



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

Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Mayor's Report

The first six months of the 2016/17 financial year has come to an end leaving the municipality with another six months to deliver in respect of the current year's service delivery projections.

The first half of the year has been challenging for the municipality as there were quite a few fundamental changes that took place during this period, the most important one being the election of the new municipal council. On the administration side, the municipality implemented the new financial system, SAP, as from the first of July. Having taken the decision to also adopt mSCOA accounts a year earlier, the municipality did roll out the this programme as at 1 July 2016.

As indicated, the three events mentioned above were not without challenges. However, the municipality dealt with challenges as and when they arised and it is very pleasing to see the significant progress that has been made particularly with regards to the implementation of SAP and mSCOA. On the part of the operations, the new organogram has been succefully implemented and the few remaining issues regarding that issue are being dealt with. As per the directive of the President of the Republic, in his tate of the nationa address, qualifying contract employees have been absorbed and of course this required additional financial resources which will be provided through the adjustments budget. The operational budget performance report has been quite satisfactorily

The challenges with regards to the implementation of capital projects continued to exist but the weekly meetings that are convened by the top management are starting to yield positive results. While the actual capital expenditure as at the end of December , stood at 24%, it is pleasing to that if the commitments are added onto the equation, expenditure went to over 6%. There will definitely be close monitoring of the capital expenditure performance in the second half of the year. There are challenges but they are not fundamental, they can and will be dealt with.

Section 72 of the MFMA requires that the municipality's performance during the first half of the financial year reviewed in order to ascertain if there are adjustments and interventions that need to be made. Honourable Speaker and fellow Councillors, this report therefore serves as a decision making tool as to whether or not there is a need for an adjustments budget.

Honourable Speaker and Councillors, I hereby table the 2015/16 Mid-year budget and performance assessment report.

1.2 Resolutions

It is recommended that Council;

- 1.2.1 Approves and adopts the 2015/16 Mid-year budget performance report
- 1.2.2 That an adjustments budget be prepared to deal with variances identified in this report.

1.3 Executive Summary

Legislative Requirements

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year report is a critical stage in the in year reporting cycle of the municipality as it allow for the municipality to review any circumstances that may have changed since the preparation of the annual budget. As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, need to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R 2.20 billion for the period ending at 31 December 2016 while the YTD Budget was R 2.23 billion. This resulted in a slight under performance of R 33.8 million of the planned revenue mainly due to the under budgeting in the monthly revenue projections. The two main contributors, both accounting for 62% of the actual total YTD Revenue earned are Electricity (44%) & Property Rates revenue (18%). These two revenue sources make up more than 62% of the total YTD budget.

Operating Expenditure: The total YTD operating expenditure for the period ending 31 December 2016 amounted to R 2.13 billion while the YTD budget was R 2,23 billion resulting in under performance of R 100.0 million. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 65% of the YTD expenditure (67% of YTD budget). As at the end of December, the bulk purchases budget was underspent by 12% (R 118.0 million), the forecast suggest that we seasonal usage will increase therefore pointing towards a slight upward budget adjustment of this budget in order avoid unauthorised expenditure in this line item.

Capital Expenditure: While the YTD capital expenditure budget was R 363.1 million, the actual YTD Capital expenditure incurred amounted to R 174.0 million resulting in underperformance of 52% of the capital budget. An increasing trend on Capex budget can seen when comparing the month on month movements.

Cash & Cash equivalents at 31 December 2016 was of R 957.2 million showing a slight decrease of R 13.8 million from the balance at 30 June 2016.

Consumer Debt: Consumer debt at 31 December 2016 was R 1.73 billion. The average collection rate for the six month period under review is at 109%.

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 in the Municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - M06 December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	717 026	842 558	-	68 064	424 132	421 279	2 853	1%	842 558
Service charges	2 228 636	2 878 830	-	212 698	1 312 298	1 439 415	(127 117)	-9%	2 878 830
Investment revenue	50 973	49 270	-	200	45 897	24 665	21 232	86%	49 270
Transfers recognised - operational	519 191	489 491	-	149 003	333 723	244 745	88 978	36%	489 491
Other own revenue	325 520	212 797	-	12 520	86 586	106 398	(19 812)	-19%	212 797
Total Revenue (excluding capital transfers and contributions)	3 841 347	4 472 946	-	442 485	2 202 637	2 236 503	(33 866)	-2%	4 472 946
Employee costs	832 495	1 035 660	-	80 124	537 813	520 469	17 344	3%	1 035 660
Remuneration of Councillors	34 657	43 033	-	3 572	21 402	21 517	(115)	-1%	43 033
Depreciation & asset impairment	463 063	506 103	-	38 885	364 893	253 649	111 244	44%	506 103
Finance charges	71 169	65 460	-	17 669	33 930	32 737	1 193	4%	65 460
Materials and bulk purchases	1 785 315	2 117 550	-	(154 101)	854 567	1 059 053	(204 487)	-19%	2 117 550
Transfers and grants	11 995	148 325	-	20	4 684	70 263	(65 579)	-93%	148 325
Other expenditure	951 496	536 243	-	59 363	309 201	269 096	40 104	15%	536 243
Total Expenditure	4 150 192	4 452 374	-	45 532	2 126 489	2 226 785	(100 295)	-5%	4 452 374
Surplus/(Deficit)	(308 844)	20 572	-	396 953	76 148	9 718	66 429	684%	20 572
Transfers recognised - capital	356 835	447 414	-	18 845	71 993	223 987	(151 993)	-68%	447 414
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 991	467 986	-	415 798	148 141	233 705	(85 564)	-37%	467 986
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 991	467 986	-	415 798	148 141	233 705	(85 564)	-37%	467 986
Capital expenditure & funds sources									
Capital expenditure	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Capital transfers recognised	275 665	447 973	-	24 402	118 605	223 987	(105 382)	-47%	447 973
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	62 181	158 268	-	1 672	6 481	79 134	(72 653)	-92%	158 268
Internally generated funds	123 864	120 000	-	26 010	48 955	60 000	(11 045)	-18%	120 000
Total sources of capital funds	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Financial position									
Total current assets	1 984 966	3 134 961	-	-	-	-	-	-	3 134 961
Total non current assets	7 548 842	7 628 886	-	-	-	-	-	-	7 628 886
Total current liabilities	915 372	1 318 873	-	-	-	-	-	-	1 318 873
Total non current liabilities	1 197 150	1 255 546	-	-	-	-	-	-	1 255 546
Community wealth/Equity	7 421 286	8 189 428	-	-	-	-	-	-	8 189 428
Cash flows									
Net cash from (used) operating	1 180 761	773 696	-	212 661	187 793	386 848	199 055	51%	773 696
Net cash from (used) investing	(1 224 532)	(617 305)	-	(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
Net cash from (used) financing	50 631	(17 762)	-	(14 430)	(33 223)	(8 881)	24 342	-274%	(17 762)
Cash/cash equivalents at the month/year end	834 133	1 051 338	-	-	957 255	982 024	24 768	3%	1 115 346
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	299 112	105 970	55 639	45 053	37 052	40 206	37 346	#####	1 738 118
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) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 542 450	-	149 592	674 277	771 225	(96 948)	-13%	1 542 450
Executive and council		6 748	-	-	-	-	-	-	-	-
Budget and treasury office		1 422 429	1 528 270	-	149 588	674 272	764 135	(89 863)	-12%	1 528 270
Corporate services		5 993	14 180	-	4	5	7 090	(7 085)	-100%	14 180
<i>Community and public safety</i>		225 653	93 565	-	6 146	22 719	46 783	(24 064)	-51%	93 565
Community and social services		71 074	52 155	-	4 819	15 801	26 078	(10 277)	-39%	52 155
Sport and recreation		24 880	885	-	138	453	442	11	2%	885
Public safety		111 819	23 347	-	619	3 029	11 673	(8 644)	-74%	23 347
Housing		17 809	17 144	-	570	3 436	8 572	(5 136)	-60%	17 144
Health		71	34	-	-	-	17	(17)	-100%	34
<i>Economic and environmental services</i>		235 988	435 042	-	22 254	44 993	217 521	(172 529)	-79%	435 042
Planning and development		63 074	53 331	-	12 346	3 919	26 666	(22 747)	-85%	53 331
Road transport		172 914	381 711	-	8 218	41 060	190 856	(149 795)	-78%	381 711
Environmental protection		-	-	-	1 690	14	-	14	#DIV/0!	-
<i>Trading services</i>		2 667 551	3 426 115	-	283 338	1 522 104	1 713 057	(190 954)	-11%	3 426 115
Electricity		1 700 426	2 074 912	-	163 807	990 212	1 037 456	(47 244)	-5%	2 074 912
Water		660 510	1 052 569	-	98 855	390 126	526 284	(136 158)	-26%	1 052 569
Waste water management		191 593	176 288	-	18 681	82 223	88 144	(5 921)	-7%	176 288
Waste management		115 022	122 345	-	1 995	59 542	61 173	(1 630)	-3%	122 345
<i>Other</i>	4	34 298	31 371	-	-	10 538	15 686	(5 148)	-33%	31 371
Total Revenue - Standard	2	4 598 660	5 528 543	-	461 330	2 274 630	2 764 272	(489 642)	-18%	5 528 543
Expenditure - Standard										
<i>Governance and administration</i>		874 771	995 248	-	66 587	337 490	497 624	(160 134)	-32%	995 248
Executive and council		7 712	113 165	-	19 063	89 432	56 582	32 850	58%	113 165
Budget and treasury office		859 050	645 336	-	32 902	169 013	322 668	(153 655)	-48%	645 336
Corporate services		8 009	236 747	-	14 621	79 046	118 374	(39 328)	-33%	236 747
<i>Community and public safety</i>		670 660	551 767	-	56 312	312 497	276 171	36 325	13%	551 767
Community and social services		116 571	140 429	-	13 159	78 300	70 215	8 085	12%	140 429
Sport and recreation		145 186	118 290	-	9 342	71 037	59 145	11 892	20%	118 290
Public safety		316 932	236 010	-	30 487	144 713	118 293	26 419	22%	236 010
Housing		49 923	32 584	-	2 963	16 166	16 292	(126)	-1%	32 584
Health		42 048	24 453	-	362	2 280	12 226	(9 946)	-81%	24 453
<i>Economic and environmental services</i>		522 277	567 103	-	40 122	74 253	283 552	(209 299)	-74%	567 103
Planning and development		97 679	110 222	-	6 102	35 384	55 111	(19 727)	-36%	110 222
Road transport		424 597	456 881	-	25 661	33 841	228 440	(194 600)	-85%	456 881
Environmental protection		-	-	-	8 358	5 028	-	5 028	#DIV/0!	-
<i>Trading services</i>		2 428 609	2 904 545	-	(117 489)	1 372 268	1 452 272	(80 005)	-6%	2 904 545
Electricity		1 512 417	1 695 915	-	(70 356)	825 797	847 958	(22 160)	-3%	1 695 915
Water		590 023	912 149	-	(46 875)	428 885	456 074	(27 190)	-6%	912 149
Waste water management		175 548	192 253	-	(5 327)	76 456	96 127	(19 671)	-20%	192 253
Waste management		150 620	104 227	-	5 069	41 130	52 114	(10 983)	-21%	104 227
<i>Other</i>		54 353	41 895	-	-	29 982	20 948	9 034	43%	41 895
Total Expenditure - Standard	3	4 550 669	5 060 558	-	45 532	2 126 489	2 530 567	(404 078)	-16%	5 060 558
Surplus/ (Deficit) for the year		47 991	467 985	-	415 798	148 141	233 705	(85 564)	-37%	467 985

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) - M06 December

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - City Manager		6 851	-	-	-	-	-	-	-	-
Vote 2 - City Finance		1 422 429	1 528 270	-	149 588	674 272	764 135	(89 863)	-11.8%	1 528 270
Vote 3 - Community Services & Social Equity		281 059	176 823	-	5 582	19 314	88 412	(69 098)	-78.2%	176 823
Vote 4 - Corporate Services		5 890	14 182	-	4	5	7 091	(7 086)	-99.9%	14 182
Vote 5 - Infrastructure Services		2 763 949	3 712 792	-	291 550	1 516 029	1 856 396	(340 367)	-18.3%	3 712 792
Vote 6 - Sustainable Development and City Enterprises		141 174	96 476	-	14 606	65 010	48 238	16 772	34.8%	96 476
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	4 621 352	5 528 543	-	461 330	2 274 630	2 764 272	(489 642)	-17.7%	5 528 543
Expenditure by Vote	1									
Vote 1 - City Manager		12 576	142 460	-	4 928	28 037	71 230	(43 193)	-60.6%	142 460
Vote 2 - City Finance		942 905	723 311	-	32 902	169 013	361 655	(192 643)	-53.3%	723 311
Vote 3 - Community Services & Social Equity		732 073	605 502	-	67 485	357 725	302 751	54 974	18.2%	605 502
Vote 4 - Corporate Services		8 582	216 740	-	14 621	79 046	108 370	(29 324)	-27.1%	216 740
Vote 5 - Infrastructure Services		2 675 999	3 220 418	-	(91 828)	1 386 352	1 610 209	(223 857)	-13.9%	3 220 418
Vote 6 - Sustainable Development and City Enterprises		201 227	152 126	-	17 423	106 316	76 351	29 964	39.2%	152 126
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	4 573 361	5 060 558	-	45 531	2 126 488	2 530 567	(404 079)	-16.0%	5 060 558
Surplus/ (Deficit) for the year	2	47 991	467 985	-	415 798	148 141	233 705	(85 563)	-36.6%	467 985

Statement of financial Performance

This schedule Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2016.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		686 819	798 728		67 682	406 567	399 364	7 203	2%	798 728
Property rates - penalties & collection charges		30 207	43 830		382	17 565	21 915	(4 350)	-20%	43 830
Service charges - electricity revenue		1 566 133	2 008 246		151 624	966 725	1 004 123	(37 398)	-4%	2 008 246
Service charges - water revenue		448 064	623 188		41 682	234 946	311 594	(76 648)	-25%	623 188
Service charges - sanitation revenue		139 629	147 839		11 921	65 489	73 920	(8 430)	-11%	147 839
Service charges - refuse revenue		74 810	99 557		7 471	45 138	49 779	(4 641)	-9%	99 557
Service charges - other		-	-		-	-	-	-		-
Rental of facilities and equipment		21 476	43 809		1 534	10 263	21 904	(11 642)	-53%	43 809
Interest earned - external investments		50 973	49 270		200	45 897	24 665	21 232	86%	49 270
Interest earned - outstanding debtors		69 529	66 349		6 842	31 160	33 174	(2 015)	-6%	66 349
Dividends received		-	-		-	-	-	-		-
Fines		108 634	18 538		107	513	9 269	(8 756)	-94%	18 538
Licences and permits		89	92		4	35	46	(11)	-24%	92
Agency services		24 372	670		26	226	335	(109)	-33%	670
Transfers recognised - operational		519 191	489 491		149 003	333 723	244 745	88 978	36%	489 491
Other revenue		101 001	83 339		4 006	25 189	41 670	(16 480)	-40%	83 339
Gains on disposal of PPE		420	-		-	19 201	-	19 201	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		3 841 347	4 472 946	-	442 485	2 202 637	2 236 503	(33 866)	-2%	4 472 946
Expenditure By Type										
Employee related costs		832 495	1 035 660		80 124	537 813	520 469	17 344	3%	1 035 660
Remuneration of councillors		34 657	43 033		3 572	21 402	21 517	(115)	-1%	43 033
Debt impairment		222 110	120 815		-	-	60 408	(60 408)	-100%	120 815
Depreciation & asset impairment		463 063	506 103		38 885	364 893	253 649	111 244	44%	506 103
Finance charges		71 169	65 460		17 669	33 930	32 737	1 193	4%	65 460
Bulk purchases		1 586 802	1 936 708		(155 303)	849 890	968 354	(118 464)	-12%	1 936 708
Other materials		198 513	180 842		1 202	4 677	90 699	(86 023)	-95%	180 842
Contracted services		110 072	35 108		32 528	192 969	17 704	175 264	990%	35 108
Transfers and grants		11 995	148 325		20	4 684	70 263	(65 579)	-93%	148 325
Other expenditure		618 857	380 320		26 835	116 232	190 985	(74 753)	-39%	380 320
Loss on disposal of PPE		457	-		-	-	-	-		-
Total Expenditure		4 150 192	4 452 374	-	45 532	2 126 489	2 226 785	(100 295)	-5%	4 452 374
Surplus/(Deficit)		(308 844)	20 572	-	396 953	76 148	9 718	66 429	0	20 572
Transfers recognised - capital		356 835	447 414		18 845	71 993	223 987	(151 993)	(0)	447 414
Contributions recognised - capital		-	-		-	-	-	-		-
Contributed assets		-	-		-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		47 991	467 986	-	415 798	148 141	233 705			467 986
Taxation		-	-		-	-	-	-		-
Surplus/(Deficit) after taxation		47 991	467 986	-	415 798	148 141	233 705			467 986
Attributable to minorities		-	-		-	-	-	-		-
Surplus/(Deficit) attributable to municipality		47 991	467 986	-	415 798	148 141	233 705			467 986
Share of surplus/ (deficit) of associate		-	-		-	-	-	-		-
Surplus/ (Deficit) for the year		47 991	467 986	-	415 798	148 141	233 705			467 986

A detailed analysis of the anomalies is provided under “2.6 Material Variances in the SDBIP”

Capital Expenditure

Table C5 below reports on the capital expenditures by departments (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) - M06 December

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	-	-	-	2 625	(2 625)	-100%	5 250
Vote 2 - City Finance		4 936	24 928	-	-	431	12 464	(12 033)	-97%	24 928
Vote 3 - Community Services & Social Equity		34 870	51 700	-	-	8 063	25 850	(17 787)	-69%	51 700
Vote 4 - Corporate Services		-	5 985	-	-	-	2 993	(2 993)	-100%	5 985
Vote 5 - Infrastructure Services		311 425	546 074	-	20 933	111 030	273 037	(162 007)	-59%	546 074
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	-	5 065	16 811	31 772	(14 961)	-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	384 493	697 480	-	25 997	136 335	348 740	(212 405)	-61%	697 480
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	-	-	19	250	(231)	-92%	500
Vote 2 - City Finance		31 896	782	-	13 797	13 979	391	13 588	3475%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	-	5 824	13 137	9 783	3 355	34%	19 565
Vote 4 - Corporate Services		6 460	527	-	1 216	2 123	263	1 859	706%	527
Vote 5 - Infrastructure Services		17 510	3 590	-	4 573	7 769	1 795	5 974	333%	3 590
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	-	678	678	1 899	(1 221)	-64%	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	-	26 088	37 706	14 381	23 325	162%	28 761
Total Capital Expenditure		461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Capital Expenditure - Standard Classification										
Governance and administration		50 466	37 971	-	15 013	18 558	18 986	(427)	-2%	37 971
Executive and council		7 174	5 750	-	-	19	2 875	(2 856)	-99%	5 750
Budget and treasury office		36 832	25 710	-	13 797	14 410	12 855	1 556	12%	25 710
Corporate services		6 460	6 512	-	1 216	4 129	3 256	873	27%	6 512
Community and public safety		52 921	103 238	-	7 584	25 260	51 619	(26 359)	-51%	103 238
Community and social services		4 763	32 740	-	-	8 057	16 370	(8 313)	-51%	32 740
Sport and recreation		39 271	31 425	-	7 584	12 924	15 712	(2 788)	-18%	31 425
Public safety		3 022	3 640	-	-	1 820	1 820	(1 820)	-100%	3 640
Housing		5 864	35 434	-	-	4 278	17 717	(13 438)	-76%	35 434
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		151 576	293 680	-	24 086	79 793	146 840	(67 047)	-46%	293 680
Planning and development		23 039	31 908	-	4 721	12 189	15 954	(3 765)	-24%	31 908
Road transport		126 943	260 312	-	19 365	67 604	130 156	(62 552)	-48%	260 312
Environmental protection		1 594	1 460	-	-	730	730	(730)	-100%	1 460
Trading services		204 390	291 352	-	5 402	50 297	145 676	(95 379)	-65%	291 352
Electricity		97 937	190 721	-	2 412	14 988	95 360	(80 372)	-84%	190 721
Water		65 591	58 728	-	-	473	29 364	(28 891)	-98%	58 728
Waste water management		37 404	31 403	-	2 719	28 061	15 702	12 360	79%	31 403
Waste management		3 457	10 500	-	270	6 775	5 250	1 525	29%	10 500
Other		2 357	-	-	-	132	-	132	#DIV/0!	-
Total Capital Expenditure - Standard Classification	3	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Funded by:										
National Government		260 460	428 074	-	22 812	113 003	214 037	(101 034)	-47%	428 074
Provincial Government		15 205	19 899	-	1 591	5 602	9 950	(4 348)	-44%	19 899
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		275 665	447 973	-	24 402	118 605	223 987	(105 382)	-47%	447 973
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	62 181	158 268	-	1 672	6 481	79 134	(72 653)	-92%	158 268
Internally generated funds	6	123 864	120 000	-	26 010	48 955	60 000	(11 045)	-18%	120 000
Total Capital Funding		461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241

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

Table C6 displays the financial position of the municipality as at 31 December 2016 while the paragraphs that follow analyse some of the key ratios based on the data in this table and the previous tables.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		96 597	100 000			100 000
Call investment deposits		745 471	951 338			951 338
Consumer debtors		716 949	965 246			965 246
Other debtors		379 166	376 441			376 441
Current portion of long-term receivables		46	43			43
Inventory		46 737	741 893			741 893
Total current assets		1 984 966	3 134 961	-	-	3 134 961
Non current assets						
Long-term receivables		10 482	9 455			9 455
Investments		-	-			-
Investment property		382 805	356 914			356 914
Investments in Associate		-	-			-
Property, plant and equipment		6 862 567	7 009 706			7 009 706
Agricultural		230 945	-			-
Biological assets		44 831	46 520			46 520
Intangible assets		17 212	27 283			27 283
Other non-current assets		-	179 008			179 008
Total non current assets		7 548 842	7 628 886	-	-	7 628 886
TOTAL ASSETS		9 533 808	10 763 847	-	-	10 763 847
LIABILITIES						
Current liabilities						
Bank overdraft		-	-			-
Borrowing		53 524	67 762			67 762
Consumer deposits		89 479	92 798			92 798
Trade and other payables		765 335	1 152 229			1 152 229
Provisions		7 034	6 084			6 084
Total current liabilities		915 372	1 318 873	-	-	1 318 873
Non current liabilities						
Borrowing		543 401	511 999			511 999
Provisions		653 749	743 547			743 547
Total non current liabilities		1 197 150	1 255 546	-	-	1 255 546
TOTAL LIABILITIES		2 112 522	2 574 419	-	-	2 574 419
NET ASSETS	2	7 421 286	8 189 428	-	-	8 189 428
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 163 338	8 016 514			8 016 514
Reserves		257 948	172 914			172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 421 286	8 189 428	-	-	8 189 428

Table C7 below display the Cash Flow Statement for the month ending December 2016.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	741 451		58 880	354 944	370 726	(15 782)	-4%	741 451
Service charges		2 227 525	2 533 370		225 215	1 342 843	1 266 685	76 158	6%	2 533 370
Other revenue		-	138 875		21 929	170 041	69 438	100 604	145%	138 875
Government - operating		519 604	489 491		159 820	349 332	244 746	104 587	43%	489 491
Government - capital		356 459	447 973		109 178	308 380	223 987	84 394	38%	447 973
Interest		120 502	107 657		1 613	51 696	53 829	(2 133)	-4%	107 657
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 611 671)		(346 304)	(2 355 524)	(1 805 836)	549 688	-30%	(3 611 671)
Finance charges		(71 169)	(65 460)		(17 669)	(33 920)	(32 730)	1 190	-4%	(65 460)
Transfers and Grants		(11 573)	(7 990)				(3 995)	(3 995)	100%	(7 990)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 180 761	773 696	-	212 661	187 793	386 848	199 055	51%	773 696
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421					-	-		-
Decrease (Increase) in non-current debtors							-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(1 033)					-	-		-
Payments										
Capital assets		#####	(617 305)		(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 224 532)	(617 305)	-	(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-	-		-
Borrowing long term/refinancing		100 000	50 000				25 000	(25 000)	-100%	50 000
Increase (decrease) in consumer deposits		4 370					-	-		-
Payments										
Repayment of borrowing		(53 739)	(67 762)		(14 430)	(33 223)	(33 881)	(658)	2%	(67 762)
NET CASH FROM/(USED) FINANCING ACTIVITIES		50 631	(17 762)	-	(14 430)	(33 223)	(8 881)	24 342	-274%	(17 762)
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	138 629	-	146 139	(19 461)	69 315			138 629
Cash/cash equivalents at beginning:		827 273	912 709			976 717	912 709			976 717
Cash/cash equivalents at month/year end:		834 133	1 051 338			957 255	982 024			1 115 346

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M06 December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	717 026	842 558	-	68 064	424 132	421 279	2 853	1%	842 558
Service charges	2 228 636	2 878 830	-	212 698	1 312 298	1 439 415	(127 117)	-9%	2 878 830
Investment revenue	50 973	49 330	-	206	45 937	24 698	21 239	86%	49 330
Transfers recognised - operational	519 191	489 491	-	149 003	333 723	244 745	88 978	36%	489 491
Other own revenue	325 520	212 797	-	12 520	86 586	106 398	(19 812)	-19%	212 797
Total Revenue (excluding capital transfers and contributions)	3 841 347	4 473 006	-	442 491	2 202 677	2 236 536	(33 859)	-2%	4 473 006
Employee costs	832 495	1 040 938	-	80 713	540 190	522 865	17 325	3%	1 040 938
Remuneration of Councillors	34 657	43 033	-	3 572	21 402	21 517	(115)	-1%	43 033
Depreciation & asset impairment	463 063	507 298	-	38 954	365 308	254 064	111 244	44%	507 298
Finance charges	71 169	65 474	-	17 670	33 936	32 743	1 193	4%	65 474
Materials and bulk purchases	1 785 315	2 118 107	-	(154 093)	854 698	1 059 297	(204 600)	-19%	2 118 107
Transfers and grants	11 995	140 526	-	20	4 684	70 263	(65 579)	-93%	140 526
Other expenditure	951 496	538 193	-	59 626	310 136	269 952	40 183	15%	538 193
Total Expenditure	4 150 192	4 453 569	-	46 462	2 130 353	2 230 702	(100 348)	-4%	4 453 569
Surplus/(Deficit)	(308 844)	19 436	-	396 029	72 324	5 834	66 489	1140%	19 436
Transfers recognised - capital	356 835	447 973	-	18 845	71 993	223 987	(151 993)	-68%	447 973
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 991	467 410	-	414 874	144 317	229 821	(85 504)	-37%	467 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 991	467 410	-	414 874	144 317	229 821	(85 504)	-37%	467 410
Capital expenditure & funds sources									
Capital expenditure	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Capital transfers recognised	275 665	447 973	-	24 402	118 605	223 987	(105 382)	-47%	447 973
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	62 181	158 268	-	1 672	6 481	79 134	(72 653)	-92%	158 268
Internally generated funds	123 864	120 000	-	26 010	48 955	60 000	(11 045)	-18%	120 000
Total sources of capital funds	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Financial position									
Total current assets	1 984 966	3 135 284	-	-	1 161	-	-	-	3 135 284
Total non current assets	7 548 842	7 640 388	-	-	5 962	-	-	-	7 640 388
Total current liabilities	915 372	1 319 101	-	-	562	-	-	-	1 319 101
Total non current liabilities	1 197 150	1 255 547	-	-	-	-	-	-	1 255 547
Community wealth/Equity	7 421 286	8 201 024	-	-	6 561	-	-	-	8 201 024
Cash flows									
Net cash from (used) operating	1 180 761	773 947	-	211 736	184 120	383 256	199 136	52%	773 947
Net cash from (used) investing	(1 224 532)	(617 305)	-	(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
Net cash from (used) financing	50 631	(17 762)	-	(14 430)	(33 223)	(33 881)	(658)	2%	(17 762)
Cash/cash equivalents at the month/year end	834 133	1 051 589	-	-	953 582	953 431	(151)	-0%	1 115 597
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	299 112	105 970	55 639	45 053	37 052	40 206	37 346	#####	1 738 118
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 542 450	-	149 592	674 277	771 225	(96 948)	-13%	1 542 450
Executive and council		6 748	-	-	-	-	-	-	-	-
Budget and treasury office	1 422 429	1 528 270	-	-	149 588	674 272	764 135	(89 863)	-12%	1 528 270
Corporate services	5 993	14 180	-	-	4	5	7 090	(7 085)	-100%	14 180
<i>Community and public safety</i>		225 653	93 565	-	6 146	22 719	46 783	(24 064)	-51%	93 565
Community and social services	71 074	52 155	-	-	4 819	15 801	26 078	(10 277)	-39%	52 155
Sport and recreation	24 880	885	-	-	138	453	442	11	2%	885
Public safety	111 819	23 347	-	-	619	3 029	11 673	(8 644)	-74%	23 347
Housing	17 809	17 144	-	-	570	3 436	8 572	(5 136)	-60%	17 144
Health	71	34	-	-	-	-	17	(17)	-100%	34
<i>Economic and environmental services</i>		235 988	435 042	-	22 254	44 993	217 521	(172 529)	-79%	435 042
Planning and development	63 074	53 331	-	-	12 346	3 919	26 666	(22 747)	-85%	53 331
Road transport	172 914	381 711	-	-	8 218	41 060	190 856	(149 795)	-78%	381 711
Environmental protection	-	-	-	-	1 690	14	-	14	#DIV/0!	-
<i>Trading services</i>		2 667 551	3 426 115	-	283 338	1 522 104	1 713 057	(190 954)	-11%	3 426 115
Electricity	1 700 426	2 074 912	-	-	163 807	990 212	1 037 456	(47 244)	-5%	2 074 912
Water	660 510	1 052 569	-	-	98 855	390 126	526 284	(136 158)	-26%	1 052 569
Waste water management	191 593	176 288	-	-	18 681	82 223	88 144	(5 921)	-7%	176 288
Waste management	115 022	122 345	-	-	1 995	59 542	61 173	(1 630)	-3%	122 345
<i>Other</i>	4	34 298	31 371	-	-	10 538	15 686	(5 148)	-33%	31 371
Total Revenue - Standard	2	4 598 660	5 528 543	-	461 330	2 274 630	2 764 272	(489 642)	-18%	5 528 543
Expenditure - Standard										
<i>Governance and administration</i>		874 771	995 248	-	66 587	337 490	497 624	(160 134)	-32%	995 248
Executive and council	7 712	113 165	-	-	19 063	89 432	56 582	32 850	58%	113 165
Budget and treasury office	859 050	645 336	-	-	32 902	169 013	322 668	(153 655)	-48%	645 336
Corporate services	8 009	236 747	-	-	14 621	79 046	118 374	(39 328)	-33%	236 747
<i>Community and public safety</i>		670 660	552 342	-	57 236	316 321	280 055	36 266	13%	552 342
Community and social services	116 571	141 004	-	-	13 159	78 300	70 502	7 798	11%	141 004
Sport and recreation	145 186	118 290	-	-	9 342	71 037	59 145	11 892	20%	118 290
Public safety	316 932	236 010	-	-	31 411	148 537	121 889	26 647	22%	236 010
Housing	49 923	32 584	-	-	2 963	16 166	16 292	(126)	-1%	32 584
Health	42 048	24 453	-	-	362	2 280	12 226	(9 946)	-81%	24 453
<i>Economic and environmental services</i>		522 277	567 103	-	40 122	74 253	283 552	(209 299)	-74%	567 103
Planning and development	97 679	110 222	-	-	6 102	35 384	55 111	(19 727)	-36%	110 222
Road transport	424 597	456 881	-	-	25 661	33 841	228 440	(194 600)	-85%	456 881
Environmental protection	-	-	-	-	8 358	5 028	-	5 028	#DIV/0!	-
<i>Trading services</i>		2 428 609	2 904 545	-	(117 489)	1 372 268	1 452 272	(80 005)	-6%	2 904 545
Electricity	1 512 417	1 695 915	-	-	(70 356)	825 797	847 958	(22 160)	-3%	1 695 915
Water	590 023	912 149	-	-	(46 875)	428 885	456 074	(27 190)	-6%	912 149
Waste water management	175 548	192 253	-	-	(5 327)	76 456	96 127	(19 671)	-20%	192 253
Waste management	150 620	104 227	-	-	5 069	41 130	52 114	(10 983)	-21%	104 227
<i>Other</i>		54 353	41 895	-	-	29 982	20 948	9 034	43%	41 895
Total Expenditure - Standard	3	4 550 669	5 061 133	-	46 456	2 130 313	2 534 451	(404 137)	-16%	5 061 133
Surplus/ (Deficit) for the year		47 991	467 410	-	414 874	144 317	229 821	(85 504)	-37%	467 410

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	-	-	-	-	-	-	-	-
Vote 2 - City Finance		1 422 429	1 528 270	-	149 588	674 272	764 135	(89 863)	-11.8%	1 528 270
Vote 3 - Community Services & Social Equity		281 059	176 823	-	5 582	19 314	88 412	(69 098)	-78.2%	176 823
Vote 4 - Corporate Services		5 890	14 182	-	4	5	7 091	(7 086)	-99.9%	14 182
Vote 5 - Infrastructure Services		2 763 949	3 712 792	-	291 550	1 516 029	1 856 396	(340 367)	-18.3%	3 712 792
Vote 6 - Sustainable Development and City Enterprises		141 174	96 476	-	14 606	65 010	48 238	16 772	34.8%	96 476
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	4 621 352	5 528 543	-	461 330	2 274 630	2 764 272	(489 642)	-17.7%	5 528 543
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	142 460	-	4 928	28 037	71 230	(43 193)	-60.6%	142 460
Vote 2 - City Finance		942 905	723 311	-	32 902	169 013	361 655	(192 643)	-53.3%	723 311
Vote 3 - Community Services & Social Equity		732 073	605 502	-	67 485	357 725	302 751	54 974	18.2%	605 502
Vote 4 - Corporate Services		8 582	216 740	-	14 621	79 046	108 370	(29 324)	-27.1%	216 740
Vote 5 - Infrastructure Services		2 675 999	3 220 418	-	(91 828)	1 386 352	1 610 209	(223 857)	-13.9%	3 220 418
Vote 6 - Sustainable Development and City Enterprises		201 227	152 701	-	18 347	110 140	80 235	29 905	37.3%	152 701
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	4 573 361	5 061 133	-	46 455	2 130 312	2 534 451	(404 138)	-15.9%	5 061 133
Surplus/ (Deficit) for the year	2	47 991	467 410	-	414 874	144 317	229 821	(85 504)	-37.2%	467 410

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		686 819	798 728		67 682	406 567	399 364	7 203	2%	798 728
Property rates - penalties & collection charges		30 207	43 830		382	17 565	21 915	(4 350)	-20%	43 830
Service charges - electricity revenue		1 566 133	2 008 246		151 624	966 725	1 004 123	(37 398)	-4%	2 008 246
Service charges - water revenue		448 064	623 188		41 682	234 946	311 594	(76 648)	-25%	623 188
Service charges - sanitation revenue		139 629	147 839		11 921	65 489	73 920	(8 430)	-11%	147 839
Service charges - refuse revenue		74 810	99 557		7 471	45 138	49 779	(4 641)	-9%	99 557
Service charges - other		-	-		-	-	-	-		-
Rental of facilities and equipment		21 476	43 809		1 534	10 263	21 904	(11 642)	-53%	43 809
Interest earned - external investments		50 973	49 330		206	45 937	24 698	21 239	86%	49 330
Interest earned - outstanding debtors		69 529	66 349		6 842	31 160	33 174	(2 015)	-6%	66 349
Dividends received		-	-		-	-	-	-		-
Fines		108 634	18 538		107	513	9 269	(8 756)	-94%	18 538
Licences and permits		89	92		4	35	46	(11)	-24%	92
Agency services		24 372	670		26	226	335	(109)	-33%	670
Transfers recognised - operational		519 191	489 491		149 003	333 723	244 745	88 978	36%	489 491
Other revenue		101 001	83 339		4 006	25 189	41 670	(16 480)	-40%	83 339
Gains on disposal of PPE		420	-		-	19 201	-	19 201	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		3 841 347	4 473 006	-	442 491	2 202 677	2 236 536	(33 859)	-2%	4 473 006
Expenditure By Type										
Employee related costs		832 495	1 040 938		80 713	540 190	522 865	17 325	3%	1 040 938
Remuneration of councillors		34 657	43 033		3 572	21 402	21 517	(115)	-1%	43 033
Debt impairment		222 110	120 815		-	-	60 408	(60 408)	-100%	120 815
Depreciation & asset impairment		463 063	507 298		38 954	365 308	254 064	111 244	44%	507 298
Finance charges		71 169	65 474		17 670	33 936	32 743	1 193	4%	65 474
Bulk purchases		1 586 802	1 936 708		(155 303)	849 890	968 354	(118 464)	-12%	1 936 708
Other materials		198 513	181 399		1 210	4 808	90 943	(86 136)	-95%	181 399
Contracted services		110 072	35 408		32 548	193 096	17 836	175 259	983%	35 408
Transfers and grants		11 995	140 526		20	4 684	70 263	(65 579)	-93%	140 526
Other expenditure		618 857	381 970		27 078	117 040	191 709	(74 669)	-39%	381 970
Loss on disposal of PPE		457	-		-	-	-	-		-
Total Expenditure		4 150 192	4 453 569	-	46 462	2 130 353	2 230 702	(100 348)	-4%	4 453 569
Surplus/(Deficit)		(308 844)	19 436	-	396 029	72 324	5 834	66 489	0	19 436
Transfers recognised - capital		356 835	447 973		18 845	71 993	223 987	(151 993)	(0)	447 973
Contributions recognised - capital		-	-		-	-	-	-		-
Contributed assets		-	-		-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		47 991	467 410	-	414 874	144 317	229 821			467 410
Taxation		-	-		-	-	-	-		-
Surplus/(Deficit) after taxation		47 991	467 410	-	414 874	144 317	229 821			467 410
Attributable to minorities		-	-		-	-	-	-		-
Surplus/(Deficit) attributable to municipality		47 991	467 410	-	414 874	144 317	229 821			467 410
Share of surplus/ (deficit) of associate		-	-		-	-	-	-		-
Surplus/ (Deficit) for the year		47 991	467 410	-	414 874	144 317	229 821			467 410

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M06 December

Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		6 411	5 250	-	-	-	2 625	(2 625)	-100%	5 250
Vote 2 - City Finance		4 936	24 928	-	-	431	12 464	(12 033)	-97%	24 928
Vote 3 - Community Services & Social Equity		34 870	51 700	-	-	8 063	25 850	(17 787)	-69%	51 700
Vote 4 - Corporate Services		-	5 985	-	-	-	2 993	(2 993)	-100%	5 985
Vote 5 - Infrastructure Services		311 425	546 074	-	20 933	111 030	273 037	(162 007)	-59%	546 074
Vote 6 - Sustainable Development and City Enterprises		26 852	63 544	-	5 065	16 811	31 772	(14 961)	-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	384 493	697 480	-	25 997	136 335	348 740	(212 405)	-61%	697 480
Single Year expenditure appropriation	2									
Vote 1 - City Manager		763	500	-	-	19	250	(231)	-92%	500
Vote 2 - City Finance		31 896	782	-	13 797	13 979	391	13 588	3475%	782
Vote 3 - Community Services & Social Equity		16 180	19 565	-	5 824	13 137	9 783	3 355	34%	19 565
Vote 4 - Corporate Services		6 460	527	-	1 216	2 123	263	1 859	706%	527
Vote 5 - Infrastructure Services		17 510	3 590	-	4 573	7 769	1 795	5 974	333%	3 590
Vote 6 - Sustainable Development and City Enterprises		4 409	3 798	-	678	678	1 899	(1 221)	-64%	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	-	26 088	37 706	14 381	23 325	162%	28 761
Total Capital Expenditure		461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Capital Expenditure - Standard Classification										
Governance and administration		50 466	37 971	-	15 013	18 558	18 986	(427)	-2%	37 971
Executive and council		7 174	5 750	-	-	19	2 875	(2 856)	-99%	5 750
Budget and treasury office		36 832	25 710	-	13 797	14 410	12 855	1 556	12%	25 710
Corporate services		6 460	6 512	-	1 216	4 129	3 256	873	27%	6 512
Community and public safety		52 921	103 238	-	7 584	25 260	51 619	(26 359)	-51%	103 238
Community and social services		4 763	32 740	-	-	8 057	16 370	(8 313)	-51%	32 740
Sport and recreation		39 271	31 425	-	7 584	12 924	15 712	(2 788)	-18%	31 425
Public safety		3 022	3 640	-	-	-	1 820	(1 820)	-100%	3 640
Housing		5 864	35 434	-	-	4 278	17 717	(13 438)	-76%	35 434
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		151 576	293 680	-	24 086	79 793	146 840	(67 047)	-46%	293 680
Planning and development		23 039	31 908	-	4 721	12 189	15 954	(3 765)	-24%	31 908
Road transport		126 943	260 312	-	19 365	67 604	130 156	(62 552)	-48%	260 312
Environmental protection		1 594	1 460	-	-	-	730	(730)	-100%	1 460
Trading services		204 390	291 352	-	5 402	50 297	145 676	(95 379)	-65%	291 352
Electricity		97 937	190 721	-	2 412	14 988	95 360	(80 372)	-84%	190 721
Water		65 591	58 728	-	-	473	29 364	(28 891)	-98%	58 728
Waste water management		37 404	31 403	-	2 719	28 061	15 702	12 360	79%	31 403
Waste management		3 457	10 500	-	270	6 775	5 250	1 525	29%	10 500
Other		2 357	-	-	-	132	-	132	#DIV/0!	-
Total Capital Expenditure - Standard Classification	3	461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241
Funded by:										
National Government		260 460	428 074	-	22 812	113 003	214 037	(101 034)	-47%	428 074
Provincial Government		15 205	19 899	-	1 591	5 602	9 950	(4 348)	-44%	19 899
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		275 665	447 973	-	24 402	118 605	223 987	(105 382)	-47%	447 973
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	62 181	158 268	-	1 672	6 481	79 134	(72 653)	-92%	158 268
Internally generated funds		123 864	120 000	-	26 010	48 955	60 000	(11 045)	-18%	120 000
Total Capital Funding		461 711	726 241	-	52 085	174 041	363 120	(189 080)	-52%	726 241

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06 December

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		96 597	100 068		116	100 068
Call investment deposits		745 471	951 589		1 042	951 589
Consumer debtors		716 949	965 246			965 246
Other debtors		379 166	376 444		3	376 444
Current portion of long-term receivables		46	43			43
Inventory		46 737	741 893			741 893
Total current assets		1 984 966	3 135 284	-	1 161	3 135 284
Non current assets						
Long-term receivables		10 482	9 455			9 455
Investments		-				-
Investment property		382 805	356 914			356 914
Investments in Associate		-				-
Property, plant and equipment		6 862 567	7 021 207		5 962	7 021 207
Agricultural		230 945	46 520			46 520
Biological assets		44 831				-
Intangible assets		17 212	27 283			27 283
Other non-current assets		-	179 008			179 008
Total non current assets		7 548 842	7 640 388	-	5 962	7 640 388
TOTAL ASSETS		9 533 808	10 775 671	-	7 123	10 775 671
LIABILITIES						
Current liabilities						
Bank overdraft						-
Borrowing		53 524	67 762			67 762
Consumer deposits		89 479	92 798			92 798
Trade and other payables		765 335	1 152 457		562	1 152 457
Provisions		7 034	6 084			6 084
Total current liabilities		915 372	1 319 101	-	562	1 319 101
Non current liabilities						
Borrowing		543 401	511 999			511 999
Provisions		653 749	743 548			743 548
Total non current liabilities		1 197 150	1 255 547	-	-	1 255 547
TOTAL LIABILITIES		2 112 522	2 574 648	-	562	2 574 648
NET ASSETS	2	7 421 286	8 201 024	-	6 561	8 201 024
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 163 338	8 028 109		6 561	8 028 109
Reserves		257 948	172 914			172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 421 286	8 201 024	-	6 561	8 201 024

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	741 451		58 880	354 944	370 725	(15 782)	-4%	741 451
Service charges		2 227 525	2 533 370		225 215	1 342 843	1 266 685	76 158	6%	2 533 370
Other revenue		-	138 875		21 929	170 041	69 437	100 604	145%	138 875
Government - operating		519 604	489 491		159 820	349 332	244 745	104 587	43%	489 491
Government - capital		356 459	447 973		109 178	308 380	223 987	84 394	38%	447 973
Interest		120 502	107 717		1 619	51 736	53 892	(2 156)	-4%	107 717
Dividends			-				-			-
Payments										
Suppliers and employees		(2 677 191)	(3 619 264)		(347 234)	(2 359 231)	(1 813 377)	545 853	-30%	(3 619 264)
Finance charges		(71 169)	(65 474)		(17 670)	(33 926)	(32 743)	1 183	-4%	(65 474)
Transfers and Grants		(11 573)	(191)				(96)	(96)	100%	(191)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 180 761	773 947	-	211 736	184 120	383 256	199 136	52%	773 947
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421					-	-		-
Decrease (Increase) in non-current debtors							-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(1 033)					-	-		-
Payments										
Capital assets		#####	(617 305)		(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 224 532)	(617 305)	-	(52 093)	(174 031)	(308 653)	(134 622)	44%	(617 305)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		-
Borrowing long term/refinancing		100 000	50 000					-		50 000
Increase (decrease) in consumer deposits		4 370						-		-
Payments										
Repayment of borrowing		(53 739)	(67 762)		(14 430)	(33 223)	(33 881)	(658)	2%	(67 762)
NET CASH FROM/(USED) FINANCING ACTIVITIES		50 631	(17 762)	-	(14 430)	(33 223)	(33 881)	(658)	2%	(17 762)
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	138 880	-	145 214	(23 134)	40 722			138 880
Cash/cash equivalents at beginning:		827 273	912 709			976 717	912 709			976 717
Cash/cash equivalents at month/year end:		834 133	1 051 589			953 582	953 431			1 115 597

2. PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

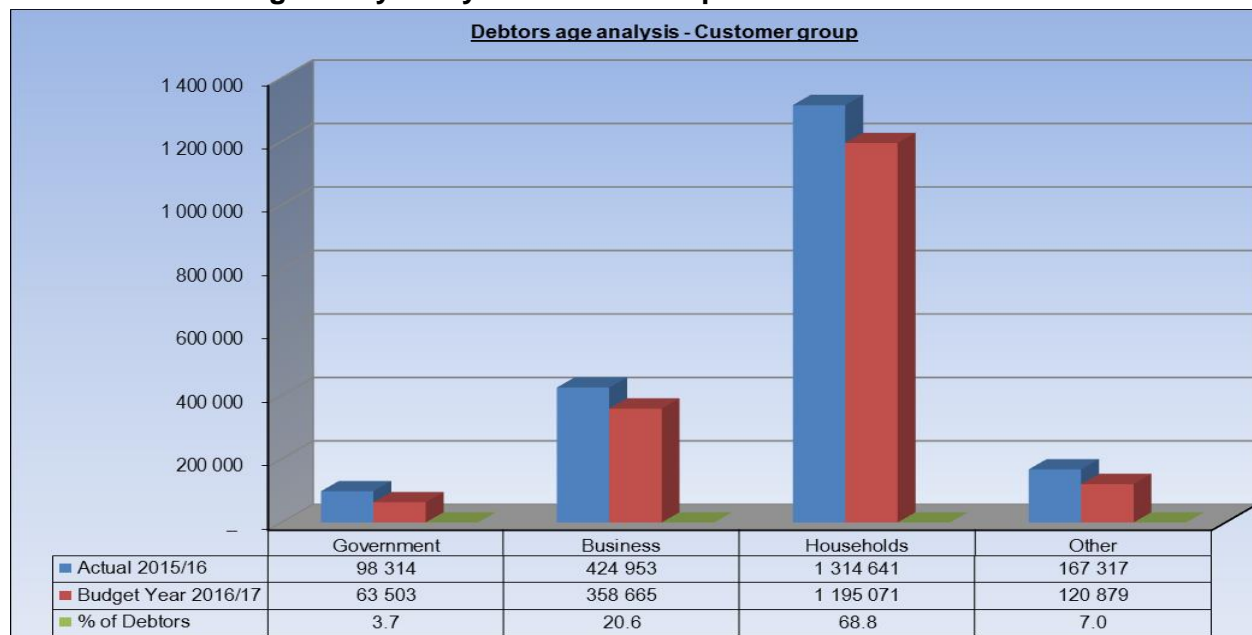
The table presented below summarises the Debtors Age Analysis as at 31 December 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2016/17										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	48 198	26 643	18 654	18 518	17 242	13 944	14 221	368 949	526 370	432 874		141 136
Trade and Other Receivables from Exchange Transactions - Electricity	1300	166 563	53 928	9 462	6 878	5 167	3 521	2 775	51 479	299 773	69 820		20 003
Receivables from Non-exchange Transactions - Property Rates	1400	59 298	24 956	18 791	9 701	8 797	8 131	6 576	225 008	361 259	258 214		132 109
Receivables from Exchange Transactions - Waste Water Management	1500	11 636	5 218	3 369	3 184	3 177	2 981	2 714	73 839	106 118	85 895		35 020
Receivables from Exchange Transactions - Waste Management	1600	7 059	3 012	1 791	1 674	1 613	1 603	1 404	37 816	55 971	44 109		17 474
Receivables from Exchange Transactions - Property Rental Debtors	1700	636	559	527	530	529	518	512	20 687	24 498	22 775		13 531
Interest on Arrear Debtor Accounts	1810	9 368	8 712	8 607	8 629	8 439	9 287	8 262	227 387	288 693	262 005		117 910
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	(3 645)	(17 061)	(5 562)	(4 060)	(7 911)	220	882	112 575	75 437	101 705		74 123
Total By Income Source	2000	299 112	105 970	55 639	45 053	37 052	40 206	37 346	1 117 741	1 738 118	1 277 398	-	551 306
2015/16 - totals only		280 203	156 369	71 977	53 536	51 472	40 275	38 696	1 169 735	1 862 262	1 353 713		725 491
Debtors Age Analysis By Customer Group													
Organs of State	2200	22 477	(2 656)	(748)	(149)	(4 839)	1 975	1 343	46 101	63 503	44 431		34 638
Commercial	2300	152 338	51 738	11 699	8 705	6 317	4 829	4 286	118 751	358 665	142 889		56 441
Households	2400	116 537	51 771	40 995	33 839	33 116	30 338	29 316	859 160	1 195 071	985 769		404 595
Other	2500	7 760	5 117	3 694	2 658	2 459	3 064	2 400	93 728	120 879	104 309		55 632
Total By Customer Group	2600	299 112	105 970	55 639	45 053	37 052	40 206	37 346	1 117 741	1 738 118	1 277 398	-	551 306

Chart 1: Debtors Age Analysis By Customer Group

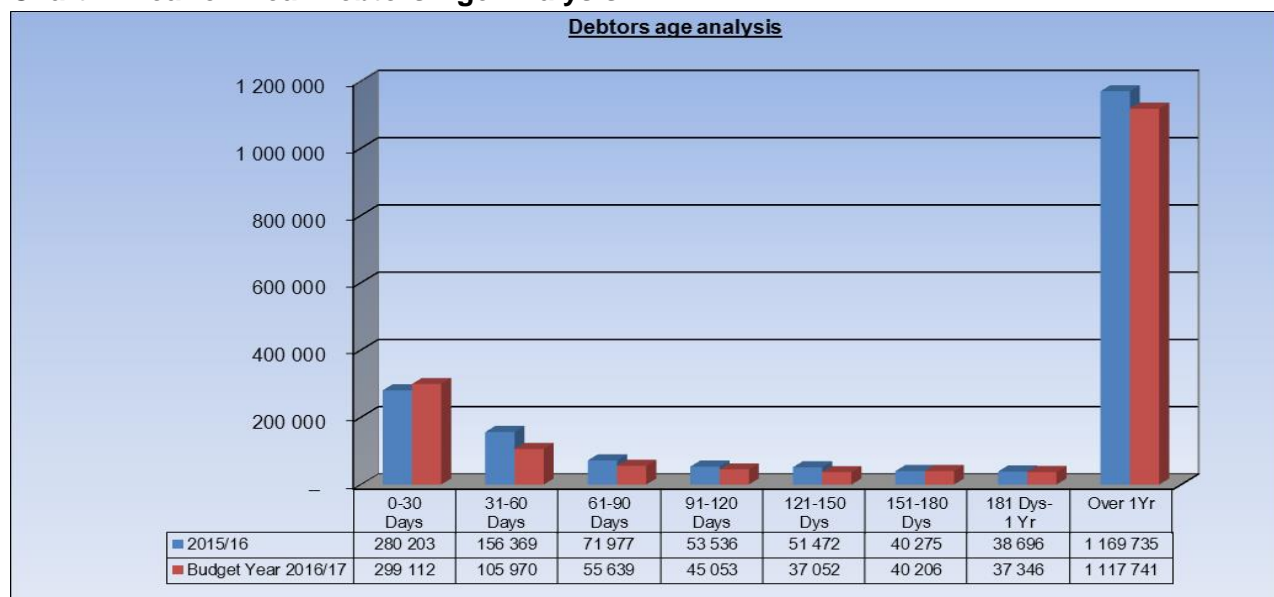


The information presented in the chart above shows a decrease in the outstanding debtor's balances as at 31 December 2016 of R 267.1 million when compared to the month of June 2016, balance bringing the total outstanding debtors balance to R1, 88 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 69% of the total municipal debt as detailed below;

- ✓ Households 69%
- ✓ Commercial 20%
- ✓ Organs of State 4%
- ✓ Other 7%

Chart 2: Year on Year Debtors Age Analysis



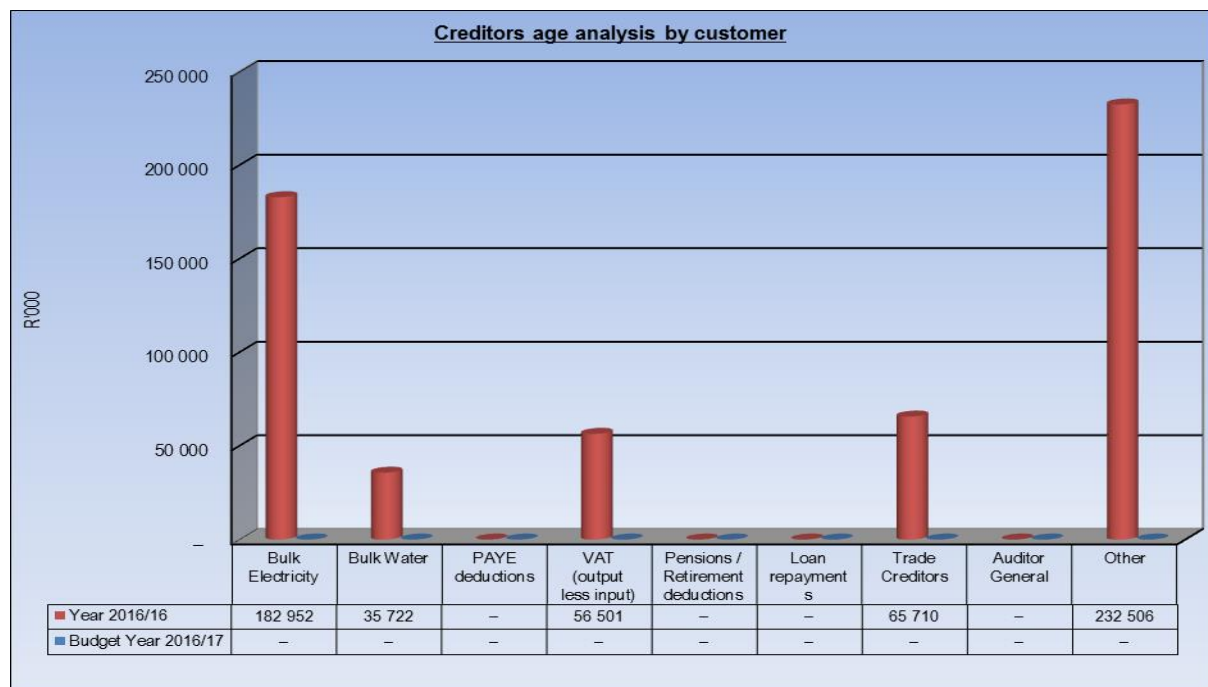
2.2 Creditors Analysis

Table SC 4 below presents the aged creditors as at 31 December 2016

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M06 December 2016	
Description	NT Code	Budget Year 2016/17								Total	Year 2016/16
		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		
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 deduction	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	65 710
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	232 506
Total By Customer Type	2600	-	-	-	-	-	-	-	-	-	573 392

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

Chart 4: Year on Year Creditors Age Analysis



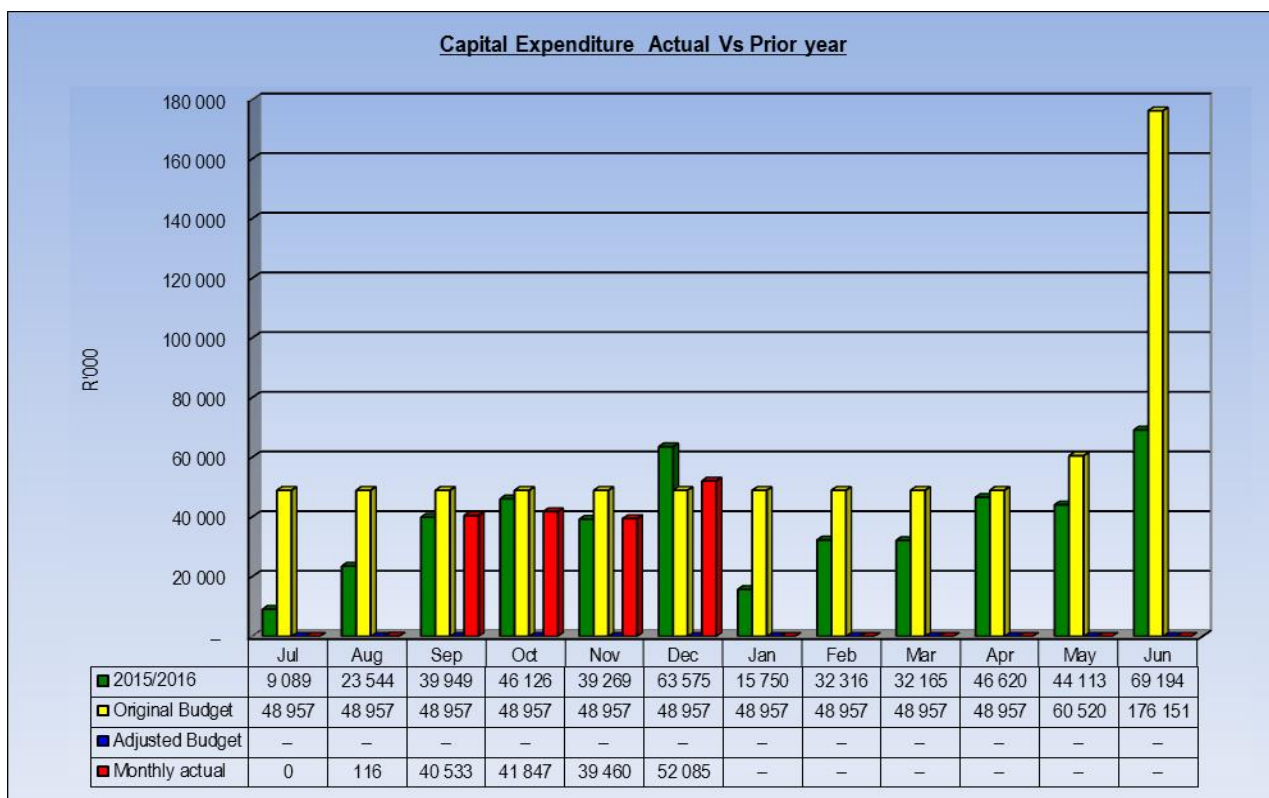
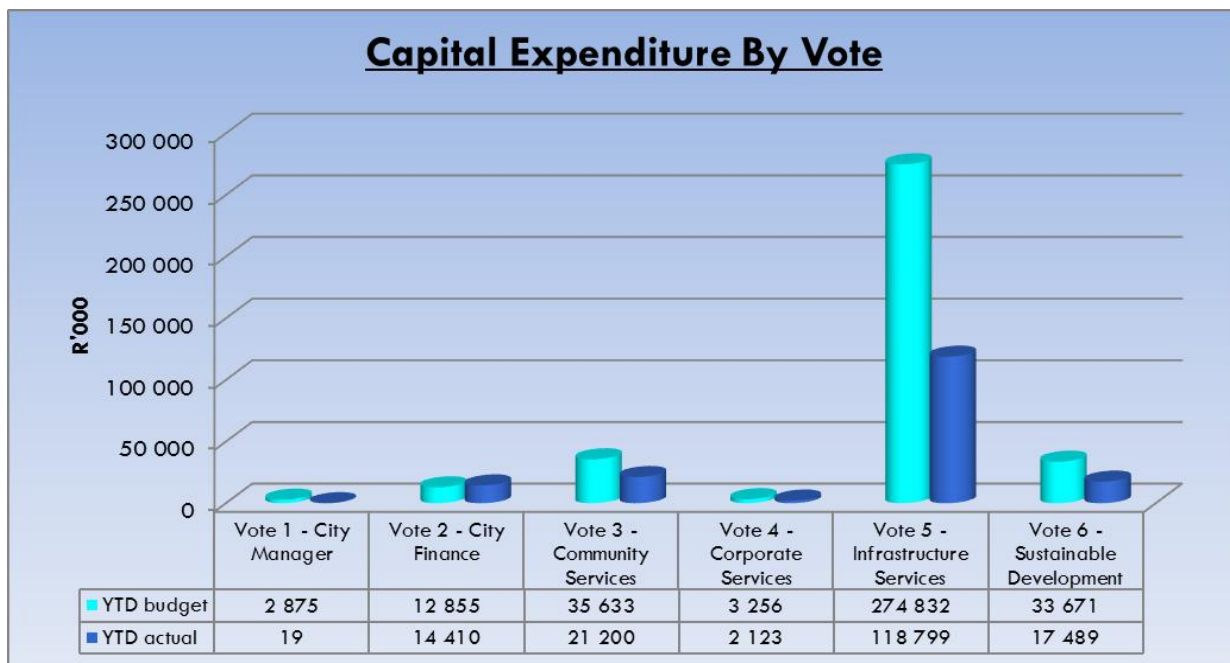
2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 31 December 2016.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Fixed - ABSA - Call		Call	Call	on call					28 041
Fixed - ABSA - 12 months (WCA)		12 months							8 318
Fixed - ABSA - Various		Various							150 000
Standard bank		3 months							210 000
FNB Various									496 170
Municipality sub-total					-		-	-	892 530

The total consolidated investment balances as at 31 December 2016 was R 892.5 million being largely made up of the Municipal Investments .

Capital Expenditure: While the YTD capital expenditure budget was R 363.1 million, the actual YTD Capital expenditure incurred amounted to R 174.0 million resulting in underperformance of 52% of the capital budget. An increasing expenditure trend on capex budget can be seen when comparing the month on month movements.



Councillor Allowances

The expenditure on councillor allowances as at 31 December 2016 was under spent by R 0.1million. The YTD Remuneration of Councillor's budget was R 21.5 million while the actual expenditure incurred was R 21.4 million resulting in 99% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for December month was R 80.7 million bringing the YTD expenditure to R 540.1 million or 97,% of the YTD budget.

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

2.4 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 December 2016 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													M06 December 2016			
Description	Ref	Budget Year 2016/17											Medium Term Revenue and Expenditure			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source																
Property rates		51 006	57 401	61 601	57 589	62 522	57 859	59 905	59 905	59 905	59 905	58 573	45 261	702 880	745 053	789 756
Property rates - penalties & collection charges		1 111	1 036	1 415	1 009	1 374	1 021	3 287	3 287	3 287	3 287	3 214	2 484	38 570	40 885	43 338
Service charges - electricity revenue		174 573	154 895	168 410	207 744	172 450	181 994	151 122	151 122	151 122	151 122	147 271	108 763	1 767 256	1 902 275	2 047 608
Service charges - water revenue		30 590	32 291	33 777	32 729	29 983	27 932	38 020	38 020	38 020	38 020	45 700	122 500	548 405	609 553	677 518
Service charges - sanitation revenue		9 674	10 604	10 159	9 617	8 748	9 201	11 088	11 088	11 088	11 088	10 842	8 378	130 099	137 904	146 179
Service charges - refuse		5 954	6 541	6 540	6 516	5 833	6 088	7 467	7 467	7 467	7 467	7 301	5 642	87 610	92 867	98 439
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 195	1 412	899	1 154	1 029	1 259	3 286	3 286	3 286	3 286	3 213	2 482	38 552	38 044	39 946
Interest earned - external investments		39 515	1 313	1 989	1 040	6 226	1 613	4 106	4 106	4 106	4 106	4 106	4 106	49 270	52 177	55 204
Interest earned - outstanding debtors		1 061	910	735	817	889	931	4 976	4 976	4 976	4 976	4 866	3 760	58 387	61 890	65 604
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		347	427	274	216	62	161	1 390	1 390	1 390	1 390	1 359	1 051	16 313	17 185	17 639
Licences and permits		6	5	7	9	6	4	7	7	7	7	7	5	81	85	90
Agency services		0	0	0	0	0	0	50	50	50	50	49	38	590	619	650
Transfer receipts - operating		180 127	1 625	-	7 761	-	159 820	38 884	38 884	38 884	38 884	40 791	59 856	489 491	530 153	579 871
Other revenue		2 929	33 405	29 193	25 143	43 505	19 238	6 336	6 336	6 336	6 336	6 945	13 036	83 339	87 417	91 776
Cash Receipts by Source		498 087	301 865	315 000	351 345	332 629	467 121	329 925	329 925	329 925	329 925	334 237	377 361	4 010 844	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	38 957	38 957	38 957	38 957	37 331	21 076	447 973	460 223	521 989
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	50 000	-	-	-	-	-	50 000	120 000	120 000
Increase in consumer deposits		1 011	272	445	443	304	335	-	-	-	-	-	-	-	-	-
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	418 881	368 881	368 881	368 881	371 568	398 437	4 508 817	4 896 330	5 295 606
KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash payments																
Description	Ref	Budget Year 2016/17											Medium Term Revenue and Expenditure			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Payments by Type																
Employee related costs		83 964	83 807	82 755	122 464	84 103	82 172	85 722	85 722	85 722	85 722	86 305	92 130	1 035 660	1 095 614	1 159 201
Remuneration of councillors		3 441	3 441	3 610	3 558	3 773	3 572	3 741	3 741	3 741	3 741	3 586	2 037	43 033	45 615	48 352
Interest paid		-	0	16 251	-	-	-	-	-	-	-	-	16 576	65 460	58 249	49 568
Bulk purchases - Electricity		182 952	205 250	205 271	-	0	17 669	-	-	14 956	-	-	115 889	1 408 955	1 519 699	1 639 148
Bulk purchases - Water & Sewer		35 837	43 600	-	121 897	124 240	122 031	117 565	117 565	117 565	117 565	117 413	127 269	527 753	586 597	652 003
Other materials		1 140	137	600	87 066	44 112	43 618	35 650	35 650	35 650	35 650	43 979	(2 085)	180 842	204 864	216 029
Contracted services		651	18 766	43 732	1 680	895	1 202	16 786	16 786	16 786	16 786	15 070	2 926	35 108	45 274	47 548
Grants and subsidies paid - other municipalities		-	-	-	30 903	64 454	32 528	2 926	2 926	2 926	2 926	2 926	-	-	-	-
Grants and subsidies paid - other		1 710	-	-	-	-	20	650	650	650	650	666	825	7 990	8 603	9 265
General expenses		79 450	26 976	2 534	4 935	205 516	61 162	22 883	22 883	22 883	22 883	31 693	119 794	380 320	345 821	284 450
Cash Payments by Type		389 146	381 977	354 752	372 502	527 094	363 973	285 924	285 924	300 880	285 924	301 638	475 362	3 685 121	3 910 336	4 105 563
Other Cash Flows/Payments by Type																
Capital assets		116	-	40 533	41 830	39 460	52 093	39 191	39 191	39 191	39 191	51 442	173 953	617 305	867 636	983 155
Repayment of borrowing		24	24	18 698	24	24	14 430	-	-	19 607	-	-	15 083	67 762	73 307	77 156
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		389 285	382 001	413 984	414 355	566 577	430 496	325 115	325 115	359 678	325 115	353 081	664 398	4 370 188	4 851 279	5 165 874
NET INCREASE/(DECREASE) IN CASH HELD		209 198	(59 545)	(96 619)	13 497	(232 132)	146 139	93 767	43 767	9 203	43 767	18 488	(265 961)	138 629	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	1 051 022	1 094 788	1 103 992	1 147 758	1 166 246	976 717	1 115 346	1 160 397
Cash/cash equivalents at the month/year end:		1 185 914	1 126 370	1 029 751	1 043 249	811 117	957 255	1 051 022	1 094 788	1 103 992	1 147 758	1 166 246	900 285	1 115 346	1 160 397	1 290 129

2.6.2 Material Variances: Financial Indicators

1	<u>Revenue By Source</u>		
	Agency services	-33%	This is based on the customer usage fgor fire services
	Other revenue	-40%	This is a user driven resource
	Rental of facilities and equipment	-53%	This is a user driven resource
	Licences and permits	-24%	This is a user driven resource
	Interest earned - external investments	86%	This is would smooth out during the year
	Transfers recognised - operational	36%	This is would smooth out during the year
	Interest earned - outstanding debtors	-6%	This is would smooth out during the year
2	<u>Expenditure By Type</u>		
	Debt impairment	100%	This is an annulised year end entry
	Other materials	95%	This is a seasonal category and will smooth out during
	Contracted services	-1000%	This is a seasonal category and will smooth out during
	Transfers and grants	94%	the year These are quarterly payments, and would smooth out
	Finance charges	-4%	This over-performance would smooth out during the
	Bulk purchases	12%	year This is would smooth out during the year
	Depreciation & asset impairment	-44%	This is an annulised year end entry
	Other expenditure	38%	This is would smooth out during the year

2.5 Parent Municipality Financial Performance

REVENUE ANALYSIS

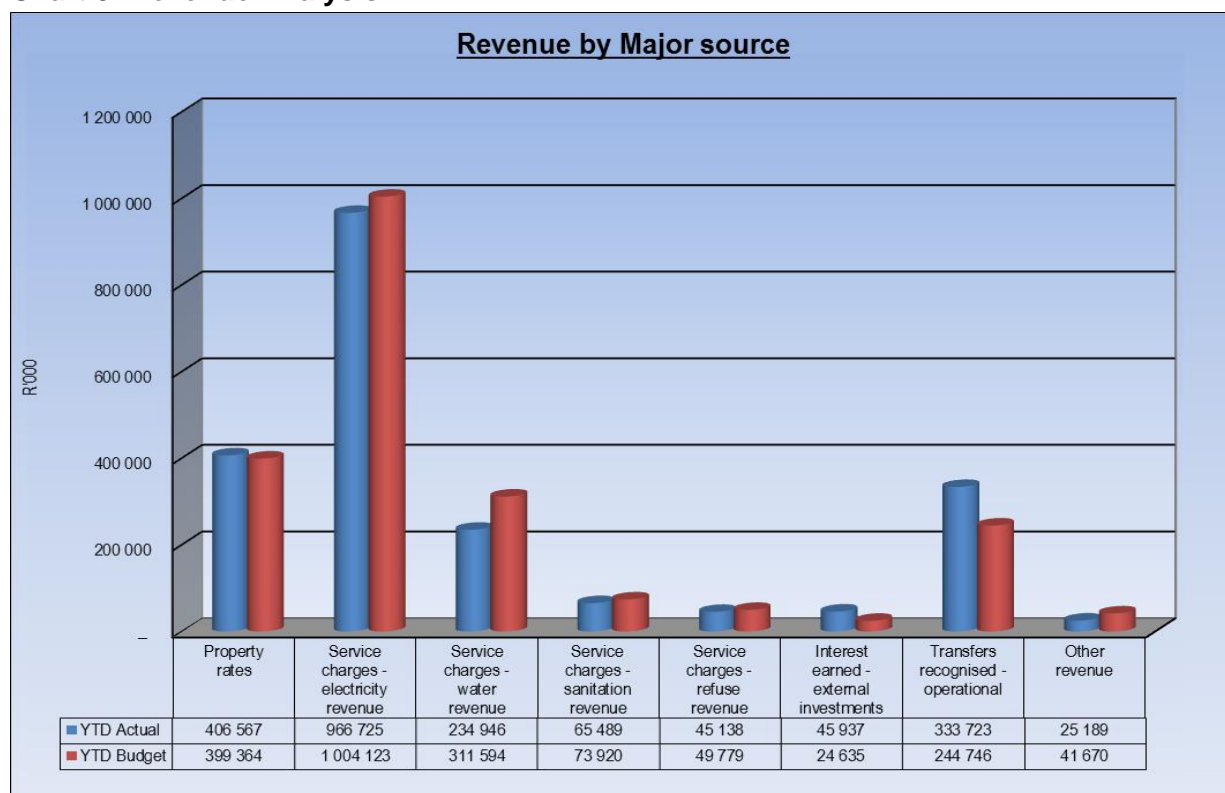
This section on material variances to the Service Delivery & Budget Implementation Plan analyses the financial as well as the non-financial performance targets for the last quarter. The financial performance section analyses material variances between the actual targets as at Midyear and the budget for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

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

The last section deals with the non-financial performance analysis of the actual targets against the planned targets as at 31 December 2016.

2.5.1 FINANCIAL PERFORMANCE

Chart 5: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 44% to the actual Ytd operating revenue basket and 45% of the Ytd Budget. The year to date revenue earned from electricity service charges under performed by (R 37.3 million) when compared to the Ytd Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 18% of the total Ytd actual operating revenue and 18% of the Ytd budget, When comparing Ytd Actual revenue earned to Ytd Budget, making a variance of 2% over performance which existed as at 31 December 2016.

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 11% of Ytd actual revenue basket and 14% of Ytd budget revenue causing a negative variance of -25% when comparing Ytd actual to Ytd Budget.

Service Charges - sanitation revenue: reflects an under performance of 11% when comparing the Ytd actual revenue to the Ytd budget.

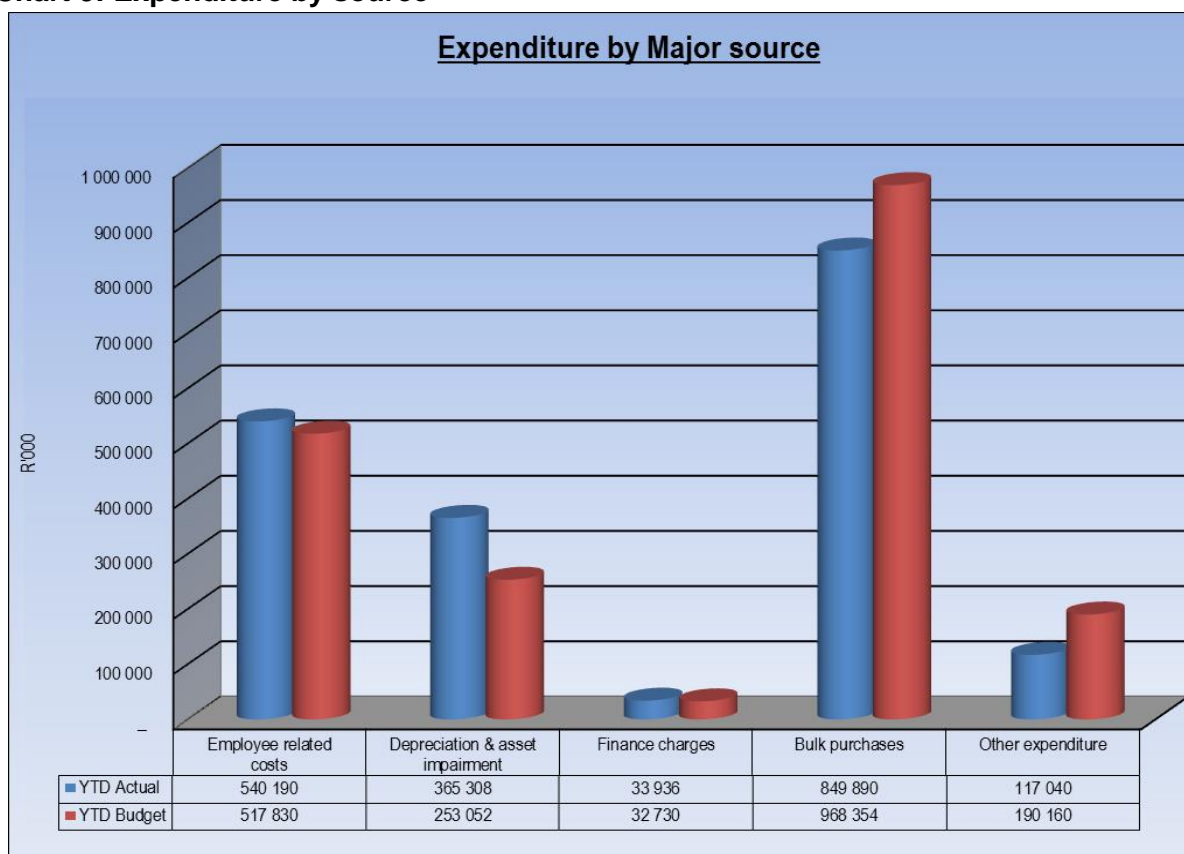
Service Charges - refuse revenue reflects an under performance of 9% when comparing the Ytd actual revenue to the Ytd budget.

Interest earned – outstanding debtors and other revenue contributes 3% percentage to the total operating revenue received as at 31 December 2016.

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 9: Expenditure by source



Bulk Purchases: The Ytd expenditure budget for Bulk Purchases was R 968.3 million and R 849.8 million was actually incurred resulting in an under performance of 12%. This under expenditure on bulk water purchases budget will be adjusted during the mid-year review process. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases.

Employee Related Costs: The 97% performance of Ytd expenditure on employee related costs against the Ytd budget show great staff cost management. 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 190.9 million while the actual costs incurred was R 116.2 million resulting in under expenditure of R 75 million. The table below provides a detailed listing of the top 20 cash drainers during the month of December 2016.

Table 3: Top 20 Cash Drainers –December

No:	Description	YTD Actual	December - 2016	
			Annual Budget	YTD % of Annual budget
1	Pension Payable	97 061	4 578 337	2.1%
2	Motor Vehicle Licences	0	1 800 000	0.0%
3	Bank Charges	326 715	6 411 878	5.1%
4	Kwanalogo Subscriptions	0	8 649 000	0.0%
5	IDP Expenses	0	2 733 669	0.0%
6	Interview Costs	0	13 667	0.0%
7	Plant Hire	0	2 209 816	0.0%
8	Extraordinary Items	0	951 303	0.0%
9	Stores & Materials	0	9 388 841	0.0%
10	Marketing & Promotion	0	6 807 472	0.0%
11	Security Services	0	35 107 801	0.0%
12	Uniforms	126 679	5 288 781	2.4%
13	Petrol & Lubricants	0	32 516 298	0.0%
14	Valuation Roll	0	341 674	0.0%
15	Postage And Stamps	0	4 749 364	0.0%
16	External Services	43 899	49 441 205	0.1%
17	Hire Charges	0	15 540 905	0.0%
18	Telephones	1 510 022	8 052 855	18.8%
19	Subscriptions For Cities Network	0	1 127 526	0.0%
20	Ward Committee Expenses	0	9 157 994	0.0%

Depreciation & Asset Impairment: The YTD depreciation & asset impairment figure was over budget by 44% as the budget was R 253.6 million and the actual expenditure incurred R 364.8 million.

Finance Charges: Ytd budgeted figure for finance charges for the month of December was R 32.7 million and the Actual figure was R 33.9 million resulting in a 4% variance.

Contracted Services: Ytd Budget for contracted services was R 17.7 million and the Actual expenditure incurred was R 192.9 million resulting in a over variance of 990%, this is primarily due to the retrofitting of the approved budget into the mSCOA budget format.

Remuneration of councillors budget was R 21.5 million and the actual expenditure incurred was R 21.4 million resulting in -1% variance

2.6 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M06 December

Description	2015/16	Current Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	192	65	-	6	40	33	0	22%	65
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	12 284	6 841	-	-	3 421	3 421	0	0%	6 841
Total Revenue (excluding capital transfers and contributions)	12 476	6 906	-	6	3 460	3 453	7	0	6 906
Employee costs	4 227	5 278	-	589	2 377	2 396	(19)	(0)	5 278
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	830	830	-	69	415	415	-	-	830
Finance charges	12	12	-	1	6	6	0	0	12
Materials and bulk purchases	167	489	-	8	131	244	(113)	(0)	489
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	729	1 711	-	263	935	855	80	0	1 711
Total Expenditure	5 965	8 319	-	930	3 864	3 916	(52)	(0)	8 319
Surplus/(Deficit)	6 512	(1 413)	-	(924)	(404)	(463)	59	(0)	(1 413)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	6 512	(1 413)	-	(924)	(404)	(463)	59	(0)	(1 413)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	6 512	(1 413)	-	(924)	(404)	(463)	59	(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	-	-	1 161	-	-	-	1 128
Total non current assets	6 138	5 962	-	-	5 962	-	-	-	5 785
Total current liabilities	222	250	-	-	562	-	-	-	250
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	7 322	6 663	-	-	6 595	-	-	-	6 663
Cash flows									
Net cash from (used) operating	6 572	(1 072)	-	(925)	(252)	(297)	45	(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	(925)	(252)	(297)	45	(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	-	-	-	-	-	-	-	-	-

2.7 Capital Programme Performance

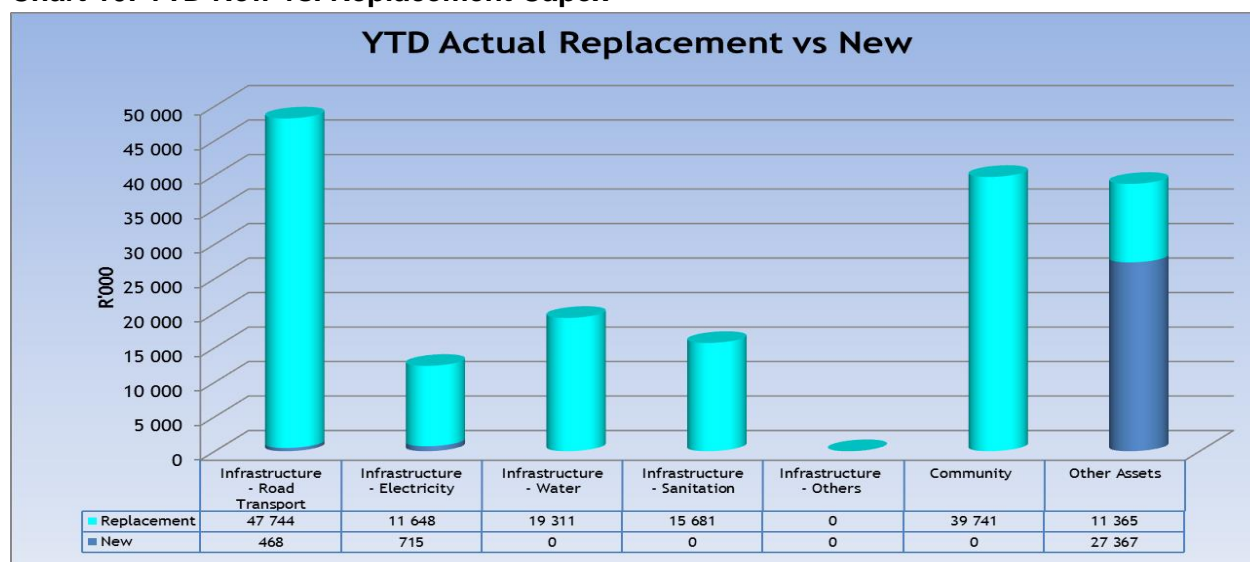
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M06 December

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	9 089	48 957		0	0	48 957	48 957	100.0%	0%
August	23 544	48 957		116	116	97 914	97 798	99.9%	0%
September	39 949	48 957		40 533	40 533	146 871	106 338	72.4%	6%
October	46 126	48 957		41 847	41 847	195 828	153 981	78.6%	6%
November	39 269	48 957		39 460	39 460	244 785	205 325	83.9%	5%
December	63 575	48 957		52 085	52 085	293 742	241 657	82.3%	7%
January	15 750	48 957				342 699	-		
February	32 316	48 957				391 656	-		
March	32 165	48 957				440 613	-		
April	46 620	48 957				489 570	-		
May	44 113	60 520				550 090	-		
June	69 194	176 151				726 241	-		
Total Capital expenditure	461 711	726 241	-	174 041					

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 for the month of December 2016.

Chart 10: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 174.1 million, R 28.6 million (16%) was new assets and R 145.5 million (84%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M06

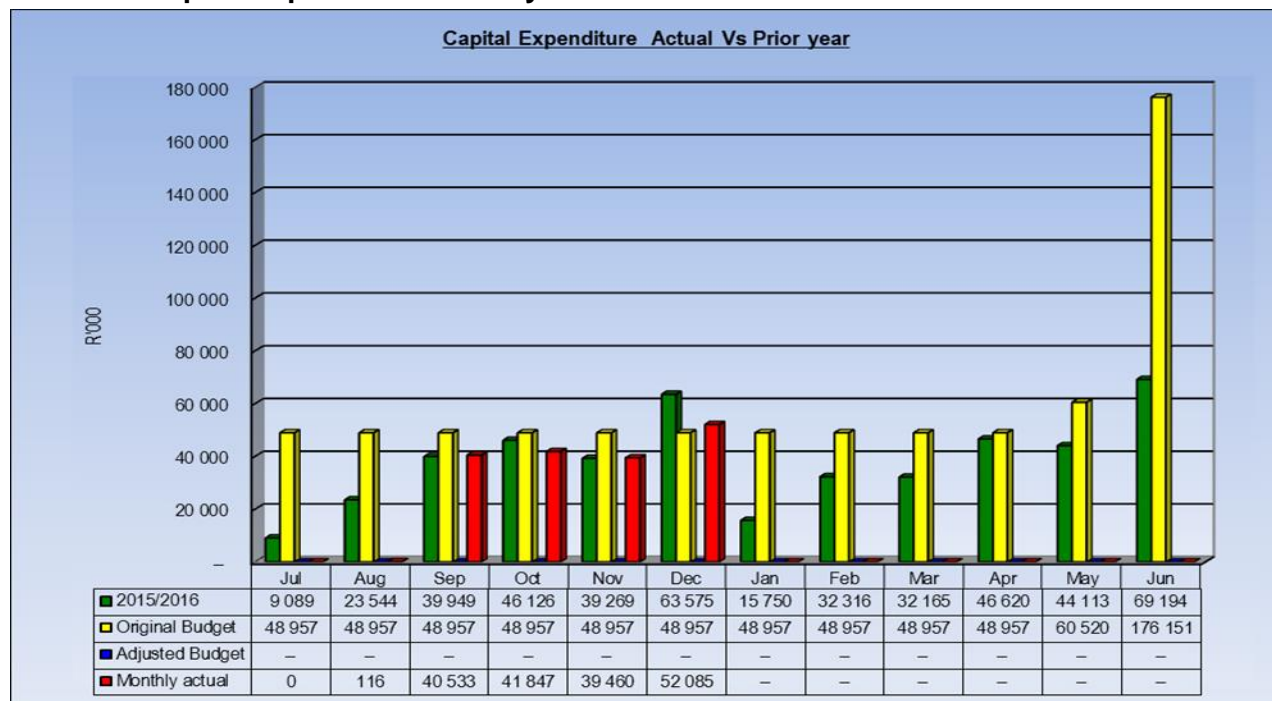
Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		38 095	174 021	-	1 021	1 183	87 011	85 827	98.6%	174 021
Infrastructure - Road transport		9 987	2 714	-	306	468	1 357	889	65.5%	2 714
Roads, Pavements & Bridges		9 987	2 714	-	306	468	1 357	889	65.5%	2 714
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	168 827	-	715	715	84 413	83 698	99.2%	168 827
Generation		-	168 827	-	715	715	84 413	83 698	99.2%	168 827
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		17 110	-	-	-	-	-	-	-	-
Dams & Reservoirs		297	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		16 813	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		10 999	980	-	-	-	490	490	100.0%	980
Reticulation		-	980	-	-	-	490	490	100.0%	980
Sewerage purification		10 999	-	-	-	-	-	-	-	-
Infrastructure - Other		-	1 500	-	-	-	750	750	100.0%	1 500
Waste Management		-	1 500	-	-	-	750	750	100.0%	1 500
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		33 810	20 591	-	-	-	10 296	10 296	100.0%	20 591
Parks & gardens		169	-	-	-	-	-	-	-	-
Sportsfields & stadia		30 452	6 650	-	-	-	3 325	3 325	100.0%	6 650
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		3 189	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	3 640	-	-	-	1 820	1 820	100.0%	3 640
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	2 230	-	-	-	1 115	1 115	100.0%	2 230
Cemeteries		-	2 000	-	-	-	1 000	1 000	100.0%	2 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	6 071	-	-	-	3 036	3 036	100.0%	6 071
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		40 021	23 329	-	4 372	13 929	11 665	(2 265)	-19.4%	23 329
General vehicles		6 716	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		10 682	1 410	-	2 369	5 229	705	(4 524)	-641.8%	1 410
Computers - hardware/equipment		3 486	470	-	-	-	235	235	100.0%	470
Furniture and other office equipment		5 981	50	-	2 003	3 176	25	(3 151)	#####	50
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		9 901	-	-	-	-	-	-	-	-
Civic Land and Buildings		868	10 389	-	-	-	5 195	5 195	100.0%	10 389
Other Buildings		-	-	-	-	5 523	-	(5 523)	#DIV/0!	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 386	11 010	-	-	-	5 505	5 505	100.0%	11 010
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	24 468	-	13 323	13 438	12 234	(1 205)	-9.8%	24 468
Computers - software & programming		-	24 468	-	13 323	13 438	12 234	(1 205)	-9.8%	24 468
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	111 925	242 409	-	18 716	28 551	121 204	92 653	76.4%	242 409

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

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		284 545	367 404	-	25 796	94 384	183 702	89 318	48.6%	367 404
Infrastructure - Road transport		125 812	239 143	-	21 391	47 744	119 572	71 827	60.1%	239 143
<i>Roads, Pavements & Bridges</i>		125 552	239 143	-	21 391	47 744	119 572	71 827	60.1%	239 143
<i>Storm water</i>		260	-	-	-	-	-	-	-	-
Infrastructure - Electricity		66 802	25 520	-	1 697	11 648	12 760	1 112	8.7%	25 520
<i>Generation</i>		66 802	25 520	-	1 697	11 648	12 760	1 112	8.7%	25 520
<i>Transmission & Reticulation</i>		-	-	-	-	-	-	-	0.0%	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		65 030	55 602	-	270	19 311	27 801	8 490	30.5%	55 602
<i>Dams & Reservoirs</i>		65 030	55 602	-	270	19 311	27 801	8 490	30.5%	55 602
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		26 146	47 139	-	2 438	15 681	23 570	7 889	33.5%	47 139
<i>Reticulation</i>		-	47 139	-	2 438	15 681	23 570	7 889	33.5%	47 139
<i>Sewerage purification</i>		26 146	-	-	-	-	-	-	0.0%	-
Infrastructure - Other		755	-	-	-	-	-	-	-	-
<i>Waste Management</i>		755	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	0.0%	-
Community		4 551	62 950	-	6 082	39 741	31 475	(8 266)	-26.3%	62 950
Parks & gardens		-	500	-	-	-	250	250	100.0%	500
Sportsfields & stadia	121	-	28 750	-	2 238	8 532	14 375	5 843	40.6%	28 750
Swimming pools		-	2 000	-	501	1 112	1 000	(112)	-11.2%	2 000
Community halls		-	30 700	-	2 970	4 942	15 350	10 408	67.8%	30 700
Libraries		-	-	-	-	3 256	-	(3 256)	#DIV/0!	-
Recreational facilities	2 823	-	-	-	-	-	-	-	0.0%	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	374	21 898	-	(21 898)	#DIV/0!	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	1 000	-	-	-	500	500	100.0%	1 000
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other	1 607	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		31 275	53 478	-	1 491	11 365	26 739	15 375	57.5%	53 478
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	1 201	1 201	-	(1 201)	0.0%	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment	2 019	-	-	-	-	-	-	-	0.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets	251	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	14 359	-	33 569	-	290	3 903	16 784	12 882	76.7%	33 569
Other Buildings		-	-	-	-	5 629	-	(5 629)	#DIV/0!	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other	14 646	-	19 910	-	-	632	9 955	9 323	93.7%	19 910
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		29 415	-	-	-	-	-	-	-	-
Computers - software & programming		29 415	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	0.0%	-
Total Capital Expenditure on renewal of existing ass	1	349 785	483 832	-	33 369	145 490	241 916	96 427	39.9%	483 832

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 11: Capital Expenditure Monthly Trend



The monthly 2015/16 trend presents monthly actual expenditure figures for prior year. Original Budget stipulates the budget for the year. The monthly actual figures stipulates a monthly trend, there has been a slight increase when compared to the previous month.

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

Chart 12: Capital Expenditure: YTD Actual vs. YTD Target

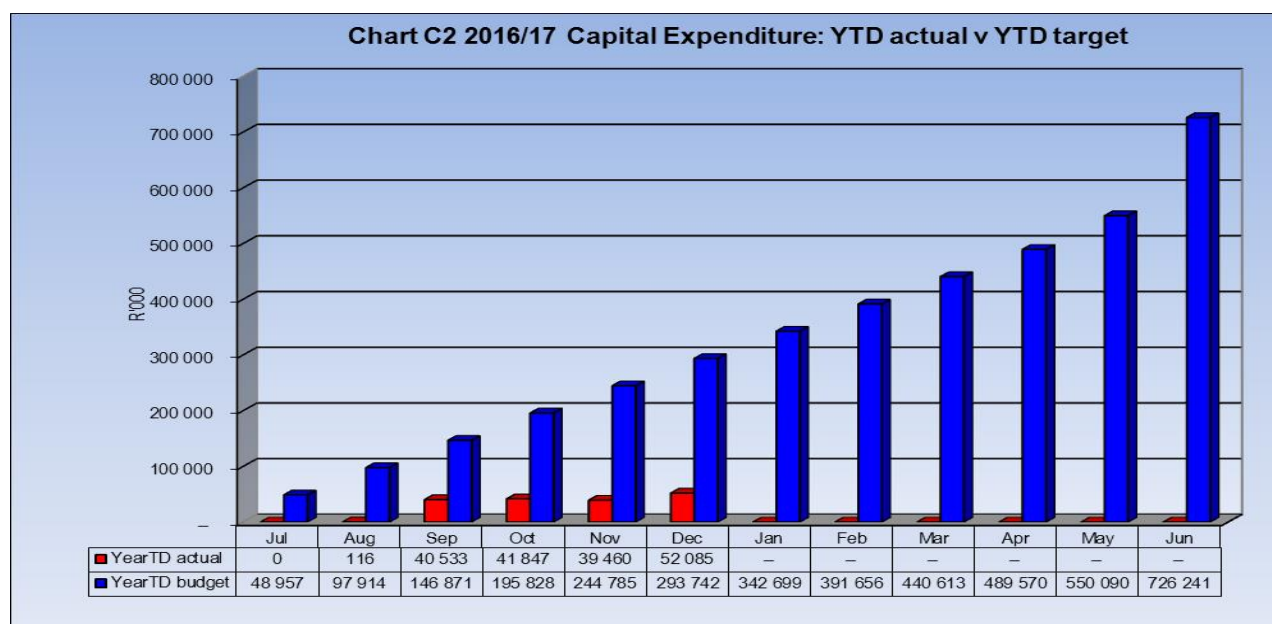
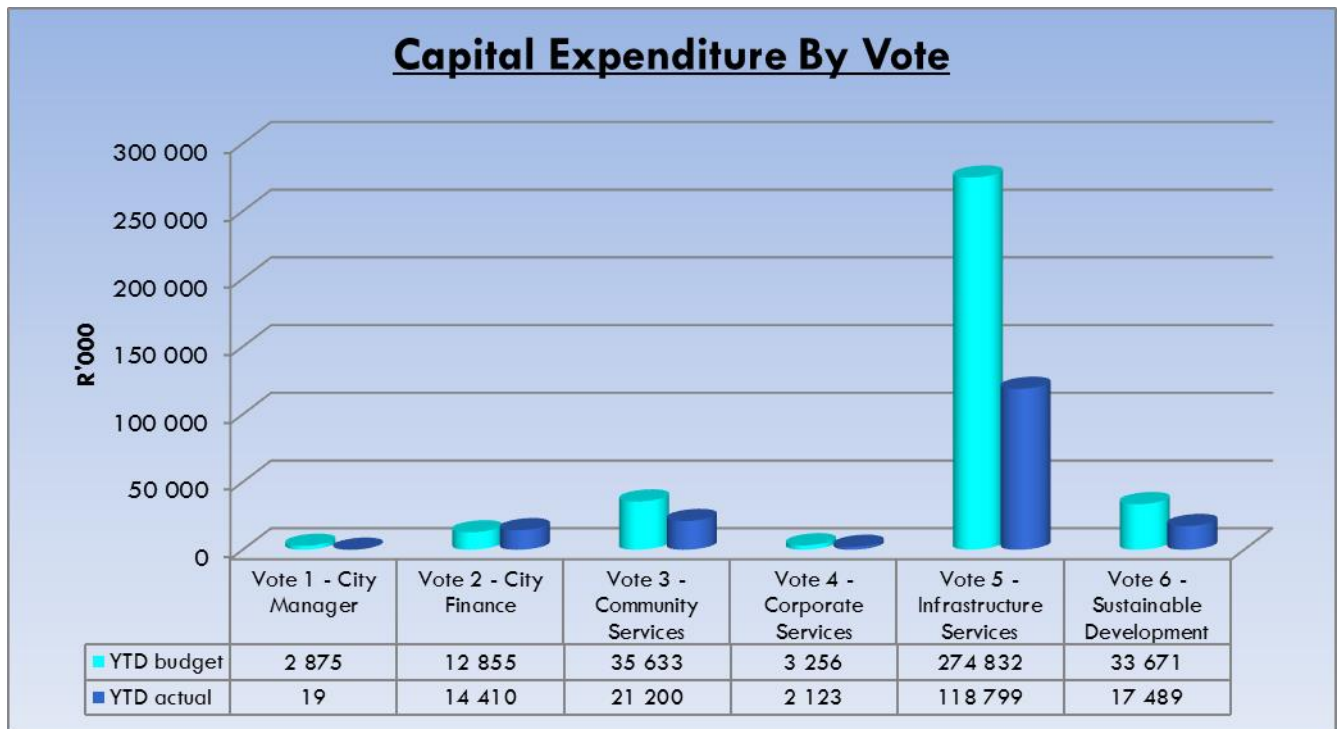


Chart 13: Capital Expenditure by Vote



2.8 In Year report of Municipal Entities Attached to the Municipality's in-year report

The municipal entity's report for the month ending December 2016 has been attached.

2.9 Municipal Manager's Quality's Certification

Quality Certificate

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

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state of affairs of the municipality
- midyear budget & performance assessment.

for the month of **December** of **2016** 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: _____