

CITY OF CHOICE



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

Msunduzi Municipality
MFMA S71 Monthly Report

January 2016 Report
Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Executive Summary

Legislative Requirements

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

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

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R 2.39 billion for the period ending 31 January 2016. The YTD Budget was R 2.52 billion, therefore the actual underperformed against the budget by R 128.7 million 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 63% of the total YTD budget.

Operating Expenditure: The total YTD operating expenditure for the period ending 31 January 2016 amounted to R 2.29 billion while the YTD budget was R 2.51 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 71% of the YTD expenditure.

Capital Expenditure: While the YTD capital expenditure budget was R 414.3 million, the actual YTD Capital expenditure incurred amounted to R 237.3 million resulting in underperformance of the capital budget. This is mainly due to the start of the new financial year.

Grant Receipts: The total budgeted operational and capital grant receipts for this financial year is R 929.7 million inclusive of equitable share of R 395.7 million and Capital transfers of R 489.0 million.

Cash & Cash equivalents as at 31 January 2016 was R 953.3 million.

Consumer Debt: Consumer debt at 31 January 2016 was just over R 1.92 billion.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only)

Monthly Budget Statements Summary

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

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - M07 January

Description	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									
Financial Performance									
Property rates	716 603	784 462	794 866	65 232	443 813	463 672	(19 858)	-4%	784 462
Service charges	2 227 636	2 694 541	2 694 542	219 892	1 480 202	1 571 816	(91 614)	-6%	2 694 541
Investment revenue	50 973	33 988	33 988	14 070	33 566	19 826	13 740	69%	33 988
Transfers recognised - operational	519 604	440 652	518 243	3 871	338 547	302 308	36 239	12%	440 652
Other own revenue	325 520	211 526	211 524	14 561	99 858	123 389	(23 531)	-19%	211 526
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 165 169	4 253 163	317 625	2 395 986	2 481 012	(85 026)	-3%	4 165 169
Employee costs	832 532	956 536	956 536	76 127	548 501	557 979	(9 478)	-2%	956 536
Remuneration of Councillors	34 657	42 350	42 350	4 482	23 776	24 704	(928)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	485 746	39 555	273 385	283 352	(9 967)	-4%	485 746
Finance charges	71 169	69 489	69 489	540	29 411	40 535	(11 125)	-27%	69 489
Materials and bulk purchases	1 591 553	1 766 585	1 981 935	139 542	1 162 664	1 156 129	6 536	1%	1 766 585
Transfers and grants	11 572	134 035	134 035	20	4 394	78 187	(73 793)	-94%	134 035
Other expenditure	1 121 566	706 958	566 058	26 673	250 578	330 201	(79 623)	-24%	706 958
Total Expenditure	4 126 113	4 161 699	4 236 150	286 939	2 292 708	2 471 087	(178 379)	-7%	4 161 699
Surplus/(Deficit)	(285 775)	3 470	17 013	30 687	103 278	9 924	93 353	941%	3 470
Transfers recognised - capital	356 459	489 060	453 347	67 618	173 667	264 452	(90 785)	-34%	489 060
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	70 683	492 530	470 360	98 305	276 945	274 377	2 568	1%	492 530
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 683	492 530	470 360	98 305	276 945	274 377	2 568	1%	492 530
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	710 288	15 750	237 302	414 335	(177 032)	-43%	710 288
Capital transfers recognised	291 650	489 060	481 807	10 586	168 162	281 054	(112 892)	-40%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	33	10 024	58 333	(48 309)	-83%	100 000
Internally generated funds	155 105	120 000	128 481	5 131	59 116	74 947	(15 831)	-21%	120 000
Total sources of capital funds	528 636	709 060	710 288	15 750	237 302	414 334	(177 032)	-43%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 071 544				3 169 490
Total non current assets	7 548 842	7 568 078	7 547 576		7 454 973				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		559 987				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 324 014				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 467		7 642 517				8 077 468
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	5 672	275 294	423 059	147 765	35%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	99 971	73 314	32 317	(40 997)	-127%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	953 374	953 850	476	0%	1 033 207
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	305 076	97 560	47 456	73 405	44 469	46 278	48 757	#####	1 921 816
Creditors Age Analysis									
Total Creditors	302 231	276	516	485	211	3 519	-	-	307 238

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	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	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	1 620 365	116 690	918 825	945 213	(26 388)	-3%	1 281 199
Executive and council		6 748	1 600	1 600	26	2 899	933	1 966	211%	1 600
Budget and treasury office		1 422 429	1 276 437	1 608 739	116 661	916 747	938 431	(21 684)	-2%	1 276 437
Corporate services		5 993	3 162	10 025	3	(822)	5 848	(6 670)	-114%	3 162
<i>Community and public safety</i>		225 653	13 361	114 997	6 123	71 468	67 081	4 387	7%	13 361
Community and social services		71 074	3 250	37 283	2 044	29 272	21 748	7 524	35%	3 250
Sport and recreation		24 880	729	838	1 190	21 007	489	20 519	4197%	729
Public safety		111 819	5 827	25 684	1 222	10 078	14 983	(4 905)	-33%	5 827
Housing		17 809	3 485	51 159	1 667	11 102	29 843	(18 741)	-63%	3 485
Health		71	70	32	-	9	19	(10)	-53%	70
<i>Economic and environmental services</i>		235 988	171 598	472 543	21 577	83 685	275 650	(191 965)	-70%	171 598
Planning and development		63 074	7 972	70 312	1 214	10 869	41 016	(30 147)	-74%	7 972
Road transport		172 914	163 627	402 230	20 363	72 816	234 634	(161 818)	-69%	163 627
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 043 525	278 065	1 754 924	1 775 390	(20 466)	-1%	2 437 047
Electricity		1 723 118	1 700 095	1 910 807	190 928	1 134 767	1 114 638	20 130	2%	1 700 095
Water		660 510	500 521	878 276	59 781	442 258	512 327	(70 069)	-14%	500 521
Waste water management		191 593	149 071	152 591	19 156	114 511	89 011	25 500	29%	149 071
Waste management		115 022	87 359	101 851	8 200	63 387	59 413	3 974	7%	87 359
<i>Other</i>	4	34 298	89 565	28 007	2 554	14 652	16 338	(1 686)	-10%	89 565
Total Revenue - Standard	2	4 621 352	3 992 771	5 279 436	425 009	2 843 554	3 079 671	(236 117)	-8%	3 992 771
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	917 462	74 380	533 131	535 186	(2 055)	0%	691 420
Executive and council		7 712	384 298	131 695	9 236	78 637	76 822	1 815	2%	384 298
Budget and treasury office		859 050	200 157	573 669	50 533	359 400	334 640	24 759	7%	200 157
Corporate services		8 009	106 965	212 098	14 611	95 095	123 724	(28 629)	-23%	106 965
<i>Community and public safety</i>		670 660	421 741	546 398	40 143	322 044	318 732	3 311	1%	421 741
Community and social services		116 571	99 202	134 986	9 588	74 969	78 742	(3 773)	-5%	99 202
Sport and recreation		145 186	81 358	106 700	8 743	63 099	62 242	857	1%	81 358
Public safety		316 932	196 317	214 531	18 137	148 728	125 143	23 585	19%	196 317
Housing		49 923	25 149	69 802	2 283	23 527	40 718	(17 190)	-42%	25 149
Health		42 048	19 716	20 379	1 391	11 720	11 888	(167)	-1%	19 716
<i>Economic and environmental services</i>		522 277	462 751	583 893	29 670	247 658	340 604	(92 947)	-27%	462 751
Planning and development		97 679	128 290	107 372	9 136	64 894	62 633	2 260	4%	128 290
Road transport		424 597	334 461	476 521	20 534	182 764	277 971	(95 207)	-34%	334 461
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 718 573	178 657	1 437 732	1 585 894	(148 162)	-9%	1 893 207
Electricity		1 512 417	1 374 079	1 589 585	110 695	944 441	927 317	17 123	2%	1 374 079
Water		590 023	406 791	836 877	46 155	331 735	488 178	(156 443)	-32%	406 791
Waste water management		175 548	9 621	185 133	13 691	98 599	107 994	(9 395)	-9%	9 621
Waste management		150 620	102 716	106 978	8 116	62 957	62 404	553	1%	102 716
<i>Other</i>		54 353	31 122	42 750	3 854	26 045	24 937	1 108	4%	31 122
Total Expenditure - Standard	3	4 550 669	3 500 241	4 809 076	326 705	2 566 609	2 805 354	(238 745)	-9%	3 500 241
Surplus/ (Deficit) for the year		70 683	492 530	470 360	98 305	276 945	274 317	2 627	1%	492 530

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) - M07 January

Vote Description	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										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	1 600	1 600	29	2 928	933	1 995	213.7%	1 600
Vote 2 - City Finance		1 422 429	1 598 335	1 608 739	116 661	916 747	938 431	(21 684)	-2.3%	1 598 335
Vote 3 - Community Services & Social Equity		281 059	155 606	160 178	11 736	109 743	93 437	16 306	17.5%	155 606
Vote 4 - Corporate Services		5 890	10 026	10 027	0	(850)	5 849	(6 699)	-114.5%	10 026
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 369 094	291 161	1 772 456	1 965 305	(192 849)	-9.8%	3 369 093
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	129 798	5 422	42 530	75 716	(33 186)	-43.8%	88 384
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 621 352	5 223 044	5 279 436	425 009	2 843 554	3 079 671	(236 117)	-7.7%	5 223 044
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	159 741	11 281	92 757	93 182	(425)	-0.5%	147 876
Vote 2 - City Finance		931 400	672 127	644 631	54 983	400 138	376 035	24 103	6.4%	672 127
Vote 3 - Community Services & Social Equity		732 073	550 686	557 520	44 602	344 675	325 220	19 455	6.0%	550 686
Vote 4 - Corporate Services		8 582	195 576	192 624	12 772	83 825	112 364	(28 539)	-25.4%	195 576
Vote 5 - Infrastructure Services		2 664 812	3 005 424	3 057 853	189 984	1 543 100	1 783 807	(240 707)	-13.5%	3 005 424
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	196 708	13 082	102 115	114 747	(12 631)	-11.0%	158 825
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	4 730 514	4 809 076	326 705	2 566 609	2 805 354	(238 745)	-8.5%	4 730 514
Surplus/ (Deficit) for the year	2	70 683	492 530	470 360	98 305	276 945	274 317	2 627	1.0%	492 530

Statement of financial Performance

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

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	63 264	427 065	439 551	(12 487)	-3%	743 113
Property rates - penalties & collection charges		30 207	41 349	41 349	1 968	16 749	24 120	(7 372)	-31%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	152 566	1 066 697	1 088 329	(21 632)	-2%	1 865 706
Service charges - water revenue		452 443	595 443	595 443	48 705	292 664	347 342	(54 678)	-16%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	11 364	72 803	81 358	(8 555)	-11%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	7 257	48 038	54 788	(6 750)	-12%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 329	1 722	11 356	24 109	(12 753)	-53%	41 329
Interest earned - external investments		50 973	33 988	33 988	14 070	33 566	19 826	13 740	69%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	7 202	37 294	36 513	781	2%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	17 488	981	7 525	10 201	(2 676)	-26%	17 488
Licences and permits		89	87	87	5	48	51	(3)	-6%	87
Agency services		578	632	632	36	263	369	(106)	-29%	632
Transfers recognised - operational		519 604	440 652	518 243	3 871	338 547	302 308	36 239	12%	440 652
Other revenue		123 214	79 695	79 695	4 614	40 729	46 489	(5 760)	-12%	79 695
Gains on disposal of PPE		-	9 700	9 700	-	2 644	5 658	(3 014)	-53%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 165 169	4 253 163	317 625	2 395 986	2 481 012	(85 026)	-3%	4 165 169
Expenditure By Type										
Employee related costs		832 532	956 536	956 536	76 127	548 501	557 979	(9 478)	-2%	956 536
Remuneration of councillors		34 657	42 350	42 350	4 482	23 776	24 704	(928)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	62 565	(62 565)	-100%	124 586
Depreciation & asset impairment		463 063	485 746	485 746	39 555	273 385	283 352	(9 967)	-4%	485 746
Finance charges		71 169	69 489	69 489	540	29 411	40 535	(11 125)	-27%	69 489
Bulk purchases		1 586 802	1 736 811	1 781 093	132 475	1 078 963	1 038 971	39 992	4%	1 736 811
Other materials		4 751	29 773	200 842	7 067	83 702	117 158	(33 456)	-29%	29 773
Contracted services		29 698	18 556	25 556	5 663	65 986	14 908	51 078	343%	18 556
Transfers and grants		11 572	134 035	134 035	20	4 394	78 187	(73 793)	-94%	134 035
Other expenditure		869 758	563 817	433 247	21 047	179 008	252 728	(73 720)	-29%	563 817
Loss on disposal of PPE		-	-	-	(37)	5 584	-	5 584	#DIV/0!	-
Total Expenditure		4 126 113	4 161 699	4 236 150	286 939	2 292 708	2 471 087	(178 379)	-7%	4 161 699
Surplus/(Deficit)		(285 775)	3 470	17 013	30 687	103 278	9 924	93 353	0	3 470
Transfers recognised - capital		356 459	489 060	453 347	67 618	173 667	264 452	(90 785)	(0)	489 060
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 683	492 530	470 360	98 305	276 945	274 377			492 530
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 683	492 530	470 360	98 305	276 945	274 377			492 530
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 683	492 530	470 360	98 305	276 945	274 377			492 530
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 683	492 530	470 360	98 305	276 945	274 377			492 530

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) - M07 January

Vote Description	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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		9 110	5 000	6 180	188	3 730	3 605	125	3%	6 180
Vote 2 - City Finance		15 139	26 500	41 278	167	1 166	24 079	(22 913)	-95%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	54 868	190	26 886	32 006	(5 121)	-16%	54 868
Vote 4 - Corporate Services		4 119	3 250	3 637	-	-	2 122	(2 122)	-100%	3 637
Vote 5 - Infrastructure Services		333 861	569 454	555 387	11 616	153 997	323 976	(169 979)	-52%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	21 932	694	18 695	12 794	5 901	46%	21 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	451 009	682 054	683 282	12 855	204 474	398 581	(194 108)	-49%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	750	-	458	438	21	5%	750
Vote 2 - City Finance		13 442	710	710	-	9 543	414	9 129	2206%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	17 619	22	9 961	10 278	(317)	-3%	17 619
Vote 4 - Corporate Services		8 398	3 150	3 150	-	4 424	1 838	2 587	141%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	2 980	2 797	8 229	1 738	6 490	373%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	1 798	76	215	1 049	(834)	-80%	1 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 627	27 006	27 006	2 895	32 829	15 754	17 075	108%	27 006
Total Capital Expenditure		528 636	709 060	710 288	15 750	237 302	414 335	(177 032)	-43%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	38 052	355	19 321	22 197	(2 876)	-13%	39 360
Executive and council		9 665	5 750	5 910	188	4 188	3 447	741	21%	5 750
Budget and treasury office		28 581	27 210	25 714	167	10 709	15 000	(4 291)	-29%	27 210
Corporate services		12 517	6 400	6 429	-	4 424	3 750	674	18%	6 400
Community and public safety		68 187	63 824	55 717	90	37 349	31 219	6 130	20%	63 824
Community and social services		17 495	3 446	26 139	-	3 123	15 248	(12 125)	-80%	3 446
Sport and recreation		45 618	33 350	3 006	90	30 929	1 754	29 175	1664%	33 350
Public safety		1 883	8 333	8 333	-	444	4 861	(4 416)	-91%	8 333
Housing		3 191	17 075	16 041	-	2 854	9 357	(6 504)	-70%	17 075
Health		-	1 620	2 198	-	-	-	-	-	1 620
Economic and environmental services		166 656	347 746	362 557	2 515	73 233	211 492	(138 258)	-65%	347 746
Planning and development		48 972	28 325	7 445	744	15 653	4 343	11 311	260%	28 325
Road transport		116 686	317 801	355 112	1 749	56 656	207 149	(150 493)	-73%	317 801
Environmental protection		997	1 620	-	22	924	-	924	#DIV/0!	1 620
Trading services		236 720	258 353	253 400	12 726	106 996	147 817	(40 821)	-28%	258 353
Electricity		136 907	133 000	130 791	3 423	51 025	76 295	(25 270)	-33%	133 000
Water		53 989	83 133	75 709	4 342	30 682	44 164	(13 482)	-31%	83 133
Waste water management		33 205	37 500	42 200	4 688	23 108	24 617	(1 508)	-6%	37 500
Waste management		12 620	4 720	4 700	274	2 181	2 742	(560)	-20%	4 720
Other		6 311	1 398	562	63	403	328	75	23%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	710 288	15 750	237 302	413 053	(175 750)	-43%	710 680
Funded by:										
National Government		224 530	489 060	467 038	10 548	159 718	272 439	(112 721)	-41%	489 060
Provincial Government		67 121	-	14 769	38	8 444	8 615	(171)	-2%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	481 807	10 586	168 162	281 054	(112 892)	-40%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	33	10 024	58 333	(48 309)	-83%	100 000
Internally generated funds		155 105	120 000	128 481	5 131	59 116	74 947	(15 831)	-21%	120 000
Total Capital Funding		528 636	709 060	710 288	15 750	237 302	414 334	(177 032)	-43%	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 31 January 2016.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M07 January

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		96 597	45 513	81 975	176 770	81 975
Call investment deposits		745 471	1 086 263	1 085 994	776 604	1 085 994
Consumer debtors		728 136	883 147	883 147	1 225 117	883 147
Other debtors		390 671	376 440	376 438	(101 450)	376 438
Current portion of long-term receivables		46	43	43	-	43
Inventory		46 737	741 893	741 893	52 260	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 129 301	3 169 490
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 974	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	381 065	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		7 091 843	6 948 898	6 928 396	7 015 018	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	45 768	46 520
Intangible assets		18 880	27 283	27 283	2 149	27 283
Other non-current assets		-	179 008	179 008	-	179 008
Total non current assets		7 548 842	7 568 078	7 547 576	7 454 973	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 584 275	10 717 066
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	94 202	92 798
Trade and other payables		765 335	1 217 489	1 217 489	440 598	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		915 372	1 378 122	1 378 122	559 987	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	670 265	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 324 014	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	1 884 001	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 700 274	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 431 569	7 904 554
Reserves		257 948	172 915	172 914	268 705	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 700 274	8 077 468

Table C7 below display the Cash Flow Statement for the month ending 31 January 2016.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	701 467	711 871	49 831	405 878	415 258	(9 380)	-2%	711 871
Service charges		2 227 636	2 349 116	2 349 116	180 993	1 465 636	1 370 318	95 318	7%	2 349 116
Other revenue		18 478	84 318	84 320	18 908	228 959	49 187	179 773	365%	84 320
Government - operating		519 604	440 652	484 851	3 217	325 132	282 830	42 302	15%	484 851
Government - capital		356 459	489 060	453 347	14 583	243 298	264 452	(21 154)	-8%	453 347
Interest		120 502	64 837	64 894	11 873	25 864	37 855	(11 991)	-32%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(273 173)	(2 375 106)	(1 956 194)	418 912	-21%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(540)	(29 411)	(40 541)	(11 130)	27%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(14 956)	(106)	14 850	-14065%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	5 672	275 294	423 059	147 765	35%	725 244
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		(1 249 093)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000	100 000	100 000	58 333	41 667	71%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	(29)	2 902	3 063	(161)	-5%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)	-	(29 588)	(29 079)	509	-2%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	99 971	73 314	32 317	(40 997)	-127%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	172 159	191 139	89 893	111 306	111 498			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 068	842 352			842 068
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		953 374	953 850			1 033 207

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M07 January

Description	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									
Financial Performance									
Property rates	716 603	784 462	794 866	65 232	443 813	457 603	(13 789)	-3%	784 462
Service charges	2 227 636	2 694 541	2 694 542	219 892	1 480 202	1 571 816	(91 614)	-6%	2 694 541
Investment revenue	51 027	34 045	33 988	14 087	33 720	19 859	13 861	70%	34 045
Transfers recognised - operational	519 604	440 653	518 287	3 871	338 547	257 047	81 500	32%	440 653
Other own revenue	325 520	211 524	286 517	14 561	99 858	123 390	(23 532)	-19%	211 524
Total Revenue (excluding capital transfers and contributions)	3 840 392	4 165 225	4 328 199	317 642	2 396 140	2 429 715	(33 575)	-1%	4 165 225
Employee costs	836 267	960 606	956 631	76 440	550 922	560 779	(9 857)	-2%	960 606
Remuneration of Councillors	34 657	42 350	42 350	4 482	23 776	24 704	(928)	-4%	42 350
Depreciation & asset impairment	463 564	485 796	556 483	39 684	274 291	284 258	(9 967)	-4%	485 796
Finance charges	71 180	69 499	69 489	541	29 418	40 542	(11 125)	-27%	69 499
Materials and bulk purchases	1 591 765	1 766 912	1 955 572	139 543	1 162 787	1 030 671	132 117	13%	1 766 912
Transfers and grants	11 572	128 362	134 036	20	4 394	78 187	(73 794)	-94%	128 362
Other expenditure	1 122 144	708 192	596 726	30 014	257 595	419 909	(162 315)	-39%	708 192
Total Expenditure	4 131 150	4 161 717	4 311 288	290 724	2 303 182	2 439 051	(135 868)	-6%	4 161 717
Surplus/(Deficit)	(290 758)	3 508	16 911	26 919	92 958	(9 336)	102 294	-1096%	3 508
Transfers recognised - capital	356 459	489 060	453 347	67 618	173 667	285 285	(111 618)	-39%	489 060
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	65 700	492 568	470 258	94 537	266 625	275 949	(9 324)	-3%	492 568
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	65 700	492 568	470 258	94 537	266 625	275 949	(9 324)	-3%	492 568
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	710 288	15 750	237 302	414 335	(177 032)	-43%	710 288
Capital transfers recognised	291 650	489 060	481 807	10 586	168 162	281 054	(112 892)	-40%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	33	10 024	58 333	(48 309)	-83%	100 000
Internally generated funds	155 105	120 000	128 481	5 131	59 116	74 947	(15 831)	-21%	120 000
Total sources of capital funds	528 636	709 060	710 288	15 750	237 302	414 334	(177 032)	-43%	709 060
Financial position									
Total current assets	2 015 881	3 133 752	3 169 490		2 073 668				3 169 490
Total non current assets	7 549 526	7 574 856	7 547 576		7 455 657				7 547 576
Total current liabilities	923 142	1 385 104	1 378 122		560 209				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 324 014				1 261 476
Community wealth/Equity	7 445 115	8 062 028	8 077 468		7 645 103				8 077 468
Cash flows									
Net cash from (used) operating	1 194 858	693 202	725 244	2 033	265 880	412 606	146 726	36%	725 244
Net cash from (used) investing	(1 250 913)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	99 971	73 314	32 317	(40 997)	-127%	55 400
Cash/cash equivalents at the month/year end	829 327	1 110 608	191 139	-	943 960	1 052 556	108 596	10%	1 033 207
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	305 076	97 560	47 456	73 405	44 469	46 278	48 757	#####	1 921 816
Creditors Age Analysis									
Total Creditors	302 231	276	516	485	211	3 519	-	-	307 238

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	1 620 365	116 690	918 825	945 213	(26 388)	-3%	1 620 365
Executive and council		6 748	1 600	1 600	26	2 899	933	1 966	211%	1 600
Budget and treasury office		1 422 429	1 276 437	1 608 739	116 661	916 747	938 431	(21 684)	-2%	1 608 739
Corporate services		5 993	3 162	10 025	3	(822)	5 848	(6 670)	-114%	10 025
<i>Community and public safety</i>		225 653	13 361	114 997	6 123	71 468	67 081	4 387	7%	114 997
Community and social services		71 074	3 250	37 283	2 044	29 272	21 748	7 524	35%	37 283
Sport and recreation		24 880	729	838	1 190	21 007	489	20 519	4197%	838
Public safety		111 819	5 827	25 684	1 222	10 078	14 983	(4 905)	-33%	25 684
Housing		17 809	3 485	51 159	1 667	11 102	29 843	(18 741)	-63%	51 159
Health		71	70	32	-	9	19	(10)	-53%	32
<i>Economic and environmental services</i>		235 988	171 598	472 543	21 577	83 685	275 650	(191 965)	-70%	472 543
Planning and development		63 074	7 972	70 312	1 214	10 869	41 016	(30 147)	-74%	70 312
Road transport		172 914	163 627	402 230	20 363	72 816	234 634	(161 818)	-69%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 043 525	278 065	1 754 924	1 775 390	(20 466)	-1%	3 043 525
Electricity		1 723 118	1 700 095	1 910 807	190 928	1 134 767	1 114 638	20 130	2%	1 910 807
Water		660 510	500 521	878 276	59 781	442 258	512 327	(70 069)	-14%	878 276
Waste water management		191 593	149 071	152 591	19 156	114 511	89 011	25 500	29%	152 591
Waste management		115 022	87 359	101 851	8 200	63 387	59 413	3 974	7%	101 851
<i>Other</i>	4	34 298	89 565	28 007	2 554	14 652	16 338	(1 686)	-10%	28 007
Total Revenue - Standard	2	4 621 352	3 992 771	5 279 436	425 009	2 843 554	3 079 671	(236 117)	-8%	5 279 436
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	917 462	74 380	533 131	535 186	(2 055)	0%	917 462
Executive and council		7 712	384 298	131 695	9 236	78 637	76 822	1 815	2%	131 695
Budget and treasury office		859 050	200 157	573 669	50 533	359 400	334 640	24 759	7%	573 669
Corporate services		8 009	106 965	212 098	14 611	95 095	123 724	(28 629)	-23%	212 098
<i>Community and public safety</i>		670 660	421 741	546 398	43 911	332 364	317 107	15 256	5%	546 398
Community and social services		116 571	99 202	134 986	13 356	85 289	77 117	8 172	11%	134 986
Sport and recreation		145 186	81 358	106 700	8 743	63 099	62 242	857	1%	106 700
Public safety		316 932	196 317	214 531	18 137	148 728	125 143	23 585	19%	214 531
Housing		49 923	25 149	69 802	2 283	23 527	40 718	(17 190)	-42%	69 802
Health		42 048	19 716	20 379	1 391	11 720	11 888	(167)	-1%	20 379
<i>Economic and environmental services</i>		522 277	462 751	583 893	29 670	247 658	340 604	(92 947)	-27%	583 893
Planning and development		97 679	128 290	107 372	9 136	64 894	62 633	2 260	4%	107 372
Road transport		424 597	334 461	476 521	20 534	182 764	277 971	(95 207)	-34%	476 521
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 433 592	1 893 169	2 718 675	178 657	1 437 732	1 585 887	(148 155)	-9%	2 718 675
Electricity		1 517 400	1 374 041	1 589 687	110 695	944 441	927 310	17 130	2%	1 589 687
Water		590 023	406 791	836 877	46 155	331 735	488 178	(156 443)	-32%	836 877
Waste water management		175 548	9 621	185 133	13 691	98 599	107 994	(9 395)	-9%	185 133
Waste management		150 620	102 716	106 978	8 116	62 957	62 404	553	1%	106 978
<i>Other</i>		54 353	31 122	42 750	3 854	26 045	24 937	1 108	4%	42 750
Total Expenditure - Standard	3	4 555 652	3 500 203	4 809 178	330 473	2 576 929	2 803 722	(226 793)	-8%	4 809 178
Surplus/ (Deficit) for the year		65 700	492 568	470 258	94 537	266 625	275 949	(9 325)	-3%	470 258

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07

Vote Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	1 600	1 600	29	2 928	933	1 995	213.7%	1 600
Vote 2 - City Finance		1 422 429	1 598 335	1 608 739	116 661	916 747	938 431	(21 684)	-2.3%	1 608 739
Vote 3 - Community Services & Social Equity		281 059	155 606	160 178	11 736	109 743	93 437	16 306	17.5%	160 178
Vote 4 - Corporate Services		5 890	10 026	10 027	0	(850)	5 849	(6 699)	-114.5%	10 027
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 369 094	291 161	1 772 456	1 965 305	(192 849)	-9.8%	3 369 094
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	129 798	5 422	42 530	75 716	(33 186)	-43.8%	129 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 621 352	5 223 044	5 279 436	425 009	2 843 554	3 079 671	(236 117)	-7.7%	5 279 436
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	159 741	11 281	92 757	93 182	(425)	-0.5%	159 741
Vote 2 - City Finance		931 400	672 127	644 631	54 983	400 138	376 035	24 103	6.4%	644 631
Vote 3 - Community Services & Social Equity		732 073	550 686	557 520	48 370	354 995	323 588	31 407	9.7%	557 520
Vote 4 - Corporate Services		8 582	195 576	192 624	12 772	83 825	112 364	(28 539)	-25.4%	192 624
Vote 5 - Infrastructure Services		2 669 795	3 005 386	3 057 955	189 984	1 543 100	1 783 807	(240 707)	-13.5%	3 057 955
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	196 708	13 082	102 115	114 747	(12 631)	-11.0%	196 708
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	4 555 652	4 730 476	4 809 178	330 473	2 576 929	2 803 722	(226 793)	-8.1%	4 809 178
Surplus/ (Deficit) for the year	2	65 700	492 568	470 258	94 537	266 625	275 949	(9 325)	-3.4%	470 258

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	63 264	427 065	433 482	(6 418)	-1%	753 517
Property rates - penalties & collection charges		30 207	41 349	41 349	1 968	16 749	24 120	(7 372)	-31%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	152 566	1 066 697	1 088 329	(21 632)	-2%	1 865 706
Service charges - water revenue		452 443	595 443	595 443	48 705	292 664	347 341	(54 677)	-16%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	11 364	72 803	81 358	(8 555)	-11%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	7 257	48 038	54 788	(6 750)	-12%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 428	1 722	11 356	24 109	(12 753)	-53%	41 428
Interest earned - external investments		51 027	34 045	33 988	14 087	33 720	19 859	13 861	70%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	7 202	37 294	36 513	781	2%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	21 525	981	7 525	10 201	(2 676)	-26%	21 525
Licences and permits		89	87	87	5	48	51	(3)	-6%	87
Agency services		578	632	14 669	36	263	369	(106)	-29%	14 669
Transfers recognised - operational		519 604	440 653	518 287	3 871	338 547	257 047	81 500	32%	518 287
Other revenue		123 214	79 695	136 515	4 614	40 729	46 489	(5 760)	-12%	136 515
Gains on disposal of PPE		-	9 700	9 700	-	2 644	5 658	(3 014)	-53%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 392	4 165 225	4 328 199	317 642	2 396 140	2 429 715	(33 575)	-1%	4 328 199
Expenditure By Type										
Employee related costs		836 267	960 606	956 631	76 440	550 922	560 779	(9 857)	-2%	956 631
Remuneration of councillors		34 657	42 350	42 350	4 482	23 776	24 704	(928)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	72 675	(72 675)	-100%	107 255
Depreciation & asset impairment		463 564	485 796	556 483	39 684	274 291	284 258	(9 967)	-4%	556 483
Finance charges		71 180	69 499	69 489	541	29 418	40 542	(11 125)	-27%	69 489
Bulk purchases		1 587 014	1 736 811	1 781 093	132 475	1 078 963	1 013 140	65 823	6%	1 781 093
Other materials		4 751	30 101	174 479	7 068	83 825	17 531	66 294	378%	174 479
Contracted services		29 698	18 851	124 702	8 981	72 725	17 778	54 946	309%	124 702
Transfers and grants		11 572	128 362	134 036	20	4 394	78 187	(73 794)	-94%	134 036
Other expenditure		870 336	564 755	364 770	21 070	179 286	329 456	(150 170)	-46%	364 770
Loss on disposal of PPE		-	-	-	(37)	5 584	-	5 584	#DIV/0!	-
Total Expenditure		4 131 150	4 161 717	4 311 288	290 724	2 303 182	2 439 051	(135 868)	-6%	4 311 288
Surplus/(Deficit)		(290 758)	3 508	16 911	26 919	92 958	(9 336)	102 294	(0)	16 911
Transfers recognised - capital		356 459	489 060	453 347	67 618	173 667	285 285	(111 618)	(0)	453 347
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		65 700	492 568	470 258	94 537	266 625	275 949			470 258
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		65 700	492 568	470 258	94 537	266 625	275 949			470 258
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		65 700	492 568	470 258	94 537	266 625	275 949			470 258
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		65 700	492 568	470 258	94 537	266 625	275 949			470 258

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M07 January

Vote Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		9 110	5 000	6 180	188	3 730	3 605	125	3%	6 180
Vote 2 - City Finance		15 139	26 500	41 278	167	1 166	24 079	(22 913)	-95%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	54 868	190	26 886	32 006	(5 121)	-16%	54 868
Vote 4 - Corporate Services		4 119	3 250	3 637	-	-	2 122	(2 122)	-100%	3 637
Vote 5 - Infrastructure Services		333 861	569 454	555 387	11 616	153 997	323 976	(169 979)	-52%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	21 932	694	18 695	12 794	5 901	46%	21 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	451 009	682 054	683 282	12 855	204 474	398 581	(194 108)	-49%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	750	-	458	438	21	5%	750
Vote 2 - City Finance		13 442	710	710	-	9 543	414	9 129	2206%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	17 619	22	9 961	10 278	(317)	-3%	17 619
Vote 4 - Corporate Services		8 398	3 150	3 150	-	4 424	1 838	2 587	141%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	2 980	2 797	8 229	1 738	6 490	373%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	1 798	76	215	1 049	(834)	-80%	1 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 627	27 006	27 006	2 895	32 829	15 754	17 075	108%	27 006
Total Capital Expenditure		528 636	709 060	710 288	15 750	237 302	414 335	(177 032)	-43%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	38 052	355	19 321	22 197	(2 876)	-13%	38 052
Executive and council		9 665	5 750	5 910	188	4 188	3 447	741	21%	5 910
Budget and treasury office		28 581	27 210	25 714	167	10 709	15 000	(4 291)	-29%	25 714
Corporate services		12 517	6 400	6 429	-	4 424	3 750	674	18%	6 429
Community and public safety		68 187	63 824	55 717	90	37 349	31 219	6 130	20%	55 717
Community and social services		17 495	3 446	26 139	-	3 123	15 248	(12 125)	-80%	26 139
Sport and recreation		45 618	33 350	3 006	90	30 929	1 754	29 175	1664%	3 006
Public safety		1 883	8 333	8 333	-	444	4 861	(4 416)	-91%	8 333
Housing		3 191	17 075	16 041	-	2 854	9 357	(6 504)	-70%	16 041
Health		-	1 620	2 198	-	-	-	-	-	2 198
Economic and environmental services		166 656	347 746	362 557	2 515	73 233	211 492	(138 258)	-65%	362 557
Planning and development		48 972	28 325	7 445	744	15 653	4 343	11 311	260%	7 445
Road transport		116 686	317 801	355 112	1 749	56 656	207 149	(150 493)	-73%	355 112
Environmental protection		997	1 620	-	22	924	-	924	#DIV/0!	-
Trading services		236 720	258 353	253 400	12 726	106 996	147 817	(40 821)	-28%	253 400
Electricity		136 907	133 000	130 791	3 423	51 025	76 295	(25 270)	-33%	130 791
Water		53 989	83 133	75 709	4 342	30 682	44 164	(13 482)	-31%	75 709
Waste water management		33 205	37 500	42 200	4 688	23 108	24 617	(1 508)	-6%	42 200
Waste management		12 620	4 720	4 700	274	2 181	2 742	(560)	-20%	4 700
Other		6 311	1 398	562	63	403	328	75	23%	562
Total Capital Expenditure - Standard Classification	3	528 636	710 680	710 288	15 750	237 302	413 053	(175 750)	-43%	710 288
Funded by:										
National Government		224 530	489 060	467 038	10 548	159 718	272 439	(112 721)	-41%	467 038
Provincial Government		67 121	-	14 769	38	8 444	8 615	(171)	-2%	14 769
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	481 807	10 586	168 162	281 054	(112 892)	-40%	481 807
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	33	10 024	58 333	(48 309)	-83%	100 000
Internally generated funds		155 105	120 000	128 481	5 131	59 116	74 947	(15 831)	-21%	128 481
Total Capital Funding		528 636	709 060	710 288	15 750	237 302	414 334	(177 032)	-43%	710 288

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January

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	81 975	165 906	81 975
Call investment deposits		753 689	1 086 648	1 085 994	778 054	1 085 994
Consumer debtors		728 136	883 147	883 147	1 225 117	883 147
Other debtors		390 671	376 443	376 438	(100 869)	376 438
Current portion of long-term receivables		49	43	43	-	43
Inventory		46 737	741 893	741 893	52 260	741 893
Total current assets		2 015 881	3 133 752	3 169 490	2 120 468	3 169 490
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 974	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	381 065	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		7 092 527	6 955 676	6 928 396	7 015 702	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	45 768	46 520
Intangible assets		18 880	27 283	27 283	2 149	27 283
Other non-current assets		-	179 008	179 008	-	179 008
Total non current assets		7 549 526	7 574 856	7 547 576	7 455 657	7 547 576
TOTAL ASSETS		9 565 407	10 708 608	10 717 066	9 576 125	10 717 066
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	94 202	92 798
Trade and other payables		773 105	1 224 471	1 217 489	440 820	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		923 142	1 385 104	1 378 122	560 209	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	670 265	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 324 014	1 261 476
TOTAL LIABILITIES		2 120 292	2 646 580	2 639 598	1 884 223	2 639 598
NET ASSETS	2	7 445 115	8 062 028	8 077 468	7 691 903	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 553	7 423 198	7 904 554
Reserves		259 085	173 164	172 915	268 705	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 445 115	8 062 028	8 077 468	7 691 903	8 077 468

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	701 468	711 871	49 831	405 879	415 258	(9 379)	-2%	711 871
Service charges		2 227 636	2 349 116	2 349 116	180 993	1 465 636	1 370 318	95 318	7%	2 349 116
Other revenue		18 478	84 318	84 320	18 908	228 959	49 187	179 773	365%	84 320
Government - operating		519 604	440 652	484 851	3 217	325 132	282 830	42 302	15%	484 851
Government - capital		356 459	489 060	453 347	14 583	243 298	264 452	(21 154)	-8%	453 347
Interest		120 556	64 893	64 894	11 890	26 018	37 888	(11 870)	-31%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 681 727)	(3 360 950)	(3 353 475)	(276 828)	(2 384 668)	(1 966 673)	417 995	-21%	(3 353 475)
Finance charges		(71 180)	(69 501)	(69 499)	(541)	(29 418)	(40 548)	(11 130)	27%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(14 956)	(106)	14 850	-14065%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 194 858	693 202	725 244	2 033	265 880	412 606	146 726	36%	725 244
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		(1 249 406)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 913)	(589 505)	(589 505)	(15 750)	(237 302)	(343 878)	(106 576)	31%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000	100 000	100 000	58 333	41 667	71%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	(29)	2 902	3 063	(161)	-5%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)	-	(29 588)	(29 079)	509	-2%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	99 971	73 314	32 317	(40 997)	-127%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		2 054	159 097	191 139	86 254	101 892	101 045			191 139
Cash/cash equivalents at beginning:		827 273	951 511			842 068	951 511			842 068
Cash/cash equivalents at month/year end:		829 327	1 110 608	191 139		943 960	1 052 556			1 033 207

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

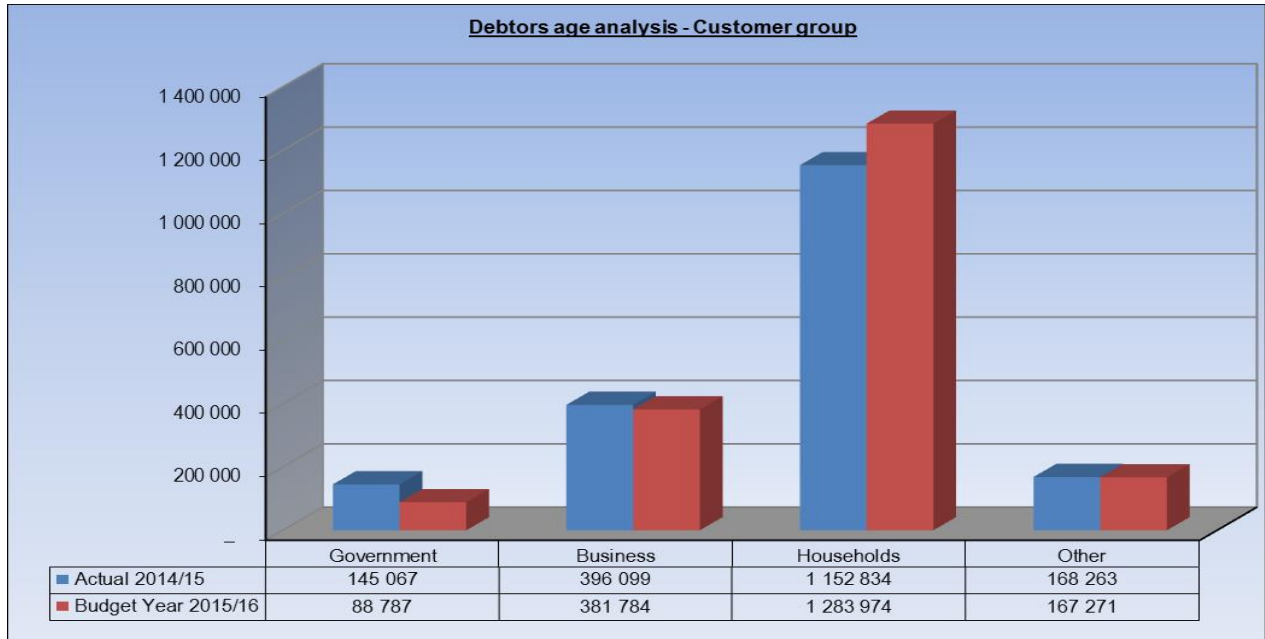
The table presented below summarises the Debtors Age Analysis as at 31 January 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2015/16									Total over 90 days	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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	55 625	26 148	21 154	21 317	19 178	18 315	18 172	409 685	589 594	486 667		202 209
Trade and Other Receivables from Exchange Transactions - Electricity	1300	165 472	35 150	9 292	5 813	5 521	4 993	4 575	74 680	305 498	95 583		36 955
Receivables from Non-exchange Transactions - Property Rates	1400	57 039	21 192	10 879	16 356	8 671	8 005	11 561	209 480	343 183	254 073		121 996
Receivables from Exchange Transactions - Waste Water Management	1500	11 475	5 347	3 741	3 612	2 968	2 879	3 088	90 893	124 004	103 441		52 030
Receivables from Exchange Transactions - Waste Management	1600	6 880	3 102	1 810	1 695	1 612	1 560	1 547	48 845	67 049	55 258		28 877
Receivables from Exchange Transactions - Property Rental Debtors	1700	664	599	579	570	560	555	552	25 214	29 293	27 452		17 949
Interest on Arrear Debtor Accounts	1810	9 430	9 267	8 808	8 523	8 156	8 056	7 789	269 979	330 008	302 504		172 703
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	(1 508)	(3 244)	(8 807)	15 518	(2 197)	1 914	1 473	130 038	133 187	146 746		75 639
Total By Income Source	2000	305 076	97 560	47 456	73 405	44 469	46 278	48 757	1 258 813	1 921 816	1 471 723	-	708 358
2014/15 - 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	17 993	5 446	(7 615)	4 314	1 647	(2 902)	2 603	67 302	88 787	72 964		41 451
Commercial	2300	151 661	32 107	10 216	9 475	6 970	13 915	10 543	146 896	381 784	187 799		87 216
Households	2400	124 807	55 602	41 008	54 819	32 677	32 288	31 105	911 669	1 283 974	1 062 557		494 334
Other	2500	10 615	4 406	3 848	4 796	3 175	2 977	4 507	132 947	167 271	148 403		85 358
Total By Customer Group	2600	305 076	97 560	47 456	73 405	44 469	46 278	48 757	1 258 813	1 921 816	1 471 723	-	708 358

Chart 1: Debtors Age Analysis By Customer Group

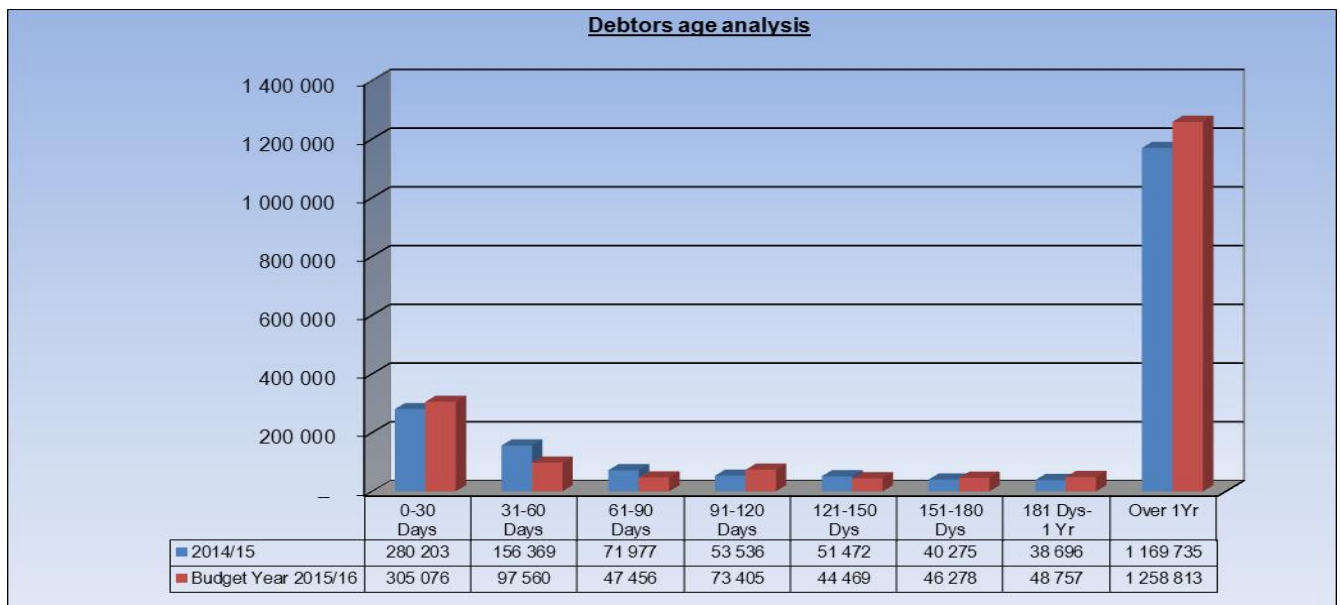


The information presented in the chart above reflects a slight increase in the outstanding debtor's balances as at 31 January 2016 of R 39.0 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1, 92 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 67% of the total municipal debt as detailed below:

- ✓ Households 67%
- ✓ Commercial 20%
- ✓ Other 8%
- ✓ Organs of State 5%

Chart 2: Year on Year Debtors Age Analysis



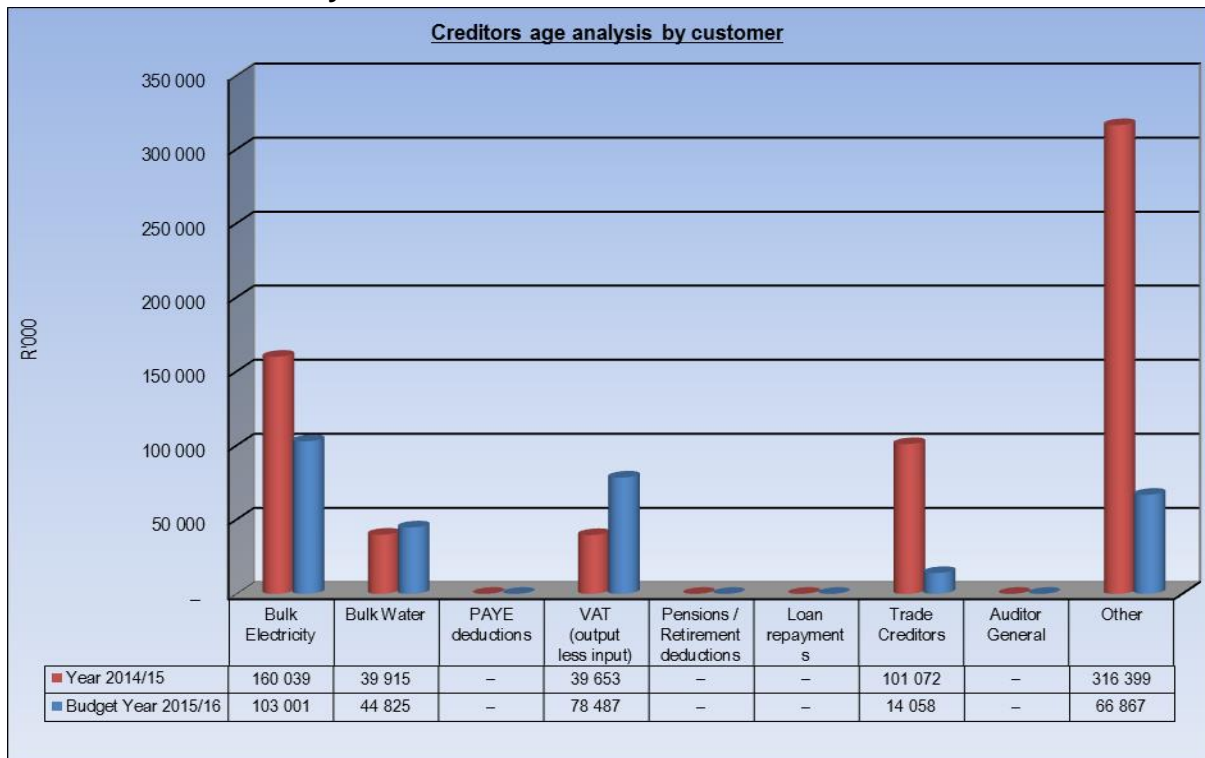
2.2 Creditors Analysis

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

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M06 January 2016	
Description	NT Code	Budget Year 2015/16								Total	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		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	103 001	-	-	-	-	-	-	-	103 001	160 039
Bulk Water	0200	44 825	-	-	-	-	-	-	-	44 825	39 915
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	78 487	-	-	-	-	-	-	-	78 487	39 653
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	9 051	276	516	485	211	3 519	-	-	14 058	101 072
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	66 867	-	-	-	-	-	-	-	66 867	316 399
Total By Customer Type	2600	302 231	276	516	485	211	3 519	-	-	307 238	657 078

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

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

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

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio							M06 January 2016		
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					26 269
Fixed - ABSA - 12 months (WCA)		12 months							7 935
Fixed - ABSA - Various		Various							200 000
Fixed - FNB - Various		Various							384 893
Fixed - Investec - 3 months		various							157 506
Municipality sub-total					-		-	-	776 604

The total consolidated investment balances as at 31 January 2016 was R 776.6 million.

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital grant receipts for the year is R 929.7 million which is inclusive of the equitable share of R 395.7 million and Capital allocation of R 489.0 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts							M06 January 2016		
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	407 948	342 970	237 970	105 000	44.1%	407 948
Local Government Equitable Share		373 541	395 786	395 786	338 547	230 875	107 672	46.6%	395 786
Finance Management		1 600	1 600	1 600	1 600	933	667	71.4%	1 600
Municipal Systems Improvement		-	930	930	-	543	(543)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	2 823	2 352	471	20.0%	4 032
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-
Water Services Operating Subsidy	3	-	-	-	-	-	-	-	-
Public Transport and Systems		109 480	-	-	-	-	-	-	-
Operating costs-MIG		-	5 000	5 000	-	2 917	(2 917)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	350	(350)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	14 274	19 077	(4 804)	-25.2%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	14 274	5 084	9 190	180.8%	8 715
Arts and Culture - Subsidies		-	380	380	-	222	(222)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	322	(322)	-100.0%	552
Arts and Culture - Provincialisiation		-	23 057	23 057	-	13 450	(13 450)	-100.0%	23 057
Sanitation Bucket eradication		-	-	-	-	-	-	-	-
GEDI		31 298	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	528 854	440 652	440 652	357 243	257 047	100 196	39.0%	440 652
Capital Transfers and Grants									
National Government:		316 544	489 060	489 060	305 586	285 285	20 301	7.1%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	145 370	109 349	36 021	32.9%	187 456
Public Transport and Systems		-	213 271	213 271	65 000	124 408	(59 408)	-47.8%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	-	11 667	(11 667)	-100.0%	20 000
Dept of Mineral/Electricity		-	-	-	-	-	-	-	-
Intergrated National Electrification Porgramme		95 989	10 000	10 000	12 386	5 833	6 553	112.3%	10 000
Mnicipal Water infrastrucure Grant		11 389	58 333	58 333	58 333	34 028	24 305	71.4%	58 333
MSIG		1 226	-	-	930	-	930	0.0%	-
Library		24 586	-	-	23 567	-	23 567	0.0%	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		19 870	-	-	456	-	456	0.0%	-
Airport Dev elopment Project		-	-	-	76	-	76	0.0%	-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-
COGTA - URBAN RENEWAL		-	-	-	-	-	-	0.0%	-
COGTA - SANITATION BUCKET ERADICATION		4	-	-	-	-	-	-	-
COGTA - MASSIFICATION		4 375	-	-	-	-	-	-	-
COGTA		5 810	-	-	-	-	-	0.0%	-
Operation Dulusumlando-Agriculture		500	-	-	-	-	-	-	-
Art and Culture		988	-	-	380	-	380	0.0%	-
Market		6 077	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		37	-	-	-	-	-	-	-
Youth Advisory Council		35	-	-	-	-	-	-	-
COMMUNITY COMMUNICATION INITIATIVE		1	-	-	-	-	-	-	-
Q Dot Pharma For Ward 3,4,6		-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	336 450	489 060	489 060	306 042	285 285	20 757	7.3%	489 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	865 304	929 712	929 712	663 285	542 332	120 953	22.3%	929 712

Capital and Operating grants: While the full year grant expenditure budget is R 929.7 million, the actual YTD grant expenditure incurred amounted to R 195.4 million resulting in underperformance of 64% of the YTD capital grants budget.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure								M06 January 2016	
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	407 948	5 041	237 970	(232 929)	-97.9%	407 948
Local Government Equitable Share		373 541	395 786	395 786	-	230 875	(230 875)	-100.0%	395 786
Finance Management		1 600	1 600	1 600	1 009	933	76	8.1%	1 600
Municipal Systems Improvement		-	930	930	-	543	(543)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	2 352	1 680	71.4%	4 032
Public Transport and Systems		109 480	-	-	-	-	-	-	-
Operating costs-MIG		-	5 000	5 000	-	2 917	(2 917)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	350	(350)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	11 268	19 077	(7 809)	-40.9%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	11 268	5 084	6 184	121.7%	8 715
Arts and Culture - Subsidies		-	380	380	-	222	(222)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	322	(322)	-100.0%	552
Arts and Culture - Provincialisiation		-	23 057	23 057	-	13 450	(13 450)	-100.0%	23 057
GEDI		31 298	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		528 854	440 652	440 652	16 309	257 047	(240 738)	-93.7%	440 652
Capital expenditure of Transfers and Grants									
National Government:		316 544	489 060	489 060	176 486	285 285	(108 799)	-38.1%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	107 469	109 349	(1 880)	-1.7%	187 456
Public Transport and Systems		-	213 271	213 271	18 648	124 408	(105 760)	-85.0%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	76	11 667	(11 591)	-99.3%	20 000
Intergrated National Electrification Porgramme		95 989	10 000	10 000	30 580	5 833	24 747	424.2%	10 000
Municipal Water infrastrucure Grant		11 389	58 333	58 333	12 926	34 028	(21 102)	-62.0%	58 333
MSIG		1 226	-	-	655	-	655	0.0%	-
Library		24 586	-	-	6 133	-	6 133	#DIV/0!	-
Provincial Government:		19 870	-	-	2 663	-	2 663	0.0%	-
Airport Development Project		-	-	-	-	-	-	-	-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	26	-	26	0.0%	-
COGTA - Art Gallery		-	-	-	197	-	197	0.0%	-
COGTA - SANITATION BUCKET ERADICATION		4	-	-	-	-	-	-	-
COGTA - MASSIFICATION		4 375	-	-	-	-	-	-	-
COGTA - Market		5 810	-	-	251	-	251	0.0%	-
Operation Dlusumlando-Agriculture		500	-	-	2 190	-	2 190	0.0%	-
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	489 060	179 150	285 285	(106 135)	-37.2%	489 060
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		865 304	929 712	929 712	195 459	542 332	(346 873)	-64.0%	929 712

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	29 522	29 522	2 245	15 068	17 221	(2 153)	-13%	29 522
Pension and UIF Contributions		253	3 496	3 496	381	1 979	2 039	(61)	-3%	3 496
Medical Aid Contributions		2 287	1 296	1 296	111	736	756	(20)	-3%	1 296
Motor Vehicle Allowance		528	6 333	6 333	779	4 117	3 694	422	11%	6 333
Cellphone Allowance		133	1 565	1 565	128	920	913	7	1%	1 565
Housing Allowances		10	137	137	6	51	80	(29)	-36%	137
Other benefits and allowances		58	-	-	6	901	-	901	#DIV/0!	-
Sub Total - Councillors		34 657	42 350	42 350	3 651	23 772	24 704	(932)	-4%	42 350
% increase	4		22.2%	22.2%						22.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 651	6 744	6 744	589	3 449	3 934	(485)	-12%	6 744
Pension and UIF Contributions		798	870	870	197	606	508	99	19%	870
Medical Aid Contributions		-	20	20	6	32	12	20	166%	20
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		210	360	360	-	131	210	(79)	-38%	360
Motor Vehicle Allowance		762	756	756	170	553	441	112	25%	756
Cellphone Allowance		-	90	90	8	55	53	2	4%	90
Housing Allowances		98	64	64	57	113	37	76	206%	64
Other benefits and allowances		38	-	-	-	0	-	0	#DIV/0!	-
Sub Total - Senior Managers of Municipality		7 558	8 904	8 904	1 027	4 939	5 194	(255)	-5%	8 904
% increase	4		17.8%	17.8%						17.8%
Other Municipal Staff										
Basic Salaries and Wages		504 910	741 800	741 800	38 768	333 339	432 717	(99 378)	-23%	741 800
Pension and UIF Contributions		112 428	16 945	16 945	13 652	73 004	9 885	63 120	639%	16 945
Medical Aid Contributions		40 020	110 158	110 158	6 046	23 257	64 259	(41 002)	-64%	110 158
Overtime		38 448	32 271	32 271	1 784	20 300	18 825	1 475	8%	32 271
Performance Bonus		-	-	-	-	236	-	236	#DIV/0!	-
Motor Vehicle Allowance		12 324	52 435	52 435	1 177	8 060	30 587	(22 527)	-74%	52 435
Cellphone Allowance		2 340	-	-	213	1 525	-	1 525	#DIV/0!	-
Housing Allowances		3 108	9 351	9 351	387	2 239	5 455	(3 216)	-59%	9 351
Other benefits and allowances		96 672	-	-	6 520	76 892	-	76 892	#DIV/0!	-
Payments in lieu of leave		2 280	-	-	249	2 776	-	2 776	#DIV/0!	-
Long service awards		12 444	3 461	3 461	646	4 355	2 019	2 336	116%	3 461
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		824 974	966 420	966 420	69 442	545 983	563 745	(17 762)	-3%	966 420
% increase	4		17.1%	17.1%						17.1%
Total Parent Municipality		867 189	1 017 674	1 017 674	74 121	574 693	593 643	(18 950)	-3%	1 017 674
			17.4%	17.4%						17.4%
Unpaid salary, allowances & benefits in arrears:										
Board Fees		-	-	-	-	-	6	(6)	-100%	-
Sub Total - Board Members of Entities		-	-	-	-	-	6	(6)	-100%	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		329	409	409	60	210	239	(29)	-12%	409
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		12	14	14	1	6	8	(2)	-24%	14
Overtime		18	-	-	-	-	-	-	-	-
Performance Bonus		6	6	6	6	6	4	3	71%	6
Motor Vehicle Allowance		-	18	18	2	9	11	(2)	-14%	18
Cellphone Allowance		4	4	4	4	2	2	(0)	-5%	4
Sub Total - Senior Managers of Entities		369	450	450	63	233	263	(30)	-11%	450
% increase	4		22.0%	22.0%						22.0%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 794	2 794	339	1 202	1 630	(428)	-26%	2 794
Pension and UIF Contributions		154	194	194	15	83	113	(30)	-27%	194
Medical Aid Contributions		389	533	533	29	165	311	(146)	-47%	533
Overtime		416	457	457	32	201	267	(66)	-25%	457
Performance Bonus		22	25	25	25	25	15	10	71%	25
Motor Vehicle Allowance		56	72	72	5	30	42	(12)	-29%	72
Cellphone Allowance		11	14	14	1	7	8	(1)	-14%	14
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		219	250	250	26	181	146	35	24%	250
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		3 526	4 339	4 339	447	1 894	2 531	(637)	-25%	4 339
% increase	4		23.1%	23.1%						23.1%
Total Municipal Entities		3 895	4 789	4 789	510	2 127	2 800	(673)	-24%	4 789
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 022 463	1 022 463	74 631	576 820	596 443	(19 623)	-3%	1 022 463
% increase	4		17.4%	17.4%						17.4%
TOTAL MANAGERS AND STAFF		836 427	980 114	980 114	70 980	553 049	571 733	(18 684)	-3%	980 114

Councillor Allowances

The expenditure on councillor allowances as at 31 January 2016 was under spent by 4%. The year to date budget for Remuneration of Councillor's is R 24.7 million while the actual expenditure incurred was R 23.7 million resulting in 96% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for 31 January 2016 was R 548.5 million, against the budget of R 558.0 million, resulting in a slight underperformance.

Board Member Fees – Safe City

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

The detailed staff benefits report is contained in the s66 report

2.6 Material Variances to the SDBIP

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

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

2.6.1 Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending 31 January 2016 and the monthly forecast till year end. The first table mainly presents cash inflows, while the next table presents mainly outflows.

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts													M06 January 2016			
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source																
Property rates		54 136	51 550	50 506	53 308	76 797	58 464	48 673	49 401	61 469	49 683	56 548	68 305	668 801	706 022	741 323
Property rates - penalties & collection charges		1 198	1 407	957	1 646	3 294	2 782	1 158	3 252	2 988	3 242	3 691	2 796	32 666	34 430	36 289
Service charges - electricity revenue		155 985	169 554	187 831	166 499	154 031	160 255	139 602	134 736	138 548	121 054	137 783	194 702	1 751 944	1 923 703	2 154 547
Service charges - water revenue		32 607	29 258	33 019	34 690	32 067	32 544	28 164	37 580	36 714	31 674	36 051	44 981	405 277	414 729	435 465
Service charges - sanitation revenue		10 881	8 749	10 474	10 307	10 879	9 798	8 206	10 564	9 941	8 675	9 874	12 205	114 680	120 204	126 695
Service charges - refuse		6 192	4 996	6 092	6 127	5 988	5 823	5 021	5 443	6 880	5 736	6 529	7 649	77 215	80 862	85 229
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 480	1 097	1 125	1 361	998	1 251	921	2 142	2 967	2 448	2 773	5 065	33 063	32 234	33 974
Interest earned - external investments		2 684	1 909	913	867	903	1 092	11 873	2 456	2 461	2 165	5 094	4 000	32 289	34 033	35 871
Interest earned - outstanding debtors		838	1 107	910	910	698	1 160	752	5 982	1 658	2 312	2 312	2 477	32 549	34 510	36 374
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1 134	1 121	1 050	963	1 101	1 210	981	605	627	608	776	838	9 094	8 505	8 964
Licences and permits		7	7	8	9	6	5	5	2	9	11	10	5	87	92	97
Agency services		0	0	0	-	-	0	0	143	57	86	-	60	632	668	704
Transfer receipts - operating		197 440	10 800	3 705	36 520	73 449	-	3 217	735	183 264	-	149	-	440 652	463 799	502 985
Other revenue		27 939	23 190	46 154	41 902	41 764	15 173	16 249	1 801	2 444	1 641	626	2 781	41 442	42 502	44 798
Cash Receipts by Source		492 520	304 746	342 741	355 109	401 975	289 557	264 823	254 842	450 027	229 335	262 215	345 864	3 640 390	3 896 292	4 243 314
Other Cash Flows by Source																
Transfer receipts - capital		87 408	20 445	7 232	33 787	76 843	3 000	14 583	17 324	110 550	-	-	-	489 060	466 372	480 820
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	100 000	-	-	-	-	-	100 000	50 000	-
Increase in consumer deposits		552	417	156	787	393	627	(29)	254	126	336	186	467	5 250	6 150	5 250
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		580 481	325 608	350 129	389 683	479 211	293 183	379 377	272 420	560 703	229 670	262 401	346 331	4 234 700	4 418 814	4 729 384

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash payments													Medium Term Revenue and Expenditure Framework			
Description	Ref	Budget Year 2015/16												Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June			
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Payments by Type																
Employee related costs		70 097	69 777	82 066	114 438	75 102	75 365	76 219	76 762	75 796	78 667	77 887	77 738	956 536	1 009 506	1 073 538
Remuneration of councillors		3 213	3 263	3 212	3 208	3 213	4 076	4 534	3 312	5 255	3 537	3 537	3 454	42 350	45 659	48 124
Interest paid		118	40	11 714	205	197	16 597	540	-	435	443	481	26 122	69 489	68 312	61 719
Bulk purchases - Electricity		160 039	194 248	177 735	111 831	113 431	108 729	101 024	94 813	85 806	90 204	86 192	92 547	1 270 801	1 397 881	1 537 670
Bulk purchases - Water & Sewer		40 030	45 376	46 460	43 918	45 367	44 829	46 048	38 662	37 559	40 616	39 226	41 518	466 010	509 352	556 286
Other materials		-	-	-	14 804	11 650	15 250	7 067	562	546	590	570	603	6 773	9 269	9 770
Contracted services		-	-	-	12 956	14 882	21 420	5 663	1 463	1 697	1 555	1 709	1 483	18 556	19 483	20 535
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		1 438	20	20	12 000	20	1 438	20	24	24	1 415	24	26	5 854	6 599	6 999
General expenses		138 681	58 702	60 150	26 683	32 171	55 561	32 618	22 102	173 625	22 791	28 254	25 802	586 817	713 254	813 675
Cash Payments by Type		413 617	371 425	381 358	340 042	296 032	343 265	273 733	237 699	380 741	239 820	237 880	269 293	3 423 186	3 779 317	4 128 316
Other Cash Flows/Payments by Type																
Capital assets		9 089	23 544	39 949	46 126	39 269	63 575	15 750	20 650	21 306	70 560	67 043	193 753	589 505	555 584	537 677
Repayment of borrowing		23	24	18 571	24	24	10 899	24	33	33	22 566	33	6 059	49 850	53 628	53 757
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		422 730	394 993	439 878	386 192	335 325	417 739	289 506	258 382	402 080	332 946	304 957	469 106	4 062 541	4 388 529	4 719 749
NET INCREASE/(DECREASE) IN CASH HELD		157 751	(69 386)	(89 749)	3 491	143 886	(124 556)	89 870	14 038	158 623	(103 276)	(42 556)	(122 775)	172 159	30 286	9 635
Cash/cash equivalents at the month/year beginning:		842 068	999 819	930 434	840 684	844 175	988 061	863 505	953 375	967 413	1 126 037	1 022 761	980 205	842 068	1 014 227	1 044 513
Cash/cash equivalents at the month/year end:		999 819	930 434	840 684	844 175	988 061	863 505	953 375	967 413	1 126 037	1 022 761	980 205	857 431	1 014 227	1 044 513	1 054 148

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations			M06 January 2016	
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue By Source			
	Agency services	-29%	This is based on the customer usage fgor fire services to the District municipality	
	Other revenue	-12%		
	Rental of facilities and equipment	-53%	This is a user driven resource	
	Licences and permits	-6%		
	Interest earned - external investments	69%	This is would smooth out during the year	
	Transfers recognised - operational	32%	This is would smooth out during the year	
	Interest earned - outstanding debtors	2%		
2	Expenditure By Type			
	Debt impairment	100%	This is an annualised year end entry	
	Other materials	-382%	This is a seasonal category and will smooth out during the year	
	Contracted services	-510%	This over-performance is primarily due to the increased security costs	
	Transfers and grants	94%	These are quarterly payments, the under-performance would smooth out during the year	
	Finance charges	27%	This over-performance would smooth out during the	
	Bulk purchases	-6%	This is would smooth out during the year	
	Depreciation & asset impairment	4%		
	Other expenditure	46%	This is would smooth out during the year	

2.7 Parent Municipality Financial Performance

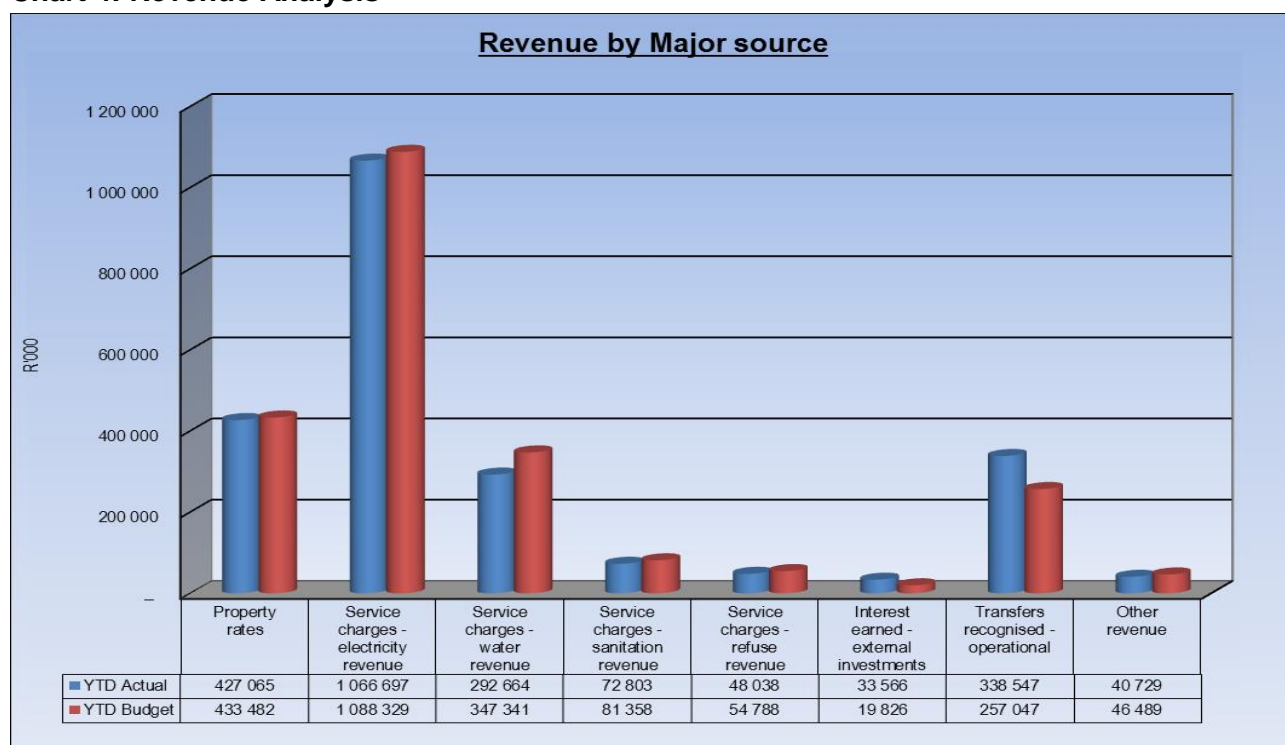
REVENUE ANALYSIS

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

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

2.7.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 45% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges slightly under performed by (R21.6 million) when compared to the Year Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 17% of the total operating revenue. When comparing YTD Actual revenue earned to YTD Budget, there is a 3% under performance existed as at 31 January 2016.

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

Service Charges - Water revenue: The revenue earned from Water charges shared 14% of the budgeted revenue basket and 12% of YTD actual revenue, there is an underperformance against the budget causing a 16% variance when comparing YTD actual to YTD Budget.

Service Charges - sanitation revenue: reflects a 11% under performance when comparing the YTD actual revenue to the YTD budget.

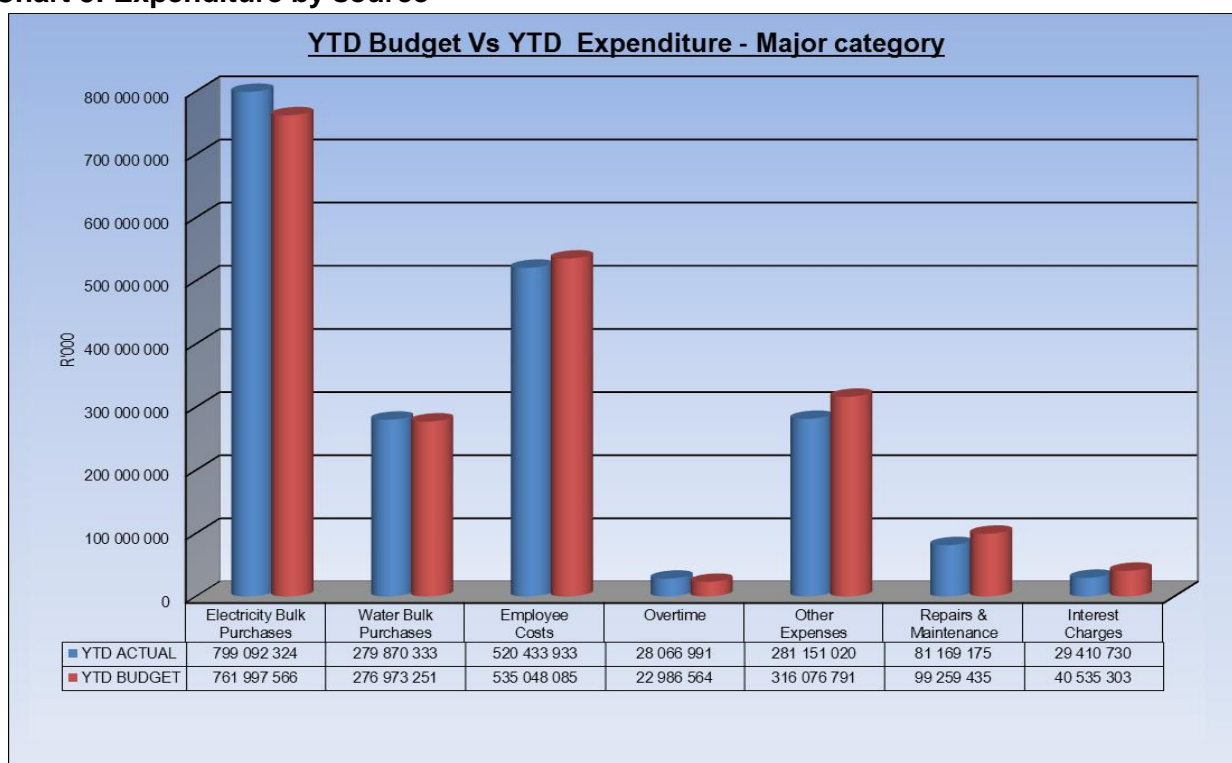
Service Charges - refuse revenue reflects an under performance of 12% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 3.0% to the total operating revenue received as at 31 January 2016.

OPERATIONAL EXPENDITURE

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

Chart 5: Expenditure by source



Bulk Purchases: The YTD expenditure budget for Bulk Purchases was R 1. 078 billion with a slight overperformance against the budget. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 799 092	74%
✓ Bulk Purchases- Water	<u>R 279 870</u>	<u>26%</u>
Total	<u>R 1 078 962</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 212.7 million while the actual costs incurred was R 179.0 million resulting in under performance against the budget of R 33.7 million. The

table below provides a detailed listing of the top 20 cash drainers during the month of January 2016.

Table 3: Top 20 Cash Drainers – January 2016

No:	Description	YTD Actual	January - 2016	
			Annual Budget	YTD % of Annual budget
1	Pension Payable	8 177 347	3 859 287	211.9%
2	Security Services	34 165 173	25 055 560	136.4%
3	Subscriptions For Cities Network	1 650 000	1 650 000	100.0%
4	IDP Expenses	3 811 763	4 000 400	95.3%
5	Ward Committee Costs	3 534 829	4 172 413	84.7%
6	Printing And Stationery	4 328 301	5 185 127	83.5%
7	Postage And Stamps	2 597 275	3 340 944	77.7%
8	Marketing & Promotion	16 174 405	21 491 911	75.3%
9	Uniforms	3 152 523	4 597 246	68.6%
10	Bank Charges	3 357 413	4 992 879	67.2%
11	Telephones	4 863 803	7 252 891	67.1%
12	Extraordinary Items	595 029	947 751	62.8%
13	Stores & Materials	2 532 422	4 320 319	58.6%
14	Motor Vehicle Licences	1 135 891	2 114 668	53.7%
15	Interview Costs	10 474	20 000	52.4%
16	Petrol & Lubricants	13 806 719	27 067 141	51.0%
17	Hire Charges	8 733 388	18 520 752	47.2%
18	Audit Fees	2 489 475	5 414 822	46.0%
19	Entertainment	140 911	332 725	42.4%
20	Plant Hire	1 313 836	3 553 510	37.0%

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 556.4 million. The actual YTD is R 273.3 million whilst the YTD budget is R 324.6 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 40.5 million and the Actual figure was R 29.4 million pointing to a positive variance in this line item.

Contracted Services: YTD Budget for contracted services was R 72.7 million, whilst the actual YTD is R 65.9 million, resulting in a positive variance in this line item.

Remuneration of councillors: the YTD budget was R 24.7 million and the actual expenditure incurred was R 23.7 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M07 January

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	-	17	154	33	0	369%	56
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	4 534	12 474	-	-	4 255	4 255	-	-	12 474
Total Revenue (excluding capital transfers and contributions)	4 588	12 530	-	17	4 409	4 288	121	0	12 530
Employee costs	3 735	4 799	-	313	2 421	2 800	(378)	(0)	4 799
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	501	1 553	-	129	906	906	(0)	(0)	1 553
Finance charges	11	12	-	1	7	7	1	0	12
Materials and bulk purchases	212	279	-	1	123	163	(40)	(0)	279
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	578	8 029	-	3 340	7 018	7 517	(499)	(0)	8 029
Total Expenditure	5 037	14 672	-	3 786	10 475	11 392	(917)	(0)	14 672
Surplus/(Deficit)	(449)	(2 142)	-	(3 769)	(6 067)	(7 104)	1 038	(0)	(2 142)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(449)	(2 142)	-	(3 769)	(6 067)	(7 104)	1 038	(0)	(2 142)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(449)	(2 142)	-	(3 769)	(6 067)	(7 104)	1 038	(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	-	-	2 124	-	-	-	453
Total non current assets	684	6 778	-	-	684	-	-	-	6 778
Total current liabilities	7 770	6 982	-	-	222	-	-	-	6 982
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 136	0	-	-	2 586	-	-	-	0
Cash flows									
Net cash from (used) operating	7 852	(589)	-	(3 639)	(5 160)	(6 198)	1 039	(0)	(589)
Net cash from (used) investing	(313)	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 209	80	669	(3 639)	(5 160)	(6 198)	1 039	(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	-	-	-	-	-	-	-	-	-

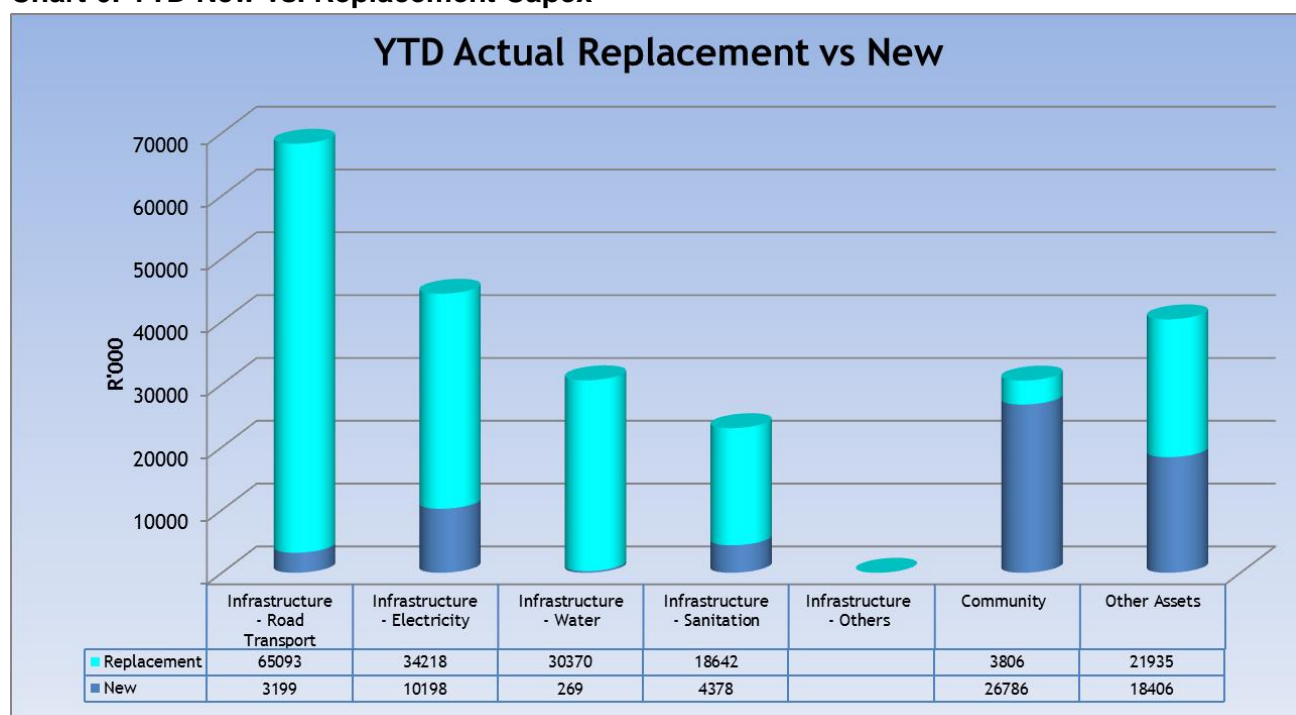
2.9 Capital Programme Performance

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

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend									M06 January 2016
Month	2014/15	Budget Year 2015/16							% spend of Original Budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	
R thousands									%
Monthly expenditure performance trend									
July	1 459	19 856	9 089	9 089	9 089	9 089	-		1%
August	15 964	60 407	23 544	23 544	32 633	32 633	-		5%
September	29 556	58 688	39 949	39 949	72 583	72 583	-		10%
October	55 143	55 535	46 126	46 126	118 709	118 708	(0)	0.0%	17%
November	28 042	66 844	39 269	39 269	157 977	157 977	(0)	0.0%	22%
December	36 204	92 393	63 575	63 575	221 552	221 552	(0)	0.0%	31%
January	59 425	12 874	72 395	15 750	237 302	293 947	56 645	19.3%	33%
February	62 127	69 412	65 256	-		359 203	-		
March	51 888	62 204	78 600	-		437 803	-		
April	42 741	70 535	89 154	-		526 957	-		
May	40 445	73 060	92 590	-		619 547	-		
June	105 643	67 251	90 741	-		710 288	-		
Total Capital expenditure	528 635	709 060	710 288	237 302					

The two tables that follow provide more detailed information on the capital expenditure by separating capital expenditure by asset types and also by "New" or "Replacement" assets. The chart below displays capital expenditure for new and replacement assets as at the month of January 2016.

Chart 6: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 237.3 million, R 63.2 million (27%) was new assets and R 174.1 million (73%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

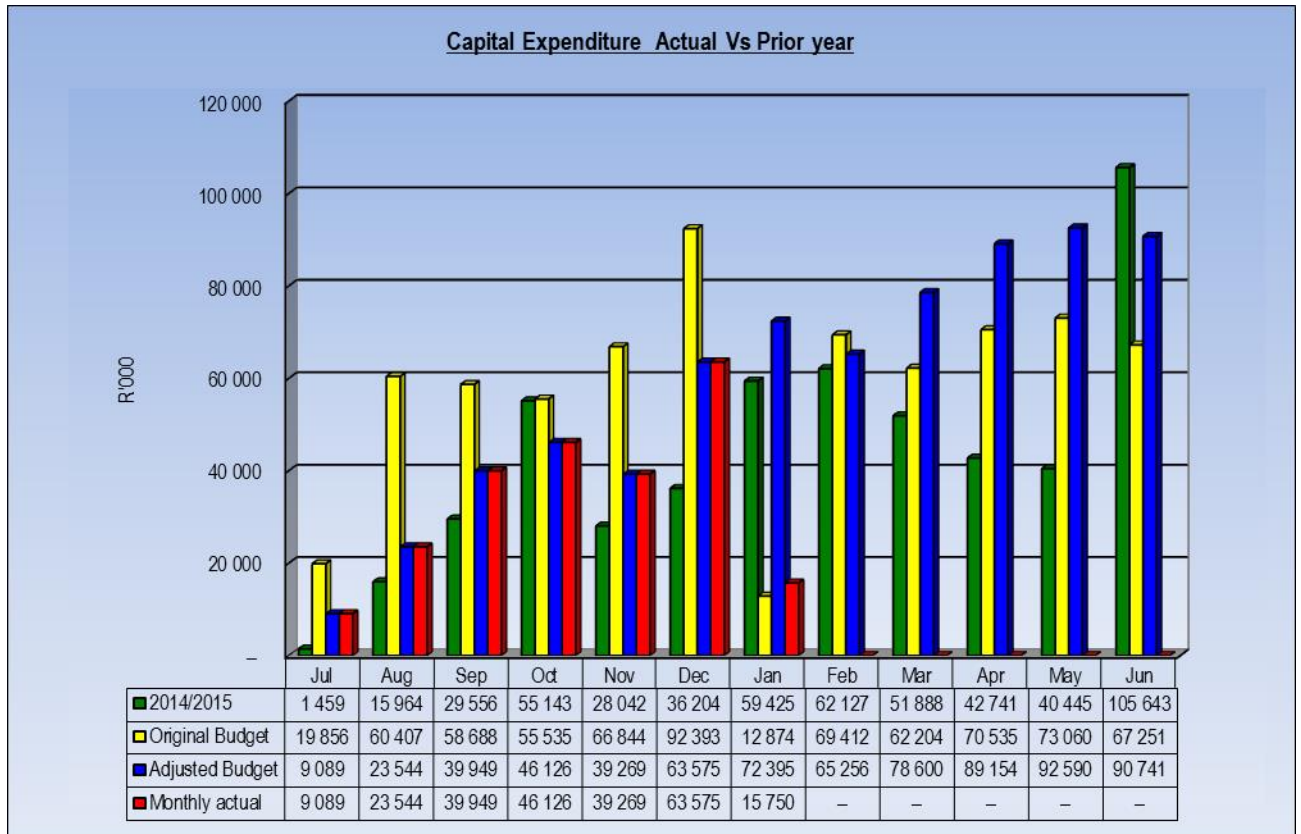
Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1								
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		69 056	46 075	57 184	2 224	18 044	33 357	15 313	45.9%	57 184
Infrastructure - Road transport		-	2 230	16 292	188	3 199	9 504	6 304	66.3%	16 292
Roads, Pavements & Bridges		-	2 230	16 292	188	3 199	9 504	6 304	66.3%	16 292
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		25 692	18 000	22 491	809	10 198	13 120	2 922	22.3%	22 491
Generation		25 692	10 000	14 491	809	10 198	8 453	(1 744)	-20.6%	14 491
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	8 000	8 000	-	-	4 667	4 667	100.0%	8 000
Infrastructure - Water		1 660	25 445	18 000	-	269	10 500	10 231	97.4%	18 000
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		1 660	25 445	18 000	-	269	10 500	10 231	97.4%	18 000
Infrastructure - Sanitation		41 674	-	-	1 228	4 378	-	(4 378)	0.0%	-
Reticulation		14 953	-	-	1 228	4 378	-	(4 378)	0.0%	-
Sewerage purification		26 721	-	-	-	-	-	-	-	-
Infrastructure - Other		30	400	400	-	-	233	233	100.0%	400
Waste Management		30	400	400	-	-	233	233	100.0%	400
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		27 505	10 288	10 288	90	26 786	6 001	(20 785)	-346.4%	10 288
Parks & gardens		243	-	-	-	169	-	(169)	0.0%	-
Sportsfields & stadia		-	-	-	-	23 428	-	(23 428)	0.0%	-
Swimming pools		-	3 200	3 200	90	-	1 867	1 867	100.0%	3 200
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	3 189	-	(3 189)	0.0%	-
Fire, safety & emergency		-	618	618	-	-	360	360	100.0%	618
Security and policing		-	1 200	1 200	-	-	700	700	100.0%	1 200
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		94	-	-	-	-	-	-	-	-
Cemeteries		-	2 000	2 000	-	-	1 167	1 167	100.0%	2 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		27 168	3 270	3 270	-	-	1 908	1 908	100.0%	3 270
Heritage assets		-	5 350	-	-	-	-	-	-	5 350
Buildings		-	5 350	-	-	-	-	-	-	5 350
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		39 968	10 712	18 739	2 813	18 406	10 931	(7 475)	-68.4%	18 739
General vehicles		2 343	-	6 991	-	3 086	4 078	992	24.3%	6 991
Specialised vehicles		-	3 500	3 500	-	-	2 042	2 042	100.0%	3 500
Plant & equipment		28 413	3 347	4 130	100	4 712	2 409	(2 303)	-95.6%	4 130
Computers - hardware/equipment		573	2 995	3 104	134	1 645	1 811	166	9.2%	3 104
Furniture and other office equipment		7 964	600	668	-	2 229	390	(1 839)	-471.7%	668
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	2 580	6 609	-	(6 609)	0.0%	-
Civic Land and Buildings		-	-	76	-	-	44	44	100.0%	76
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		676	270	270	-	126	158	32	20.3%	270
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		10 062	-	-	-	-	-	-	-	-
Computers - software & programming		586	-	-	-	-	-	-	-	-
Other		9 476	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	146 592	72 424	86 210	5 128	63 237	50 289	(12 947)	-25.7%	91 560
Specialised vehicles		-	3 500	3 500	-	-	2 042	2 042	0	3 500
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	3 500	3 500	-	-	2 042	2 042	0	3 500
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07

Description	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	1										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure		114 268	553 466	534 609	9 656	148 324	311 855	163 532	52.4%	534 609	
Infrastructure - Road transport		76 131	343 277	325 621	1 801	65 093	189 945	124 852	65.7%	325 621	
Roads, Pavements & Bridges		76 016	343 277	325 621	1 801	65 093	189 945	124 852	65.7%	325 621	
Storm water		115	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	115 000	115 000	34	34 218	67 083	32 865	49.0%	115 000	
Generation		-	115 000	115 000	34	34 218	67 083	32 865	49.0%	115 000	
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	
Street Lighting		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		31 683	64 689	63 489	4 322	30 370	37 035	6 665	18.0%	63 489	
Dams & Reservoirs		-	64 689	63 489	4 322	30 370	37 035	6 665	18.0%	63 489	
Water purification		31 683	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation		-	29 500	29 500	3 498	18 642	17 208	(1 434)	-8.3%	29 500	
Reticulation		-	29 500	29 500	3 498	18 642	17 208	(1 434)	-8.3%	29 500	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		6 454	1 000	1 000	-	-	583	583	100.0%	1 000	
Waste Management		-	1 000	1 000	-	-	583	583	100.0%	1 000	
Transportation		6 454	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Community		22 013	31 250	32 422	364	3 806	18 913	15 106	79.9%	32 422	
Parks & gardens		-	1 000	1 000	-	-	583	583	100.0%	1 000	
Sportsfields & stadia		13 919	21 500	22 671	-	-	13 225	13 225	100.0%	22 671	
Swimming pools		-	2 000	2 000	-	-	1 167	1 167	100.0%	2 000	
Community halls		4 458	-	-	-	-	-	-	-	-	
Libraries		-	-	-	-	-	-	-	-	-	
Recreational facilities		-	-	-	-	2 260	-	(2 260)	0.0%	-	
Fire, safety & emergency		2 766	-	-	-	-	-	-	-	-	
Security and policing		-	-	-	-	-	-	-	-	-	
Buses		-	-	0	189	791	0	(791)	0.0%	0	
Clinics		-	-	-	-	-	-	-	-	-	
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	
Cemeteries		870	-	-	-	-	-	-	-	-	
Social rental housing		-	-	-	-	-	-	-	-	-	
Other		-	6 750	6 750	175	755	3 938	3 183	80.8%	6 750	
Heritage assets		-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets		48 690	26 920	32 047	603	12 931	18 694	5 763	30.8%	32 047	
General vehicles		-	-	-	-	-	-	-	-	-	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		-	-	-	8	300	-	(300)	0.0%	-	
Computers - hardware/equipment		-	3 750	3 750	-	-	2 188	2 188	100.0%	3 750	
Furniture and other office equipment		-	-	-	-	1 733	-	(1 733)	0.0%	-	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		1 973	-	461	-	251	269	19	6.9%	461	
Civic Land and Buildings		43 678	10 170	14 836	572	10 496	8 654	(1 842)	-21.3%	14 836	
Other Buildings		301	-	-	-	-	-	-	-	-	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		2 738	13 000	13 000	22	152	7 583	7 431	98.0%	13 000	
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
Intangibles		19	25 000	25 000	-	9 004	14 583	5 579	38.3%	25 000	
Computers - software & programming		-	25 000	25 000	-	9 004	14 583	5 579	38.3%	25 000	
Other		19	-	-	-	-	-	-	-	-	
Total Capital Expenditure on renewal of existing ass	1	184 990	636 636	624 078	10 622	174 066	364 046	189 980	52.2%	624 078	

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

Chart 7: Capital Expenditure Monthly Trend



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 8: Capital Expenditure: YTD Actual vs. YTD Target

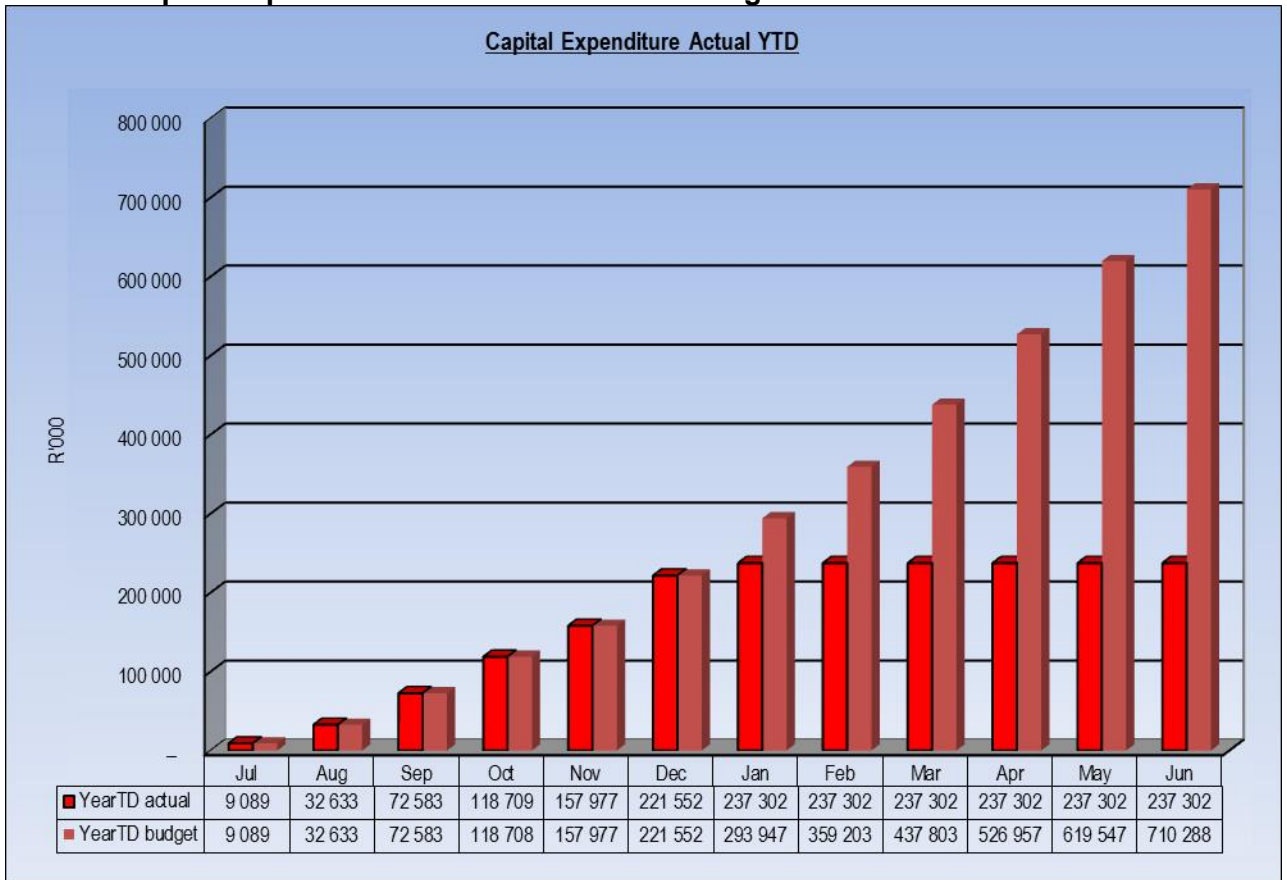
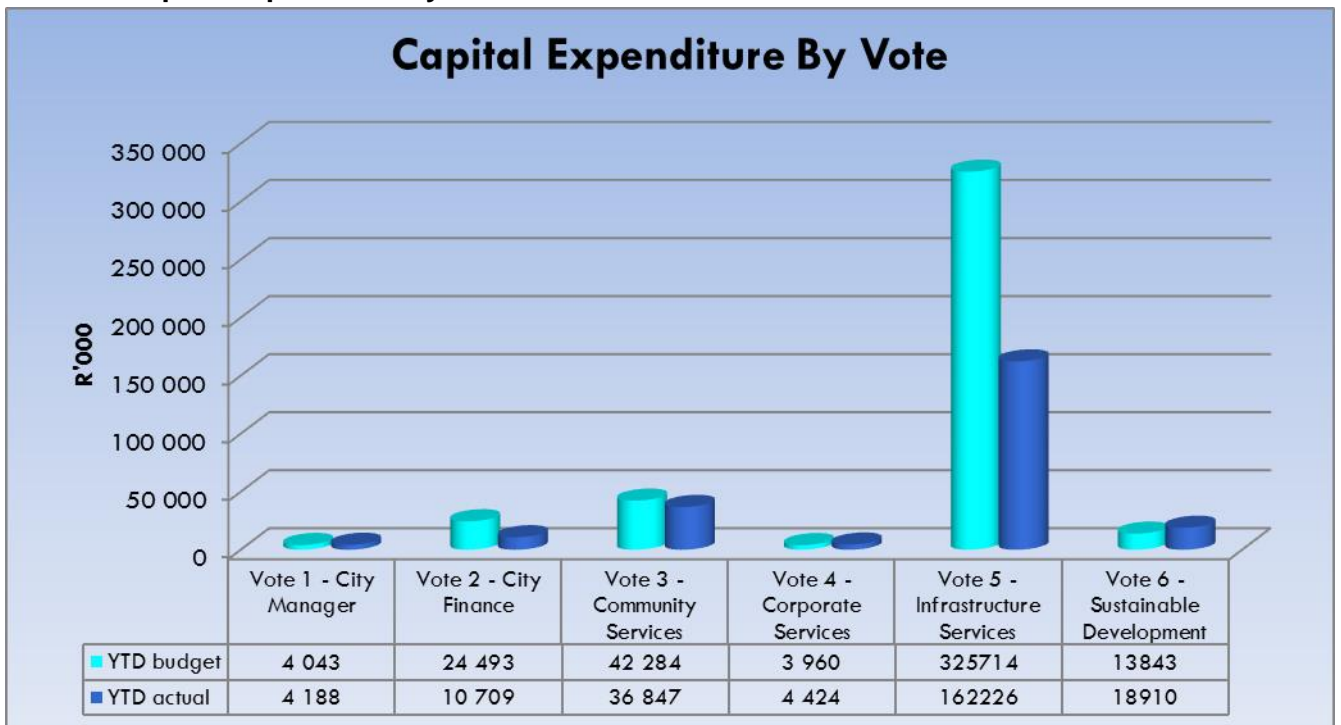


Chart 9: Capital Expenditure by Vote



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

The municipal entity's report for the month ending January 2016 is 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

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