	122 500	548 405	609 553	677 518	
Service charges - sanitation revenue		9 674	10 604	10 159	9 617	8 748	9 201	9 284	8 451	11 088	11 088	10 842	8 378	130 099	137 904	146 179	
Service charges - refuse		5 954	6 541	6 540	6 516	5 833	6 088	6 364	5 545	7 467	7 467	7 301	5 642	87 610	92 867	98 439	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		1 195	1 412	899	1 154	1 029	1 259	1 052	1 135	3 286	3 286	3 213	2 482	38 552	38 044	39 946	
Interest earned - external investments		39 515	1 313	1 989	1 040	6 226	1 613	12 473	2 070	4 106	4 106	4 106	4 106	49 330	52 177	55 204	
Interest earned - outstanding debtors		1 061	910	735	817	889	931	724	1 629	4 976	4 976	4 866	3 760	58 387	61 890	65 604	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines		347	427	274	216	62	161	62	138	1 390	1 390	1 359	1 051	16 313	17 185	17 639	
Licences and permits		6	5	7	9	6	4	5	3	7	7	7	5	81	85	90	
Agency services		0	0	0	-	0	0	0	0	50	50	49	38	590	619	650	
Transfer receipts - operating		180 127	1 625	-	7 761	-	159 820	6 930	5 107	38 884	38 884	40 791	59 856	489 491	530 153	579 871	
Other revenue		2 929	33 405	29 193	25 143	43 505	19 238	79 777	26 184	6 336	6 336	6 945	13 036	83 339	87 417	91 776	
Cash Receipts by Source		498 087	301 865	315 000	351 345	332 629	467 121	336 699	302 602	329 925	329 925	334 237	377 361	4 010 904	4 316 107	4 653 617	
Other Cash Flows by Source																	
Transfer receipts - capital		99 385	20 320	1 920	76 065	1 512	109 178	56 984	3 260	38 957	38 957	37 331	21 076	447 973	460 223	521 989	
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	50 000	-	-	-	-	50 000	120 000	120 000	
Increase in consumer deposits		1 011	272	445	443	304	335	5	92	-	-	-	-	-	-	-	
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source		598 483	322 456	317 365	427 853	334 445	576 635	393 689	355 953	368 881	368 881	371 568	398 437	4 508 877	4 896 330	5 295 606	
Cash Payments by Type																	
Employee related costs		83 964	83 807	82 755	122 464	84 103	82 172	81 961	85 046	85 722	85 722	86 305	92 130	988 891	1 095 614	1 159 201	
Remuneration of councillors		3 441	3 441	3 610	3 558	3 773	3 572	3 560	3 558	3 741	3 741	3 586	2 037	43 033	45 615	48 352	
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	65 474	58 249	49 568	
Bulk purchases - Electricity		-	0	16 251	-	0	17 669	-	5	14 956	-	-	16 576	1 408 955	1 519 699	1 639 148	
Bulk purchases - Water & Sewer		182 952	205 250	205 271	121 897	124 240	122 031	110 725	113 419	117 565	117 565	117 413	115 889	527 753	586 597	652 003	
Other materials		35 837	43 600	-	87 066	44 112	43 618	-	209 009	35 650	35 650	43 979	127 269	181 399	204 864	216 029	
Contracted services		1 140	137	600	1 680	895	1 202	3 434	1 936	16 786	16 786	15 070	(2 085)	35 408	45 274	47 548	
Transfers and grants - other municipalities		651	18 766	43 732	30 903	64 454	32 528	42 776	35 989	2 926	2 926	2 926	2 926	-	-	-	
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	191	8 603	9 265	
Other expenditure		1 710	-	-	-	-	20	1 730	544	650	650	666	825	373 951	345 821	284 450	
Cash Payments by Type		389 146	381 977	354 752	372 502	527 094	363 973	260 045	453 718	300 880	285 924	301 638	475 362	3 625 056	3 910 336	4 105 563	
Other Cash Flows/Payments by Type																	
Capital assets		116	-	40 533	41 830	39 460	52 093	40 643	36 779	39 191	39 191	51 442	173 953	617 305	867 636	983 155	
Repayment of borrowing		24	24	18 698	24	24	14 430	24	24	19 607	-	-	15 083	67 762	73 307	77 156	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type		389 285	382 001	413 984	414 355	566 577	430 496	300 711	490 521	359 678	325 115	353 081	664 398	4 310 123	4 851 279	5 165 874	
NET INCREASE/(DECREASE) IN CASH HELD		209 198	(59 545)	(96 619)	13 497	(232 132)	146 139	92 977	(134 568)	9 203	43 767	18 488	(265 961)	198 754	45 051	129 732	
Cash/cash equivalents at the monthly year beginning:		976 717	1 185 914	1 126 370	1 029 751	1 043 249	811 117	957 255	1 050 233	915 665	924 868	968 635	987 122	976 717	1 175 471	1 220 522	
Cash/cash equivalents at the monthly year end:		1 185 914	1 126 370	1 029 751	1 043 249	811 117	957 255	1 050 233	915 665	924 868	968 635	987 122	721 161	1 175 471	1 220 522	1 350 254	

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description R thousands	Variance	Reasons for material deviations
1	<u>Revenue By Source</u>		
	Agency services	-37%	This is based on the customer usage for fire services to the District municipality
	Other revenue	-34%	This is a user driven resource
	Rental of facilities and equipment	-51%	This is a user driven resource
	Licences and permits	-33%	This is a user driven resource
	Interest earned - external investments	58%	This is would smooth out during the year
2	<u>Expenditure By Type</u>		
	Debt impairment	-100%	This is an annulised year end entry
	Other materials	-93%	This is a seasonal category and will smooth out during the year
	Contracted services	810%	This is a seasonal category and will smooth out during the year
	Transfers and grants	-94%	These are quarterly payments, and would smooth out during the year
	Bulk purchases	-19%	This is would smooth out during the year
	Depreciation & asset impairment	-20%	This is an annulised year end entry
	Other expenditure	-38%	This is would smooth out during the year

2.7 Parent Municipality Financial Performance

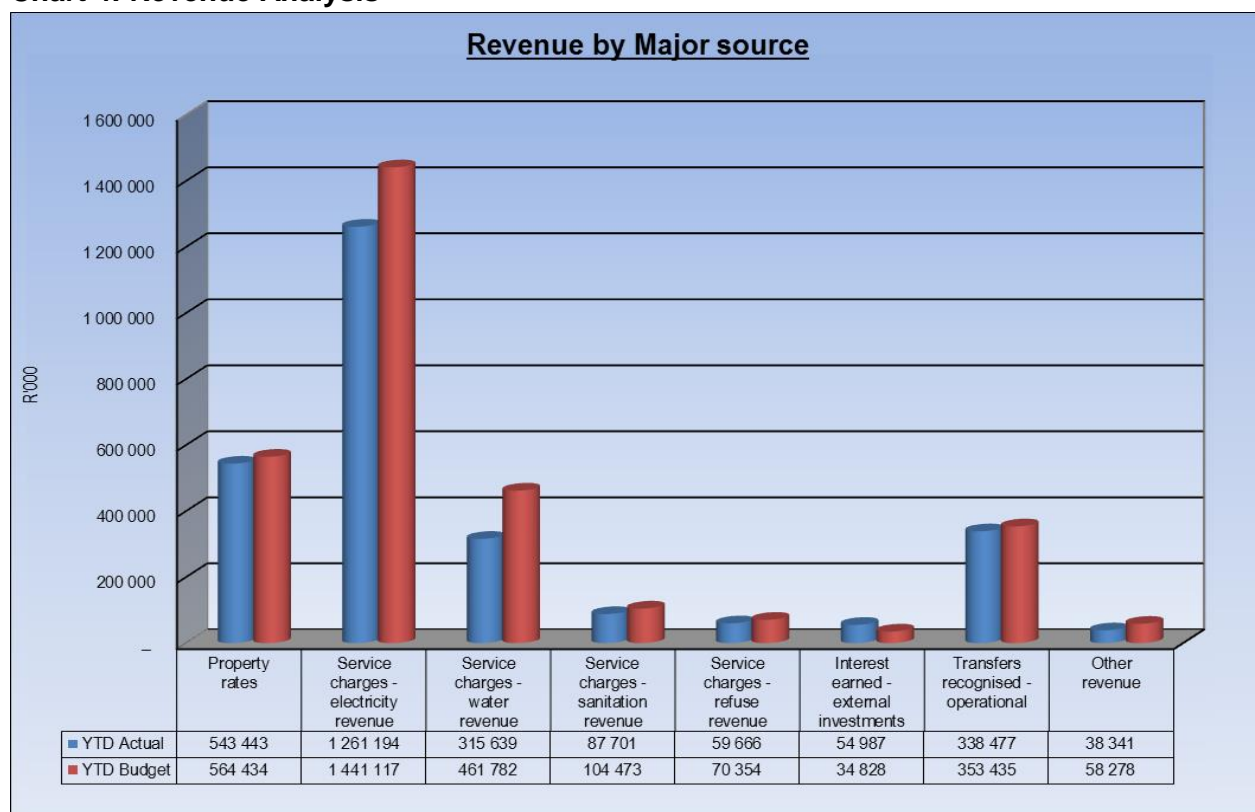
REVENUE ANALYSIS

This section on material variances to the Service Delivery & Budget Implementation Plan analyses the financial as well as the non-financial performance targets for the last quarter. The financial performance section analyses material variances between the actual targets as at year to date and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

2.7.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 44% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges under performed by (R 179.9 million) when compared to the Year Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 19% of the total operating revenue. When comparing YTD Actual revenue earned to YTD Budget, there is a slight under performance existed as at 28 February 2017.

Transfers recognised – Operational is made up of all operational grants funding mainly from the National & Provincial Government Departments, the largest of these being the equitable share.

Service Charges - Water revenue: The revenue earned from Water charges shared 14% of the budgeted revenue basket and 11% of YTD actual revenue, there is an

underperformance against the budget causing a 32% variance when comparing YTD actual to YTD Budget.

Service Charges - sanitation revenue: reflects an under performance of 16% variance and is line when comparing the YTD actual revenue to the YTD budget.

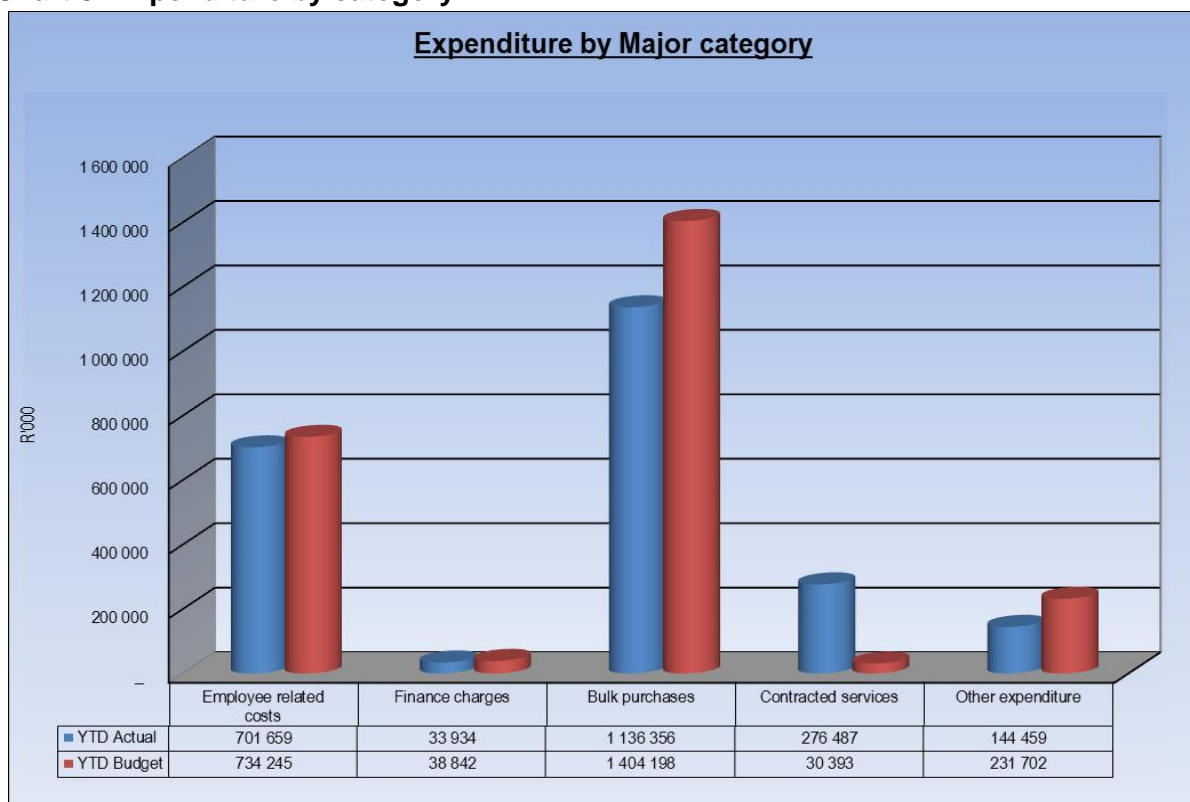
Service Charges - refuse revenue reflects an under performance of 15% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 2.7% to the total operating revenue received as at 28 February 2017.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 5: Expenditure by category



Bulk Purchases: This category is slightly under budget by R 267.8 million, this could be due to the seasonal adjustment. The offset is that the revenue is also down by the same proportion.

Employee Related Costs: There is a slight under expenditure in respect of actual YTD expenditure on employee related costs against the YTD budget. A detailed line item and

business unit analysis of the employee related costs is contained in the MFMA S66 report on staff benefits.

Other Expenditure's YTD budget figure was R 231.7 million while the actual costs incurred was R 144.4 million resulting in under performance against the budget of R 87.2 million

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 569.3 million. The actual being R 304.4 million whilst the YTD budget is R 379.5 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 58.2 million and the Actual YTD was R 33.9 million whilst the YTD budget is R 38.8 million which is slightly under budget.

Contracted Services: YTD Budget for contracted services was R 30.9 million, whilst the actual are R 276.4 million, the variance is offset by positive variance in other materials

Remuneration of councillors: the YTD budget was R 30.4 million and the actual expenditure incurred was R 28.5 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M08 February

Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	192	65	-	9	54	43	0	25%	65
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	12 284	6 841	-	1 710	513	5 131	(5)	-90%	6 841
Total Revenue (excluding capital transfers and contributions)	12 476	6 906	-	1 719	567	5 174	(4 607)	(0)	6 906
Employee costs	4 227	5 278	-	408	3 461	3 519	(58)	(0)	5 278
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	830	830	-	69	553	553	-	-	830
Finance charges	12	12	-	1	8	8	0	0	12
Materials and bulk purchases	167	489	-	199	330	326	4	0	489
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	729	1 711	-	69	1 105	1 140	(35)	(0)	1 711
Total Expenditure	5 965	8 319	-	746	5 458	5 546	(88)	(0)	8 319
Surplus/(Deficit)	6 512	(1 413)	-	973	(4 891)	(372)	(4 519)	0	(1 413)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6 512	(1 413)	-	973	(4 891)	(372)	(4 519)	0	(1 413)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	6 512	(1 413)	-	973	(4 891)	(372)	(4 519)	0	(1 413)
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	6 610	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	6 610	-	-	-	-	-	-	-	-
Financial position									
Total current assets	1 406	1 103	-	-	1 689	-	-	-	1 128
Total non current assets	6 138	5 962	-	-	5 823	-	-	-	5 785
Total current liabilities	222	250	-	-	528	-	-	-	250
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	7 322	6 663	-	-	6 984	-	-	-	6 663
Cash flows									
Net cash from (used) operating	6 572	(1 072)	-	1 042	273	174	99	0	(1 072)
Net cash from (used) investing	(6 610)	-	-	-	-	-	-	-	-
Net cash from (used) financing	(6 800)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	1 382	7 147	8 219	1 042	273	174	99	0	7 147
Debtors & creditors analysis	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Debtors Age Analysis									
Total By Revenue Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

2.9 Capital Programme Performance

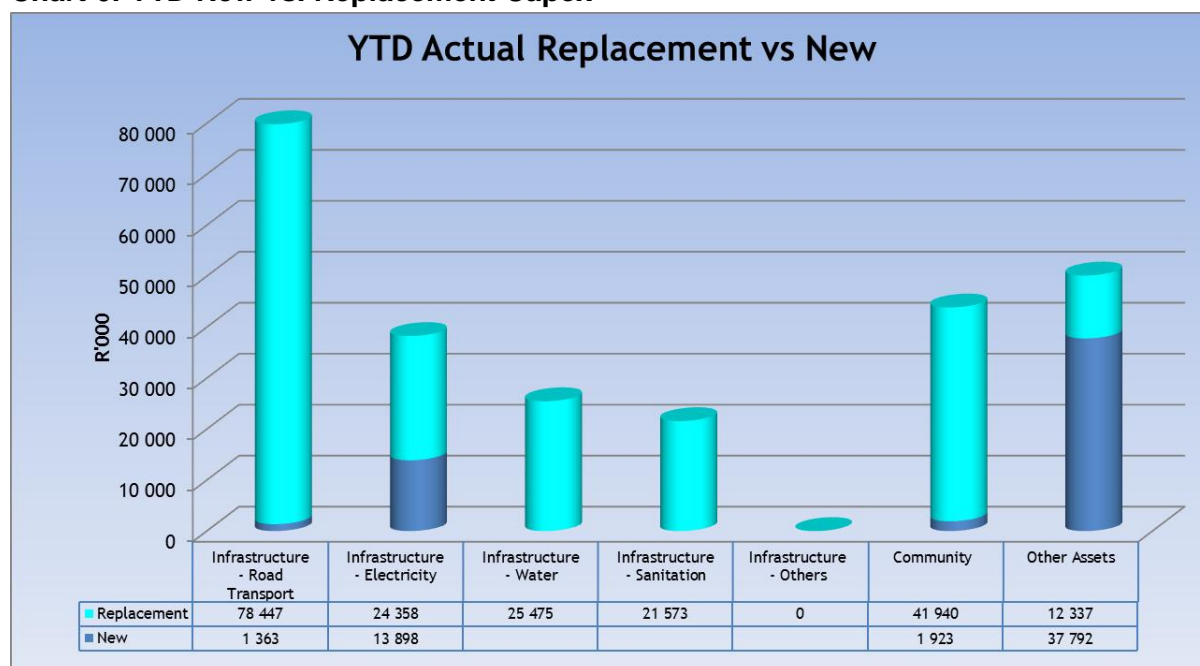
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

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
R thousands									
Monthly expenditure performance trend									
July	9 089	48 957	48 941	0	0	48 941	48 941	100.0%	0%
August	23 544	48 957	48 941	116	116	97 882	97 767	99.9%	0%
September	39 949	48 957	48 941	40 533	40 533	146 823	106 290	72.4%	6%
October	46 126	48 957	48 941	41 847	41 847	195 764	153 917	78.6%	6%
November	39 269	48 957	48 941	39 460	39 460	244 705	205 246	83.9%	5%
December	63 575	48 957	48 941	52 093	52 093	293 647	241 553	82.3%	7%
January	15 750	48 957	79 390	48 279	48 279	373 036	324 757	87.1%	7%
February	32 316	48 957	99 741	36 779	36 779	472 777	435 998	92.2%	5%
March	32 165	48 957	99 741			572 517	-		
April	46 620	48 957	99 741			672 258	-		
May	44 113	60 520	99 741			771 999	-		
June	69 194	176 151	99 741			871 739	-		
Total Capital expenditure	461 711	726 241	871 739	259 107					

The two tables that follow provide more detailed information on the capital expenditure by separating capital expenditure by asset types and also by “New” or “Replacement” assets. The chart below displays capital expenditure for new and replacement assets as at the month of February 2017.

Chart 6: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 259.1 million, R 54.9 million (21%) was new assets and R 204.1 million (79%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

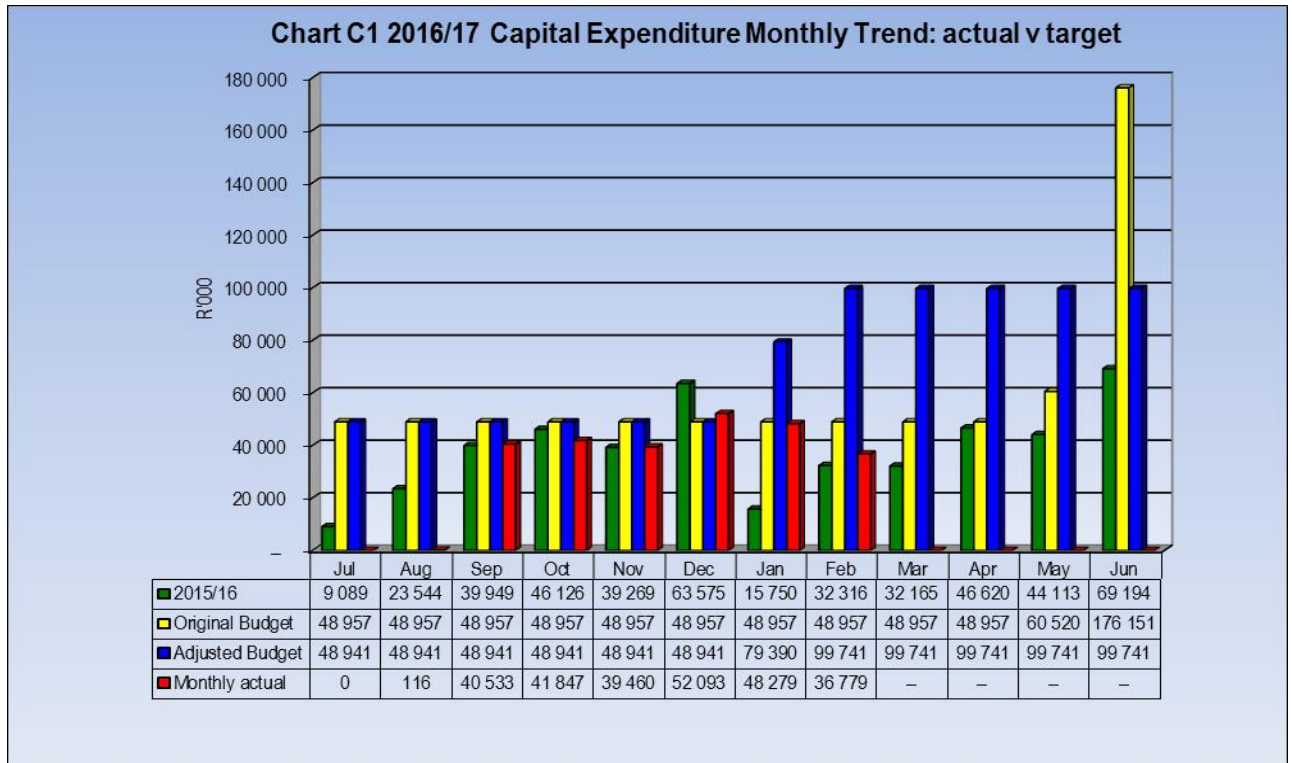
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		52 671	174 021	175 460	6 073	15 261	116 973	101 712	87.0%	175 460
Infrastructure - Road transport		24 562	2 714	3 135	148	1 363	2 090	727	34.8%	3 135
Roads, Pavements & Bridges		24 562	2 714	3 135	148	1 363	2 090	727	34.8%	3 135
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	168 827	161 248	5 925	13 898	107 498	93 600	87.1%	161 248
Generation		-	168 827	153 248	5 925	13 898	102 165	88 267	86.4%	153 248
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	8 000	-	-	5 333	5 333	100.0%	8 000
Infrastructure - Water		17 110	-	10 578	-	-	7 052	7 052	100.0%	10 578
Dams & Reservoirs		297	-	10 578	-	-	7 052	7 052	100.0%	10 578
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		16 813	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		10 999	980	-	-	-	-	-	-	-
Reticulation		-	980	-	-	-	-	-	-	-
Sewerage purification		10 999	-	-	-	-	-	-	-	-
Infrastructure - Other		-	1 500	500	-	-	333	333	100.0%	500
Waste Management		-	1 500	500	-	-	333	333	100.0%	500
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		33 810	20 591	23 300	1 923	1 923	15 533	13 611	87.6%	23 300
Parks & gardens		169	-	-	-	-	-	-	-	-
Sportsfields & stadia		30 452	6 650	2 500	-	-	1 667	1 667	100.0%	2 500
Swimming pools		-	-	5 000	377	377	3 333	2 956	88.7%	5 000
Community halls		-	-	15 800	1 546	1 546	10 533	8 988	85.3%	15 800
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		3 189	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	3 640	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	2 230	-	-	-	-	-	-	-
Cemeteries		-	2 000	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	6 071	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		40 021	23 329	90 903	2 231	20 362	60 602	40 240	66.4%	90 903
General vehicles		6 716	-	5 510	-	-	3 673	3 673	100.0%	5 510
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		10 682	1 410	42 508	1 243	6 483	28 339	21 855	77.1%	42 508
Computers - hardware/equipment		3 486	470	461	169	198	307	109	35.4%	461
Furniture and other office equipment		5 981	50	-	-	3 176	-	(3 176)	#DIV/0!	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		9 901	-	-	-	-	-	-	-	-
Civic Land and Buildings		868	10 389	10 889	-	2 159	7 259	5 100	70.3%	10 889
Other Buildings		-	-	-	-	5 523	-	(5 523)	#DIV/0!	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 386	11 010	31 535	819	2 821	21 024	18 202	86.6%	31 535
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	24 468	24 026	3 992	17 430	16 017	(1 413)	-8.8%	24 026
Computers - software & programming		-	24 468	24 026	3 992	17 430	16 017	(1 413)	-8.8%	24 026
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	126 501	242 409	313 689	14 219	54 976	209 126	154 150	73.7%	313 689

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		284 545	367 404	440 069	19 566	149 853	293 379	143 526	48.9%	440 069
Infrastructure - Road transport		125 812	239 143	261 279	17 931	78 447	174 186	95 739	55.0%	261 279
Roads, Pavements & Bridges		125 552	239 143	260 729	17 409	77 925	173 819	95 895	55.2%	260 729
Storm water		260		550	522	522	367	(155)	-42.4%	550
Infrastructure - Electricity		66 802	25 520	104 721	439	24 358	69 814	45 456	65.1%	104 721
Generation		66 802	25 520	95 288	439	24 358	63 525	39 167	61.7%	95 288
Transmission & Reticulation									0.0%	
Street Lighting				9 433			6 289	6 289	100.0%	9 433
Infrastructure - Water		65 030	55 602	46 420		25 475	30 946	5 471	17.7%	46 420
Dams & Reservoirs		65 030	55 602	46 420		25 475	30 946	5 471	17.7%	46 420
Water purification										
Reticulation										
Infrastructure - Sanitation		26 146	47 139	17 650	1 196	21 573	11 767	(9 806)	-83.3%	17 650
Reticulation			47 139	17 650	1 196	21 573	11 767	(9 806)	-83.3%	17 650
Sewerage purification		26 146							0.0%	
Infrastructure - Other		755		10 000			6 667	6 667	100.0%	10 000
Waste Management		755		10 000			6 667	6 667	100.0%	10 000
Transportation										
Gas										
Other									0.0%	
Community		4 551	62 950	79 224	1 967	41 940	52 816	10 876	20.6%	79 224
Parks & gardens			500	1 000	46	46	667	621	93.1%	1 000
Sportsfields & stadia		121	28 750	19 206		8 765	12 804	4 040	31.5%	19 206
Swimming pools			2 000	2 078		1 112	1 385	273	19.7%	2 078
Community halls			30 700			4 942		(4 942)	#DIV/0!	
Libraries				8 660	1 921	5 177	5 773	596	10.3%	8 660
Recreational facilities		2 823							0.0%	
Fire, safety & emergency										
Security and policing										
Buses						21 898		(21 898)	#DIV/0!	
Clinics										
Museums & Art Galleries			1 000	1 630			1 087	1 087	100.0%	1 630
Cemeteries				28 500			19 000	19 000	100.0%	28 500
Social rental housing				18 150			12 100	12 100	100.0%	18 150
Other		1 607								
Heritage assets										
Buildings										
Other										
Investment properties				6 895			4 597	4 597	100.0%	6 895
Housing development				6 895			4 597	4 597	100.0%	6 895
Other										
Other assets		31 275	53 478	31 850	1 027	12 337	21 233	8 896	41.9%	31 850
General vehicles										
Specialised vehicles										
Plant & equipment						1 201		(1 201)	0.0%	
Computers - hardware/equipment				4 985	1 027	1 027	3 323	2 296	69.1%	4 985
Furniture and other office equipment		2 019		80			53	53	0.0%	80
Abattoirs										
Markets		251								
Civic Land and Buildings		14 359	33 569	23 475		3 903	15 650	11 747	75.1%	23 475
Other Buildings				3 261		5 629	2 174	(3 455)	-158.9%	3 261
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		14 646	19 910	49		577	32	(545)	-1677.8%	49
Agricultural assets										
List sub-class										
Biological assets										
List sub-class										
Intangibles		29 415								
Computers - software & programming		29 415								
Other									0.0%	
Total Capital Expenditure on renewal of existing ass	1	349 785	483 832	558 038	22 560	204 131	372 025	167 895	45.1%	558 038

The chart below displays a comparison between the previous year's capital expenditure performances to that of the current year for the month under review.

Chart 7: Capital Expenditure Monthly Trend



The monthly 2015/16 trend presents monthly actual expenditure figures for prior year. Original Budget stipulates the budget for the year. The monthly actual figures stipulates a monthly trend, there has been a slow start to spending in the financial year.

The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

Chart 8: Capital Expenditure: YTD Actual vs. YTD Target

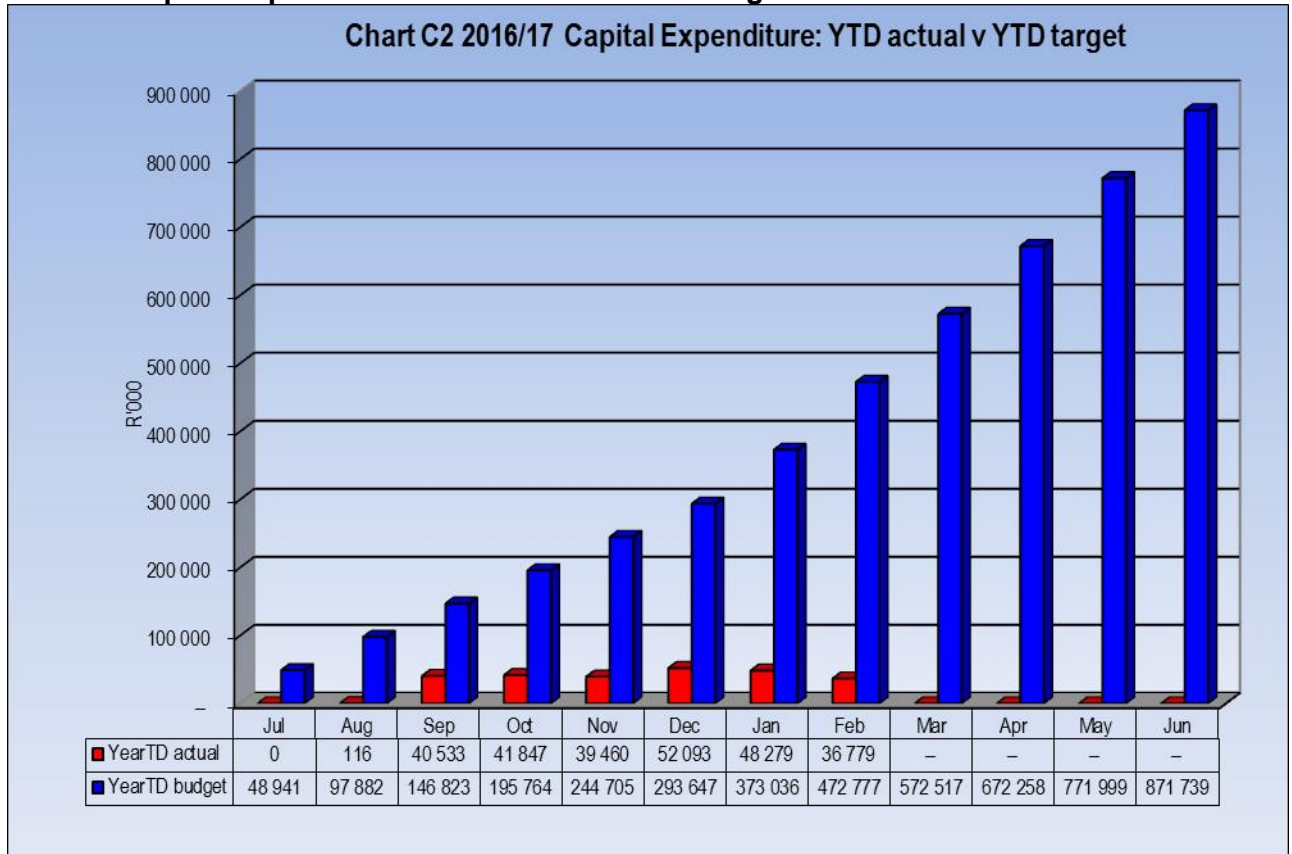
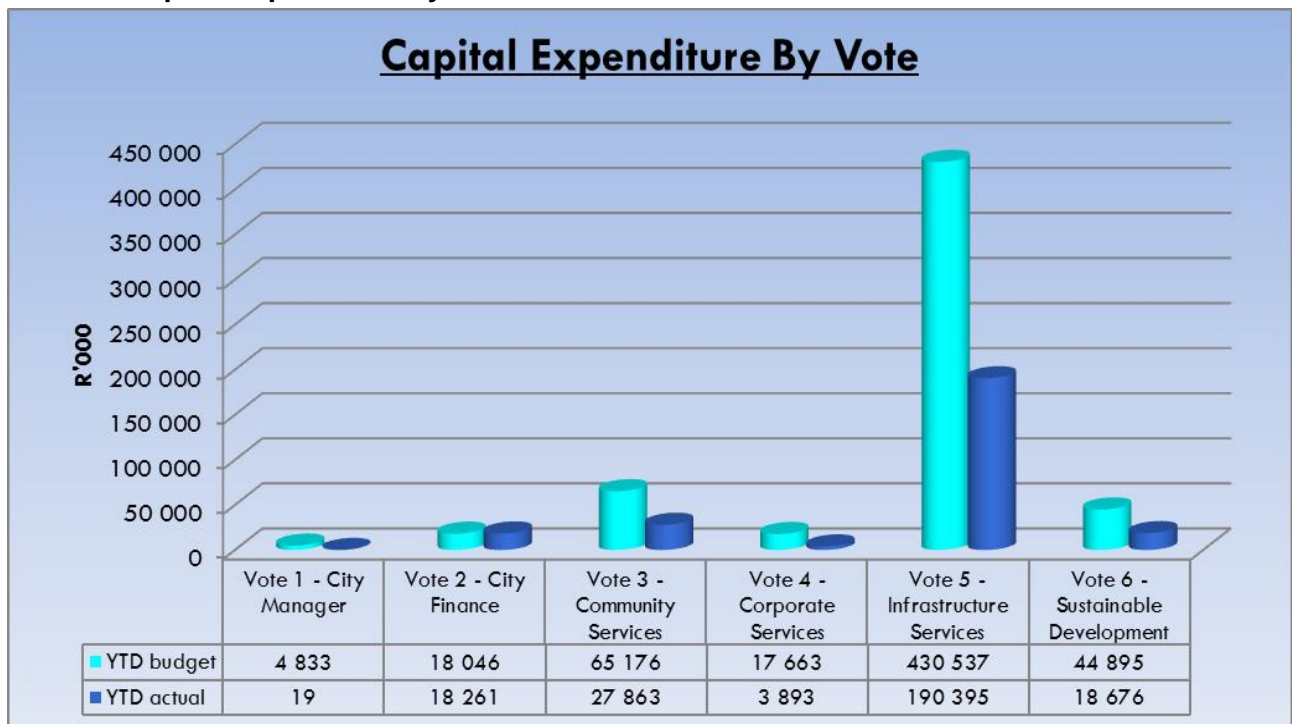


Chart 9: Capital Expenditure by Vote



In Year report of Municipal Entities is attached to the Municipality's in-year report

The municipal entity's report for the month ending February 2017 is attached.

2.10 Municipal Manager's Quality's Certification

Quality Certificate

I, **Sizwe Hadebe**, the Acting municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

- the monthly budget statement

for the month of **February 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **Sizwe Hadebe**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: _____

Date: _____