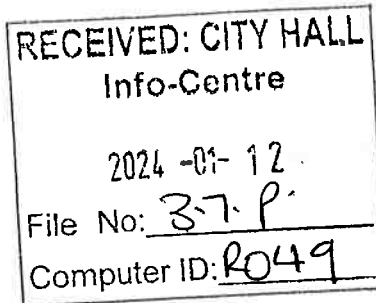


ITEM:



REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

File Reference: 3.7.P
Report Number: 6

Author: S KHOZA
Designation: SNR MANAGER: BUDGET
PLANNING, IMPL & MONIT PLAN

CONFIDENTIAL / NOT CONFIDENTIAL

FOR NOTING

1st Level: TMC: 16/01/2024

2nd Level: PORTFOLIO COMMITTEE: 17/01/2024

3rd Level: EXCO: 18/01/2024

4th Level: COUNCIL: 25/01/2024

5th Level: MPAC: 09/02/2024

**SUBJECT: SECTION 71/SECTION 72/SECTION 52 (D) OF MFMA NO.56 OF 2003 –
MONTHLY BUDGET STATEMENTS AS AT THE END OF DECEMEBR 2023**

DATE: 11 JANUARY 2024

1. PURPOSE

The purpose of the report is to appraise Council concerning Section 71 /Section 72/ Section 52 (D) of the MFMA No. 56 of 2003 regarding monthly budget statements for the period ending 31 December 2023, report is submitted for noting.

2. BACKGROUND

2.1 In terms of Section 71 of 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.

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

- 2.2 In addition to the MFMA Section 71 stated above, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.
- 2.3 In addition to the MFMA Section 71 stated above, Section 52(d) further requires the Mayor to, within 30 days of the end of each quarter; submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.
- 2.4 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 year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

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

3. **LEGISLATIVE PROVISIONS / POLICIES**

- 3.1 Section 71 of the Municipal Finance Management Act No. 56 of 2003
- 3.2 Municipal Finance Management Act No. 56 of 2003, Section 52 (d) Monthly Budget Statements
- 3.3 Municipal Finance Management Act No 56 of 2003, section 72 Mid-year report.

4. **MOTIVATION/DISCUSSION**

- 4.1 The MFMA section 71 / section 72/ section 52 (d) report as per annexure
- 4.2 The Municipal Budget and Reporting Regulation (MBRR) requires that municipality prepare a report to Council on monthly budget statements.

5. **COMMENTS FROM THE RELEVANT BUSINESS UNIT OR COMPONENT OF THE BUSINESS UNIT**

N/A

6. **IMPLICATIONS:**

6.1 **FINANCIAL**

N/A

6.2 **LEGAL**

N/A

6.3 COMMUNICATION

N/A

6.4 SERVICE DELIVERY IMPLICATIONS


N/A

7. RECOMMENDATIONS

IT IS RECOMMENDED THAT:

- 7.1 Council note Section 71 / Section 72/ Section 52 (d) report as per MFMA No. 56 of 2003 as at the end of December 2023

8. SUBMITTED BY:



GENERAL MANAGER

N NGCOBO

DATE:11/1/2024.....

ANNEXURES:

MFMA No.56 of 2003 Section 71 / Section 72/ Section 52 (d) report.

CITY OF CHOICE



**PIETERMARITZBURG
M S U N D U Z I**

Msunduzi Municipality

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

Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Mayors Report

1.2 Resolutions

1.3 Executive Summary

Legislative Requirements

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

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

FINANCIAL PERFORMANCE

Revenue: The total year to date (ytd) actual revenue generated as at the end of December amounted to R3.512 billion while the projected ytd budget amounted to R4.060 billion (excluding capital transfers and contribution). This means that the municipality generated less than what was projected at the end of the sixth month.

The variance on waste-water management revenue is below 10%, which is an acceptable level. However, revenue from Transfers and subsidies, Interest earned from Receivables, and Agency service have variances of 43%, 72%, and 213% respectively, this means that revenue generated from this source is higher than projected in the annual budget. However, the municipality will continue to monitor these areas closely.

Rental from Fixed Assets, Licence and permits, Fines, penalties and forfeits, Interest and Operational Revenue are less than initially projected in the annual budget. Therefore, the estimates should be adjusted downwards in the adjustments budget.

Overall, in the sixth month of the year, the municipality generated R3.729 billion revenue against year to date budget of R4.285 billion (including capital transfers and contribution). The municipality should monitor closely the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue as that may create cash flow problems in a long run.

Operating Expenditure: The total year to date (ytd) actual operating expenditure for the period ending 31 December 2023 amounted to R3.388 billion while the ytd budget amounted to R3.853 billion. Operational expenditure is largely defined by the bulk purchases (electricity) and employee related costs both accounting for 68% of the annual budget expenditure.

Overall, the municipality recorded an operating surplus of R124.263 million on the sixth month of the financial year.

Capital Expenditure: The year to date (ytd) actual capital expenditure for the period ending 31 December 2023 amounted to R264.848 million while the ytd budget amounted to R384.380 million resulting in underperformance of R119.532 million (-31%) of the capital budget. This is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality should therefore put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on delivery of services.

Grant Receipts: The total operational and capital grant receipts (excluding equitable share) for the sixth month amounted to R233.732 million while the expenditure amounted to R242.535 million.

Consumer Debtors: Consumer debtors at the end of the sixth month (31 December 2023) is at R 6.624 billion. The municipality's debtors are continually increasing which poses a serious threat to the municipality's future sustainability. A significant amount of debtors relates to household debtors' category which amount to R5.318 billion, of which R4.841 billion has been outstanding for more than 90 days. Commercial debtors are the second largest category of debtors owed to the municipality amounting to R1.128 billion, of which R816.778 millions of those debtors have been outstanding for more than 90 days. The lowest category of debtors owed to the municipality relates to Organ of the states, which amounts to R177.570 million. The municipality will continuously introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

Creditors: Creditors owed by the municipality as at the end of mid-year amount to R1.889 billion. The municipality should put measures in place to ensure that creditors are paid within 30 days as legislated.

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 - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	1 370 173	1 526 985	-	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 497	5 135 631	-	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	-	50 691	-	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	-	838 135	-	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 182 933	569 283	-	42 018	233 627	284 642	(51 015)	-18%	569 283
Total Revenue (excluding capital transfers and contributions)	6 423 603	8 120 726	-	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
Employee costs	1 466 856	1 781 211	-	119 791	806 528	890 605	(84 077)	-9%	1 781 211
Remuneration of Councillors	51 818	62 700	-	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	350 684	460 782	-	30 773	181 732	230 391	(48 659)	-21%	460 782
Interest	143 222	40 401	-	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 737	3 484 629	-	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	29 562	65 884	-	6 320	36 908	32 942	3 966	12%	65 884
Other expenditure	1 090 363	1 809 593	-	109 023	402 306	904 797	(502 491)	-56%	1 809 593
Total Expenditure	6 222 242	7 705 200	-	975 406	3 387 998	3 852 600	(464 602)	-12%	7 705 200
Surplus/(Deficit)	201 361	415 526	-	(240 413)	124 263	207 763	(83 501)	-40%	415 526
Transfers and subsidies - capital (monetary)	324 319	448 700	-	62 618	216 973	224 350	(7 377)	-3%	448 700
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	525 680	864 226	-	(177 795)	341 236	432 113	(90 877)	-21%	864 226
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	525 680	864 226	-	(177 795)	341 236	432 113	(90 877)	-21%	864 226
Capital expenditure & funds sources									
Capital expenditure	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Capital transfers recognised	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
Total sources of capital funds	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Financial position									
Total current assets	3 974 180	2 922 957	-	-	3 980 495	-	-	-	2 922 957
Total non current assets	8 372 236	9 291 678	-	-	8 199 914	-	-	-	9 291 678
Total current liabilities	3 138 566	1 645 970	-	-	2 913 264	-	-	-	1 645 970
Total non current liabilities	658 474	855 013	-	-	626 514	-	-	-	855 013
Community wealth/Equity	8 549 376	9 713 651	-	-	8 640 630	-	-	-	9 713 651
Cash flows									
Net cash from (used) operating	790 678	946 378	-	-	-	473 189	473 189	100%	946 378
Net cash from (used) investing	(489 266)	(768 501)	-	-	-	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	-	-	-	88 500	88 500	100%	177 000
Cash/cash equivalents at the month/year end	511 402	766 880	-	-	-	383 440	383 440	100%	354 877
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	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566
Creditors Age Analysis									
Total Creditors	354 800	35 295	209 932	44 259	1 245 081	-	-	-	1 889 368

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1 955 757	2 375 780	-	281 638	1 149 589	1 187 890	(38 301)	-3%	2 375 780
Executive and council		5 213	4 979	-	1 331	2 636	2 490	146	6%	4 979
Finance and administration		1 950 544	2 370 801	-	280 307	1 146 953	1 185 400	(38 447)	-3%	2 370 801
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		142 629	338 867	-	20 683	82 118	169 433	(87 315)	-52%	338 867
Community and social services		61 499	276 754	-	13 245	32 780	138 377	(105 597)	-76%	276 754
Sport and recreation		589	21 223	-	(1 675)	800	10 612	(9 812)	-92%	21 223
Public safety		24 640	8 569	-	149	2 618	4 284	(1 667)	-39%	8 569
Housing		55 901	32 321	-	8 964	45 921	16 160	29 761	184%	32 321
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		200 051	55 601	-	7 491	49 501	27 800	21 701	78%	55 601
Planning and development		152 415	47 685	-	3 892	18 386	23 842	(5 457)	-23%	47 685
Road transport		47 242	-	-	3 576	30 839	-	30 839	-	-
Environmental protection		395	7 916	-	22	277	3 958	(3 682)	-93%	7 916
<i>Trading services</i>		4 410 211	5 698 134	-	484 633	2 428 757	2 849 067	(420 310)	-15%	5 698 134
Energy sources		2 724 540	4 028 756	-	215 401	1 423 833	2 014 378	(590 545)	-29%	4 028 756
Water management		1 249 069	1 300 958	-	201 627	728 055	650 479	77 576	12%	1 300 958
Waste water management		286 349	209 646	-	47 197	189 586	104 823	84 763	81%	209 646
Waste management		150 253	158 774	-	20 408	87 284	79 387	7 897	10%	158 774
<i>Other</i>	4	39 274	101 045	-	3 166	19 268	50 522	(31 254)	-62%	101 045
Total Revenue - Functional	2	6 747 922	8 569 426	-	797 611	3 729 234	4 284 713	(555 479)	-13%	8 569 426
Expenditure - Functional										
<i>Governance and administration</i>		1 085 322	1 480 553	-	80 369	489 447	740 276	(250 829)	-34%	1 480 553
Executive and council		115 687	258 320	-	10 828	70 446	129 160	(58 714)	-45%	258 320
Finance and administration		950 235	1 193 778	-	66 352	410 381	596 889	(186 508)	-31%	1 193 778
Internal audit		19 401	28 455	-	3 190	8 620	14 228	(5 607)	-39%	28 455
<i>Community and public safety</i>		624 012	537 196	-	46 154	294 519	268 598	25 922	10%	537 196
Community and social services		147 223	135 893	-	10 554	73 978	67 947	6 031	9%	135 893
Sport and recreation		140 507	130 425	-	8 789	68 604	65 212	3 392	5%	130 425
Public safety		232 288	222 097	-	18 765	108 018	111 049	(3 030)	-3%	222 097
Housing		94 435	35 263	-	7 178	38 521	17 632	20 889	118%	35 263
Health		9 559	13 517	-	869	5 398	6 759	(1 360)	-20%	13 517
<i>Economic and environmental services</i>		378 225	513 621	-	29 078	182 553	256 811	(74 257)	-29%	513 621
Planning and development		93 766	84 863	-	6 149	40 950	42 431	(1 481)	-3%	84 863
Road transport		259 799	402 476	-	20 850	128 032	201 238	(73 205)	-36%	402 476
Environmental protection		24 661	26 283	-	2 078	13 571	13 141	429	3%	26 283
<i>Trading services</i>		4 061 495	5 109 852	-	812 505	2 384 747	2 554 926	(170 179)	-7%	5 109 852
Energy sources		2 621 122	3 289 792	-	544 702	1 702 253	1 644 896	57 357	3%	3 289 792
Water management		952 916	1 293 157	-	201 286	439 756	646 578	(206 822)	-32%	1 293 157
Waste water management		348 154	399 300	-	54 777	172 612	199 650	(27 038)	-14%	399 300
Waste management		139 303	127 604	-	11 739	70 127	63 802	6 325	10%	127 604
<i>Other</i>		73 188	63 978	-	7 300	36 731	31 989	4 742	15%	63 978
Total Expenditure - Functional	3	6 222 242	7 705 200	-	975 406	3 387 998	3 852 600	(464 602)	-12%	7 705 200
Surplus/ (Deficit) for the year		525 680	864 226	-	(177 795)	341 236	432 113	(90 877)	-21%	864 226

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) - Q2 Second Quarter

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		(15)	-	-	-	-	-	-	-	-
Vote 2 - City Finance		1 855 452	2 342 935	-	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935
Vote 3 - Corporate Services		8 603	7 980	-	1 494	2 798	3 990	(1 192)	-29,9%	7 980
Vote 4 - Community Services and Social Equity		235 448	497 013	-	32 166	123 772	248 507	(124 734)	-50,2%	497 013
Vote 5 - Infrastructure Services		1 628 015	1 520 657	-	252 902	951 086	760 329	190 757	25,1%	1 520 657
Vote 6 - Sustainable Development and City Enterprises		248 423	200 280	-	16 060	83 883	100 140	(16 257)	-16,2%	200 280
Vote 7 - Electricity		2 771 995	4 000 561	-	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561
Total Revenue by Vote	2	6 747 922	8 569 426	-	797 611	3 729 234	4 284 713	(555 479)	-13,0%	8 569 426
Expenditure by Vote	1									
Vote 1 - City Manager		151 982	300 106	-	14 165	87 933	150 053	(62 120)	-41,4%	300 106
Vote 2 - City Finance		362 345	799 188	-	35 724	189 824	399 594	(209 770)	-52,5%	799 188
Vote 3 - Corporate Services		163 339	195 633	-	17 753	92 202	97 817	(5 615)	-5,7%	195 633
Vote 4 - Community Services and Social Equity		904 577	827 458	-	57 225	421 937	413 729	8 208	2,0%	827 458
Vote 5 - Infrastructure Services		1 565 729	2 117 250	-	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250
Vote 6 - Sustainable Development and City Enterprises		295 042	225 419	-	26 325	137 116	112 710	24 406	21,7%	225 419
Vote 7 - Electricity		2 779 228	3 240 145	-	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145
Total Expenditure by Vote	2	6 222 242	7 705 200	-	975 406	3 387 998	3 852 600	(464 602)	-12,1%	7 705 200
Surplus/ (Deficit) for the year	2	525 680	864 226	-	(177 795)	341 236	432 113	(90 877)	-21,0%	864 226

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2023.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		2 724 540	3 892 818		197 618	1 426 640	1 946 409	(519 769)	-27%	3 892 818
Service charges - Water		824 369	901 572		77 771	394 951	450 786	(55 834)	-12%	901 572
Service charges - Waste Water Management		197 960	202 500		17 671	96 625	101 250	(4 625)	-5%	202 500
Service charges - Waste management		123 629	138 742		10 526	62 122	69 371	(7 249)	-10%	138 742
Non-Exchange Revenue										
Sale of Goods and Rendering of Services										
Agency services		2 599	715		-	1 118	357	760	213%	715
Interest										
Interest earned from Receivables		221 878	198 174		35 303	170 389	99 087	71 302	72%	198 174
Interest from Current and Non Current Assets			18 052				9 026	(9 026)	-100%	18 052
Dividends										
Rent on Land										
Rental from Fixed Assets		20 071	104 824		2 814	18 084	52 412	(34 328)	-65%	104 824
Licence and permits										
Operational Revenue		68 506	230 407		3 753	42 272	115 204	(72 932)	-63%	230 407
Non-Exchange Revenue										
Property rates		1 370 173	1 526 985		122 098	679 983	763 493	(83 509)	-11%	1 526 985
Surcharges and Taxes										
Fines, penalties and forfeits		20 129	14 660		33	728	7 330	(6 602)	-90%	14 660
Licence and permits		2 415	2 452		115	1 037	1 226	(189)	-15%	2 452
Transfers and subsidies - Operational		801 751	838 135		264 044	600 979	419 068	181 911	43%	838 135
Interest		16 957	50 691		3 247	17 333	25 346	(8 013)	-32%	50 691
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		28 625								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		6 423 603	8 120 726		734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
Expenditure By Type										
Employee related costs		1 466 856	1 781 211		119 791	806 528	890 605	(84 077)	-9%	1 781 211
Remuneration of councillors		51 818	62 700		4 262	25 883	31 350	(5 467)	-17%	62 700
Bulk purchases - electricity		2 350 401	2 514 000		401 732	1 463 939	1 257 000	206 939	16%	2 514 000
Inventory consumed		739 336	970 629		131 856	418 193	485 315	(67 121)	-14%	970 629
Debt impairment		71 196	600 000		11	3 956	300 000	(296 044)	-99%	600 000
Depreciation and amortisation		350 684	460 782		30 773	181 732	230 391	(48 659)	-21%	460 782
Interest		143 222	40 401		171 648	52 510	20 200	32 309	160%	40 401
Contracted services		799 399	994 211		103 471	311 197	497 105	(185 909)	-37%	994 211
Transfers and subsidies		29 562	65 884		6 320	36 908	32 942	3 966	12%	65 884
Irrecoverable debts written off										
Operational costs		186 191	215 382		5 541	87 153	107 691	(20 538)	-19%	215 382
Losses on Disposal of Assets										
Other Losses		33 578								
Total Expenditure		6 222 242	7 705 200		975 406	3 387 998	3 852 600	(464 602)	-12%	7 705 200
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		324 319	448 700		62 618	216 973	224 350	(7 377)	(0)	448 700
Transfers and subsidies - capital (in-kind)									(0)	
Surplus/(Deficit) after capital transfers & contributions		525 680	864 226		(177 795)	341 236	432 113			864 226
Income Tax										
Surplus/(Deficit) after income tax		525 680	864 226		(177 795)	341 236	432 113			864 226
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		525 680	864 226		(177 795)	341 236	432 113			864 226
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		525 680	864 226		(177 795)	341 236	432 113			864 226

Capital Expenditure

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

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	Budget Year 2023/24								
		2022/23 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		27	-	-	-	-	-	-	-	-
Vote 2 - City Finance		9 153	30 000	-	-	-	15 000	(15 000)	-100%	30 000
Vote 3 - Corporate Services		938	10 000	-	-	240	5 000	(4 760)	-95%	10 000
Vote 4 - Community Services and Social Equity		48 934	24 886	-	10 210	25 747	12 443	(13 303)	-107%	24 886
Vote 5 - Infrastructure Services		268 923	318 102	-	45 569	160 291	159 051	1 240	1%	318 102
Vote 6 - Sustainable Development and City Enterprises		133 279	144 745	-	9 955	43 101	72 373	(29 272)	-40%	144 745
Vote 7 - Electricity		71 071	175 400	-	7 271	22 966	87 700	(64 734)	-74%	175 400
Total Capital Multi-year expenditure	4,7	532 326	703 134	-	73 004	252 344	351 567	(99 223)	-28%	703 134
Single Year expenditure appropriation	2									
Vote 1 - City Manager		944	5 000	-	-	(6)	2 500	(2 506)	-100%	5 000
Vote 2 - City Finance		3 084	-	-	-	12 508	-	12 508	-	-
Vote 3 - Corporate Services		3 796	10 000	-	-	-	5 000	(5 000)	-100%	10 000
Vote 4 - Community Services and Social Equity		4 980	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Vote 5 - Infrastructure Services		793	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 6 - Sustainable Development and City Enterprises		1 035	38 026	-	2	2	19 013	(19 011)	-100%	38 026
Vote 7 - Electricity		831	3 600	-	-	-	1 800	(1 800)	-100%	3 600
Total Capital single-year expenditure	4	15 464	65 626	-	2	12 504	32 813	(20 309)	-62%	65 626
Total Capital Expenditure		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Capital Expenditure - Functional Classification										
Governance and administration		18 773	51 000	-	-	12 742	25 500	(12 758)	-50%	51 000
Executive and council		750	1 000	-	-	(6)	500	(506)	-101%	1 000
Finance and administration		18 024	50 000	-	-	12 748	25 000	(12 252)	-49%	50 000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		57 141	169 252	-	15 442	57 876	84 626	(26 750)	-32%	169 252
Community and social services		43 937	20 307	-	9 800	21 387	10 154	11 233	111%	20 307
Sport and recreation		922	-	-	(1 780)	1 514	-	1 514	-	-
Public safety		148	4 199	-	-	-	2 100	(2 100)	-100%	4 199
Housing		12 135	144 745	-	7 422	34 976	72 373	(37 397)	-52%	144 745
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		277 382	107 006	-	18 042	81 355	53 503	27 852	52%	107 006
Planning and development		118 612	38 606	-	1 771	7 363	19 303	(11 940)	-62%	38 606
Road transport		158 749	68 400	-	16 272	73 991	34 200	39 791	116%	68 400
Environmental protection		22	-	-	-	-	-	-	-	-
Trading services		191 140	438 702	-	38 758	112 111	219 351	(107 240)	-49%	438 702
Energy sources		64 942	179 000	-	7 271	22 966	89 500	(66 534)	-74%	179 000
Water management		67 842	133 925	-	14 887	37 860	66 962	(29 103)	-43%	133 925
Waste water management		48 192	120 778	-	14 410	48 883	60 389	(11 505)	-19%	120 778
Waste management		10 165	5 000	-	2 190	2 403	2 500	(97)	-4%	5 000
Other		3 353	2 800	-	764	764	1 400	(636)	-45%	2 800
Total Capital Expenditure - Functional Classification	3	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Funded by:										
National Government		251 840	312 535	-	52 479	187 985	156 267	31 718	20%	312 535
Provincial Government		111 490	136 165	-	3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	6	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds		184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
Total Capital Funding		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760

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 2023.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		511 402	602 411		(29 915)	602 411
Trade and other receivables from exchange transactions		2 157 210	1 296 255		3 123 370	1 296 255
Receivables from non-exchange transactions		765 104	664 796		109 325	664 796
Current portion of non-current receivables						
Inventory		420 123	359 494		425 591	359 494
VAT						
Other current assets		120 340			352 125	
Total current assets		3 974 180	2 922 957	-	3 980 495	2 922 957
Non current assets						
Investments						
Investment property		953 062	974 256		924 805	974 256
Property, plant and equipment		7 044 167	7 923 583		7 255 136	7 923 583
Biological assets			84 451		552	84 451
Living and non-living resources		576	733			733
Heritage assets		274 718	287 701			287 701
Intangible assets		23 913	20 954		21 275	20 954
Trade and other receivables from exchange transactions			-			-
Non-current receivables from non-exchange transactions			-		(1 854)	-
Other non-current assets		75 800	-			-
Total non current assets		8 372 236	9 291 678	-	8 199 914	9 291 678
TOTAL ASSETS		12 346 416	12 214 634	-	12 180 408	12 214 634
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		74 271	83 359		35 276	83 359
Consumer deposits		142 079	140 009		147 224	140 009
Trade and other payables from exchange transactions		2 487 458	1 186 051		2 672 519	1 186 051
Trade and other payables from non-exchange transactions		15 568	-			-
Provision		8 980	49 000		58 245	49 000
VAT		185 013	187 552			187 552
Other current liabilities		225 198				
Total current liabilities		3 138 566	1 645 970	-	2 913 264	1 645 970
Non current liabilities						
Financial liabilities		50 311	131 184			131 184
Provision		62 175	75 576			75 576
Long term portion of trade payables		545 988			50 311	
Other non-current liabilities			648 252		576 204	648 252
Total non current liabilities		658 474	855 013	-	626 514	855 013
TOTAL LIABILITIES		3 797 040	2 500 983	-	3 539 779	2 500 983
NET ASSETS	2	8 549 376	9 713 651	-	8 640 630	9 713 651
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		8 329 636	9 501 123		8 416 573	9 501 123
Reserves and funds		4 605	212 528		224 057	212 528
Other		215 134				
TOTAL COMMUNITY WEALTH/EQUITY	2	8 549 376	9 713 651	-	8 640 630	9 713 651

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	1 370 173	1 526 985	-	122 098	679 983	763 493	(83 509)	-11%	1 526 985
Service charges	3 870 280	5 135 631	-	303 586	1 980 339	2 567 816	(587 477)	-23%	5 135 631
Investment revenue	-	50 691	-	3 247	17 333	25 346	(8 013)	-32%	50 691
Transfers and subsidies - Operational	-	838 135	-	264 044	600 979	419 068	181 911	43%	838 135
Other own revenue	1 183 014	569 283	-	42 018	233 627	284 642	(51 015)	-18%	569 283
Total Revenue (excluding capital transfers and contributions)	6 423 468	8 120 726	-	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
Employee costs	1 478 590	1 793 148	-	121 433	812 786	896 574	(83 788)	-9%	1 793 148
Remuneration of Councillors	51 818	62 700	-	4 262	25 883	31 350	(5 467)	-17%	62 700
Depreciation and amortisation	351 530	461 616	-	30 838	182 115	230 808	(48 693)	-21%	461 616
Interest	143 222	40 401	-	171 648	52 510	20 200	32 309	160%	40 401
Inventory consumed and bulk purchases	3 089 796	3 484 629	-	533 588	1 882 132	1 742 315	139 818	8%	3 484 629
Transfers and subsidies	16 684	51 024	-	4 518	29 343	25 512	3 831	15%	51 024
Other expenditure	1 091 874	1 810 270	-	109 118	403 229	905 135	(501 906)	-55%	1 810 270
Total Expenditure	6 223 514	7 703 788	-	975 406	3 387 998	3 851 894	(463 896)	-12%	7 703 788
Surplus/(Deficit)	199 954	416 938	-	(240 413)	124 263	208 469	(84 207)	-40%	416 938
Transfers and subsidies - capital (monetary)	324 319	448 700	-	62 618	216 973	224 350	(7 377)	-3%	448 700
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	524 273	865 638	-	(177 795)	341 236	432 819	(91 583)	-21%	865 638
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	524 273	865 638	-	(177 795)	341 236	432 819	(91 583)	-21%	865 638
Capital expenditure & funds sources									
Capital expenditure	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Capital transfers recognised	363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds	184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
Total sources of capital funds	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Financial position									
Total current assets	3 978 489	2 928 029	-	-	3 984 785	-	-	-	2 922 957
Total non current assets	8 379 960	9 298 983	-	-	8 207 253	-	-	-	9 291 678
Total current liabilities	3 140 059	1 647 579	-	-	2 914 781	-	-	-	1 645 970
Total non current liabilities	658 474	855 013	-	-	626 514	-	-	-	855 013
Community wealth/Equity	8 559 916	9 724 420	-	-	8 650 744	-	-	-	9 713 651
Cash flows									
Net cash from (used) operating	793 776	946 660	-	-	-	473 330	473 330	100%	946 660
Net cash from (used) investing	(489 338)	(768 501)	-	-	-	(384 251)	(384 251)	100%	(768 501)
Net cash from (used) financing	(79 163)	177 000	-	-	-	88 500	88 500	100%	177 000
Cash/cash equivalents at the month/year end	515 708	767 162	-	-	-	589 583	589 583	100%	355 159
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	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566
Creditors Age Analysis									
Total Creditors	354 800	35 295	209 932	44 259	1 245 081	-	-	-	1 889 368

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1 955 757	2 375 780	-	281 638	1 149 589	1 187 890	(38 301)	-3%	2 375 780
Executive and council		5 213	4 979	-	1 331	2 636	2 490	146	6%	4 979
Finance and administration		1 950 544	2 370 801	-	280 307	1 146 953	1 185 400	(38 447)	-3%	2 370 801
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		142 494	338 867	-	20 683	82 118	169 433	(87 315)	-52%	338 867
Community and social services		61 499	276 754	-	13 245	32 780	138 377	(105 597)	-76%	276 754
Sport and recreation		589	21 223	-	(1 675)	800	10 612	(9 812)	-92%	21 223
Public safety		24 505	8 569	-	149	2 618	4 284	(1 667)	-39%	8 569
Housing		55 901	32 321	-	8 964	45 921	16 160	29 761	184%	32 321
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		200 051	55 601	-	7 491	49 501	27 800	21 701	78%	55 601
Planning and development		152 415	47 685	-	3 892	18 386	23 842	(5 457)	-23%	47 685
Road transport		47 242	-	-	3 576	30 839	-	30 839	-	-
Environmental protection		395	7 916	-	22	277	3 958	(3 682)	-93%	7 916
<i>Trading services</i>		4 410 211	5 698 134	-	484 633	2 428 757	2 849 067	(420 310)	-15%	5 698 134
Energy sources		2 724 540	4 028 756	-	215 401	1 423 833	2 014 378	(590 545)	-29%	4 028 756
Water management		1 249 069	1 300 958	-	201 627	728 055	650 479	77 576	12%	1 300 958
Waste water management		286 349	209 646	-	47 197	189 586	104 823	84 763	81%	209 646
Waste management		150 253	158 774	-	20 408	87 284	79 387	7 897	10%	158 774
<i>Other</i>	4	39 274	101 045	-	3 166	19 268	50 522	(31 254)	-62%	101 045
Total Revenue - Functional	2	6 747 787	8 569 426	-	797 611	3 729 234	4 284 713	(555 479)	-13%	8 569 426
Expenditure - Functional										
<i>Governance and administration</i>		1 085 322	1 480 553	-	80 369	489 447	740 276	(250 829)	-34%	1 480 553
Executive and council		115 687	258 320	-	10 828	70 446	129 160	(58 714)	-45%	258 320
Finance and administration		950 235	1 193 778	-	66 352	410 381	596 889	(186 508)	-31%	1 193 778
Internal audit		19 401	28 455	-	3 190	8 620	14 228	(5 607)	-39%	28 455
<i>Community and public safety</i>		625 284	537 196	-	46 154	294 519	268 598	25 922	10%	537 196
Community and social services		147 223	135 893	-	10 554	73 978	67 947	6 031	9%	135 893
Sport and recreation		140 507	130 425	-	8 789	68 604	65 212	3 392	5%	130 425
Public safety		233 560	222 097	-	18 765	108 018	111 049	(3 030)	-3%	222 097
Housing		94 435	35 263	-	7 178	38 521	17 632	20 889	118%	35 263
Health		9 559	13 517	-	869	5 398	6 759	(1 360)	-20%	13 517
<i>Economic and environmental services</i>		378 225	513 621	-	29 078	182 553	256 811	(74 257)	-29%	513 621
Planning and development		93 766	84 863	-	6 149	40 950	42 431	(1 481)	-3%	84 863
Road transport		259 799	402 476	-	20 850	128 032	201 238	(73 205)	-36%	402 476
Environmental protection		24 661	26 283	-	2 078	13 571	13 141	429	3%	26 283
<i>Trading services</i>		4 061 495	5 109 852	-	812 505	2 384 747	2 554 926	(170 179)	-7%	5 109 852
Energy sources		2 621 122	3 289 792	-	544 702	1 702 253	1 644 896	57 357	3%	3 289 792
Water management		952 916	1 293 157	-	201 286	439 756	646 578	(206 822)	-32%	1 293 157
Waste water management		348 154	399 300	-	54 777	172 612	199 650	(27 038)	-14%	399 300
Waste management		139 303	127 604	-	11 739	70 127	63 802	6 325	10%	127 604
<i>Other</i>		73 188	63 978	-	7 300	36 731	31 989	4 742	15%	63 978
Total Expenditure - Functional	3	6 223 514	7 705 200	-	975 406	3 387 998	3 852 600	(464 602)	-12%	7 705 200
Surplus/ (Deficit) for the year		524 273	864 226	-	(177 795)	341 236	432 113	(90 877)	-21%	864 226

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		(15)	-	-	-	-	-	-	-	-
Vote 2 - City Finance		1 855 452	2 342 935	-	277 293	1 141 565	1 171 467	(29 902)	-2,6%	2 342 935
Vote 3 - Corporate Services		8 603	7 980	-	1 494	2 798	3 990	(1 192)	-29,9%	7 980
Vote 4 - Community Services and Social Equity		235 448	497 013	-	32 166	123 772	248 507	(124 734)	-50,2%	497 013
Vote 5 - Infrastructure Services		1 628 015	1 520 657	-	252 902	951 086	760 329	190 757	25,1%	1 520 657
Vote 6 - Sustainable Development and City Enterprises		248 288	200 280	-	16 060	83 883	100 140	(16 257)	-16,2%	200 280
Vote 7 - Electricity		2 771 995	4 000 561	-	217 696	1 426 129	2 000 280	(574 151)	-28,7%	4 000 561
Total Revenue by Vote	2	6 747 787	8 569 426	-	797 611	3 729 234	4 284 713	(555 479)	-13,0%	8 569 426
Expenditure by Vote	1									
Vote 1 - City Manager		151 982	300 106	-	14 165	87 933	150 053	(62 120)	-41,4%	300 106
Vote 2 - City Finance		362 345	799 188	-	35 724	189 824	399 594	(209 770)	-52,5%	799 188
Vote 3 - Corporate Services		163 339	195 633	-	17 753	92 202	97 817	(5 615)	-5,7%	195 633
Vote 4 - Community Services and Social Equity		904 577	827 458	-	57 225	421 937	413 729	8 208	2,0%	827 458
Vote 5 - Infrastructure Services		1 565 729	2 117 250	-	277 857	743 679	1 058 625	(314 946)	-29,8%	2 117 250
Vote 6 - Sustainable Development and City Enterprises		296 315	225 419	-	26 325	137 116	112 710	24 406	21,7%	225 419
Vote 7 - Electricity		2 779 228	3 240 145	-	546 356	1 715 308	1 620 073	95 235	5,9%	3 240 145
Total Expenditure by Vote	2	6 223 514	7 705 200	-	975 406	3 387 998	3 852 600	(464 602)	-12,1%	7 705 200
Surplus/ (Deficit) for the year	2	524 273	864 226	-	(177 795)	341 236	432 113	(90 877)	-21,0%	864 226

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		2 724 323	3 892 818		197 618	1 426 640	1 946 409	(519 769)	-27%	3 892 818
Service charges - Water		824 369	901 572		77 771	394 951	450 786	(55 834)	-12%	901 572
Service charges - Waste Water Management		197 960	202 500		17 671	96 625	101 250	(4 625)	-5%	202 500
Service charges - Waste management		123 629	138 742		10 526	62 122	69 371	(7 249)	-10%	138 742
Sale of Goods and Rendering of Services										
Agency services		2 599	715		-	1 118	357	760	213%	715
Interest										
Interest earned from Receivables		221 878	198 174		35 303	170 389	99 087	71 302	72%	198 174
Interest from Current and Non Current Assets			18 052				9 026	(9 026)	-100%	18 052
Dividends										
Rent on Land										
Rental from Fixed Assets		20 071	104 824		2 814	18 084	52 412	(34 328)	-65%	104 824
Licence and permits										
Operational Revenue		68 507	230 407		3 753	42 272	115 204	(72 932)	-63%	230 407
Non-Exchange Revenue										
Property rates		1 370 173	1 526 985		122 098	679 983	763 493	(83 509)	-11%	1 526 985
Surcharges and Taxes										
Fines, penalties and forfeits		20 129	14 660		33	728	7 330	(6 602)	-90%	14 660
Licence and permits		2 415	2 452		115	1 037	1 226	(189)	-15%	2 452
Transfers and subsidies - Operational		801 751	838 135		264 044	600 979	419 068	181 911	43%	838 135
Interest		17 130	50 691		3 247	17 333	25 346	(8 013)	-32%	50 691
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		28 532								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		6 423 468	8 120 726	-	734 993	3 512 261	4 060 363	(548 102)	-13%	8 120 726
Expenditure By Type										
Employee related costs		1 478 590	1 793 148		121 433	812 786	896 574	(83 788)	-9%	1 793 148
Remuneration of councillors		51 818	62 700		4 262	25 883	31 350	(5 467)	-17%	62 700
Bulk purchases - electricity		2 350 401	2 514 000		401 732	1 463 939	1 257 000	206 939	16%	2 514 000
Inventory consumed		739 395	970 629		131 856	418 193	485 315	(67 121)	-14%	970 629
Debt impairment		71 196	600 000		11	3 956	300 000	(296 044)	-99%	600 000
Depreciation and amortisation		351 530	461 616		30 838	182 115	230 808	(48 693)	-21%	461 616
Interest		143 222	40 401		171 648	52 510	20 200	32 309	160%	40 401
Contracted services		799 704	994 888		103 489	311 298	497 444	(186 146)	-37%	994 888
Transfers and subsidies		16 684	51 024		4 518	29 343	25 512	3 831	15%	51 024
Irrecoverable debts written off										
Operational costs		187 396	215 382		5 618	87 975	107 691	(19 716)	-18%	215 382
Losses on Disposal of Assets										
Other Losses		33 578								
Total Expenditure		6 223 514	7 703 788	-	975 406	3 387 998	3 851 894	(463 896)	-12%	7 703 788
Surplus/(Deficit)		199 954	416 938	-	(240 413)	124 263	208 469	(84 207)	(0)	416 938
Transfers and subsidies - capital (monetary allocations)		324 319	448 700		62 618	216 973	224 350	(7 377)	(0)	448 700
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers & contributions		524 273	865 638	-	(177 795)	341 236	432 819			865 638
Income Tax										
Surplus/(Deficit) after income tax		524 273	865 638	-	(177 795)	341 236	432 819			865 638
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		524 273	865 638	-	(177 795)	341 236	432 819			865 638
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		524 273	865 638	-	(177 795)	341 236	432 819			865 638

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		27	-	-	-	-	-	-	-	-
Vote 2 - City Finance		9 153	30 000	-	-	-	15 000	(15 000)	-100%	30 000
Vote 3 - Corporate Services		938	10 000	-	-	240	5 000	(4 760)	-95%	10 000
Vote 4 - Community Services and Social Equity		48 934	24 886	-	10 210	25 747	12 443	13 303	107%	24 886
Vote 5 - Infrastructure Services		268 923	318 102	-	45 569	160 291	159 051	1 240	1%	318 102
Vote 6 - Sustainable Development and City Enterprises		133 279	144 745	-	9 955	43 101	72 373	(29 272)	-40%	144 745
Vote 7 - Electricity		71 071	175 400	-	7 271	22 966	87 700	(64 734)	-74%	175 400
Total Capital Multi-year expenditure	4,7	532 326	703 134	-	73 004	252 344	351 567	(99 223)	-28%	703 134
Single Year expenditure appropriation	2									
Vote 1 - City Manager		944	5 000	-	-	(6)	2 500	(2 506)	-100%	5 000
Vote 2 - City Finance		3 084	-	-	-	12 508	-	12 508	-	-
Vote 3 - Corporate Services		3 796	10 000	-	-	-	5 000	(5 000)	-100%	10 000
Vote 4 - Community Services and Social Equity		4 980	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Vote 5 - Infrastructure Services		793	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 6 - Sustainable Development and City Enterprises		1 035	38 026	-	2	2	19 013	(19 011)	-100%	38 026
Vote 7 - Electricity		831	3 600	-	-	-	1 800	(1 800)	-100%	3 600
Total Capital single-year expenditure	4	15 464	65 626	-	2	12 504	32 813	(20 309)	-62%	65 626
Total Capital Expenditure		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Capital Expenditure - Functional Classification										
Governance and administration		18 773	51 000	-	-	12 742	25 500	(12 758)	-50%	51 000
Executive and council		750	1 000	-	-	(6)	500	(506)	-101%	1 000
Finance and administration		18 024	50 000	-	-	12 748	25 000	(12 252)	-49%	50 000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		57 141	169 252	-	15 442	57 876	84 626	(26 750)	-32%	169 252
Community and social services		43 937	20 307	-	9 800	21 387	10 154	11 233	111%	20 307
Sport and recreation		922	-	-	(1 780)	1 514	-	1 514	-	-
Public safety		148	4 199	-	-	-	2 100	(2 100)	-100%	4 199
Housing		12 135	144 745	-	7 422	34 976	72 373	(37 397)	-52%	144 745
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		277 382	107 006	-	18 042	81 355	53 503	27 852	52%	107 006
Planning and development		118 612	38 606	-	1 771	7 363	19 303	(11 940)	-62%	38 606
Road transport		158 749	68 400	-	16 272	73 991	34 200	39 791	116%	68 400
Environmental protection		22	-	-	-	-	-	-	-	-
Trading services		191 140	438 702	-	38 758	112 111	219 351	(107 240)	-49%	438 702
Energy sources		64 942	179 000	-	7 271	22 966	89 500	(66 534)	-74%	179 000
Water management		67 842	133 925	-	14 887	37 860	66 962	(29 103)	-43%	133 925
Waste water management		48 192	120 778	-	14 410	48 883	60 389	(11 505)	-19%	120 778
Waste management		10 165	5 000	-	2 190	2 403	2 500	(97)	-4%	5 000
Other		3 353	2 800	-	764	764	1 400	(636)	-45%	2 800
Total Capital Expenditure - Functional Classification	3	547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760
Funded by:										
National Government		251 840	312 535	-	52 479	187 985	156 267	31 718	20%	312 535
Provincial Government		111 490	136 165	-	3 475	8 129	68 083	(59 953)	-88%	136 165
District Municipality		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Transfers recognised - capital		363 330	448 700	-	55 954	196 114	224 350	(28 236)	-13%	448 700
Borrowing	6	-	200 000	-	-	-	100 000	(100 000)	-100%	200 000
Internally generated funds		184 460	120 060	-	17 052	68 734	60 030	8 704	14%	120 060
Total Capital Funding		547 790	768 760	-	73 006	264 848	384 380	(119 532)	-31%	768 760

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		515 708	603 974		(25 628)	602 411
Trade and other receivables from exchange transactions		97 088	1 296 255		3 123 370	1 296 255
Receivables from non-exchange transactions		765 104	668 306		109 325	664 796
Current portion of non-current receivables		2 157 210				
Inventory		420 123	359 494		425 591	359 494
VAT					-	
Other current assets		23 255			352 127	
Total current assets		3 978 489	2 928 029	-	3 984 785	2 922 957
Non current assets						
Investments						
Investment property		953 062	974 256		924 805	974 256
Property, plant and equipment		7 051 890	7 930 888		7 262 476	7 923 583
Biological assets			84 451		552	84 451
Living and non-living resources		576	733			733
Heritage assets		274 718	287 701			287 701
Intangible assets		23 913	20 954		21 275	20 954
Trade and other receivables from exchange transactions			-			-
Non-current receivables from non-exchange transactions			-		(1 854)	-
Other non-current assets		75 800	-			-
Total non current assets		8 379 960	9 298 983	-	8 207 253	9 291 678
TOTAL ASSETS		12 358 448	12 227 011	-	12 192 039	12 214 634
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		74 271	83 359		35 276	83 359
Consumer deposits		142 079	140 009		147 224	140 009
Trade and other payables from exchange transactions		2 487 810	1 186 508		2 672 519	1 186 051
Trade and other payables from non-exchange transactions		15 568	-			-
Provision		9 678	50 151		59 295	49 000
VAT		185 455	187 552		466	187 552
Other current liabilities		225 198				
Total current liabilities		3 140 059	1 647 579	-	2 914 781	1 645 970
Non current liabilities						
Financial liabilities		50 311	131 184			131 184
Provision		62 175	75 576			75 576
Long term portion of trade payables		545 988			50 311	
Other non-current liabilities			648 252		576 204	648 252
Total non current liabilities		658 474	855 013	-	626 514	855 013
TOTAL LIABILITIES		3 798 532	2 502 592	-	3 541 295	2 500 983
NET ASSETS	2	8 559 916	9 724 420	-	8 650 744	9 713 651
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		8 340 176	9 511 892		8 426 687	9 501 123
Reserves and funds		4 605	212 528		224 057	212 528
Other		215 134				
TOTAL COMMUNITY WEALTH/EQUITY	2	8 559 916	9 724 420	-	8 650 744	9 713 651

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 December 2023.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

R thousands	NT Code	Description	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.To Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days		
Debtors Age Analysis By Income Source														
	1200	Trade and Other Receivables from Exchange Transactions - Water	136 011	49 409	42 245	45 402	51 556	25 334	221 385	2 095 746	2 667 088	2 439 423	1 580 453	
	1300	Trade and Other Receivables from Exchange Transactions - Electricity	131 782	26 936	31 091	25 741	25 885	19 425	88 213	221 642	570 715	380 906	138 998	
	1400	Receivables from Non-exchange Transactions - Property Rates	138 135	29 584	28 420	25 257	29 910	18 522	114 449	836 268	1 220 546	1 024 406	636 306	
	1500	Receivables from Exchange Transactions - Waste Water Management	30 244	8 180	7 058	7 043	9 289	4 379	32 112	298 568	396 872	351 390	245 862	
	1600	Receivables from Exchange Transactions - Waste Management	14 017	3 817	3 806	3 292	4 045	2 270	16 757	165 584	213 589	191 948	136 858	
	1700	Receivables from Exchange Transactions - Property Rental Debtors	3 170	1 219	984	1 159	928	777	5 244	47 150	60 630	55 257	41 039	
	1810	Interest on Arrear Debtor Accounts	69 419	34 686	40 207	34 559	24 027	24 125	131 795	951 734	1 310 553	1 166 241	743 866	
	1820	Recoverable unauthorised, irregular, fruitless and wasteful expenditure												
	1900	Other	(3 493)	277	183	282	19	9 383	913	176 007	183 572	186 604	173 306	
	2000	Total By Income Source	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566	5 796 177	3 696 689	
		2022/23 - totals only	658 343	138 914	104 162	89 012	95 391	88 930	511 546	3 828 864	5 515 160	4 613 742	2 977 911	
Debtors Age Analysis By Customer Group														
	2200	Organs of State	24 037	7 727	7 752	6 430	6 913	3 586	19 154	101 971	177 570	138 053	147 627	
	2300	Commercial	240 567	36 352	34 493	28 515	29 732	28 927	111 814	617 790	1 128 191	816 778	747 686	
	2400	Households	254 680	110 030	111 750	107 790	109 015	71 702	479 901	4 072 938	5 317 806	4 841 345	6 155 592	
	2500	Other											164 984	
	2800	Total By Customer Group	519 285	154 109	153 995	142 735	145 660	104 214	610 868	4 792 699	6 623 566	5 796 177	7 215 789	

Chart 1: Debtors Age Analysis by Customer Group

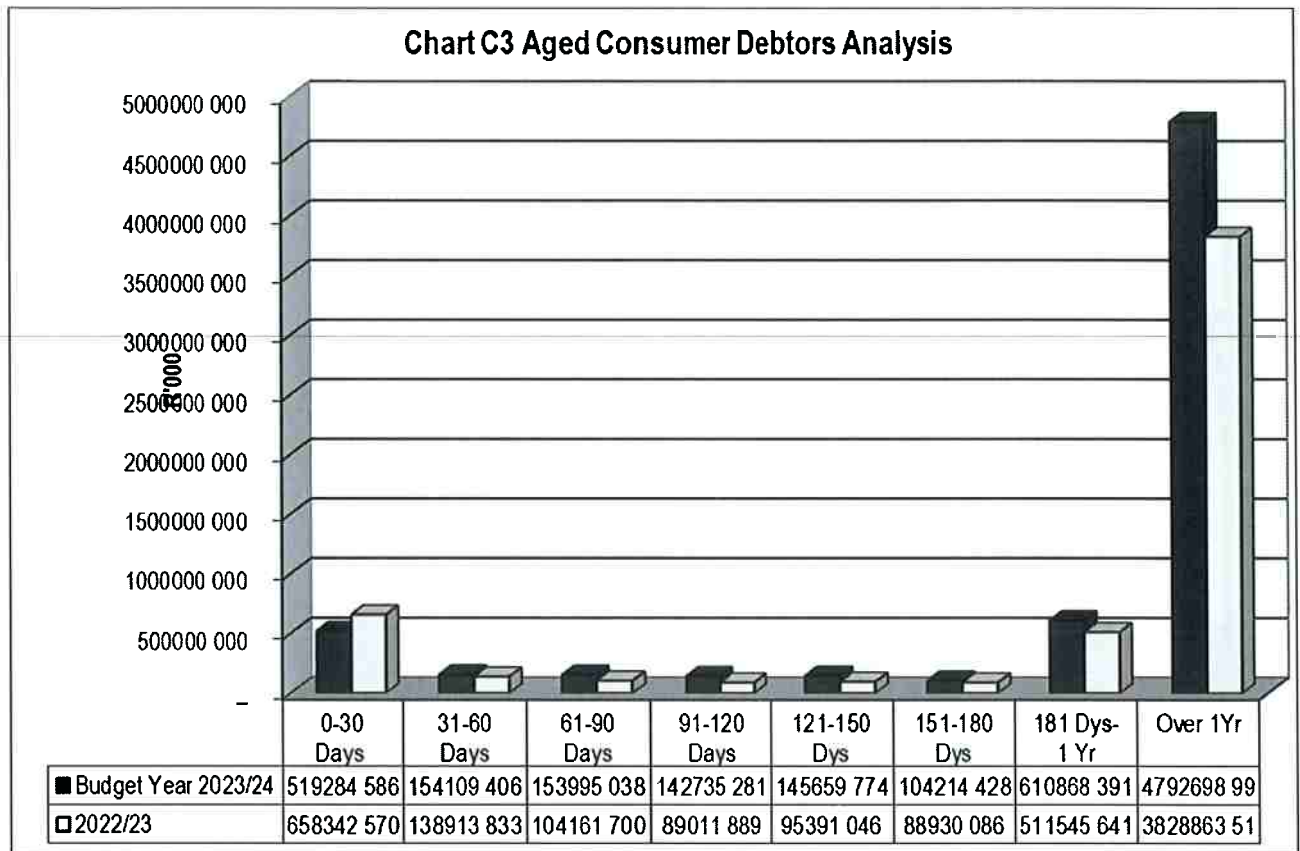
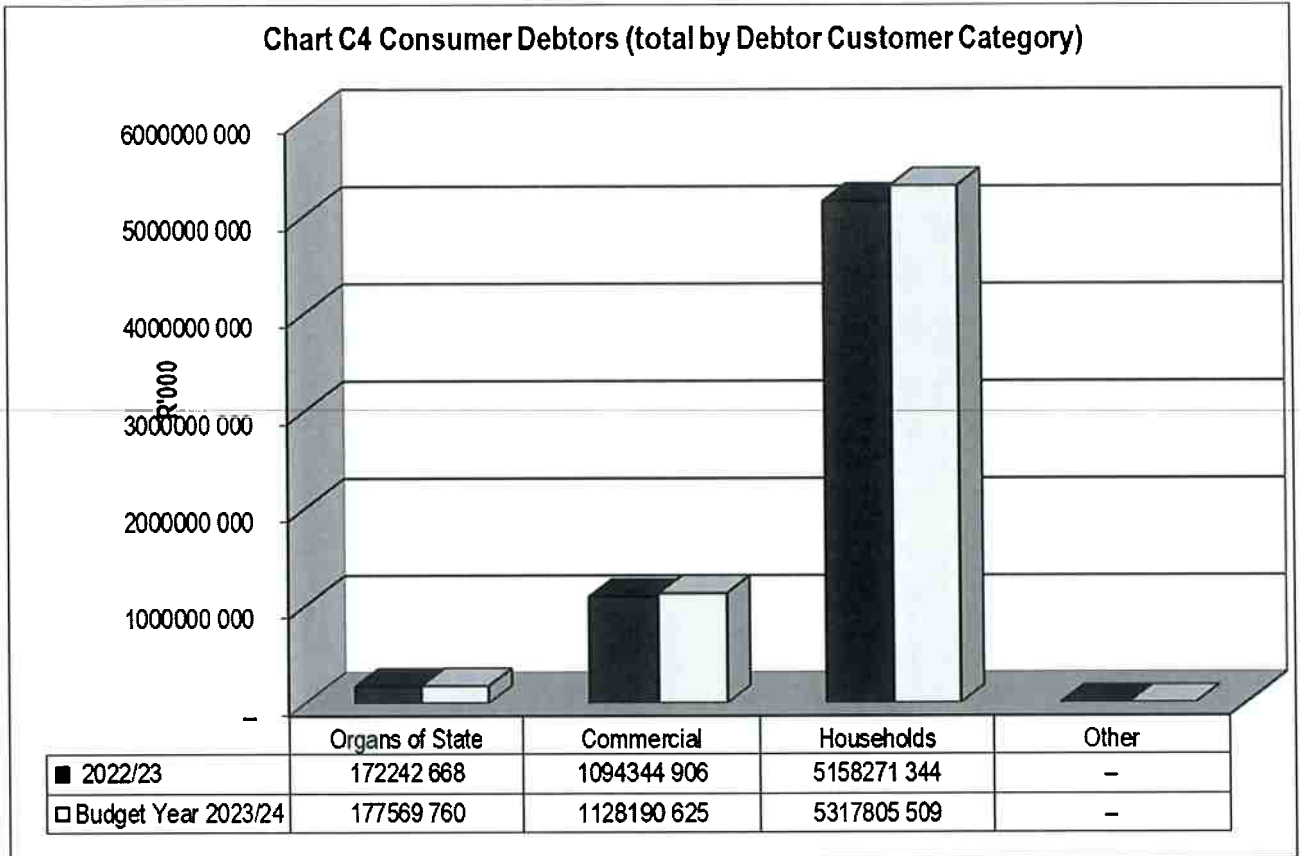


Chart 2: Year on Year Debtors Age Analysis



The information presented in the chart above reflects an increase in the outstanding debtor's balances when compared to the prior month balance bringing the total outstanding debtors balance to R 6.624 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 80% of the total municipal debt as detailed below:

- ✓ Households 80%
- ✓ Commercial 17%
- ✓ Organs of State 3%
- ✓ Other 0%

2.2 Creditors Analysis

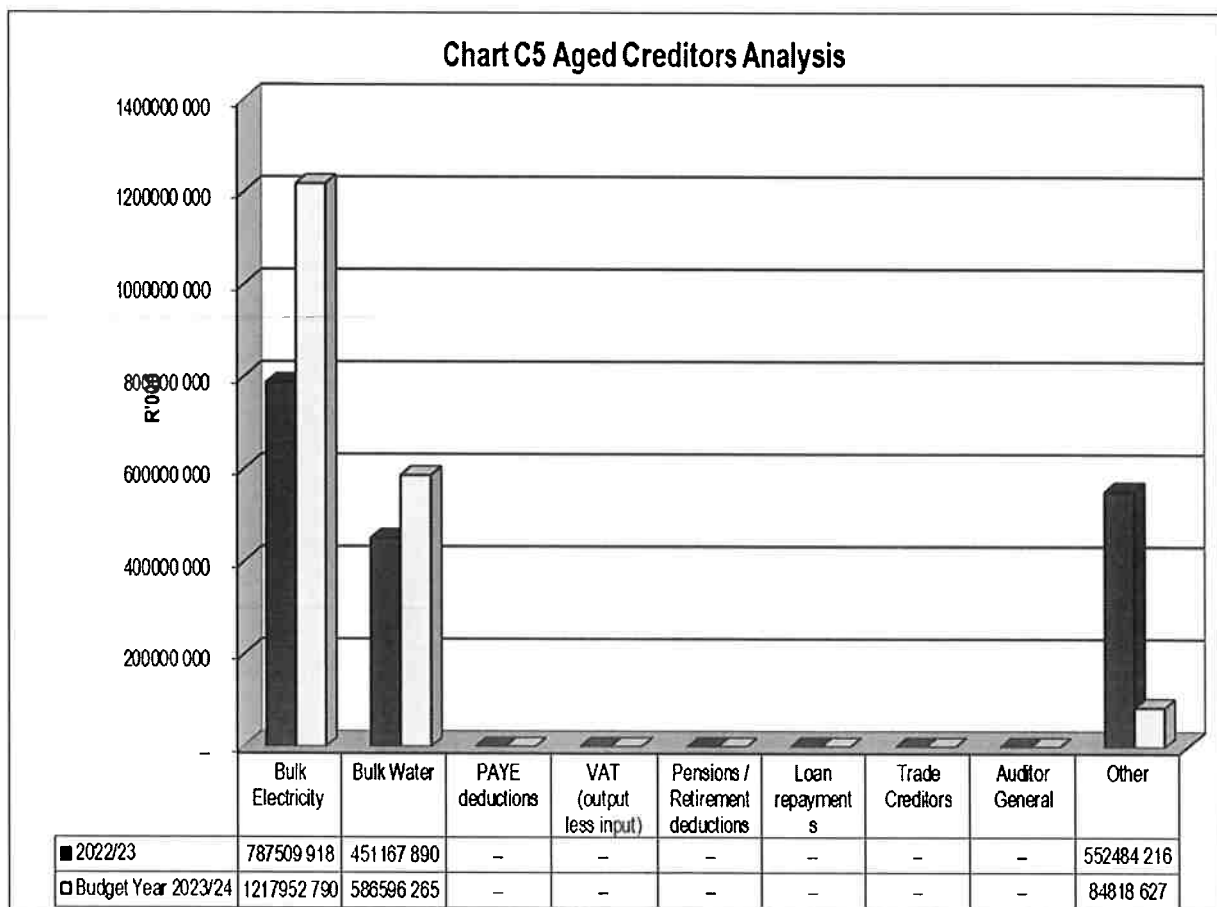
Table SC 4 below presents the aged creditors as at 31 December 2023

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description R thousands	NT Code	Budget Year 2023/24									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	267 262	(3 013)	165 100	15 856	772 748					1 217 953	787 510
Bulk Water	0200	83 110	15 937	18 337	18 775	450 438					586 596	451 168
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	
Auditor General	0800										-	
Other	0900	4 428	22 371	26 496	9 628	21 896					84 819	552 484
Total By Customer Type	1000	354 800	35 295	209 932	44 259	1 245 081	-	-	-	-	1 889 368	1 791 162

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

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 31 December 2023.

KZN225 Msunduzi - Supporting Table SCS Monthly Budget Statement - investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
Municipal Infrastructure Grant										45 046		(45 020)		26
Unspent Conditional Grant										111 917	221	(23 222)	4 679	93 596
Housing Accreditation										10 350	70	(492)		9 928
Municipal Housing Account										54 484	583	(1 861)		53 206
Housing Projects: Principal-Agent										15 346	32			15 378
Compensation Fund (COID)										23 255				23 255
Airport Development Fund										27	0			27
Insurance Fund										7 498	52			7 549
Val Recovery on Prov. Grants										977	7			984
Val Refunds										4 764	33			4 796
Call - General Reserves										24 000	343 741	(331 000)		36 741
7 Day Notice - General Reserves										74 946	519			75 464
1 Day Notice - General Reserves										30 940	234			31 174
Municipality sub-total										403 549		(401 594)	4 679	352 125
Entities														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									403 549		(401 594)	4 679	352 125

The total consolidated investment balances as at 31 December 2023 is R352.125 million

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total year to date operational and capital grant receipts for the month of December 2023 amounted to R809.149 million that is inclusive of equitable share of R575.417 million, operating transfers and grants of R41.136 million and Capital transfers of R192.596 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		765 767	805 981	-	257 982	600 701	201 495	197 710	98,1%	805 981
Local Government Equitable Share		696 056	767 222		255 741	575 417	383 611	191 806	50,0%	767 222
Finance Management		1 950	1 950			1 950	975	975	100,0%	1 950
Municipal Systems Improvement										
EPWP Incentive		5 228	4 979		2 241	3 485	2 490	996	40,0%	4 979
Water Services Operating Subsidy		55 555								
Public Transport Infrastructure										
Energy Efficiency and Demand Management										
Municipal Water Infrastructure Grant			22 000			13 945	11 000	2 945	26,8%	22 000
Operating costs-MIG		6 977	9 830			5 904	4 915	989	20,1%	9 830
Provincial Government:		35 985	32 003	-	57	15 853	8 038	7 814	97,2%	32 003
Provincial Government										
Human Settlements - Housing Development		2 831				929		929		
Arts and Culture- Community Library Services		16 172				13 538		13 538		
Arts and Culture- Provincialisation										
Arts and Culture-Museum Subsidies			13 658				6 829	(6 829)	-100,0%	13 658
Arts and Culture-Museum Subsidies - Tatham Art Gallery		91				120		120		
Tatham Art Gallery-OPERATING- ART BANK					57	57		57		
Housing Projects -OPERATING		2 051	18 345				9 172	(9 172)	-100,0%	18 345
Greater Edendale Development Initiative		14 671								
SETA- Bursaries for Non Employees- OPERATING		168				209		209		
Municipal Employment Initiative - OPERATING						1 000		1 000		
Informal Economy Instructure Development										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	801 751	837 984	-	258 039	616 553	209 534	205 524	98,1%	837 984
Capital Transfers and Grants										
National Government:		286 472	312 535	-	2 000	185 846	78 134	29 579	37,9%	312 535
Municipal Infrastructure Grant (MIG)		220 149	238 929			141 691	119 464	22 227	18,6%	238 929
Public Transport and Systems		-								
Neighbourhood Development Partnership		34 499	33 606			13 100	16 803	(3 703)	-22,0%	33 606
Dept of Mineral/Electricity										
Integrated National Electrification Programme		27 380	7 000			6 000	3 500	2 500	71,4%	7 000
Municipal Systems Improvement										
Water Services Infrastructure Grant		4 444	28 000			22 055	14 000	8 055	57,5%	28 000
Energy Efficiency and Demand Management		-	5 000		2 000	3 000	2 500	500	20,0%	5 000
Other capital transfers/grants [insert desc]										
Provincial Government:		37 847	136 165	-	315	6 750	34 041	(27 292)	-80,2%	136 165
Human Settlement - Housing Accreditation		418	700				350	(350)	-100,0%	700
Housing										
Provincial Government:										
Arts and Culture- Community Library Services			420			900	210	690	328,6%	420
Arts and Culture-Museum Subsidies - Tatham Art Gallery		348				451		451		
PMB Airport- CAPITAL		2 875	3 000			3 000	1 500	1 500	100,0%	3 000
Housing Projects -Capital			14 850				7 425	(7 425)	-100,0%	14 850
Human Settlement		5 022	116 195				58 098	(58 098)	-100,0%	116 195
Greater Edendale Development Initiative-CAPITAL		11 683			315	1 399		1 399		
Operation Dikluisumlando-Capital										
Youth Enterprise Park-CAPITAL		198								
Eastwood Primary Substation-CAPITAL		16 130								
Municipal Disaster Response Grant		620								
Corridor Development		487								
Informal Economy Instructure Development		66	1 000			1 000	500	500	100,0%	1 000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	324 319	448 700	-	2 315	192 596	112 175	2 287	2,0%	448 700
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 126 071	1 286 684	-	260 354	809 149	321 709	207 812	64,6%	1 286 684

Grants Expenditure: The YTD budget grant expenditure for the month of December 2023 amounted to R643.418 million (including equitable share) and YTD actual expenditure amounted to R817.952 million.

KZN225 Msunduzi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		765 767	805 981	-	261 322	590 156	402 991	187 165	46,4%	805 981
Local Government Equitable Share		696 056	767 222		255 741	575 417	383 611	191 806	50,0%	767 222
Finance Management		1 950	1 950		76	787	975	(188)	-19,3%	1 950
Municipal Systems Improvement					1	1		1		
EPWP Incentive		5 228	4 979		1 331	2 635	2 490	145	5,8%	4 979
Water Services Operating Subsidy		55 555			3 688	8 683		8 683		
Public Transport Infrastructure								-		
Energy Efficiency and Demand Management								-		
Municipal Water Infrastructure Grant			22 000				11 000	(11 000)	-100,0%	22 000
Operating costs-MIG		6 977	9 830		485	2 633	4 915	(2 282)	-46,4%	9 830
Provincial Government:		35 985	32 154	-	2 723	10 823	16 077	(5 254)	-32,7%	32 154
Provincial Government										
Human Settlements - Accredited Municipalities					255	2 307		2 307		
Human Settlements - Accredited Municipal RO										
Human Settlements - Housing Development		2 831								
Arts and Culture- Community Library Services		16 172			1 724	6 710		6 710		
Arts and Culture- Provincialisation										
Arts and Culture-Museum Subsidies			13 658				6 829	(6 829)	-100,0%	13 658
Arts and Culture-Museum Subsidies - Tatham Art Gallery		91			15	32		32		
COGTA			151				76	(76)	-100,0%	151
Municipal Employment Initiative - OPERATING										
SETA- Bursaries for Non Employees- OPERATING		168			69	69		69		
Greater Edendale Development Initiative					661	661		661		
Housing Projects -OPERATING		2 051	18 345				9 172	(9 172)	-100,0%	18 345
Informal Economy Infrastructure Development		14 671								
KZN-Military Veterans						1 045		1 045		
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants:		801 751	838 135	-	264 044	600 979	419 068	181 911	43,4%	838 135
Capital expenditure of Transfers and Grants										
National Government:		286 472	312 535	-	51 554	176 335	156 267	20 067	12,8%	312 535
Municipal Infrastructure Grant (MIG)		220 149	238 929		42 852	150 185	119 464	30 720	25,7%	238 929
Public Transport and Systems										
Neighbourhood Development Partnership		34 499	33 606		1 478		16 803	(16 803)	-100,0%	33 606
Dept of Mineral/Electricity										
Integrated National Electrification Programme		27 380	7 000		1 603	6 580	3 500	3 080	88,0%	7 000
Municipal Systems Improvement										
Water Services Infrastructure Grant		4 444	28 000		4 355	16 335	14 000	2 335	16,7%	28 000
Energy Efficiency and Demand Management			5 000		1 266	3 234	2 500	734	29,4%	5 000
Other capital transfers/grants [insert desc]										
Provincial Government:		37 847	136 165	-	11 054	40 638	68 083	(27 444)	-40,3%	136 165
Human Settlement		5 022								
Human Settlement - Housing Accreditation		418	700		2	2	350	(348)	-99,4%	700
Housing										
Provincial Government:										
Arts and Culture- Community Library Services			420				210	(210)	-100,0%	420
Arts and Culture-Museum Subsidies - Tatham Art Gallery		348								
PMB Airport- CAPITAL		2 875	3 000		764	764	1 500	(736)	-49,1%	3 000
Housing Projects -Capital			14 850		7 589	33 554	7 425	26 129	351,9%	14 850
Human Settlement			116 195				58 098	(58 098)	-100,0%	116 195
Informal Economy Infrastructure Development		66	1 000		204		500	(500)	-100,0%	1 000
Greater Edendale Development Initiative-CAPITAL		11 683				6 318		6 318		
Youth Enterprise Park-CAPITAL		198								
Jika Joe Community Residential Units-CAPITAL					(168)					
Municipal Disaster Response Grant		620								
Corridor Development		487								
Eastwood Primary Substation-CAPITAL		16 130			2 673					
District Municipality:		-	-	-	-	-	-	-	-	-
<i>0</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>0</i>										
Total capital expenditure of Transfers and Grants		324 319	448 700	-	62 618	216 973	224 350	(7 377)	-3,3%	448 700
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 126 071	1 286 835	-	326 662	817 952	643 418	174 534	27,1%	1 286 835

Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		41 150	3 618		3 372	20 599	1 809	18 791	1039%	3 618
Pension and UIF Contributions		2 495	3 295		225	1 334	1 648	(313)	-19%	3 295
Medical Aid Contributions		1 822	8 001		169	1 024	4 000	(2 977)	-74%	8 001
Motor Vehicle Allowance		2 551	39 273		219	1 275	19 636	(18 361)	-94%	39 273
Cellphone Allowance		3 719	747		272	1 611	373	1 238	332%	747
Housing Allowances		81	7 767		7	48	3 883	(3 835)	-99%	7 767
Other benefits and allowances		(0)			(2)	(10)		(10)		-
Sub Total - Councillors		51 818	62 700	-	4 262	25 883	31 350	(5 467)	-17%	62 700
% increase	4		21,0%							21,0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		8 621	8 727		867	3 865	4 363	(498)	-11%	8 727
Pension and UIF Contributions		816	687		104	513	343	170	49%	687
Medical Aid Contributions		199	60 106		12	85	30 053	(29 968)	-100%	60 106
Motor Vehicle Allowance		993	2 559		70	475	1 279	(805)	-63%	2 559
Cellphone Allowance		110	171		8	50	85	(35)	-41%	171
Housing Allowances		203	70 026		17	103	35 013	(34 910)	-100%	70 026
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		11 064	142 275	-	1 078	5 092	71 138	(66 046)	-93%	142 275
% increase	4		1186,0%							1186,0%
Other Municipal Staff										
Basic Salaries and Wages		991 780	1 030 081		80 464	558 007	515 040	42 966	8%	1 030 081
Pension and UIF Contributions		180 566	291 354		15 529	94 264	145 677	(51 413)	-35%	291 354
Medical Aid Contributions		63 939	122 280		6 338	38 471	61 140	(22 669)	-37%	122 280
Overtime		120 003	101 320		8 636	57 845	50 660	7 185	14%	101 320
Motor Vehicle Allowance		30 212	36 572		2 656	16 069	18 286	(2 217)	-12%	36 572
Cellphone Allowance		4 908	5 141		446	2 668	2 570	97	4%	5 141
Housing Allowances		4 538	4 916		391	2 373	2 458	(85)	-3%	4 916
Other benefits and allowances		34 345	39 950		2 247	15 595	19 975	(4 381)	-22%	39 950
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		25 501	18 330		2 006	16 146	9 165	6 981	76%	18 330
Post-retirement benefit obligations	2							-		
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Other Municipal Staff		1 455 792	1 649 944	-	118 713	801 437	824 972	(23 535)	-3%	1 649 944
% increase	4		13,3%							13,3%
Total Parent Municipality		1 518 673	1 854 919	-	124 052	832 411	927 459	(95 049)	-10%	1 854 919
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		251	231		51	152	115	37	32%	
Board Fees	5									
Sub Total - Executive members Board	2	251	231	-	51	152	115	37	32%	-
% increase	4		-7,9%							
Senior Managers of Entities										
Basic Salaries and Wages		805	858		124	433	429	4	1%	
Pension and UIF Contributions		2								
Medical Aid Contributions		31	31		3	17	15	1	8%	
Motor Vehicle Allowance		30	30		3	15	15			
Cellphone Allowance		11	11		1	5	5			
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Entities		879	929	-	130	470	465	5	1%	-
% increase	4		5,8%							
Other Staff of Entities										
Basic Salaries and Wages		8 474	8 737		1 269	4 525	4 368	157	4%	
Pension and UIF Contributions		657	600		47	284	300	(16)	-5%	
Medical Aid Contributions		1 083	866		92	561	433	128	30%	
Overtime		381	367		37	162	184	(22)	-12%	
Motor Vehicle Allowance		102	102		9	51	51			
Cellphone Allowance		106	106		9	53	53			
Other benefits and allowances		52								
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Staff of Entities		10 856	10 778	-	1 462	5 636	5 389	247	5%	-
% increase	4		-0,7%							
Total Municipal Entities		11 985	11 938	-	1 643	6 258	5 969	289	5%	-
TOTAL SALARY, ALLOWANCES & BENEFITS		1 530 659	1 866 857	-	125 695	838 669	933 428	(94 760)	-10%	1 854 919
% increase	4		22,0%							21,2%
TOTAL MANAGERS AND STAFF		1 478 590	1 803 926	-	121 383	812 634	901 963	(89 329)	-10%	1 792 219

Councillor Allowances

The expenditure on councillor allowances has variance of -17% as at 31 December 2023, which is a little bit higher than acceptable threshold of -10%. The year to date budget for remuneration of councillor's is R31.350 million while the actual expenditure incurred was R25.883 million resulting in under expenditure performance.

Employee Benefits

The total consolidated salaries actual expenditure as at 31 December 2023 amounted to R812.786 million, against the year to date budget of R896.574 million, resulting in an under-expenditure of R83.788 million.

2.5 Parent Municipality Financial Performance

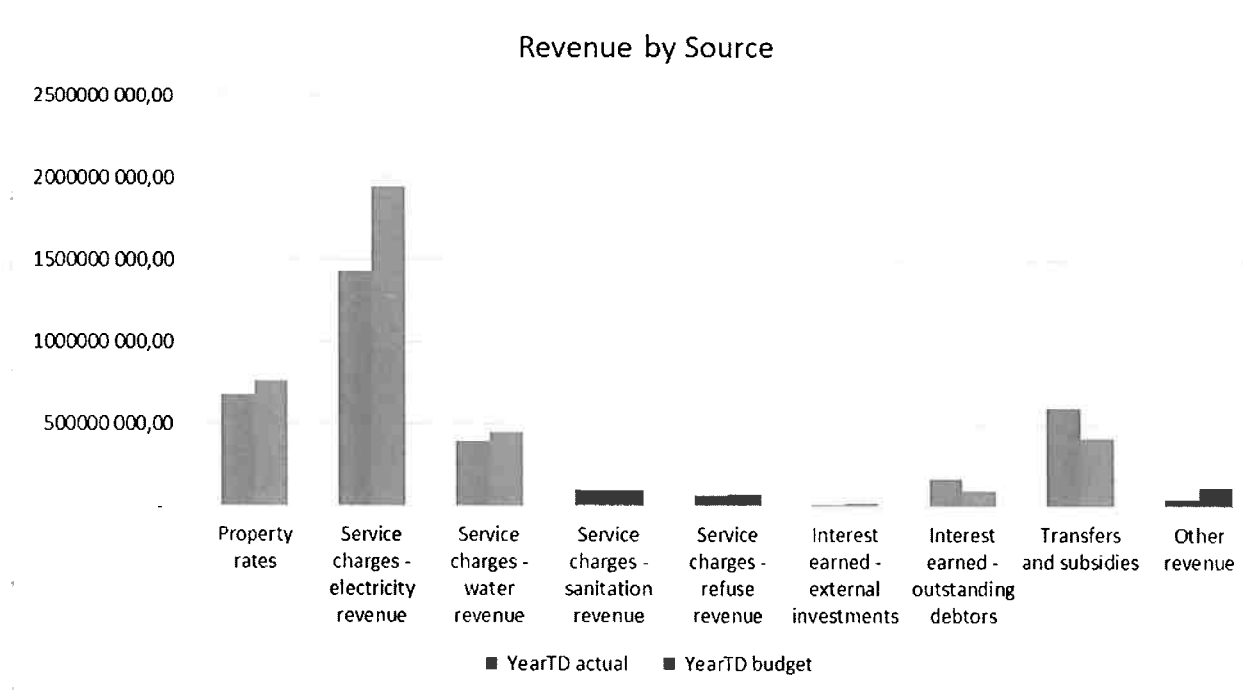
REVENUE ANALYSIS

The financial performance section analyses material variances between the actual targets as at year to date and the budget for the same period. This report analyses each major component under following headings;

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

2.5.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 41% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges had a -27% variance when compared to the Year to date Budget, which is not acceptable variance as it is more than 10%.

Property Rates is the second largest contributor to the operating revenue basket making up 19% of the total operating revenue. There is a -11% variance when comparing year to date actual and year to date budget which is not an acceptable variance.

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

Service charges - Water: The revenue earned from water charges shared 11% of the total operating revenue. There is a slight under performance of -12% when comparing YTD actual to YTD Budget.

Service charges - Waste Water Management: reflects an under performance of -5% when comparing the YTD actual revenue to the YTD budget.

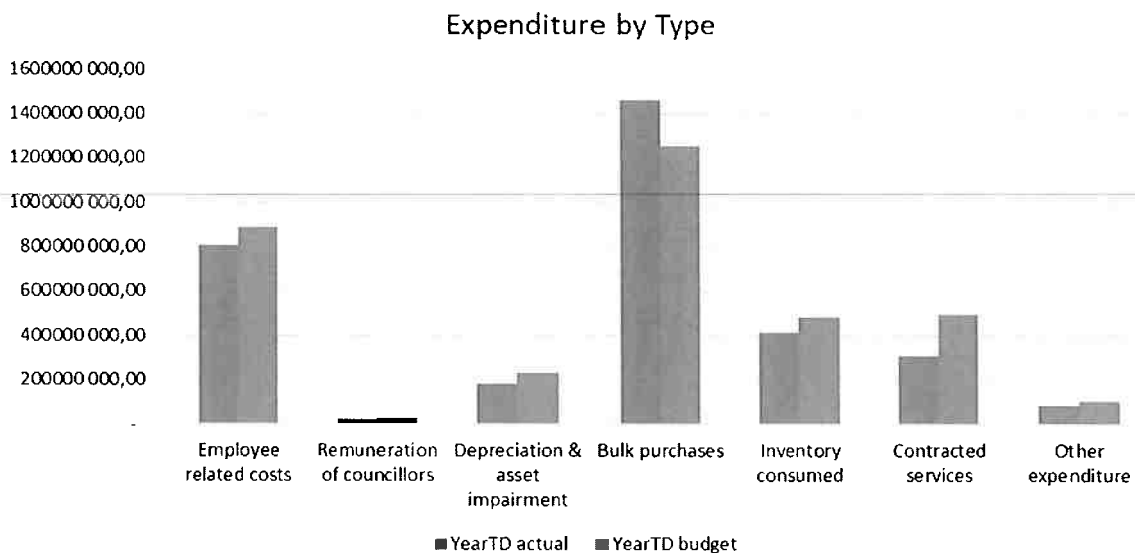
Service charges - Waste management: reflects an under performance of -10% when comparing the YTD actual revenue to the YTD budget.

Interest earned from Receivables: Contributed 5% to the total operating revenue whilst Operational Revenue contributed 1% to the total operating revenue received as at 31 December 2023.

OPERATIONAL EXPENDITURE

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

Chart 5: Expenditure by category



Bulk Purchases: YTD budget figure was R 1.257 billion while the actual costs incurred R1.464 billion resulting in over-expenditure of R206.939.000 million. The budget for Bulk Purchases will need to be adjusted upwards in the mid-year adjustment.

Employee Related Costs: There is an under expenditure of R84.077 million in respect of actual YTD expenditure on employee related costs against the YTD budget. This is due to post that are vacant and yet to be filled. A detailed line item and business unit analysis of the employee related cost is contained in the MFMA S66 report on staff benefits.

Operational costs: YTD budget figure was R107.691 million while the actual costs incurred was R87.153 million resulting in an under-expenditure of R20.538 million.

Interest: YTD budgeted figure for finance charges for as 31 December 2023 amounted to R20.200 million and the Actual YTD was R52.510 million which resulted in variance of R32.309 million.

Contracted Services: YTD Actual for contracted services amounted to R311.197 million, whilst the budget amounted to R497.105 million, which resulted in variance of R185.909 million.

Inventory Consumed: YTD actual figure for inventory consumed as at 31 December amounted to R418.193 million, which is inclusive of water bulk purchases of R347.398 million.

2.6 Municipal Entity Financial Performance

Safe City Msunduzi NPC - Table F1 Monthly Budget Statement Summary - M06 December

Description	2022/23	Current Year 2023/24							
	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	173	80	-	20	114	40	0	184%	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	13 189	14 029	-	3 507	7 013	7 013	(0)	0%	-
Total Revenue (excluding capital transfers and contributions)	13 362	14 109	-	3 527	7 127	7 053	74	1%	-
Employee costs	11 888	11 993	-	1 643	6 258	5 996	261	4%	-
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	846	834	-	65	384	417	(33)	-8%	-
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	2 035	2 034	-	95	923	994	(71)	-7%	-
Total Expenditure	14 770	14 861	-	1 802	7 565	7 408	157	2%	-
Surplus/(Deficit)	(1 407)	(752)	-	1 725	(438)	(355)	(83)	23%	-
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 407)	(752)	-	1 725	(438)	(355)	(83)	23%	-
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 407)	(752)	-	1 725	(438)	(355)	(83)	23%	-
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	4 309	5 072	-	-	4 290	-	-	-	5 072
Total non current assets	7 724	7 305	-	-	7 340	-	-	-	7 305
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	10 768	-	-	10 114	-	-	-	10 768
Cash flows									
Net cash from (used) operating	3 098	282	-	1 784	(66)	41	(107)	-263%	-
Net cash from (used) investing	(72)	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	4 306	4 589	-	1 784	(66)	4 347	(4 413)	-102%	1 280
Debtors & creditors analysis	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	0%	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	0%	-

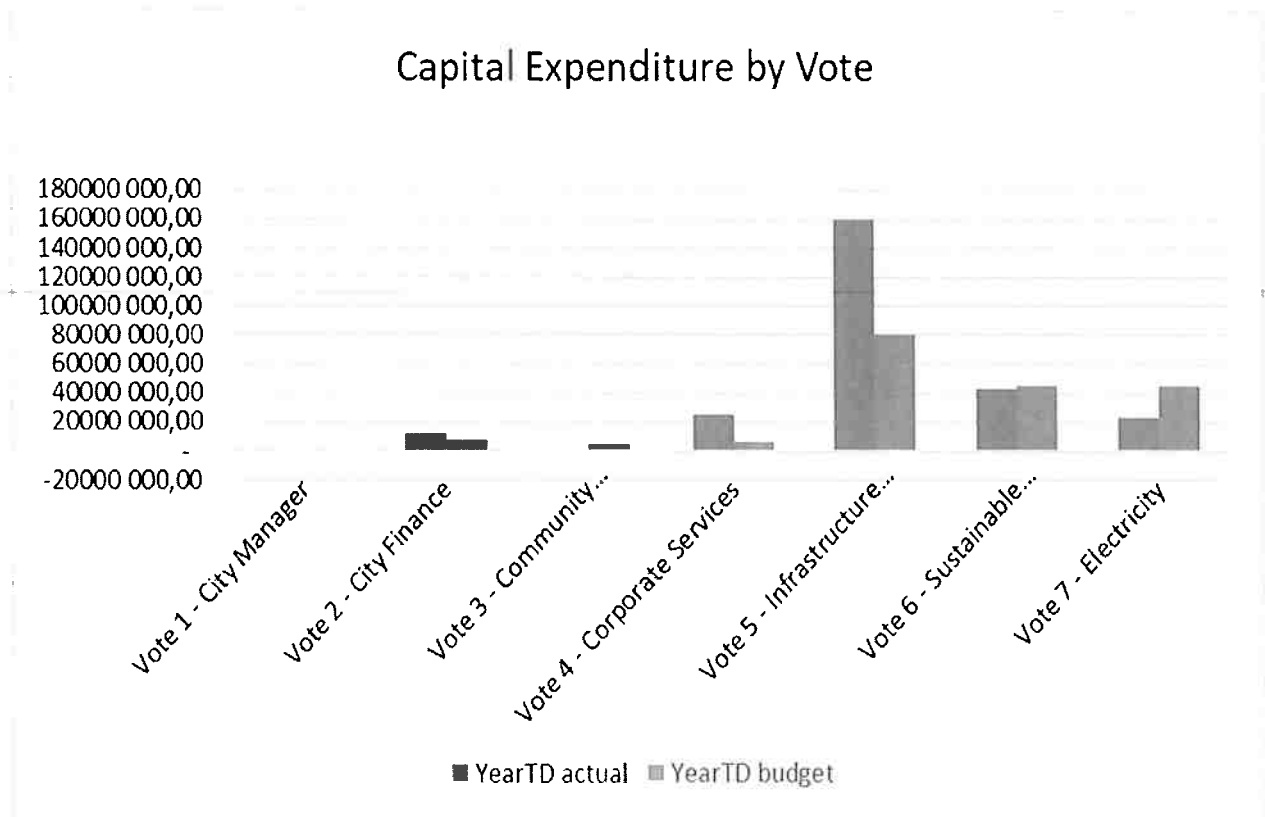
2.7 Capital Programme Performance

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

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2022/23	Budget Year 2023/24							
	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	45 649	64 063		16 310	16 310	64 063	47 754	74,5%	2%
August	45 649	64 063		37 530	53 840	128 127	74 287	58,0%	7%
September	45 649	64 063		51 171	105 010	192 190	87 180	45,4%	14%
October	45 649	64 063		7 816	112 827	256 253	143 427	56,0%	15%
November	45 649	64 063		79 015	191 842	320 317	128 475	40,1%	25%
December	45 649	64 063		73 006	264 848	384 380	119 532	31,1%	34%
January	45 649	64 063				448 443	-		
February	45 649	64 063				512 507	-		
March	45 649	64 063				576 570	-		
April	45 649	64 063				640 633	-		
May	45 649	64 063				704 697	-		
June	45 649	64 063				768 760	-		
Total Capital expenditure	547 790	768 760	-	264 848					

The Total Capital Expenditure as at the end of December amounted to R264.848 million.



KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q2 Second Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		83 119	291 588	-	11 987	45 460	145 794	100 334	68,8%	291 588
Roads Infrastructure		2 070	2 250	-	71	250	1 125	875	77,8%	2 250
<i>Roads</i>		2 070	2 250	-	71	250	1 125	875	77,8%	2 250
Electrical Infrastructure		63 108	194 000	-	5 052	17 295	97 000	79 705	82,2%	194 000
<i>Power Plants</i>		63 108	194 000	-	5 052	17 295	97 000	79 705	82,2%	194 000
Water Supply Infrastructure		4 743	29 860	-	6 865	7 091	14 930	7 839	52,5%	29 860
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>		4 743	29 860	-	6 865	7 091	14 930	7 839	52,5%	29 860
Sanitation Infrastructure		11 811	65 478	-	-	20 824	32 739	11 915	36,4%	65 478
<i>Pump Station</i>										
<i>Reticulation</i>		11 811	65 478	-	-	20 824	32 739	11 915	36,4%	65 478
Solid Waste Infrastructure		1 388	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>		1 388	-	-	-	-	-	-	-	-
Community Assets		37 937	25 607	-	764	12 325	12 804	479	3,7%	25 607
Community Facilities		37 937	25 607	-	764	12 325	12 804	479	3,7%	25 607
<i>Halls</i>		35 824	25 607	-	(0)	11 561	12 804	1 243	9,7%	25 607
<i>Centres</i>		198								
<i>Cemeteries/Crematoria</i>		1 907								
<i>Police</i>					764	764		(764)		
<i>Taxi Ranks/Bus Terminals</i>		8								
<i>Capital Spares</i>										
Other assets		12 611	145 545	-	7 420	34 974	72 773	37 799	51,9%	145 545
Operational Buildings		8 244	10 000	-	-	1 420	5 000	3 580	71,6%	10 000
<i>Municipal Offices</i>		(155)								
<i>Pay/Enquiry Points</i>										
<i>Building Plan Offices</i>										
<i>Workshops</i>		8 399	10 000	-	-	1 420	5 000	3 580	71,6%	10 000
<i>Yards</i>										
Housing		4 367	135 545	-	7 420	33 554	67 773	34 219	50,5%	135 545
<i>Staff Housing</i>										
<i>Social Housing</i>		4 367	135 545	-	7 420	33 554	67 773	34 219	50,5%	135 545
<i>Capital Spares</i>										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		7 986	30 000	-	-	-	15 000	15 000	100,0%	30 000
Servitudes		7 986	30 000	-	-	-	15 000	15 000	100,0%	30 000
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		6 316	15 000	-	2	12 569	7 500	(5 069)	-67,6%	15 000
Furniture and Office Equipment		6 316	15 000	-	2	12 569	7 500	(5 069)	-67,6%	15 000
Machinery and Equipment		9 073	199	-	-	1 878	100	(1 779)	-1787,9%	199
Machinery and Equipment		9 073	199	-	-	1 878	100	(1 779)	-1787,9%	199
Transport Assets		7 760	-	-	-	(65)	-	65		-
Transport Assets		7 760	-	-	-	(65)	-	65		-
Land		-	-	-	-	-	-	-	-	-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>										
<i>Zoological plants and animals</i>										
Total Capital Expenditure on new assets	1	164 802	507 940	-	20 174	107 141	253 970	146 828	57,8%	507 940

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q2

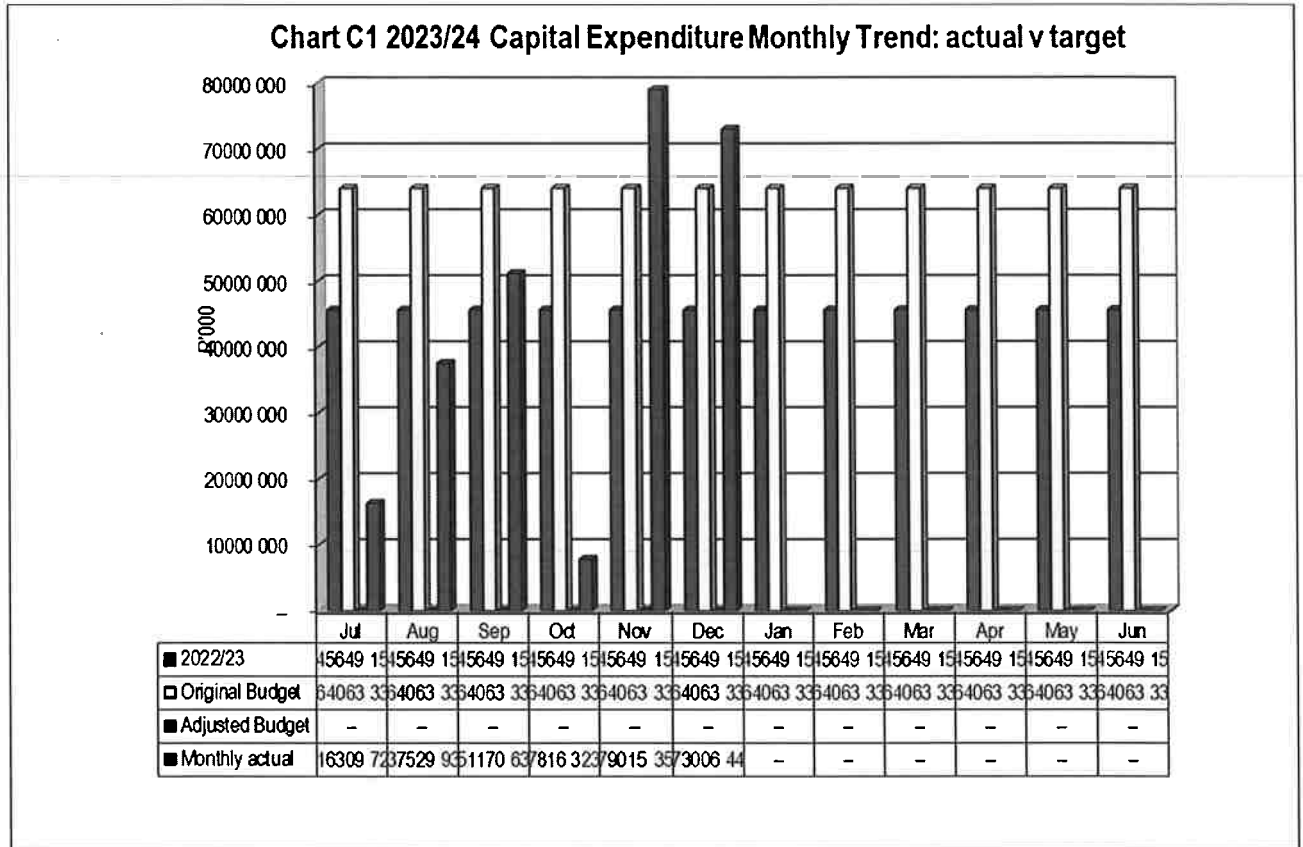
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		115 551	47 356	-	15 364	50 752	23 678	(27 074)	-114,3%	47 356
Roads Infrastructure		115 551	33 150	-	12 012	43 235	16 575	(26 660)	-160,8%	33 150
Roads		115 551	33 150	-	12 012	43 235	16 575	(26 660)	-160,8%	33 150
Sanitation Infrastructure		-	-	-	3 353	7 517	-	(7 517)		-
Pump Station								-		
Reticulation					3 353	7 517		(7 517)		
Waste Water Treatment Works								-		
Coastal Infrastructure		-	14 206	-	-	-	7 103	7 103	100,0%	14 206
Sand Pumps								-		
Piers								-		
Revetments								-		
Promenades			14 206				7 103	7 103	100,0%	14 206
Capital Spares								-		
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Data Centres								-		
Core Layers								-		
Distribution Layers								-		
Capital Spares								-		
Community Assets		175	8 000	-	-	-	4 000	4 000	100,0%	8 000
Community Facilities		175	8 000	-	-	-	4 000	4 000	100,0%	8 000
Halls								-		
Markets		175	8 000				4 000	4 000	100,0%	8 000
Stalls								-		
Other assets		130	-	-	1 250	3 261	-	(3 261)		-
Operational Buildings		130	-	-	1 250	3 261	-	(3 261)		-
Municipal Offices		130	-	-	1 250	3 261	-	(3 261)		-
Pay/Enquiry Points								-		
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes								-		
Licences and Rights								-		
Computer Equipment		-	-	-	-	-	-	-		-
Computer Equipment								-		
Furniture and Office Equipment		-	-	-	-	-	-	-		-
Furniture and Office Equipment								-		
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment								-		
Transport Assets		-	-	-	-	-	-	-		-
Transport Assets								-		
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Living resources		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Immature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Total Capital Expenditure on renewal of existing assets	1	115 855	55 356	-	16 614	54 013	27 678	(26 335)	-95,1%	55 356

KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q2

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		228 972	189 765	-	26 428	92 416	94 882	2 467	2,6%	189 765
Roads Infrastructure		122 865	38 400	-	2 939	33 140	19 200	(13 940)	-72,6%	38 400
Roads		122 865	38 400	-	2 939	33 140	19 200	(13 940)	-72,6%	38 400
Electrical Infrastructure		5 702	-	-	2 219	5 825	-	(5 825)		-
Power Plants		5 702	-	-	2 219	5 825	-	(5 825)		-
Water Supply Infrastructure		60 284	106 065	-	16 946	39 368	53 032	13 664	25,8%	106 065
Dams and Weirs										
Distribution		60 284	106 065	-	16 946	39 368	53 032	13 664	25,8%	106 065
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Pump Station										
Reticulation		35 610	40 300	-	2 133	11 769	20 150	8 381	41,6%	40 300
Waste Water Treatment Works										
Solid Waste Infrastructure		4 511	5 000	-	2 190	2 314	2 500	186	7,4%	5 000
Landfill Sites		4 511	5 000	-	2 190	2 314	2 500	186	7,4%	5 000
Community Assets		-	-	-	(1 780)	433	-	(433)		-
Community Facilities		-	-	-	-	-	-	-		-
Halls										
Centres										
Sport and Recreation Facilities		-	-	-	(1 780)	433	-	(433)		-
Indoor Facilities					(1 780)	433		(433)		
Outdoor Facilities										
Capital Spares										
Heritage assets		-	-	-	-	-	-	-		-
Monuments										
Historic Buildings										
Investment properties		-	-	-	-	-	-	-		-
Revenue Generating		-	-	-	-	-	-	-		-
Other assets		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
Operational Buildings		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
Municipal Offices		38 161	10 700	-	11 571	10 845	5 350	(5 495)	-102,7%	10 700
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-		-
Computer Equipment		-	-	-	-	-	-	-		-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-		-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment										
Transport Assets		-	5 000	-	-	-	2 500	2 500	100,0%	5 000
Transport Assets			5 000	-			2 500	2 500	100,0%	5 000
Land		-	-	-	-	-	-	-		-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-		-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on upgrading of existing	1	267 133	205 465	-	36 218	103 694	102 732	(962)	-0,9%	205 465

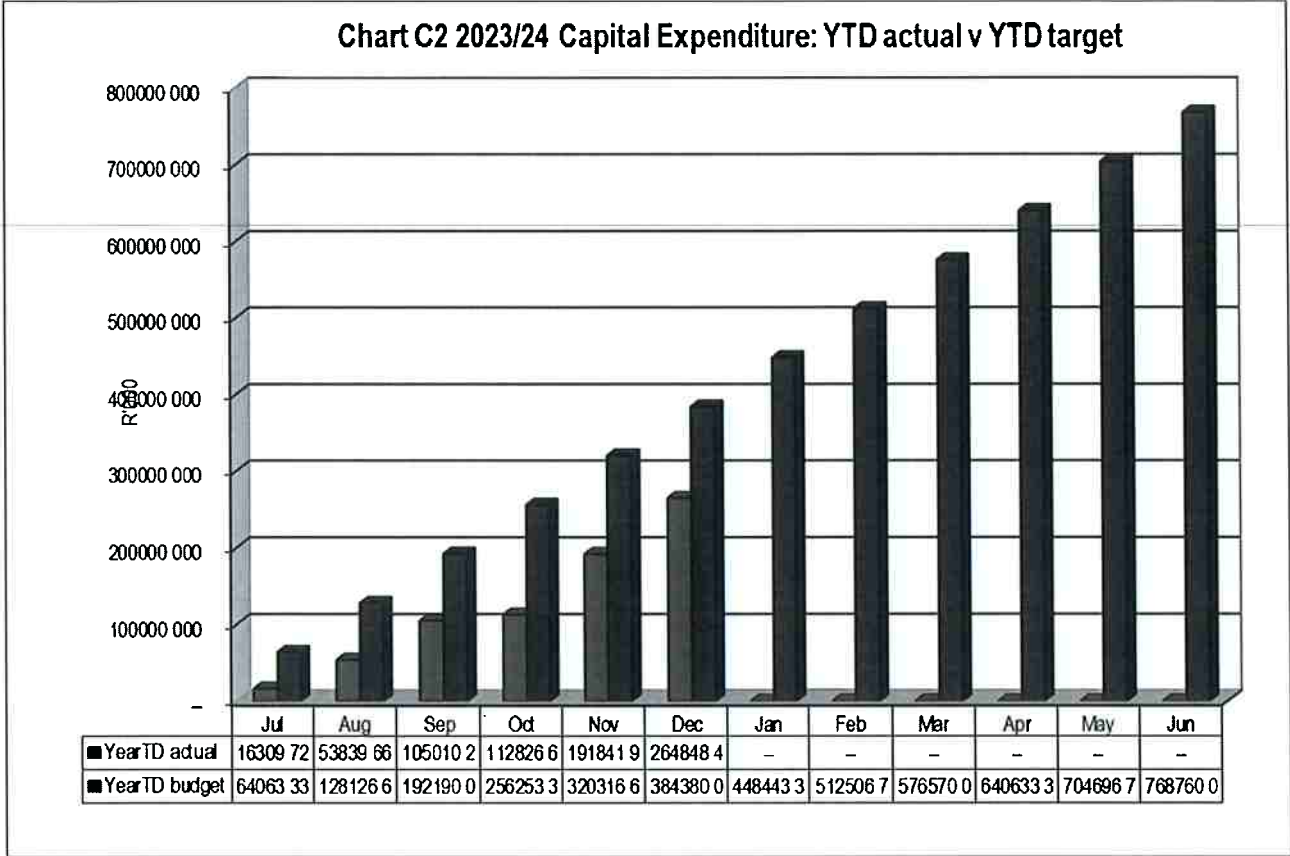
The chart below displays a comparison between the previous year's capital expenditure performances to that of the current year for the month under review.

Chart 6: Capital Expenditure Monthly Trend



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

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



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

Safe City Msunduzi NPC - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2022/23	Current Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue	1									
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste Management								-		
Sale of Goods and Rendering of Services								-		
Agency services								-		
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		173	80		20	114	40	74	183,8%	
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets								-		
Licence and permits								-		
Operational Revenue								-		
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational								-		
Interest								-		
Fuel Levy								-		
Operational Revenue		13 189	14 029	-	3 507	7 013	7 013	(0)	0,0%	
Gains on disposal of Assets								-		
Other Gains								-		
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		13 362	14 109	-	3 527	7 127	7 053	74	1,0%	-
Expenditure By Type										
Employee related costs		11 888	11 993		1 643	6 258	5 996	261	4,4%	
Remuneration of board members								-		
Bulk purchases - electricity								-		
Inventory consumed								-		
Debt impairment								-		
Depreciation and asset impairment	2	846	834		65	384	417	(33)	-8,0%	
Interest								-		
Contracted services		696	345		18	101	173	(71)	-41,3%	
Transfers and subsidies								-		
Irrecoverable debts written off								-		
Operational costs		1 247	1 689		76	822	822	0	0,0%	
Losses on disposal of Assets		92						-		
Other Losses								-		
Total Expenditure	3	14 770	14 861	-	1 802	7 565	7 408	157	2,1%	-
Surplus/(Deficit)		(1 407)	(752)	-	1 725	(438)	(355)	(83)	23,5%	-
Transfers and subsidies - capital (monetary allocations)								-		
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(1 407)	(752)	-	1 725	(438)	(355)	(83)	23,5%	-
Income Tax								-		
Surplus/(Deficit) for the year		(1 407)	(752)	-	1 725	(438)	(355)	(83)		-
References										
1. Revenue includes sales of: (insert description)										
2. Bulk purchases - electricity										
2. Bulk purchases - water										
3. Expenditure includes repairs & maintenance of:										
4. List operating expenditure on allocations as a note (MFMA section 87(11)(f))										
5. Material variances to be explained in Table SF1 (materiality to be defined by the parent municipality)										

Safe City Msunduzi NPC - Table F4 Monthly Budget Statement - Financial Position - M06 December

Vote Description	Ref	2022/23	Current Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		4 306	1 563		4 288	1 563
Trade and other receivables from exchange transactions						
Receivables from non-exchange transactions			3 507		-	3 507
Current portion of non-current receivables						
Inventory						
VAT					-	
Other current assets		3	3		3	3
Total current assets		4 309	5 072	-	4 290	5 072
Non current assets						
Investments						
Investment property						
Property, plant and equipment		7 724	7 305		7 340	7 305
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets						
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		7 724	7 305	-	7 340	7 305
TOTAL ASSETS		12 032	12 377	-	11 630	12 377
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities						
Consumer deposits						
Trade and other payables from exchange transactions						
Trade and other payables from non-exchange transactions						
Provision		1 050	1 151		1 050	1 151
VAT		442	457		466	457
Other current liabilities						
Total current liabilities		-	-	-	-	-
Non current liabilities						
Financial liabilities						
Provision						
Long term portion of trade payables						
Other non-current liabilities						
Total non current liabilities		-	-	-	-	-
TOTAL LIABILITIES		-	-	-	-	-
NET ASSETS	1	12 032	12 377	-	11 630	12 377
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	10 768		10 114	10 768
Reserves						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	1	-	10 768	-	10 114	10 768

References

1. Net assets must balance with Total Community Wealth/Equity

Safe City Msunduzi NPC - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	Ref	2022/23	Current Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		18 381	12 197		3 507	7 013	7 014	(1)	0,0%	
Transfers and Subsidies - Operational								-		
Transfers and Subsidies - Capital								-		
Interest		173	80		20	114	40	74	183,8%	
Dividends								-		
Payments										
Suppliers and employees		(15 456)	(11 995)		(1 743)	(7 193)	(7 013)	(180)	2,6%	
Interest								-		
Dividends paid								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		3 098	282	-	1 784	(66)	41	(107)	-263,2%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(72)						-		
NET CASH FROM/(USED) INVESTING ACTIVITIES		(72)	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		3 026	282	-	1 784	(66)	41	(107)	-263,2%	-
Cash/cash equivalents at the beginnig of year	2	1 280	4 306				4 306	(4 306)	-100,0%	1 280
Cash/cash equivalentents at the end of year	2	4 306	4 589		1 784	(66)	4 347	(4 413)	-101,5%	1 280

