



Msunduzi Municipality

MFMA s71, s72 & s52 (d) Monthly, Mid-Year & Quarterly Reports

Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Mayors Report

1.2 Resolutions

1.3 Executive Summary

Legislative Requirements

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year report is a critical stage in the in year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, needs to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

FINANCIAL PERFORMANCE

Revenue: The total year to date (ytd) actual revenue generated for the month of December amounted to R 3.049 billion while the projected ytd budget amounted to R 3.003 billion. This means that the municipality generated slightly above what was projected at the end of the sixth month.

The variances on Property Rates revenue, Electricity revenue, Refuse removal revenue and Water revenue are below 10%, which is an acceptable level. However, revenue from Transfers and subsidies has a variance of 48%. This means that revenue generated from this source is higher than projected in the annual budget. However, the municipality will continue to monitor this area closely.

Revenue from External investments, Fines and Other revenue is less than initially projected in the annual budget. Therefore, the estimates should be adjusted downwards in the adjustments budget.

Overall, in the sixth month of the year, the municipality generated 3.049 billion revenue against the annual budget of R6.007 billion, which is 51% of the annual budget. The municipality must monitor closely the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue as that may create cash flow problems in a long run.

Operating Expenditure: The total year to date (ytd) actual operating expenditure for the period ending 31 December 2020 amounted to R 2.718 billion while the ytd budget amounted to R 2.779 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 74% of the annual budget expenditure.

Overall, the municipality recorded a surplus of R583.250 million for the sixth month of the financial year.

Capital Expenditure: The year to date (ytd) actual capital expenditure for the period ending 31 December 2020 amounted to R246.597 million while the ytd budget amounted to R 310.996 million resulting in underperformance of R64.399 million (-21%) of the capital budget. This is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality should therefore put measures in place to ensure that the acceleration of expenditure on capital projects thereby improving on delivery of services.

Grant Receipts: The total operational and capital grant receipts for the sixth month amounted to R355.249 million while the expenditure amounted to R 60.548 million which only amounts to 17 percent performance against receipts.

Cash & Cash equivalents: As at the end of 31 December 2020 the cash and investments resulted in a positive balance amounting to R272.945 million.

Consumer Debtors: Consumer debtors at the end of the sixth month (31 December 2020) is at R 4.772 billion. The municipality's debtors are continually increasing which poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtors' category which amount to R3.5 billion, of which R3.1 billion has been outstanding for more than 90 days. Commercial debtors are the second largest category of debtors owed to the municipality amounting to R725 million, of which R447 millions of those debtors have been outstanding for more than 90 days. The lowest category of debtors owed to the municipality relates to Organ of the states which amounts to R222.7 million, it should be noted although this category is considered the lowest, if efforts are made by the organs of the state owing the municipality in ensuring this balance is reduced, this may make a significant difference in the municipality's cash flow position. Achieving the collection overall in all categories will save the municipality from the significant Cash Flow risk exposure as it will always be liquid and able to pay its debts as they become due. The municipality will continuously introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

Creditors: Creditors owed by the municipality as at the end of mid-year amount to R507 million.

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 - Mid-Year Assessment

Description	2019/20	Budget Year 2020/21							
	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	–	1 269 795	1 269 795	102 614	606 772	634 897	(28 125)	-4%	1 269 795
Service charges	–	3 575 764	3 575 764	266 650	1 713 266	1 787 882	(74 616)	-4%	3 575 764
Investment revenue	–	15 260	15 260	341	3 408	7 630	(4 222)	-55%	15 260
Transfers and subsidies	–	675 483	764 481	273 809	567 425	382 241	185 184	48%	764 481
Other own revenue	–	381 508	381 508	21 799	159 006	190 754	(31 748)	-17%	381 508
Total Revenue (excluding capital transfers and contributions)	–	5 917 810	6 006 808	665 213	3 049 876	3 003 404	46 472	2%	6 006 808
Employee costs	–	1 467 373	1 478 324	103 979	701 544	739 162	(37 618)	-5%	1 478 324
Remuneration of Councillors	–	53 650	53 650	4 028	25 654	26 825	(1 171)	-4%	53 650
Depreciation & asset impairment	–	488 991	481 491	35 843	212 356	240 746	(28 390)	-12%	481 491
Finance charges	–	31 793	36 505	3 064	19 503	18 253	1 251	7%	36 505
Materials and bulk purchases	–	2 654 799	2 671 894	201 613	1 416 546	1 335 947	80 599	6%	2 671 894
Transfers and subsidies	–	25 080	58 680	2 551	23 289	29 340	(6 051)	-21%	58 680
Other expenditure	–	780 277	778 982	60 000	319 817	389 491	(69 674)	-18%	778 982
Total Expenditure	–	5 501 965	5 559 528	411 079	2 718 710	2 779 764	(61 054)	-2%	5 559 528
Surplus/(Deficit)	–	415 846	447 280	254 134	331 166	223 640	107 526	48%	447 280
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	525 892	525 892	65 331	252 084	262 946	(10 862)	-4%	525 892
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	941 737	973 172	319 465	583 250	486 586	96 664	20%	973 172
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	941 737	973 172	319 465	583 250	486 586	96 664	20%	973 172
Capital expenditure & funds sources									
Capital expenditure	–	580 892	621 992	66 422	246 597	310 996	(64 399)	-21%	621 992
Capital transfers recognised	–	525 892	525 892	53 759	224 287	262 946	(38 659)	-15%	525 892
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	55 000	96 100	12 663	22 310	48 050	(25 740)	-54%	96 100
Total sources of capital funds	–	580 892	621 992	66 422	246 597	310 996	(64 399)	-21%	621 992
Financial position									
Total current assets	–	2 972 345	2 873 821		3 141 301				2 873 821
Total non current assets	–	8 340 426	8 389 026		7 576 520				8 389 026
Total current liabilities	–	1 441 718	1 345 847		1 400 397				1 345 847
Total non current liabilities	–	1 091 865	1 091 865		820 090				1 091 865
Community wealth/Equity	–	8 779 187	8 825 134		8 497 334				8 825 134
Cash flows									
Net cash from (used) operating	–	752 533	787 419	–	–	393 710	393 710	100%	787 419
Net cash from (used) investing	–	(580 892)	(621 992)	–	–	(310 996)	(310 996)	100%	(621 992)
Net cash from (used) financing	–	(79 206)	(79 206)	–	–	(39 603)	(39 603)	100%	(79 206)
Cash/cash equivalents at the month/year end	–	382 436	603 831	–	470 048	560 720	90 672	16%	556 270
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	464 685	159 561	118 330	104 982	120 661	96 138	475 255	3 232 895	4 772 507
Creditors Age Analysis									
Total Creditors	889 352	84 307	28 898	5	41 654	–	–	–	1 044 216

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	1 572 339	1 661 337	259 186	979 599	830 668	148 931	18%	1 661 337
Executive and council		-	4 448	4 448	1 126	1 126	2 224	(1 098)	-49%	4 448
Finance and administration		-	1 567 891	1 656 889	258 060	978 474	828 444	150 029	18%	1 656 889
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	369 251	369 251	10 349	69 532	184 626	(115 093)	-62%	369 251
Community and social services		-	26 243	26 243	1 925	13 802	13 121	681	5%	26 243
Sport and recreation		-	11 002	11 002	11	51	5 501	(5 450)	-99%	11 002
Public safety		-	3 769	3 769	57	881	1 884	(1 003)	-53%	3 769
Housing		-	328 237	328 237	8 356	54 798	164 119	(109 321)	-67%	328 237
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	106 923	106 923	39 588	121 683	53 462	68 222	128%	106 923
Planning and development		-	41 022	41 022	869	629	20 511	(19 882)	-97%	41 022
Road transport		-	65 793	65 793	38 710	121 031	32 896	88 134	268%	65 793
Environmental protection		-	108	108	9	24	54	(30)	-56%	108
<i>Trading services</i>		-	4 331 954	4 331 578	419 485	2 117 192	2 165 789	(48 597)	-2%	4 331 578
Energy sources		-	2 655 003	2 655 003	194 451	1 218 547	1 327 501	(108 954)	-8%	2 655 003
Water management		-	1 253 550	1 253 174	170 832	658 483	626 587	31 896	5%	1 253 174
Waste water management		-	173 542	173 542	34 391	153 883	86 771	67 112	77%	173 542
Waste management		-	249 859	249 859	19 812	86 279	124 929	(38 651)	-31%	249 859
<i>Other</i>	4	-	63 611	63 611	1 935	13 953	31 805	(17 852)	-56%	63 611
Total Revenue - Functional	2	-	6 444 078	6 532 700	730 544	3 301 960	3 266 350	35 610	1%	6 532 700
Expenditure - Functional										
<i>Governance and administration</i>		-	1 354 265	1 360 779	81 319	440 660	680 389	(239 729)	-35%	1 360 779
Executive and council		-	137 732	143 612	8 749	52 101	71 806	(19 705)	-27%	143 612
Finance and administration		-	1 194 546	1 195 180	70 348	381 005	597 590	(216 585)	-36%	1 195 180
Internal audit		-	21 987	21 987	2 222	7 554	10 993	(3 439)	-31%	21 987
<i>Community and public safety</i>		-	425 555	473 668	39 073	275 555	236 834	38 721	16%	473 668
Community and social services		-	128 374	128 374	10 507	81 878	64 187	17 691	28%	128 374
Sport and recreation		-	114 418	114 418	8 988	60 196	57 209	2 987	5%	114 418
Public safety		-	92 359	140 472	13 159	94 511	70 236	24 275	35%	140 472
Housing		-	90 130	90 130	5 682	33 999	45 065	(11 066)	-25%	90 130
Health		-	274	274	736	4 972	137	4 835	3531%	274
<i>Economic and environmental services</i>		-	288 173	290 734	25 606	161 397	145 367	16 030	11%	290 734
Planning and development		-	92 240	92 240	5 563	32 825	46 120	(13 295)	-29%	92 240
Road transport		-	171 069	173 630	18 465	118 185	86 815	31 370	36%	173 630
Environmental protection		-	24 865	24 865	1 578	10 388	12 432	(2 045)	-16%	24 865
<i>Trading services</i>		-	3 353 047	3 353 047	260 639	1 811 196	1 676 523	134 672	8%	3 353 047
Energy sources		-	2 291 332	2 291 332	153 979	1 188 897	1 145 666	43 231	4%	2 291 332
Water management		-	-	-	77 308	442 555	-	442 555	-	-
Waste water management		-	931 930	931 930	20 638	119 669	465 965	(346 296)	-74%	931 930
Waste management		-	129 784	129 784	8 715	60 075	64 892	(4 817)	-7%	129 784
<i>Other</i>		-	81 301	81 301	4 442	29 901	40 650	(10 749)	-26%	81 301
Total Expenditure - Functional	3	-	5 502 340	5 559 528	411 079	2 718 710	2 779 764	(61 054)	-2%	5 559 528
Surplus/ (Deficit) for the year		-	941 737	973 172	319 465	583 250	486 586	96 664	20%	973 172

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) - Mid-Year

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		-	4 448	4 448	3	3	2 224	(2 221)	-99,9%	4 448
Vote 2 - City Finance		-	2 396 134	2 485 132	257 654	974 192	1 242 566	(268 374)	-21,6%	2 485 132
Vote 3 - Community Services and Social Equity		-	214 664	214 664	21 795	101 039	107 332	(6 294)	-5,9%	214 664
Vote 4 - Corporate Services		-	19 239	19 239	1 129	1 525	9 620	(8 094)	-84,1%	19 239
Vote 5 - Infrastructure Services		-	3 376 346	3 376 346	438 761	2 155 712	1 688 173	467 539	27,7%	3 376 346
Vote 6 - Sustainable Development and City Enterprises		-	432 870	432 870	11 202	69 489	216 435	(146 947)	-67,9%	432 870
Total Revenue by Vote	2	-	6 443 702	6 532 700	730 544	3 301 960	3 266 350	35 610	1,1%	6 532 700
Expenditure by Vote	1									
Vote 1 - City Manager		-	181 805	187 685	11 922	72 475	93 842	(21 367)	-22,8%	187 685
Vote 2 - City Finance		-	700 878	701 512	25 986	162 251	350 756	(188 505)	-53,7%	701 512
Vote 3 - Community Services and Social Equity		-	743 752	743 752	68 099	419 418	371 876	47 542	12,8%	743 752
Vote 4 - Corporate Services		-	200 549	200 549	14 267	66 547	100 274	(33 727)	-33,6%	200 549
Vote 5 - Infrastructure Services		-	3 393 289	3 396 225	273 553	1 885 590	1 698 113	187 477	11,0%	3 396 225
Vote 6 - Sustainable Development and City Enterprises		-	281 692	329 805	17 252	112 429	164 903	(52 473)	-31,8%	329 805
Total Expenditure by Vote	2	-	5 501 965	5 559 528	411 079	2 718 710	2 779 764	(61 054)	-2,2%	5 559 528
Surplus/ (Deficit) for the year	2	-	941 737	973 172	319 465	583 250	486 586	96 664	19,9%	973 172

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2020.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment										
Description	Ref	2019/20	Budget Year 2020/21							
		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			1 269 795	1 269 795	102 614	606 772	634 897	(28 125)	-4%	1 269 795
Service charges - electricity revenue			2 584 776	2 584 776	181 711	1 188 191	1 292 388	(104 197)	-8%	2 584 776
Service charges - water revenue			722 633	722 633	61 449	391 422	361 317	30 106	8%	722 633
Service charges - sanitation revenue			152 022	152 022	14 673	80 315	76 011	4 304	6%	152 022
Service charges - refuse revenue			116 333	116 333	8 817	53 337	58 167	(4 829)	-8%	116 333
Rental of facilities and equipment			29 079	29 079	1 829	3 170	14 539	(11 369)	-78%	29 079
Interest earned - external investments			15 260	15 260	341	3 408	7 630	(4 222)	-55%	15 260
Interest earned - outstanding debtors			202 458	202 458	16 617	90 658	101 229	(10 571)	-10%	202 458
Dividends received								-		
Fines, penalties and forfeits			1 799	1 799	39	244	899	(655)	-73%	1 799
Licences and permits			1 120	1 120	15	270	560	(290)	-52%	1 120
Agency services			602	602	11	340	301	39	13%	602
Transfers and subsidies			675 483	764 481	273 809	567 425	382 241	185 184	48%	764 481
Other revenue			146 452	146 452	3 289	64 323	73 226	(8 903)	-12%	146 452
Gains								-		
Total Revenue (excluding capital transfers and contributions)		-	5 917 810	6 006 808	665 213	3 049 876	3 003 404	46 472	2%	6 006 808
Expenditure By Type										
Employee related costs			1 467 373	1 478 324	103 979	701 544	739 162	(37 618)	-5%	1 478 324
Remuneration of councillors			53 650	53 650	4 028	25 654	26 825	(1 171)	-4%	53 650
Debt impairment			123 904	123 904	(103)	4 923	61 952	(57 029)	-92%	123 904
Depreciation & asset impairment			488 991	481 491	35 843	212 356	240 746	(28 390)	-12%	481 491
Finance charges			31 793	36 505	3 064	19 503	18 253	1 251	7%	36 505
Bulk purchases			2 608 224	2 608 224	192 927	1 399 027	1 304 112	94 915	7%	2 608 224
Other materials			46 575	63 670	8 686	17 519	31 835	(14 316)	-45%	63 670
Contracted services			463 787	490 525	45 935	233 983	245 262	(11 279)	-5%	490 525
Transfers and subsidies			25 080	58 680	2 551	23 289	29 340	(6 051)	-21%	58 680
Other expenditure			192 586	164 553	14 168	80 910	82 277	(1 367)	-2%	164 553
Losses								-		
Total Expenditure		-	5 501 965	5 559 528	411 079	2 718 710	2 779 764	(61 054)	-2%	5 559 528
Surplus/(Deficit)		-	415 846	447 280	254 134	331 166	223 640	107 526	0	447 280
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			525 892	525 892	65 331	252 084	262 946	(10 862)	(0)	525 892
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		-	941 737	973 172	319 465	583 250	486 586			973 172
Taxation								-		
Surplus/(Deficit) after taxation		-	941 737	973 172	319 465	583 250	486 586			973 172
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	941 737	973 172	319 465	583 250	486 586			973 172
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	941 737	973 172	319 465	583 250	486 586			973 172

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, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		–	3 800	3 800	–	–	1 900	(1 900)	-100%	3 800
Vote 2 - City Finance		–	12 500	12 500	–	–	6 250	(6 250)	-100%	12 500
Vote 3 - Community Services and Social Equity		–	23 812	23 812	–	–	11 906	(11 906)	-100%	23 812
Vote 4 - Corporate Services		–	–	–	1 352	4 068	–	4 068		–
Vote 5 - Infrastructure Services		–	168 455	168 455	59 716	196 798	84 228	112 570	134%	168 455
Vote 6 - Sustainable Development and City Enterprises		–	300 600	300 600	4 379	32 515	150 300	(117 785)	-78%	300 600
Total Capital Multi-year expenditure	4,7	–	509 168	509 168	65 447	233 381	254 584	(21 203)	-8%	509 168
Single Year expenditure appropriation	2									
Vote 1 - City Manager		–	–	–	–	1 143	–	1 143		–
Vote 2 - City Finance		–	15 000	15 800	156	362	7 900	(7 538)	-95%	15 800
Vote 3 - Community Services and Social Equity		–	13 700	33 700	–	–	16 850	(16 850)	-100%	33 700
Vote 4 - Corporate Services		–	–	–	192	9 683	–	9 683		–
Vote 5 - Infrastructure Services		–	33 000	53 300	627	979	26 650	(25 671)	-96%	53 300
Vote 6 - Sustainable Development and City Enterprises		–	10 024	10 024	–	1 050	5 012	(3 962)	-79%	10 024
Total Capital single-year expenditure	4	–	71 724	112 824	975	13 216	56 412	(43 196)	-77%	112 824
Total Capital Expenditure		–	580 892	621 992	66 422	246 597	310 996	(64 399)	-21%	621 992
Capital Expenditure - Functional Classification										
Governance and administration		–	32 500	33 300	132	1 480	16 650	(15 170)	-91%	33 300
Executive and council			5 000	5 000		1 143	2 500	(1 357)	-54%	5 000
Finance and administration			27 500	28 300	132	337	14 150	(13 813)	-98%	28 300
Internal audit										
Community and public safety		–	324 874	334 874	5 178	37 871	167 437	(129 566)	-77%	334 874
Community and social services			45 972	55 972	1 313	4 668	27 986	(23 318)	-83%	55 972
Sport and recreation					22	29		29		
Public safety										
Housing			278 902	278 902	3 843	33 174	139 451	(106 277)	-76%	278 902
Health										
Economic and environmental services		–	104 572	114 572	42 253	122 535	57 286	65 249	114%	114 572
Planning and development			13 936	13 936			6 968	(6 968)	-100%	13 936
Road transport			90 636	100 636	42 253	122 535	50 318	72 217	144%	100 636
Environmental protection										
Trading services		–	116 445	136 745	18 835	83 636	68 373	15 263	22%	136 745
Energy sources			12 500	22 800	627	979	11 400	(10 421)	-91%	22 800
Water management			71 931	71 931	11 073	36 849	35 966	883	2%	71 931
Waste water management			27 514	27 514	7 135	38 159	13 757	24 402	177%	27 514
Waste management			4 500	14 500		7 649	7 250	399	6%	14 500
Other			2 500	2 500	24	1 074	1 250	(176)	-14%	2 500
Total Capital Expenditure - Functional Classification	3	–	580 892	621 992	66 422	246 597	310 996	(64 399)	-21%	621 992
Funded by:										
National Government			255 267	255 267	49 675	191 546	127 634	63 912	50%	255 267
Provincial Government			270 624	270 624	4 084	32 741	135 312	(102 571)	-76%	270 624
District Municipality										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental										
Transfers recognised - capital		–	525 892	525 892	53 759	224 287	262 946	(38 659)	-15%	525 892
Borrowing	6									
Internally generated funds			55 000	96 100	12 663	22 310	48 050	(25 740)	-54%	96 100
Total Capital Funding		–	580 892	621 992	66 422	246 597	310 996	(64 399)	-21%	621 992

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 31 December 2020.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment						
Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash			365 664	587 059	18 150	587 059
Call investment deposits			16 772	16 772	254 795	16 772
Consumer debtors			2 485 905	2 165 986	2 278 084	2 165 986
Other debtors			67 824	67 824	2 605	67 824
Current portion of long-term receivables						
Inventory			36 181	36 181	587 667	36 181
Total current assets		-	2 972 345	2 873 821	3 141 301	2 873 821
Non current assets						
Long-term receivables					(1 776)	
Investments			2 970			
Investment property			782 333	2 970	707 627	2 970
Investments in Associate				782 333		782 333
Property, plant and equipment			7 111 998	7 160 598	6 760 978	7 160 598
Biological			1 066	1 066	1 070	1 066
Intangible			46 133	46 133	25 420	46 133
Other non-current assets			395 927	395 927	83 200	395 927
Total non current assets		-	8 340 426	8 389 026	7 576 520	8 389 026
TOTAL ASSETS		-	11 312 770	11 262 847	10 717 821	11 262 847
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing			85 381	85 381	40 498	85 381
Consumer deposits			114 344	114 344	122 711	114 344
Trade and other payables			1 101 596	1 005 725	1 198 985	1 005 725
Provisions			140 398	140 398	38 202	140 398
Total current liabilities		-	1 441 718	1 345 847	1 400 397	1 345 847
Non current liabilities						
Borrowing			282 086	282 086	285 318	282 086
Provisions			809 779	809 779	534 772	809 779
Total non current liabilities		-	1 091 865	1 091 865	820 090	1 091 865
TOTAL LIABILITIES		-	2 533 583	2 437 712	2 220 487	2 437 712
NET ASSETS	2	-	8 779 187	8 825 134	8 497 334	8 825 134
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			8 550 274	8 596 221	8 307 029	8 596 221
Reserves			228 913	228 913	190 305	228 913
TOTAL COMMUNITY WEALTH/EQUITY	2	-	8 779 187	8 825 134	8 497 334	8 825 134

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - Mid-Year Assessment

Description	2019/20	Budget Year 2020/21							
	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	–	1 269 795	1 269 795	102 614	606 772	634 897	(28 125)	-4%	1 269 795
Service charges	–	3 575 764	3 575 764	266 650	1 713 266	1 787 882	(74 616)	-4%	3 575 764
Investment revenue	–	15 260	15 260	348	3 442	7 630	(4 188)	-55%	15 260
Transfers and subsidies	–	675 483	764 481	273 809	567 425	382 241	185 184	48%	764 481
Other own revenue	–	381 508	381 508	24 748	164 903	190 754	(25 851)	-14%	381 508
Total Revenue (excluding capital transfers and contributions)	–	5 917 810	6 006 808	668 168	3 055 807	3 003 404	52 403	2%	6 006 808
Employee costs	–	1 478 324	1 478 324	105 217	706 306	739 162	(32 857)	-4%	1 478 324
Remuneration of Councillors	–	53 650	53 650	4 028	25 654	26 825	(1 171)	-4%	53 650
Depreciation & asset impairment	–	489 941	482 441	35 914	212 774	241 221	(28 447)	-12%	482 441
Finance charges	–	31 793	36 505	3 064	19 503	18 253	1 251	7%	36 505
Materials and bulk purchases	–	2 654 837	2 671 934	201 613	1 416 557	1 335 967	80 589	6%	2 671 934
Transfers and subsidies	–	25 080	58 680	2 551	23 289	29 340	(6 051)	-21%	58 680
Other expenditure	–	782 850	781 554	60 070	320 222	390 777	(70 555)	-18%	781 554
Total Expenditure	–	5 516 477	5 563 090	412 457	2 724 305	2 781 545	(57 240)	-2%	5 563 090
Surplus/(Deficit)	–	401 333	443 718	255 711	331 503	221 859	109 643	49%	443 718
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	525 892	525 892	65 331	252 084	262 946	(10 862)	-4%	525 892
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	927 224	969 610	321 042	583 586	484 805	98 781	20%	969 610
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	927 224	969 610	321 042	583 586	484 805	98 781	20%	969 610
Capital expenditure & funds sources									
Capital expenditure	–	580 892	621 992	66 422	246 936	310 996	(64 060)	-21%	621 992
Capital transfers recognised	–	525 892	525 892	53 759	224 457	262 946	(38 489)	-15%	525 892
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	55 000	96 100	12 663	22 479	48 050	(25 571)	-53%	96 100
Total sources of capital funds	–	580 892	621 992	66 422	246 936	310 996	(64 060)	-21%	621 992
Financial position									
Total current assets	–	2 972 345	3 193 740		3 146 555				3 193 740
Total non current assets	–	8 340 426	8 389 026		7 586 874				8 389 026
Total current liabilities	–	1 441 718	1 669 327		1 401 644				1 669 327
Total non current liabilities	–	1 091 865	1 091 865		820 090				1 091 865
Community wealth/Equity	–	8 779 187	8 821 573		8 511 695				8 821 573
Cash flows									
Net cash from (used) operating	–	752 533	787 419	(109 009)	(55 235)	393 710	448 945	114%	787 419
Net cash from (used) investing	–	(580 892)	(621 992)	(51 591)	(32 479)	(310 996)	(278 517)	90%	(621 992)
Net cash from (used) financing	–	(79 206)	(79 206)	(19 567)	(20 256)	(39 603)	(19 347)	49%	(79 206)
Cash/cash equivalents at the month/year end	–	382 436	603 831	–	362 078	560 720	198 642	35%	556 270
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	464 685	159 561	118 330	104 982	120 661	96 138	475 255	3 232 895	4 772 507
Creditors Age Analysis									
Total Creditors	889 352	84 307	28 898	5	41 654	–	–	–	1 044 216

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Revenue - Functional</u>										
<i>Governance and administration</i>		-	1 572 339	1 661 337	259 186	979 599	830 668	148 931	18%	1 661 337
Executive and council		-	4 448	4 448	1 126	1 126	2 224	(1 098)	-49%	4 448
Finance and administration		-	1 567 891	1 656 889	258 060	978 474	828 444	150 029	18%	1 656 889
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		-	369 251	369 251	13 304	75 463	184 626	(109 162)	-59%	369 251
Community and social services		-	26 243	26 243	1 925	13 802	13 121	681	5%	26 243
Sport and recreation		-	11 002	11 002	11	51	5 501	(5 450)	-99%	11 002
Public safety		-	3 769	3 769	3 012	6 812	1 884	4 928	261%	3 769
Housing		-	328 237	328 237	8 356	54 798	164 119	(109 321)	-67%	328 237
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		-	106 923	106 923	39 588	121 683	53 462	68 222	128%	106 923
Planning and development		-	41 022	41 022	869	629	20 511	(19 882)	-97%	41 022
Road transport		-	65 793	65 793	38 710	121 031	32 896	88 134	268%	65 793
Environmental protection		-	108	108	9	24	54	(30)	-56%	108
<i>Trading services</i>		-	4 331 954	4 331 578	419 485	2 117 192	2 165 789	(48 597)	-2%	4 331 578
Energy sources		-	2 655 003	2 655 003	194 451	1 218 547	1 327 501	(108 954)	-8%	2 655 003
Water management		-	1 253 550	1 253 174	170 832	658 483	626 587	31 896	5%	1 253 174
Waste water management		-	173 542	173 542	34 391	153 883	86 771	67 112	77%	173 542
Waste management		-	249 859	249 859	19 812	86 279	124 929	(38 651)	-31%	249 859
<i>Other</i>	4	-	63 611	63 611	1 935	13 953	31 805	(17 852)	-56%	63 611
Total Revenue - Functional	2	-	6 444 078	6 532 700	733 499	3 307 891	3 266 350	41 541	1%	6 532 700
<u>Expenditure - Functional</u>										
<i>Governance and administration</i>		-	1 354 265	1 360 779	81 319	440 660	680 389	(239 729)	-35%	1 360 779
Executive and council		-	137 732	143 612	8 749	52 101	71 806	(19 705)	-27%	143 612
Finance and administration		-	1 194 546	1 195 180	70 348	381 005	597 590	(216 585)	-36%	1 195 180
Internal audit		-	21 987	21 987	2 222	7 554	10 993	(3 439)	-31%	21 987
<i>Community and public safety</i>		-	440 068	473 668	40 450	281 150	236 834	44 316	19%	473 668
Community and social services		-	128 374	128 374	10 507	81 878	64 187	17 691	28%	128 374
Sport and recreation		-	114 418	114 418	8 988	60 196	57 209	2 987	5%	114 418
Public safety		-	106 872	140 472	14 537	100 106	70 236	29 870	43%	140 472
Housing		-	90 130	90 130	5 682	33 999	45 065	(11 066)	-25%	90 130
Health		-	274	274	736	4 972	137	4 835	3531%	274
<i>Economic and environmental services</i>		-	288 173	294 296	25 606	161 397	147 148	14 250	10%	294 296
Planning and development		-	92 240	92 240	5 563	32 825	46 120	(13 295)	-29%	92 240
Road transport		-	171 069	177 192	18 465	118 185	88 596	29 589	33%	177 192
Environmental protection		-	24 865	24 865	1 578	10 388	12 432	(2 045)	-16%	24 865
<i>Trading services</i>		-	3 353 047	3 353 047	260 639	1 811 196	1 676 523	134 672	8%	3 353 047
Energy sources		-	2 291 332	2 291 332	153 979	1 188 897	1 145 666	43 231	4%	2 291 332
Water management		-	-	-	77 308	442 555	-	442 555		-
Waste water management		-	931 930	931 930	20 638	119 669	465 965	(346 296)	-74%	931 930
Waste management		-	129 784	129 784	8 715	60 075	64 892	(4 817)	-7%	129 784
<i>Other</i>		-	81 301	81 301	4 442	29 901	40 650	(10 749)	-26%	81 301
Total Expenditure - Functional	3	-	5 516 853	5 563 090	412 457	2 724 305	2 781 545	(57 240)	-2%	5 563 090
Surplus/ (Deficit) for the year		-	927 224	969 610	321 042	583 586	484 805	98 781	20%	969 610

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		–	4 448	4 448	3	3	2 224	(2 221)	-99,9%	4 448
Vote 2 - City Finance		–	2 396 134	2 485 132	257 654	974 192	1 242 566	(268 374)	-21,6%	2 485 132
Vote 3 - Community Services and Social Equity		–	214 664	214 664	21 795	101 039	107 332	(6 294)	-5,9%	214 664
Vote 4 - Corporate Services		–	19 239	19 239	1 129	1 525	9 620	(8 094)	-84,1%	19 239
Vote 5 - Infrastructure Services		–	3 376 346	3 376 346	438 761	2 155 712	1 688 173	467 539	27,7%	3 376 346
Vote 6 - Sustainable Development and City Enterprises		–	432 870	432 870	14 157	75 420	216 435	(141 016)	-65,2%	432 870
Total Revenue by Vote	2	–	6 443 702	6 532 700	733 499	3 307 891	3 266 350	41 541	1,3%	6 532 700
Expenditure by Vote	1									
Vote 1 - City Manager		–	181 805	187 685	11 922	72 475	93 842	(21 367)	-22,8%	187 685
Vote 2 - City Finance		–	700 878	701 512	25 986	162 251	350 756	(188 505)	-53,7%	701 512
Vote 3 - Community Services and Social Equity		–	743 752	743 752	68 099	419 418	371 876	47 542	12,8%	743 752
Vote 4 - Corporate Services		–	200 549	200 549	14 267	66 547	100 274	(33 727)	-33,6%	200 549
Vote 5 - Infrastructure Services		–	3 393 289	3 399 787	273 553	1 885 590	1 699 894	185 696	10,9%	3 399 787
Vote 6 - Sustainable Development and City Enterprises		–	296 205	329 805	18 629	118 024	164 903	(46 879)	-28,4%	329 805
Total Expenditure by Vote	2	–	5 516 477	5 563 090	412 457	2 724 305	2 781 545	(57 240)	-2,1%	5 563 090
Surplus/ (Deficit) for the year	2	–	927 224	969 610	321 042	583 586	484 805	98 781	20,4%	969 610

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		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			1 269 795	1 269 795	102 614	606 772	634 897	(28 125)	-4%	1 269 795
Service charges - electricity revenue			2 584 776	2 584 776	181 711	1 188 191	1 292 388	(104 197)	-8%	2 584 776
Service charges - water revenue			722 633	722 633	61 449	391 422	361 317	30 106	8%	722 633
Service charges - sanitation revenue			152 022	152 022	14 673	80 315	76 011	4 304	6%	152 022
Service charges - refuse revenue			116 333	116 333	8 817	53 337	58 167	(4 829)	-8%	116 333
Rental of facilities and equipment			29 079	29 079	1 829	3 170	14 539	(11 369)	-78%	29 079
Interest earned - external investments			15 260	15 260	348	3 442	7 630	(4 188)	-55%	15 260
Interest earned - outstanding debtors			202 458	202 458	16 617	90 658	101 229	(10 571)	-10%	202 458
Dividends received								-		
Fines, penalties and forfeits			1 799	1 799	39	244	899	(655)	-73%	1 799
Licences and permits			1 120	1 120	15	270	560	(290)	-52%	1 120
Agency services			602	602	11	340	301	39	13%	602
Transfers and subsidies			675 483	764 481	273 809	567 425	382 241	185 184	48%	764 481
Other revenue			146 452	146 452	6 237	70 220	73 226	(3 006)	-4%	146 452
Gains								-		
Total Revenue (excluding capital transfers and contributions)		-	5 917 810	6 006 808	668 168	3 055 807	3 003 404	52 403	2%	6 006 808
Expenditure By Type										
Employee related costs			1 478 324	1 478 324	105 217	706 306	739 162	(32 857)	-4%	1 478 324
Remuneration of councillors			53 650	53 650	4 028	25 654	26 825	(1 171)	-4%	53 650
Debt impairment			123 904	123 904	(103)	4 923	61 952	(57 029)	-92%	123 904
Depreciation & asset impairment			489 941	482 441	35 914	212 774	241 221	(28 447)	-12%	482 441
Finance charges			31 793	36 505	3 064	19 503	18 253	1 251	7%	36 505
Bulk purchases			2 608 224	2 608 224	192 927	1 399 027	1 304 112	94 915	7%	2 608 224
Other materials			46 613	63 710	8 686	17 530	31 855	(14 325)	-45%	63 710
Contracted services			464 723	491 460	45 945	234 039	245 730	(11 692)	-5%	491 460
Transfers and subsidies			25 080	58 680	2 551	23 289	29 340	(6 051)	-21%	58 680
Other expenditure			194 223	166 189	14 227	81 260	83 095	(1 835)	-2%	166 189
Losses				-				-		
Total Expenditure		-	5 516 477	5 563 090	412 457	2 724 305	2 781 545	(57 240)	-2%	5 563 090
Surplus/(Deficit)		-	401 333	443 718	255 711	331 503	221 859	109 643	49%	443 718
Transfers and subsidies - capital (municipality allocations)										
(National / Provincial and District)			525 892	525 892	65 331	252 084	262 946	(10 862)	-4%	525 892
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		-	927 224	969 610	321 042	583 586	484 805			969 610
Taxation								-		
Surplus/(Deficit) after taxation		-	927 224	969 610	321 042	583 586	484 805			969 610
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	927 224	969 610	321 042	583 586	484 805			969 610
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	927 224	969 610	321 042	583 586	484 805			969 610

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Mid-Year Assessment

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		–	3 800	3 800	–	–	1 900	(1 900)	-100%	3 800
Vote 2 - City Finance		–	12 500	12 500	–	–	6 250	(6 250)	-100%	12 500
Vote 3 - Community Services and Social Equity		–	23 812	23 812	–	–	11 906	(11 906)	-100%	23 812
Vote 4 - Corporate Services		–	–	–	1 352	4 068	–	4 068		–
Vote 5 - Infrastructure Services		–	168 455	168 455	59 716	196 798	84 228	112 570	134%	168 455
Vote 6 - Sustainable Development and City Enterprises		–	300 600	300 600	4 379	32 685	150 300	(117 615)	-78%	300 600
Total Capital Multi-year expenditure	4,7	–	509 168	509 168	65 447	233 551	254 584	(21 033)	-8%	509 168
Single Year expenditure appropriation	2									
Vote 1 - City Manager		–	–	–	–	1 143	–	1 143		–
Vote 2 - City Finance		–	15 000	15 800	156	362	7 900	(7 538)	-95%	15 800
Vote 3 - Community Services and Social Equity		–	13 700	33 700	–	–	16 850	(16 850)	-100%	33 700
Vote 4 - Corporate Services		–	–	–	192	9 683	–	9 683		–
Vote 5 - Infrastructure Services		–	33 000	53 300	627	1 148	26 650	(25 502)	-96%	53 300
Vote 6 - Sustainable Development and City Enterprises		–	10 024	10 024	–	1 050	5 012	(3 962)	-79%	10 024
Total Capital single-year expenditure	4	–	71 724	112 824	975	13 385	56 412	(43 027)	-76%	112 824
Total Capital Expenditure		–	580 892	621 992	66 422	246 936	310 996	(64 060)	-21%	621 992
Capital Expenditure - Functional Classification										
Governance and administration		–	32 500	33 300	132	1 480	16 650	(15 170)	-91%	33 300
Executive and council			5 000	5 000		1 143	2 500	(1 357)	-54%	5 000
Finance and administration			27 500	28 300	132	337	14 150	(13 813)	-98%	28 300
Internal audit										
Community and public safety		–	324 874	334 874	5 178	38 041	167 437	(129 396)	-77%	334 874
Community and social services			45 972	55 972	1 313	4 668	27 986	(23 318)	-83%	55 972
Sport and recreation					22	29		29		
Public safety						170		170		
Housing			278 902	278 902	3 843	33 174	139 451	(106 277)	-76%	278 902
Health										
Economic and environmental services		–	104 572	114 572	42 253	122 535	57 286	65 249	114%	114 572
Planning and development			13 936	13 936			6 968	(6 968)	-100%	13 936
Road transport			90 636	100 636	42 253	122 535	50 318	72 217	144%	100 636
Environmental protection										
Trading services		–	103 769	136 745	18 835	83 636	68 373	15 263	22%	136 745
Energy sources			12 500	22 800	627	979	11 400	(10 421)	-91%	22 800
Water management			59 255	71 931	11 073	36 849	35 966	883	2%	71 931
Waste water management			27 514	27 514	7 135	38 159	13 757	24 402	177%	27 514
Waste management			4 500	14 500		7 649	7 250	399	6%	14 500
Other			2 500	2 500	24	1 244	1 250	(6)	0%	2 500
Total Capital Expenditure - Functional Classification	3	–	568 215	621 992	66 422	246 936	310 996	(64 060)	-21%	621 992
Funded by:										
National Government			255 267	255 267	49 675	191 715	127 634	64 082	50%	255 267
Provincial Government			270 624	270 624	4 084	32 741	135 312	(102 571)	-76%	270 624
District Municipality										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental										
Transfers recognised - capital		–	525 892	525 892	53 759	224 457	262 946	(38 489)	-15%	525 892
Borrowing	6									
Internally generated funds			55 000	96 100	12 663	22 479	48 050	(25 571)	-53%	96 100
Total Capital Funding		–	580 892	621 992	66 422	246 936	310 996	(64 060)	-21%	621 992

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - Mid-Year

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			365 664	587 059	18 493	587 059
Call investment deposits			16 772	16 772	259 703	16 772
Consumer debtors			2 485 905	2 485 905	2 278 084	2 485 905
Other debtors			67 824	67 824	2 608	67 824
Current portion of long-term receivables				-		
Inventory			36 181	36 181	587 667	36 181
Total current assets		-	2 972 345	3 193 740	3 146 555	3 193 740
Non current assets						
Long-term receivables					(1 776)	
Investments			2 970	2 970		2 970
Investment property			782 333	782 333	707 627	782 333
Investments in Associate						
Property, plant and equipment			7 111 998	7 160 598	6 771 332	7 160 598
Biological			1 066	1 066	1 070	1 066
Intangible			46 133	46 133	25 420	46 133
Other non-current assets			395 927	395 927	83 200	395 927
Total non current assets		-	8 340 426	8 389 026	7 586 874	8 389 026
TOTAL ASSETS		-	11 312 770	11 582 765	10 733 429	11 582 765
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing			85 381	85 381	40 498	85 381
Consumer deposits			114 344	114 344	122 711	114 344
Trade and other payables			1 101 596	1 329 205	1 199 398	1 329 205
Provisions			140 398	140 398	39 036	140 398
Total current liabilities		-	1 441 718	1 669 327	1 401 644	1 669 327
Non current liabilities						
Borrowing			282 086	282 086	285 318	282 086
Provisions			809 779	809 779	534 772	809 779
Total non current liabilities		-	1 091 865	1 091 865	820 090	1 091 865
TOTAL LIABILITIES		-	2 533 583	2 761 192	2 221 734	2 761 192
NET ASSETS	2	-	8 779 187	8 821 573	8 511 695	8 821 573
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			8 550 274	8 592 659	8 321 389	8 592 659
Reserves			228 913	228 913	190 305	228 913
TOTAL COMMUNITY WEALTH/EQUITY	2	-	8 779 187	8 821 573	8 511 695	8 821 573

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 December 2020.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment														
Description	NT Code	Budget Year 2020/21											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	122 413	42 380	42 769	32 790	41 418	26 406	166 595	1 315 063	1 789 834	1 582 272		1 001 504	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	133 191	36 079	19 101	16 893	13 307	8 627	42 126	143 847	413 171	224 800		92 707	
Receivables from Non-exchange Transactions - Property Rates	1400	139 300	53 905	29 702	29 616	33 892	21 010	102 595	543 257	953 277	730 370		406 398	
Receivables from Exchange Transactions - Waste Water Management	1500	25 671	6 600	6 261	5 745	4 827	4 665	27 692	237 453	318 913	280 382		190 450	
Receivables from Exchange Transactions - Waste Management	1600	13 956	3 379	3 261	3 044	2 841	1 831	15 696	136 039	180 047	159 451		106 405	
Receivables from Exchange Transactions - Property Rental Debtors	1700	2 852	884	763	702	823	600	6 768	42 825	56 216	51 717		33 846	
Interest on Arrear Debtor Accounts	1810	32 447	16 314	16 359	16 061	23 138	32 158	113 558	493 246	743 281	678 161		248 705	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	(5 146)	21	113	131	416	840	227	321 165	317 766	322 778		320 383	
Total By Income Source	2000	464 685	159 561	118 330	104 982	120 661	96 138	475 255	3 232 895	4 772 507	4 029 931	-	2 400 397	
2019/20 - totals only		704 601	(4 325)	117 683	101 021	97 617	89 416	534 223	2 831 953	4 472 188	3 654 230		2 129 136	
Debtors Age Analysis By Customer Group														
Organs of State	2200	22 731	14 269	9 873	9 655	9 983	6 455	27 097	122 689	222 753	175 880		79 226	
Commercial	2300	209 841	45 095	22 238	19 778	16 479	17 515	67 730	326 409	725 086	447 912		229 468	
Households	2400	228 112	93 248	81 176	70 075	85 938	68 774	358 566	2 597 651	3 583 541	3 181 004		1 943 259	
Other	2500	4 000	6 949	5 042	5 473	8 261	3 393	21 863	186 146	241 126	225 135		148 444	
Total By Customer Group	2600	464 685	159 561	118 330	104 982	120 661	96 138	475 255	3 232 895	4 772 507	4 029 931	-	2 400 397	

Chart 1: Debtors Age Analysis by Customer Group

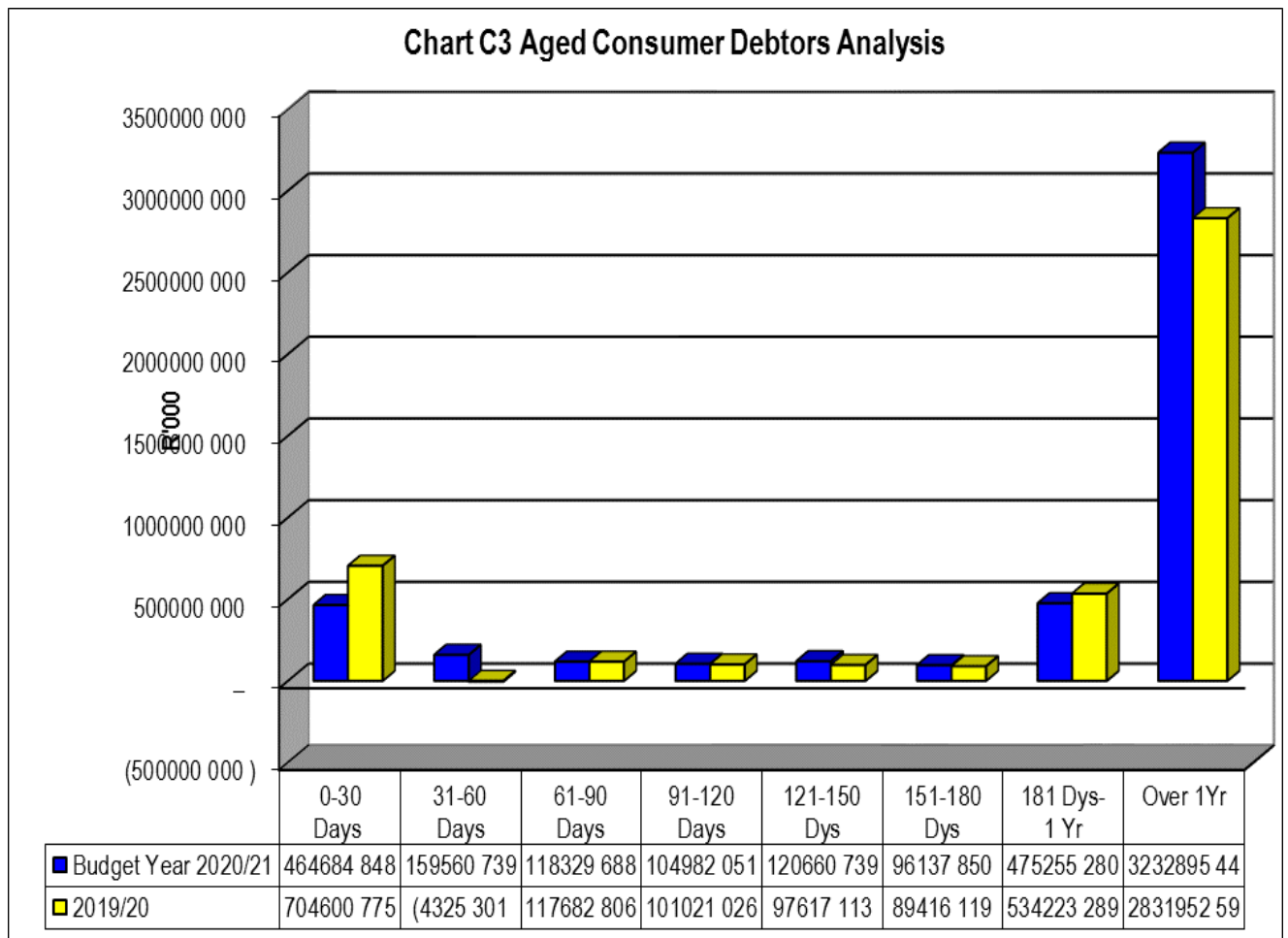
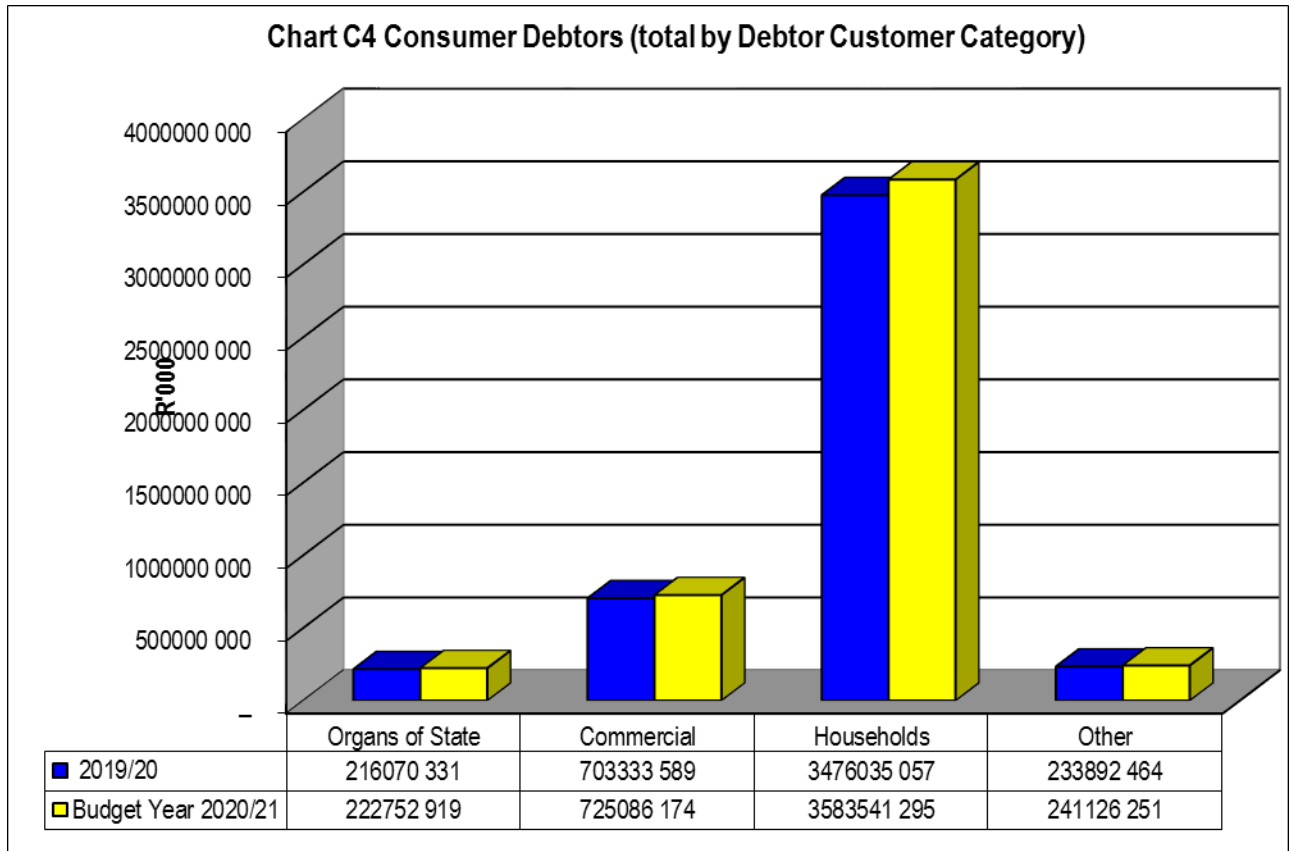


Chart 2: Year on Year Debtors Age Analysis



The information presented in the chart above reflects an increase in the outstanding debtor's balances when compared to the prior month balance bringing the total outstanding debtors balance to R 4.772 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 74% of the total municipal debt as detailed below:

- ✓ Households 75%
- ✓ Commercial 15%
- ✓ Organs of State 5%
- ✓ Other 5%

2.2 Creditors Analysis

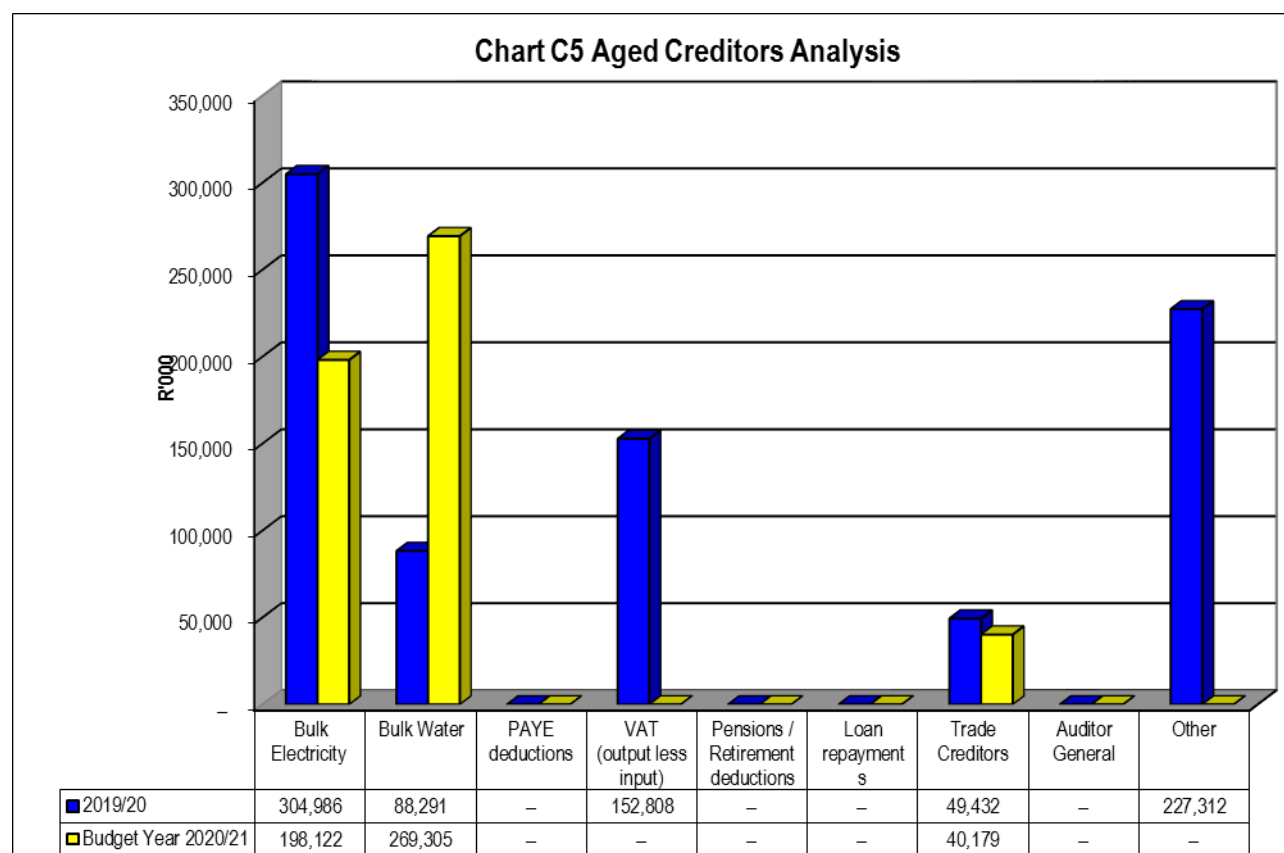
Table SC 4 below presents the aged creditors as at 31 December 2020

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Budget Statement - aged creditors - and Year Assessment											
Description	NT Code	Budget Year 2020/21									Prior year
		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	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	134,369	(22,273)	(22,273)	(22,273)	130,571				198,122	304,986
Bulk Water	0200	51,601	44,463	9,270	86,157	77,813				269,305	88,291
PAYE deductions	0300									-	-
VAT (output less input)	0400									-	152,808
Pensions / Retirement deductions	0500									-	-
Loan repayments	0600									-	-
Trade Creditors	0700	40,501	(156)	2	5	(173)				40,179	49,432
Auditor General	0800	-								-	-
Other	0900									-	227,312
Total By Customer Type	1000	226,471	22,035	(13,001)	63,890	208,210	-	-	-	507,606	822,829

The chart below presents a comparison of the age creditors between the current and prior year and for December 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 31 December 2020.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<u>Municipality</u>														
Call Accounts										139 533	242	(412 336)	527 356	254 795
														-
														-
														-
Municipality sub-total										139 533		(412 336)	527 356	254 795
<u>Entities</u>														
Call Accounts										3 093	7		1 809	4 908
														-
														-
														-
Entities sub-total										3 093		-	1 809	4 908
TOTAL INVESTMENTS AND INTEREST	2									142 625		(412 336)	529 165	259 703

The total consolidated investment balances as at 31 December 2020 is R259.703 million

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital grant receipts for December 2020 amounted to R 747 Million, which includes the equitable share of R534. million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		–	608,609	697,607	267,355	540,629	348,803	191,826	55.0%	697,607
Local Government Equitable Share			593,405	682,403	266,977	534,052	341,202	192,851	56.5%	682,403
Finance Management			1,700	1,700		1,700	850	850	100.0%	1,700
Municipal Systems Improvement								–		
EPWP Incentive			4,388	4,388			2,194	(2,194)	-100.0%	4,388
Water Services Operating Subsidy								–		
Public Transport Infrastructure								–		
Energy Efficiency and Demand Management								–		
Operating costs-MIG			9,116	9,116	378	4,877	4,558	320	7.0%	9,116
Provincial Government:		–	66,875	66,875	8,272	52,736	33,437	19,299	57.7%	66,875
Provincial Government:								–		
Expanded Public Works Grant						1,097		1,097		
Sport and Recreation								–		
Human Settlements - Title Deeds Restoration			3,603	3,603			1,802	(1,802)	-100.0%	3,603
Human Settlements - Accredited Municipalities			4,264	4,264			2,132	(2,132)	-100.0%	4,264
Human Settlements - Accredited Municipal RO			24,079	24,079			12,040	(12,040)	-100.0%	24,079
Human Settlements - Housing Development			22,740	22,740	8,272	30,453	11,370	19,083	167.8%	22,740
Arts and Culture- Community Library Services						21,186		21,186		
Arts and Culture- Provincialisation			10,200	10,200			5,100	(5,100)	-100.0%	10,200
Arts and Culture-Museum Subsidies			488	488			244	(244)	-100.0%	488
COGTA			1,500	1,500			750	(750)	-100.0%	1,500
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total Operating Transfers and Grants	5	–	675,483	764,481	275,626	593,366	382,241	211,125	55.2%	764,481
Capital Transfers and Grants										
National Government:		–	255,267	255,267	24,240	149,933	127,634	22,300	17.5%	255,267
Municipal Infrastructure Grant (MIG)			187,012	187,012	24,240	109,483	93,506	15,977	17.1%	187,012
Public Transport and Systems								–		
Neighbourhood Development Partnership			35,000	35,000		10,450	17,500	(7,050)	-40.3%	35,000
Dept of Mineral/Electricity								–		
Intergrated National Electrification Programme								–		
Municipal Systems Improvement								–		
Municipal Water Infrastructure Grant			33,255	33,255		30,000	16,628	13,373	80.4%	33,255
Energy Efficiency and Demand Management								–		
Provincial Government:		–	270,624	270,624	–	3,754	135,312	(131,558)	-97.2%	270,624
Airport Development Project						2,500		2,500		
Sport and Recreation								–		
KZNPA								–		
Housing-Military Veterans			6,124	6,124			3,062	(3,062)	-100.0%	6,124
Airport Grant			2,500	2,500			1,250	(1,250)	-100.0%	2,500
Arts and Culture-Museum Subsidies			774	774			387	101	26.1%	774
COGTA								–		
Human Settlement			244,264	244,264			122,132	(122,132)	-100.0%	244,264
Human Settlement - Housing Accreditation			6,750	6,750		766	3,375	(2,609)	-77.3%	6,750
Provincial Government:								–		
Arts and Culture-Museum Subsidies - Tatham Art Gallery			10,212	10,212		488	5,106			10,212
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total Capital Transfers and Grants	5	–	525,892	525,892	24,240	153,688	262,946	(109,258)	-41.6%	525,892
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	1,201,375	1,290,373	299,866	747,054	645,186	101,867	15.8%	1,290,373

Grants Expenditure: The amount spent in respect of conditional grants was R271 million during the first six months of the financial year.

KZN225 Msunduzi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

KZN225 Msunduzi - Supporting Table 007 (1) Monthly Budget Statement - transfers and grant expenditure - mid-Year Assessment										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	608,609	697,607	27,169	87,074	348,803	(261,729)	-75.0%	697,607
Local Government Equitable Share			593,405	682,403			341,202	(341,202)	-100.0%	682,403
Finance Management			1,700	1,700	93	521	850	(329)	-38.7%	1,700
Municipal Systems Improvement								-		
EPWP Incentive			4,388	4,388	1,129	1,129	2,194	(1,065)	-48.5%	4,388
Water Services Operating Subsidy								-		
Public Transport Infrastructure					25,570	80,547		80,547		
Energy Efficiency and Demand Management								-		
Operating costs-MIG			9,116	9,116	378	4,877	4,558	320	7.0%	9,116
Provincial Government:		-	66,875	66,875	4,514	39,064	33,437	5,627	16.8%	66,875
Provincial Government:								-		
Expanded Public Works Grant								-		
Sport and Recreation								-		
Human Settlements - Title Deeds Restoration			3,603	3,603			1,802	(1,802)	-100.0%	3,603
Human Settlements - Accredited Municipalities			4,264	4,264			2,132	(2,132)	-100.0%	4,264
Human Settlements - Accredited Municipal RO			24,079	24,079			12,040	(12,040)	-100.0%	24,079
Human Settlements - Housing Development			22,740	22,740	3,631	30,117	11,370	18,747	164.9%	22,740
Arts and Culture- Community Library Services					1,092	10,351		10,351		
Arts and Culture- Provincialisation			10,200	10,200			5,100	(5,100)	-100.0%	10,200
Arts and Culture-Museum Subsidies			488	488			244	(244)	-100.0%	488
COGTA			1,500	1,500	(209)	(1,404)	750	(2,154)	-287.2%	1,500
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	675,483	764,481	31,683	126,138	382,241	(256,102)	-67.0%	764,481
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	255,267	255,267	29,067	127,229	127,634	(405)	-0.3%	255,267
Municipal Infrastructure Grant (MIG)			187,012	187,012	24,240	109,483	93,506	15,977	17.1%	187,012
Public Transport and Systems								-		
Neighbourhood Development Partnership			35,000	35,000	745	745	17,500	(16,755)	-95.7%	35,000
Dept of Mineral/Electricity								-		
Intergrated National Electrification Pogramme								-		
Municipal Systems Improvement								-		
Municipal Water Infrastructure Grant			33,255	33,255	4,083	17,000	16,628	372	2.2%	33,255
Energy Efficiency and Demand Manaagement								-		
Provincial Government:		-	270,624	270,624	3,820	18,072	135,312	(117,240)	-86.6%	270,624
Arts and Culture-Museum Subsidies								-		
Airport Development Project						1,050				
Sport and Recreation										
KZNPA										
Housing-Military Veterans			6,124	6,124			3,062			6,124
Airport Grant			2,500	2,500			1,250			2,500
Arts and Culture-Museum Subsidies			774	774			387			774
COGTA										
Human Settlement			244,264	244,264			122,132			244,264
Human Settlement - Housing Accreditation			6,750	6,750	3,781	16,931	3,375			6,750
Provincial Government:										
Arts and Culture-Museum Subsidies - Tatham Art Gallery			10,212	10,212	38	91	5,106	(5,015)	-98.2%	10,212
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total capital expenditure of Transfers and Grants		-	525,892	525,892	32,887	145,300	262,946	(117,646)	-44.7%	525,892
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	1,201,375	1,290,373	64,570	271,439	645,186	(373,748)	-57.9%	1,290,373

Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			15 792	15 792	2 781	16 359	7 896	8 463	107%	15 792
Pension and UIF Contributions			6 274	6 274	350	2 419	3 137	(717)	-23%	6 274
Medical Aid Contributions			10 528	10 528	157	956	5 264	(4 308)	-82%	10 528
Motor Vehicle Allowance			10 528	10 528	497	3 371	5 264	(1 893)	-36%	10 528
Cellphone Allowance			5 264	5 264	225	2 006	2 632	(626)	-24%	5 264
Housing Allowances			5 264	5 264	11	66	2 632	(2 566)	-97%	5 264
Other benefits and allowances					7	476		476		
Sub Total - Councillors		-	53 650	53 650	4 028	25 654	26 825	(1 171)	-4%	53 650
% increase	4									
Senior Managers of the Municipality	3									
Basic Salaries and Wages			10 640	10 640	725	3 934	5 320	(1 386)	-26%	10 640
Pension and UIF Contributions			1 458	1 458	69	424	729	(305)	-42%	1 458
Medical Aid Contributions			160	160	8	66	80	(14)	-18%	160
Performance Bonus			666	666	165	347	333	14	4%	666
Motor Vehicle Allowance			1 278	1 278	67	446	639	(193)	-30%	1 278
Cellphone Allowance			111	111	7	42	56	(14)	-25%	111
Housing Allowances			756	756	2	12	378	(367)	-97%	756
Sub Total - Senior Managers of Municipality		-	15 070	15 070	1 044	5 270	7 535	(2 265)	-30%	15 070
% increase	4									
Other Municipal Staff										
Basic Salaries and Wages			904 436	904 436	40 239	241 831	452 218	(210 387)	-47%	904 436
Pension and UIF Contributions			188 647	188 647	8 300	49 968	94 324	(44 355)	-47%	188 647
Medical Aid Contributions			70 301	70 301	3 246	19 521	35 150	(15 629)	-44%	70 301
Overtime			73 644	73 644	38 230	262 183	36 822	225 361	612%	73 644
Performance Bonus			70 366	70 366	99	37 655	35 183	2 472	7%	70 366
Motor Vehicle Allowance			24 659	24 659	1 641	9 128	12 330	(3 202)	-26%	24 659
Cellphone Allowance			4 233	4 233	205	1 159	2 116	(958)	-45%	4 233
Housing Allowances			7 813	7 813	222	1 329	3 906	(2 577)	-66%	7 813
Other benefits and allowances			46 855	46 855	9 546	65 967	23 427	42 540	182%	46 855
Long service awards			24 173	24 173	1 207	7 534	12 086	(4 552)	-38%	24 173
Sub Total - Other Municipal Staff		-	1 415 127	1 415 127	102 935	696 275	707 564	(11 289)	-2%	1 415 127
% increase	4									
Total Parent Municipality		-	1 483 848	1 483 848	108 007	727 199	741 924	(14 725)	-2%	1 483 848
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages					40	78		78		
Sub Total - Board Members of Entities	2	-	-	-	40	78	-	78		-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages			583	583	103	362	291	71	24%	583
Pension and UIF Contributions								-		
Medical Aid Contributions			27	27	2	14	14	0	0%	27
Overtime					3	15		15		
Performance Bonus			62	62	1	4	31	(27)	-88%	62
Motor Vehicle Allowance			25	25			12	(12)	-100%	25
Cellphone Allowance			8	8			4	(4)	-100%	8
Sub Total - Senior Managers of Entities		-	705	705	109	394	352	42	12%	705
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages			6 770	6 770	897	3 177	3 385	(208)	-6%	6 770
Pension and UIF Contributions			571	571	34	205	285	(80)	-28%	571
Medical Aid Contributions			890	890	63	380	445	(65)	-15%	890
Overtime			1 067	1 067	9	48	534	(486)	-91%	1 067
Performance Bonus			691	691	5	27	345	(318)	-92%	691
Motor Vehicle Allowance			195	195			98	(98)	-100%	195
Cellphone Allowance			93	93	81	452	46	405	874%	93
Other benefits and allowances			85	85			42	(42)	-100%	85
Sub Total - Other Staff of Entities		-	10 362	10 362	1 089	4 289	5 181	(892)	-17%	10 362
% increase	4									
Total Municipal Entities		-	11 067	11 067	1 238	4 761	5 533	(772)	-14%	11 067
TOTAL SALARY, ALLOWANCES & BENEFITS		-	1 494 914	1 494 914	109 245	731 960	747 457	(15 497)	-2%	1 494 914
% increase	4									
TOTAL MANAGERS AND STAFF		-	1 441 264	1 441 264	105 176	706 228	720 632	(14 404)	-2%	1 441 264

Councillor Allowances

The expenditure on councillor allowances variance as at 31 December 2020 is -4%, which is acceptable. The year to date budget for Remuneration of Councillor's is R 26.825 million while the actual expenditure incurred was R 25.654 million resulting in an TYD little under expenditure performance.

Employee Benefits

The total consolidated salaries actual expenditure as at 31 December 2020 amounted to R731.960 million, against the year to date budget of R747.457 million, resulting in a slight under-expenditure of R15.497 million.

2.5 Parent Municipality Financial Performance

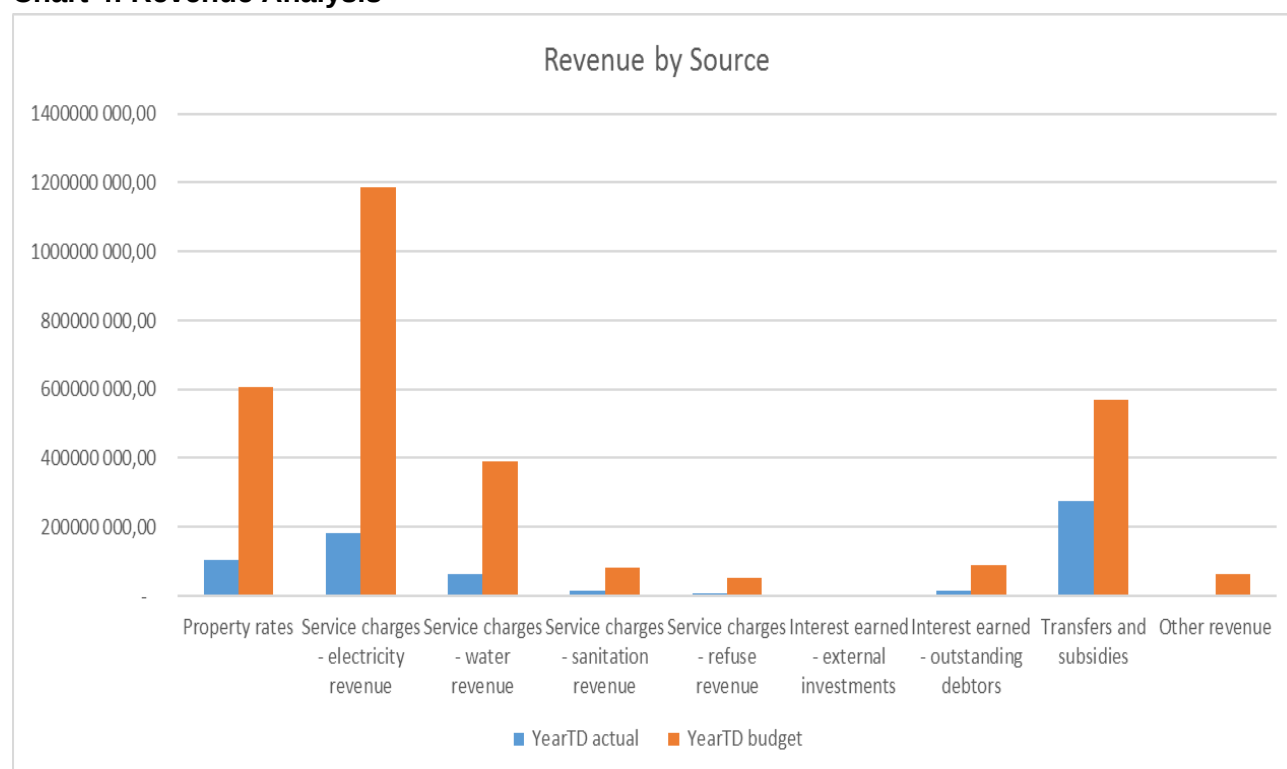
REVENUE ANALYSIS

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

2.5.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 39% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges had a -8% variance when compared to the Year to date Budget, which is an acceptable variance as it is less than 10%. The provision electricity is currently resulting in a gross profit.

Property Rates is the second largest contributor to the operating revenue basket making up 20% of the total operating revenue. There is a -4% variance when comparing year to date actual and year to date budget which an acceptable variance.

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 12% of the budgeted revenue basket and 13% of YTD actual revenue, there is a slight over performance against the budget causing a 8% variance when comparing YTD actual to YTD Budget. The provision of Water is currently resulting in a gross profit.

Service Charges - sanitation revenue: reflects an over performance of 6% variance when comparing the YTD actual revenue to the YTD budget. The provision of sanitation service is currently resulting in a gross profit.

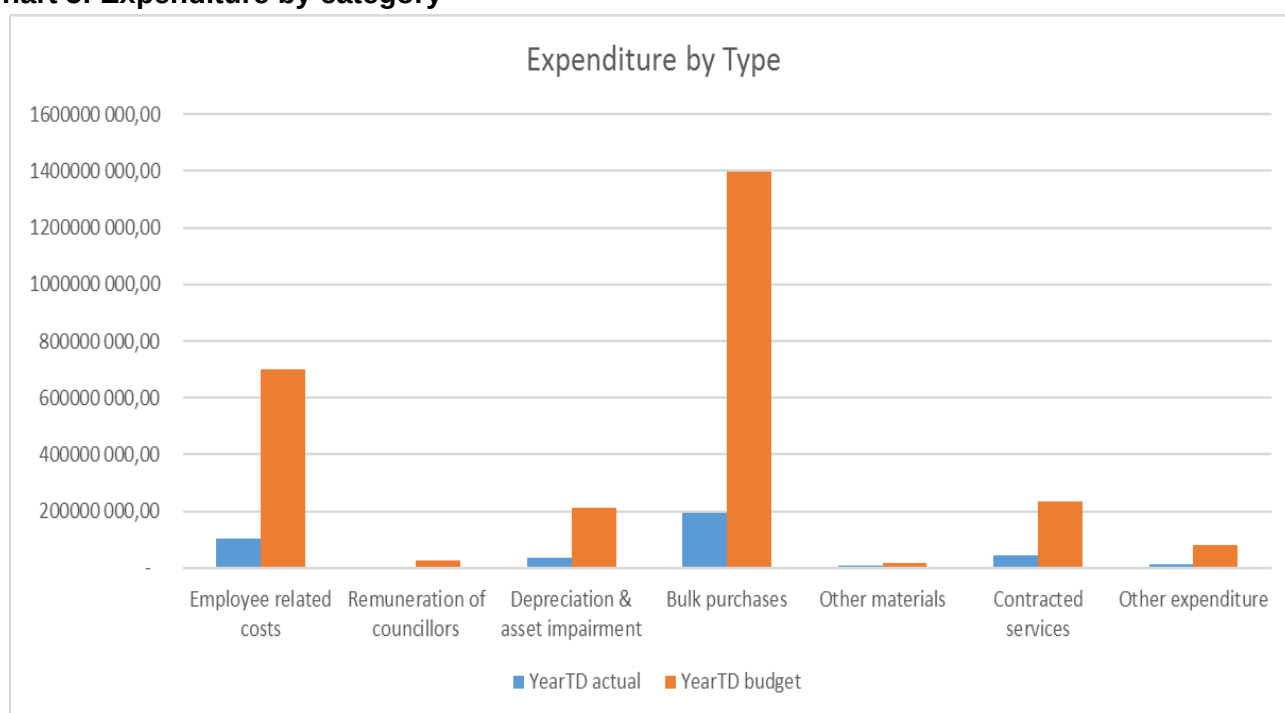
Service Charges - refuse revenue reflects an under performance of -8% when comparing the YTD actual revenue to the YTD budget. . The provision of solid waste service is currently resulting in a gross profit.

Interest earned – outstanding debtors contributed 3% to the total operating revenue whilst **other revenue** contributed 2% to the total operating revenue received as at 31 December 2020.

OPERATIONAL EXPENDITURE

The chart below presents the Sixth Month YTD operational expenditure movements against the YTD budgets.

Chart 5: Expenditure by category



Bulk Purchases: YTD budget figure was R 1.304 billion while the actual costs incurred R1.399 million resulting in over-expenditure of R95 million.

Employee Related Costs: There is a under expenditure of R37.618 million in respect of actual YTD expenditure on employee related costs against the YTD budget. This is due to post that are vacant and yet to be filled. An improvement should be noted in the remaining six months of the financial year since some of these positions have been filled. A detailed line item and business unit analysis of the employee related cost is contained in the MFMA S66 report on staff benefits.

Other Expenditure's YTD budget figure was R82.227 million while the actual costs incurred was R80.910 million resulting in under-expenditure of R1.367 million.

Depreciation & Asset Impairment: The depreciation & asset impairment YTD budget is R 240.746 million. The actual YTD being R212.356 million, which resulted in an under-expenditure of R28.39 million.

Finance Charges: YTD budgeted figure for finance charges for as 31 December 2020 amounted to R 18.25 million and the Actual YTD was R19.50 million which resulted in slight variance of R1.25 million.

Contracted Services: YTD Budget for contracted services amounted to R245.262 million, whilst the actual amounted to R233.983 million, which resulted in variance of R11.279 million.

2.6 Municipal Entity Financial Performance

Safe City Msunduzi NPC - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	2019/20	Current Year 2020/21							
	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							-		
Service charges - electricity revenue							-		
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue							-		
Rental of facilities and equipment							-		
Interest earned - external investments	99	109		7	34	54	(20)	-37,6%	109
Interest earned - outstanding debtors							-		
Dividends received							-		
Fines, penalties and forfeits							-		
Licences and permits							-		
Agency services							-		
Transfers and subsidies							-		
Other revenue	13 086	13 563		2 948	5 897	5 897	(0)	0,0%	13 563
Gains							-		
Total Revenue (excluding capital transfers and contributions)	13 185	13 672	-	2 955	5 931	5 951	(20)	-0,3%	13 672
Expenditure By Type									
Employee related costs	10 527	10 951		1 238	4 761	4 776	(15)	-0,3%	10 951
Remuneration of Directors							-		
Debt impairment							-		
Depreciation & asset impairment	949	950		71	418	475	(57)	-12,1%	950
Finance charges							-		
Bulk purchases							-		
Other materials	20	39		-	11	13	(2)	-19,1%	39
Contracted services	373	651		10	55	155	(100)	-64,5%	651
Transfers and subsidies							-		
Other expenditure	1 908	1 638		59	350	829	(479)	-57,8%	1 638
Losses							-		
Total Expenditure	13 777	14 229	-	1 378	5 595	6 248	(654)	-10,5%	14 229
Surplus/(Deficit)	(592)	(557)	-	1 577	336	(297)	633	-213,2%	(557)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)							-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) before taxation	(592)	(557)	-	1 577	336	(297)	633	-213,2%	(557)
Taxation							-		
Surplus/(Deficit) for the year	(592)	(557)	-	1 577	336	(297)	633		(557)

2.7 Capital Programme Performance

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

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment									
Month	2019/20	Budget Year 2020/21							
	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	66 094	48 408		937	937	48 408	47 471	98,1%	0%
August	66 094	48 408		28 293	29 230	96 815	67 585	69,8%	5%
September	66 094	48 408		51 276	80 506	145 223	64 716	44,6%	14%
October	66 094	48 408		34 752	115 258	193 631	78 372	40,5%	20%
November	66 094	48 408		64 917	180 175	242 038	61 863	25,6%	31%
December	66 094	48 408		66 422	246 597	290 446	43 849	15,1%	42%
January	66 094	48 408				338 853	-		
February	66 094	48 408				387 261	-		
March	66 094	48 408				435 669	-		
April	66 094	48 408				484 076	-		
May	66 094	48 408				532 484	-		
June	66 094	48 408				580 892	-		
Total Capital expenditure	793 123	580 892	-	246 597					

The Total Capital Expenditure as at the end of December amounted to R246.597 million.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		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		–	193 018	200 298	–	13 078	100 149	87 071	86,9%	200 298
Roads Infrastructure		–	10 846	10 846	–	–	5 423	5 423	100,0%	10 846
Roads			10 846	10 846			5 423	5 423	100,0%	10 846
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Electrical Infrastructure		–	133 652	140 932	–	–	70 466	70 466	100,0%	140 932
Power Plants			133 652	140 932			70 466	70 466	100,0%	140 932
Water Supply Infrastructure		–	–	–	–	6 295	–	(6 295)		–
Dams and Weirs								–		
Distribution						6 295		(6 295)		
Distribution Points								–		
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	48 521	48 521	–	6 783	24 260	17 477	72,0%	48 521
Pump Station								–		
Reticulation			48 521	48 521		6 783	24 260	17 477	72,0%	48 521
Waste Water Treatment Works								–		
Community Assets		–	39 558	39 558	860	1 815	19 779	17 964	90,8%	39 558
Community Facilities		–	39 558	39 558	860	1 815	19 779	17 964	90,8%	39 558
Halls			37 464	37 464	860	1 815	18 732	16 917	90,3%	37 464
Galleries			1 356	1 356			678	678	100,0%	1 356
Theatres								–		
Police			738	738			369	369	100,0%	738
Purls								–		
Capital Spares								–		
Heritage assets		–	33 919	32 019	–	183	16 009	15 826	98,9%	32 019
Monuments								–		
Other Heritage			33 919	32 019		183	16 009	15 826	98,9%	32 019
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Unimproved Property								–		
Other assets		–	3 800	3 800	3 843	27 573	1 900	(25 673)	-1351,2%	3 800
Operational Buildings		–	3 800	3 800	–	–	1 900	1 900	100,0%	3 800
Municipal Offices			3 800	3 800			1 900	1 900	100,0%	3 800
Pay/Enquiry Points								–		
Housing		–	–	–	3 843	27 573	–	(27 573)		–
Staff Housing								–		
Social Housing					3 843	27 573		(27 573)		
Capital Spares								–		
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
Intangible Assets		–	46 237	46 237	–	–	23 119	23 119	100,0%	46 237
Servitudes								–		
Licences and Rights		–	46 237	46 237	–	–	23 119	23 119	100,0%	46 237
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications			46 237	46 237			23 119	23 119	100,0%	46 237
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		–	30 489	30 789	156	2 982	15 395	12 413	80,6%	30 789
Computer Equipment			30 489	30 789	156	2 982	15 395	12 413	80,6%	30 789
Furniture and Office Equipment		–	26 221	27 421	170	255	13 711	13 455	98,1%	27 421
Furniture and Office Equipment			26 221	27 421	170	255	13 711	13 455	98,1%	27 421
Machinery and Equipment		–	34 478	37 798	648	2 968	18 899	15 931	84,3%	37 798
Machinery and Equipment			34 478	37 798	648	2 968	18 899	15 931	84,3%	37 798
Transport Assets		–	–	10 900	–	6 117	5 450	(667)	-12,2%	10 900
Transport Assets				10 900		6 117	5 450	(667)	-12,2%	10 900
Land		–	48 521	48 521	–	–	24 260	24 260	100,0%	48 521
Land			48 521	48 521			24 260	24 260	100,0%	48 521
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Total Capital Expenditure on new assets	1	–	456 242	477 342	5 677	54 972	238 671	183 699	77,0%	477 342

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

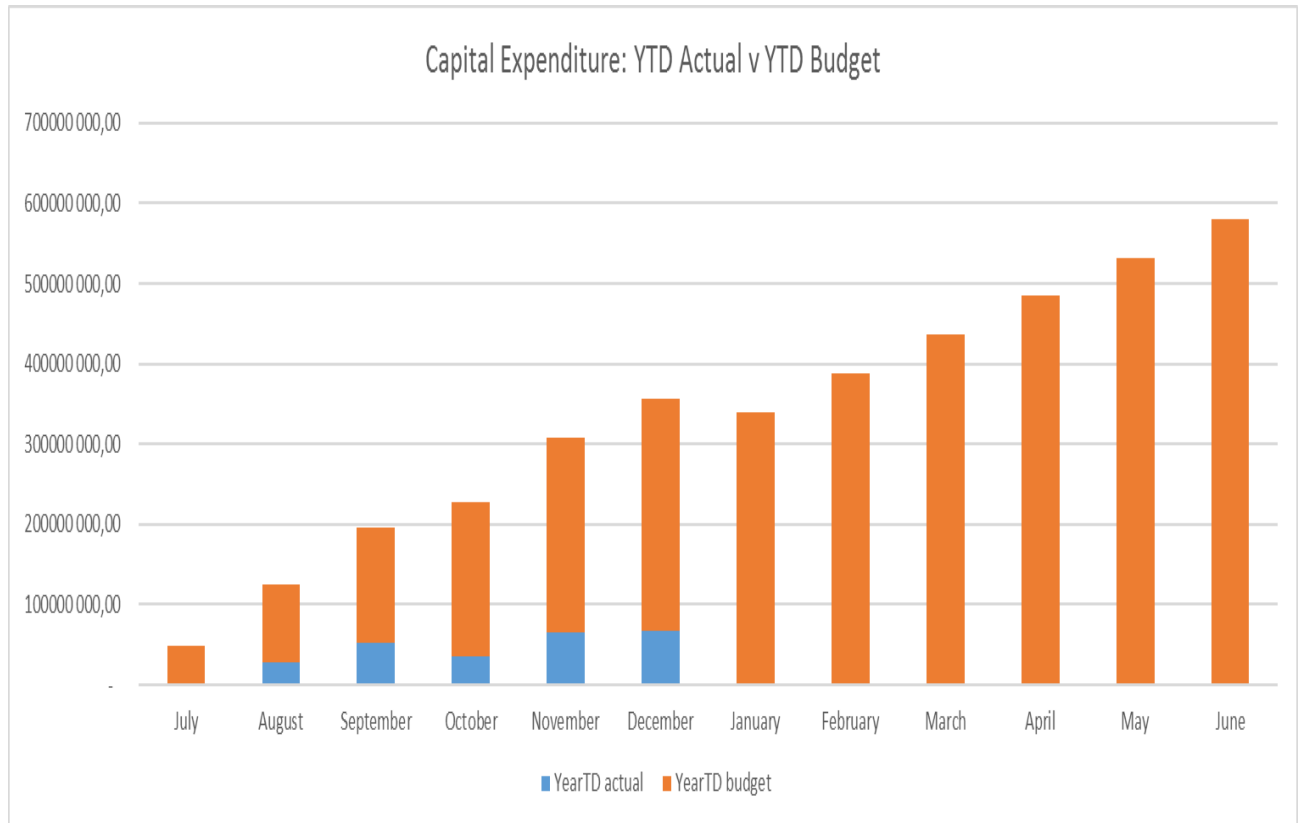
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	7 471	17 471	2 816	20 076	8 736	(11 340)	-129,8%	17 471
Roads Infrastructure		-	5 915	15 915	2 816	19 789	7 957	(11 832)	-148,7%	15 915
Roads			5 915	15 915	2 816	19 789	7 957	(11 832)	-148,7%	15 915
Road Structures								-		
Road Furniture								-		
Solid Waste Infrastructure		-	1 556	1 556	-	287	778	491	63,1%	1 556
Landfill Sites			1 556	1 556		287	778	491	63,1%	1 556
Waste Transfer Stations								-		
Waste Processing Facilities								-		
Waste Drop-off Points								-		
Waste Separation Facilities								-		
Electricity Generation Facilities								-		
Capital Spares								-		
Rail Infrastructure		-	-	-	-	-	-	-		-
Community Assets		-	-	-	(209)	(209)	-	209		-
Community Facilities		-	-	-	(209)	(209)	-	209		-
Halls								-		
Centres					(209)	(209)		209		
Crèches								-		
Clinics/Care Centres								-		
Fire/Ambulance Stations								-		
Testing Stations								-		
Museums								-		
Galleries								-		
Theatres								-		
Libraries								-		
Indoor Facilities								-		
Outdoor Facilities								-		
Capital Spares								-		
Housing		-	-	-	-	-	-	-		-
Staff Housing								-		
Social Housing								-		
Capital Spares								-		
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes								-		
Licences and Rights		-	-	-	-	-	-	-		-
Water Rights								-		
Effluent Licences								-		
Solid Waste Licences								-		
Computer Software and Applications								-		
Load Settlement Software Applications								-		
Unspecified								-		
Computer Equipment		-	-	-	-	-	-	-		-
Computer Equipment								-		
Furniture and Office Equipment		-	389	389	-	-	195	195	100,0%	389
Furniture and Office Equipment			389	389			195	195	100,0%	389
Machinery and Equipment		-	7 340	7 340	-	-	3 670	3 670	100,0%	7 340
Machinery and Equipment			7 340	7 340			3 670	3 670	100,0%	7 340
Transport Assets		-	-	-	-	-	-	-		-
Transport Assets								-		
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on renewal of existing ass	1	-	15 200	25 200	2 607	19 867	12 600	(7 267)	-57,7%	25 200

KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Mid-

Description	Ref	2019/20	Budget Year 2020/21							
		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 upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	57 032	57 032	57 646	171 286	28 516	(142 770)	-500,7%	57 032
Roads Infrastructure		-	31 255	31 255	39 438	109 646	15 628	(94 018)	-601,6%	31 255
Roads		-	31 255	31 255	39 438	109 646	15 628	(94 018)	-601,6%	31 255
Electrical Infrastructure		-	16 185	16 185	-	-	8 093	8 093	100,0%	16 185
Power Plants		-	16 185	16 185	-	-	8 093	8 093	100,0%	16 185
HV Substations		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	5 463	5 463	11 073	32 132	2 732	(29 400)	-1076,3%	5 463
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	5 463	5 463	-	7 344	2 732	(4 613)	-168,9%	5 463
Distribution		-	-	-	11 073	24 788	-	(24 788)	-	-
Sanitation Infrastructure		-	-	-	7 135	27 976	-	(27 976)	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	7 135	23 134	-	(23 134)	-	-
Toilet Facilities		-	-	-	-	4 842	-	(4 842)	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	4 128	4 128	-	1 532	2 064	532	25,8%	4 128
Landfill Sites		-	4 128	4 128	-	1 532	2 064	532	25,8%	4 128
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	10 000	492	721	5 000	4 279	85,6%	10 000
Community Facilities		-	-	10 000	492	721	5 000	4 279	85,6%	10 000
Halls		-	-	10 000	-	228	5 000	4 772	95,4%	10 000
Cemeteries/Crematoria		-	-	-	492	492	-	(492)	-	-
Police		-	-	-	-	-	-	-	-	-
Heritage assets		-	4 067	4 067	-	(1 083)	2 033	3 116	153,2%	4 067
Monuments		-	-	-	-	-	-	-	-	-
Other Heritage		-	4 067	4 067	-	(1 083)	2 033	3 116	153,2%	4 067
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	97	-	(97)	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	97	-	(97)	-	-
Computer Software and Applications		-	-	-	-	97	-	(97)	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	173	173	-	-	86	86	100,0%	173
Computer Equipment		-	173	173	-	-	86	86	100,0%	173
Furniture and Office Equipment		-	29	29	-	-	14	14	100,0%	29
Furniture and Office Equipment		-	29	29	-	-	14	14	100,0%	29
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	48 150	48 150	-	737	24 075	23 338	96,9%	48 150
Transport Assets		-	48 150	48 150	-	737	24 075	23 338	96,9%	48 150
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	109 450	119 450	58 138	171 758	59 725	(112 033)	-187,6%	119 450

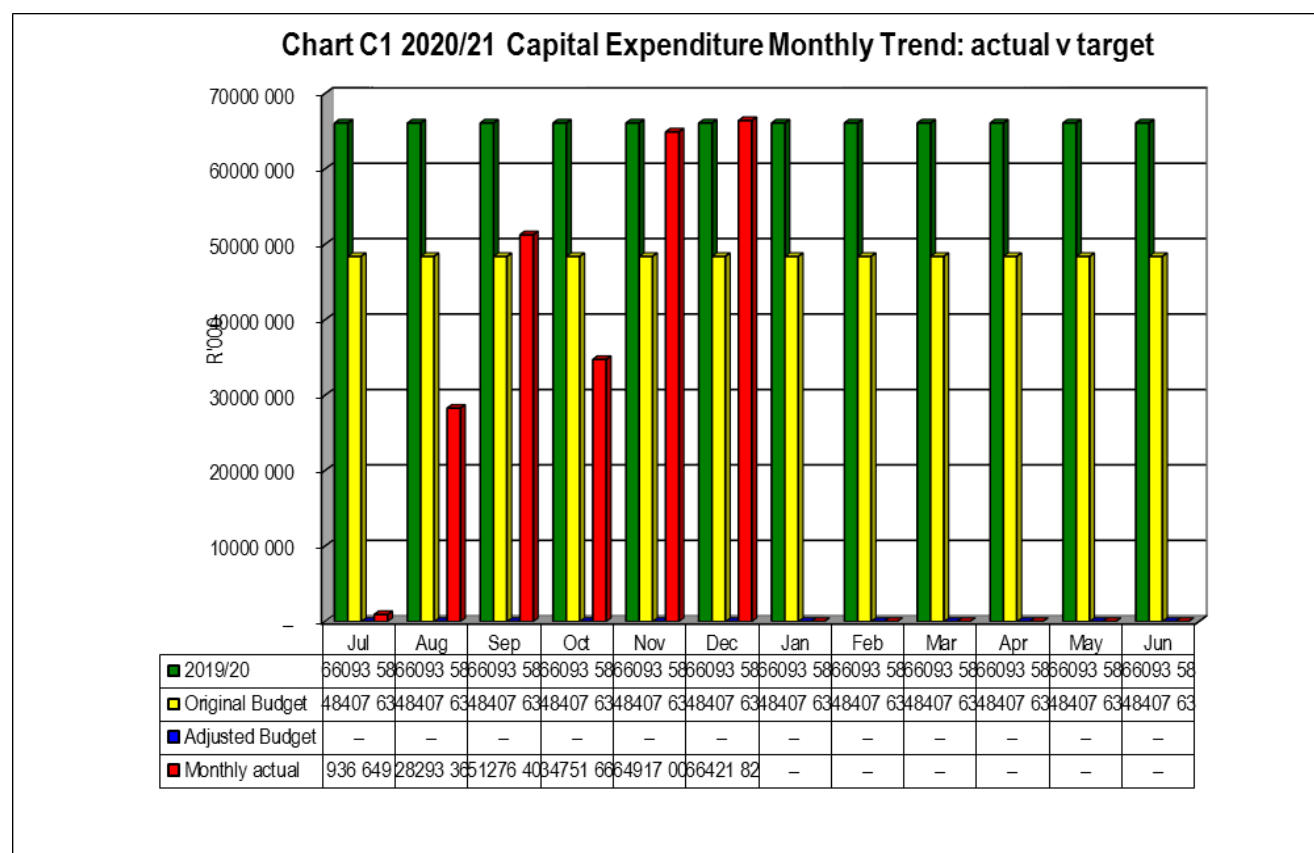
The chart below displays a comparison between the previous year's capital expenditure performances to that of the current year for the month under review.

Chart 6: Capital Expenditure Monthly Trend



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

Chart 7: Capital Expenditure: YTD Actual vs. YTD Target



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

2.8 Municipal Manager's Quality's Certification

Quality Certificate

I, **Madoda Khathide**, the municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

- the monthly budget statement

for the month of **DECEMBER 2020/ SECTION 52d/ SECTION 71/ SECTION 72** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **M Khathide**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: _____

Date: _____