



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

September 2015 Report
Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Mayor's Report

To be provided by the Mayor's Office.

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 Mayor;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52(d) MFMA
3. Notes the Midyear budget & Performance assessment in terms of s72 of the MFMA.

Legislative Requirements

In terms of Section 71 of the MFMA, the Accounting Officer of the Municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

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

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R 1.1 billion for the period ending 30 September 2015. The YTD Budget was R 1.0 billion, therefore the actual over performed slightly against the revenue projected. The two main contributors, both accounting for 62% of the actual total YTD Revenue earned are Electricity (45%) & Property Rates revenue (17%). These two revenue sources make up more than 65% of the total YTD budget.

Operating Expenditure: The total YTD operating expenditure for the period ending 30 September 2015 amounted to R 1.0 billion while the YTD budget was R 1,0 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 73% of the YTD expenditure. As at the end of September, the YTD bulk purchases budget was slightly underspent.

Capital Expenditure: While the YTD capital expenditure budget was R 177.2 million, the actual YTD Capital expenditure incurred amounted to R 72.5 million resulting in underperformance of 59% of the capital budget. An increasing trend on Capex budget can be seen when comparing the month on month movements.

Grant Receipts: The total operational and capital YTD grant receipts as at 30 September 2015 was R 322.4 million inclusive of YTD equitable share of R 164.9 million and YTD MIG of R 72.8 million.

Cash & Cash equivalents at 30 September 2015 was of R 840.6 million showing an increase of R 7.0 million from the balance at 30 June 2015.

Consumer Debt: Consumer debt at 30 September 2015 was R1.9 billion. The debt increased by approximately R 16 million from August 2015.

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 - M03 September

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	–	63 629	194 432	196 116	(1 684)	-1%	784 462
Service charges	2 227 636	2 566 359	–	211 962	661 097	641 590	19 507	3%	2 566 359
Investment revenue	50 973	34 045	–	6 307	11 816	8 511	3 304	39%	34 045
Transfers recognised - operational	519 604	440 652	–	8 114	181 535	110 163	71 372	65%	440 652
Other own revenue	325 520	211 526	–	15 855	54 253	52 882	1 371	3%	211 526
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 037 044	–	305 867	1 103 132	1 009 261	93 871	9%	4 037 044
Employee costs	832 532	960 606	–	78 816	213 398	240 152	(26 753)	-11%	960 606
Remuneration of Councillors	34 657	42 350	–	3 212	9 687	10 588	(901)	-9%	42 350
Depreciation & asset impairment	463 063	485 846	–	37 964	116 865	121 462	(4 596)	-4%	485 846
Finance charges	71 169	69 499	–	11 714	11 871	17 375	(5 503)	-32%	69 499
Materials and bulk purchases	1 591 553	1 766 912	–	134 003	543 888	441 728	102 160	23%	1 766 912
Transfers and grants	11 572	181	–	20	1 478	45	1 433	3166%	181
Other expenditure	1 121 566	708 192	–	63 152	139 404	177 048	(37 644)	-21%	708 192
Total Expenditure	4 126 113	4 033 586	–	328 880	1 036 591	1 008 397	28 195	3%	4 033 586
Surplus/(Deficit)	(285 775)	3 458	–	(23 013)	66 540	865	65 676	7597%	3 458
Transfers recognised - capital	356 459	489 060	–	27 300	37 986	122 265	(84 279)	-69%	489 060
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	70 683	492 518	–	4 286	104 526	123 130	(18 603)	-15%	492 518
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	70 683	492 518	–	4 286	104 526	123 130	(18 603)	-15%	492 518
Capital expenditure & funds sources									
Capital expenditure	528 636	709 061	–	39 949	72 583	177 265	(104 682)	-59%	709 060
Capital transfers recognised	358 449	489 060	–	30 607	54 465	122 265	(67 800)	-55%	489 060
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	16 732	100 000	–	–	–	25 000	(25 000)	-100%	100 000
Internally generated funds	153 455	120 000	–	9 342	18 117	30 000	(11 883)	-40%	120 000
Total sources of capital funds	528 636	709 060	–	39 949	72 583	177 265	(104 682)	-59%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	–		1 912 783				3 133 299
Total non current assets	7 548 842	7 568 078	–		7 450 339				7 568 078
Total current liabilities	915 372	1 378 122	–		643 926				1 378 122
Total non current liabilities	1 197 150	1 261 476	–		1 234 857				1 261 476
Community wealth/Equity	7 443 978	8 061 778	–		7 484 339				8 061 778
Cash flows									
Net cash from (used) operating	1 199 351	706 354	–	(31 384)	88 692	166 745	78 053	47%	706 354
Net cash from (used) investing	(548 181)	(589 505)	–	(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
Net cash from (used) financing	(644 310)	55 400	–	156	(17 493)	(14 849)	2 645	-18%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 760	–	–	840 684	952 543	111 859	12%	1 014 317
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	310 365	119 749	64 552	47 704	54 501	41 295	43 403	#####	1 900 722
Creditors Age Analysis									
Total Creditors	344 428	603	135	1 812	2 409	1 561	–	–	350 948

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	-	109 924	432 542	402 490	30 052	7%	1 609 960
Executive and council		6 748	1 600	-	2 395	2 395	400	1 995	499%	1 600
Budget and treasury office		1 422 429	1 276 437	-	107 189	431 959	399 584	32 375	8%	1 598 335
Corporate services		5 993	3 162	-	340	(1 812)	2 506	(4 318)	-172%	10 024
<i>Community and public safety</i>		225 653	13 361	-	13 760	21 802	17 297	4 505	26%	69 187
Community and social services		71 074	3 250	-	5 777	9 070	7 855	1 215	15%	31 421
Sport and recreation		24 880	729	-	5 005	5 093	209	4 883	2331%	838
Public safety		111 819	5 827	-	1 611	4 397	5 446	(1 049)	-19%	21 784
Housing		17 809	3 485	-	1 367	3 237	3 778	(541)	-14%	15 112
Health		71	70	-	0	5	8	(3)	-41%	32
<i>Economic and environmental services</i>		235 988	171 598	-	9 891	19 703	118 091	(98 388)	-83%	472 365
Planning and development		63 074	7 972	-	2 875	6 095	17 534	(11 439)	-65%	70 135
Road transport		172 914	163 627	-	7 015	13 608	100 557	(86 950)	-86%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	-	235 757	776 789	760 881	15 908	2%	3 043 525
Electricity		1 723 118	1 700 095	-	170 462	523 323	477 702	45 621	10%	1 910 807
Water		660 510	500 521	-	46 191	186 828	219 569	(32 741)	-15%	878 276
Waste water management		191 593	149 071	-	11 728	40 925	38 148	2 777	7%	152 591
Waste management		115 022	87 359	-	7 376	25 714	25 463	251	1%	101 851
<i>Other</i>	4	34 298	89 565	-	2 536	5 175	7 002	(1 827)	-26%	28 007
Total Revenue - Standard	2	4 621 352	3 992 771	-	371 868	1 256 011	1 305 761	(49 750)	-4%	5 223 044
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	-	86 087	224 147	233 041	(8 894)	-4%	932 163
Executive and council		7 712	384 298	-	19 518	34 054	29 928	4 126	14%	119 713
Budget and treasury office		859 050	200 157	-	54 556	155 064	149 299	5 765	4%	597 196
Corporate services		8 009	106 965	-	12 013	35 029	53 813	(18 785)	-35%	215 254
<i>Community and public safety</i>		670 660	421 741	-	44 064	115 030	124 564	(9 533)	-8%	498 255
Community and social services		116 571	99 202	-	12 183	31 745	32 243	(498)	-2%	128 972
Sport and recreation		145 186	81 358	-	9 471	23 370	26 816	(3 446)	-13%	107 264
Public safety		316 932	196 317	-	17 752	47 625	51 306	(3 681)	-7%	205 223
Housing		49 923	25 149	-	2 965	7 673	9 097	(1 425)	-16%	36 390
Health		42 048	19 716	-	1 693	4 618	5 101	(484)	-9%	20 406
<i>Economic and environmental services</i>		522 277	462 751	-	42 151	110 959	140 232	(29 273)	-21%	560 929
Planning and development		97 679	128 290	-	7 689	30 742	27 452	3 291	12%	109 807
Road transport		424 597	334 461	-	34 462	80 217	112 781	(32 564)	-29%	451 123
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 219	-	191 598	691 583	674 155	17 428	3%	2 696 620
Electricity		1 512 417	1 374 091	-	118 173	483 853	392 071	91 781	23%	1 568 286
Water		590 023	406 791	-	48 840	141 165	208 318	(67 153)	-32%	833 273
Waste water management		175 548	9 621	-	14 512	41 248	46 623	(5 376)	-12%	186 493
Waste management		150 620	102 716	-	10 073	25 317	27 142	(1 825)	-7%	108 569
<i>Other</i>		54 353	31 122	-	3 682	9 766	10 639	(873)	-8%	42 558
Total Expenditure - Standard	3	4 550 669	3 500 253	-	367 581	1 151 486	1 182 631	(31 146)	-3%	4 730 526
Surplus/ (Deficit) for the year		70 683	492 518	-	4 286	104 525	123 129	(18 604)	-15%	492 518

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) - M03 September

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Corporate Services		28 895	86 561	—	7 447	10 817	6 240	4 577	73.4%	24 960
Vote 2 - Financial Management Area		1 422 510	1 466 381	—	107 196	431 979	399 606	32 373	8.1%	1 598 424
Vote 3 - Infrastructure Development, Service Delivery and M		2 314 893	2 766 960	—	192 237	653 375	663 920	(10 545)	-1.6%	2 655 680
Vote 4 - Sustainable Community Service Delivery Provision		855 055	206 199	—	64 987	159 839	235 995	(76 155)	-32.3%	943 980
Vote 5 - [NAME OF VOTE 5]		—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	4 621 352	4 526 101	—	371 868	1 256 011	1 305 761	(49 750)	-3.8%	5 223 044
Expenditure by Vote	1									
Vote 1 - Corporate Services		59 220	665 551	—	31 045	79 614	80 651	(1 037)	-1.3%	322 605
Vote 2 - Financial Management Area		865 520	592 672	—	53 509	155 280	151 424	3 856	2.5%	605 696
Vote 3 - Infrastructure Development, Service Delivery and M		2 753 365	2 440 094	—	224 166	768 135	772 965	(4 830)	-0.6%	3 091 862
Vote 4 - Sustainable Community Service Delivery Provision		872 564	335 266	—	58 861	148 456	177 591	(29 134)	-16.4%	710 363
Vote 5 - [NAME OF VOTE 5]		—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	4 550 669	4 033 583	—	367 581	1 151 486	1 182 631	(31 146)	-2.6%	4 730 526
Surplus/ (Deficit) for the year	2	70 683	492 518	—	4 286	104 525	123 129	(18 604)	-15.1%	492 518

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 September 2015.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		686 396	743 113		61 636	187 886	185 778	2 107	1%	743 113
Property rates - penalties & collection charges		30 207	41 349		1 993	6 546	10 337	(3 791)	-37%	41 349
Service charges - electricity revenue		1 566 133	1 863 770		158 782	498 223	465 943	32 281	7%	1 863 770
Service charges - water revenue		452 443	476 831		37 268	115 456	119 208	(3 752)	-3%	476 831
Service charges - sanitation revenue		127 516	134 917		9 277	28 504	33 729	(5 226)	-15%	134 917
Service charges - refuse revenue		81 544	90 841		6 635	18 914	22 710	(3 796)	-17%	90 841
Service charges - other		-	-		-	-	-	-		-
Rental of facilities and equipment		23 477	41 329		1 412	4 796	10 332	(5 537)	-54%	41 329
Interest earned - external investments		50 973	34 045		6 307	11 816	8 511	3 304	39%	34 045
Interest earned - outstanding debtors		69 529	62 593		6 113	9 528	15 648	(6 120)	-39%	62 593
Dividends received		-	-		-	-	-	-		-
Fines		108 634	17 488		1 050	3 268	4 372	(1 104)	-25%	17 488
Licences and permits		89	87		8	22	22	1	2%	87
Agency services		578	632		46	117	158	(41)	-26%	632
Transfers recognised - operational		519 604	440 652		8 114	181 535	110 163	71 372	65%	440 652
Other revenue		123 214	79 697		7 226	36 522	19 924	16 598	83%	79 697
Gains on disposal of PPE			9 700				2 425	(2 425)	-100%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 037 044	-	305 867	1 103 132	1 009 261	93 871	9%	4 037 044
Expenditure By Type										
Employee related costs		832 532	960 606		78 816	213 398	240 152	(26 753)	-11%	960 606
Remuneration of councillors		34 657	42 350		3 212	9 687	10 588	(901)	-9%	42 350
Debt impairment		222 110	124 586		-	-	31 147	(31 147)	-100%	124 586
Depreciation & asset impairment		463 063	485 846		37 964	116 865	121 462	(4 596)	-4%	485 846
Finance charges		71 169	69 499		11 714	11 871	17 375	(5 503)	-32%	69 499
Bulk purchases		1 586 802	1 736 811		133 649	542 956	434 203	108 753	25%	1 736 811
Other materials		4 751	30 101		354	931	7 525	(6 594)	-88%	30 101
Contracted services		29 698	18 851		2 042	4 099	4 713	(613)	-13%	18 851
Transfers and grants		11 572	181		20	1 478	45	1 433	3166%	181
Other expenditure		869 758	564 755		61 110	135 305	141 189	(5 884)	-4%	564 755
Loss on disposal of PPE			-				-	-		-
Total Expenditure		4 126 113	4 033 586	-	328 880	1 036 591	1 008 397	28 195	3%	4 033 586
Surplus/(Deficit)		(285 775)	3 458	-	(23 013)	66 540	865	65 676	0	3 458
Transfers recognised - capital		356 459	489 060		27 300	37 986	122 265	(84 279)	(0)	489 060
Contributions recognised - capital								-		
Contributed assets							-	-		
Surplus/(Deficit) after capital transfers & contributions		70 683	492 518	-	4 286	104 526	123 130			492 518
Taxation								-		
Surplus/(Deficit) after taxation		70 683	492 518	-	4 286	104 526	123 130			492 518
Attributable to minorities										
		70 683	492 518	-	4 286	104 526	123 130			492 518
Surplus/(Deficit) attributable to municipality										
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		70 683	492 518	-	4 286	104 526	123 130			492 518

Capital Expenditure

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

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September										
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Corporate Services		50 231	28 400	-	2 892	3 996	7 100	(3 104)	-44%	28 400
Vote 2 - Financial Management Area		14 606	25 000	-	6 156	6 156	6 250	(94)	-2%	25 000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		199 085	589 310	-	18 060	43 361	147 328	(103 966)	-71%	589 310
Vote 4 - Sustainable Community Service Delivery Provision Management		17 470	32 200	-	4 496	9 720	8 050	1 670	21%	32 200
Total Capital Multi-year expenditure	4,7	281 392	674 910	-	31 604	63 233	168 728	(105 494)	-63%	674 910
Single Year expenditure appropriation	2									
Vote 1 - Corporate Services		20 394	4 865	-	17	307	1 216	(910)	-75%	4 865
Vote 2 - Financial Management Area		5 292	710	-	76	107	177	(70)	-40%	710
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		165 720	12 505	-	8 063	8 746	3 126	5 620	180%	12 505
Vote 4 - Sustainable Community Service Delivery Provision Management		55 839	16 071	-	189	189	4 018	(3 828)	-95%	16 071
Total Capital single-year expenditure	4	247 245	34 151	-	8 345	9 349	8 538	812	10%	34 150
Total Capital Expenditure		528 636	709 061	-	39 949	72 583	177 265	(104 682)	-59%	709 060
Capital Expenditure - Standard Classification										
Governance and administration		78 329	59 385	-	9 110	10 528	14 846	(4 318)	-29%	59 385
Executive and council		9 794	5 800		1 414	2 413	1 450	963	66%	5 800
Budget and treasury office		68 535	53 585		7 696	8 115	13 396	(5 281)	-39%	53 585
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		62 933	54 598	-	4 685	9 659	13 650	(3 990)	-29%	54 598
Community and social services		11 244	2 500		16	16	625	(609)	-97%	2 500
Sport and recreation		45 618	34 400		4 651	9 626	8 600	1 026	12%	34 400
Public safety		1 883	8 353		18	18	2 088	(2 070)	-99%	8 353
Housing		3 191	7 725		-	-	1 931	(1 931)	-100%	7 725
Health		997	1 620		-	-	405	(405)	-100%	1 620
Economic and environmental services		145 494	339 647	-	7 096	20 566	84 912	(64 345)	-76%	339 647
Planning and development		32 080	9 590		1 063	7 990	2 398	5 592	233%	9 590
Road transport		113 415	330 057		6 032	12 576	82 514	(69 938)	-85%	330 057
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		235 566	121 166	-	19 058	31 579	63 508	(31 930)	-50%	121 166
Electricity		136 907	133		9 656	11 192	33 250	(22 058)	-66%	133
Water		53 989	83 133		6 408	14 427	20 783	(6 356)	-31%	83 133
Waste water management		32 050	36 900		2 581	5 404	9 225	(3 821)	-41%	36 900
Waste management		12 620	1 000		413	556	250	306	122%	1 000
Other		6 314	1 398		-	251	349	(99)	-28%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	576 194	-	39 949	72 583	177 265	(104 682)	-59%	576 194
Funded by:										
National Government		68 155	489 060		28 397	52 156	122 265	(70 109)	-57%	489 060
Provincial Government		290 294			2 210	2 309	-	2 309	#DIV/0!	-
District Municipality		-	-		-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		358 449	489 060	-	30 607	54 465	122 265	(67 800)	-55%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	16 732	100 000		-	-	25 000	(25 000)	-100%	100 000
Internally generated funds		153 455	120 000		9 342	18 117	30 000	(11 883)	-40%	120 000
Total Capital Funding		528 636	709 060	-	39 949	72 583	177 265	(104 682)	-59%	709 060

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 30 September 2015.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M03						
Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		96 597	45 513	–	40 016	45 513
Call investment deposits		745 471	1 086 263	–	743 788	1 086 263
Consumer debtors		728 136	883 147	–	1 210 194	883 147
Other debtors		390 671	376 440	–	(136 371)	376 440
Current portion of long-term receivables		46	43	–	–	43
Inventory		46 737	741 893	–	55 155	741 893
Total current assets		2 007 658	3 133 299	–	1 912 783	3 133 299
Non current assets						
Long-term receivables		10 482	9 455	–	10 366	9 455
Investments		–	–	–	–	–
Investment property		382 805	356 914	–	–	356 914
Investments in Associate		–	–	–	–	–
Property, plant and equipment		7 091 843	6 948 898	–	7 439 973	6 948 898
Agricultural		44 831	–	–	–	–
Biological assets		–	46 520	–	–	46 520
Intangible assets		18 880	27 283	–	–	27 283
Other non-current assets		–	179 008	–	–	179 008
Total non current assets		7 548 842	7 568 078	–	7 450 339	7 568 078
TOTAL ASSETS		9 556 500	10 701 377	–	9 363 122	10 701 377
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		53 524	61 751	–	1 245	61 751
Consumer deposits		89 479	92 798	–	91 026	92 798
Trade and other payables		765 335	1 217 489	–	545 625	1 217 489
Provisions		7 034	6 084	–	6 029	6 084
Total current liabilities		915 372	1 378 122	–	643 926	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	–	581 108	579 761
Provisions		653 749	681 715	–	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	–	1 234 857	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	–	1 878 783	2 639 598
NET ASSETS	2	7 443 978	8 061 779	–	7 484 339	8 061 779
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	–	7 224 911	7 888 864
Reserves		257 948	172 914	–	259 428	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 778	–	7 484 339	8 061 778

Table C7 below display the Cash Flow Statement for the month ending 30 September 2015.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
Description	Ref	2014/15	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		2 962 718	3 134 903	-	337 214	919 702	808 555	111 147	14%	3 134 903
Government - operating		519 604	440 652	-	3 705	211 945	120 697	91 248	76%	440 652
Government - capital		356 459	489 060	-	7 232	115 084	125 636	(10 552)	-8%	489 060
Interest		120 502	64 894	-	1 822	8 360	14 846	(6 485)	-44%	64 894
Dividends			-	-			-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 353 475)	-	(369 624)	(1 153 051)	(886 160)	266 891	-30%	(3 353 475)
Finance charges		(71 169)	(69 499)	-	(11 714)	(11 871)	(15 362)	(3 490)	23%	(69 499)
Transfers and Grants		(11 572)	(181)	-	(20)	(1 478)	(1 467)	11	-1%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 354	-	(31 384)	88 692	166 745	78 053	47%	706 354
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421	-		-	-		-		-
Decrease (Increase) in non-current debtors		-	-		-	-		-		-
Decrease (increase) other non-current receivables		-	-	-	-	-		-		-
Decrease (increase) in non-current investments		(1 928)	-	-	-	-		-		-
Payments										
Capital assets		(546 674)	(589 505)	-	(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(548 181)	(589 505)	-	(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-		-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000	-	-	-	-	-		100 000
Increase (decrease) in consumer deposits		4 370	5 250	-	156	1 125	-	1 125	#DIV/0!	5 250
Payments										
Repayment of borrowing		(748 680)	(49 850)	-	-	(18 619)	(14 849)	3 770	-25%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(644 310)	55 400	-	156	(17 493)	(14 849)	2 645	-18%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 859	172 249	-	(71 178)	(1 384)	1 032			172 249
Cash/cash equivalents at beginning:		827 273	951 511			842 068	951 511			842 068
Cash/cash equivalents at month/year end:		834 133	1 123 760	-		840 684	952 543			1 014 317

Consolidated Budget Tables (With Municipal Entity: Safe City

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M03 September

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	–	63 629	194 432	196 116	(1 684)	-1%	784 462
Service charges	2 227 636	2 566 359	–	211 962	661 097	641 590	19 507	3%	2 566 359
Investment revenue	51 027	34 101	–	6 336	11 902	8 525	3 376	40%	34 101
Transfers recognised - operational	519 604	440 652	–	8 114	181 535	110 163	71 372	65%	440 652
Other own revenue	325 520	211 526	–	15 855	54 253	52 882	1 371	3%	211 526
Total Revenue (excluding capital transfers and contributions)	3 840 392	4 037 100	–	305 896	1 103 218	1 009 275	93 943	9%	4 037 100
Employee costs	836 267	965 405	–	79 111	214 420	241 352	(26 931)	-11%	965 405
Remuneration of Councillors	34 657	42 350	–	3 212	9 687	10 588	(901)	-9%	42 350
Depreciation & asset impairment	463 564	487 399	–	38 093	117 253	121 850	(4 596)	-4%	487 399
Finance charges	71 180	69 511	–	11 715	11 874	17 378	(5 503)	-32%	69 511
Materials and bulk purchases	1 591 765	1 767 191	–	134 093	543 985	441 798	102 187	23%	1 767 191
Transfers and grants	11 572	181	–	20	1 478	45	1 433	3166%	181
Other expenditure	1 122 144	716 221	–	66 292	142 872	179 055	(36 183)	-20%	716 221
Total Expenditure	4 131 150	4 048 258	–	332 535	1 041 569	1 012 065	29 505	3%	4 048 258
Surplus/(Deficit)	(290 758)	(11 158)	–	(26 639)	61 648	(2 790)	64 438	-2310%	(11 158)
Transfers recognised - capital	356 459	489 060	–	27 300	37 986	122 265	(84 279)	-69%	489 060
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	65 700	477 902	–	660	99 634	119 476	(19 841)	-17%	477 902
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	65 700	477 902	–	660	99 634	119 476	(19 841)	-17%	477 902
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	–	39 949	72 583	177 265	(104 682)	-59%	709 060
Capital transfers recognised	358 449	489 060	–	30 607	54 465	122 265	(67 800)	-55%	489 060
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	16 732	100 000	–	–	–	25 000	(25 000)	-100%	100 000
Internally generated funds	153 455	120 000	–	9 342	18 117	30 000	(11 883)	-40%	120 000
Total sources of capital funds	528 636	709 060	–	39 949	72 583	177 265	(104 682)	-59%	709 060
Financial position									
Total current assets	2 015 881	3 133 752	–		1 916 691				3 133 752
Total non current assets	7 549 526	7 574 856	–		7 454 099				7 574 856
Total current liabilities	923 142	1 385 104	–		647 832				1 385 104
Total non current liabilities	1 197 150	1 261 476	–		1 234 857				1 261 476
Community wealth/Equity	7 445 115	8 062 028	–		7 488 101				8 062 028
Cash flows									
Net cash from (used) operating	1 194 858	693 292	–	(34 882)	84 189	166 745	82 556	50%	693 292
Net cash from (used) investing	(548 494)	(589 505)	–	(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
Net cash from (used) financing	(644 310)	55 400	–	156	(17 493)	(14 849)	2 645	-18%	55 400
Cash/cash equivalents at the month/year end	829 327	1 110 698	–	–	836 181	952 543	116 362	12%	1 001 255
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	310 365	119 749	64 552	47 704	54 501	41 295	43 403	#####	1 900 722
Creditors Age Analysis									
Total Creditors	344 428	603	135	1 812	2 409	1 561	–	–	350 948

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	-	109 924	432 542	402 490	30 052	7%	1 609 960
Executive and council		6 748	1 600	-	2 395	2 395	400	1 995	499%	1 600
Budget and treasury office		1 422 429	1 276 437	-	107 189	431 959	399 584	32 375	8%	1 598 335
Corporate services		5 993	3 162	-	340	(1 812)	2 506	(4 318)	-172%	10 024
<i>Community and public safety</i>		225 653	13 361	-	13 760	21 802	17 297	4 505	26%	69 187
Community and social services		71 074	3 250	-	5 777	9 070	7 855	1 215	15%	31 421
Sport and recreation		24 880	729	-	5 005	5 093	209	4 883	2331%	838
Public safety		111 819	5 827	-	1 611	4 397	5 446	(1 049)	-19%	21 784
Housing		17 809	3 485	-	1 367	3 237	3 778	(541)	-14%	15 112
Health		71	70	-	0	5	8	(3)	-41%	32
<i>Economic and environmental services</i>		235 988	171 598	-	9 891	19 703	118 091	(98 388)	-83%	472 365
Planning and development		63 074	7 972	-	2 875	6 095	17 534	(11 439)	-65%	70 135
Road transport		172 914	163 627	-	7 015	13 608	100 557	(86 950)	-86%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	-	235 757	776 789	760 881	15 908	2%	3 043 525
Electricity		1 723 118	1 700 095	-	170 462	523 323	477 702	45 621	10%	1 910 807
Water		660 510	500 521	-	46 191	186 828	219 569	(32 741)	-15%	878 276
Waste water management		191 593	149 071	-	11 728	40 925	38 148	2 777	7%	152 591
Waste management		115 022	87 359	-	7 376	25 714	25 463	251	1%	101 851
<i>Other</i>	4	34 298	89 565	-	2 536	5 175	7 002	(1 827)	-26%	28 007
Total Revenue - Standard	2	4 621 352	3 992 771	-	371 868	1 256 011	1 305 761	(49 750)	-4%	5 223 044
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	-	86 087	224 147	233 041	(8 894)	-4%	932 163
Executive and council		7 712	384 298	-	19 518	34 054	29 928	4 126	14%	119 713
Budget and treasury office		859 050	200 157	-	54 556	155 064	149 299	5 765	4%	597 196
Corporate services		8 009	106 965	-	12 013	35 029	53 813	(18 785)	-35%	215 254
<i>Community and public safety</i>		675 643	436 357	-	44 064	115 030	124 564	(9 533)	-8%	498 255
Community and social services		121 554	113 818	-	12 183	31 745	32 243	(498)	-2%	128 972
Sport and recreation		145 186	81 358	-	9 471	23 370	26 816	(3 446)	-13%	107 264
Public safety		316 932	196 317	-	17 752	47 625	51 306	(3 681)	-7%	205 223
Housing		49 923	25 149	-	2 965	7 673	9 097	(1 425)	-16%	36 390
Health		42 048	19 716	-	1 693	4 618	5 101	(484)	-9%	20 406
<i>Economic and environmental services</i>		522 277	462 751	-	42 151	110 959	140 232	(29 273)	-21%	560 929
Planning and development		97 679	128 290	-	7 689	30 742	27 452	3 291	12%	109 807
Road transport		424 597	334 461	-	34 462	80 217	112 781	(32 564)	-29%	451 123
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 219	-	195 224	696 474	677 808	18 666	3%	2 696 620
Electricity		1 512 417	1 374 091	-	121 799	488 744	395 724	93 019	24%	1 568 286
Water		590 023	406 791	-	48 840	141 165	208 318	(67 153)	-32%	833 273
Waste water management		175 548	9 621	-	14 512	41 248	46 623	(5 376)	-12%	186 493
Waste management		150 620	102 716	-	10 073	25 317	27 142	(1 825)	-7%	108 569
<i>Other</i>		54 353	31 122	-	3 682	9 766	10 639	(873)	-8%	42 558
Total Expenditure - Standard	3	4 555 652	3 514 869	-	371 207	1 156 377	1 186 284	(29 908)	-3%	4 730 526
Surplus/ (Deficit) for the year		65 700	477 902	-	660	99 634	119 476	(19 842)	-17%	492 518

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Corporate Services		28 895	86 561	–	7 447	10 817	6 240	4 577	73.4%	24 960
Vote 2 - Financial Management Area		1 422 510	1 466 381	–	107 196	431 979	399 606	32 373	8.1%	1 598 424
Vote 3 - Infrastructure Development, Service Delivery and M		2 314 893	2 766 960	–	192 237	653 375	663 920	(10 545)	-1.6%	2 655 680
Vote 4 - Sustainable Community Service Delivery Provision		850 072	191 583	–	64 987	159 839	235 995	(76 155)	-32.3%	943 980
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	4 616 369	4 511 485	–	371 868	1 256 011	1 305 761	(49 750)	-3.8%	5 223 044
Expenditure by Vote	1									
Vote 1 - Corporate Services		59 220	665 551	–	31 045	79 614	80 651	(1 037)	-1.3%	322 605
Vote 2 - Financial Management Area		865 520	592 672	–	53 509	155 280	151 424	3 856	2.5%	605 696
Vote 3 - Infrastructure Development, Service Delivery and M		2 753 365	2 440 094	–	227 792	773 026	776 618	(3 592)	-0.5%	3 091 862
Vote 4 - Sustainable Community Service Delivery Provision		872 564	335 266	–	58 861	148 456	177 591	(29 134)	-16.4%	710 363
Vote 5 - [NAME OF VOTE 5]		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	4 550 669	4 033 583	–	371 207	1 156 377	1 186 284	(29 908)	-2.5%	4 730 526
Surplus/ (Deficit) for the year	2	65 700	477 902	–	660	99 634	119 476	(19 842)	-16.6%	492 518

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		686 396	743 113		61 636	187 886	185 778	2 107	1%	743 113
Property rates - penalties & collection charges		30 207	41 349		1 993	6 546	10 337	(3 791)	-37%	41 349
Service charges - electricity revenue		1 566 133	1 863 770		158 782	498 223	465 943	32 281	7%	1 863 770
Service charges - water revenue		452 443	476 831		37 268	115 456	119 208	(3 752)	-3%	476 831
Service charges - sanitation revenue		127 516	134 917		9 277	28 504	33 729	(5 226)	-15%	134 917
Service charges - refuse revenue		81 544	90 841		6 635	18 914	22 710	(3 796)	-17%	90 841
Service charges - other		-	-		-	-	-	-		-
Rental of facilities and equipment		23 477	41 329		1 412	4 796	10 332	(5 537)	-54%	41 329
Interest earned - external investments		51 027	34 101		6 336	11 902	8 525	3 376	40%	34 101
Interest earned - outstanding debtors		69 529	62 593		6 113	9 528	15 648	(6 120)	-39%	62 593
Dividends received		-	-		-	-	-	-		-
Fines		108 634	17 488		1 050	3 268	4 372	(1 104)	-25%	17 488
Licences and permits		89	87		8	22	22	1	2%	87
Agency services		578	632		46	117	158	(41)	-26%	632
Transfers recognised - operational		519 604	440 652		8 114	181 535	110 163	71 372	65%	440 652
Other revenue		123 214	79 697		7 226	36 522	19 924	16 598	83%	79 697
Gains on disposal of PPE			9 700				2 425	(2 425)	-100%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 392	4 037 100	-	305 896	1 103 218	1 009 275	93 943	9%	4 037 100
Expenditure By Type										
Employee related costs		836 267	965 405		79 111	214 420	241 352	(26 931)	-11%	965 405
Remuneration of councillors		34 657	42 350		3 212	9 687	10 588	(901)	-9%	42 350
Debt impairment		222 110	124 586		-	-	31 147	(31 147)	-100%	124 586
Depreciation & asset impairment		463 564	487 399		38 093	117 253	121 850	(4 596)	-4%	487 399
Finance charges		71 180	69 511		11 715	11 874	17 378	(5 503)	-32%	69 511
Bulk purchases		1 586 802	1 736 811		133 649	542 956	434 203	108 753	25%	1 736 811
Other materials		4 963	30 380		444	1 028	7 595	(6 567)	-86%	30 380
Contracted services		29 964	25 914		5 135	7 466	6 479	988	15%	25 914
Transfers and grants		11 572	181		20	1 478	45	1 433	3166%	181
Other expenditure		870 070	565 721		61 157	135 406	141 430	(6 024)	-4%	565 721
Loss on disposal of PPE			-				-	-		-
Total Expenditure		4 131 150	4 048 258	-	332 535	1 041 569	1 012 065	29 505	3%	4 048 258
Surplus/(Deficit)		(290 758)	(11 158)	-	(26 639)	61 648	(2 790)	64 438	(0)	(11 158)
Transfers recognised - capital		356 459	489 060		27 300	37 986	122 265	(84 279)	(0)	489 060
Contributions recognised - capital								-		
Contributed assets							-	-		
Surplus/(Deficit) after capital transfers & contributions		65 700	477 902	-	660	99 634	119 476			477 902
Taxation								-		
Surplus/(Deficit) after taxation		65 700	477 902	-	660	99 634	119 476			477 902
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		65 700	477 902	-	660	99 634	119 476			477 902
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		65 700	477 902	-	660	99 634	119 476			477 902

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M03 September										
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Corporate Services		50 231	28 400	-	2 892	3 996	7 100	(3 104)	-44%	28 400
Vote 2 - Financial Management Area		14 606	25 000	-	6 156	6 156	6 250	(94)	-2%	25 000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		199 085	589 310	-	18 060	43 361	147 328	(103 966)	-71%	589 310
Vote 4 - Sustainable Community Service Delivery Provision Management		17 470	32 200	-	4 496	9 720	8 050	1 670	21%	32 200
Total Capital Multi-year expenditure	4,7	281 392	674 910	-	31 604	63 233	168 728	(105 494)	-63%	674 910
Single Year expenditure appropriation	2									
Vote 1 - Corporate Services		20 394	855	-	17	307	1 216	(910)	-75%	4 865
Vote 2 - Financial Management Area		5 292	4 129	-	76	107	177	(70)	-40%	710
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		165 720	24 997	-	8 063	8 746	3 126	5 620	180%	12 505
Vote 4 - Sustainable Community Service Delivery Provision Management		55 839	4 169	-	189	189	4 018	(3 828)	-95%	16 071
Total Capital single-year expenditure	4	247 245	34 150	-	8 345	9 349	8 538	812	10%	34 150
Total Capital Expenditure		528 636	709 060	-	39 949	72 583	177 265	(104 682)	-59%	709 060
Capital Expenditure - Standard Classification										
Governance and administration		78 329	59 385	-	9 110	10 528	14 846	(4 318)	-29%	59 385
Executive and council		9 794	5 800		1 414	2 413	1 450	963	66%	5 800
Budget and treasury office		68 535	53 585		7 696	8 115	13 396	(5 281)	-39%	53 585
Corporate services		-	-		-	-	-	-		-
Community and public safety		62 933	54 598	-	4 685	9 659	13 650	(3 990)	-29%	54 598
Community and social services		11 244	2 500		16	16	625	(609)	-97%	2 500
Sport and recreation		45 618	34 400		4 651	9 626	8 600	1 026	12%	34 400
Public safety		1 883	8 353		18	18	2 088	(2 070)	-99%	8 353
Housing		3 191	7 725		-	-	1 931	(1 931)	-100%	7 725
Health		997	1 620		-	-	405	(405)	-100%	1 620
Economic and environmental services		145 494	339 647	-	7 096	20 566	84 912	(64 345)	-76%	339 647
Planning and development		32 080	9 590		1 063	7 990	2 398	5 592	233%	9 590
Road transport		113 415	330 057		6 032	12 576	82 514	(69 938)	-85%	330 057
Environmental protection		-	-		-	-	-	-		-
Trading services		235 566	254 033	-	19 058	31 579	63 508	(31 930)	-50%	254 033
Electricity		136 907	133 000		9 656	11 192	33 250	(22 058)	-66%	133 000
Water		53 989	83 133		6 408	14 427	20 783	(6 356)	-31%	83 133
Waste water management		32 050	36 900		2 581	5 404	9 225	(3 821)	-41%	36 900
Waste management		12 620	1 000		413	556	250	306	122%	1 000
Other		6 314	1 398		-	251	349	(99)	-28%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	709 060	-	39 949	72 583	177 265	(104 682)	-59%	709 060
Funded by:										
National Government		68 155	489 060		28 397	52 156	122 265	(70 109)	-57%	489 060
Provincial Government		290 294			2 210	2 309	-	2 309	0%	-
Transfers recognised - capital		358 449	489 060	-	30 607	54 465	122 265	(67 800)	-55%	489 060
Public contributions & donations	5	-			-	-	-	-		-
Borrowing	6	16 732	100 000		-	-	25 000	(25 000)	-100%	100 000
Internally generated funds		153 455	120 000		9 342	18 117	30 000	(11 883)	-40%	120 000
Total Capital Funding		528 636	709 060	-	39 949	72 583	177 265	(104 682)	-59%	709 060

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		96 599	45 578		40 092	45 578
Call investment deposits		753 689	1 086 648		747 617	1 086 648
Consumer debtors		728 136	883 147		1 210 194	883 147
Other debtors		390 671	376 443		(136 368)	376 443
Current portion of long-term receivables		49	43		–	43
Inventory		46 737	741 893		55 155	741 893
Total current assets		2 015 881	3 133 752	–	1 916 691	3 133 752
Non current assets						
Long-term receivables		10 482	9 455		10 366	9 455
Investments		–	–		–	–
Investment property		382 805	356 914		–	356 914
Investments in Associate		–	–		–	–
Property, plant and equipment		7 092 527	6 955 676		7 443 733	6 955 676
Agricultural		44 831	–		–	–
Biological assets		–	46 520		–	46 520
Intangible assets		18 880	27 283		–	27 283
Other non-current assets		–	179 008		–	179 008
Total non current assets		7 549 526	7 574 856	–	7 454 099	7 574 856
TOTAL ASSETS		9 565 407	10 708 607	–	9 370 790	10 708 607
LIABILITIES						
Current liabilities						
Bank overdraft		–	–		–	–
Borrowing		53 524	61 751		1 245	61 751
Consumer deposits		89 479	92 798		91 026	92 798
Trade and other payables		773 105	1 224 471		549 531	1 224 471
Provisions		7 034	6 084		6 029	6 084
Total current liabilities		923 142	1 385 104	–	647 832	1 385 104
Non current liabilities						
Borrowing		543 401	579 761		581 108	579 761
Provisions		653 749	681 715		653 749	681 715
Total non current liabilities		1 197 150	1 261 476	–	1 234 857	1 261 476
TOTAL LIABILITIES		2 120 292	2 646 580	–	1 882 689	2 646 580
NET ASSETS	2	7 445 115	8 062 028	–	7 488 101	8 062 028
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864		7 228 673	7 888 864
Reserves		259 085	173 163		259 428	173 163
TOTAL COMMUNITY WEALTH/EQUITY	2	7 445 115	8 062 028	–	7 488 101	8 062 028

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		2 962 718	3 134 904		337 214	919 703	808 555	111 148	14%	3 134 904
Government - operating		519 604	440 652		3 705	211 945	120 697	91 248	76%	440 652
Government - capital		356 459	489 060		7 232	115 084	125 636	(10 552)	-8%	489 060
Interest		120 556	64 950		1 851	8 446	14 846	(6 399)	-43%	64 950
Dividends							-	-		-
Payments										
Suppliers and employees		(2 681 727)	(3 366 582)		(373 150)	(1 157 638)	(886 160)	271 478	-31%	(3 366 582)
Finance charges		(71 180)	(69 511)		(11 715)	(11 874)	(15 362)	(3 487)	23%	(69 511)
Transfers and Grants		(11 572)	(181)		(20)	(1 478)	(1 467)	11	-1%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 194 858	693 292	-	(34 882)	84 189	166 745	82 556	50%	693 292
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421	-		-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-		-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		(1 928)	-	-	-	-	-	-		-
Payments										
Capital assets		(546 987)	(589 505)		(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(548 494)	(589 505)	-	(39 949)	(72 583)	(150 864)	(78 282)	52%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-		-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000		-	-	-	-		100 000
Increase (decrease) in consumer deposits		4 370	5 250		156	1 125	-	1 125	0%	5 250
Payments										
Repayment of borrowing		(748 680)	(49 850)		-	(18 619)	(14 849)	3 770	-25%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(644 310)	55 400	-	156	(17 493)	(14 849)	2 645	-18%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		2 053	159 187	-	(74 676)	(5 887)	1 032			159 187
Cash/cash equivalents at beginning:		827 273	951 511			842 068	951 511			842 068
Cash/cash equivalents at month/year end:		829 327	1 110 698	-		836 181	952 543			1 001 255

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

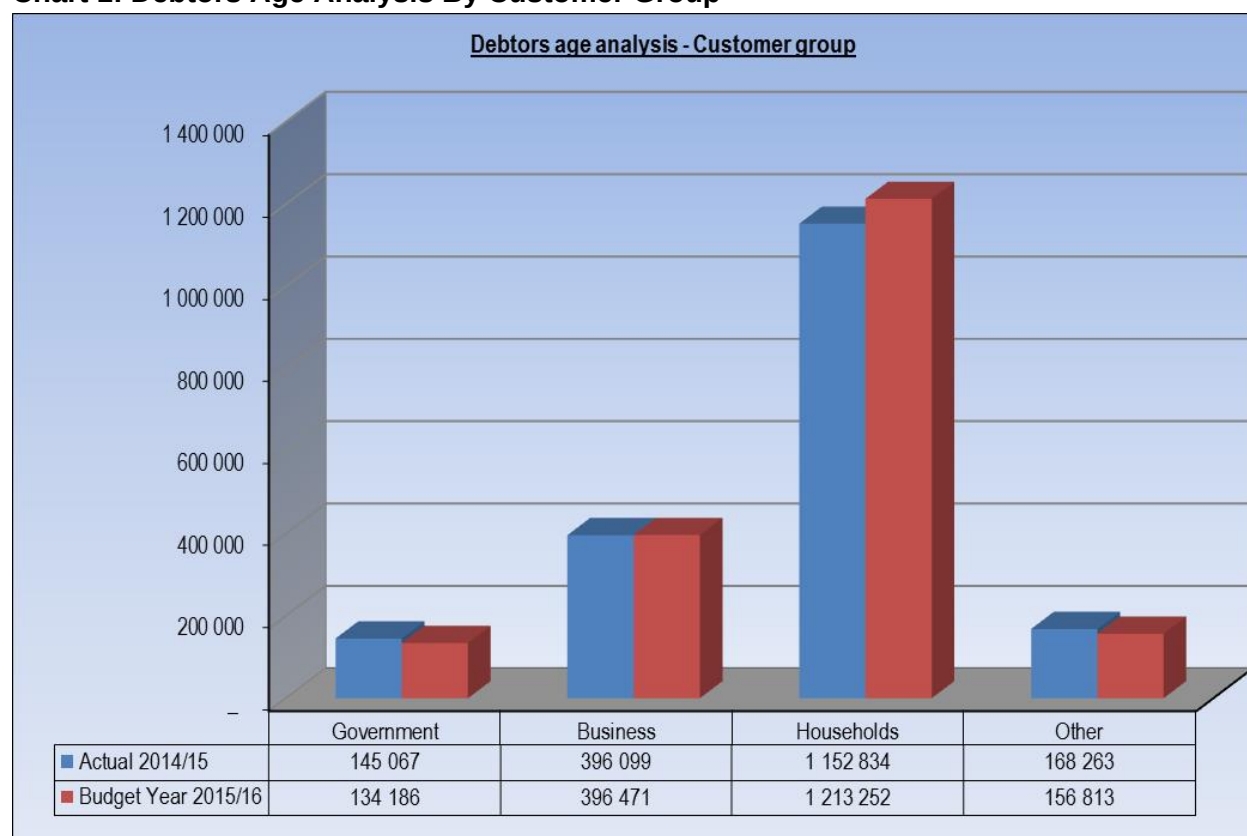
The table presented below summarises the Debtors Age Analysis as at 30 September 2015.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2016/17										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	50 294 419	28 032 689	21 685 996	19 604 893	17 858 045	15 875 648	13 898 426	377 654 059	544 904	444 891		178 027 334
Trade and Other Receivables from Exchange Transactions - Electricity	1300	175 291 598	53 755 769	9 175 043	4 804 550	4 904 652	3 874 475	4 712 676	71 941 214	328 460	90 238		34 734 836
Receivables from Non-exchange Transactions - Property Rates	1400	60 031 419	25 698 330	19 603 290	9 149 520	8 195 245	7 541 540	11 419 421	219 063 060	360 702	255 369		124 930 848
Receivables from Exchange Transactions - Waste Water Management	1500	10 966 981	5 141 704	3 648 973	3 120 973	3 029 582	2 799 082	2 779 915	86 542 742	118 030	98 272		48 162 661
Receivables from Exchange Transactions - Waste Management	1600	6 923 817	2 939 123	1 810 326	1 596 101	1 529 516	1 459 782	1 412 072	46 365 528	64 036	52 363		26 743 981
Receivables from Exchange Transactions - Property Rental Debtors	1700	670 630	601 696	579 627	497 198	493 452	493 431	494 030	26 818 151	30 648	28 796		19 244 141
Interest on Arrear Debtor Accounts	1810	9 027 332	8 672 029	8 358 179	7 855 230	8 291 436	7 511 249	7 195 896	262 326 488	319 238	293 180		173 311 550
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	0	0	0	0	0	0	0	0	-	-		0
Other	1900	-2 841 535	-5 092 840	-309 834	1 075 601	10 199 008	1 739 486	1 490 640	128 443 709	134 704	142 948		24 490 164
Total By Income Source	2000	310 365	119 749	64 552	47 704	54 501	41 295	43 403	1 219 155	1 900 722	1 406 058	-	629 646
2015/16 - totals only		280 203	156 369	71 977	53 536	51 472	40 275	38 696	1 169 735	1 862 262	1 353 713		602 904
Debtors Age Analysis By Customer Group													
Organs of State	2200	26 624 012	236 618	6 428 683	1 549 150	11 397 504	2 703 005	4 578 808	80 668 150	134 186	100 897		56 080 438
Commercial	2300	156 756 418	55 876 523	17 296 711	6 901 088	7 081 942	5 037 396	7 246 390	140 274 596	396 471	166 541		75 886 120
Households	2400	119 442 231	59 070 548	35 697 115	35 023 702	32 756 992	30 453 768	28 494 474	872 313 185	1 213 252	999 042		419 291 342
Other	2500	7 542 000	4 564 811	5 129 091	4 230 126	3 264 498	3 100 524	3 083 404	125 899 020	156 813	139 578		78 387 615
Total By Customer Group	2600	310 365	119 749	64 552	47 704	54 501	41 295	43 403	1 219 155	1 900 722	1 406 058	-	629 646
Notes	%	16.33	6.30	3.40	2.51	2.87	2.17	2.28	64.14				

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 30 September 2015 of R 16 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1,9 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 64% of the total municipal debt as detailed below:

- ✓ Households 64%
- ✓ Commercial 21%
- ✓ Organs of State 7%
- ✓ Other 8%

Chart 2: Year on Year Debtors Age Analysis

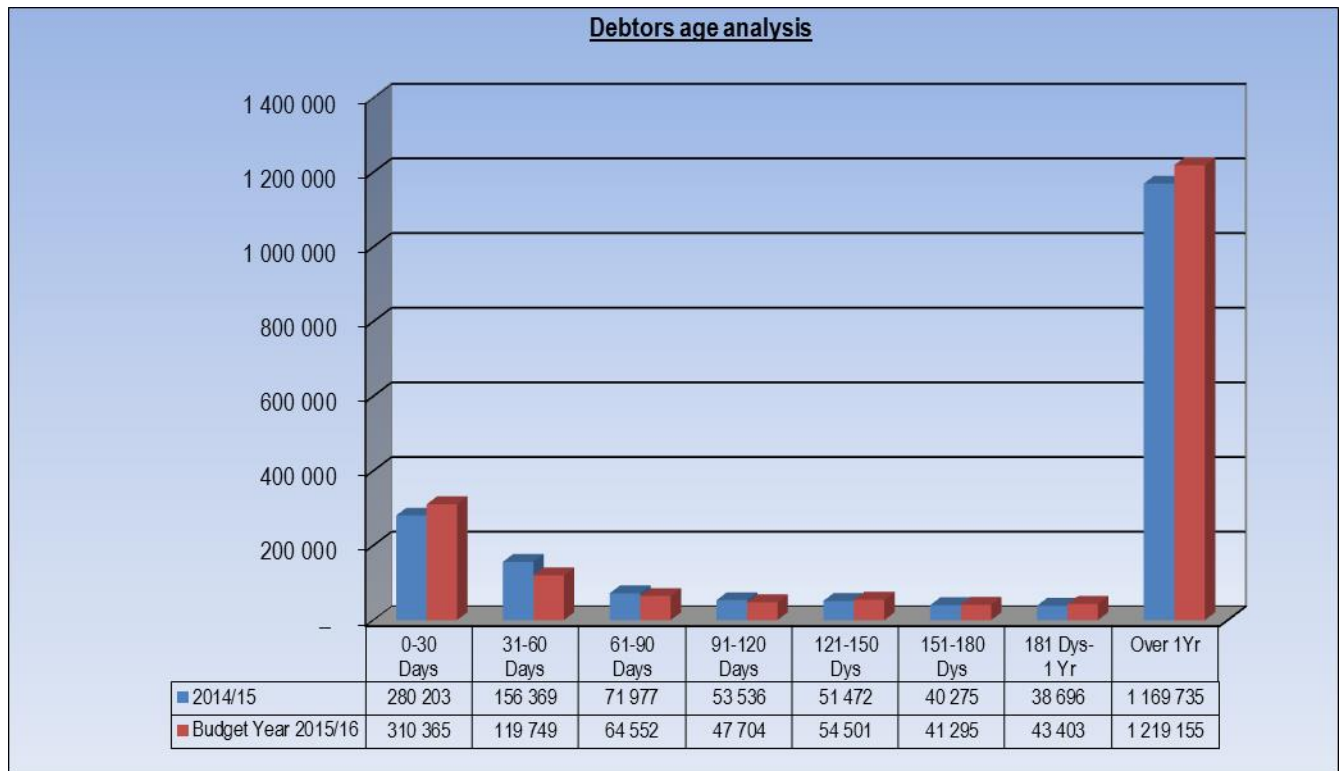


Chart 3a: Monthly Billing vs Receipts Statistics

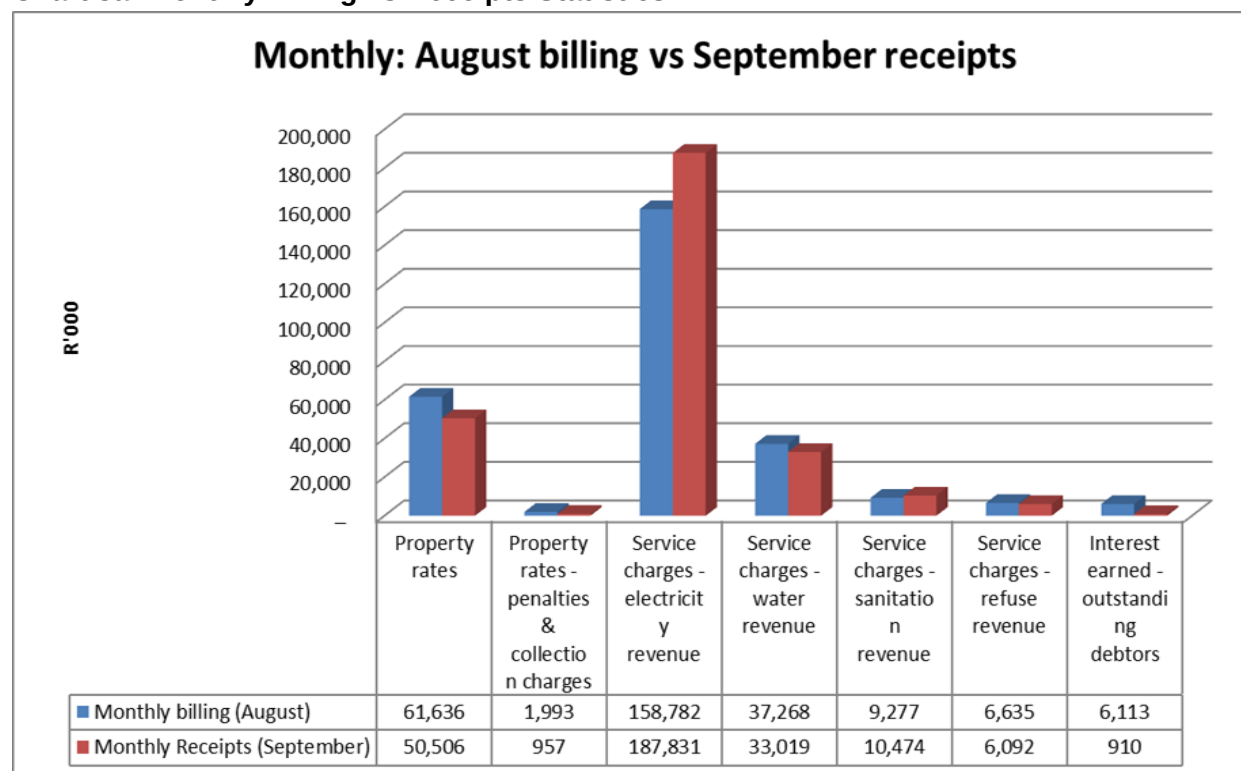
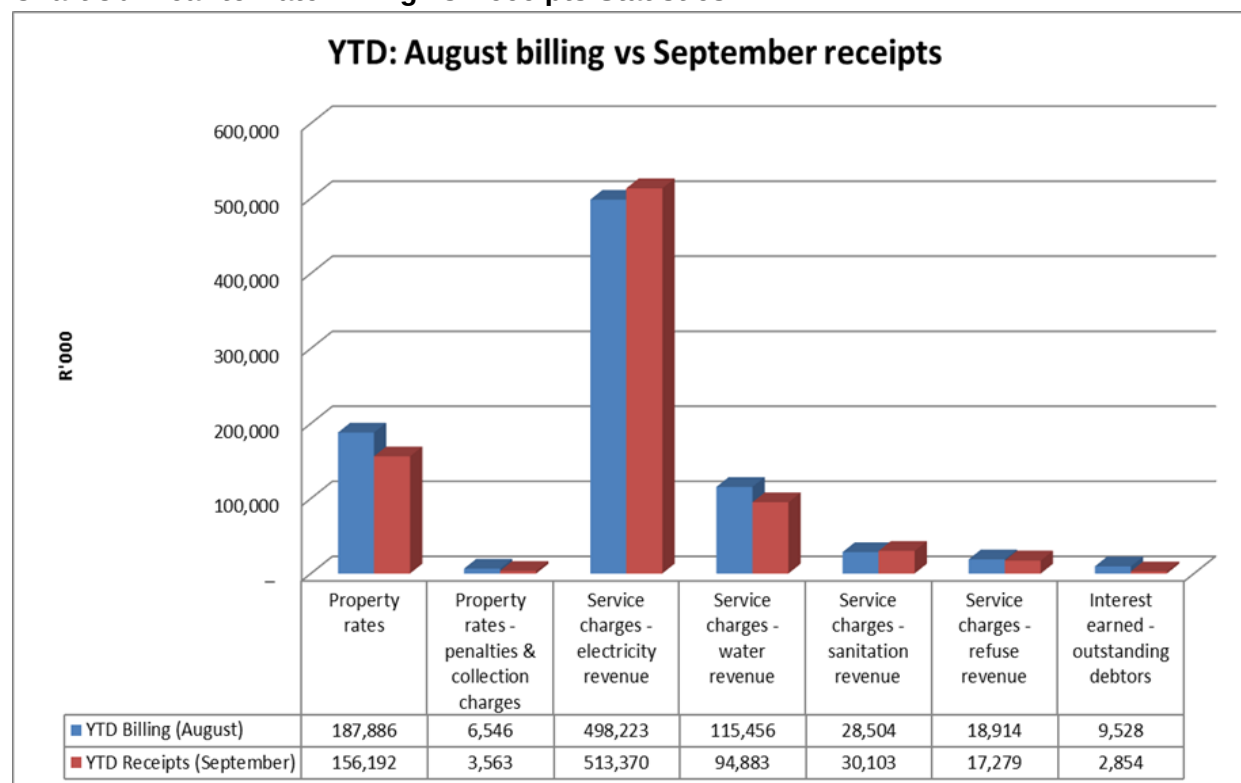


Chart 3b: Year to Date Billing vs Receipts Statistics



The table below presents a comparison between the August billing figures and Receipts actual cash receipts per revenue source. The average debt collection ratio for the month on

the service charges listed below was 149% (VAT adjusted) and 79% (Staggered month calculation).

Table1: Billing vs. Receipts Statistics

SEPTEMBER COLLECTION RATIO ANALYSIS								
	MONTHLY ANALYSIS				YTD ANALYSIS			
	Monthly Billing (August)	Monthly Receipts (September)	Collection Ratio Calculation		YTD Billing (August)	YTD Receipts (September)	Collection Ratio Calculation	
			Staggered Month Calc	Vat Adjusted			Staggered Month Calc	Vat Adjusted
R thousands								
Revenue By Source								
Property rates	61,636	50,506	82%	107%	187,886	156,192	83%	86%
Property rates - penalties & collection charges	1,993	957	48%	596%	6,546	3,563	54%	47%
Service charges - electricity revenue	158,782	187,831	118%	89%	498,223	513,370	103%	97%
Service charges - water revenue	37,268	33,019	89%	66%	115,456	94,883	82%	73%
Service charges - sanitation revenue	9,277	10,474	113%	92%	28,504	30,103	106%	82%
Service charges - refuse revenue	6,635	6,092	92%	80%	18,914	17,279	91%	75%
Interest earned - outstanding debtors	6,113	910	15%	12%	9,528	2,854	30%	15%
AVERAGE COLLECTION RATIO			79%	149%			79%	68%

2.2 Creditors Analysis

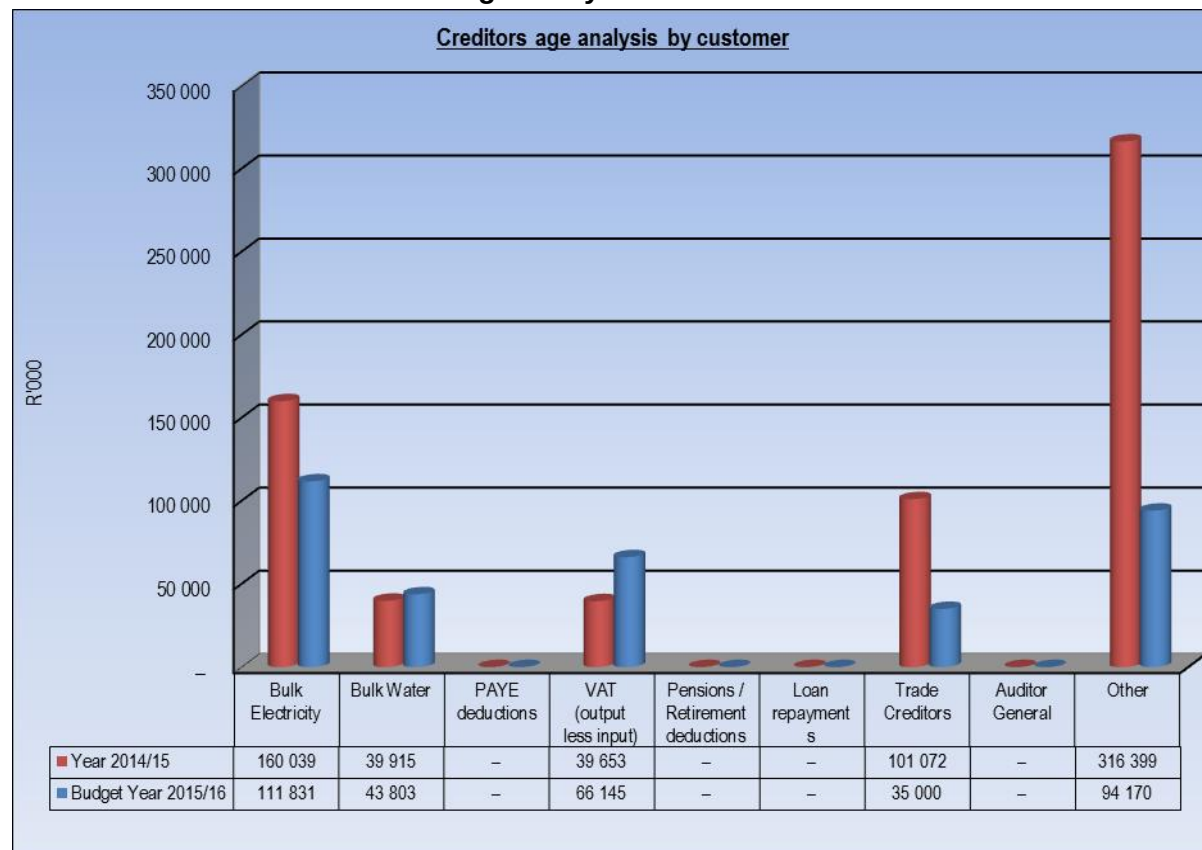
Table SC 4 below presents the aged creditors as at 30 September 2015

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

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M03 September 2015
Description	NT Code	Budget Year 2015/16								Year 2014/15
		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	0100	111 831	-	-	-	-	-	-	-	111 831
Bulk Water	0200	43 803	-	-	-	-	-	-	-	43 803
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	66 145	-	-	-	-	-	-	-	66 145
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	28 479	603	135	1 812	2 409	1 561	-	-	35 000
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	94 170	-	-	-	-	-	-	-	94 170
Total By Customer Type	2600	344 428	603	135	1 812	2 409	1 561	-	-	350 948

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

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 30 September 2015.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Fixed - ABSA - Call		Call	Call	on call					25 777
Fixed - ABSA - 12 months (WCA)		12 months							7 935
Fixed - ABSA - Various		Various							200 000
Fixed - FNB - Various		Various							328 094
Fixed - Investec - Call		various	Call						30 000
Fixed - Investec - 3 months		various							151 936
Municipality sub-total					-		-	-	743 742

The total consolidated investment balances as at 30 September 2015 was R 743.7 million.

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital YTD grant receipts as at 30 September 2015 was R 322.4 million inclusive of YTD equitable share of R 164. 9 million and YTD MIG of R 72.8 million.

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

M03 September 2015

REVENUE ACCOUNTING - Supporting Table 000 Monthly Budget Statement - transfers and grant receipts									
Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		487 405	407 948	-	166 510	101 987	64 523	63.3%	407 948
Local Government Equitable Share		373 541	395 786		164 910	98 947	65 964	66.7%	395 786
Finance Management		1 600	1 600		1 600	400	1 200	300.0%	1 600
Municipal Systems Improvement		-	930		-	233	(233)	-100.0%	930
EPWP Incentive		2 784	4 032		-	1 008	(1 008)	-100.0%	4 032
Public Transport and Systems		109 480	-		-	-	-		-
Operating costs-MIG		-	5 000		-	1 250	(1 250)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600		-	150	(150)	-100.0%	600
Provincial Government:		41 449	32 704	-	6 065	8 176	(2 111)	-25.8%	32 704
Expanded Public Works Grant		3	-		-	-	-		-
Health		-	-		-	-	-		-
Human Settlements		10 148	8 715		6 065	2 179	3 886	178.4%	8 715
Arts and Culture - Subsidies		-	380		-	95	(95)	-100.0%	380
Arts and Culture - Comm Library		-	552		-	138	(138)	-100.0%	552
Arts and Culture - Provincialisaton		-	23 057		-	5 764	(5 764)	-100.0%	23 057
Sanitation Bucket eradication		-	-		-	-	-		-
GEDI		31 298	-		-	-	-		-
Total Operating Transfers and Grants	5	528 854	440 652	-	172 575	110 163	62 412	56.7%	440 652
Capital Transfers and Grants									
National Government:		316 544	489 060	-	118 338	122 265	(3 927)	-3.2%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456		72 825	46 864	25 961	55.4%	187 456
Public Transport and Systems		-	213 271		30 000	53 318	(23 318)	-43.7%	213 271
Neighbourhood Development Partnership		20 195	20 000		-	5 000	(5 000)	-100.0%	20 000
Dept of Mineral/Electricity		-	-		-	-	-		-
Intergrated National Electrification Programme		95 989	10 000		-	2 500	(2 500)	-100.0%	10 000
Mnicipal Water infrastrucure Grant		11 389	58 333		15 513	14 583	930	6.4%	58 333
MSIG		1 226	-		-	-	-		-
Library		24 586	-		-	-	-		-
Provincial Government:		19 870	-	-	31 566	-	31 566	0.0%	-
Airport Development Project		-	-		-	-	-		-
Sport and Recreation		140	-		29 953	-	29 953	0.0%	-
Publicity House Renovation		1 977	-		-	-	-		-
COGTA - SANITATION BUCKET ERADICATION		4	-		-	-	-		-
COGTA - MASSIFICATION		4 375	-		-	-	-		-
COGTA		5 810	-		1 613	-	1 613	0.0%	-
Operation Dlusumlando-Agriculture		500	-		-	-	-		-
Art and Culture		988	-		-	-	-		-
Market		6 077	-		-	-	-		-
Other grant providers:		37	-	-	-	-	-		-
Youth Advisory Council		35	-		-	-	-		-
COMMUNITY COMMUNICATION INITIATIVE		1	-		-	-	-		-
Total Capital Transfers and Grants	5	336 450	489 060	-	149 904	122 265	27 639	22.6%	489 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	865 304	929 712	-	322 479	232 428	90 051	38.7%	929 712

Grant Expenditure: The total actual operational and capital YTD grant expenditure as at September 2015 is R 63.5 million, this excludes the equitable share allocation.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure

M03 September 2015

Supporting Table 001 Monthly Budget Outcome - transfers and grant expenditure									
Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		487 405	407 948	–	3 606	101 987	(98 381)	-96.5%	407 948
Local Government Equitable Share		373 541	395 786	–	–	98 947	(98 947)	-100.0%	395 786
Finance Management		1 600	1 600	–	172	400	(228)	-57.0%	1 600
Municipal Systems Improvement		–	930	–	–	233	(233)	-100.0%	930
EPWP Incentive		2 784	4 032	–	3 434	1 008	2 426	240.6%	4 032
Energy Efficiency and Demand Management		–	–	–	–	–	–	–	–
Water Services Operating Subsidy		–	–	–	–	–	–	–	–
Public Transport and Systems		109 480	–	–	–	–	–	–	–
Operating costs-MIG		–	5 000	–	–	1 250	(1 250)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		–	600	–	–	150	(150)	-100.0%	600
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–
Provincial Government:		41 449	32 704	–	1 479	8 176	(6 697)	-81.9%	32 704
Expanded Public Works Grant		3	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Human Settlements		10 148	8 715	–	1 479	2 179	(699)	-32.1%	8 715
Arts and Culture - Subsidies		–	380	–	–	95	(95)	-100.0%	380
Arts and Culture - Comm Library		–	552	–	–	138	(138)	-100.0%	552
Arts and Culture - Provincialisation		–	23 057	–	–	5 764	(5 764)	-100.0%	23 057
Sanitation Bucket eradication		–	–	–	–	–	–	–	–
GEDI		31 298	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		528 854	440 652	–	5 085	110 163	(105 078)	-95.4%	440 652
Capital expenditure of Transfers and Grants									
National Government:		316 544	489 060	–	45 401	122 265	(76 864)	-62.9%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	–	30 656	46 864	(16 208)	-34.6%	187 456
Public Transport and Systems		–	213 271	–	6 692	53 318	(46 625)	-87.4%	213 271
Neighbourhood Development Partnership		20 195	20 000	–	–	5 000	(5 000)	-100.0%	20 000
Dept of Mineral/Electricity		–	–	–	–	–	–	–	–
Intergrated National Electrification Programme		95 989	10 000	–	–	2 500	(2 500)	-100.0%	10 000
Mnicipal Water infrastrucure Grant		11 389	58 333	–	7 848	14 583	(6 736)	-46.2%	58 333
MSIG		1 226	–	–	205	–	205	–	–
Library		24 586	–	–	–	–	–	–	–
Provincial Government:		19 870	–	–	13 028	–	13 028	–	–
Airport Development Project		–	–	–	–	–	–	–	–
Sport and Recreation		140	–	–	10 526	–	10 526	–	–
Publicity House Renovation		1 977	–	–	2 190	–	2 190	–	–
COGTA - Urban renewal		–	–	–	–	–	–	–	–
COGTA - Art Gallery		–	–	–	61	–	61	–	–
COGTA - SANITATION BUCKET ERADICATION		4	–	–	–	–	–	–	–
COGTA - MASSIFICATION		4 375	–	–	–	–	–	–	–
COGTA - Market		5 810	–	–	251	–	251	–	–
Operation Dlulisumlando-Agriculture		500	–	–	–	–	–	–	–
Art and Culture		988	–	–	–	–	–	–	–
Market		6 077	–	–	–	–	–	–	–
Other grant providers:		37	–	–	–	–	–	–	–
Youth Advisory Council		35	–	–	–	–	–	–	–
COMMUNITY COMMUNICATION INITIATIVE		1	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		336 450	489 060	–	58 430	122 265	(63 835)	-52.2%	489 060
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		865 304	929 712	–	63 515	232 428	(168 913)	-72.7%	929 712

Capital Expenditure: While the YTD capital expenditure budget was R 177.2 million, the actual YTD Capital expenditure incurred amounted to R 72.5 million resulting in underperformance of 59% of the capital budget. An increasing trend on capex budget can be seen when comparing the month on month movements.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September										
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Corporate Services		50 231	28 400	-	2 892	3 996	7 100	(3 104)	-44%	28 400
Vote 2 - Financial Management Area		14 606	25 000	-	6 156	6 156	6 250	(94)	-2%	25 000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		199 085	589 310	-	18 060	43 361	147 328	(103 966)	-71%	589 310
Vote 4 - Sustainable Community Service Delivery Provision Management		17 470	32 200	-	4 496	9 720	8 050	1 670	21%	32 200
Total Capital Multi-year expenditure	4,7	281 392	674 910	-	31 604	63 233	168 728	(105 494)	-63%	674 910
Single Year expenditure appropriation	2									
Vote 1 - Corporate Services		20 394	4 865	-	17	307	1 216	(910)	-75%	4 865
Vote 2 - Financial Management Area		5 292	710	-	76	107	177	(70)	-40%	710
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		165 720	12 505	-	8 063	8 746	3 126	5 620	180%	12 505
Vote 4 - Sustainable Community Service Delivery Provision Management		55 839	16 071	-	189	189	4 018	(3 828)	-95%	16 071
Total Capital single-year expenditure	4	247 245	34 151	-	8 345	9 349	8 538	812	10%	34 150
Total Capital Expenditure		528 636	709 061	-	39 949	72 583	177 265	(104 682)	-59%	709 060
Capital Expenditure - Standard Classification										
Governance and administration		78 329	59 385	-	9 110	10 528	14 846	(4 318)	-29%	59 385
Executive and council		9 794	5 800		1 414	2 413	1 450	963	66%	5 800
Budget and treasury office		68 535	53 585		7 696	8 115	13 396	(5 281)	-39%	53 585
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		62 933	54 598	-	4 685	9 659	13 650	(3 990)	-29%	54 598
Community and social services		11 244	2 500		16	16	625	(609)	-97%	2 500
Sport and recreation		45 618	34 400		4 651	9 626	8 600	1 026	12%	34 400
Public safety		1 883	8 353		18	18	2 088	(2 070)	-99%	8 353
Housing		3 191	7 725		-	-	1 931	(1 931)	-100%	7 725
Health		997	1 620		-	-	405	(405)	-100%	1 620
Economic and environmental services		145 494	339 647	-	7 096	20 566	84 912	(64 345)	-76%	339 647
Planning and development		32 080	9 590		1 063	7 990	2 398	5 592	233%	9 590
Road transport		113 415	330 057		6 032	12 576	82 514	(69 938)	-85%	330 057
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		235 566	121 166	-	19 058	31 579	63 508	(31 930)	-50%	121 166
Electricity		136 907	133		9 656	11 192	33 250	(22 058)	-66%	133
Water		53 989	83 133		6 408	14 427	20 783	(6 356)	-31%	83 133
Waste water management		32 050	36 900		2 581	5 404	9 225	(3 821)	-41%	36 900
Waste management		12 620	1 000		413	556	250	306	122%	1 000
Other		6 314	1 398		-	251	349	(99)	-28%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	576 194	-	39 949	72 583	177 265	(104 682)	-59%	576 194
Funded by:										
National Government		68 155	489 060		28 397	52 156	122 265	(70 109)	-57%	489 060
Provincial Government		290 294			2 210	2 309	-	2 309	#DIV/0!	-
District Municipality		-	-		-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		358 449	489 060	-	30 607	54 465	122 265	(67 800)	-55%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	16 732	100 000		-	-	25 000	(25 000)	-100%	100 000
Internally generated funds		153 455	120 000		9 342	18 117	30 000	(11 883)	-40%	120 000
Total Capital Funding		528 636	709 060	-	39 949	72 583	177 265	(104 682)	-59%	709 060

2.5 Councillor and Board Member and Employee Benefits

Councillor Allowances

The expenditure on councillor allowances as at 30 September 2015 was under spent by R 0.9 million. The YTD Remuneration of Councillor's budget was R 10.5 million while the actual expenditure incurred was R 9.6 million resulting in 91% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for September 2015 was R 75.6 million bringing the YTD expenditure to R 218.2 million.

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

ummary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					%	
Councillors (Political Office Bearers plus Other)	1	A	B	C						D
Basic Salaries and Wages		31 389	29 522		2 141	6 413	7 380	(968)	-13%	29 522
Pension and UIF Contributions		253	3 496		270	808	874	(66)	-8%	3 496
Medical Aid Contributions		2 287	1 296		104	317	324	(7)	-2%	1 296
Motor Vehicle Allowance		528	6 333		557	1 675	1 583	92	6%	6 333
Cellphone Allowance		133	1 565		132	397	391	6	1%	1 565
Housing Allowances		10	137		6	25	34	(9)	-26%	137
Other benefits and allowances		58	—		—	—	—	—		
Sub Total - Councillors		34 657	42 350	—	3 211	9 636	10 587	(952)	-9%	42 350
% increase	4		22.2%							22.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 651	6 744	—	475	1 437	1 686	(249)	-15%	6 744
Pension and UIF Contributions		798	870	—	60	199	218	(19)	-9%	870
Medical Aid Contributions		—	20	—	5	11	5	6	119%	20
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		210	360	—	—	11	90	(79)	-88%	360
Motor Vehicle Allowance		762	756	—	64	191	189	2	1%	756
Cellphone Allowance		—	90	—	8	23	23	1	4%	90
Housing Allowances		98	64	—	21	41	16	25	160%	64
Other benefits and allowances		38	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		7 558	8 904	—	632	1 914	2 226	(312)	-14%	8 904
% increase	4		17.8%							17.8%
Other Municipal Staff										
Basic Salaries and Wages		504 910	741 800	—	45 521	134 882	185 450	(50 568)	-27%	741 800
Pension and UIF Contributions		112 428	16 945	—	10 877	29 498	4 236	25 262	596%	16 945
Medical Aid Contributions		40 020	110 158	—	3 396	10 149	27 540	(17 391)	-63%	110 158
Overtime		38 448	32 271	—	2 642	10 133	8 068	2 066	26%	32 271
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		12 324	52 435	—	1 195	3 401	13 109	(9 707)	-74%	52 435
Cellphone Allowance		2 340	—	—	221	647	—	647	0%	—
Housing Allowances		3 108	9 351	—	298	807	2 338	(1 531)	-65%	9 351
Other benefits and allowances		96 672	—	—	6 635	13 887	—	13 887	0%	—
Payments in lieu of leave		2 280	—	—	246	764	—	764	0%	—
Long service awards		12 444	3 461	—	443	1 557	865	692	80%	3 461
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		824 974	966 420	—	71 474	205 726	241 605	(35 879)	-15%	966 420
% increase	4		17.1%							17.1%
Total Parent Municipality		867 189	1 017 674	—	75 317	217 276	254 419	(37 143)	-15%	1 017 674
			17.4%							17.4%
Unpaid salary, allowances & benefits in arrears:										
Senior Managers of Entities										
Basic Salaries and Wages		329	333	—	30	90	102	(12)	-12%	333
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		12	14	—	1	3	—	3	0%	14
Overtime		18	—	—	2	5	3	2	67%	—
Performance Bonus		6	6	—	0	1	1	(0)	-40%	6
Motor Vehicle Allowance		—	18	—	—	—	5	(5)	-100%	18
Cellphone Allowance		4	4	—	—	—	1	(1)	-100%	4
Housing Allowances		—	—	—	—	6	2	4	200%	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		369	374	—	33	105	113	(9)	-8%	374
% increase	4		1.3%							1.3%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 080	—	155	583	698	(115)	-16%	2 080
Pension and UIF Contributions		154	171	—	15	42	48	(6)	-13%	171
Medical Aid Contributions		389	469	—	27	80	133	(53)	-40%	469
Overtime		416	373	—	33	98	114	(16)	-14%	373
Performance Bonus		22	24	—	—	25	6	19	321%	24
Motor Vehicle Allowance		56	54	—	5	18	18	—	—	54
Cellphone Allowance		11	11	—	1	4	4	—	—	11
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		219	245	—	27	67	62	5	8%	245
Sub Total - Other Staff of Entities		3 526	3 427	—	263	917	1 083	(166)	-15%	3 427
% increase	4		-2.8%							-2.8%
Total Municipal Entities		3 895	3 801	—	296	1 022	1 196	(175)	-15%	3 801
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 021 475	—	75 613	218 297	255 615	(37 318)	-15%	1 021 475
% increase	4		17.3%							17.3%
TOTAL MANAGERS AND STAFF		836 427	979 125	—	72 402	208 661	245 028	(36 366)	-15%	979 125

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

Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending September 2015 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 - M03 September																
Description	Ref	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		54 136	51 550	50 506	65 609	50 547	51 515	46 064	49 401	61 469	49 683	56 548	81 773	668 801	706 022	741 323
Property rates - penalties & collection charges		1 198	1 407	957	3 742	2 683	-	1 878	3 252	2 988	3 242	3 691	7 626	32 666	34 430	36 289
Service charges - electricity revenue		155 985	169 554	187 831	143 993	135 758	129 384	135 408	134 736	138 548	121 054	137 783	161 909	1 751 944	1 923 703	2 154 547
Service charges - water revenue		32 607	29 258	33 019	31 721	31 975	32 058	30 145	37 580	36 714	31 674	36 051	42 477	405 277	414 729	435 465
Service charges - sanitation revenue		10 881	8 749	10 474	8 768	9 501	9 940	7 917	10 564	9 941	8 675	9 874	9 397	114 680	120 204	126 695
Service charges - refuse		6 192	4 996	6 092	6 491	5 704	6 217	6 658	5 443	6 880	5 736	6 529	10 278	77 215	80 862	85 229
Rental of facilities and equipment		1 480	1 097	1 125	2 200	2 388	2 259	2 423	2 142	2 967	2 448	2 773	9 764	33 063	32 234	33 974
Interest earned - external investments		2 684	1 909	913	2 185	2 267	2 173	2 456	2 456	2 461	2 165	5 094	5 525	32 289	34 033	35 871
Interest earned - outstanding debtors		838	1 107	910	2 373	2 223	4 645	1 783	5 982	1 658	2 312	2 312	6 407	32 549	34 510	36 374
Fines		1 134	1 121	1 050	907	1 061	913	830	605	627	608	776	(539)	9 094	8 505	8 964
Licences and permits		7	7	8	11	6	2	6	2	9	11	10	8	87	92	97
Agency services		0	0	0	57	-	-	29	143	57	86	-	260	632	668	704
Transfer receipts - operating		197 440	10 800	3 705	4 327	82 367	-	-	735	183 264	-	149	(42 136)	440 652	463 799	502 985
Other revenue		27 939	23 190	46 154	9 885	1 922	4 886	3 838	1 801	2 444	1 641	626	(82 884)	41 442	42 502	44 798
Cash Receipts by Source		492 520	304 746	342 741	282 270	328 403	243 992	239 434	254 842	450 027	229 335	262 215	209 865	3 640 390	3 896 292	4 243 314
													-			
Other Cash Flows by Source													-			
Transfer receipts - capital		87 408	20 445	7 232	37 256	129 591	19 177	73 563	17 324	110 550	-	-	(13 485)	489 060	466 372	480 820
Borrowing long term/refinancing		-	-	-	-	-	-	100 000	-	-	-	-	-	100 000	50 000	-
Increase in consumer deposits		552	417	156	312	1 602	165	108	254	126	336	186	1 035	5 250	6 150	5 250
Total Cash Receipts by Source		580 481	325 608	350 129	319 838	459 596	263 334	413 104	272 420	560 703	229 670	262 401	197 415	4 234 700	4 418 814	4 729 384

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget			
Cash Payments by Type													-			
Employee related costs		70 097	69 777	82 066	113 534	80 208	74 854	76 038	76 762	75 796	78 667	77 887	80 850	956 536	1 009 506	1 073 538
Remuneration of councillors		3 213	3 263	3 212	3 321	3 312	3 312	3 312	3 312	5 255	3 537	3 537	3 764	42 350	45 659	48 124
Interest paid		118	40	11 714	-	-	21 326	769	-	435	443	481	34 165	69 489	68 312	61 719
Bulk purchases - Electricity		160 039	194 248	177 735	89 982	95 769	91 940	77 218	94 813	85 806	90 204	86 192	26 854	1 270 801	1 397 881	1 537 670
Bulk purchases - Water & Sewer		40 030	45 376	46 460	37 991	37 991	38 545	39 597	38 662	37 559	40 616	39 226	23 959	466 010	509 352	556 286
Other materials		-	-	-	552	552	560	576	562	546	590	570	2 265	6 773	9 269	9 770
Contracted services		-	-	-	1 513	1 513	1 661	1 634	1 463	1 697	1 555	1 709	5 812	18 556	19 483	20 535
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		1 438	20	20	1 415	24	24	1 415	24	24	1 415	24	11	5 854	6 599	6 999
General expenses		138 681	58 702	60 150	6 697	67 543	80 593	24 832	22 102	173 625	22 791	28 254	(97 155)	586 817	713 254	813 675
Cash Payments by Type		413 617	371 425	381 358	255 005	286 912	312 815	225 390	237 699	380 741	239 820	237 880	80 524	3 423 186	3 779 317	4 128 316
Other Cash Flows/Payments by Type													-			
Capital assets		9 089	23 544	39 949	36 412	38 709	22 571	59 870	20 650	21 306	70 560	67 043	179 802	589 505	555 584	537 677
Repayment of borrowing		23	24	18 571	187	55	11 776	33	33	33	22 566	33	(3 485)	49 850	53 628	53 757
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		422 730	394 993	439 878	291 604	325 676	347 162	285 293	258 382	402 080	332 946	304 957	256 841	4 062 541	4 388 529	4 719 749
													-			
NET INCREASE/(DECREASE) IN CASH HELD		157 751	(69 386)	(89 749)	28 235	133 921	(83 828)	127 811	14 038	158 623	(103 276)	(42 556)	(59 426)	172 159	30 286	9 635
Cash/cash equivalents at the month/year beginning:		842 068	999 819	930 434	840 684	868 919	1 002 839	919 012	1 046 823	1 060 861	1 219 485	1 116 209	1 073 653	842 068	1 014 227	1 044 513
Cash/cash equivalents at the month/year end:		999 819	930 434	840 684	868 919	1 002 839	919 012	1 046 823	1 060 861	1 219 485	1 116 209	1 073 653	1 014 227	1 014 227	1 044 513	1 054 148

Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations - M03 September				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Agency services	-26%	This revenue is a combination of various revenues, most of which are user driven	
	Other revenue	83%	This line item has over performed against the budget	
	Rental of facilities and equipment	-54%	This is a user driven revenue source	
	Licences and permits	2%	This is a user driven revenue source	
	Interest earned - external investments	39%	This line item has over performed against the budget	
	Transfers recognised - operational	65%	This line item has over performed against the budget	
	Interest earned - outstanding debtors	-39%	This line item has under performed against the budget	
2	<u>Expenditure By Type</u>			
	Debt impairment	-100%	The figure is based on the total outstanding debt, the entry to be annualised	
	Other materials	-88%	This line item has under performed against the budget, will smooth out as the year progresses	
	Contracted services	-13%	This line item has under performed against the budget	
	Transfers and grants	3166%	This line item has over performed against the budget, will smooth out as the year progresses	
	Finance charges	-32%	This line item has under performed against the budget, will smooth out as the year progresses	
	Bulk purchases	25%	This line item has over performed against the budget, seasonal adjustment	
	Depreciation & asset impairment	-4%	Will smooth out as the year progresses	
	Other expenditure	-4%	This is a combination of various expenses where spending is under budget	

2.6 Parent Municipality Financial Performance

REVENUE ANALYSIS

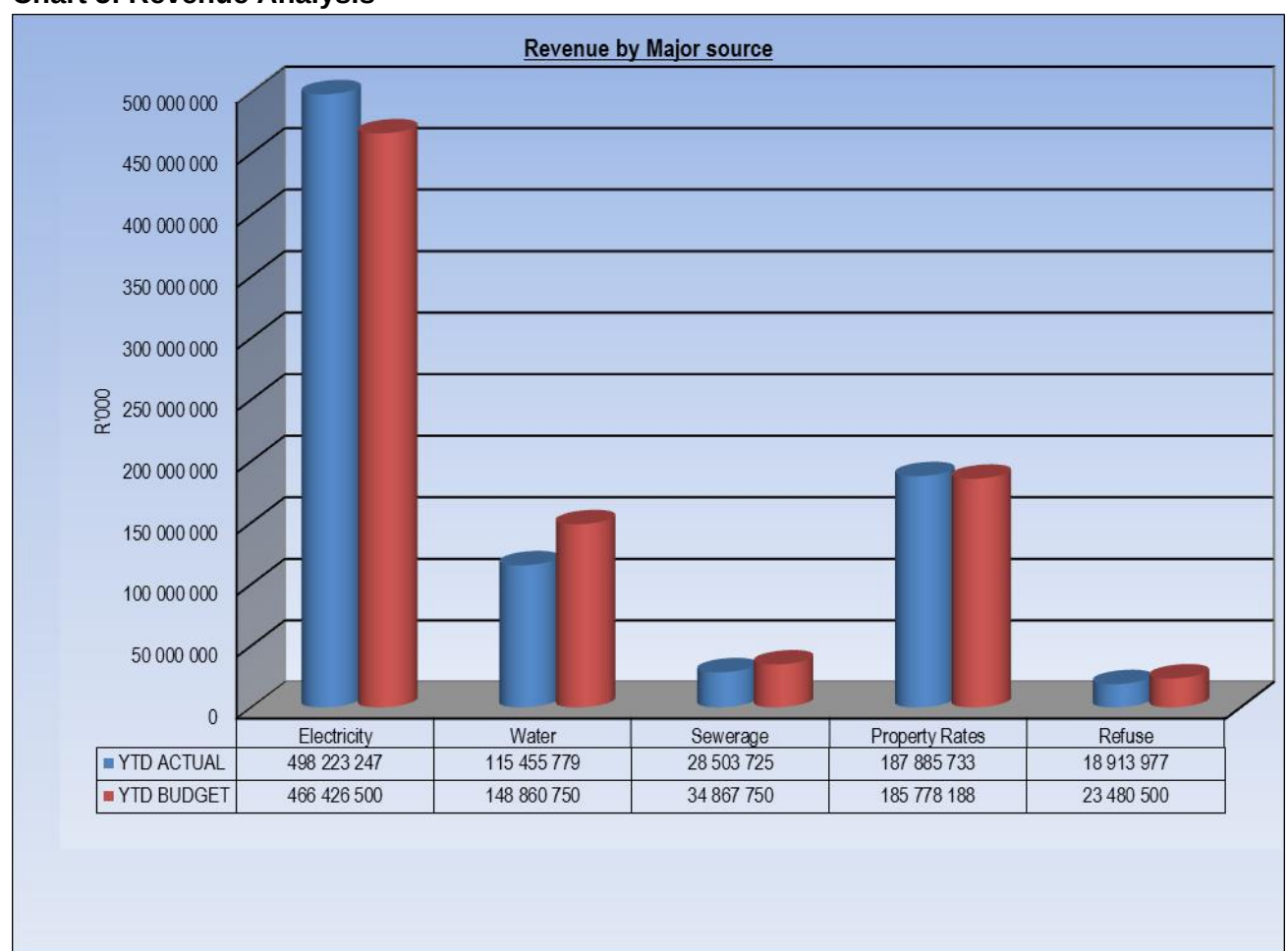
This section on material variances to the Service Delivery & Budget Implementation Plan analyses the financial as well as the non-financial performance targets for the first quarter. The financial performance section analyses material variances between the actual targets as at September 2015 and the 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 30 September 2015.

2.6.1 FINANCIAL PERFORMANCE

Chart 5: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 44% to the actual Ytd operating revenue basket. The year to date revenue earned from electricity service charges over performed by (R 32.2 million) when compared to the Ytd Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 17% of the total Ytd actual operating revenue and 18% of the Ytd budget, When comparing Ytd Actual revenue earned to Ytd Budget, there is a 1% over performance existed as at 30 September 2015.

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 10% of Ytd actual revenue basket and 12% of Ytd budget revenue causing a slight negative variance of 3% when comparing Ytd actual to Ytd Budget.

Service Charges - sanitation revenue: reflects a underperformance of 15% when comparing the Ytd actual revenue to the Ytd budget.

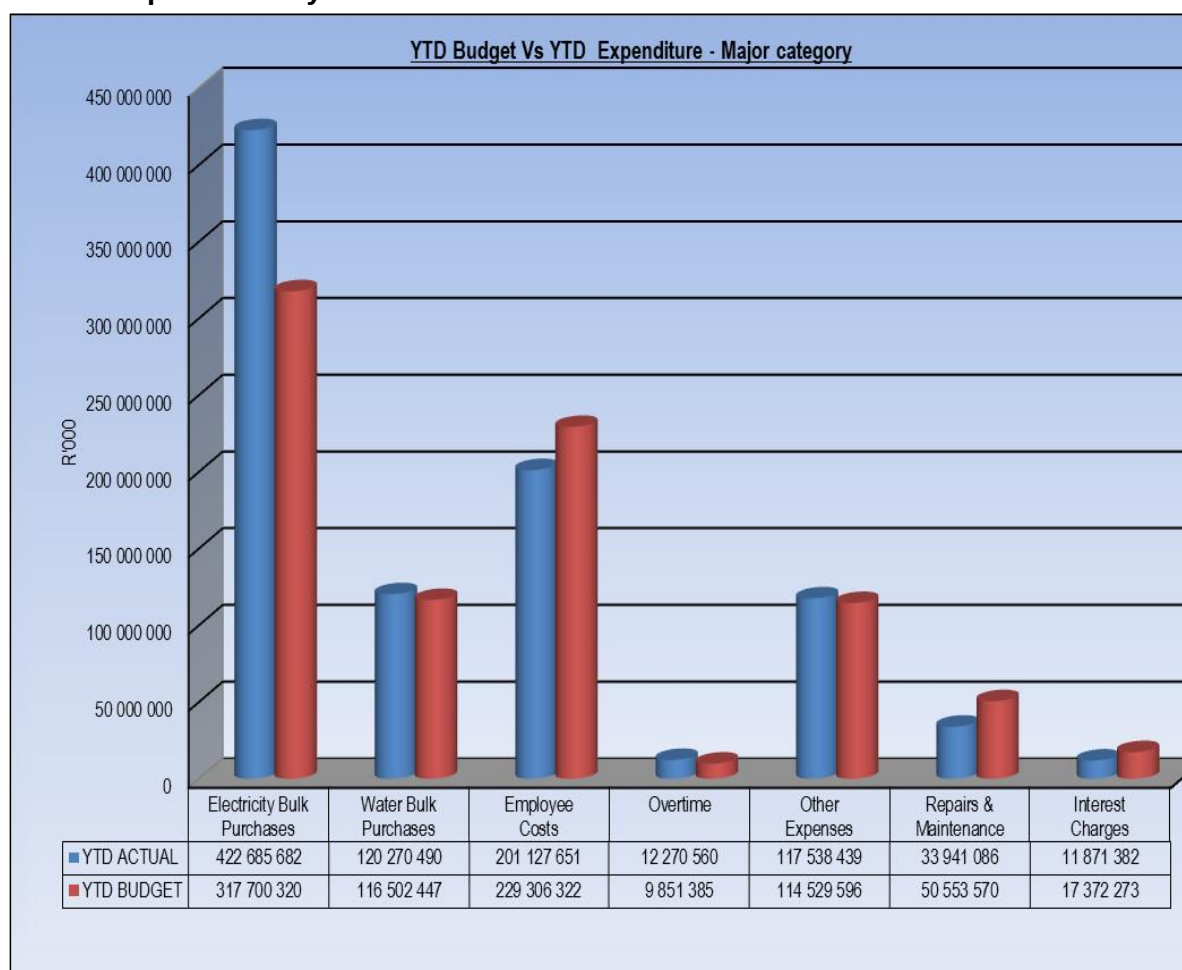
Service Charges - refuse revenue reflects an under performance of 17% when comparing the Ytd actual revenue to the Ytd budget.

Interest earned – outstanding debtors and other revenue contribute less than ten percentage to the total operating revenue received as at 30 September 2015.

OPERATIONAL EXPENDITURE

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

Chart 9: Expenditure by source



Bulk Purchases: The Ytd expenditure budget for Bulk Purchases was R 542.9 million with a 25% overperformance, this is due to the seasonal adjustment. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 422 686	78%
✓ Bulk Purchases- Water	<u>R 120 270</u>	<u>22%</u>
Total	<u>R 542 956</u>	<u>100%</u>

Employee Related Costs: There is a slight under expenditure in respect of actual Ytd expenditure on employee related costs against the Ytd budget. A detailed line item and business unit analysis of the employee related costs is contained in the MFMA S66 report on staff benefits.

Other Expenditure's Ytd budget figure was R 141.1 million while the actual costs incurred was R 135.3 million resulting in under expenditure of R 6 million. The table below provides a detailed listing of the top 20 cash drainers during the month of September 2015.

Table 3: Top 20 Cash Drainers - March

		September - 2015		
No:	Description	YTD Actual	Annual Budget	YTD % of Annual budget
1	Pension Payable	4 902 974	3 859 287	127.0%
2	Subscriptions For Cities Network	0	1 555 000	0.0%
3	IDP Expenses	2 117 923	4 000 400	52.9%
4	Marketing & Promotion	13 688 476	21 491 911	63.7%
5	Postage And Stamps	1 108 111	3 340 944	33.2%
6	Contracted Services	4 099 256	18 055 560	22.7%
7	Motor Vehicle Licences	1 046 034	2 114 668	49.5%
8	Ward Committee Costs	1 144 549	4 172 413	27.4%
9	Entertainment	67 079	332 725	20.2%
10	Interview Costs	7 697	20 000	38.5%
11	Extraordinary Items	201 500	4 547 751	4.4%
12	Printing And Stationery	1 907 311	5 185 127	36.8%
13	Audit Fees	343 428	5 414 822	6.3%
14	Hire Charges	4 565 598	18 520 752	24.7%
15	Telephones	2 095 621	7 252 891	28.9%
16	Valuation Roll	93 903	500 000	18.8%
17	External Services	7 652 856	63 037 186	12.1%
18	Plant Hire	294 400	3 553 510	8.3%
19	Bank Charges	1 107 585	4 992 879	22.2%
20	Stores & Materials	931 399	4 263 911	21.8%

Depreciation & Asset Impairment: The YTD depreciation & asset impairment has under performed against the budget by 4% as the budget was R121.4 million and the actual expenditure incurred R 116.8 million.

Finance Charges: Ytd budgeted figure for finance charges for the month of September was R 17.3 million and the Actual figure was R 11.8 million pointing to a positive underperformance of over budgeting in this line item budget by 32%.

Contracted Services: Ytd Budget for contracted services was R 4.7 million and the actual expenditure incurred was R 4.0 million resulting in 13% underperformance against the budget.

Remuneration of councillors budget was R 10.5 million and the actual expenditure incurred was R 9.6 million.

2.7 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2014/15	Current Year 2015/16							
	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	54	56	-	29	86	14	0	512%	56
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	4 534	12 474	-	-	1 419	3 118	(2)	-54%	12 474
Total Revenue (excluding capital transfers and contributions)	4 588	12 530	-	29	1 505	3 132	(1 627)	(0)	12 530
Employee costs	3 735	4 799	-	295	1 022	1 200	(178)	(0)	4 799
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	501	1 553	-	129	388	388	-	-	1 553
Finance charges	11	12	-	1	3	3	0	0	12
Materials and bulk purchases	212	279	-	90	97	70	27	0	279
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	578	8 029	-	3 140	3 468	2 007	1 461	0	8 029
Total Expenditure	5 037	14 672	-	3 656	4 978	3 668	1 310	0	14 672
Surplus/(Deficit)	(449)	(2 142)	-	(3 628)	(3 473)	(536)	(2 937)	0	(2 142)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(449)	(2 142)	-	(3 628)	(3 473)	(536)	(2 937)	0	(2 142)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(449)	(2 142)	-	(3 628)	(3 473)	(536)	(2 937)	0	(2 142)
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	8 222	453	-	-	3 908	-	-	-	453
Total non current assets	684	6 778	-	-	3 760	-	-	-	6 778
Total current liabilities	7 770	6 982	-	-	3 906	-	-	-	6 982
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 136	0	-	-	0	-	-	-	0
Cash flows									
Net cash from (used) operating	7 852	(589)	-	(3 498)	(3 085)	(1 847)	(1 237)	0	(589)
Net cash from (used) investing	(313)	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 209	80	669	(3 498)	(3 085)	(1 847)	(1 237)	0	80
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	-	-	-	-	-	-	-	-	-

2.8 Capital Programme Performance

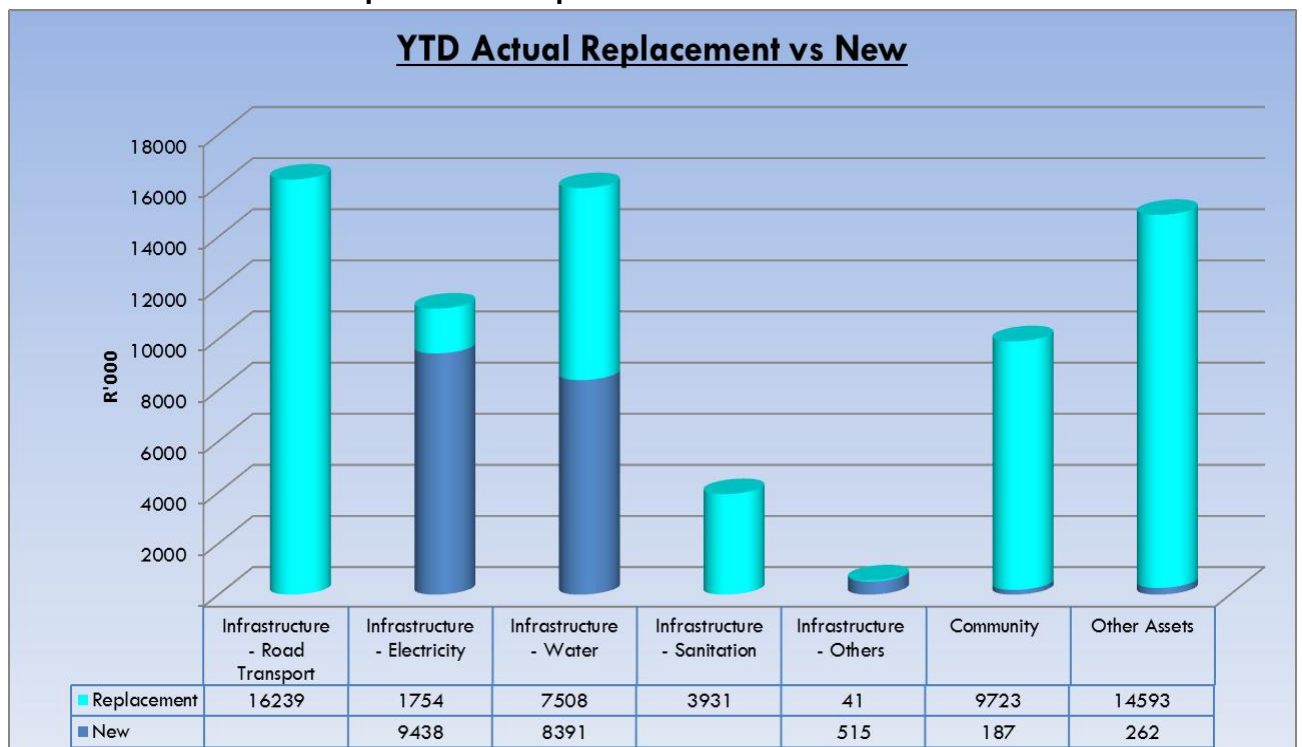
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2015/15	Budget Year 2015/16							
	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	19 856		9 089	9 089	9 089	-		1%
August	7 724	60 407		23 544	32 633	32 633	-		5%
September	21 392	58 688		39 949	72 583	72 583	-		10%
October	18 184	55 535					-		
November	19 331	66 844					-		
December	11 272	92 393					-		
January	29 898	12 874					-		
February	10 312	69 412					-		
March	10 640	62 204					-		
April	35 236	70 535					-		
May	33 481	73 060					-		
June	154 384	67 251					-		
Total Capital expenditure	352 017	709 060	-	72 583					

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 September 2015.

Chart 10: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 72.5 million, R 18.7 million (26%) was new assets and R 53.7 million (74%) was Replacement assets.

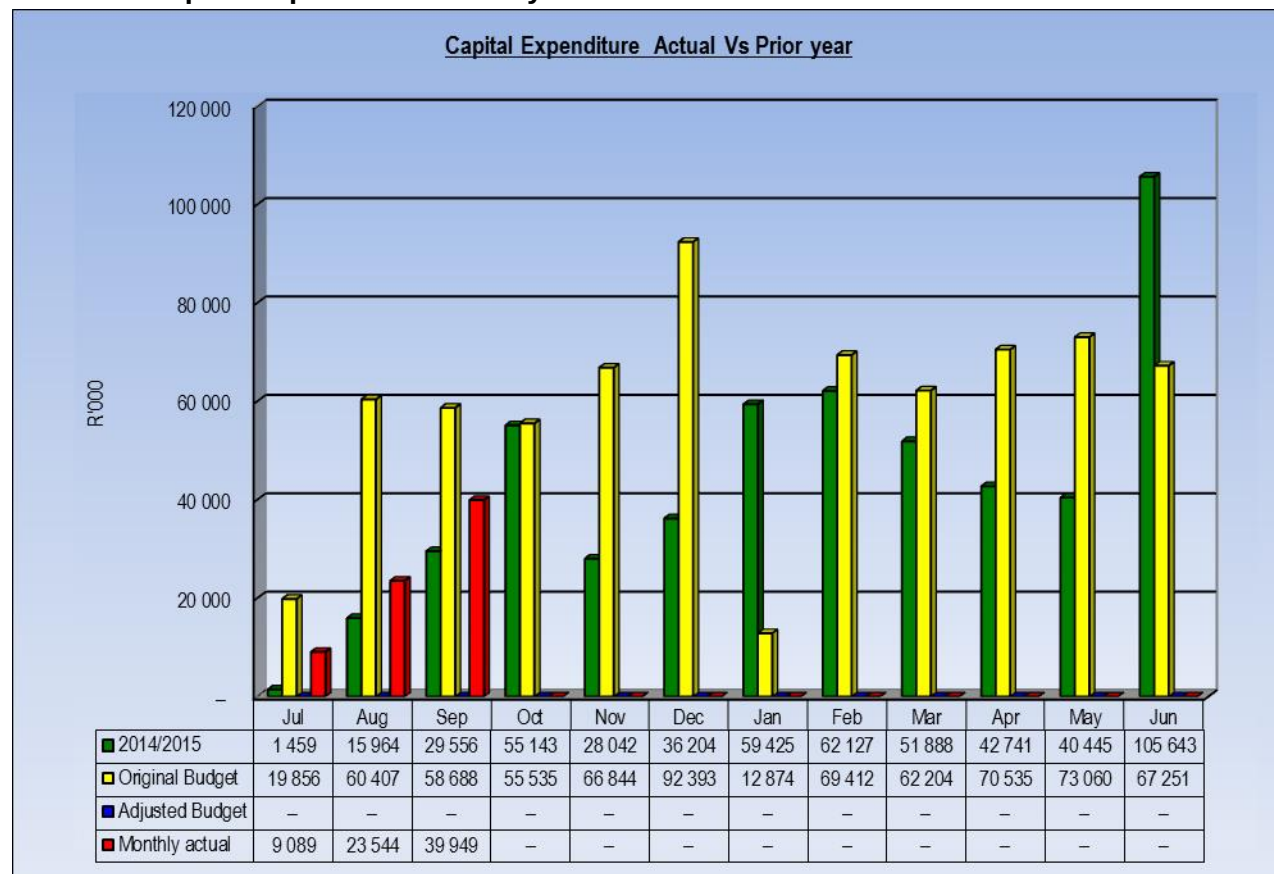
KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		69 056	46 075	-	13 804	18 344	11 519	(6 825)	-59.3%	38 630
Infrastructure - Road transport		-	2 230	-	-	-	558	558	100.0%	2 230
Roads, Pavements & Bridges		-	2 230	-	-	-	558	558	100.0%	2 230
Infrastructure - Electricity		25 692	18 000	-	8 548	9 438	4 500	(4 938)	-109.7%	18 000
Generation		25 692	10 000	-	8 548	9 438	2 500	(6 938)	-277.5%	10 000
Street Lighting		-	8 000	-	-	-	2 000	2 000	100.0%	8 000
Infrastructure - Water		1 660	25 445	-	4 885	8 391	6 361	(2 029)	-31.9%	18 000
Reticulation		1 660	25 445	-	4 885	8 391	6 361	(2 029)	-31.9%	18 000
Infrastructure - Sanitation		41 674	-	-	-	-	-	-	-	-
Reticulation		14 953	-	-	-	-	-	-	-	-
Sewerage purification		26 721	-	-	-	-	-	-	-	-
Infrastructure - Other		30	400	-	372	515	100	(415)	-414.8%	400
Waste Management		30	400	-	372	515	100	(415)	-414.8%	400
Community		27 505	10 288	-	187	187	2 572	2 385	92.7%	10 288
Parks & gardens		243	-	-	-	-	-	-	-	-
Swimming pools		-	3 200	-	156	156	800	644	80.5%	3 200
Fire, safety & emergency		-	618	-	15	15	154	139	90.1%	618
Security and policing		-	1 200	-	-	-	300	300	100.0%	1 200
Museums & Art Galleries		94	-	-	16	16	-	(16)	0.0%	-
Cemeteries		-	2 000	-	-	-	500	500	100.0%	2 000
Other		27 168	3 270	-	-	-	818	818	100.0%	3 270
Heritage assets		-	5 350	-	-	-	-	-	-	-
Buildings		-	5 350	-	-	-	-	-	-	-
Other assets		39 968	10 712	-	93	262	2 678	2 416	90.2%	16 062
General vehicles		2 343	-	-	-	7	-	(7)	0.0%	5 350
Specialised vehicles		-	3 500	-	-	-	875	875	100.0%	3 500
Plant & equipment		28 413	3 347	-	-	255	837	582	69.5%	3 347
Computers - hardware/equipment		573	2 995	-	-	33	749	716	95.6%	2 995
Furniture and other office equipment		7 964	600	-	93	77	150	73	48.5%	600
Civic Land and Buildings		-	-	-	-	41	-	(41)	0.0%	-
Other Land		-	-	-	-	(151)	-	151	0.0%	-
Other		676	270	-	-	-	68	68	100.0%	270
Intangibles		10 062	-	-	-	-	-	-	-	-
Computers - software & programming		586	-	-	-	-	-	-	-	-
Other		9 476	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	146 592	72 424	-	14 084	18 793	16 769	(2 024)	-12.1%	64 980
Specialised vehicles		-	3 500	-	-	-	875	875	0	3 500
Fire		-	3 500	-	-	-	875	875	0	3 500
Ambulances		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		114 268	553 466	–	13 402	29 474	138 366	108 893	78.7%	560 911
Infrastructure - Road transport		76 131	343 277	–	8 148	16 239	85 819	69 581	0	350 722
Roads, Pavements & Bridges		76 016	343 277		8 148	16 239	85 819	69 581	81.1%	350 722
Storm water		115			–	–	–	–		–
Infrastructure - Electricity		–	115 000	–	1 108	1 754	28 750	26 996	93.9%	115 000
Generation		–	115 000		1 108	1 754	28 750	26 996	93.9%	115 000
Infrastructure - Water		31 683	64 689	–	4 104	7 508	16 172	8 664	53.6%	64 689
Dams & Reservoirs		–	64 689		4 104	7 508	16 172	8 664	53.6%	64 689
Water purification		31 683					–	–		–
Infrastructure - Sanitation		–	29 500	–	–	3 931	7 375	3 444	46.7%	29 500
Reticulation		–	29 500		–	3 931	7 375	3 444	46.7%	29 500
Sewerage purification		–	–	–	–	–	–	–		–
Infrastructure - Other		6 454	1 000	–	41	41	250	209	83.5%	1 000
Waste Management		–	1 000	–	41	41	250	209	83.5%	1 000
Transportation		6 454	–	–			–	–		–
Community		22 013	31 250	–	4 498	9 723	7 813	(1 910)	-24.5%	31 250
Parks & gardens		–	1 000				250	250	100.0%	1 000
Sportsfields & stadia		13 919	21 500		4 496	9 470	5 375	(4 095)	-76.2%	21 500
Swimming pools		–	2 000				500	500	100.0%	2 000
Community halls		4 458					–	–		–
Fire, safety & emergency		2 766			3	3	–	(3)	0.0%	–
Cemeteries		870					–	–		–
Other		–	6 750			251	1 688	1 437	85.2%	6 750
Other assets		48 690	26 920	–	1 809	8 437	6 730	(1 707)	-25.4%	26 920
General vehicles		–	–	–	–	–	–	–		–
Plant & equipment		–	–	–	772	772	–	(772)	0.0%	–
Computers - hardware/equipment		–	3 750	–	–	–	938	938	100.0%	3 750
Markets		1 973	–		–	–	–	–		–
Civic Land and Buildings		43 678	10 170		1 037	7 665	2 543	(5 122)	-201.5%	10 170
Other Buildings		301	–		–	–	–	–		–
Other		2 738	13 000	–	–	–	3 250	3 250	100.0%	13 000
Intangibles		19	25 000	–	6 156	6 156	6 250	94	1.5%	25 000
Computers - software & programming		–	25 000	–	6 156	6 156	6 250	94	1.5%	25 000
Other		19	–	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing ass	1	184 990	636 636	–	25 865	53 790	159 159	105 369	66.2%	644 081

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 2014/15 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

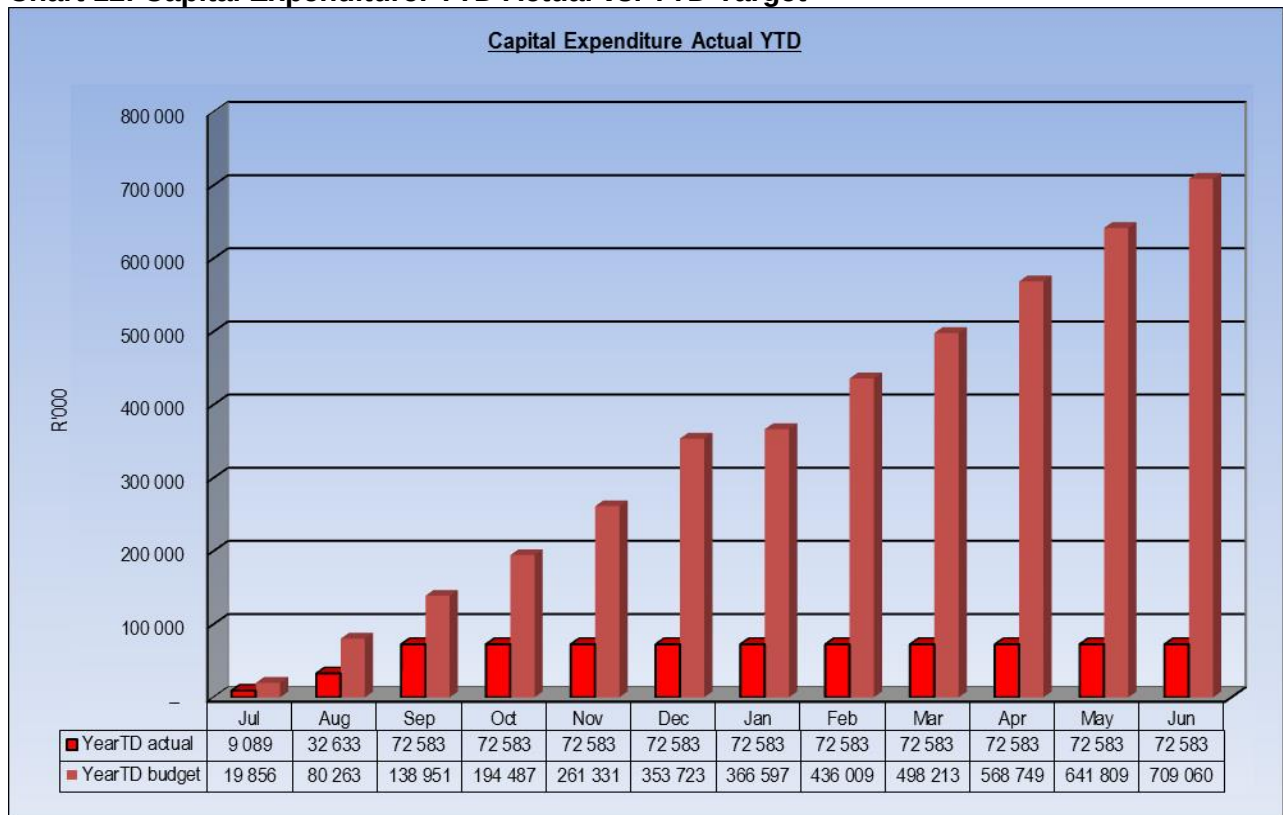
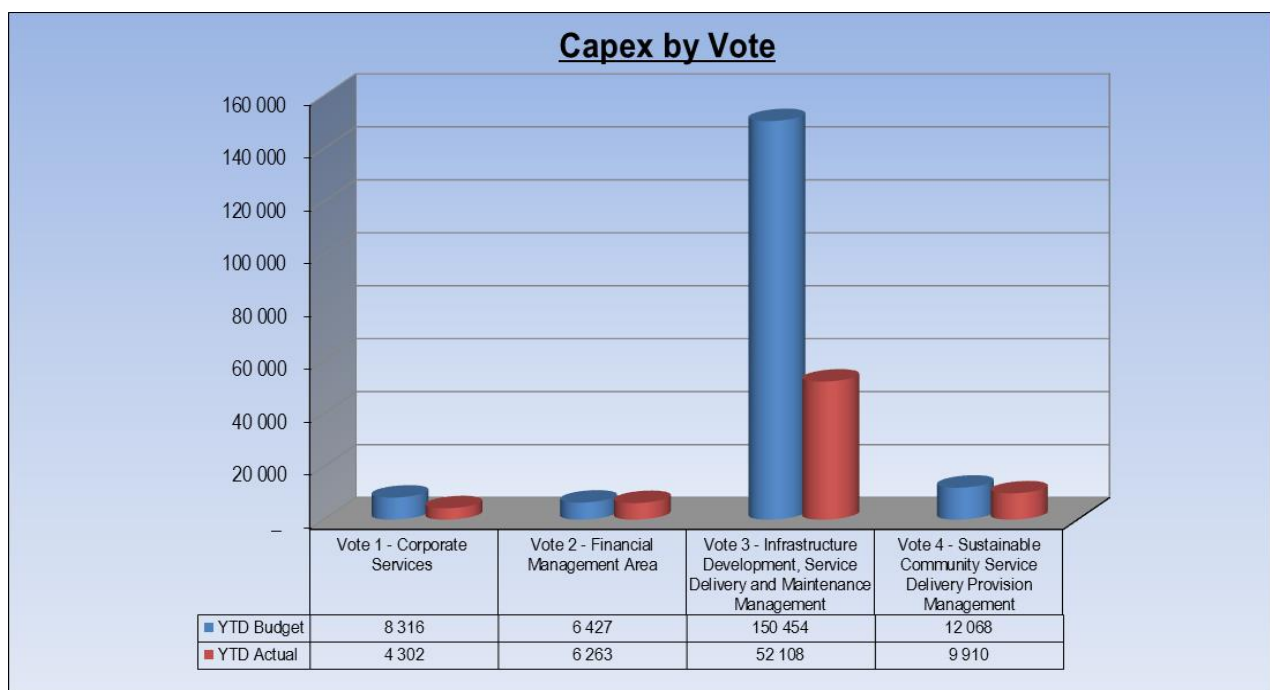


Chart 13: Capital Expenditure by Vote



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

The municipal entity's report for the month ending September 2015 has been attached.

2.10 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

for the month and the quarter ended September 2015 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: _____