



Msunduzi Municipality
MFMA s71, s72 & s52 (d) Monthly, MidYear & Quarterly Reports

December 2014 REPORT
Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Mayor's Report

The Service Delivery & Budget Implementation Plan (SDBIP) is split into two categories namely Key Performance Indicators that are Operating in nature due to utilization of an Operating Budget to carry out their functions and Key Performance Indicators that are Capital in nature due to utilization of a Capital Budget to carry out their functions. Key Performance Indicators utilizing an Operating Budget achieved 61.84% of the targets as at 31st December 2014, whilst 0% of the targets were not achieved, 9.21% of the targets were partially achieved and 9.20% of the targets were exceeded by more than 50%.

Key Performance Indicators utilizing a Capital Budget achieved 66.66% of the targets as at 31st December 2014, whilst 3.12% of the targets were not achieved, 10.41% of the targets were partially achieved and 3.12% of the targets were exceeded by more than 50%.

The Operational Plan (OP) of Council includes all units that provide support and auxiliary services to other units of Council. The OP Key Performance Indicator and targets of all units are operational in nature and utilize an Operating Budget. Key Performance Indicators utilizing an Operating Budget achieved 34.61% of the targets as at 31st December 2014, whilst 0.76% of the targets were not achieved, 13.07% of the targets were partially achieved and 2.49% of the targets were exceeded by more than 50%. 49.23% of the targets on the OP were not applicable for Quarter 2 ending 31st December 2014.

The Municipality has a Municipal Entity called Safe City. Safe City is entrusted with the monitoring of the city by way of CCTV cameras placed in strategic locations/areas known to be hot spots for crime including theft and break-in's. Safe City's Key Performance Indicators have been included in the SDBIP 2014/2015. According to the information presented for Quarter 2 ending 31st December 2014, it is indicated that the Entity has achieved all the performance targets set for the financial year as at the end of the second quarter.

All the performance information presented on the SDBIP & OP of Council for 2014/2015 will be subjected to Audit by the Internal Audit unit of Council.

The Auditor-General has expressed an unqualified opinion for 2013/2014 with emphasis of matter relating mainly to:

- ✓ Restatement of corresponding figures;
- ✓ Material losses and impairments;
- ✓ Material underspending of capital budget and conditional grants; and
- ✓ Irregular expenditure.

The previous audit opinion in 2012/13 financial year was a qualified opinion. The municipality worked tirelessly on the Revenue-Service charges which were the basis of the opinion as well on the matters of emphasis and significant improvement on the Revenue-Service charges was achieved. Whilst the previous action plan was developed, implemented and monitored on monthly basis in order to deal with matters of emphasis, however, there are still weaknesses as highlighted above.

Further strategies on improving the system of internal control are being employed to deal with matters of emphasis as well as matters on the management report.

1.2 Resolutions

The following recommendations are linked to the responsibilities of the Mayor as contained in s54 of the MFMA.

It is recommended that the Full Council;

1. Notes the quarterly report on the implementation of the budget in terms of s52(d) and monthly report in terms of s71MFMA
2. Notes and adopts the Midyear budget & Performance assessment in terms of s72 of the MFMA.
3. Revise the projections for Revenue & Expenditure in the SDBIP to reflect the adjustments to the Annual Budget.
4. That Municipal Manager as Accounting Officer be mandated to submit the Mid-Year Budget and Performance Assessment in terms of Section 72 of MFMA to National Treasury on or before 25 January 2015.

1.3 Executive Summary

Legislative Requirements

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

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R2 billion for the period ending at 31 December 2014 while the YTD Budget was R1, 9billion. This resulted in an over performance of 5% of the planned revenue mainly due to the under budgeting in the monthly revenue projections. The two main contributors, both accounting for 60% of the actual total YTD Revenue earned are Electricity (42%) & Property Rates revenue (18%). These two revenue sources make up more than 60% of the total YTD budget.

Operating Expenditure: The total YTD operating expenditure for the period ending 31 December 2014 amounted to R1, 8billion while the YTD budget was R1, 7billion resulting in over performance of 8%. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 68% of the YTD expenditure (66% of YTD budget). As at the end of December, the bulk purchases budget was overspent by 16% (R119million) pointing towards a compulsory upward budget adjustment of this budget in order avoid unauthorised expenditure in this line item.

Capital Expenditure: While the YTD capital expenditure budget was R298 million, the actual YTD Capital expenditure incurred amounted to R166million resulting in underperformance of 44% of the capital budget. An increasing trend on Capex budget can seen when comparing the month on month movements.

Grant Receipts: The total operational and capital YTD grant receipts as at 31 December month was R486 million inclusive of YTD equitable of R372 million and YTD MIG of R123million.

Cash & Cash equivalents at 31 December 2014 was of R932million showing an increase of R105 million from the balance at 30 June 2014.

Consumer Debt: Consumer debt at 31 December was R1.6 billion. The increase being due to the 75% collection rate for the period under review

REPORT SUMMARY – NON-FINANCIAL PERFORMANCE

Organisational Overview

A total of 172 targets were set for the first & second quarter of the financial year broken down as follows;

✓ Operating Projects	76	44%
✓ Capital Projects	56	56%

Detailed analysis of SDBIP and related information is elaborated in the chapters to follow.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only)

Monthly Budget Statements Summary

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

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

Description	2013/14	Budget Year 2014/15							Full Year Forecast	
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands										
Financial Performance										
Property rates	625 627	698 283	–	59 223	361 100	349 141	11 959	3%	698 283	
Service charges	2 073 501	2 234 125	–	178 781	1 136 318	1 117 062	19 256	2%	2 234 125	
Investment revenue	43 303	32 247	–	12 051	21 369	16 124	5 245	33%	32 247	
Transfers recognised - operational	448 122	415 372	–	126 973	329 013	207 686	121 327	58%	537 054	
Other own revenue	293 743	190 549	–	13 234	75 641	95 274	(19 634)	-21%	197 022	
Total Revenue (excluding capital transfers and contributions)	3 484 296	3 570 575	–	390 262	1 923 440	1 785 287	138 153	8%	3 698 731	
Employee costs	741 537	855 887	–	66 052	430 112	427 944	2 168	1%	851 448	
Remuneration of Councillors	37 100	39 272	–	3 039	18 292	19 636	(1 344)	-7%	39 272	
Depreciation & asset impairment	453 332	259 469	–	36 362	215 545	129 735	85 810	66%	259 469	
Finance charges	67 174	60 738	–	6 199	27 035	30 369	(3 334)	-11%	60 738	
Materials and bulk purchases	1 458 957	1 504 720	–	140 638	861 312	875 472	(14 160)	-2%	1 751 271	
Transfers and grants	4 429	5 408	–	20	2 386	2 704	(318)	-12%	5 408	
Other expenditure	848 685	774 761	–	86 550	338 707	264 268	74 439	28%	997 288	
Total Expenditure	3 611 214	3 500 255	–	338 860	1 893 388	1 750 127	143 261	8%	3 964 894	
Surplus/(Deficit)	(126 918)	70 320	–	51 402	30 052	35 160	(5 108)	-15%	(266 163)	
Transfers recognised - capital	246 183	293 824	–	23 237	111 630	146 912	(35 282)	-24%	336 484	
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions	119 265	364 144	–	74 639	141 683	182 072	(40 390)	-22%	70 320	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	
Surplus/ (Deficit) for the year	119 265	364 144	–	74 639	141 683	182 072	(40 390)	-22%	70 320	
Capital expenditure & funds sources										
Capital expenditure	351 043	597 754	–	36 204	166 367	298 877	(132 510)	-44%	597 754	
Capital transfers recognised	245 745	293 824	–	26 644	123 007	146 912	(23 905)	-16%	293 824	
Public contributions & donations	279	–	–	–	–	–	–	–	–	
Borrowing	4 134	100 000	–	406	1 510	50 000	(48 490)	-97%	100 000	
Internally generated funds	100 884	203 930	–	9 154	41 850	101 965	(60 115)	-59%	203 930	
Total sources of capital funds	351 043	597 754	–	36 204	166 367	298 877	(132 510)	-44%	597 754	
Financial position										
Total current assets	2 648 051	2 605 848	–		2 730 016				2 605 848	
Total non current assets	6 647 608	7 626 734	–		6 545 296				7 626 734	
Total current liabilities	928 845	1 082 432	–		844 206				1 082 432	
Total non current liabilities	1 118 248	868 990	–		1 114 816				868 990	
Community wealth/Equity	7 248 566	8 281 160	–		7 316 289				8 281 160	
Cash flows										
Net cash from (used) operating	535 377	576 871	852 546	32 096	293 238	206 664	(86 574)	-42%	576 871	
Net cash from (used) investing	(384 130)	(364 442)	(381 882)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)	
Net cash from (used) financing	(42 043)	57 309	(41 453)	(3 765)	(21 544)	(22 587)	(1 043)	5%	57 309	
Cash/cash equivalents at the month/year end	827 273	1 168 290	1 259 973	–	932 600	906 389	(26 211)	-3%	1 097 011	
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	262 610	141 425	68 156	35 349	41 231	36 548	50 174	1 061 742	1 697 236	
Creditors Age Analysis										
Total Creditors	404 339	791	961	128	149	3 981	–	–	410 348	

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

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Standard								
Governance and administration	906 193	1 152 828	140 653	537 505	576 414	(38 908)	-7%	1 152 828
Executive and council	2 799	—	—	1 510	—	1 510		—
Budget and treasury office	897 257	1 149 665	140 345	535 884	574 833	(38 949)	-7%	1 149 665
Corporate services	6 138	3 162	308	111	1 581	(1 470)	-93%	3 162
Community and public safety	195 257	13 361	6 036	44 911	6 680	38 231	572%	13 361
Community and social services	50 663	3 250	1 945	22 862	1 625	21 237	1307%	3 250
Sport and recreation	15 617	729	386	8 386	364	8 022	2201%	729
Public safety	105 742	5 827	2 953	8 965	2 914	6 051	208%	5 827
Housing	18 135	3 485	748	4 645	1 742	2 903	167%	3 485
Health	5 100	70	4	53	35	18	53%	70
Economic and environmental services	147 986	171 598	10 276	87 069	85 799	1 270	1%	171 598
Planning and development	34 717	7 972	3 296	20 864	3 986	16 878	423%	7 972
Road transport	113 269	163 627	6 980	66 205	81 813	(15 609)	-19%	163 627
Environmental protection	—	—	—	—	—	—		—
Trading services	2 435 925	2 437 047	254 141	1 352 227	1 218 524	133 703	11%	2 437 047
Electricity	1 557 360	1 700 095	135 689	860 405	850 048	10 357	1%	1 700 095
Water	571 644	500 521	84 035	339 715	250 261	89 454	36%	500 521
Waste water management	204 031	149 071	21 303	97 302	74 536	22 766	31%	149 071
Waste management	102 891	87 359	13 114	54 805	43 680	11 125	25%	87 359
Other	45 118	89 565	2 394	13 359	44 783	(31 424)	-70%	89 565
Total Revenue - Standard	3 730 479	3 864 399	413 500	2 035 071	1 932 199	102 871	5%	3 864 399
Expenditure - Standard								
Governance and administration	257 389	691 420	59 602	236 735	345 710	(108 975)	-32%	691 420
Executive and council	4 774	384 298	12 732	59 979	192 149	(132 170)	-69%	384 298
Budget and treasury office	245 108	200 157	32 836	103 969	100 078	3 890	4%	200 157
Corporate services	7 508	106 965	14 034	72 787	53 482	19 305	36%	106 965
Community and public safety	572 916	421 741	45 851	242 673	210 871	31 803	15%	421 741
Community and social services	102 566	99 202	10 107	59 635	49 601	10 035	20%	99 202
Sport and recreation	120 260	81 358	9 220	50 891	40 679	10 212	25%	81 358
Public safety	266 751	196 317	21 983	109 458	98 159	11 299	12%	196 317
Housing	48 487	25 149	2 886	13 552	12 574	978	8%	25 149
Health	34 852	19 716	1 655	9 137	9 858	(720)	-7%	19 716
Economic and environmental services	499 240	462 751	37 640	267 938	231 376	36 563	16%	462 751
Planning and development	81 258	128 290	8 309	47 581	64 145	(16 564)	-26%	128 290
Road transport	417 982	334 461	29 331	220 357	167 231	53 127	32%	334 461
Environmental protection	—	—	—	—	—	—		—
Trading services	2 234 736	1 893 221	192 353	1 126 256	946 611	179 645	19%	1 893 221
Electricity	1 371 050	1 374 093	94 175	724 700	687 047	37 654	5%	1 374 093
Water	564 843	406 791	72 321	277 499	203 396	74 103	36%	406 791
Waste water management	177 476	9 621	17 407	76 555	4 810	71 745	1491%	9 621
Waste management	121 367	102 716	8 450	47 502	51 358	(3 856)	-8%	102 716
Other	46 933	31 122	3 415	19 786	15 561	4 225	27%	31 122
Total Expenditure - Standard	3 611 214	3 500 255	338 860	1 893 388	1 750 128	143 260	8%	3 500 255
Surplus/ (Deficit) for the year	119 265	364 144	74 639	141 683	182 072	(40 389)	-22%	364 144

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

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

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Revenue by Vote</u>								
Vote 1 - Corporate Services	38 363	311 882	643	9 083	155 941	(146 858)	-94.2%	27 223
Vote 2 - Financial Management Area	897 335	1 077 719	140 353	535 930	538 860	(2 930)	-0.5%	1 117 187
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 149 620	2 436 060	225 068	1 182 563	1 218 030	(35 467)	-2.9%	2 338 419
Vote 4 - Sustainable Community Service Delivery Provision Management	645 160	38 737	47 436	307 494	19 368	288 126	1487.6%	596 006
Total Revenue by Vote	3 730 479	3 864 399	413 500	2 035 071	1 932 199	102 871	5.3%	4 078 835
<u>Expenditure by Vote</u>								
Vote 1 - Corporate Services	41 255	263 785	24 143	126 250	131 892	(5 643)	-4.3%	288 958
Vote 2 - Financial Management Area	500 880	481 725	33 520	106 409	240 863	(134 453)	-55.8%	368 667
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 573 064	2 273 477	220 011	1 338 604	1 136 738	201 865	17.8%	2 631 005
Vote 4 - Sustainable Community Service Delivery Provision Management	496 014	481 268	61 186	322 125	240 634	81 491	33.9%	719 884
Total Expenditure by Vote	3 611 214	3 500 255	338 860	1 893 388	1 750 127	143 261	8.2%	4 008 514
Surplus/ (Deficit) for the year	119 265	364 144	74 639	141 683	182 072	(40 390)	-22.2%	70 320

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 2014.

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	602 954	659 052	57 120	341 748	329 526	12 222	4%	659 052
Property rates - penalties & collection charges	22 674	39 231	2 103	19 352	19 616	(263)	-1%	39 231
Service charges - electricity revenue	1 486 939	1 628 543	128 546	817 064	814 272	2 792	0%	1 628 543
Service charges - water revenue	380 807	391 288	33 532	215 536	195 644	19 892	10%	391 288
Service charges - sanitation revenue	126 301	126 582	9 922	62 624	63 291	(667)	-1%	126 582
Service charges - refuse revenue	79 454	87 712	6 780	41 095	43 856	(2 761)	-6%	87 712
Service charges - other		-	-	-	-	-		-
Rental of facilities and equipment	21 572	35 024	1 755	11 475	17 512	(6 036)	-34%	35 024
Interest earned - external investments	43 303	32 247	12 051	21 369	16 124	5 245	33%	32 247
Interest earned - outstanding debtors	53 055	1 325	5 269	31 418	663	30 755	4641%	1 325
Dividends received		-	-	-	-	-		-
Fines	102 751	14 667	2 653	7 651	7 333	318	4%	14 667
Licences and permits	81	83	4	51	41	10	24%	83
Agency services	669	3 220	27	267	1 610	(1 343)	-83%	3 220
Transfers recognised - operational	448 122	415 372	126 973	329 013	207 686	121 327	58%	415 372
Other revenue	115 513	136 230	3 528	24 358	68 115	(43 757)	-64%	136 230
Gains on disposal of PPE	103	-	(1)	420	-	420		-
Total Revenue (excluding capital transfers and contributions)	3 484 296	3 570 575	390 262	1 923 440	1 785 287	138 153	8%	3 570 575
Expenditure By Type								
Employee related costs	741 537	855 887	66 052	430 112	427 944	2 168	1%	855 887
Remuneration of councillors	37 100	39 272	3 039	18 292	19 636	(1 344)	-7%	39 272
Debt impairment	112 679	144 577	-	-	72 288	(72 288)	-100%	144 577
Depreciation & asset impairment	453 332	259 469	36 362	215 545	129 735	85 810	66%	259 469
Finance charges	67 174	60 738	6 199	27 035	30 369	(3 334)	-11%	60 738
Bulk purchases	1 453 402	1 479 522	140 291	859 083	739 761	119 322	16%	1 479 522
Other materials	5 555	25 198	348	2 228	135 710	(133 482)	-98%	25 198
Contracted services	21 066	93 051	8 426	18 779	46 525	(27 746)	-60%	93 051
Transfers and grants	4 429	5 408	20	2 386	2 704	(318)	-12%	5 408
Other expenditure	702 648	537 133	77 839	319 623	145 454	174 169	120%	537 133
Loss on disposal of PPE	12 291	-	285	305	-	305		-
Total Expenditure	3 611 214	3 500 255	338 860	1 893 388	1 750 127	143 261	8%	3 500 255
Surplus/(Deficit)	(126 918)	70 320	51 402	30 052	35 160	(5 108)	-15%	70 320
Transfers recognised - capital	246 183	293 824	23 237	111 630	146 912	(35 282)	-24%	293 824
Contributions recognised - capital					-	-		
Contributed assets					-	-		
Surplus/(Deficit) after capital transfers & contributions	119 265	364 144	74 639	141 683	182 072			364 144
Taxation						-		
Surplus/(Deficit) after taxation	119 265	364 144	74 639	141 683	182 072			364 144
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	119 265	364 144	74 639	141 683	182 072			364 144
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	119 265	364 144	74 639	141 683	182 072			364 144

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

Capital Expenditure

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

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December								
Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Corporate Services	1 040	25 454	1 133	11 297	12 727	(1 430)	-11%	25 454
Vote 2 - Financial Management Area	–	24 417	–	–	12 209	(12 209)	-100%	24 417
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	96 049	321 922	11 173	42 134	160 961	(118 828)	-74%	321 922
Vote 4 - Sustainable Community Service Delivery Provision Management	11 595	74 305	2 169	10 199	37 152	(26 954)	-73%	74 305
Total Capital Multi-year expenditure	108 685	446 098	14 475	63 630	223 049	(159 419)	-71%	446 098
Single Year expenditure appropriation								
Vote 1 - Corporate Services	44 973	3 818	5 960	16 660	1 909	14 751	773%	3 818
Vote 2 - Financial Management Area	250	10 479	2 461	2 751	5 240	(2 489)	-48%	10 479
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	169 828	112 441	11 831	76 032	56 220	19 811	35%	112 441
Vote 4 - Sustainable Community Service Delivery Provision Management	27 307	24 918	1 477	7 295	12 459	(5 164)	-41%	24 918
Total Capital single-year expenditure	242 358	151 656	21 729	102 737	75 828	26 909	35%	151 656
Total Capital Expenditure	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
Capital Expenditure - Standard Classification								
Governance and administration	64 667	23 899	6 870	23 209	11 950	11 259	94%	23 899
Executive and council	12 623	1 961	47	1 260	981	279	28%	1 961
Budget and treasury office	147	21 938	6 823	21 949	10 969	10 980	100%	21 938
Corporate services	51 897	–	–	–	–	–	–	–
Community and public safety	20 957	10 656	2 513	14 450	5 328	9 122	171%	10 656
Community and social services	5 138	4 128	196	2 539	2 064	475	23%	4 128
Sport and recreation	15 297	6 008	2 288	11 087	3 004	8 083	269%	6 008
Public safety	497	520	–	173	260	(87)	-33%	520
Housing	25	–	29	651	–	651	–	–
Health	–	–	–	–	–	–	–	–
Economic and environmental services	96 580	350 836	9 279	58 678	175 418	(116 740)	-67%	350 836
Planning and development	11 786	173 873	4 720	17 074	86 937	(69 863)	-80%	173 873
Road transport	84 794	176 963	4 559	41 604	88 481	(46 877)	-53%	176 963
Environmental protection	–	–	–	–	–	–	–	–
Trading services	151 077	179 896	16 711	66 940	89 948	(23 008)	-26%	179 896
Electricity	67 823	95 035	1 843	25 009	47 517	(22 508)	-47%	95 035
Water	34 956	59 191	7 043	17 046	29 596	(12 549)	-42%	59 191
Waste water management	43 597	14 129	6 607	21 228	7 064	14 164	200%	14 129
Waste management	4 701	11 541	1 218	3 657	5 770	(2 114)	-37%	11 541
Other	17 763	32 468	831	3 090	16 234	(13 144)	-81%	32 468
Total Capital Expenditure - Standard Classification	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
Funded by:								
National Government	175 522	283 897	20 316	97 854	141 949	(44 094)	-31%	283 897
Provincial Government	69 578	9 927	6 328	25 153	4 964	20 189	407%	9 927
District Municipality	–	–	–	–	–	–	–	–
Other transfers and grants	646	–	–	–	–	–	–	–
Transfers recognised - capital	245 745	293 824	26 644	123 007	146 912	(23 905)	-16%	293 824
Public contributions & donations	279	–	–	–	–	–	–	–
Borrowing	4 134	100 000	406	1 510	50 000	(48 490)	-97%	100 000
Internally generated funds	100 884	203 930	9 154	41 850	101 965	(60 115)	-59%	203 930
Total Capital Funding	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754

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 2014 while the paragraphs that follow analyse some of the key ratios based on the data in this table and the previous tables.

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

Description	2013/14	Budget Year 2014/15		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash	49 972	320 733	53 578	320 733
Call investment deposits	784 203	555 595	857 649	555 595
Consumer debtors	667 397	767 954	909 092	767 954
Other debtors	403 194	156 279	167 804	156 279
Current portion of long-term receivables	46	42 691	–	42 691
Inventory	743 239	762 596	741 893	762 596
Total current assets	2 648 051	2 605 848	2 730 016	2 605 848
Non current assets				
Long-term receivables	9 588	8 771	8 441	8 771
Investments	–	46	46	46
Investment property	356 914	320 520	–	320 520
Investments in Associate	–	–	–	–
Property, plant and equipment	6 054 916	7 283 930	6 536 809	7 283 930
Agricultural	177 572	–	–	–
Biological assets	46 520	648	–	648
Intangible assets	2 098	3 959	–	3 959
Other non-current assets	–	8 860	–	8 860
Total non current assets	6 647 608	7 626 734	6 545 296	7 626 734
TOTAL ASSETS	9 295 659	10 232 582	9 275 311	10 232 582
LIABILITIES				
Current liabilities				
Bank overdraft	338	–	–	–
Borrowing	42 691	42 691	23 086	42 691
Consumer deposits	85 109	87 548	88 457	87 548
Trade and other payables	502 516	948 479	410 348	948 479
Provisions	298 191	3 714	322 316	3 714
Total current liabilities	928 845	1 082 432	844 206	1 082 432
Non current liabilities				
Borrowing	496 829	100 000	493 965	100 000
Provisions	621 419	768 990	620 850	768 990
Total non current liabilities	1 118 248	868 990	1 114 816	868 990
TOTAL LIABILITIES	2 047 093	1 951 422	1 959 022	1 951 422
NET ASSETS	7 248 566	8 281 160	7 316 289	8 281 160
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	7 197 023	8 237 940	7 263 375	8 237 940
Reserves	51 543	43 220	52 914	43 220
TOTAL COMMUNITY WEALTH/EQUITY	7 248 566	8 281 160	7 316 289	8 281 160

Table C7 below display the Cash Flow Statement for the month ending December 2014.

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	2 827 035	3 015 567	235 282	1 568 605	1 586 208	(17 603)	-1%	3 015 567
Government - operating	442 598	415 372	19 904	281 614	210 977	70 637	33%	415 372
Government - capital	251 706	293 824	23 658	183 538	141 948	41 590	29%	293 824
Interest	96 358	32 247	2 338	31 431	14 025	17 406	124%	32 247
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(3 015 146)	(3 113 993)	(221 915)	(1 738 464)	(1 711 328)	27 136	-2%	(3 113 993)
Finance charges	(67 174)	(60 738)	(26 900)	(31 101)	(32 300)	(1 199)	4%	(60 738)
Transfers and Grants	-	(5 408)	(270)	(2 386)	(2 866)	(480)	17%	(5 408)
NET CASH FROM/(USED) OPERATING ACTIVITIES	535 377	576 871	32 096	293 238	206 664	(86 574)	-42%	576 871
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	9 191	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(20 810)	-	-	-	-	-	-	-
Payments								
Capital assets	(372 511)	(364 442)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(384 130)	(364 442)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	100 000	-	-	100 000	(100 000)	-100%	100 000
Increase (decrease) in consumer deposits	5 520	-	-	1 825	-	1 825	-	-
Payments								
Repayment of borrowing	(47 563)	(42 691)	(3 765)	(23 368)	(22 587)	781	-3%	(42 691)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(42 043)	57 309	(3 765)	(21 544)	77 413	98 957	128%	57 309
NET INCREASE/ (DECREASE) IN CASH HELD	109 204	269 738	16 916	105 327	175 627			269 738
Cash/cash equivalents at beginning:	718 068	898 552		827 273	830 762			827 273
Cash/cash equivalents at month/year end:	827 273	1 168 290		932 600	1 006 389			1 097 011

Consolidated Budget Tables (With Municipal Entity: Safe City)

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	625 627	698 283	59 223	361 100	349 141	11 959	3%	698 283
Service charges	2 073 501	2 234 125	178 781	1 136 318	1 117 062	19 256	2%	2 234 125
Investment revenue	43 343	32 292	12 054	21 389	16 146	5 243	32%	32 247
Transfers recognised - operational	448 122	415 372	126 973	329 013	207 686	121 327	58%	537 054
Other own revenue	293 776	190 549	13 234	75 641	95 274	(19 634)	-21%	197 022
Total Revenue (excluding capital transfers and contributions)	3 484 369	3 570 620	390 265	1 923 461	1 785 310	138 151	8%	3 698 731
Employee costs	744 988	859 582	66 527	432 093	429 791	2 302	1%	851 448
Remuneration of Councillors	37 100	39 272	3 039	18 292	19 636	(1 344)	-7%	39 272
Depreciation & asset impairment	452 697	259 497	36 363	215 552	129 748	85 804	66%	259 469
Finance charges	67 174	60 746	6 200	27 040	30 373	(3 333)	-11%	60 738
Materials and bulk purchases	1 592 625	1 504 996	140 640	861 396	752 498	108 898	14%	1 751 271
Transfers and grants	218	239	20	119	120	(1)	-0%	5 408
Other expenditure	716 572	775 812	86 595	339 202	387 906	(48 704)	-13%	997 288
Total Expenditure	3 611 374	3 500 144	339 383	1 893 693	1 750 072	143 621	8%	3 964 894
Surplus/(Deficit)	(127 005)	70 477	50 881	29 768	35 238	(5 471)	-16%	(266 163)
Transfers recognised - capital	246 183	293 824	23 237	111 630	146 912	(35 282)	-24%	336 484
Contributions & Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	119 178	364 301	74 119	141 398	182 150	(40 752)	-22%	70 320
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	119 178	364 301	74 119	141 398	182 150	(40 752)	-22%	70 320
Capital expenditure & funds sources								
Capital expenditure	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
Capital transfers recognised	245 745	293 824	26 644	123 007	146 912	(23 905)	-16%	293 824
Public contributions & donations	279	-	-	-	-	-	-	-
Borrowing	4 134	100 000	406	1 510	50 000	(48 490)	-97%	100 000
Internally generated funds	100 884	203 930	9 154	41 850	101 965	(60 115)	-59%	203 930
Total sources of capital funds	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
Financial position								
Total current assets	2 648 764	2 605 848		2 730 510				2 605 848
Total non current assets	6 647 767	7 626 734		6 545 450				7 626 734
Total current liabilities	928 845	1 082 432		844 206				1 082 432
Total non current liabilities	1 118 248	868 990		1 114 816				868 990
Community wealth/Equity	7 249 438	8 281 160		7 316 938				8 281 160
Cash flows								
Net cash from (used) operating	608 007	577 313	31 576	292 958	206 526	(86 432)	-42%	577 313
Net cash from (used) investing	(382 821)	(364 442)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)
Net cash from (used) financing	(42 040)	57 309	(3 765)	(21 544)	77 413	98 957	128%	57 309
Cash/cash equivalents at the month/year end	902 319	1 169 837	-	932 320	1 075 146	142 826	13%	1 097 453
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	262 610	141 425	35 349	41 231	36 548	50 174	1 061 742	1 697 236
Creditors Age Analysis								
Total Creditors	404 339	791	128	149	3 981	-	-	410 348

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Standard								
Governance and administration	913 668	1 152 828	140 653	537 505	576 414	(38 908)	-7%	1 152 828
Executive and council	2 799	—	—	1 510	—	1 510	—	—
Budget and treasury office	904 732	1 149 665	140 345	535 884	574 833	(38 949)	-7%	1 149 665
Corporate services	6 138	3 162	308	111	1 581	(1 470)	-93%	3 162
Community and public safety	187 752	13 406	6 039	44 932	6 703	38 229	570%	13 406
Community and social services	50 663	3 250	1 945	22 862	1 625	21 237	1307%	3 250
Sport and recreation	15 617	729	386	8 386	364	8 022	2201%	729
Public safety	98 237	5 873	2 956	8 985	2 936	6 049	206%	5 873
Housing	18 135	3 485	748	4 645	1 742	2 903	167%	3 485
Health	5 100	70	4	53	35	18	53%	70
Economic and environmental services	147 986	171 598	10 276	87 069	85 799	1 270	1%	171 598
Planning and development	34 717	7 972	3 296	20 864	3 986	16 878	423%	7 972
Road transport	113 269	163 627	6 980	66 205	81 813	(15 609)	-19%	163 627
Environmental protection	—	—	—	—	—	—	—	—
Trading services	2 436 028	2 437 047	254 141	1 352 227	1 218 524	133 703	11%	2 437 047
Electricity	1 557 462	1 700 095	135 689	860 405	850 048	10 357	1%	1 700 095
Water	571 644	500 521	84 035	339 715	250 261	89 454	36%	500 521
Waste water management	204 031	149 071	21 303	97 302	74 536	22 766	31%	149 071
Waste management	102 891	87 359	13 114	54 805	43 680	11 125	25%	87 359
Other	45 118	89 565	2 394	13 359	44 783	(31 424)	-70%	89 565
Total Revenue - Standard	3 730 551	3 864 444	413 502	2 035 091	1 932 222	102 869	5%	3 864 444
Expenditure - Standard								
Governance and administration	254 749	691 420	59 602	236 735	345 710	(108 975)	-32%	691 420
Executive and council	4 774	384 298	12 732	59 979	192 149	(132 170)	-69%	384 298
Budget and treasury office	245 108	200 157	32 836	103 969	100 078	3 890	4%	200 157
Corporate services	4 867	106 965	14 034	72 787	53 482	19 305	36%	106 965
Community and public safety	565 703	421 630	46 374	242 979	210 815	32 164	15%	421 630
Community and social services	102 566	99 202	10 107	59 635	49 601	10 035	20%	99 202
Sport and recreation	120 260	81 358	9 220	50 891	40 679	10 212	25%	81 358
Public safety	259 538	196 206	22 506	109 763	98 103	11 660	12%	196 206
Housing	48 487	25 149	2 886	13 552	12 574	978	8%	25 149
Health	34 852	19 716	1 655	9 137	9 858	(720)	-7%	19 716
Economic and environmental services	509 355	462 751	37 640	267 938	231 376	36 563	16%	462 751
Planning and development	81 258	128 290	8 309	47 581	64 145	(16 564)	-26%	128 290
Road transport	428 097	334 461	29 331	220 357	167 231	53 127	32%	334 461
Environmental protection	—	—	—	—	—	—	—	—
Trading services	2 234 633	1 893 221	192 353	1 126 256	946 611	179 645	19%	1 893 221
Electricity	1 370 948	1 374 093	94 175	724 700	687 047	37 654	5%	1 374 093
Water	564 843	406 791	72 321	277 499	203 396	74 103	36%	406 791
Waste water management	177 476	9 621	17 407	76 555	4 810	71 745	1491%	9 621
Waste management	121 367	102 716	8 450	47 502	51 358	(3 856)	-8%	102 716
Other	46 933	31 122	3 415	19 786	15 561	4 225	27%	31 122
Total Expenditure - Standard	3 611 374	3 500 144	339 383	1 893 693	1 750 072	143 621	8%	3 500 144
Surplus/ (Deficit) for the year	119 178	364 301	74 119	141 398	182 150	(40 752)	-22%	364 301

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

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Revenue by Vote</u>								
Vote 1 - Corporate Services	38 363	311 882	643	9 083	155 941	(146 858)	-94.2%	27 223
Vote 2 - Financial Management Area	918 678	1 077 719	140 353	535 930	538 860	(2 930)	-0.5%	1 117 187
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 138 133	2 436 060	225 068	1 182 563	1 218 030	(35 467)	-2.9%	2 338 419
Vote 4 - Sustainable Community Service Delivery Provision Management	635 378	38 782	47 438	307 515	19 391	288 124	1485.9%	596 006
Total Revenue by Vote	3 730 551	3 864 444	413 502	2 035 091	1 932 222	102 869	5.3%	4 078 835
<u>Expenditure by Vote</u>								
Vote 1 - Corporate Services	41 255	263 785	24 143	126 250	131 892	(5 643)	-4.3%	288 958
Vote 2 - Financial Management Area	268 565	481 725	33 520	106 409	240 863	(134 453)	-55.8%	368 667
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 559 094	2 273 477	220 011	1 338 604	1 136 739	201 865	17.8%	2 631 005
Vote 4 - Sustainable Community Service Delivery Provision Management	742 459	481 157	61 709	322 431	240 578	81 852	34.0%	719 884
Total Expenditure by Vote	3 611 374	3 500 144	339 383	1 893 693	1 750 072	143 621	8.2%	4 008 514
Surplus/ (Deficit) for the year	119 178	364 301	74 119	141 398	182 150	(40 752)	-22.4%	70 320

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	602 954	659 052	57 120	341 748	329 526	12 222	4%	659 052
Property rates - penalties & collection charges	22 674	39 231	2 103	19 352	19 616	(263)	-1%	39 231
Service charges - electricity revenue	1 486 939	1 628 543	128 546	817 064	814 272	2 792	0%	1 628 543
Service charges - water revenue	380 807	391 288	33 532	215 536	195 644	19 892	10%	391 288
Service charges - sanitation revenue	126 301	126 582	9 922	62 624	63 291	(667)	-1%	126 582
Service charges - refuse revenue	79 454	87 712	6 780	41 095	43 856	(2 761)	-6%	87 712
Service charges - other	-	-	-	-	-	-	-	-
Rental of facilities and equipment	21 572	35 024	1 755	11 475	17 512	(6 036)	-34%	37 437
Interest earned - external investments	43 343	32 292	12 054	21 389	16 146	5 243	32%	32 247
Interest earned - outstanding debtors	53 055	1 325	5 269	31 418	663	30 755	4641%	60 057
Dividends received	-	-	-	-	-	-	-	-
Fines	102 751	14 667	2 653	7 651	7 333	318	4%	18 730
Licences and permits	81	83	4	51	41	10	24%	83
Agency services	669	3 220	27	267	1 610	(1 343)	-83%	599
Transfers recognised - operational	448 122	415 372	126 973	329 013	207 686	121 327	58%	537 054
Other revenue	115 545	136 230	3 528	24 358	68 115	(43 757)	-64%	80 116
Gains on disposal of PPE	102	-	(1)	420	-	420	-	-
Total Revenue (excluding capital transfers and contributions)	3 484 369	3 570 620	390 265	1 923 461	1 785 310	138 151	8%	3 698 731
Expenditure By Type								
Employee related costs	744 988	859 582	66 527	432 093	429 791	2 302	1%	851 448
Remuneration of councillors	37 100	39 272	3 039	18 292	19 636	(1 344)	-7%	39 272
Debt impairment	112 679	144 577	-	-	72 288	(72 288)	-100%	144 577
Depreciation & asset impairment	452 697	259 497	36 363	215 552	129 748	85 804	66%	259 469
Finance charges	67 174	60 746	6 200	27 040	30 373	(3 333)	-11%	60 738
Bulk purchases	1 453 402	1 479 522	140 291	859 083	739 761	119 322	16%	1 479 522
Other materials	139 222	25 474	349	2 313	12 737	(10 424)	-82%	271 749
Contracted services	21 066	93 302	8 445	18 931	46 651	(27 720)	-59%	20 195
Transfers and grants	218	239	20	119	120	(1)	0%	5 408
Other expenditure	582 430	537 933	77 865	319 966	268 967	50 999	19%	832 515
Loss on disposal of PPE	396	-	285	305	-	305	-	-
Total Expenditure	3 611 374	3 500 144	339 383	1 893 693	1 750 072	143 621	8%	3 964 894
Surplus/(Deficit)	(127 005)	70 477	50 881	29 768	35 238	(5 471)	-16%	(266 163)
Transfers recognised - capital	246 183	293 824	23 237	111 630	146 912	(35 282)	-24%	336 484
Contributions recognised - capital					-	-		
Contributed assets					-	-		
Surplus/(Deficit) after capital transfers & contributions	119 178	364 301	74 119	141 398	182 150			70 320
Taxation						-		
Surplus/(Deficit) after taxation	119 178	364 301	74 119	141 398	182 150			70 320
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	119 178	364 301	74 119	141 398	182 150			70 320
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	119 178	364 301	74 119	141 398	182 150			70 320

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

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Multi-Year expenditure appropriation</u>								
Vote 1 - Corporate Services	1 040	25 454	1 133	11 297	12 727	(1 430)	-11%	25 454
Vote 2 - Financial Management Area	–	24 417	–	–	12 209	(12 209)	-100%	24 417
Vote 3 - Infrastructure Development, Service Delivery and	96 049	321 922	11 173	42 134	160 961	(118 828)	-74%	321 922
Vote 4 - Sustainable Community Service Delivery Provision	11 595	74 305	2 169	10 199	37 152	(26 954)	-73%	74 305
Total Capital Multi-year expenditure	108 685	446 098	14 475	63 630	223 049	(159 419)	-71%	446 098
<u>Single Year expenditure appropriation</u>								
Vote 1 - Corporate Services	44 973	3 818	5 960	16 660	1 909	14 751	773%	3 818
Vote 2 - Financial Management Area	250	10 479	2 461	2 751	5 240	(2 489)	-48%	10 479
Vote 3 - Infrastructure Development, Service Delivery and	169 828	112 441	11 831	76 032	56 220	19 811	35%	112 441
Vote 4 - Sustainable Community Service Delivery Provision	27 307	24 918	1 477	7 295	12 459	(5 164)	-41%	24 918
Total Capital single-year expenditure	242 358	151 656	21 729	102 737	75 828	26 909	35%	151 656
Total Capital Expenditure	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
<u>Capital Expenditure - Standard Classification</u>								
<i>Governance and administration</i>	64 667	23 899	6 870	23 209	11 950	11 259	94%	23 899
Executive and council	12 623	1 961	47	1 260	981	279	28%	1 961
Budget and treasury office	147	21 938	6 823	21 949	10 969	10 980	100%	21 938
Corporate services	51 897	–	–	–	–	–	–	–
<i>Community and public safety</i>	20 957	10 656	2 513	14 450	5 328	9 122	171%	10 656
Community and social services	5 138	4 128	196	2 539	2 064	475	23%	4 128
Sport and recreation	15 297	6 008	2 288	11 087	3 004	8 083	269%	6 008
Public safety	497	520	–	173	260	(87)	-33%	520
Housing	25	–	29	651	–	651	–	–
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	96 580	350 836	9 279	58 678	175 418	(116 740)	-67%	350 836
Planning and development	11 786	173 873	4 720	17 074	86 937	(69 863)	-80%	173 873
Road transport	84 794	176 963	4 559	41 604	88 481	(46 877)	-53%	176 963
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	151 077	179 896	16 711	66 940	89 948	(23 008)	-26%	179 896
Electricity	67 823	95 035	1 843	25 009	47 517	(22 508)	-47%	95 035
Water	34 956	59 191	7 043	17 046	29 596	(12 549)	-42%	59 191
Waste water management	43 597	14 129	6 607	21 228	7 064	14 164	200%	14 129
Waste management	4 701	11 541	1 218	3 657	5 770	(2 114)	-37%	11 541
<i>Other</i>	17 763	32 468	831	3 090	16 234	(13 144)	-81%	32 468
Total Capital Expenditure - Standard Classification	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754
<u>Funded by:</u>								
National Government	175 522	283 897	20 316	97 854	141 949	(44 094)	-31%	283 897
Provincial Government	69 578	9 927	6 328	25 153	4 964	20 189	407%	9 927
District Municipality	–	–	–	–	–	–	–	–
Other transfers and grants	646	–	–	–	–	–	–	–
Transfers recognised - capital	245 745	293 824	26 644	123 007	146 912	(23 905)	-16%	293 824
Public contributions & donations	279	–	–	–	–	–	–	–
Borrowing	4 134	100 000	406	1 510	50 000	(48 490)	-97%	100 000
Internally generated funds	100 884	203 930	9 154	41 850	101 965	(60 115)	-59%	203 930
Total Capital Funding	351 043	597 754	36 204	166 367	298 877	(132 510)	-44%	597 754

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

Description	2013/14	Budget Year 2014/15		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash	50 641	320 733	53 627	320 733
Call investment deposits	784 203	555 595	858 092	555 595
Consumer debtors	667 397	767 954	909 092	767 954
Other debtors	403 237	156 279	167 806	156 279
Current portion of long-term receivables	46	42 691	–	42 691
Inventory	743 239	762 596	741 893	762 596
Total current assets	2 648 764	2 605 848	2 730 510	2 605 848
Non current assets				
Long-term receivables	9 588	8 771	8 441	8 771
Investments		46	46	46
Investment property	356 914	320 520	–	320 520
Investments in Associate		–	–	–
Property, plant and equipment	6 055 076	7 283 930	6 536 963	7 283 930
Agricultural	177 572	–	–	–
Biological assets	46 520	648		648
Intangible assets	2 098	3 959	–	3 959
Other non-current assets		8 860	–	8 860
Total non current assets	6 647 767	7 626 734	6 545 450	7 626 734
TOTAL ASSETS	9 296 531	10 232 582	9 275 960	10 232 582
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Borrowing	43 029	42 691	23 086	42 691
Consumer deposits	85 109	87 548	88 457	87 548
Trade and other payables	793 830	948 479	410 348	948 479
Provisions	6 877	3 714	322 316	3 714
Total current liabilities	928 845	1 082 432	844 206	1 082 432
Non current liabilities				
Borrowing	497 398	100 000	493 965	100 000
Provisions	620 850	768 990	620 850	768 990
Total non current liabilities	1 118 248	868 990	1 114 816	868 990
TOTAL LIABILITIES	2 047 093	1 951 422	1 959 022	1 951 422
NET ASSETS	7 249 438	8 281 160	7 316 938	8 281 160
COMMUNITY WEALTH/EQUITY				
Accumulated Surplus/(Deficit)	7 197 895	8 237 940	7 264 024	8 237 940
Reserves	51 543	43 220	52 914	43 220
TOTAL COMMUNITY WEALTH/EQUITY	7 249 438	8 281 160	7 316 938	8 281 160

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	2 833 652	3 015 586	235 282	1 568 605	1 586 208	(17 603)	-1%	3 015 586
Government - operating	442 598	415 372	19 904	281 614	210 977	70 637	33%	415 372
Government - capital	251 707	293 824	23 658	183 538	141 948	41 590	29%	293 824
Interest	96 358	32 292	2 340	31 450	14 044	17 406	124%	32 292
Payments								
Suppliers and employees	(2 949 120)	(3 118 776)	(222 436)	(1 741 024)	(1 713 748)	27 276	-2%	(3 118 776)
Finance charges	(67 187)	(60 746)	(26 901)	(31 106)	(32 304)	(1 198)	4%	(60 746)
Transfers and Grants	-	(239)	(270)	(119)	(599)	(480)	80%	(239)
NET CASH FROM/(USED) OPERATING ACTIVITIES	608 007	577 313	31 576	292 958	206 526	(86 432)	-42%	577 313
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	9 191	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(18 552)	-	-	-	-	-	-	-
Payments								
Capital assets	(373 461)	(364 442)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(382 821)	(364 442)	(11 416)	(166 367)	(108 450)	57 917	-53%	(364 442)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	-	100 000	-	-	100 000	(100 000)	-100%	100 000
Increase (decrease) in consumer deposits	5 523	-	-	1 825	-	1 825	-	-
Payments								
Repayment of borrowing	(47 563)	(42 691)	(3 765)	(23 368)	(22 587)	781	-3%	(42 691)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(42 040)	57 309	(3 765)	(21 544)	77 413	98 957	128%	57 309
NET INCREASE/ (DECREASE) IN CASH HELD	183 146	270 180	16 396	105 047	175 489			270 180
Cash/cash equivalents at beginning:	719 174	899 657		827 273	899 657			827 273
Cash/cash equivalents at month/year end:	902 319	1 169 837		932 320	1 075 146			1 097 453

2. PART 2 – SUPPORTING DOCUMENTATION

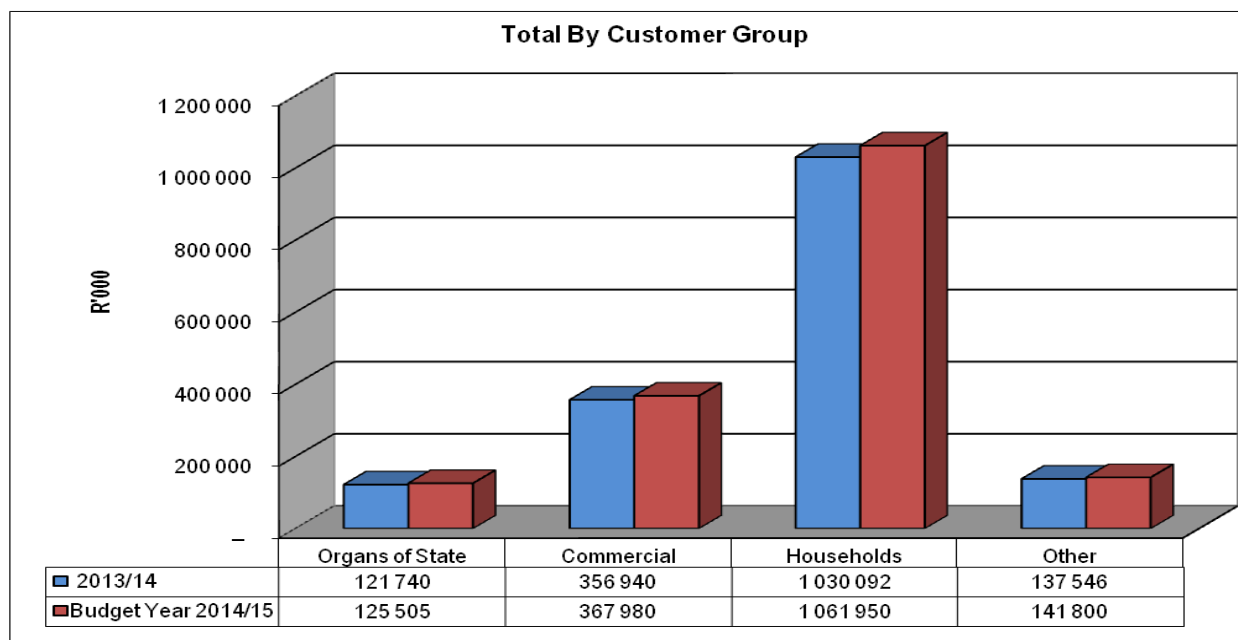
2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 31 December 2014.

Table 2.1.1: Debtors Age Analysis by Income Source

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

Description	Budget Year 2014/15										
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Impairment - Bad Debts i.t.o Council Policy
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	41,801,263	27,347,134	17,909,622	16,647,565	15,574,162	13,158,935	15,101,408	319,921,455	467,462	380,404	118,352,124
Trade and Other Receivables from Exchange Transactions - Electricity	143,896,760	62,379,503	19,053,284	6,671,122	6,274,010	4,214,966	3,840,445	60,935,305	307,265	81,936	32,106,629
Receivables from Non-exchange Transactions - Property Rates	49,892,679	20,986,406	17,668,628	8,790,906	7,969,025	7,309,408	6,862,905	206,025,922	325,506	236,958	147,668,909
Receivables from Exchange Transactions - Waste Water Management	10,749,170	5,747,685	3,412,415	3,085,525	2,933,504	2,802,378	2,649,191	75,618,130	106,998	87,089	40,481,860
Receivables from Exchange Transactions - Waste Management	6,604,005	3,108,397	1,770,257	1,635,764	1,546,953	1,468,776	1,355,813	42,343,336	59,833	48,351	24,353,644
Receivables from Exchange Transactions - Property Rental Debtors	588,272	534,878	511,302	513,250	521,230	501,748	447,722	24,859,105	28,478	26,843	17,866,324
Interest on Arrear Debtor Accounts	7,983,941	7,502,333	7,151,223	6,829,693	6,696,571	6,369,118	5,758,738	244,353,016	292,645	270,007	156,601,352
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	0	0	0	0	0	0	0	0	–	–	23,102,751
Other	1,093,882	13,818,847	679,558	-8,824,553	-284,928	722,537	14,158,149	87,685,833	109,049	93,457	
Total By Income Source	262,610	141,425	68,156	35,349	41,231	36,548	50,174	1,061,742	1,697,236	1,225,044	560,534
2013/14 - totals only	319,062,249	46,269,000	43,235,000	41,274,429	26,354,452	56,376,000	79,370,000	942,352,528	1,554,294	1,145,727	
Debtors Age Analysis By Customer Group											
Organs of State	20,888,450	7,882,030	-10,867,179	-7,273,814	2,650,207	1,837,435	9,641,103	100,746,832	125,505	107,602	65,590,398
Commercial	129,650,716	60,555,052	21,881,404	7,720,189	6,539,057	5,924,850	9,949,819	125,758,723	367,980	155,893	69,138,029
Households	105,836,528	67,459,666	51,477,204	32,016,789	29,174,590	25,851,970	27,484,478	722,649,191	1,061,950	837,177	352,735,309
Other	6,234,278	5,528,435	5,664,860	2,886,108	2,866,673	2,933,611	3,098,971	112,587,356	141,800	124,373	73,069,857
Total By Customer Group	262,610	141,425	68,156	35,349	41,231	36,548	50,174	1,061,742	1,697,236	1,225,044	560,534

Chart 1: Debtors Age Analysis By Customer Group

The information presented in the chart above show an increase in the outstanding debtor's balances as at 31 December 2014 of R 50 million when compared to the prior month balance bringing the total outstanding debtors balance to R1, 6 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 63% of the total municipal debt as detailed below;

- ✓ Households 63%
- ✓ Commercial 22%
- ✓ Organs of State 7%
- ✓ Other 8%

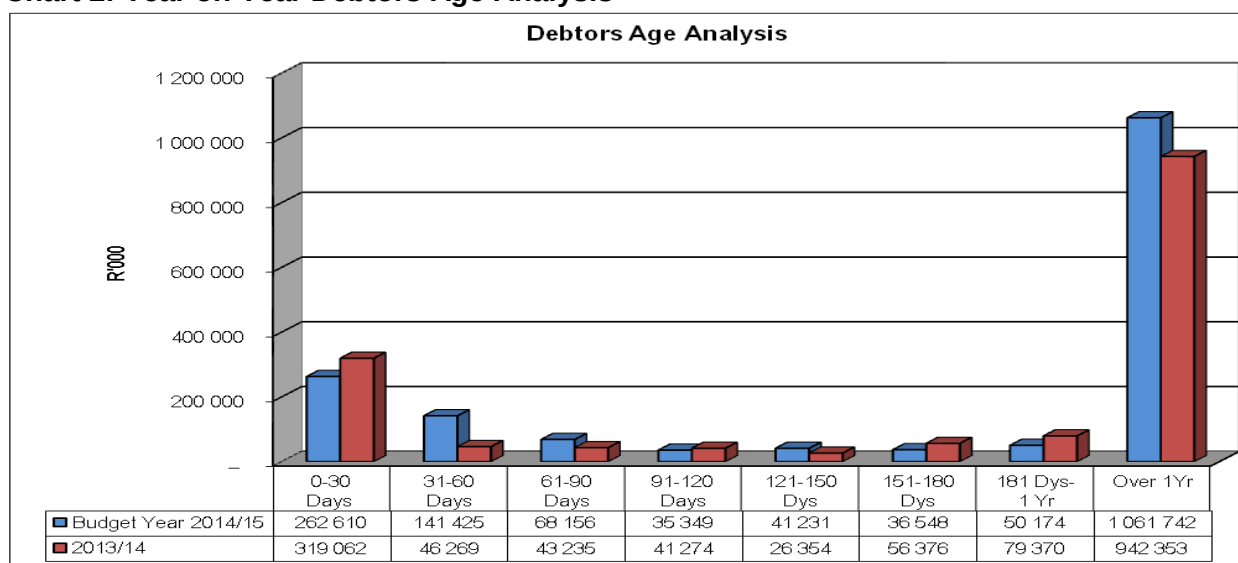
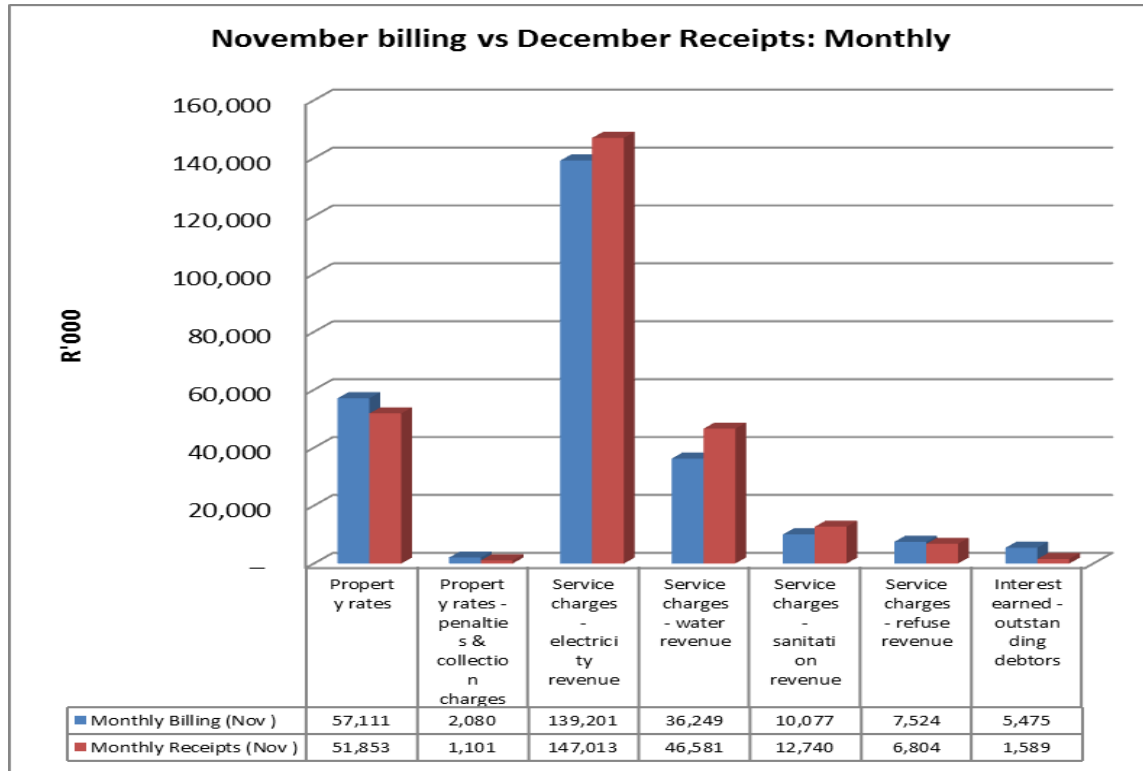
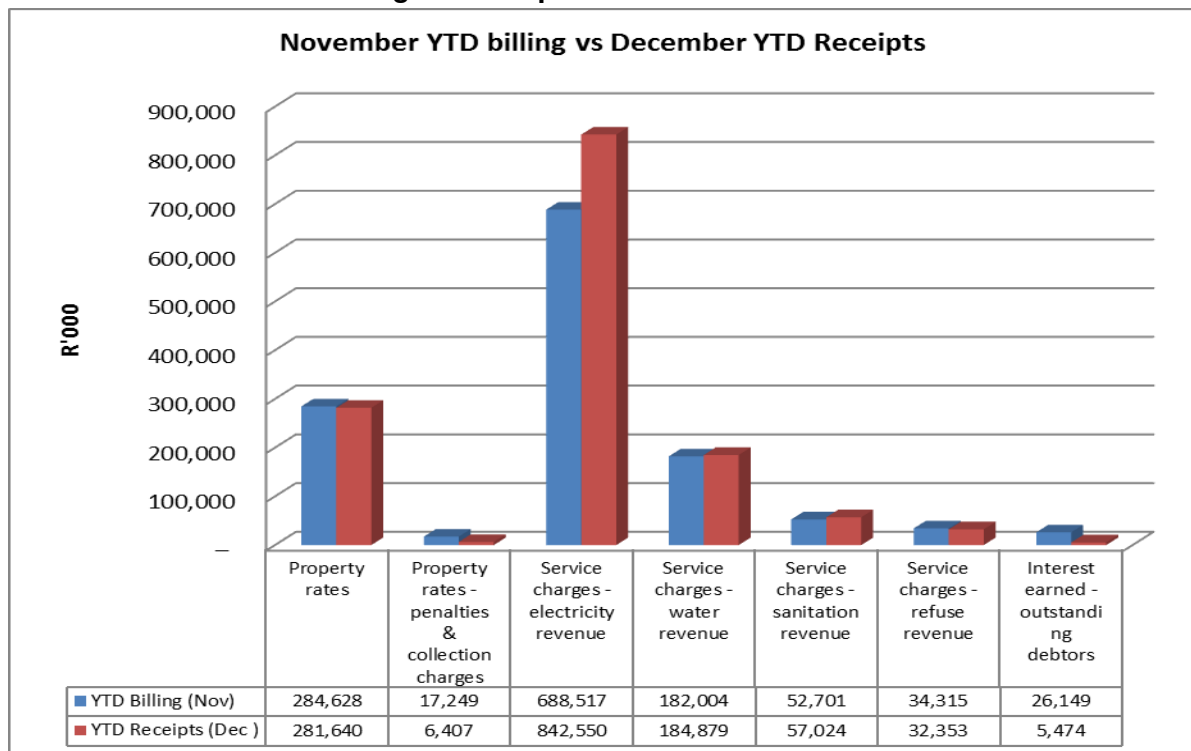
Chart 2: Year on Year Debtors Age Analysis

Chart 3a: Monthly Billing vs Receipts Statistics**Chart 3b: Year to Date Billing vs Receipts Statistics**

The average debt collection ratio on the service charges for the month under review was 81% while the 6 month year to date average debt collection ratio was 76%.

2.2 Creditors Analysis

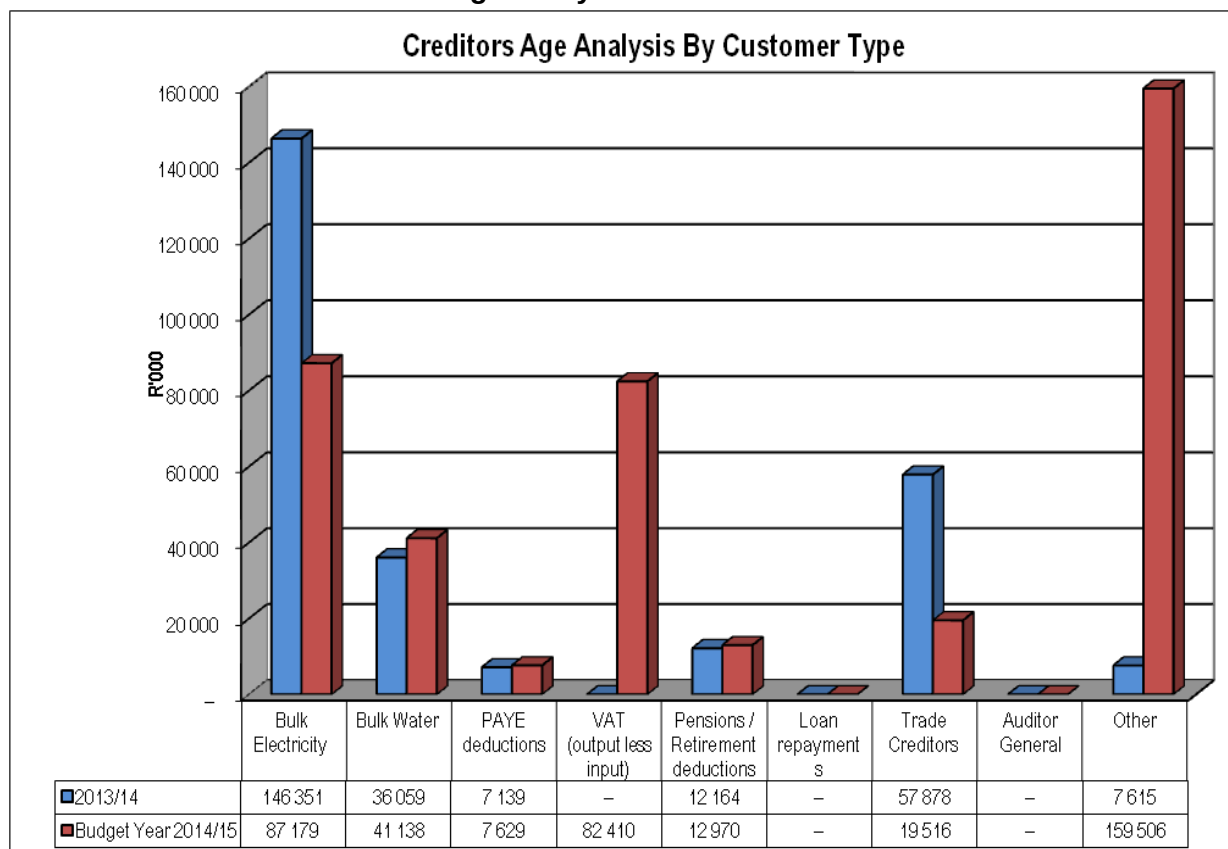
Table SC 4 below presents the aged creditors as at 31December 2014

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	Budget Year 2014/15									Prior year totals for chart (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	87,179	-	-	-	-	-	-	-	87,179	146,351
Bulk Water	41,138	-	-	-	-	-	-	-	41,138	36,059
PAYE deductions	7,629	-	-	-	-	-	-	-	7,629	7,139
VAT (output less input)	82,410	-	-	-	-	-	-	-	82,410	-
Pensions / Retirement deductions	12,970	-	-	-	-	-	-	-	12,970	12,164
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	13,507	791	961	128	149	3,981	-	-	19,516	57,878
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	159,506	-	-	-	-	-	-	-	159,506	7,615
Total By Customer Type	404,339	791	961	128	149	3,981	-	-	410,348	267,205

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

Chart 4: Year on Year Creditors Age Analysis



2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 31 December 2014.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID R thousands	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning	Change in market value	Market value at end of the
Municipality								
ABSA-Provisions & Reserves 40-6424-3731	-	Call	N/a	2	0.4%	534	(2)	536
RMB - IDS3523006-Airport Development Fund	-	Call	N/a	10	0.4%	2 215	(10)	2 225
RMB - IDS3523008-Metro Transport Fund	-	Call	N/a	6	0.4%	1 283	(6)	1 289
RMB - IDS3523012-Municipal Infrastructure Grant	-	Call	N/a		0.0%	32 874	(29 032)	61 906
RMB - IDS3523014-Unspent Conditional Grant	-	Call	N/a		0.0%	321 810	58 401	263 409
RMB - IDS3523016-General Investments	-	Call	N/a		0.0%	109 363	(64 514)	173 877
RMB - IDS3523018-Sale of Assets	-	Call	N/a	18	0.4%	4 010	(18)	4 028
RMB - IDS3523020-Insurance Fund	-	Call	N/a	58	0.4%	12 989	(58)	13 048
RMB - IDS3523023-Land Sales	-	Call	N/a		0.0%	11 216	-	11 216
RMB - IDS3523025-Municipal Housing Account	-	Call	N/a	104	0.4%	23 141	(104)	23 244
RMB - IDS3523027-Housing Accreditation	-	Call	N/a	116	0.4%	25 853	(116)	25 969
FNB - 74445467000-Investment	91 Day Notice	Fixed	11 Sept 2014		0.0%	150 000	-	150 000
Investec - 1100-502076-450-Investment	6 Month	Fixed	10 Nov 2014		0.0%	120 000	-	120 000
ABSA - 20-6700-9186-WCA	WCA	Fixed	29 June 2015		0.0%	6 902	-	6 902
Municipality sub-total				314		822 190	(35 459)	857 649
Entities								
First National Bank	Continuous	Money Market	Continuous	3	0.3%	955	511	443
Entities sub-total				3		955	511	443
TOTAL INVESTMENTS AND INTEREST				316		823 144	(34 948)	858 092

The total consolidated investment balances as at 31 December 2014 was R858 million being largely made up of the Municipal Investments of R857million.

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital YTD grant receipts as at 31 December month was R486 million inclusive of YTD equitable of R195million and YTD MIG of R123million.

Capital Expenditure: While the YTD capital expenditure budget was R298 million, the actual YTD Capital expenditure incurred amounted to R166 million resulting in underperformance of 44% of the capital budget. An increasing trend on capital budget can be seen when comparing the month on month movements.

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December								
Summary of Employee and Councillor remuneration R thousands	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	A	B						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	23 348	27 558	2 784	16 766	13 779	2 987	22%	27 558
Pension and UIF Contributions	3 038	3 004	–	–	1 502	(1 502)	-100%	3 004
Medical Aid Contributions	1 027	376	255	1 526	188	1 338	711%	376
Motor Vehicle Allowance	6 493	6 310	–	–	3 155	(3 155)	-100%	6 310
Cellphone Allowance	1 700	1 890	–	–	945	(945)	-100%	1 890
Housing Allowances	–	–	–	–	66	(66)	-100%	133
Other benefits and allowances	771	133	–	–	–	–	–	–
Sub Total - Councillors	36 376	39 272	3 039	18 292	19 636	(1 344)	-7%	39 272
% increase		8.0%						8.0%
Senior Managers of the Municipality								
Basic Salaries and Wages	4 435	6 816	400	4 801	2 840	1 961	69%	6 816
Pension and UIF Contributions	587	684	52	619	285	334	117%	684
Medical Aid Contributions	–	20	2	20	8	12	140%	20
Performance Bonus	180	120	–	–	50	(50)	-100%	120
Motor Vehicle Allowance	544	567	51	609	236	373	158%	567
Cellphone Allowance	–	91	6	76	38	38	99%	91
Housing Allowances	37	64	5	64	27	37	140%	64
Other benefits and allowances	156	–	25	300	–	300	–	–
Sub Total - Senior Managers of Municipality	5 939	8 361	541	6 488	3 484	3 005	86%	8 361
% increase		40.8%						40.8%
Other Municipal Staff								
Basic Salaries and Wages	495 526	602 808	45 070	292 351	298 514	(6 163)	-2%	602 808
Pension and UIF Contributions	8 792	155 222	12 270	78 446	77 317	1 128	1%	155 222
Overtime	30 263	30 222	2 290	17 070	15 111	1 959	13%	30 222
Motor Vehicle Allowance	35 645	37 095	2 994	18 504	18 311	193	1%	37 095
Housing Allowances	2 935	3 286	236	1 301	1 578	(278)	-18%	3 286
Other benefits and allowances	143 124	8 574	844	5 178	4 287	891	21%	8 574
Long service awards	22 763	18 680	1 808	10 773	9 340	1 433	15%	18 680
Sub Total - Other Municipal Staff	739 049	855 887	65 512	423 623	424 459	(836)	0%	855 887
% increase		15.8%						15.8%
Total Parent Municipality	781 364	903 520	69 091	448 403	447 579	825	0%	903 520
% increase		15.6%						15.6%
Unpaid salary, allowances & benefits in arrears:	0	0	0	0	0	0	0	0

Councillor Allowances

The expenditure on councillor allowances as at 31 December 2014 was under spent by R1. 3million. The YTD Remuneration of Councillor's budget was R19. 6million while the actual expenditure incurred was R18, 2 million resulting in 93% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for December month was R66 million bringing the YTD expenditure to R430million or 99,9% of the YTD budget.

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December								
Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B						D
Board Members of Entities								
Board Members of Entity offer a voluntary service	-	-	-	-	-	-		-
Senior Managers of Entities								
Basic Salaries and Wages	285	308	41	161	154	7	4%	308
Pension and UIF Contributions	-	-	-	-	-	-		-
Medical Aid Contributions	10	13	1	6	6	(0)	-5%	13
Overtime	18	18	2	9	9	-		18
Performance Bonus	4	4	0	2	2	-		4
Motor Vehicle Allowance	-	-	-	-	-	-		-
Cellphone Allowance	-	-	-	-	-	-		-
Housing Allowances	6	6	-	6	6	-		6
Other benefits and allowances	-	-	-	-	-	-		-
Payments in lieu of leave	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-		-
Sub Total - Senior Managers of Entities	323	348	43	183	177	6	4%	348
% increase		7.8%						7.8%
Other Staff of Entities								
Basic Salaries and Wages	1 915	2 176	339	1 188	976	211	22%	2 176
Pension and UIF Contributions	140	158	13	75	79	(4)	-5%	158
Medical Aid Contributions	359	426	29	194	213	(20)	-9%	426
Overtime	54	54	5	27	27	-		54
Performance Bonus	11	11	1	5	5	-		11
Motor Vehicle Allowance	-	-	-	-	-	-		-
Cellphone Allowance	375	286	30	181	143	38	26%	286
Housing Allowances	30	22	-	22	22	-		22
Other benefits and allowances	215	227	15	107	113	(7)	-6%	227
Payments in lieu of leave	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-		-
Sub Total - Other Staff of Entities	3 099	3 360	431	1 798	1 579	218	14%	3 360
% increase		8.4%						8.4%
Total Municipal Entities	3 422	3 708	475	1 981	1 757	225	13%	3 708
TOTAL SALARY, ALLOWANCES & BENEFITS	784 785	907 229	69 566	450 385	449 336	1 049	0%	907 229
% increase		15.6%						15.6%
TOTAL MANAGERS AND STAFF	748 410	867 957	66 527	432 093	429 700	2 393	1%	867 957

Board Member Fees – Safe City

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

The detailed staff benefits report is contained in the s66 report

2.6 Material Variances to the SDBIP

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

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

2.6.1 Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending December 2014 and the monthly forecast till year end. The first table mainly presents cash inflows, while the next the page presents mainly outflows.

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December															
Description	Budget Year 2014/15												2014/15 Medium Term Revenue &		
R thousands	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source															
Property rates	31 816	44 687	59 171	50 060	44 052	50 771	50 771	50 771	50 771	50 771	50 771	67 619	602 031	621 822	665 349
Property rates - penalties & collection charges	799	884	1 191	1 174	1 258	2 746	3 923	3 727	3 531	2 746	2 746	3 981	28 706	35 604	37 349
Service charges - electricity revenue	89 514	147 616	173 856	141 300	143 251	110 000	110 000	110 000	110 000	110 000	120 275	164 428	1 530 240	1 586 948	1 793 251
Service charges - water revenue	21 978	27 399	30 771	28 849	29 301	32 447	32 447	32 447	32 447	32 447	32 447	14 807	347 787	364 957	426 999
Service charges - sanitation revenue	7 752	9 455	10 317	8 660	8 100	9 048	9 048	9 048	9 048	9 048	9 048	10 726	109 297	121 980	131 129
Service charges - refuse	4 364	5 115	5 990	5 213	4 867	6 487	6 487	6 487	6 487	6 487	6 487	11 973	76 441	83 937	90 480
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	619	1 103	1 426	859	1 241	2 919	2 919	2 919	2 919	2 919	2 919	2 918	25 677	21 878	24 722
Interest earned - external investments	2 795	2 792	5 382	2 872	7 042	2 338	2 338	2 338	2 338	2 338	2 338	6 535	41 443	-	-
Interest earned - outstanding debtors	496	721	945	652	1 070	-	-	-	-	-	-	1 325	5 210	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1 286	1 188	1 247	1 216	1 350	569	569	569	569	569	569	8 410	18 110	3 700	3 996
Licences and permits	8	12	10	11	9	4	4	4	4	4	4	37	111	78	83
Agency services	0	0	-	0	-	268	268	268	268	268	268	269	1 879	403	427
Transfer receipts - operating	177 751	24 225	-	25 000	54 638	19 904	39 807	37 817	35 826	27 865	23 789	39 291	505 912	413 725	442 058
Other revenue	8 316	24 786	43 168	40 896	19 135	20 024	20 024	20 024	20 024	20 024	20 024	(46 762)	209 680	52 423	54 992
Cash Receipts by Source	347 494	289 985	333 474	306 761	315 314	257 523	278 604	276 417	274 231	265 485	271 684	285 556	3 502 527	3 307 455	3 670 836
Other Cash Flows by Source															
Transfer receipts - capital	70 179	3 554	25 471	8 443	19 717	23 658	23 658	23 658	23 658	23 658	23 658	33 585	302 898	215 379	180 305
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-
Increase in consumer deposits	1 194	(41)	370	304	(221)	-	-	-	-	-	-	-	1 606	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	418 867	293 497	359 315	315 508	334 810	281 182	302 262	300 075	297 889	289 143	295 342	319 141	3 807 030	3 522 834	3 851 141
												-			

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December															
Description	Budget Year 2014/15												2014/15 Medium Term Revenue &		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands															
Cash Payments by Type															
Employ ee related costs	62 928	66 759	67 656	99 485	71 044	69 000	69 000	69 000	69 000	70 000	70 000	71 887	855 758	770 489	839 833
Remuneration of councillors	3 039	3 039	3 097	3 039	3 039	3 273	3 273	3 273	3 273	3 273	3 273	3 273	38 161	34 017	35 684
Interest paid	–	–	14 844	251	399	26 900	–	–	5 399	–	–	23 039	70 832	138 982	155 360
Bulk purchases - Electricity	146 351	172 407	157 556	95 546	102 463	63 135	85 100	85 100	85 100	85 100	132 245	162 917	1 373 021	173 800	182 490
Bulk purchases - Water & Sewer	36 343	38 368	40 405	40 051	40 231	33 134	33 134	33 134	33 134	33 134	33 134	33 134	427 333	75 038	78 715
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	1 553 340	1 772 233
Contracted services	–	1 715	3 078	1 899	3 661	1 607	1 607	1 607	1 607	1 607	1 607	1 607	21 603	15 957	16 739
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	59 600	62 521
Grants and subsidies paid - other	1 153	20	20	1 153	20	270	541	514	487	379	–	622	5 178	4 739	4 971
General expenses	88 221	41 115	54 916	36 640	32 543	9 802	59 603	56 623	53 643	41 722	24 766	56 780	556 375	430 712	450 268
Cash Payments by Type	338 035	323 422	341 571	278 064	253 401	207 121	252 257	249 250	251 642	235 214	265 024	353 259	3 348 261	3 256 673	3 598 814
Other Cash Flows/Payments by Type															
Capital assets	1 459	15 964	29 556	55 143	28 042	11 416	17 124	34 247	34 247	22 832	25 846	121 697	397 571	215 379	180 305
Repayment of borrowing	37	38	10 744	38	38	3 765	3 765	3 765	3 765	3 765	3 765	1 281	34 762	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	339 532	339 423	381 871	333 245	281 480	222 301	273 146	287 262	289 654	261 810	294 634	476 237	3 780 595	3 472 052	3 779 119
NET INCREASE/(DECREASE) IN CASH HELD	79 335	(45 926)	(22 556)	(17 737)	53 330	58 881	29 116	12 813	8 235	27 333	708	(157 096)	26 436	50 782	72 022
Cash/cash equivalents at the month/year beginning:	827 273	906 608	860 682	838 127	820 390	873 720	932 600	961 716	974 530	982 764	1 010 097	1 010 805	827 273	853 709	904 491
Cash/cash equivalents at the month/year end:	906 608	860 682	838 127	820 390	873 720	932 600	961 716	974 530	982 764	1 010 097	1 010 805	853 709	853 709	904 491	976 514

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Agency services	-83%	Income received depends on circumstances and when the request for Fire Department services are received.	The department must monitor the monthly requests as compared to the budgetted amount.
	Other revenue	-64%	This revenue is a combination of different revenue most of which are user driven	None
	Rental of facilities and equipment	-34%	Revenue from SASSA has not been received for December. The Northdale Hall is therefore only open to the general public on weekends thus reducing revenue.	The department must follow up the finalisation of the SLA agreement with SASSA.
	Licences and permits	24%	Actual revenue dependent on the quantity of business licence applications received.	Revenue is determined by the number of Business Licences being applied for.
	Interest earned - external investments	33%	The budget figures for interest was over budgeted. 2014/2015 historical interest was in the region of R 29 029	To adjust the figure during mid year review reflect more reliable interest expected.
	Transfers recognised - operational	58%	The actual amount is based on the actual expenditure on grants hence the amount is recognised on the Revenue side	The actual expenditure on grants must always keep pace with projections
	Interest earned - outstanding debtors	4641%		
2	<u>Expenditure By Type</u>			
	Debt impairment	-100%	Journal entries were not processed to the Trial Balance for the month ending July 2014	Journal entries should be prepared and processed on a monthly basis
	Contracted services	-60%	6 Capital projects are in the SCM process, contract for Connectivity and cabling was awarded to IRG Innovative Technologies and work is in progress	Fastrack SCM Process
	Bulk purchases	16%	Bulk purchases were underbudgeted.	To revise upwards the bulkpurchases annual budget at mid year.
	Depreciation & asset impairment	66%	Journal entries were not processed to the Trial Balance for the month ending December 2014	Journal entries should be prepared and processed on a monthly basis
3	<u>Capital Expenditure</u>			
	Vote 1 - Corporate Services	91%	Most variances in this category of expenditure was due to late implementation of the capital development plan.	Accelerated expenditure is expected to occur in the 3rd and 4th quarter.
	Vote 2 - Financial Management Area	-84%		
	Vote 3 - Infrastructure Development, Service Delivery and M	-46%		
	Vote 4 - Sustainable Community Service Delivery Provision	-65%		
4	<u>Financial Position</u>			
	None			

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
5	Cash Flow			
	Net Cash From/(Used) Operating Activities	-42%	The negative variance was mainly caused by the overpayments in the supplier payments than initially forecasted for this period.	Revise projected cash flows accordingly
	Net Cash From/(Used) Investing Activities	-53%	The variance was for Capital Assets where the Municipality under budgeted the YTD forecast.	Revise projected cash flows accordingly
	Net Cash From/(Used) Financing Activities	5%	No material variance exist	n/a
6	Measureable performance			
	No material variances existed in the Measurable Performance	n/a	n/a	n/a
7	Municipal Entities			
	Operational Performance	6%	The overperformance on the operational budget was mainly due to the finance charges and contracted services which were underforecasted in the YTD Budget.	Revise YTB budget projections

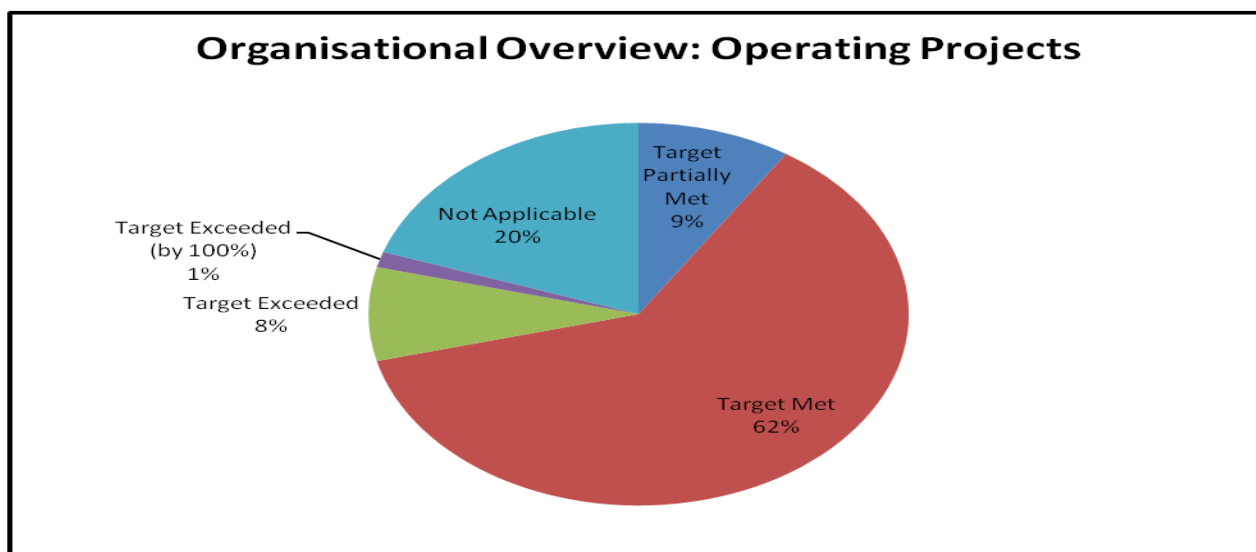
2.6.3 SDBIP: Non-Financial Performance

Organisational Overview

A total of 172 targets were set for the first & second quarter of the financial year broken down as follows;

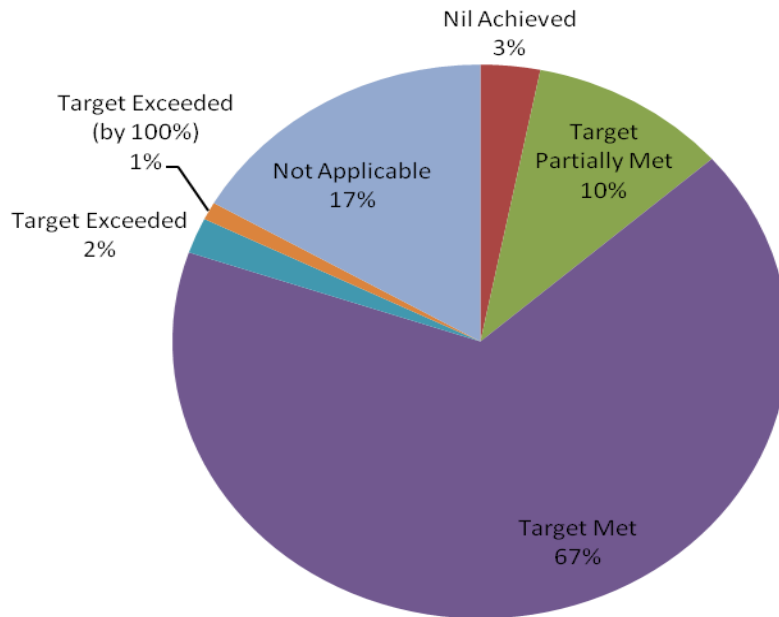
✓ Operating Projects	76	44%
✓ Capital Projects	56	56%

The analysis of the operational and capital performance at this level is best presented in the next charts that follow. The targets presented are for the SDBIP for the 2nd QUARTER (Quarter Ending December 2014) Progress Report for 2014/2015 financial year.



- ✓ A total of 76 Operational Projects were reported on the SDBIP.
- ✓ 0% of the projects were reported as having Nil Achievements
- ✓ 9.21% of the projects were reported as having been partially met
- ✓ 61.84% of the projects were reported as having been met
- ✓ 7.89% of the projects were reported as having exceeded the target
- ✓ 1.31% of the projects were reported as having exceeded the target by 100%
- ✓ 19.73% of the projects were reported as not applicable due to not having any targets set

Organisational Overview: Capital Projects



- ✓ A total of 96 Capital Projects were reported on the SDBIP.
- ✓ 3.12% of the projects were reported as having Nil Achievements
- ✓ 10.41% of the projects were reported as having been partially met.
- ✓ 66.66% of the projects were reported as having been met.
- ✓ 2.08% of the projects were reported as having exceeded the target.
- ✓ 1.04% of the projects were reported as having exceeded the target by 100%.
- ✓ 2.1.7 16.66% of the projects were reported as not applicable due to not having any targets set.

2.7 Parent Municipality Financial Performance

REVENUE ANALYSIS

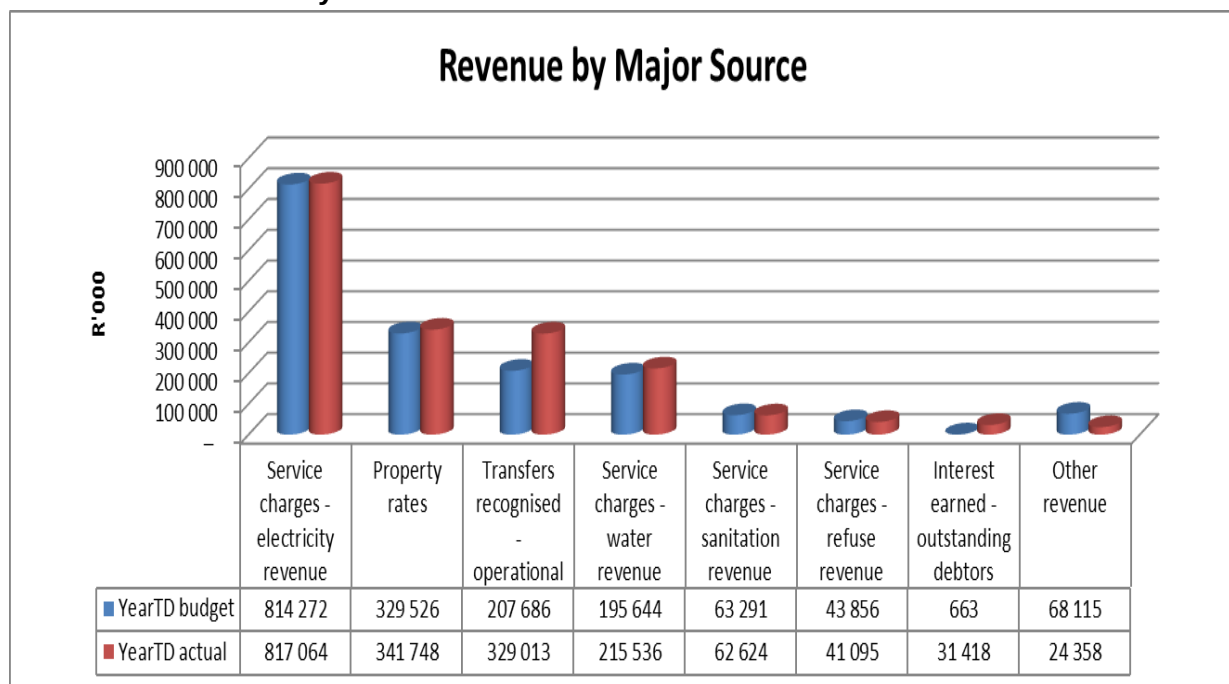
This section on material variances to the Service Delivery & Budget Implementation Plan analyses the financial as well as the non-financial performance targets for the last quarter. The financial performance section analyses material variances between the actual targets as at Midyear and the budget for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

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

The last section deals with the non financial performance analysis of the actual targets against the planned targets as at 31 December 2014.

2.7.1 FINANCIAL PERFORMANCE

Chart 5: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 42% to the actual Ytd operating revenue basket and 46% of the Ytd Budget. The year to date revenue earned from electricity service charges over performed by (R 2, 8million) when compared to the Ytd Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 18% of the total Ytd actual operating revenue and 18% of the Ytd budget, When comparing Ytd Actual revenue earned to Ytd Budget, making a variance of only 4% over performance existed as at 31 December 2014.

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

Service Charges - Water revenue: The revenue earned from Water charges shared 11% of Ytd actual revenue basket and 11% of Ytd budget revenue causing a positive variance of 10% when comparing Ytd actual to Ytd Budget.

Service Charges - sanitation revenue: reflects an under performance of 1% when comparing the Ytd actual revenue to the Ytd budget.

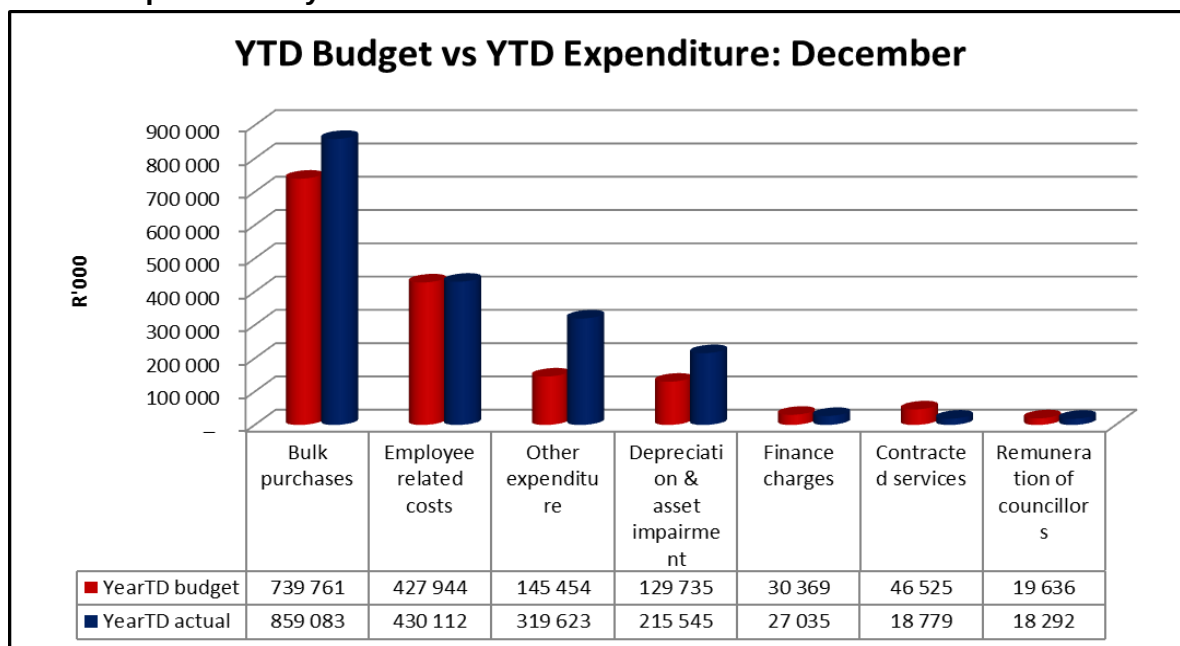
Service Charges - refuse revenue reflects an under performance of 6% when comparing the Ytd actual revenue to the Ytd budget.

Interest earned – outstanding debtors and other revenue contribute less than a percentage to the total operating revenue received as at 31 December 2014.

OPERATIONAL EXPENDITURE

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

Chart 9: Expenditure by source



Bulk Purchases: The Ytd expenditure budget for Bulk Purchases was R739million and R859million was actually incurred resulting in an over performance of 16%. This over expenditure on bulk water purchases budget could be signal of under budgeting for this item. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 614 381 936	72%
✓ Bulk Purchases- Water	<u>R 244 701 359</u>	<u>28%</u>
Total	<u>R 859 083 295</u>	<u>100%</u>

Employee Related Costs: The 99% performance of Ytd expenditure on employee related costs against the Ytd budget show great staff cost management. A detailed line item and business unit analysis of the employee related costs is contained in the MFMA S66 report on staff benefits.

Other Expenditure's Ytd budget figure was R145million while the actual costs incurred was R319million resulting in over expenditure of R174million. The table below provides a detailed listing of the top 20 cash drainers during the month of December 2014.

Table 3: Top 20 Cash Drainers –December

NO.	DESCRIPTION	ANNUAL BUDGET	DECEMBER ACTUAL	DECEMBER YTD ACTUAL	YTD % OF ANNUAL BUDGET
1	IDP EXPENSES	R 5 000 000	R 3 313 084	R 4 928 185	99%
2	EXTERNAL SERVICES	R 28 332 664	R 2 612 012	R 14 850 306	52%
3	PETROL & LUBRICANTS	R 26 871 045	R 2 239 744	R 12 886 644	48%
4	HIRE CHARGES	R 17 569 135	R 1 634 821	R 8 368 332	48%
5	PENSION PAYABLE	R 3 648 286	R 1 482 761	R 4 657 728	128%
6	WARD COMMITTEE COSTS	R 4 369 972	R 1 452 455	R 3 621 153	83%
7	AUDIT FEES	R 4 922 565	R 1 235 274	R 2 906 705	59%
8	TELEPHONES	R 7 639 875	R 1 137 901	R 3 887 950	51%
9	CONSULTANTS FEES	R 6 866 998	R 1 133 512	R 3 297 453	48%
10	POSTAGE AND STAMPS	R 2 491 584	R 855 596	R 1 854 145	74%
11	PROMOTIONS	R 3 920 000	R 853 632	R 13 638 356	348%
12	BANK CHARGES	R 4 739 985	R 687 109	R 2 002 383	42%
13	CONSOLIDATED BILLING COSTS	R 3 403 643	R 672 616	R 1 257 445	37%
14	VALUATION ROLL	R 1 000 000	R 489 715	R 489 715	49%
15	EXTRAORDINARY	R 3 302 621	R 475 403	R 1 925 088	58%
16	MAYORAL PROJECTS	R 6 485 352	R 441 387	R 2 879 032	44%
17	PRINTING AND STATIONERY	R 5 260 120	R 423 678	R 2 941 444	56%
18	SOFTWARE LICENCES	R 4 504 605	R 334 769	R 845 223	19%
19	UNIFORMS	R 5 485 628	R 255 708	R 2 665 375	49%
20	PRINTING AND STATIONERY	R 6 168 980	R 246 820	R 1 886 202	31%

Depreciation & Asset Impairment: The YTD depreciation & asset impairment figure was under budgeted by 66% as the budget was R129million and the actual expenditure incurred R215 million.

Finance Charges: Ytd budgeted figure for finance charges for the month of December was R30million and the Actual figure was R27 million pointing to over budgeting in this line item budget by 11%.

Contracted Services: Ytd Budget for contracted services was R46million and the Actual expenditure incurred was R18million resulting in 60% expenditure under performance.

Remuneration of councillors budget was R19million and the actual expenditure incurred was R18 million resulting in 93% expenditure performance

2.8 Municipal Entity Financial Performance

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

Description	2013/14	Current Year 2014/15							
	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	40	45	-	3	21	23	(0)	-8%	45
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	4 243	4 534	-	-	2 267	2 267	(0)	-0%	4 534
Total Revenue (excluding capital transfers and contributions)	4 283	4 580	-	3	2 288	2 290	(2)	(0)	4 580
Employee costs	3 422	3 708	-	475	1 981	1 757	225	0	3 695
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	27	27	-	1	7	14	(7)	(0)	27
Finance charges	9	8	-	1	5	4	1	0	8
Materials and bulk purchases	163	276	-	2	85	138	(54)	(0)	276
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	955	1 051	-	45	495	526	(31)	(0)	1 051
Total Expenditure	4 575	5 071	-	523	2 572	2 438	134	0	5 057
Surplus/(Deficit)	(292)	(492)	-	(520)	(285)	(148)	(136)	0	(478)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(292)	(492)	-	(520)	(285)	(148)	(136)	0	(478)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(292)	(492)	-	(520)	(285)	(148)	(136)	0	(478)
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	713	262	-	-	494	-	-	-	262
Total non current assets	159	132	-	-	155	-	-	-	132
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	872	394	-	-	649	-	-	-	394
Cash flows									
Net cash from (used) operating	(302)	(446)	-	(519)	(280)	(138)	(141)	0	(463)
Net cash from (used) investing	(134)	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	669	659	1 105	(519)	(280)	(138)	(141)	0	642
Debtors & creditors analysis	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Debtors Age Analysis									
Total By Revenue Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

2.9 Capital Programme Performance

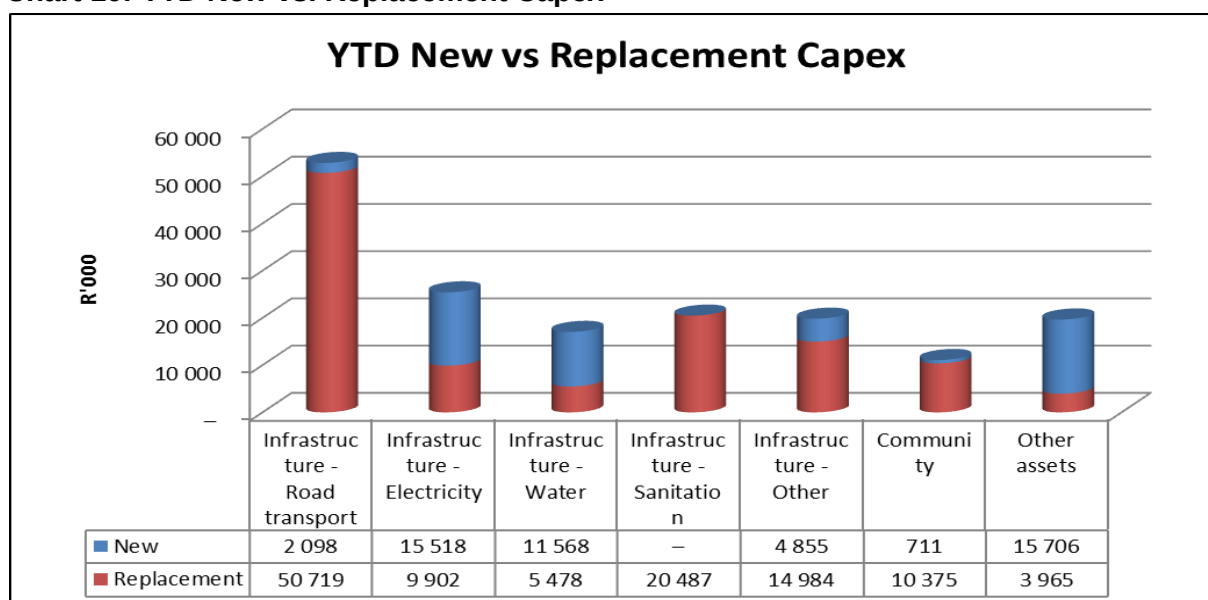
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

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

Month	2013/14	Budget Year 2014/15							
	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	164	31 928	–	1 459	1 459	31 928	30 469	95.4%	0%
August	7 724	46 984	–	15 964	17 423	78 911	61 489	77.9%	3%
September	21 392	57 207	–	29 556	46 978	136 118	89 140	65.5%	8%
October	18 184	67 319	–	55 143	102 121	203 437	101 316	49.8%	17%
November	19 331	47 431	–	28 042	130 163	250 868	120 705	48.1%	21%
December	11 272	32 263	–	36 204	166 367	283 131	116 764	41.2%	27%
January	29 898	46 984	–	–	–	330 114	–		
February	10 312	67 207	–	–	–	397 321	–		
March	10 640	55 431	–	–	–	452 752	–		
April	35 236	47 319	–	–	–	500 070	–		
May	33 481	57 095	–	–	–	557 166	–		
June	154 384	60 588	–	–	–	617 754	–		
Total Capital expenditure	352 017	617 754	–	166 367					

The two tables that follow provide more detailed information on the capital expenditure by separating capital expenditure by asset types and also by “New” or “Replacement” assets. The chart below displays capital expenditure for new and replacement assets for the month of December 2014.

Chart 10: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R166 million, R50 million (30%) was new assets and R115million (70%) was Replacement assets.

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

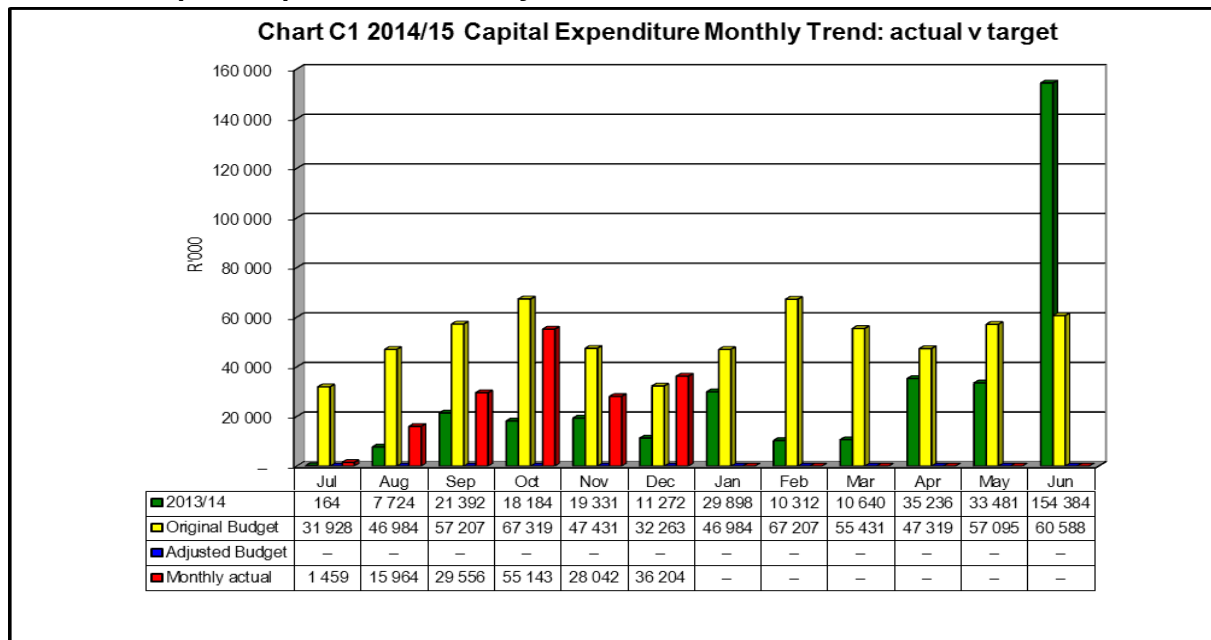
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	69 056	243 167	-	6 235	34 039	121 584	87 544	72.0%	243 167
Infrastructure - Road transport	-	108 100	-	1 174	2 098	54 050	51 952	96.1%	108 100
Roads, Pavements & Bridges	-	108 100	-	1 174	2 098	54 050	51 952	96.1%	108 100
Infrastructure - Electricity	25 692	63 500	-	998	15 518	31 750	16 232	51.1%	63 500
Generation	25 692	63 500	-	998	15 518	31 750	16 232	51.1%	63 500
Infrastructure - Water	1 660	24 677	-	2 623	11 568	12 339	770	6.2%	24 677
Reticulation	1 660	24 677	-	2 623	11 568	12 339	770	6.2%	24 677
Infrastructure - Sanitation	41 674	-	-	-	-	-	-	-	-
Reticulation	14 953	-	-	-	-	-	-	-	-
Sewerage purification	26 721	-	-	-	-	-	-	-	-
Infrastructure - Other	30	46 890	-	1 440	4 855	23 445	18 590	79.3%	46 890
Waste Management	30	13 690	-	1 431	4 549	6 845	2 296	33.5%	13 690
Other	-	33 200	-	9	306	16 600	16 294	98.2%	33 200
Community	27 505	41 357	-	89	711	20 679	19 967	96.6%	41 357
Parks & gardens	243	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	20 185	-	89	711	10 093	9 381	93.0%	20 185
Swimming pools	-	545	-	-	-	273	273	100.0%	545
Community halls	-	4 050	-	-	-	2 025	2 025	100.0%	4 050
Fire, safety & emergency	-	687	-	-	-	344	344	100.0%	687
Museums & Art Galleries	94	650	-	-	-	325	325	100.0%	650
Cemeteries	-	11 350	-	-	-	5 675	5 675	100.0%	11 350
Other	27 168	3 890	-	-	-	1 945	1 945	100.0%	3 890
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	39 968	23 785	-	3 421	15 706	11 893	(3 814)	-32.1%	23 785
General vehicles	2 343	2 600	-	29	8 215	1 300	(6 915)	-531.9%	2 600
Plant & equipment	28 413	240	-	-	-	120	120	100.0%	240
Computers - hardware/equipment	573	-	-	2 496	2 808	-	(2 808)	#DIV/0!	-
Furniture and other office equipment	7 964	10 020	-	895	4 683	5 010	327	6.5%	10 020
Abattoirs	-	575	-	-	-	288	288	100.0%	575
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	676	10 350	-	-	-	5 175	5 175	100.0%	10 350
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	10 062	-	-	-	-	-	-	-	-
Computers - software & programming	586	-	-	-	-	-	-	-	-
Other	9 476	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	146 592	308 310	-	9 745	50 457	154 155	103 698	67.3%	308 310

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	114 268	235 780	-	21 480	101 570	117 890	16 320	13.8%	235 780
Infrastructure - Road transport	76 131	68 684	-	4 036	50 719	34 342	(16 377)	-47.7%	68 684
Roads, Pavements & Bridges	76 016	68 684	-	4 036	50 719	34 342	(16 377)	-47.7%	68 684
Storm water	115	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	65 257	-	1 011	9 902	32 628	22 727	69.7%	65 257
Generation	-	65 257	-	1 011	9 902	32 628	22 727	69.7%	65 257
Infrastructure - Water	31 683	63 730	-	4 420	5 478	31 865	26 387	82.8%	63 730
Dams & Reservoirs	-	34 980	-	4 420	5 478	17 490	12 012	68.7%	34 980
Water purification	31 683	-	-	-	-	-	-	-	-
Reticulation	-	28 750	-	-	-	14 375	14 375	100.0%	28 750
Infrastructure - Sanitation	-	31 938	-	6 394	20 487	15 969	(4 518)	-28.3%	31 938
Reticulation	-	31 938	-	6 394	20 487	15 969	(4 518)	-28.3%	31 938
Infrastructure - Other	6 454	6 171	-	5 620	14 984	3 086	(11 899)	-385.6%	6 171
Transportation	6 454	-	-	-	-	-	-	-	-
Other	-	6 171	-	5 620	14 984	3 086	(11 899)	-385.6%	6 171
Community	22 013	52 615	-	2 169	10 375	26 307	15 932	60.6%	52 615
Parks & gardens	-	1 500	-	-	-	750	750	100.0%	1 500
Sportsfields & stadia	13 919	14 350	-	2 169	10 375	7 175	(3 200)	-44.6%	14 350
Swimming pools	-	3 525	-	-	-	1 763	1 763	100.0%	3 525
Community halls	4 458	7 721	-	-	-	3 861	3 861	100.0%	7 721
Fire, safety & emergency	2 766	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	2 300	-	-	-	1 150	1 150	100.0%	2 300
Cemeteries	870	12 500	-	-	-	6 250	6 250	100.0%	12 500
Other	-	10 719	-	-	-	5 359	5 359	100.0%	10 719
Heritage assets	7 251	-	-	-	-	-	-	-	-
Buildings	7 251	-	-	-	-	-	-	-	-
Investment properties	12 211	-	-	-	-	-	-	-	-
Housing development	12 046	-	-	-	-	-	-	-	-
Other	165	-	-	-	-	-	-	-	-
Other assets	48 690	1 050	-	2 810	3 965	525	(3 440)	-655.2%	1 050
Markets	1 973	-	-	-	-	-	-	-	-
Civic Land and Buildings	43 678	-	-	2 810	3 965	-	(3 965)	#DIV/0!	-
Other Buildings	301	1 050	-	-	-	525	525	100.0%	1 050
Other	2 738	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	19	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	19	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	204 451	289 444	-	26 459	115 910	144 722	28 812	19.9%	289 444

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

Chart 11: Capital Expenditure Monthly Trend



The monthly 2013/14 trend presents monthly actual expenditure figures for prior year. Original Budget stipulates the budget for the year. The monthly actual figures stipulates a monthly trend, there has been a slight increase when compared to the previous month.

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

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

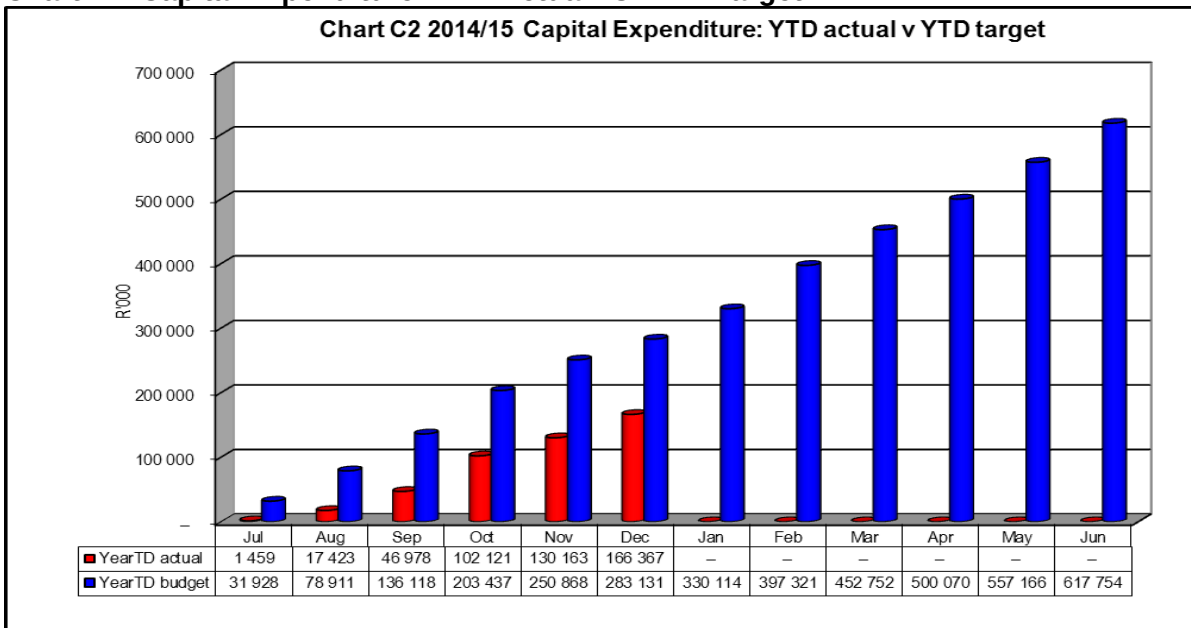
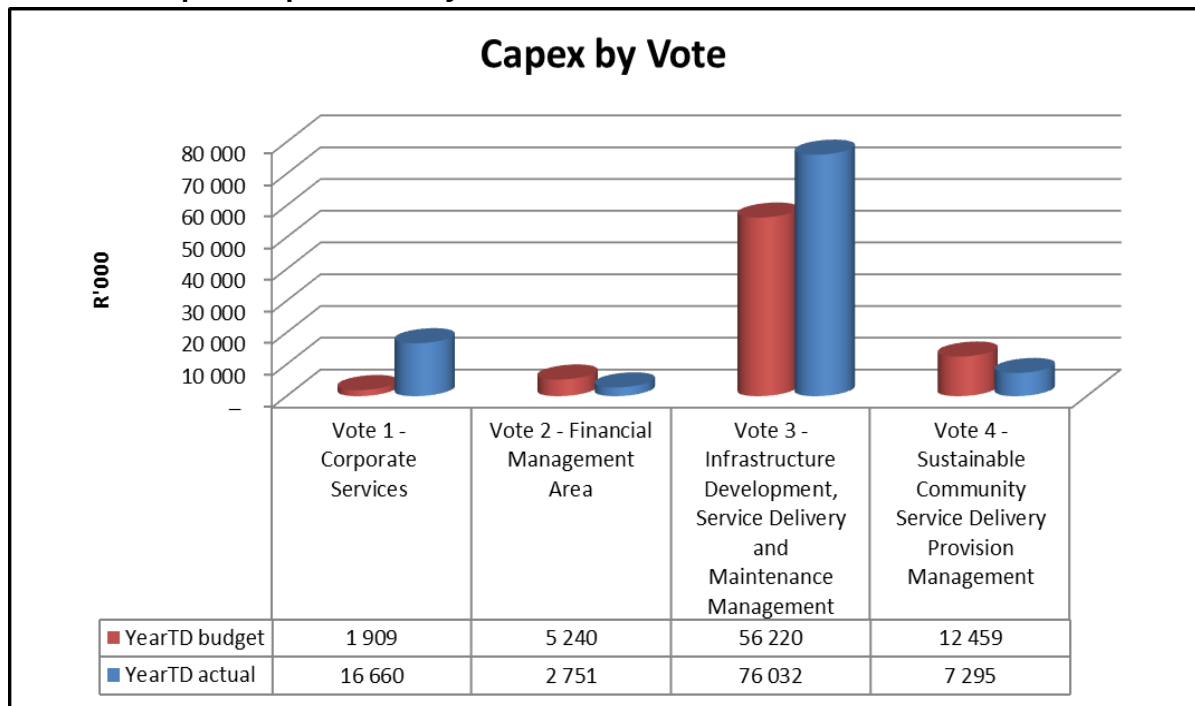


Chart 13: Capital Expenditure by Vote



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

The municipal entity's report for the month ending December 2014 has been attached.

2.11 Municipal Manager's Quality's Certification

Quality Certificate

I, **MXOLISI NKOSI**, the municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

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

for the month of **December** of **2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **MXOLISI NKOSI**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: _____

Date: _____