Msunduzi Municipality
MFMA s71 Monthly Report

May 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 3.822 billion for the period ending 31 May 2017. The YTD Budget was R 4.412 billion, therefore the actual underperformed against the budget by R 590.3 million against the revenue projected. The two main contributors, both accounting for 63% of the actual total YTD Revenue earned are Electricity (45%) & Property Rates revenue (19%). These two revenue sources make up more than 64% of the total YTD budget.

Operating Expenditure: The total actual YTD operating expenditure for the period ending 31 May 2017 amounted to R 3.742 billion while the YTD budget was R 4.364 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 68% of the annual budget expenditure.

Capital Expenditure: While the YTD capital expenditure budget was R 871.7 million, the actual YTD Capital expenditure incurred amounted to R 446.2 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 31 May 2017 was R 868.7 million.

Consumer Debt: Consumer debt at 31 May 2017 is at R 1.946 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 - M11 May

Description	2015/16	Budget Year 2016/17							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	762 288	842 558	893 111	70 385	777 866	818 685	(40 819)	-5%	893 111
Service charges	2 468 237	2 878 830	3 116 589	211 380	2 349 727	2 856 874	(507 146)	-18%	3 116 589
Investment revenue	68 242	49 270	52 242	224	63 036	47 889	15 147	32%	52 242
Transfers recognised - operational	466 156	489 491	530 153	51	473 344	485 973	(12 629)	-3%	530 153
Other own revenue	229 530	212 797	221 307	#REF!	157 918	202 865	(44 947)	-22%	221 307
Total Revenue (excluding capital transfers and contributions)	**3 994 454**	**4 472 946**	**4 813 403**	**#REF!**	**3 821 891**	**4 412 286**	**(590 394)**	**-13%**	**4 813 403**
Employee costs	938 283	1 035 660	1 101 367	82 755	945 996	1 009 586	(63 590)	-6%	1 101 367
Remuneration of Councillors	41 763	43 033	45 615	3 798	40 388	41 814	(1 426)	-3%	45 615
Depreciation & asset impairment	554 292	506 103	569 317	39 434	421 149	521 874	(100 725)	-19%	569 317
Finance charges	75 095	65 460	58 263	(1)	49 507	53 407	(3 900)	-7%	58 263
Materials and bulk purchases	1 950 574	2 117 550	2 311 745	211 252	1 648 294	2 119 100	(470 805)	-22%	2 311 745
Transfers and grants	5 911	148 325	153 542	1 748	7 501	140 747	(133 246)	-95%	153 542
Other expenditure	679 556	536 243	520 498	68 747	629 081	477 123	151 958	32%	520 498
Total Expenditure	**4 245 473**	**4 452 374**	**4 760 347**	**407 734**	**3 741 917**	**4 363 652**	**(621 735)**	**-14%**	**4 760 347**
Surplus/(Deficit)	**(251 020)**	**20 572**	**53 055**	**#REF!**	**79 975**	**48 634**	**31 341**	**64%**	**53 055**
Transfers recognised - capital	303 484	447 414	460 223	133 721	270 235	421 871	(151 636)	-36%	460 223
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**52 465**	**467 986**	**513 278**	**#REF!**	**350 209**	**470 505**	**(120 296)**	**-26%**	**513 278**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**52 465**	**467 986**	**513 278**	**#REF!**	**350 209**	**470 505**	**(120 296)**	**-26%**	**513 278**
Capital expenditure & funds sources									
Capital expenditure	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**871 726**
Capital transfers recognised	303 484	447 973	459 374	59 898	286 769	421 093	(134 324)	-32%	459 374
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	62 181	158 268	158 268	8 970	24 437	145 079	(120 642)	-83%	158 268
Internally generated funds	**110 621**	**120 000**	**254 084**	**31 462**	**135 077**	**232 911**	**(97 834)**	**-42%**	**254 084**
Total sources of capital funds	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**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	(95 066)	319 664	794 075	474 411	60%	866 263
Net cash from (used) investing	(476 769)	(617 305)	(867 636)	(98 622)	(428 147)	(795 333)	(367 185)	46%	(867 636)
Net cash from (used) financing	46 218	(17 762)	(23 307)	1 051	563	(21 365)	(21 928)	103%	(23 307)
Cash/cash equivalents at the month/year end	**969 624**	**1 051 338**	**1 026 910**	**–**	**868 796**	**1 028 966**	**160 170**	**16%**	**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	296 409	166 773	74 717	40 745	46 070	41 337	39 819	#######	1 945 984
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) - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard										
Governance and administration		**1 546 404**	**1 542 450**	**1 439 698**	**72 099**	**1 112 800**	**1 319 723**	(206 924)	-16%	**1 439 698**
Executive and council		3 116	–	1 700	–	–	1 558	(1 558)	-100%	1 700
Budget and treasury office		1 539 007	1 528 270	1 424 981	72 098	1 112 793	1 306 232	(193 439)	-15%	1 424 981
Corporate services		4 280	14 180	13 017	1	7	11 933	(11 926)	-100%	13 017
Community and public safety		**153 173**	**93 565**	**72 220**	**24 043**	**61 511**	**66 202**	(4 691)	-7%	**72 220**
Community and social services		51 647	52 155	30 150	7 695	33 667	27 638	6 030	22%	30 150
Sport and recreation		24 067	885	933	6 495	7 218	855	6 363	744%	933
Public safety		57 463	23 347	24 656	399	5 631	22 601	(16 970)	-75%	24 656
Housing		19 982	17 144	16 445	9 454	14 994	15 075	(80)	-1%	16 445
Health		13	34	36	–	–	33	(33)	-100%	36
Economic and environmental services		**186 360**	**435 042**	**445 083**	**93 323**	**200 549**	**407 992**	(207 444)	-51%	**445 083**
Planning and development		44 444	53 331	43 268	1 993	10 019	39 663	(29 644)	-75%	43 268
Road transport		141 916	381 711	401 814	85 421	178 687	368 330	(189 643)	-51%	401 814
Environmental protection		–	–	–	5 909	11 843	–	11 843	#DIV/0!	–
Trading services		**2 884 393**	**3 426 115**	**3 284 083**	**255 386**	**2 689 170**	**3 010 409**	(321 239)	-11%	**3 284 083**
Electricity		1 853 876	2 074 912	2 119 662	159 392	1 760 702	1 943 024	(182 322)	-9%	2 119 662
Water		722 297	1 052 569	880 934	59 033	739 393	807 523	(68 130)	-8%	880 934
Waste water management		200 710	176 288	175 433	33 367	166 091	160 814	5 277	3%	175 433
Waste management		107 510	122 345	108 054	3 594	22 984	99 049	(76 066)	-77%	108 054
Other	4	**30 794**	**31 371**	**32 542**	**1 595**	**28 096**	**29 830**	**(1 734)**	**-6%**	**32 542**
Total Revenue - Standard	2	**4 801 124**	**5 528 543**	**5 273 626**	**446 447**	**4 092 126**	**4 834 157**	**(742 031)**	**-15%**	**5 273 626**
Expenditure - Standard										
Governance and administration		**839 933**	**995 248**	**498 364**	**51 022**	**597 874**	**456 834**	141 040	31%	**498 364**
Executive and council		6 661	113 165	139 330	11 833	143 941	127 719	16 222	13%	139 330
Budget and treasury office		827 451	645 336	102 357	26 119	304 429	93 828	210 601	224%	102 357
Corporate services		5 821	236 747	256 677	13 071	149 504	235 287	(85 783)	-36%	256 677
Community and public safety		**679 603**	**551 767**	**643 365**	**65 839**	**563 384**	**589 752**	(26 368)	-4%	**643 365**
Community and social services		124 603	140 429	159 342	14 563	132 138	146 063	(13 925)	-10%	159 342
Sport and recreation		168 142	118 290	140 074	12 177	123 356	128 401	(5 045)	-4%	140 074
Public safety		274 361	236 010	272 714	32 537	272 108	249 988	22 120	9%	272 714
Housing		68 928	32 584	44 953	6 039	31 709	41 207	(9 498)	-23%	44 953
Health		43 569	24 453	26 282	524	4 072	24 092	(20 019)	-83%	26 282
Economic and environmental services		**486 939**	**567 103**	**575 131**	**33 451**	**336 930**	**527 204**	(190 274)	-36%	**575 131**
Planning and development		109 220	110 222	129 588	7 756	65 463	118 789	(53 326)	-45%	129 588
Road transport		377 719	456 881	445 543	24 885	259 864	408 415	(148 551)	-36%	445 543
Environmental protection		–	–	–	811	11 603	–	11 603	#DIV/0!	–
Trading services		**2 686 812**	**2 904 545**	**2 995 001**	**252 239**	**2 194 395**	**2 745 418**	(551 023)	-20%	**2 995 001**
Electricity		1 700 454	1 695 915	1 738 568	220 230	1 497 507	1 593 687	(96 180)	-6%	1 738 568
Water		623 176	912 149	903 438	15 779	568 144	828 151	(260 008)	-31%	903 438
Waste water management		204 428	192 253	226 066	8 947	79 569	207 227	(127 658)	-62%	226 066
Waste management		158 754	104 227	126 929	7 282	49 175	116 352	(67 177)	-58%	126 929
Other		**55 373**	**41 895**	**48 485**	**5 182**	**49 335**	**44 445**	**4 890**	**11%**	**48 485**
Total Expenditure - Standard	3	**4 748 659**	**5 060 558**	**4 760 347**	**407 734**	**3 741 917**	**4 363 652**	**(621 735)**	**-14%**	**4 760 347**
Surplus/ (Deficit) for the year		**52 465**	**467 985**	**513 278**	**38 713**	**350 209**	**470 505**	**(120 296)**	**-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) - M11 May

Vote Description	Ref	2015/16	Budget Year 2016/17							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - City Manager		3 177	–	1 700	–	–	1 558	(1 558)	-100.0%	1 700
Vote 2 - City Finance		1 539 007	1 528 270	1 585 581	72 098	1 112 793	1 453 449	(340 656)	-23.4%	1 585 581
Vote 3 - Community Services & Social Equity		212 748	176 823	163 405	14 597	46 580	149 788	(103 208)	-68.9%	163 405
Vote 4 - Corporate Services		4 219	14 182	13 019	1	7	11 934	(11 928)	-99.9%	13 019
Vote 5 - Infrastructure Services		2 932 391	3 712 792	3 404 849	340 800	2 799 321	3 121 111	(321 790)	-10.3%	3 404 849
Vote 6 - Sustainable Development and City Enterprises		109 581	96 476	105 072	18 951	133 425	96 316	37 109	38.5%	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**	**446 447**	**4 092 126**	**4 834 157**	**(742 031)**	**-15.3%**	**5 273 626**
Expenditure by Vote	1									
Vote 1 - City Manager		10 260	142 460	172 379	5 942	53 330	158 014	(104 684)	-66.2%	172 379
Vote 2 - City Finance		902 315	723 311	701 904	26 119	304 429	643 412	(338 983)	-52.7%	701 904
Vote 3 - Community Services & Social Equity		728 770	605 502	575 686	65 692	622 286	527 712	94 573	17.9%	575 686
Vote 4 - Corporate Services		8 747	216 740	264 003	13 071	149 504	242 003	(92 498)	-38.2%	264 003
Vote 5 - Infrastructure Services		2 860 578	3 220 418	2 860 289	273 552	2 420 862	2 621 932	(201 070)	-7.7%	2 860 289
Vote 6 - Sustainable Development and City Enterprises		237 989	152 126	186 086	23 359	191 506	170 579	20 928	12.3%	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**	**407 734**	**3 741 917**	**4 363 652**	**(621 735)**	**-14.2%**	**4 760 347**
Surplus/ (Deficit) for the year	2	**52 465**	**467 985**	**513 278**	**38 713**	**350 209**	**470 505**	**(120 296)**	**-25.6%**	**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 31 May 2017.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		742 052	798 728	846 651	67 661	748 317	776 097	(27 780)	-4%	846 651
Property rates - penalties & collection charges		20 236	43 830	46 460	2 724	29 549	42 588	(13 039)	-31%	46 460
Service charges - electricity revenue		1 784 586	2 008 246	2 161 676	150 087	1 709 755	1 981 536	(271 781)	-14%	2 161 676
Service charges - water revenue		473 021	623 188	692 674	42 198	437 588	634 951	(197 363)	-31%	692 674
Service charges - sanitation revenue		126 391	147 839	156 710	11 141	120 569	143 650	(23 081)	-16%	156 710
Service charges - refuse revenue		84 240	99 557	105 531	7 953	81 816	96 737	(14 921)	-15%	105 531
Service charges - other		-	-				–	–		–
Rental of facilities and equipment		20 222	43 809	43 232	1 847	19 825	39 629	(19 804)	-50%	43 232
Interest earned - external investments		68 242	49 270	52 242	224	63 036	47 889	15 147	32%	52 242
Interest earned - outstanding debtors		60 214	66 349	70 330	7 302	62 740	64 469	(1 729)	-3%	70 330
Dividends received		-	-		–		–	–		–
Fines		52 658	18 538	19 528	130	984	17 901	(16 917)	-95%	19 528
Licences and permits		90	92	97	10	76	89	(13)	-15%	97
Agency services		532	670	704	51	455	645	(190)	-29%	704
Transfers recognised - operational		466 156	489 491	530 153	17 426	473 344	485 973	(12 629)	-3%	530 153
Other revenue		87 808	83 339	87 417	3 971	54 637	80 132	(25 495)	-32%	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**	**312 726**	**3 821 891**	**4 412 286**	**(590 394)**	**-13%**	**4 813 403**
Expenditure By Type										
Employee related costs		938 283	1 035 660	1 101 367	82 755	945 996	1 009 586	(63 590)	-6%	1 101 367
Remuneration of councillors		41 763	43 033	45 615	3 798	40 388	41 814	(1 426)	-3%	45 615
Debt impairment		92 508	120 815	127 356	–		116 743	(116 743)	-100%	127 356
Depreciation & asset impairment		554 292	506 103	569 317	39 434	421 149	521 874	(100 725)	-19%	569 317
Finance charges		75 095	65 460	58 263	(1)	49 507	53 407	(3 900)	-7%	58 263
Bulk purchases		1 799 214	1 936 708	2 106 296	205 240	1 610 978	1 930 772	(319 794)	-17%	2 106 296
Other materials		151 360	180 842	205 449	6 012	37 316	188 328	(151 012)	-80%	205 449
Contracted services		65 468	35 108	45 589	50 051	407 115	41 790	365 324	874%	45 589
Transfers and grants		5 911	148 325	153 542	1 748	7 501	140 747	(133 246)	-95%	153 542
Other expenditure		521 580	380 320	347 553	18 697	202 774	318 590	(115 817)	-36%	347 553
Loss on disposal of PPE			-			19 193	–	19 193	#DIV/0!	–
Total Expenditure		**4 245 473**	**4 452 374**	**4 760 347**	**407 734**	**3 741 917**	**4 363 652**	**(621 735)**	**-14%**	**4 760 347**
Surplus/(Deficit)		**(251 020)**	**20 572**	**53 055**	**(95 008)**	**79 975**	**48 634**	**31 341**	**0**	**53 055**
Transfers recognised - capital		303 484	447 414	460 223	133 721	270 235	421 871	(151 636)	**(0)**	460 223
Contributions recognised - capital								–		
Contributed assets								–		
Surplus/(Deficit) after capital transfers & contributions		**52 465**	**467 986**	**513 278**	**38 713**	**350 209**	**470 505**			**513 278**
Taxation								–		
Surplus/(Deficit) after taxation		**52 465**	**467 986**	**513 278**	**38 713**	**350 209**	**470 505**			**513 278**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**52 465**	**467 986**	**513 278**	**38 713**	**350 209**	**470 505**			**513 278**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**52 465**	**467 986**	**513 278**	**38 713**	**350 209**	**470 505**			**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) - M11 May

Vote Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		6 411	5 250	5 250	1 307	1 418	4 813	(3 394)	-71%	5 250
Vote 2 - City Finance		4 936	24 928	26 288	18	22 102	24 097	(1 995)	-8%	26 288
Vote 3 - Community Services & Social Equity		34 870	51 700	51 700	25 501	44 504	47 391	(2 887)	-6%	51 700
Vote 4 - Corporate Services		–	5 985	25 985	–	23 580	23 820	(240)	-1%	25 985
Vote 5 - Infrastructure Services		326 001	546 074	634 820	58 460	278 743	581 919	(303 176)	-52%	634 820
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	63 544	10 405	30 991	58 248	(27 258)	-47%	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**	**95 691**	**401 338**	**740 287**	**(338 949)**	**-46%**	**807 586**
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	2 000	134	153	1 833	(1 680)	-92%	2 000
Vote 2 - City Finance		31 896	782	782	–	482	717	(235)	-33%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	46 065	4 060	27 582	42 226	(14 644)	-35%	46 065
Vote 4 - Corporate Services		6 460	527	511	7	257	468	(211)	-45%	511
Vote 5 - Infrastructure Services		17 510	3 590	10 985	194	13 246	10 070	3 176	32%	10 985
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	3 798	244	3 225	3 481	(256)	-7%	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	4 639	44 945	58 795	**(13 850)**	**-24%**	64 140
Total Capital Expenditure		**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**871 726**
Capital Expenditure - Standard Classification										
Governance and administration		**50 466**	**37 971**	**61 213**	**1 466**	**50 032**	**56 112**	(6 080)	-11%	**61 213**
Executive and council		7 174	5 750	7 237	1 441	1 572	6 634	(5 062)	-76%	7 237
Budget and treasury office		36 832	25 710	27 200	18	22 584	24 933	(2 349)	-9%	27 200
Corporate services		6 460	6 512	26 777	7	25 877	24 545	1 332	5%	26 777
Community and public safety		**52 921**	**103 238**	**136 872**	**34 274**	**80 958**	**125 466**	(44 507)	-35%	**136 872**
Community and social services		4 763	32 740	63 364	24 457	49 479	58 083	(8 605)	-15%	63 364
Sport and recreation		39 271	31 425	34 434	5 104	22 350	31 565	(9 215)	-29%	34 434
Public safety		3 022	3 640	3 640		139	3 337	(3 198)	-96%	3 640
Housing		5 864	35 434	35 434	4 713	8 991	32 481	(23 490)	-72%	35 434
Health				–			–	–		–
Economic and environmental services		**151 576**	**293 680**	**316 419**	**51 594**	**197 373**	**290 050**	(92 678)	-32%	**316 419**
Planning and development		23 039	31 908	46 540	5 359	23 140	42 662	(19 522)	-46%	46 540
Road transport		126 943	260 312	268 418	45 658	173 169	246 050	(72 881)	-30%	268 418
Environmental protection		1 594	1 460	1 460	577	1 064	1 338	(275)	-21%	1 460
Trading services		**218 966**	**291 352**	**357 223**	**12 997**	**117 920**	**327 455**	(209 535)	-64%	**357 223**
Electricity		112 513	190 721	256 710	10 641	62 464	235 317	(172 854)	-73%	256 710
Water		65 591	58 728	70 304	1 887	26 111	64 446	(38 334)	-59%	70 304
Waste water management		37 404	31 403	19 159	469	19 992	17 562	2 429	14%	19 159
Waste management		3 457	10 500	11 050		9 353	10 129	(776)	-8%	11 050
Other		2 357					–	–		–
Total Capital Expenditure - Standard Classification	3	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**871 726**
Funded by:										
National Government		270 402	428 074	424 639	59 727	278 939	389 253	(110 313)	-28%	424 639
Provincial Government		28 696	19 899	34 735	171	7 830	31 841	(24 010)	-75%	34 735
District Municipality			–				–	–		–
Other transfers and grants		4 386	–				–	–		–
Transfers recognised - capital		**303 484**	**447 973**	**459 374**	**59 898**	**286 769**	**421 093**	**(134 324)**	**-32%**	**459 374**
Public contributions & donations	5	–	–			–	–	–		–
Borrowing	6	62 181	158 268	158 268	8 970	24 437	145 079	(120 642)	-83%	158 268
Internally generated funds		110 621	120 000	254 084	31 462	135 077	232 911	(97 834)	-42%	254 084
Total Capital Funding		**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**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 31 May 2017.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
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 31 May 2017.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		762 288	741 451	785 938	56 477	644 686	720 443	(75 757)	-11%	785 938
Service charges		2 468 237	2 533 370	2 742 599	215 469	2 338 495	2 514 049	(175 554)	-7%	2 742 599
Other revenue		68 802	138 875	143 350	20 567	325 123	131 404	193 718	147%	143 350
Government - operating		466 156	489 491	530 153	–	485 108	485 973	(865)	0%	530 153
Government - capital		303 484	447 973	460 223	2 176	466 682	421 871	44 811	11%	460 223
Interest		128 456	107 657	114 133	2 641	91 994	104 621	(12 627)	-12%	114 133
Dividends				–			–	–		–
Payments										
Suppliers and employees		(3 554 849)	(3 611 671)	(3 843 266)	(390 686)	(3 977 172)	(3 522 994)	454 178	-13%	(3 843 266)
Finance charges		(75 095)	(65 460)	(58 263)	–	(49 501)	(53 407)	(3 907)	7%	(58 263)
Transfers and Grants		(238)	(7 990)	(8 603)	(1 710)	(5 752)	(7 886)	(2 134)	27%	(8 603)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**567 242**	**773 696**	**866 263**	**(95 066)**	**319 664**	**794 075**	**474 411**	**60%**	**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)	(98 622)	(428 147)	(795 333)	(367 185)	46%	(867 636)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(476 769)**	**(617 305)**	**(867 636)**	**(98 622)**	**(428 147)**	**(795 333)**	**(367 185)**	**46%**	**(867 636)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							–	–		–
Borrowing long term/refinancing		5 348	50 000	50 000		50 000	45 833	4 167	9%	50 000
Increase (decrease) in consumer deposits					1 075	5 020	–	5 020	#DIV/0!	–
Payments										
Repayment of borrowing		40 870	(67 762)	(73 307)	(24)	(54 457)	(67 199)	(12 742)	19%	(73 307)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**46 218**	**(17 762)**	**(23 307)**	**1 051**	**563**	**(21 365)**	**(21 928)**	**103%**	**(23 307)**
NET INCREASE/ (DECREASE) IN CASH HELD		**136 691**	**138 629**	**(24 680)**	**(192 637)**	**(107 921)**	**(22 623)**			**(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		868 796	1 028 966			952 037

Consolidated Budget Tables (With Municipal Entity: Safe City

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M11 May

Description R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	762 288	842 558	893 111	70 385	777 866	818 685	(40 819)	-5%	893 111
Service charges	2 468 237	2 878 830	3 116 589	211 380	2 349 727	2 856 874	(507 146)	-18%	3 116 589
Investment revenue	68 435	49 330	52 307	227	63 102	47 948	15 154	32%	52 307
Transfers recognised - operational	466 156	489 491	530 153	17 426	473 344	485 973	(12 629)	-3%	530 153
Other own revenue	229 532	212 797	221 307	13 312	157 918	202 865	(44 947)	-22%	221 307
Total Revenue (excluding capital transfers and contributions)	**3 994 648**	**4 473 006**	**4 813 468**	**312 729**	**3 821 957**	**4 412 345**	**(590 388)**	**-13%**	**4 813 468**
Employee costs	942 483	1 040 938	1 106 645	83 237	950 839	1 014 424	(63 585)	-6%	1 106 645
Remuneration of Councillors	41 763	43 033	45 615	3 798	40 388	41 814	(1 426)	-3%	45 615
Depreciation & asset impairment	556 772	507 298	570 147	39 503	421 910	522 635	(100 725)	-19%	570 147
Finance charges	75 095	65 474	58 275	0	49 518	53 418	(3 900)	-7%	58 275
Materials and bulk purchases	1 950 786	2 118 107	2 312 234	211 253	1 648 635	2 119 548	(470 913)	-22%	2 312 234
Transfers and grants	238	140 526	153 542	1 748	7 501	140 747	(133 246)	-95%	153 542
Other expenditure	678 690	538 193	522 208	68 802	630 343	478 691	151 652	32%	522 208
Total Expenditure	**4 245 827**	**4 453 569**	**4 768 666**	**408 342**	**3 749 135**	**4 371 277**	**(622 143)**	**-14%**	**4 768 666**
Surplus/(Deficit)	**(251 179)**	**19 436**	**44 801**	**(95 613)**	**72 823**	**41 068**	**31 755**	**77%**	**44 801**
Transfers recognised - capital	303 484	447 973	460 223	133 721	270 235	421 871	(151 636)	-36%	460 223
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**	**(119 882)**	**-26%**	**505 024**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**	**(119 882)**	**-26%**	**505 024**
Capital expenditure & funds sources									
Capital expenditure	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**726 241**
Capital transfers recognised	303 484	447 973	459 374	59 898	286 769	421 093	(134 324)	-32%	447 973
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	62 181	158 268	158 268	8 970	24 437	145 079	(120 642)	-83%	158 268
Internally generated funds	**110 621**	**120 000**	**254 084**	**31 462**	**135 077**	**232 911**	**(97 834)**	**-42%**	**120 000**
Total sources of capital funds	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**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	(95 603)	319 664	786 821	467 157	59%	858 350
Net cash from (used) investing	(483 379)	(617 305)	(867 636)	(98 622)	(428 147)	(795 333)	(367 185)	46%	(867 636)
Net cash from (used) financing	46 218	(17 762)	(23 307)	1 051	563	(21 365)	(21 928)	103%	(23 307)
Cash/cash equivalents at the month/year end	**971 061**	**1 051 589**	**(32 593)**	**–**	**868 796**	**882 832**	**14 036**	**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	296 409	166 773	74 717	40 745	46 070	41 337	39 819	#######	1 945 984
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		**1 546 404**	**1 542 450**	**1 439 698**	**72 099**	**1 112 800**	**1 319 723**	(206 924)	-16%	**1 542 450**
Executive and council		3 116	–	1 700	–	–	1 558	(1 558)	-100%	–
Budget and treasury office		1 539 007	1 528 270	1 424 981	72 098	1 112 793	1 306 232	(193 439)	-15%	1 528 270
Corporate services		4 280	14 180	13 017	1	7	11 933	(11 926)	-100%	14 180
Community and public safety		**153 173**	**93 565**	**72 220**	**24 043**	**61 511**	**66 202**	(4 691)	-7%	**93 565**
Community and social services		51 647	52 155	30 150	7 695	33 667	27 638	6 030	22%	52 155
Sport and recreation		24 067	885	933	6 495	7 218	855	6 363	744%	885
Public safety		57 463	23 347	24 656	399	5 631	22 601	(16 970)	-75%	23 347
Housing		19 982	17 144	16 445	9 454	14 994	15 075	(80)	-1%	17 144
Health		13	34	36	–	–	33	(33)	-100%	34
Economic and environmental services		**186 360**	**435 042**	**445 083**	**93 323**	**200 549**	**407 992**	(207 444)	-51%	**435 042**
Planning and development		44 444	53 331	43 268	1 993	10 019	39 663	(29 644)	-75%	53 331
Road transport		141 916	381 711	401 814	85 421	178 687	368 330	(189 643)	-51%	381 711
Environmental protection		–	–	–	5 909	11 843	–	11 843	#DIV/0!	–
Trading services		**2 884 393**	**3 426 115**	**3 284 083**	**255 386**	**2 689 170**	**3 010 409**	(321 239)	-11%	**3 426 115**
Electricity		1 853 876	2 074 912	2 119 662	159 392	1 760 702	1 943 024	(182 322)	-9%	2 074 912
Water		722 297	1 052 569	880 934	59 033	739 393	807 523	(68 130)	-8%	1 052 569
Waste water management		200 710	176 288	175 433	33 367	166 091	160 814	5 277	3%	176 288
Waste management		107 510	122 345	108 054	3 594	22 984	99 049	(76 066)	-77%	122 345
Other	4	**30 794**	**31 371**	**32 542**	**1 595**	**28 096**	**29 830**	**(1 734)**	**-6%**	**31 371**
Total Revenue - Standard	2	**4 801 124**	**5 528 543**	**5 273 626**	**446 447**	**4 092 126**	**4 834 157**	**(742 031)**	**-15%**	**5 528 543**
Expenditure - Standard										
Governance and administration		**839 933**	**995 248**	**498 364**	**51 022**	**597 874**	**456 834**	141 040	31%	**995 248**
Executive and council		6 661	113 165	139 330	11 833	143 941	127 719	16 222	13%	113 165
Budget and treasury office		827 451	645 336	102 357	26 119	304 429	93 828	210 601	224%	645 336
Corporate services		5 821	236 747	256 677	13 071	149 504	235 287	(85 783)	-36%	236 747
Community and public safety		**692 791**	**552 342**	**643 365**	**66 444**	**570 536**	**589 752**	(19 216)	-3%	**552 342**
Community and social services		124 603	141 004	159 342	15 168	139 290	146 063	(6 773)	-5%	141 004
Sport and recreation		168 142	118 290	140 074	12 177	123 356	128 401	(5 045)	-4%	118 290
Public safety		287 549	236 010	272 714	32 537	272 108	249 988	22 120	9%	236 010
Housing		68 928	32 584	44 953	6 039	31 709	41 207	(9 498)	-23%	32 584
Health		43 569	24 453	26 282	524	4 072	24 092	(20 019)	-83%	24 453
Economic and environmental services		**486 939**	**567 103**	**583 385**	**33 451**	**336 930**	**534 770**	(197 840)	-37%	**567 103**
Planning and development		109 220	110 222	137 842	7 756	65 463	126 355	(60 892)	-48%	110 222
Road transport		377 719	456 881	445 543	24 885	259 864	408 415	(148 551)	-36%	456 881
Environmental protection		–	–	–	811	11 603	–	11 603	#DIV/0!	–
Trading services		**2 673 784**	**2 904 545**	**2 995 001**	**252 239**	**2 194 395**	**2 745 418**	(551 023)	-20%	**2 904 545**
Electricity		1 687 426	1 695 915	1 738 568	220 230	1 497 507	1 593 687	(96 180)	-6%	1 695 915
Water		623 176	912 149	903 438	15 779	568 144	828 151	(260 008)	-31%	912 149
Waste water management		204 428	192 253	226 066	8 947	79 569	207 227	(127 658)	-62%	192 253
Waste management		158 754	104 227	126 929	7 282	49 175	116 352	(67 177)	-58%	104 227
Other		**55 373**	**41 895**	**48 485**	**5 182**	**49 335**	**44 445**	**4 890**	**11%**	**41 895**
Total Expenditure - Standard	3	**4 748 819**	**5 061 133**	**4 768 601**	**408 339**	**3 749 069**	**4 371 218**	**(622 149)**	**-14%**	**5 061 133**
Surplus/ (Deficit) for the year		**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**	**(119 882)**	**-26%**	**467 410**

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11

Vote Description	Ref	2015/16	Budget Year 2016/17							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - City Manager		3 177	–	1 700	–	–	1 558	(1 558)	-100.0%	1 700
Vote 2 - City Finance		1 539 007	1 528 270	1 585 581	72 098	1 112 793	1 453 449	(340 656)	-23.4%	1 585 581
Vote 3 - Community Services & Social Equity		212 748	176 823	163 405	14 597	46 580	149 788	(103 208)	-68.9%	163 405
Vote 4 - Corporate Services		4 219	14 182	13 019	1	7	11 934	(11 928)	-99.9%	13 019
Vote 5 - Infrastructure Services		2 932 391	3 712 792	3 404 849	340 800	2 799 321	3 121 111	(321 790)	-10.3%	3 404 849
Vote 6 - Sustainable Development and City Enterprises		109 581	96 476	105 072	18 951	133 425	96 316	37 109	38.5%	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**	**446 447**	**4 092 126**	**4 834 157**	**(742 031)**	**-15.3%**	**5 273 626**
Expenditure by Vote	1									
Vote 1 - City Manager		10 260	142 460	172 379	5 942	53 330	158 014	(104 684)	-66.2%	172 379
Vote 2 - City Finance		902 315	723 311	701 904	26 119	304 429	643 412	(338 983)	-52.7%	701 904
Vote 3 - Community Services & Social Equity		741 958	605 502	575 686	66 297	629 438	527 712	101 725	19.3%	575 686
Vote 4 - Corporate Services		8 747	216 740	264 003	13 071	149 504	242 003	(92 498)	-38.2%	264 003
Vote 5 - Infrastructure Services		2 847 550	3 220 418	2 860 289	273 552	2 420 862	2 621 932	(201 070)	-7.7%	2 860 289
Vote 6 - Sustainable Development and City Enterprises		237 989	152 701	194 340	23 359	191 506	178 145	13 361	7.5%	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**	**408 339**	**3 749 069**	**4 371 218**	**(622 149)**	**-14.2%**	**4 768 601**
Surplus/ (Deficit) for the year	2	**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**	**(119 882)**	**-25.9%**	**505 024**

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		742 052	798 728	846 651	67 661	748 317	776 097	(27 780)	-4%	846 651
Property rates - penalties & collection charges		20 236	43 830	46 460	2 724	29 549	42 588	(13 039)	-31%	46 460
Service charges - electricity revenue		1 784 586	2 008 246	2 161 676	150 087	1 709 755	1 981 536	(271 781)	-14%	2 161 676
Service charges - water revenue		473 021	623 188	692 674	42 198	437 588	634 951	(197 363)	-31%	692 674
Service charges - sanitation revenue		126 391	147 839	156 710	11 141	120 569	143 650	(23 081)	-16%	156 710
Service charges - refuse revenue		84 240	99 557	105 531	7 953	81 816	96 737	(14 921)	-15%	105 531
Service charges - other		-					–	–		–
Rental of facilities and equipment		20 222	43 809	43 232	1 847	19 825	39 629	(19 804)	-50%	43 232
Interest earned - external investments		68 435	49 330	52 307	227	63 102	47 948	15 154	32%	52 307
Interest earned - outstanding debtors		60 214	66 349	70 330	7 302	62 740	64 469	(1 729)	-3%	70 330
Dividends received					–		–	–		–
Fines		52 658	18 538	19 528	130	984	17 901	(16 917)	-95%	19 528
Licences and permits		90	92	97	10	76	89	(13)	-15%	97
Agency services		532	670	704	51	455	645	(190)	-29%	704
Transfers recognised - operational		466 156	489 491	530 153	17 426	473 344	485 973	(12 629)	-3%	530 153
Other revenue		87 810	83 339	87 417	3 971	54 637	80 132	(25 495)	-32%	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**	**312 729**	**3 821 957**	**4 412 345**	**(590 388)**	**-13%**	**4 813 468**
Expenditure By Type										
Employee related costs		942 483	1 040 938	1 106 645	83 237	950 839	1 014 424	(63 585)	-6%	1 106 645
Remuneration of councillors		41 763	43 033	45 615	3 798	40 388	41 814	(1 426)	-3%	45 615
Debt impairment		92 508	120 815	127 356	–		116 743	(116 743)	-100%	127 356
Depreciation & asset impairment		556 772	507 298	570 147	39 503	421 910	522 635	(100 725)	-19%	570 147
Finance charges		75 095	65 474	58 275	0	49 518	53 418	(3 900)	-7%	58 275
Bulk purchases		1 799 214	1 936 708	2 106 296	205 240	1 610 978	1 930 772	(319 794)	-17%	2 106 296
Other materials		151 572	181 399	205 938	6 013	37 657	188 776	(151 119)	-80%	205 938
Contracted services		65 468	35 408	45 852	50 061	407 308	42 031	365 276	869%	45 852
Transfers and grants		238	140 526	153 542	1 748	7 501	140 747	(133 246)	-95%	153 542
Other expenditure		520 715	381 970	349 000	18 742	203 843	319 917	(116 074)	-36%	349 000
Loss on disposal of PPE		-				19 193	–	19 193	#DIV/0!	–
Total Expenditure		**4 245 827**	**4 453 569**	**4 768 666**	**408 342**	**3 749 135**	**4 371 277**	**(622 143)**	**-14%**	**4 768 666**
Surplus/(Deficit)		**(251 179)**	**19 436**	**44 801**	**(95 613)**	**72 823**	**41 068**	**31 755**	**0**	**44 801**
Transfers recognised - capital		303 484	447 973	460 223	133 721	270 235	421 871	(151 636)	**(0)**	460 223
Contributions recognised - capital								–		
Contributed assets								–		
Surplus/(Deficit) after capital transfers & contributions		**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**			**505 024**
Taxation								–		
Surplus/(Deficit) after taxation		**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**			**505 024**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**			**505 024**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**52 305**	**467 410**	**505 024**	**38 108**	**343 057**	**462 939**			**505 024**

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M11 May

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		6 411	5 250	5 250	1 307	1 418	4 813	(3 394)	-71%	5 250
Vote 2 - City Finance		4 936	24 928	26 288	18	22 102	24 097	(1 995)	-8%	24 928
Vote 3 - Community Services & Social Equity		34 870	51 700	51 700	25 501	44 504	47 391	(2 887)	-6%	51 700
Vote 4 - Corporate Services		–	5 985	25 985	–	23 580	23 820	(240)	-1%	5 985
Vote 5 - Infrastructure Services		326 001	546 074	634 820	58 460	278 743	581 919	(303 176)	-52%	546 074
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	63 544	10 405	30 991	58 248	(27 258)	-47%	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**	**95 691**	**401 338**	**740 287**	**(338 949)**	**-46%**	**697 480**
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	2 000	134	153	1 833	(1 680)	-92%	500
Vote 2 - City Finance		31 896	782	782	–	482	717	(235)	-33%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	46 065	4 060	27 582	42 226	(14 644)	-35%	19 565
Vote 4 - Corporate Services		6 460	527	511	7	257	468	(211)	-45%	527
Vote 5 - Infrastructure Services		17 510	3 590	10 985	194	13 246	10 070	3 176	32%	3 590
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	3 798	244	3 225	3 481	(256)	-7%	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	4 639	44 945	58 795	**(13 850)**	**-24%**	28 761
Total Capital Expenditure		**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**726 241**
Capital Expenditure - Standard Classification										
Governance and administration		**50 466**	**37 971**	**61 213**	**1 466**	**50 032**	**56 112**	(6 080)	-11%	**37 971**
Executive and council		7 174	5 750	7 237	1 441	1 572	6 634	(5 062)	-76%	5 750
Budget and treasury office		36 832	25 710	27 200	18	22 584	24 933	(2 349)	-9%	25 710
Corporate services		6 460	6 512	26 777	7	25 877	24 545	1 332	5%	6 512
Community and public safety		**52 921**	**103 238**	**136 872**	**34 274**	**80 958**	**125 466**	(44 507)	-35%	**103 238**
Community and social services		4 763	32 740	63 364	24 457	49 479	58 083	(8 605)	-15%	32 740
Sport and recreation		39 271	31 425	34 434	5 104	22 350	31 565	(9 215)	-29%	31 425
Public safety		3 022	3 640	3 640		139	3 337	(3 198)	-96%	3 640
Housing		5 864	35 434	35 434	4 713	8 991	32 481	(23 490)	-72%	35 434
Health				–			–	–		
Economic and environmental services		**151 576**	**293 680**	**316 419**	**51 594**	**197 373**	**290 050**	(92 678)	-32%	**293 680**
Planning and development		23 039	31 908	46 540	5 359	23 140	42 662	(19 522)	-46%	31 908
Road transport		126 943	260 312	268 418	45 658	173 169	246 050	(72 881)	-30%	260 312
Environmental protection		1 594	1 460	1 460	577	1 064	1 338	(275)	-21%	1 460
Trading services		**218 966**	**291 352**	**357 223**	**12 997**	**117 920**	**327 455**	(209 535)	-64%	**291 352**
Electricity		112 513	190 721	256 710	10 641	62 464	235 317	(172 854)	-73%	190 721
Water		65 591	58 728	70 304	1 887	26 111	64 446	(38 334)	-59%	58 728
Waste water management		37 404	31 403	19 159	469	19 992	17 562	2 429	14%	31 403
Waste management		3 457	10 500	11 050		9 353	10 129	(776)	-8%	10 500
Other		2 357					–	–		–
Total Capital Expenditure - Standard Classification	3	**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**726 241**
Funded by:										
National Government		270 402	428 074	424 639	59 727	278 939	389 253	(110 313)	-28%	428 074
Provincial Government		28 696	19 899	34 735	171	7 830	31 841	(24 010)	-75%	19 899
District Municipality			–				–	–		–
Other transfers and grants		4 386	–				–	–		–
Transfers recognised - capital		**303 484**	**447 973**	**459 374**	**59 898**	**286 769**	**421 093**	**(134 324)**	**-32%**	**447 973**
Public contributions & donations	5	–	–			–		–		–
Borrowing	6	62 181	158 268	158 268	8 970	24 437	145 079	(120 642)	-83%	158 268
Internally generated funds		110 621	120 000	254 084	31 462	135 077	232 911	(97 834)	-42%	120 000
Total Capital Funding		**476 286**	**726 241**	**871 726**	**100 331**	**446 283**	**799 082**	**(352 799)**	**-44%**	**726 241**

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
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 - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		762 288	741 451	785 938	56 477	644 686	720 443	(75 757)	-11%	785 938
Service charges		2 468 237	2 533 370	2 742 599	215 469	2 338 495	2 514 049	(175 554)	-7%	2 742 599
Other revenue		68 703	138 875	143 350	20 567	325 123	131 404	193 718	147%	143 350
Government - operating		466 156	489 491	530 153	–	485 108	485 973	(865)	0%	530 153
Government - capital		303 484	447 973	460 223	2 176	466 682	421 871	44 811	11%	460 223
Interest		128 456	107 717	114 198	2 644	92 060	104 681	(12 621)	-12%	114 198
Dividends			–	–			–	–		–
Payments										
Suppliers and employees		(3 554 849)	(3 619 264)	(3 851 232)	(391 225)	(3 977 227)	(3 530 296)	446 931	-13%	(3 851 232)
Finance charges		(75 095)	(65 474)	(58 275)	(1)	(49 512)	(53 418)	(3 907)	7%	(58 275)
Transfers and Grants		(238)	(191)	(8 603)	(1 710)	(5 752)	(7 886)	(2 134)	27%	(8 603)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**567 142**	**773 947**	**858 350**	**(95 603)**	**319 664**	**786 821**	**467 157**	**59%**	**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)	(98 622)	(428 147)	(795 333)	(367 185)	46%	(867 636)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(483 379)**	**(617 305)**	**(867 636)**	**(98 622)**	**(428 147)**	**(795 333)**	**(367 185)**	**46%**	**(867 636)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							–	–		–
Borrowing long term/refinancing		5 348	50 000	50 000		50 000	45 833	4 167	9%	50 000
Increase (decrease) in consumer deposits					1 075	5 020	–	5 020	#DIV/0!	–
Payments										
Repayment of borrowing		40 870	(67 762)	(73 307)	(24)	(54 457)	(67 199)	(12 742)	19%	(73 307)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**46 218**	**(17 762)**	**(23 307)**	**1 051**	**563**	**(21 365)**	**(21 928)**	**103%**	**(23 307)**
NET INCREASE/ (DECREASE) IN CASH HELD		**129 981**	**138 880**	**(32 593)**	**(193 174)**	**(107 921)**	**(29 877)**			**(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)		868 796	882 832			944 124

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

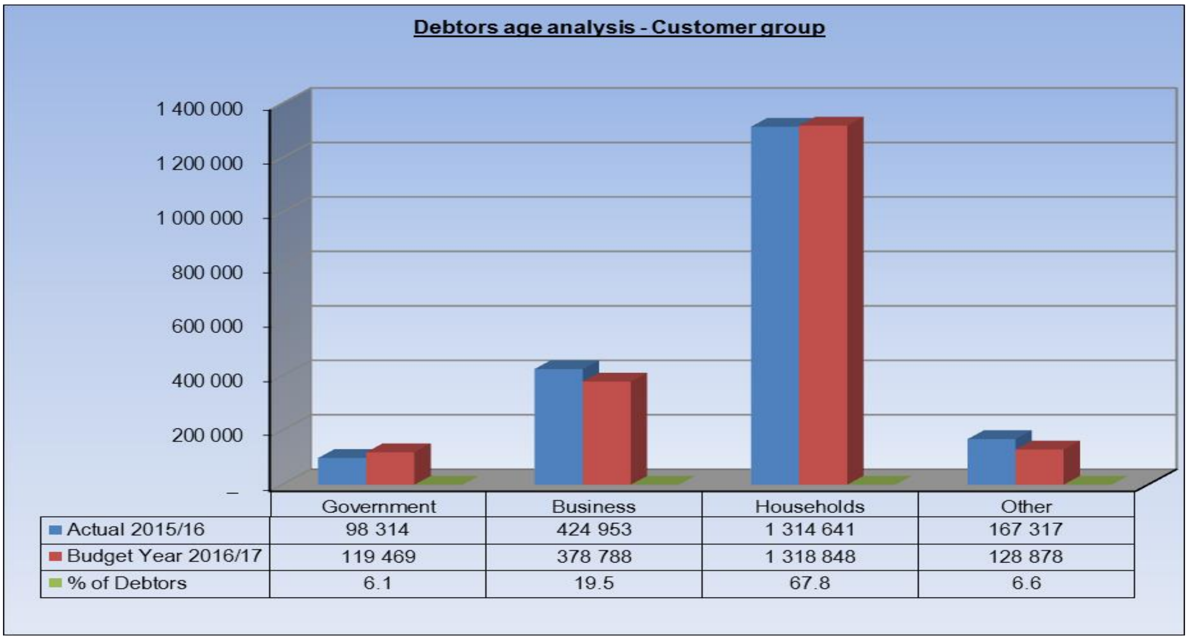
The table presented below summarises the Debtors Age Analysis as at 31 May 2017.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description R thousands	NT Code	Budget Year 2016/17 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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	48 742	31 877	21 036	18 520	19 125	16 179	15 583	428 011	599 073	497 418		183 315
Trade and Other Receivables from Exchange Transactions - Electricity	1300	163 236	87 127	23 340	5 845	4 274	3 929	3 719	53 476	344 946	71 244		22 404
Receivables from Non-exchange Transactions - Property Rates	1400	55 926	30 586	14 368	4 936	8 976	8 403	11 767	247 658	382 621	281 741		142 558
Receivables from Exchange Transactions - Waste Water Management	1500	11 533	5 933	3 898	3 388	3 022	3 012	2 855	83 438	117 080	95 716		41 937
Receivables from Exchange Transactions - Waste Management	1600	7 145	3 633	1 847	1 682	1 611	1 553	1 519	42 444	61 435	48 810		21 021
Receivables from Exchange Transactions - Property Rental Debtors	1700	618	545	517	510	508	514	503	21 273	24 988	23 308		13 886
Interest on Arrear Debtor Accounts	1810	10 204	9 793	9 436	9 246	8 895	8 609	8 057	255 008	319 247	289 815		132 681
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–		–
Other	1900	(994)	(2 722)	276	(3 383)	(341)	(863)	(4 184)	108 805	96 594	100 034		77 193
Total By Income Source	**2000**	**296 409**	**166 773**	**74 717**	**40 745**	**46 070**	**41 337**	**39 819**	**1 240 114**	**1 945 984**	**1 408 085**	**–**	**634 994**
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	24 500	15 329	5 816	4 336	2 816	2 776	2 670	61 225	119 469	73 824		33 802
Commercial	2300	144 557	80 178	25 457	(676)	5 530	5 677	5 489	112 576	378 788	128 596		61 192
Households	2400	118 585	66 385	38 722	34 244	34 859	30 327	29 119	966 609	1 318 848	1 095 157		480 999
Other	2500	8 767	4 881	4 722	2 842	2 865	2 556	2 541	99 704	128 878	110 508		59 000
Total By Customer Group	**2600**	**296 409**	**166 773**	**74 717**	**40 745**	**46 070**	**41 337**	**39 819**	**1 240 114**	**1 945 984**	**1 408 085**	**–**	**634 994**

Chart 1: Debtors Age Analysis By Customer Group

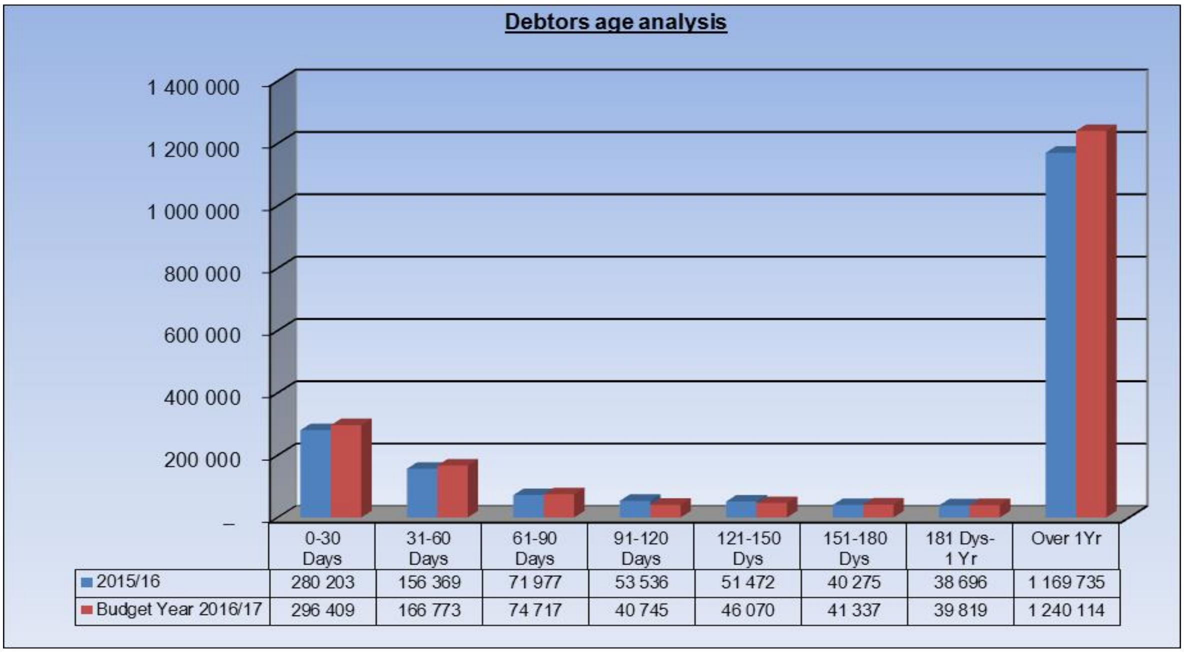


The information presented in the chart above reflects an increase in the outstanding debtor's balances as at 31 May 2017 of R 84.0 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1, 946 billion.

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 68%
- ✓ Commercial 19%
- ✓ Other 7%
- ✓ Organs of State 6%

Chart 2: Year on Year Debtors Age Analysis



2.2 Creditors Analysis

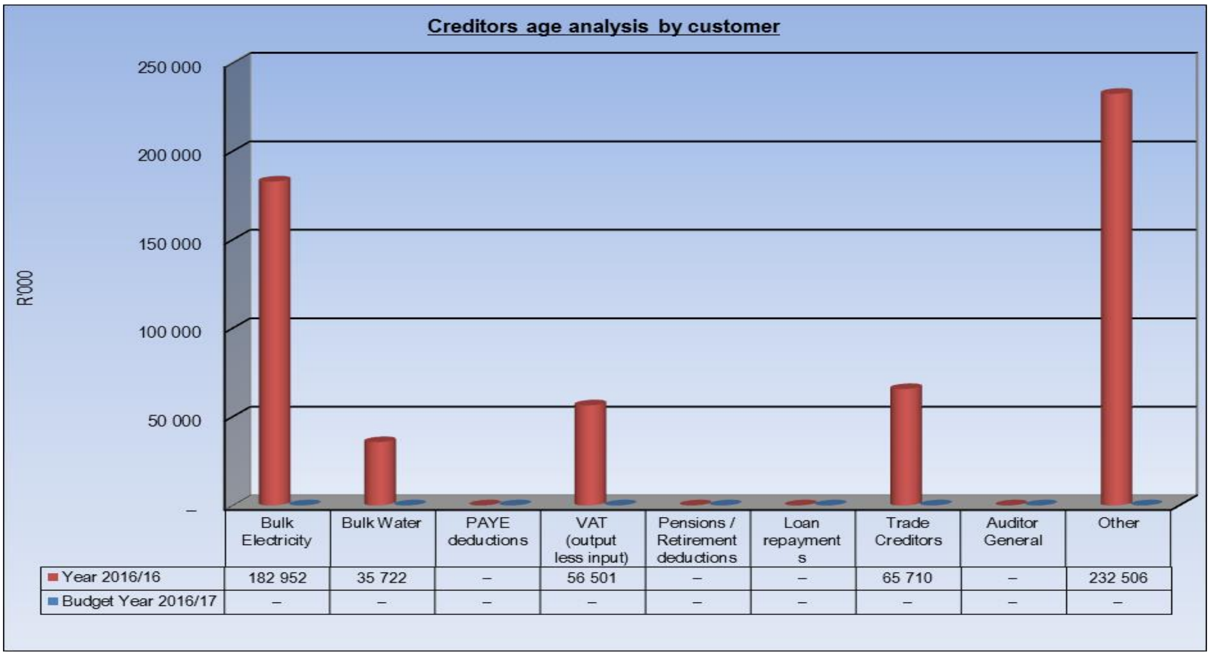
Table SC 4 below presents the aged creditors as at 31 May 2017

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

Description R thousands	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 April 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 May 2017.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	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
Municipality									
Fixed - ABSA - Call		Call	Call	on call					28 851
Fixed - ABSA - 12 months (WCA)		12 months							8 550
Fixed - ABSA - Various		Various							150 000
Standard bank		3 months							210 000
FNB Various									–
									471 395
Municipality sub-total					–		–	–	868 796

The total consolidated investment balances as at 31 May 2017 was R 868.7 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 — **M11 May 2017**

Description	Ref	2014/15	Budget Year 2016/17						
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		475 432	455 827	–	1 625	417 842	(416 217)	-99.6%	455 827
Local Government Equitable Share		373 541	432 307			396 281	(396 281)	-100.0%	432 307
Finance Management		1 600	1 625		1 625	1 490	135	9.1%	1 625
Municipal Systems Improvement		808	–			–	–		–
EPWP Incentive		2 784	6 809		–	6 242	(6 242)	-100.0%	6 809
Energy Efficiency and Demand Management		–	8 000			7 333	(7 333)	-100.0%	8 000
Water Services Operating Subsidy	3	1 758				–	–		–
Public Transport Infrastructure		88 849				–	–		–
Operating costs-MIG		6 092	7 086			6 496	(6 496)	-100.0%	7 086
Neighbourhood Development Partnership Technical ass			–			–	–		–
						–	–		
Provincial Government:		43 759	10 786	–	30 085	9 887	20 198	204.3%	10 786
Health subsidy							–		–
Provincial Government:		3				–	–		–
Expanded Public Works Grant						–	–		–
Sport and Recreation		60				–	–		–
Health						–	–		–
Human Settlements		16 413			10 189	–	10 189	#DIV/0!	–
Public Works		–				–	–		–
Arts and Culture- Community Library Services		10 347	581			533	(533)	-100.0%	581
Arts and Culture- Provincialisation		16 201	9 805	–	19 896	8 988	10 908	121.4%	9 805
Arts and Culture-Museum Subsidies		478	400	–	–	367	(367)	-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**	**–**	**31 710**	**427 729**	**(396 019)**	**-92.6%**	**466 613**
Capital Transfers and Grants									
National Government:		289 651	450 393	–	465 479	412 860	52 619	12.7%	450 393
Municipal Infrastructure Grant (MIG)		157 065	183 531		190 617	168 237	22 380	13.3%	183 531
Public Transport and Systems		20 634	200 031		200 031	183 362	16 669	9.1%	200 031
Neighbourhood Development Partnership		20 195	22 110		22 110	20 268	1 843	9.1%	22 110
Dept of Mineral/Electricty		9 188			16 000	–	16 000	#DIV/0!	–
Intergrated National Electrification Porgramme		82 151	8 000			7 333	(7 333)	-100.0%	8 000
Municipal Systems Improvement		417				–	–		–
Municipal Water Infrastructure Grant			36 721		36 721	33 661	3 060	0.0%	36 721
						–	–	0.0%	
						–	–		
Provincial Government:		66 807	19 899	–	22 294	18 241	4 054	0.0%	19 899
Airport Development Project		–		–	1 070	–	1 070	0.0%	–
Sport and Recreation		80		–	–	–	–	0.0%	–
Corridor Development				–	14 415	–	14 415	#DIV/0!	–
KZNPA		5 182	9 510	–	–	8 718	(8 718)	-100.0%	9 510
Arts and Culture-Museum Subsidies		8 865		–	–	–	–	0.0%	–
COGTA		18 016	10 389	–	–	9 523	(9 523)	-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**	**–**	**487 773**	**431 101**	**56 672**	**13.1%**	**470 292**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	876 063	936 905	–	519 484	858 830	(339 346)	-39.5%	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 317.9 million resulting in underperformance of the YTD capital grants budget of R 113.1 million.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure **M11 May 2017**

Description	Ref	2014/15	Budget Year 2016/17						
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		**475 432**	**455 827**	**–**	**4 782**	**417 842**	**(413 059)**	**-98.9%**	**455 827**
Local Government Equitable Share		373 541	432 307			396 281	(396 281)	-100.0%	432 307
Finance Management		1 600	1 625		1 527	1 490	38	2.5%	1 625
Municipal Systems Improvement		808	–			–	–		–
EPWP Incentive		2 784	6 809		3 255	6 242	(2 986)	-47.8%	6 809
Energy Efficiency and Demand Management		–	8 000			7 333	(7 333)	-100.0%	8 000
Water Services Operating Subsidy		1 758				–	–		–
Public Transport Infrastracture		88 849				–	–		–
Operating costs-MIG		6 092	7 086			6 496	(6 496)	-100.0%	7 086
Neighbourhood Development Partnership Technical ass			–			–	–		–
Other transfers and grants [insert description]		–					–		
Provincial Government:		**43 759**	**10 786**	**–**	**7 931**	**9 887**	**(1 956)**	**-19.8%**	**10 786**
Health subsidy						–	–		–
Provincial Government:		3				–	–		–
Expanded Public Works Grant						–	–		–
Sport and Recreation		60				–	–		–
Health						–	–		–
Human Settlements		16 413			7 931	–	7 931	**#DIV/0!**	–
Public Works		–				–			–
Arts and Culture- Community Library Services		10 347	581			533	(533)	-100.0%	581
DWAF		16 201	9 805	–		8 988	(8 988)	-100.0%	9 805
Cogta		478	400	–		367	(367)	-100.0%	400
Sport And Recreation		257		–		–	–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]							–		
Total operating expenditure of Transfers and Grants:		**519 191**	**466 613**	**–**	**12 713**	**427 729**	**(415 016)**	**-97.0%**	**466 613**
Capital expenditure of Transfers and Grants									
National Government:		**289 651**	**450 393**	**–**	312 600	412 860	(100 260)	**-24.3%**	450 393
Municipal Infrastructure Grant (MIG)		157 065	183 531		136 774	168 237	(31 462)	-18.7%	183 531
Public Transport and Systems		20 634	200 031		118 803	183 362	(64 559)	-35.2%	200 031
Neighbourhood Development Partnership		20 195	22 110		1 545	20 268	(18 722)	-92.4%	22 110
Dept of Mineral/Electricty		9 188			9 740	–	9 740	#DIV/0!	–
Intergrated National Electrification Porgramme		82 151	8 000			7 333	(7 333)	-100.0%	8 000
Municipal Systems Improvement		417				–	–		–
Municipal Water Infrastructure Grant			36 721		29 943	33 661	(3 718)		36 721
Library					15 794		15 794	#DIV/0!	
Provincial Government:		**66 807**	**19 899**	**–**	**5 398**	**18 241**	(12 843)		**19 899**
Airport Development Project		–		–	–	–	–		–
Sport and Recreation		80		–		–	–		–
Corridor Development				–	899	–	899		–
Arts and Culture-Museum Subsidies		8 865		–	188	–	188		–
COGTA		18 016	10 389	–	284	9 523	(9 240)	-97.0%	**10 389**
Human Settlement		25 032		–	4 028	–	4 028	#DIV/0!	–
Municipal Water Infrastructure		9 631	–	–		–	–		–
Other grant providers:		**413**	**–**	**–**	**–**	**–**	–		**–**
Developer Contribution		413	–	–	–	–	–		–
			–	–		–	–		–
Total capital expenditure of Transfers and Grants		**356 872**	**470 292**	**–**	**317 998**	**431 101**	**(113 103)**	**-26.2%**	**470 292**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**876 063**	**936 905**	**–**	**330 711**	**858 830**	**(528 119)**	**-61.5%**	**936 905**

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration R thousands	Ref	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	28 637	28 637	2 507	27 842	26 251	1 591	6%	28 637
Pension and UIF Contributions		253	3 614	3 614	317	3 464	3 313	151	5%	3 614
Medical Aid Contributions		2 287	1 416	1 416	92	949	1 298	(349)	-27%	1 416
Motor Vehicle Allowance		528	7 292	7 292	478	5 393	6 684	(1 291)	-19%	7 292
Cellphone Allowance		133	2 034	2 034	139	1 547	1 865	(317)	-17%	2 034
Housing Allowances		10	41	41	10	93	38	55	146%	41
Other benefits and allowances		58			23	360	–	360	#DIV/0!	–
Sub Total - Councillors		**34 657**	**43 034**	**43 034**	**3 566**	**39 648**	**39 448**	**200**	**1%**	**43 034**
% increase	4		**24.2%**	**24.2%**						**24.2%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 651	6 102	6 102	630	7 451	5 594	1 857	33%	6 102
Pension and UIF Contributions		798	511	511	75	1 002	468	534	114%	511
Medical Aid Contributions		–	60	60	7	88	55	33	61%	60
Overtime		–				–	–	–		–
Performance Bonus		210	382	382		180	350	(170)	-49%	382
Motor Vehicle Allowance		762	818	818	77	929	750	179	24%	818
Cellphone Allowance		–	100	100	8	96	92	5	5%	100
Housing Allowances		98	142	142	51	696	130	566	434%	142
Other benefits and allowances		38	509	509	4	31	467	(436)	-93%	509
Payments in lieu of leave		–					–	–		–
Long service awards		–					–	–		–
Post-retirement benefit obligations	2	–					–	–		–
Sub Total - Senior Managers of Municipality		**7 558**	**8 624**	**8 624**	**853**	**10 473**	**7 905**	**2 567**	**32%**	**8 624**
% increase	4		**14.1%**	**14.1%**						**14.1%**
Other Municipal Staff										
Basic Salaries and Wages		504 910	698 784	727 819	54 698	605 068	667 167	(62 100)	-9%	727 819
Pension and UIF Contributions		112 428	134 410	134 410	7 104	98 539	123 209	(24 671)	-20%	134 410
Medical Aid Contributions		40 020	46 584	46 584	4 172	43 434	42 702	732	2%	46 584
Overtime		38 448	51 413	51 413	2 272	30 791	47 129	(16 337)	-35%	51 413
Performance Bonus		–				586	–	586	#DIV/0!	–
Motor Vehicle Allowance		12 324	14 308	14 308	1 078	12 509	13 116	(606)	-5%	14 308
Cellphone Allowance		2 340	2 843	2 843	216	2 481	2 606	(125)	-5%	2 843
Housing Allowances		3 108	4 323	4 323	365	3 870	3 963	(93)	-2%	4 323
Other benefits and allowances		96 672	49 944	49 944	10 103	129 540	45 782	83 758	183%	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	7 277	16 592	(9 314)	-56%	18 100
Post-retirement benefit obligations	2	–					–	–		–
Sub Total - Other Municipal Staff		**824 974**	**1 020 709**	**1 049 744**	**80 785**	**936 264**	**962 265**	**(26 001)**	**-3%**	**1 049 744**
% increase	4		**23.7%**	**27.2%**						**27.2%**
Total Parent Municipality		**867 189**	**1 072 367**	**1 101 402**	**85 205**	**986 385**	**1 009 619**	**(23 234)**	**-2%**	**1 101 402**
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Board Members of Entities	2	–	–	–	–	–	–	–		–
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		329	442	442	33	399	405	(6)	-2%	442
Pension and UIF Contributions		–					–	–		–
Medical Aid Contributions		12	15	15	2	18	14	4	32%	15
Overtime		18			2	17	–	17	#DIV/0!	–
Performance Bonus		6	6	6	0	3	6	(2)	-40%	6
Motor Vehicle Allowance		–	19	19			17	(17)	-100%	19
Cellphone Allowance		4	4	4			4	(4)	-100%	4
Housing Allowances		–			–	6	–	6	#DIV/0!	–
Other benefits and allowances		–					–	–		–
Payments in lieu of leave		–					–	–		–
Long service awards		–					–	–		–
Post-retirement benefit obligations	2	–					–	–		–
Sub Total - Senior Managers of Entities		**369**	**486**	**486**	**37**	**443**	**446**	**(3)**	**-1%**	**486**
% increase	4		**31.7%**	**31.7%**						**31.7%**
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 969	2 969	282	2 895	2 722	173	6%	2 969
Pension and UIF Contributions		154	209	209	22	224	192	32	17%	209
Medical Aid Contributions		389	586	586	34	319	537	(218)	-41%	586
Overtime		416	597	597	5	53	547	(495)	-90%	597
Performance Bonus		22	27	27	1	11	25	(14)	-55%	27
Motor Vehicle Allowance		56	69	69			63	(63)	-100%	69
Cellphone Allowance		11	12	12	63	573	11	562	5113%	12
Housing Allowances		–			–	28	–	28	#DIV/0!	–
Other benefits and allowances		219	288	288	38	297	264	33	13%	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**	**446**	**4 400**	**4 361**	**39**	**1%**	**4 757**
% increase	4		**34.9%**	**34.9%**						**34.9%**
Total Municipal Entities		**3 895**	**5 243**	**5 243**	**482**	**4 843**	**4 806**	**37**	**1%**	**5 243**
TOTAL SALARY, ALLOWANCES & BENEFITS		**871 084**	**1 077 610**	**1 106 645**	**85 687**	**991 227**	**1 014 425**	**(23 197)**	**-2%**	**1 106 645**
% increase	4		**23.7%**	**27.0%**						**27.0%**
TOTAL MANAGERS AND STAFF		**836 427**	**1 034 576**	**1 063 611**	**82 120**	**951 579**	**974 977**	**(23 397)**	**-2%**	**1 063 611**

Councillor Allowances

The expenditure on councillor allowances as at 31 May 2017 was under spent by 3%. The year to date budget for Remuneration of Councillor's is R 41.8 million while the actual expenditure incurred was R 40.3 million resulting in 97% YTD expenditure performance.

Employee Benefits

The total consolidated salaries expenditure as at 31 May 2017 was R 991.2 million, against the budget of R 1.014 billion, 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 31 May 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 - M11 May

Description	Ref	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	2016/17	+1 2017/18	+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	60 696	49 620	55 522	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	253	107	955	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	165 143	146 288	166 177	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	33 174	25 393	32 172	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	10 610	7 640	10 463	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	6 997	5 517	6 657	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	1 174	1 206	314	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	2 078	8 973	1 726	4 106	49 330	52 177	55 204
Interest earned - outstanding debtors		1 061	910	735	817	889	931	724	1 629	2 470	1 896	915	3 760	58 387	61 890	65 604
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–			
Fines		347	427	274	216	62	161	62	138	9	230	138	1 051	16 313	17 185	17 639
Licences and permits		6	5	7	9	6	4	5	3	9	14	9	5	81	85	90
Agency services		0	0	0	–	0	0	0	0	0	0	0	38	590	619	650
Transfer receipts - operating		180 127	1 625	–	7 761	–	159 820	6 930	5 107	123 739	–	–	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	10 363	21 307	20 106	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**	**416 717**	**268 189**	**295 154**	**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	95 710	172	2 176	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	1 840	272	1 075	–			
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**	**514 267**	**268 633**	**298 405**	**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	81 813	40 776	125 149	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	3 558	4 509	3 798	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	15 575	–	–	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	112 964	122 722	110 450	115 889	527 753	586 597	652 003
Other materials		35 837	43 600	–	87 066	44 112	43 618	–	91 309	31 711	–	180 386	127 269	181 399	204 864	216 029
Contracted services		1 140	137	600	1 680	895	1 202	3 434	1 936	16 244	5 000	5 810	(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	48 757	31 820	48 392	2 926			
Transfers and grants - other		–	–	–	–	–	–	–	–	–	–	–	–	191	8 603	9 265
Other expenditure		1 710	–	–	–	–	20	1 730	544	–	38	1 710	825	373 951	345 821	284 450
		79 450	26 976	2 534	4 935	205 516	61 162	15 859	4 213	7 082	48 034	1 695	119 794			
Cash Payments by Type		**389 146**	**381 977**	**354 752**	**372 502**	**527 094**	**363 973**	**260 045**	**336 018**	**317 704**	**252 899**	**477 390**	**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	57 643	20 429	98 622	173 953	617 305	867 636	983 155
Repayment of borrowing		24	24	18 698	24	24	14 430	24	24	21 139	24	24	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**	**372 821**	**396 486**	**273 352**	**576 036**	**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**	**(16 868)**	**117 780**	**(4 719)**	**(277 630)**	**(265 961)**	**198 754**	**45 051**	**129 732**
Cash/cash equivalents at the month/year beginning:		976 717	1 185 914	1 126 370	1 029 751	1 043 249	811 117	957 255	1 050 233	1 033 365	1 151 145	1 146 426	868 796	976 717	1 175 471	1 220 522
Cash/cash equivalents at the month/year end:		1 185 914	1 126 370	1 029 751	1 043 249	811 117	957 255	1 050 233	1 033 365	1 151 145	1 146 426	868 796	602 835	1 175 471	1 220 522	1 350 254

2.6.2 Material Variances: Financial Indicators

1	**Revenue By Source**		
	Agency services	-29%	This is based on the customer usage fgor fire services to the District municipality
	Other revenue	-32%	This is a user driven resource
	Rental of facilities and equipment	-50%	This is a user driven resource
	Licences and permits	-15%	This is a user driven resource
	Interest earned - external investments	32%	This is would smooth out during the year
2	**Expenditure By Type**		
	Debt impairment	-100%	This is an annulised year end entry
	Other materials	-80%	This is a seasonal category and will smooth out during the year
	Contracted services	874%	This is a seasonal category and will smooth out during the year
	Transfers and grants	-95%	These are quarterly payments, and would smooth out during the year
	Bulk purchases	-17%	This is would smooth out during the year
	Depreciation & asset impairment	-19%	This is an annulised year end entry
	Other expenditure	-36%	This is would smooth out during the year

2.7 Parent Municipality Financial Performance

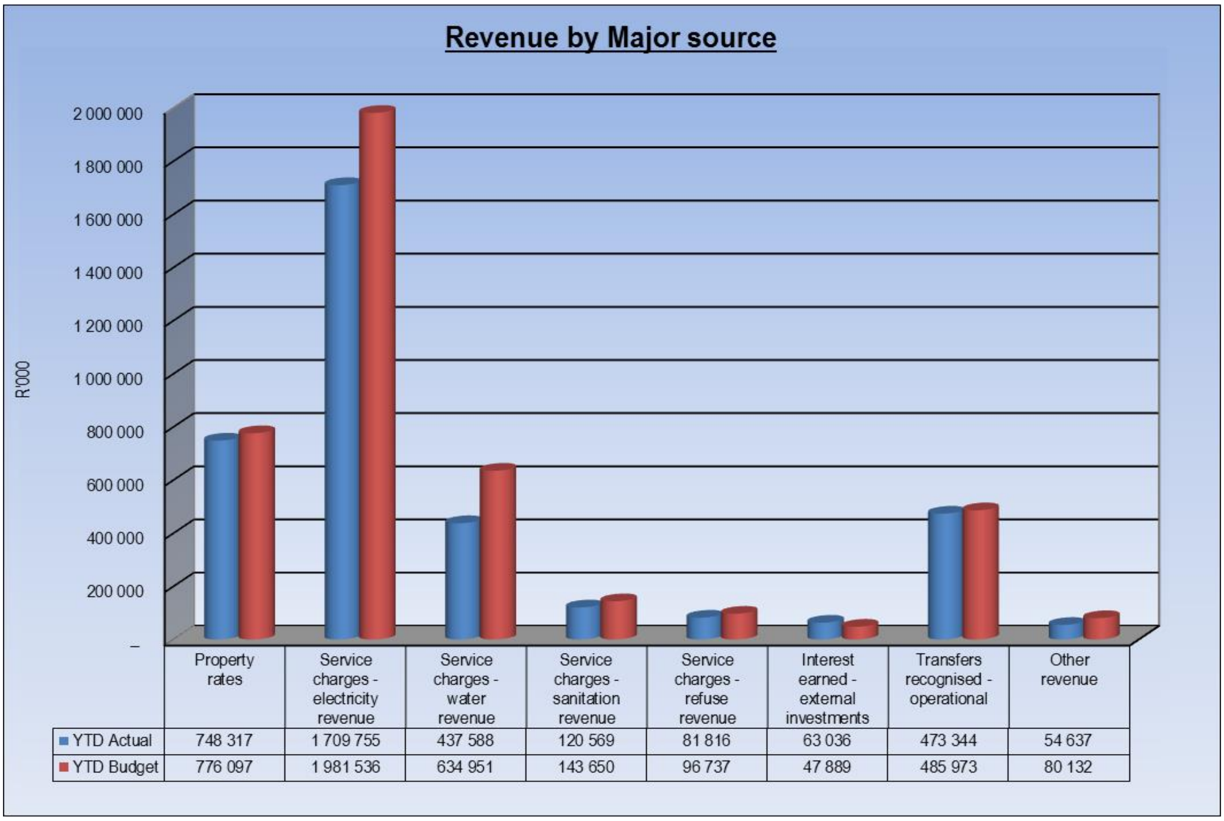
REVENUE ANALYSIS

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 271.7 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 31 May 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 31% 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.

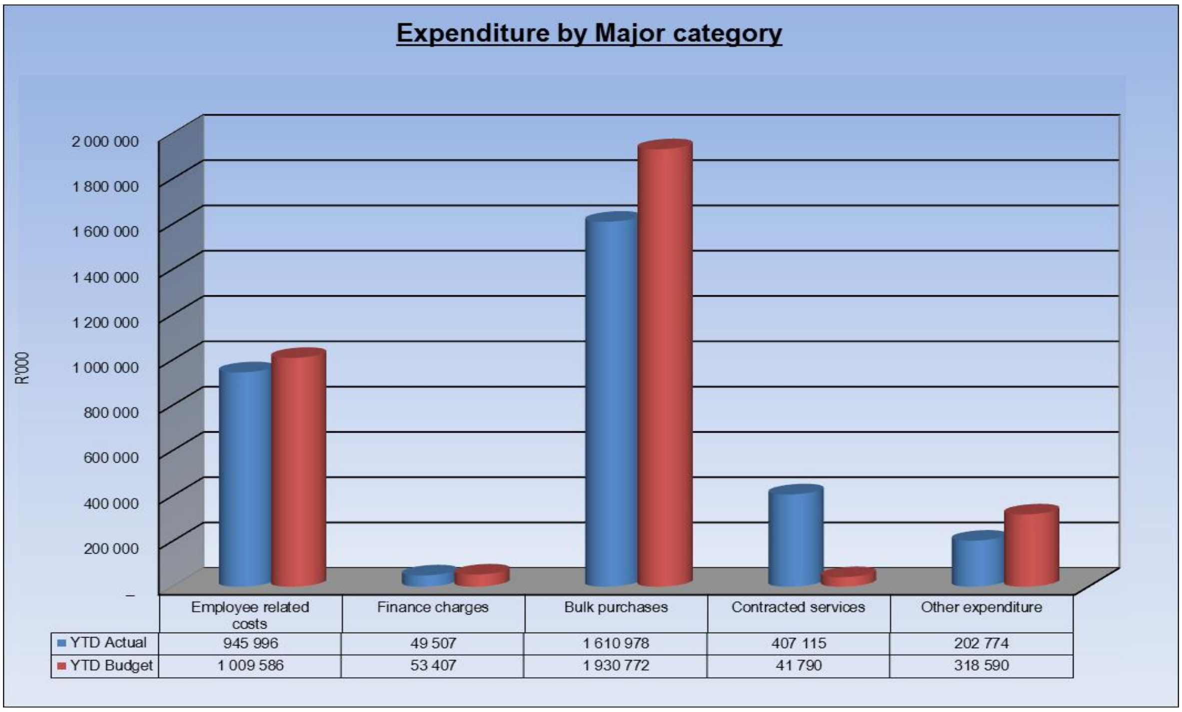
Service Charges - refuse revenue reflects an under performance of 15% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 3.0% to the total operating revenue received as at 31 May 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 319.7 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 318.5 million while the actual costs incurred was R 202.7 million resulting in under performance against the budget of R 115.8 million

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 569.3 million. The actual being R 421.1 million whilst the YTD budget is R 521.8 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 58.2 million and the Actual YTD was R 49.5 million whilst the YTD budget is R 53.4 million which is slightly under budget.

Contracted Services: YTD Budget for contracted services was R 41.7 million, whilst the actual are R 407.1 million, the variance is offset by positive variance in other materials

Remuneration of councillors: the YTD budget was R 41.8 million and the actual expenditure incurred was R 40.3 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M11 May

Description	2015/16	Current Year 2016/17							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	192	65	–	3	66	60	0	11%	65
Transfers recognised - operational	–	–	–	–	–	–	–		–
Other own revenue	12 284	6 841	–	1 710	6 841	6 841	0	0%	6 841
Total Revenue (excluding capital transfers and contributions)	**12 476**	**6 906**	**–**	**1 713**	**6 907**	**6 901**	**7**	**0**	**6 906**
Employee costs	4 227	5 278	–	482	4 843	4 838	4	0	5 278
Remuneration of Board Members	–	–	–	–	–	–	–		–
Depreciation and asset impairment	830	830	–	69	761	761	–		830
Finance charges	12	12	–	1	11	11	(0)	(0)	12
Materials and bulk purchases	167	489	–	1	341	448	(107)	(0)	489
Transfers and grants	–	–	–	–	–	–	–		–
Other expenditure	729	1 711	–	55	1 262	1 568	(306)	(0)	1 711
Total Expenditure	**5 965**	**8 319**	**–**	**608**	**7 217**	**7 626**	**(409)**	**(0)**	**8 319**
Surplus/(Deficit)	**6 512**	**(1 413)**	**–**	**1 105**	**(309)**	**(725)**	**416**	**(0)**	**(1 413)**
Transfers recognised - capital	–	–	–	–	–	–	–		–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**6 512**	**(1 413)**	**–**	**1 105**	**(309)**	**(725)**	**416**	**(0)**	**(1 413)**
Taxation	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**6 512**	**(1 413)**	**–**	**1 105**	**(309)**	**(725)**	**416**	**(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	–		1 915				1 128
Total non current assets	6 138	5 962	–		5 616				5 785
Total current liabilities	222	250	–		376				250
Total non current liabilities	–	–	–		–				–
Community wealth/Equity	**7 322**	**6 663**	**–**		**7 154**				**6 663**
Cash flows									
Net cash from (used) operating	6 572	(1 072)	–	1 173	441	25	416	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	1 173	441	25	416	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

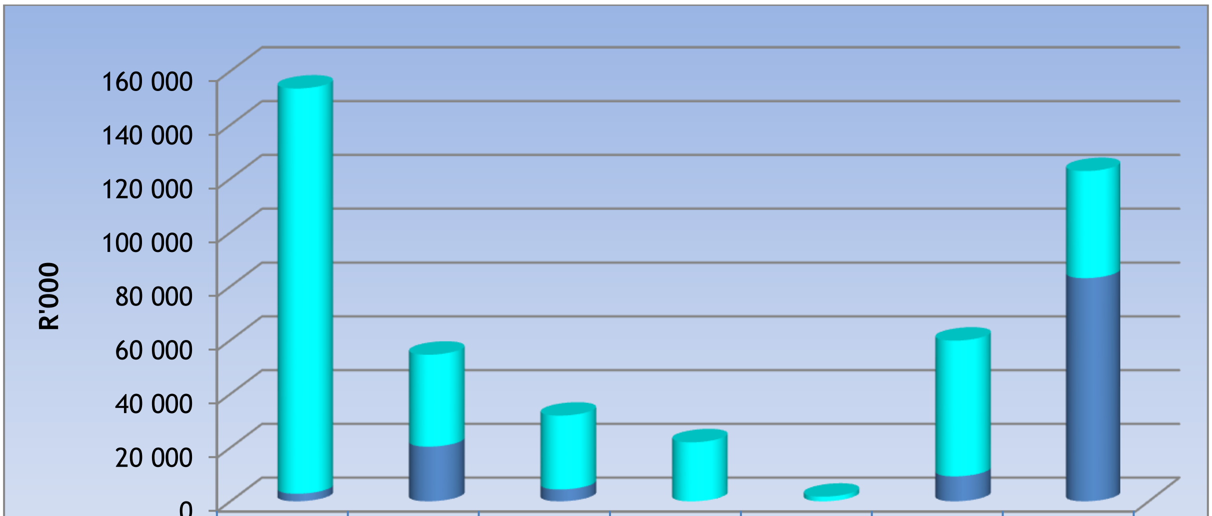
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

Month	2015/16	Budget Year 2016/17							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
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	66 417	66 417	572 517	506 101	88.4%	9%
April	46 620	48 957	99 741	20 429	20 429	672 258	651 829	97.0%	3%
May	44 113	60 520	99 741	100 331	100 331	771 999	671 668	87.0%	14%
June	69 194	176 151	99 741			871 739	–		
Total Capital expenditure	**461 711**	**726 241**	**871 739**	**446 283**					

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 May 2017.

Chart 6: YTD New vs. Replacement Capex



	Infrastructure - Road Transport	Infrastructure - Electricity	Infrastructure - Water	Infrastructure - Sanitation	Infrastructure - Others	Community	Other Assets
Replacement	150 676	34 219	27 496	21 969	1 724	50 513	39 789
New	2 804	20 357	4 409	0	0	9 299	83 029

The Total Capital Expenditure amounted to R 446.2 million, R 119.8 million (27%) was new assets and R 326.3 million (73%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

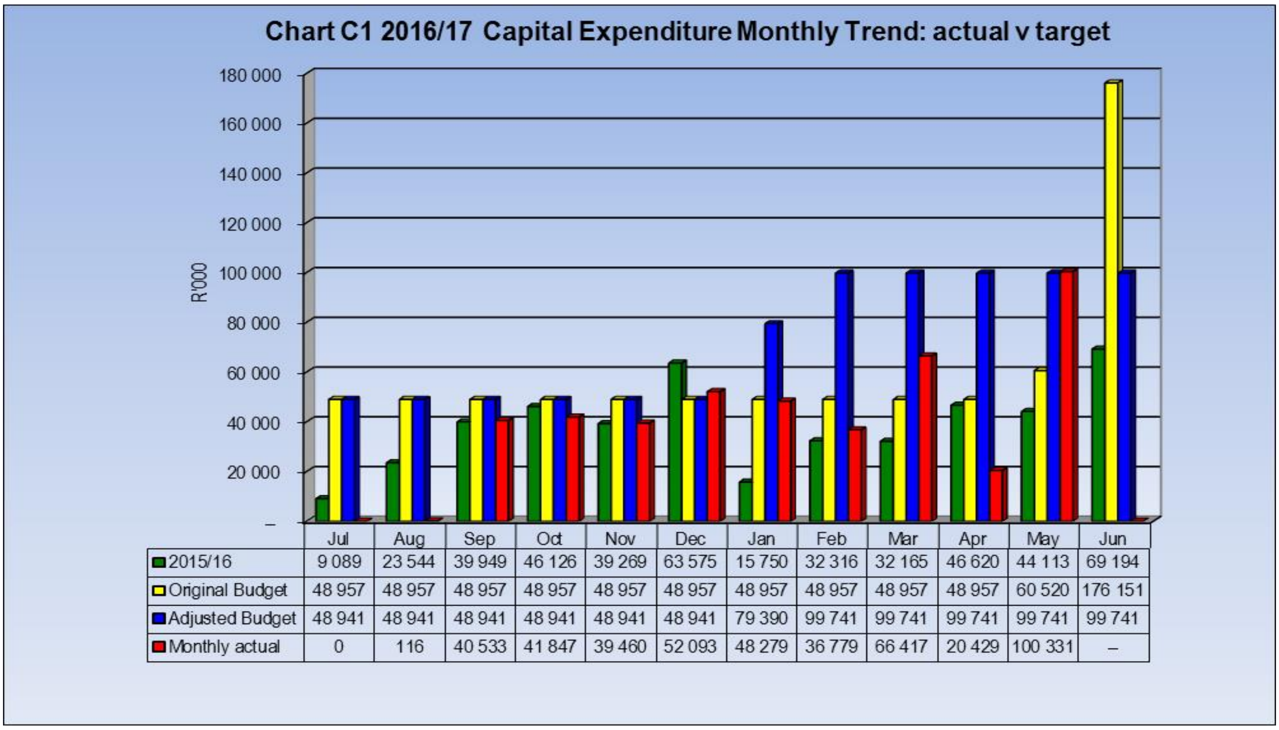
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**52 671**	**174 021**	**175 460**	**1 644**	**27 570**	**160 838**	133 269	**82.9%**	**175 460**
Infrastructure - Road transport		24 562	2 714	3 135	222	2 804	2 873	70	**2.4%**	3 135
Roads, Pavements & Bridges		24 562	2 714	3 135	222	2 804	2 873	70	**2.4%**	3 135
Storm water		–				–	–	–		–
Infrastructure - Electricity		–	168 827	161 248	136	20 357	147 810	127 453	**86.2%**	161 248
Generation			168 827	153 248	136	20 357	140 477	120 120	**85.5%**	153 248
Transmission & Reticulation							–	–		–
Street Lighting		–		8 000		–	7 333	7 333	**100.0%**	8 000
Infrastructure - Water		17 110	–	10 578	1 287	4 409	9 696	5 287	**54.5%**	10 578
Dams & Reservoirs		297		10 578	1 287	4 409	9 696	5 287	**54.5%**	10 578
Water purification		–			–	–	–	–		–
Reticulation		16 813			–		–	–		–
Infrastructure - Sanitation		10 999	980	–	–	–	–	–		–
Reticulation			980		–		–	–		–
Sewerage purification		10 999			–		–	–		–
Infrastructure - Other		–	1 500	500	–	–	458	458	**100.0%**	500
Waste Management		–	1 500	500	–		458	458	**100.0%**	500
Transportation		–			–		–	–		–
Gas		–			–		–	–		–
Other		–			–		–	–		–
Community		**33 810**	**20 591**	**23 300**	**1 892**	**9 299**	**21 358**	**12 060**	**56.5%**	**23 300**
Parks & gardens		169			–		–	–		–
Sportsfields & stadia		30 452	6 650	2 500	3 831	4 087	2 292	(1 795)	-78.3%	2 500
Swimming pools				5 000	350	1 012	4 583	3 571	77.9%	5 000
Community halls				15 800	(2 288)	4 200	14 483	10 284	71.0%	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**	**10 535**	**61 644**	**83 328**	**21 683**	**26.0%**	**90 903**
General vehicles		6 716		5 510	1 162	1 162	5 051	3 888	77.0%	5 510
Specialised vehicles		–	–	–	–	–	–	–		–
Plant & equipment		10 682	1 410	42 508	1 189	31 671	38 966	7 294	18.7%	42 508
Computers - hardware/equipment		3 486	470	461		1 293	422	(870)	-206.1%	461
Furniture and other office equipment		5 981	50		–		–	–		–
Abattoirs					–		–	–		–
Markets		9 901					–	–		–
Civic Land and Buildings		868	10 389	10 889	165	9 633	9 982	349	3.5%	10 889
Other Buildings					–		–	–		–
Other Land					–		–	–		–
Surplus Assets - (Investment or Inventory)					–		–	–		–
Other		2 386	11 010	31 535	8 018	17 885	28 907	11 022	38.1%	31 535
Agricultural assets		–	–	–	–	–	–	–		–
List sub-class		–	–	–			–	–		–
		–	–	–			–	–		–
Biological assets		–	–	–	–	–	–	–		–
List sub-class				–			–	–		–
				–			–	–		–
Intangibles		–	**24 468**	**24 026**	–	**21 385**	**22 023**	**638**	**2.9%**	**24 026**
Computers - software & programming			24 468	24 026		21 385	22 023	638	2.9%	24 026
Other			–	–			–	–		–
Total Capital Expenditure on new assets	1	**126 501**	**242 409**	**313 689**	**14 071**	**119 898**	**287 548**	**167 650**	**58.3%**	**313 689**

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M11 May

Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**284 545**	**367 404**	**440 069**	**57 046**	**236 083**	**403 397**	167 313	**41.5%**	**440 069**
Infrastructure - Road transport		125 812	239 143	261 279	47 086	150 676	239 505	88 830	**37.1%**	261 279
Roads, Pavements & Bridges		125 552	239 143	260 729	47 086	150 090	239 001	88 911	**37.2%**	260 729
Storm water		260		550		586	504	(82)	**-16.2%**	550
Infrastructure - Electricity		66 802	25 520	104 721	9 387	34 219	95 994	61 775	**64.4%**	104 721
Generation		66 802	25 520	95 288	9 387	34 219	87 347	53 128	**60.8%**	95 288
Transmission & Reticulation				–	–		–	–	**0.0%**	–
Street Lighting			–	9 433	–		8 647	8 647	**100.0%**	9 433
Infrastructure - Water		65 030	55 602	46 420	523	27 496	42 551	15 056	**35.4%**	46 420
Dams & Reservoirs		65 030	55 602	46 420	523	27 496	42 551	15 056	**35.4%**	46 420
Water purification				–	–		–	–		–
Reticulation		–		–	–	–	–	–		–
Infrastructure - Sanitation		26 146	47 139	17 650	–	21 969	16 179	(5 790)	**-35.8%**	17 650
Reticulation			47 139	17 650		21 969	16 179	(5 790)	**-35.8%**	17 650
Sewerage purification		26 146			–		–	–	**0.0%**	–
Infrastructure - Other		755	–	10 000	51	1 724	9 167	7 443	**81.2%**	10 000
Waste Management		755	–	10 000	51	1 724	9 167	7 443	**81.2%**	10 000
Transportation					–		–	–		–
Gas			–	–	–		–	–		–
Other				–	–		–	–	**0.0%**	–
Community		**4 551**	**62 950**	**79 224**	**24 470**	**50 513**	**72 622**	**22 109**	**30.4%**	**79 224**
Parks & gardens			500	1 000		839	917	77	8.4%	1 000
Sportsfields & stadia		121	28 750	19 206	1 364	19 417	17 606	(1 811)	-10.3%	19 206
Swimming pools			2 000	2 078	–	1 112	1 905	792	41.6%	2 078
Community halls			30 700	–	–		–	–		–
Libraries				8 660		6 039	7 938	1 900	23.9%	8 660
Recreational facilities		2 823			–		–	–	0.0%	–
Fire, safety & emergency					–		–	–		–
Security and policing					–		–	–		–
Buses					–		–	–		–
Clinics				–	–		–	–		–
Museums & Art Galleries			1 000	1 630	–		1 494	1 494	100.0%	1 630
Cemeteries				28 500	23 106	23 106	26 125	3 019	11.6%	28 500
Social rental housing				18 150	–		16 638	16 638	100.0%	18 150
Other		1 607		–	–		–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Buildings		–	–	–	–		–	–		–
Other		–	–	–	–		–	–		–
Investment properties		–	–	6 895	4 713	4 713	6 320	1 607	25.4%	6 895
Housing development		–	–	6 895	4 713	4 713	6 320	1 607	25.4%	6 895
Other		–	–	–	–		–	–		–
Other assets		**31 275**	**53 478**	**31 850**	**31**	**35 076**	**29 195**	**(5 881)**	**-20.1%**	**31 850**
General vehicles		–	–				–	–		–
Specialised vehicles		–	–	–	–	–	–	–		–
Plant & equipment					–		–	–	0.0%	–
Computers - hardware/equipment				4 985	31	4 882	4 570	(313)	-6.8%	4 985
Furniture and other office equipment		2 019		80	–		73	73	0.0%	80
Abattoirs					–		–	–		–
Markets		251			–		–	–		–
Civic Land and Buildings		14 359	33 569	23 475		26 488	21 519	(4 969)	-23.1%	23 475
Other Buildings				3 261	–	3 629	2 989	(640)	-21.4%	3 261
Other Land					–		–	–		–
Surplus Assets - (Investment or Inventory)					–		–	–		–
Other		14 646	19 910	49	–	77	45	(32)	-72.7%	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**	**86 260**	**326 386**	**511 535**	**185 149**	**36.2%**	**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

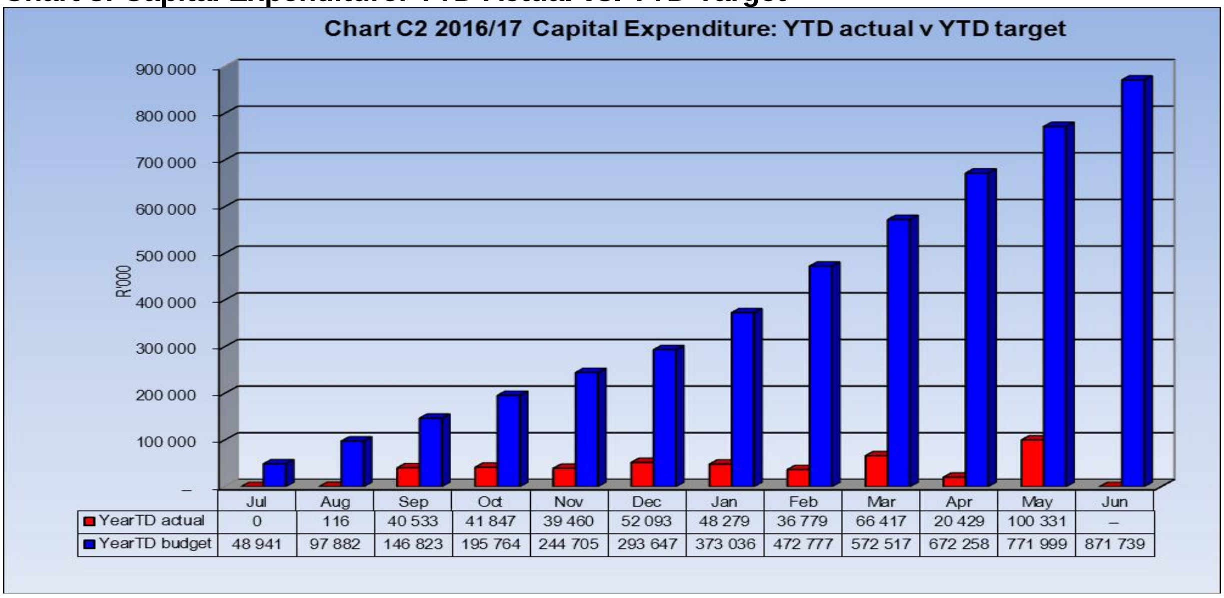


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015/16	9 089	23 544	39 949	46 126	39 269	63 575	15 750	32 316	32 165	46 620	44 113	69 194
Original Budget	48 957	48 957	48 957	48 957	48 957	48 957	48 957	48 957	48 957	48 957	60 520	176 151
Adjusted Budget	48 941	48 941	48 941	48 941	48 941	48 941	79 390	99 741	99 741	99 741	99 741	99 741
Monthly actual	0	116	40 533	41 847	39 460	52 093	48 279	36 779	66 417	20 429	100 331	–

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.

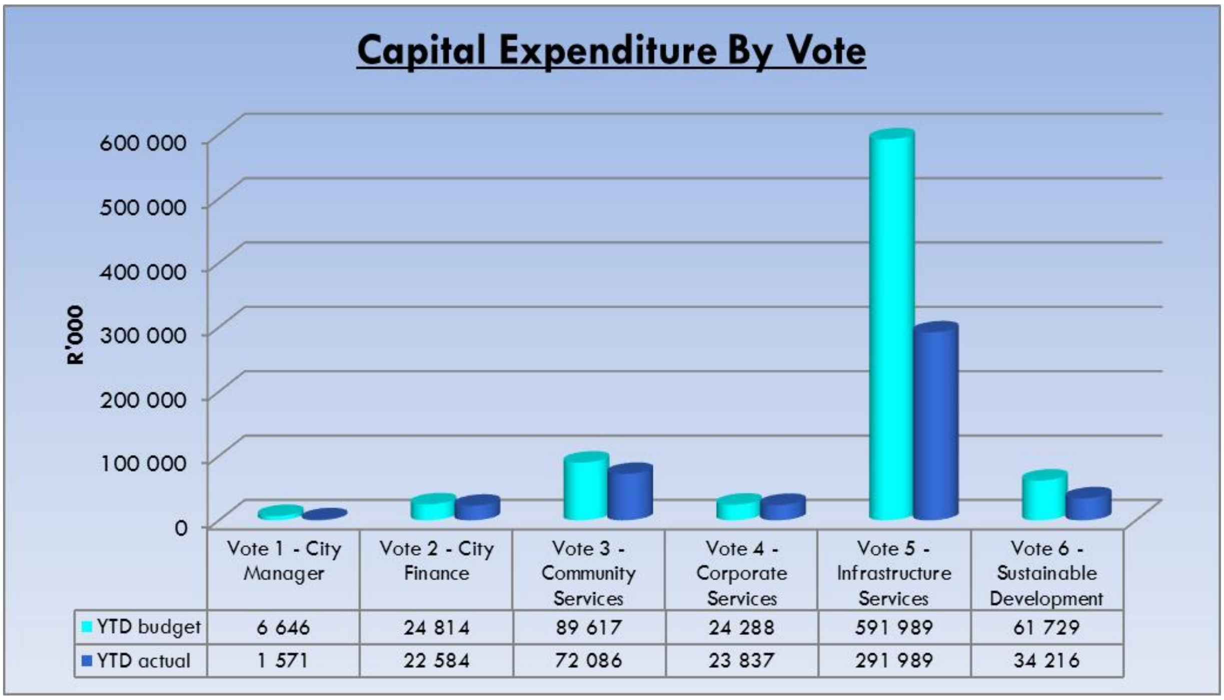
The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

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



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	0	116	40 533	41 847	39 460	52 093	48 279	36 779	66 417	20 429	100 331	–
YearTD budget	48 941	97 882	146 823	195 764	244 705	293 647	373 036	472 777	572 517	672 258	771 999	871 739

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 May 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 **May 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: ____