



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

June 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 3.88 billion for the period ending 30 June 2016. The YTD Budget was R 4.03 billion, therefore the actual underperformed against the budget by R 416.4 million against the revenue projected. The two main contributors, both accounting for 65% of the actual total YTD Revenue earned are Electricity (46%) & Property Rates revenue (19%). These two revenue sources make up more than 61% of the total YTD budget.

Operating Expenditure: The total actual YTD operating expenditure for the period ending 30 June 2016 amounted to R 3.89 billion while the YTD budget was R 4.29 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 70% of the YTD expenditure.

Capital Expenditure: While the YTD capital expenditure budget was R 742.2 million, the actual YTD Capital expenditure incurred amounted to R 461.7 million resulting in underperformance of the capital budget. This is mainly due to the slow 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 30 June 2016 was R 1.06 billion.

Consumer Debt: Consumer debt at 30 June 2016 was just over R 2.0 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 - M12 June

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	717 026	784 462	794 866	64 898	759 737	794 866	(35 129)	-4%	794 866
Service charges	2 228 636	2 694 541	2 694 542	213 439	2 457 859	2 694 542	(236 683)	-9%	2 694 542
Investment revenue	50 973	33 988	33 988	225	55 050	33 988	21 062	62%	33 988
Transfers recognised - operational	519 191	440 652	490 476	6 227	461 706	493 502	(31 796)	-6%	490 476
Other own revenue	325 520	211 526	286 517	(2 737)	152 589	286 517	(133 928)	-47%	286 517
Total Revenue (excluding capital transfers and contributions)	3 841 347	4 165 169	4 300 388	282 052	3 886 940	4 303 414	(416 474)	-10%	4 300 388
Employee costs	832 495	956 536	957 458	70 603	902 462	957 459	(54 997)	-6%	957 458
Remuneration of Councillors	34 657	42 350	42 350	3 347	40 676	42 350	(1 675)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	556 483	5 215	438 777	556 483	(117 706)	-21%	556 483
Finance charges	71 169	69 489	69 289	24 300	70 782	69 289	1 493	2%	69 289
Materials and bulk purchases	1 785 315	1 766 585	1 943 051	213 355	1 955 504	1 941 161	14 342	1%	1 943 051
Transfers and grants	11 995	134 035	101 081	20	5 911	81 273	(75 362)	-93%	101 081
Other expenditure	951 496	706 958	621 864	82 871	483 551	646 586	(163 034)	-25%	621 864
Total Expenditure	4 150 192	4 161 699	4 291 576	399 709	3 897 663	4 294 602	(396 939)	-9%	4 291 576
Surplus/(Deficit)	(308 844)	3 470	8 812	(117 657)	(10 723)	8 812	(19 535)	-222%	8 812
Transfers recognised - capital	356 835	489 060	490 090	42 281	303 103	490 090	(186 987)	-38%	490 090
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 991	492 530	498 902	(75 377)	292 380	498 902	(206 522)	-41%	498 902
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 991	492 530	498 902	(75 377)	292 380	498 902	(206 522)	-41%	498 902
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	710 288
Capital transfers recognised	291 650	489 060	515 988	24 693	275 665	515 988	(240 323)	-47%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	14 449	62 181	100 000	(37 819)	-38%	100 000
Internally generated funds	155 105	120 000	126 223	30 052	123 864	126 223	(2 359)	-2%	120 000
Total sources of capital funds	528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	709 060
Financial position									
Total current assets	1 984 966	3 133 299	3 169 490		2 395 900				3 169 489
Total non current assets	7 548 842	7 568 078	7 547 576		7 545 125				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		897 297				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 297 060				1 261 476
Community wealth/Equity	7 421 286	8 061 779	8 077 468		7 633 526				8 077 467
Cash flows									
Net cash from (used) operating	1 180 761	706 264	725 244	10 825	628 233	725 244	97 011	13%	725 244
Net cash from (used) investing	(1 224 532)	(589 505)	(589 505)	(55 616)	(448 134)	(589 505)	(141 371)	24%	(589 505)
Net cash from (used) financing	50 631	55 400	55 400	343	42 958	55 400	12 442	22%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	1 065 124	1 033 491	(31 633)	-3%	1 033 206
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	305 263	143 556	69 982	49 054	50 393	48 481	41 040	#####	2 005 226
Creditors Age Analysis									
Total Creditors	563 987	5 358	92	192	113	3 651	-	-	573 392

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

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	1 443 736	88 988	1 495 380	1 443 736	51 644	4%	1 443 736
Executive and council		6 748	1 600	930	-	3 116	930	2 186	235%	930
Budget and treasury office		1 422 429	1 276 437	1 432 810	87 667	1 490 517	1 432 810	57 707	4%	1 432 810
Corporate services		5 993	3 162	9 997	1 321	1 747	9 997	(8 250)	-83%	9 997
<i>Community and public safety</i>		225 653	13 361	142 308	7 738	110 699	142 308	(31 609)	-22%	142 308
Community and social services		71 074	3 250	66 588	2 648	50 103	66 588	(16 485)	-25%	66 588
Sport and recreation		24 880	729	838	1 037	26 455	838	25 617	3057%	838
Public safety		111 819	5 827	25 684	795	14 482	25 684	(11 202)	-44%	25 684
Housing		17 809	3 485	49 165	3 255	19 645	49 165	(29 520)	-60%	49 165
Health		71	70	32	4	13	32	(19)	-59%	32
<i>Economic and environmental services</i>		235 988	171 598	452 543	21 316	163 660	452 543	(288 883)	-64%	452 543
Planning and development		63 074	7 972	50 312	1 141	16 464	50 312	(33 848)	-67%	50 312
Road transport		172 914	163 627	402 230	20 175	147 196	402 230	(255 034)	-63%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 667 551	2 437 047	3 220 125	242 097	2 873 587	3 220 125	(346 538)	-11%	3 220 125
Electricity		1 700 426	1 700 095	1 926 916	166 629	1 853 479	1 926 916	(73 437)	-4%	1 926 916
Water		660 510	500 521	1 009 716	47 621	713 810	1 009 716	(295 906)	-29%	1 009 716
Waste water management		191 593	149 071	167 552	18 354	198 688	167 552	31 137	19%	167 552
Waste management		115 022	87 359	115 941	9 493	107 610	115 941	(8 331)	-7%	115 941
<i>Other</i>	4	34 298	89 565	32 683	3 756	27 991	32 683	(4 693)	-14%	32 683
Total Revenue - Standard	2	4 598 660	3 992 771	5 291 395	363 896	4 671 316	5 291 395	(620 079)	-12%	5 291 395
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	936 635	84 740	924 646	936 635	(11 989)	-1%	936 635
Executive and council		7 712	384 298	141 178	8 692	127 407	141 178	(13 770)	-10%	141 178
Budget and treasury office		859 050	200 157	584 085	64 479	633 135	584 085	49 050	8%	584 085
Corporate services		8 009	106 965	211 372	11 569	164 103	211 372	(47 269)	-22%	211 372
<i>Community and public safety</i>		670 660	421 741	592 157	63 383	557 506	592 157	(34 651)	-6%	592 157
Community and social services		116 571	99 202	127 038	9 943	125 233	127 038	(1 805)	-1%	127 038
Sport and recreation		145 186	81 358	110 522	11 934	112 571	110 522	2 049	2%	110 522
Public safety		316 932	196 317	259 576	32 491	251 056	259 576	(8 520)	-3%	259 576
Housing		49 923	25 149	74 732	7 421	49 573	74 732	(25 160)	-34%	74 732
Health		42 048	19 716	20 288	1 594	19 074	20 288	(1 215)	-6%	20 288
<i>Economic and environmental services</i>		522 277	462 751	568 367	32 786	420 106	568 367	(148 261)	-26%	568 367
Planning and development		97 679	128 290	106 802	9 313	104 745	106 802	(2 057)	-2%	106 802
Road transport		424 597	334 461	461 564	23 472	315 361	461 564	(146 204)	-32%	461 564
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 652 384	256 803	2 432 520	2 652 384	(219 864)	-8%	2 652 384
Electricity		1 512 417	1 374 079	1 578 581	190 112	1 598 920	1 578 581	20 339	1%	1 578 581
Water		590 023	406 791	780 208	36 595	552 165	780 208	(228 043)	-29%	780 208
Waste water management		175 548	9 621	183 812	11 482	165 676	183 812	(18 135)	-10%	183 812
Waste management		150 620	102 716	109 782	18 615	115 758	109 782	5 976	5%	109 782
<i>Other</i>		54 353	31 122	42 951	1 561	44 158	42 951	1 207	3%	42 951
Total Expenditure - Standard	3	4 550 669	3 500 241	4 792 493	439 273	4 378 936	4 792 493	(413 557)	-9%	4 792 493
Surplus/ (Deficit) for the year		47 991	492 530	498 902	(75 377)	292 380	498 902	(206 522)	-41%	498 902

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) - M12 June

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	930	3	3 177	930	2 247	241.6%	930
Vote 2 - City Finance		1 422 429	1 598 335	1 432 810	87 667	1 490 517	1 432 810	57 707	4.0%	1 432 810
Vote 3 - Community Services & Social Equity		281 059	155 606	174 268	11 294	171 245	174 268	(3 023)	-1.7%	174 268
Vote 4 - Corporate Services		5 890	10 026	9 998	1 318	1 686	9 998	(8 312)	-83.1%	9 998
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 531 604	255 053	2 926 865	3 531 604	(604 739)	-17.1%	3 531 604
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	141 785	8 561	77 827	141 785	(63 959)	-45.1%	141 785
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	5 291 395	363 896	4 671 316	5 291 395	(620 079)	-11.7%	5 291 395
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	168 990	10 646	151 048	168 990	(17 942)	-10.6%	168 990
Vote 2 - City Finance		942 905	672 127	657 176	70 266	705 531	657 176	48 354	7.4%	657 176
Vote 3 - Community Services & Social Equity		732 073	550 686	603 490	63 366	585 330	603 490	(18 160)	-3.0%	603 490
Vote 4 - Corporate Services		8 582	195 576	192 013	10 046	145 332	192 013	(46 681)	-24.3%	192 013
Vote 5 - Infrastructure Services		2 675 999	3 005 424	2 969 529	268 125	2 613 573	2 969 529	(355 956)	-12.0%	2 969 529
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	201 295	16 824	178 122	201 295	(23 173)	-11.5%	201 295
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 573 361	4 730 514	4 792 493	439 273	4 378 936	4 792 493	(413 557)	-8.6%	4 792 493
Surplus/ (Deficit) for the year	2	47 991	492 530	498 902	(75 377)	292 380	498 902	(206 522)	-41.4%	498 902

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2016.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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 Source										
Property rates		686 819	743 113	753 517	62 939	739 501	753 517	(14 016)	-2%	753 517
Property rates - penalties & collection charges		30 207	41 349	41 349	1 959	20 236	41 349	(21 113)	-51%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	158 495	1 784 553	1 865 706	(81 153)	-4%	1 865 706
Service charges - water revenue		448 064	595 443	595 443	36 694	472 140	595 443	(123 303)	-21%	595 443
Service charges - sanitation revenue		139 629	139 471	139 471	11 868	119 400	139 471	(20 071)	-14%	139 471
Service charges - refuse revenue		74 810	93 922	93 922	6 382	81 766	93 922	(12 156)	-13%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		21 476	41 329	41 428	1 687	19 973	41 428	(21 454)	-52%	41 428
Interest earned - external investments		50 973	33 988	33 988	225	55 050	33 988	21 062	62%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	4 393	60 214	62 593	(2 379)	-4%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	21 525	377	9 677	21 525	(11 848)	-55%	21 525
Licences and permits		89	87	87	6	90	87	3	3%	87
Agency services		24 372	632	14 669	51	532	14 669	(14 137)	-96%	14 669
Transfers recognised - operational		519 191	440 652	490 476	6 227	461 706	493 502	(31 796)	-6%	490 476
Other revenue		101 001	79 695	136 515	(9 882)	61 554	136 515	(74 961)	-55%	136 515
Gains on disposal of PPE		420	9 700	9 700	630	548	9 700	(9 152)	-94%	9 700
Total Revenue (excluding capital transfers and contributions)		3 841 347	4 165 169	4 300 388	282 052	3 886 940	4 303 414	(416 474)	-10%	4 300 388
Expenditure By Type										
Employee related costs		832 495	956 536	957 458	70 603	902 462	957 459	(54 997)	-6%	957 458
Remuneration of councillors		34 657	42 350	42 350	3 347	40 676	42 350	(1 675)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	107 255	(107 255)	-100%	107 255
Depreciation & asset impairment		463 063	485 746	556 483	5 215	438 777	556 483	(117 706)	-21%	556 483
Finance charges		71 169	69 489	69 289	24 300	70 782	69 289	1 493	2%	69 289
Bulk purchases		1 586 802	1 736 811	1 771 493	192 774	1 799 100	1 771 493	27 607	2%	1 771 493
Other materials		198 513	29 773	171 558	20 580	156 404	169 669	(13 265)	-8%	171 558
Contracted services		110 072	18 556	155 439	38 227	145 801	177 618	(31 817)	-18%	155 439
Transfers and grants		11 995	134 035	101 081	20	5 911	81 273	(75 362)	-93%	101 081
Other expenditure		618 857	563 817	359 170	44 644	334 196	361 712	(27 516)	-8%	359 170
Loss on disposal of PPE		457	-	-	-	3 554	-	3 554	#DIV/0!	-
Total Expenditure		4 150 192	4 161 699	4 291 576	399 709	3 897 663	4 294 602	(396 939)	-9%	4 291 576
Surplus/(Deficit)		(308 844)	3 470	8 812	(117 657)	(10 723)	8 812	(19 535)	(0)	8 812
Transfers recognised - capital		356 835	489 060	490 090	42 281	303 103	490 090	(186 987)	(0)	490 090
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		47 991	492 530	498 902	(75 377)	292 380	498 902			498 902
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		47 991	492 530	498 902	(75 377)	292 380	498 902			498 902
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		47 991	492 530	498 902	(75 377)	292 380	498 902			498 902
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		47 991	492 530	498 902	(75 377)	292 380	498 902			498 902

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) - M12 June

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	7 190	2 042	6 411	7 190	(779)	-11%	6 180
Vote 2 - City Finance		15 139	26 500	4 982	55	4 936	4 982	(46)	-1%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	40 513	1 501	34 870	40 513	(5 644)	-14%	54 868
Vote 4 - Corporate Services		4 119	3 250	-	-	-	-	-	-	3 637
Vote 5 - Infrastructure Services		333 861	569 454	552 278	43 339	311 425	552 278	(240 853)	-44%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	58 976	200	26 852	58 976	(32 124)	-54%	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	663 939	47 138	384 493	663 939	(279 446)	-42%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	1 165	35	763	1 165	(402)	-35%	750
Vote 2 - City Finance		13 442	710	26 510	12 620	31 896	26 510	5 386	20%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	18 016	3 030	16 180	18 016	(1 836)	-10%	17 619
Vote 4 - Corporate Services		8 398	3 150	6 737	748	6 460	6 737	(277)	-4%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	18 323	4 553	17 510	18 323	(813)	-4%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	7 521	1 071	4 409	7 521	(3 112)	-41%	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	78 271	22 056	77 217	78 271	(1 054)	-1%	27 006
Total Capital Expenditure		528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	46 584	15 499	50 466	46 584	3 882	8%	39 360
Executive and council		9 665	5 750	8 355	2 077	7 174	8 355	(1 182)	-14%	5 750
Budget and treasury office		28 581	27 210	31 491	12 674	36 832	31 491	5 341	17%	27 210
Corporate services		12 517	6 400	6 737	748	6 460	6 737	(277)	-4%	6 400
Community and public safety		68 187	63 824	63 174	4 260	52 921	63 174	(10 253)	-16%	63 824
Community and social services		17 495	3 446	10 792	367	4 763	10 792	(6 028)	-56%	3 446
Sport and recreation		45 618	33 350	40 214	1 186	39 271	40 214	(943)	-2%	33 350
Public safety		1 883	8 333	3 533	2 266	3 022	3 533	(511)	-14%	8 333
Housing		3 191	17 075	8 635	441	5 864	8 635	(2 770)	-32%	17 075
Health		-	1 620	-	-	-	-	-	-	1 620
Economic and environmental services		166 656	347 746	365 416	17 443	151 576	365 416	(213 840)	-59%	347 746
Planning and development		48 972	28 325	57 862	412	23 039	57 862	(34 823)	-60%	28 325
Road transport		116 686	317 801	305 934	16 786	126 943	305 934	(178 991)	-59%	317 801
Environmental protection		997	1 620	1 620	245	1 594	1 620	(26)	-2%	1 620
Trading services		236 720	258 353	267 037	31 574	204 390	267 037	(62 647)	-23%	258 353
Electricity		136 907	133 000	137 861	20 691	97 937	137 861	(39 924)	-29%	133 000
Water		53 989	83 133	83 672	4 944	65 591	83 672	(18 081)	-22%	83 133
Waste water management		33 205	37 500	41 638	5 471	37 404	41 638	(4 234)	-10%	37 500
Waste management		12 620	4 720	3 866	468	3 457	3 866	(408)	-11%	4 720
Other		6 311	1 398	-	417	2 357	-	2 357	#DIV/0!	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	742 211	69 194	461 711	742 211	(280 500)	-38%	710 680
Funded by:										
National Government		224 530	489 060	482 602	23 701	260 460	482 602	(222 142)	-46%	489 060
Provincial Government		67 121	-	33 386	992	15 205	33 386	(18 180)	-54%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	515 988	24 693	275 665	515 988	(240 323)	-47%	489 060
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	81 881	100 000	100 000	14 449	62 181	100 000	(37 819)	-38%	100 000
Internally generated funds	6	155 105	120 000	126 223	30 052	123 864	126 223	(2 359)	-2%	120 000
Total Capital Funding		528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	709 060

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

Table C6 displays the financial position of the municipality as at 30 June 2016.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	57 863	81 975
Call investment deposits		745 471	1 086 263	1 085 994	1 007 261	1 085 994
Consumer debtors		716 949	883 147	883 147	1 382 837	883 147
Other debtors		379 166	376 440	376 438	(113 471)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	61 363	741 893
Total current assets		1 984 966	3 133 299	3 169 490	2 395 900	3 169 489
Non current assets						
Long-term receivables		10 482	9 455	9 455	11 566	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	402 205	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		6 862 567	6 948 898	6 928 396	7 085 934	6 928 396
Agricultural		230 945	-	-	-	-
Biological assets		44 831	46 520	46 520	936	46 520
Intangible assets		17 212	27 283	27 283	44 484	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	7 545 125	7 547 576
TOTAL ASSETS		9 533 808	10 701 377	10 717 066	9 941 025	10 717 065
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	95 822	92 798
Trade and other payables		765 335	1 217 489	1 217 489	774 693	1 217 489
Provisions		7 034	6 084	6 084	25 662	6 084
Total current liabilities		915 372	1 378 122	1 378 122	897 297	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	638 119	579 761
Provisions		653 749	681 715	681 715	658 941	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 297 060	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	2 194 357	2 639 598
NET ASSETS	2	7 421 286	8 061 779	8 077 468	7 746 668	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 163 338	7 888 864	7 904 554	7 468 364	7 904 553
Reserves		257 948	172 915	172 914	278 304	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 421 286	8 061 779	8 077 468	7 746 668	8 077 467

Table C7 below display the Cash Flow Statement for the month ending 30 June 2016.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	701 467	711 871	66 731	693 681	711 871	(18 190)	-3%	711 871
Service charges		2 227 525	2 349 116	2 349 116	219 036	2 502 093	2 349 116	152 977	7%	2 349 116
Other revenue		-	84 318	84 320	35 376	377 044	84 320	292 724	347%	84 320
Government - operating		519 604	440 652	484 851	4 622	434 615	484 851	(50 236)	-10%	484 851
Government - capital		356 459	489 060	453 347	223	475 560	453 347	22 213	5%	453 347
Interest		120 502	64 837	64 894	2 467	43 117	64 894	(21 777)	-34%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(299 539)	(3 816 850)	(3 353 475)	463 375	-14%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(18 071)	(64 554)	(69 499)	(4 945)	7%	(69 499)
Transfers and Grants		(11 573)	(5 854)	(181)	(20)	(16 473)	(181)	16 292	-9001%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 180 761	706 264	725 244	10 825	628 233	725 244	97 011	13%	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		(1 033)					-	-		-
Payments										
Capital assets		#####	(589 505)	(589 505)	(55 616)	(448 134)	(589 505)	(141 371)	24%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 224 532)	(589 505)	(589 505)	(55 616)	(448 134)	(589 505)	(141 371)	24%	(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	-		100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	343	4 697	5 250	(553)	-11%	5 250
Payments										
Repayment of borrowing		(53 739)	(49 850)	(49 850)		(61 739)	(49 850)	11 889	-24%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		50 631	55 400	55 400	343	42 958	55 400	12 442	22%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	172 159	191 139	(44 448)	223 057	191 139			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 067	842 352			842 067
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		1 065 124	1 033 491			1 033 206

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M12 June

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	717 026	784 462	794 866	64 898	759 737	794 866	(35 129)	-4%	794 866
Service charges	2 228 636	2 694 541	2 694 542	213 439	2 457 859	2 694 542	(236 683)	-9%	2 694 542
Investment revenue	50 973	33 988	33 988	233	55 244	34 045	21 199	62%	33 988
Transfers recognised - operational	519 191	440 652	490 476	6 227	461 706	493 502	(31 796)	-6%	490 476
Other own revenue	325 520	211 526	286 517	(2 737)	152 589	286 517	(133 928)	-47%	286 517
Total Revenue (excluding capital transfers and contributions)	3 841 347	4 165 169	4 300 388	282 060	3 887 134	4 303 471	(416 337)	-10%	4 300 388
Employee costs	832 495	956 536	962 165	70 983	906 689	962 258	(55 569)	-6%	962 165
Remuneration of Councillors	34 657	42 350	42 350	3 347	40 676	42 350	(1 675)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	558 036	5 368	440 415	558 121	(117 706)	-21%	558 036
Finance charges	71 169	69 489	69 301	24 301	70 794	69 301	1 493	2%	69 301
Materials and bulk purchases	1 785 315	1 766 585	1 953 220	213 369	1 955 671	1 941 440	14 230	1%	1 953 220
Transfers and grants	11 995	134 035	134 036	20	5 911	81 273	(75 362)	-93%	134 036
Other expenditure	951 496	706 958	581 467	82 916	485 216	648 752	(163 535)	-25%	581 467
Total Expenditure	4 150 192	4 161 699	4 300 575	400 302	3 905 372	4 303 496	(398 124)	-9%	4 300 575
Surplus/(Deficit)	(308 844)	3 470	(187)	(118 242)	(18 238)	(25)	(18 213)	73071%	(187)
Transfers recognised - capital	356 835	489 060	490 090	42 281	303 103	490 090	(186 987)	-38%	490 090
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 991	492 530	489 903	(75 962)	284 865	490 065	(205 200)	-42%	489 903
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 991	492 530	489 903	(75 962)	284 865	490 065	(205 200)	-42%	489 903
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	710 288
Capital transfers recognised	291 650	489 060	515 988	24 693	275 665	515 988	(240 323)	-47%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	14 449	62 181	100 000	(37 819)	-38%	100 000
Internally generated funds	155 105	120 000	126 223	30 052	123 864	126 223	(2 359)	-2%	120 000
Total sources of capital funds	528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 376 790				3 169 489
Total non current assets	7 548 842	7 568 078	7 547 576		7 550 257				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		897 519				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 297 060				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 468		7 752 985				8 077 467
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	10 391	615 708	712 583	96 875	14%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(55 616)	(454 744)	(596 115)	(141 371)	24%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	343	42 958	55 400	12 442	22%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	1 045 989	1 014 220	(31 769)	-3%	1 033 206
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	305 263	143 556	69 982	49 054	50 393	48 481	41 040	#####	2 005 226
Creditors Age Analysis									
Total Creditors	563 987	5 358	92	192	113	3 651	-	-	573 392

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M12 June

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										
Governance and administration		1 435 170	1 281 199	1 443 736	88 988	1 495 380	1 443 736	51 644	4%	1 443 736
Executive and council		6 748	1 600	930	-	3 116	930	2 186	235%	930
Budget and treasury office		1 422 429	1 276 437	1 432 810	87 667	1 490 517	1 432 810	57 707	4%	1 432 810
Corporate services		5 993	3 162	9 997	1 321	1 747	9 997	(8 250)	-83%	9 997
Community and public safety		225 653	13 361	142 308	7 738	110 699	142 308	(31 609)	-22%	142 308
Community and social services		71 074	3 250	66 588	2 648	50 103	66 588	(16 485)	-25%	66 588
Sport and recreation		24 880	729	838	1 037	26 455	838	25 617	3057%	838
Public safety		111 819	5 827	25 684	795	14 482	25 684	(11 202)	-44%	25 684
Housing		17 809	3 485	49 165	3 255	19 645	49 165	(29 520)	-60%	49 165
Health		71	70	32	4	13	32	(19)	-59%	32
Economic and environmental services		235 988	171 598	452 543	21 316	163 660	452 543	(288 883)	-64%	452 543
Planning and development		63 074	7 972	50 312	1 141	16 464	50 312	(33 848)	-67%	50 312
Road transport		172 914	163 627	402 230	20 175	147 196	402 230	(255 034)	-63%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		2 667 551	2 437 047	3 220 125	242 097	2 873 587	3 220 125	(346 538)	-11%	3 220 125
Electricity		1 700 426	1 700 095	1 926 916	166 629	1 853 479	1 926 916	(73 437)	-4%	1 926 916
Water		660 510	500 521	1 009 716	47 621	713 810	1 009 716	(295 906)	-29%	1 009 716
Waste water management		191 593	149 071	167 552	18 354	198 688	167 552	31 137	19%	167 552
Waste management		115 022	87 359	115 941	9 493	107 610	115 941	(8 331)	-7%	115 941
Other	4	34 298	89 565	32 683	3 756	27 991	32 683	(4 693)	-14%	32 683
Total Revenue - Standard	2	4 598 660	3 992 771	5 291 395	363 896	4 671 316	5 291 395	(620 079)	-12%	5 291 395
Expenditure - Standard										
Governance and administration		874 771	691 420	936 635	84 740	924 646	936 635	(11 989)	-1%	936 635
Executive and council		7 712	384 298	141 178	8 692	127 407	141 178	(13 770)	-10%	141 178
Budget and treasury office		859 050	200 157	584 085	64 479	633 135	584 085	49 050	8%	584 085
Corporate services		8 009	106 965	211 372	11 569	164 103	211 372	(47 269)	-22%	211 372
Community and public safety		670 660	421 741	601 156	63 968	565 021	592 157	(27 136)	-5%	601 156
Community and social services		116 571	99 202	127 038	9 943	125 233	127 038	(1 805)	-1%	127 038
Sport and recreation		145 186	81 358	110 522	11 934	112 571	110 522	2 049	2%	110 522
Public safety		316 932	196 317	268 575	33 076	258 571	259 576	(1 005)	0%	268 575
Housing		49 923	25 149	74 732	7 421	49 573	74 732	(25 160)	-34%	74 732
Health		42 048	19 716	20 288	1 594	19 074	20 288	(1 215)	-6%	20 288
Economic and environmental services		522 277	462 751	568 367	32 786	420 106	568 367	(148 261)	-26%	568 367
Planning and development		97 679	128 290	106 802	9 313	104 745	106 802	(2 057)	-2%	106 802
Road transport		424 597	334 461	461 564	23 472	315 361	461 564	(146 204)	-32%	461 564
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		2 428 609	1 893 207	2 652 384	256 803	2 432 520	2 652 384	(219 864)	-8%	2 652 384
Electricity		1 512 417	1 374 079	1 578 581	190 112	1 598 920	1 578 581	20 339	1%	1 578 581
Water		590 023	406 791	780 208	36 595	552 165	780 208	(228 043)	-29%	780 208
Waste water management		175 548	9 621	183 812	11 482	165 676	183 812	(18 135)	-10%	183 812
Waste management		150 620	102 716	109 782	18 615	115 758	109 782	5 976	5%	109 782
Other		54 353	31 122	42 951	1 561	44 158	42 951	1 207	3%	42 951
Total Expenditure - Standard	3	4 550 669	3 500 241	4 801 492	439 858	4 386 451	4 792 493	(406 042)	-8%	4 801 492
Surplus/ (Deficit) for the year		47 991	492 530	489 903	(75 962)	284 865	498 902	(214 037)	-43%	489 903

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12

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										
	1									
Vote 1 - City Manager		6 851	1 600	930	3	3 177	930	2 247	241.6%	930
Vote 2 - City Finance		1 422 429	1 598 335	1 432 810	87 667	1 490 517	1 432 810	57 707	4.0%	1 432 810
Vote 3 - Community Services & Social Equity		281 059	155 606	165 269	10 709	163 730	174 268	(10 538)	-6.0%	165 269
Vote 4 - Corporate Services		5 890	10 026	9 998	1 318	1 686	9 998	(8 312)	-83.1%	9 998
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 531 604	255 053	2 926 865	3 531 604	(604 739)	-17.1%	3 531 604
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	141 785	8 561	77 827	141 785	(63 959)	-45.1%	141 785
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	5 282 396	363 311	4 663 801	5 291 395	(627 594)	-11.9%	5 282 396
Expenditure by Vote										
	1									
Vote 1 - City Manager		12 576	147 876	168 990	10 646	151 048	168 990	(17 942)	-10.6%	168 990
Vote 2 - City Finance		942 905	672 127	657 176	70 266	705 531	657 176	48 354	7.4%	657 176
Vote 3 - Community Services & Social Equity		732 073	550 686	603 490	63 366	585 330	603 490	(18 160)	-3.0%	603 490
Vote 4 - Corporate Services		8 582	195 576	192 013	10 046	145 332	192 013	(46 681)	-24.3%	192 013
Vote 5 - Infrastructure Services		2 675 999	3 005 424	2 969 529	268 125	2 613 573	2 969 529	(355 956)	-12.0%	2 969 529
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	201 295	16 824	178 122	201 295	(23 173)	-11.5%	201 295
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 573 361	4 730 514	4 792 493	439 273	4 378 936	4 792 493	(413 557)	-8.6%	4 792 493
Surplus/ (Deficit) for the year	2	47 991	492 530	489 903	(75 962)	284 865	498 902	(214 037)	-42.9%	489 903

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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 Source										
Property rates		686 819	743 113	753 517	62 939	739 501	753 517	(14 016)	-2%	753 517
Property rates - penalties & collection charges		30 207	41 349	41 349	1 959	20 236	41 349	(21 113)	-51%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	158 495	1 784 553	1 865 706	(81 153)	-4%	1 865 706
Service charges - water revenue		448 064	595 443	595 443	36 694	472 140	595 443	(123 303)	-21%	595 443
Service charges - sanitation revenue		139 629	139 471	139 471	11 868	119 400	139 471	(20 071)	-14%	139 471
Service charges - refuse revenue		74 810	93 922	93 922	6 382	81 766	93 922	(12 156)	-13%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		21 476	41 329	41 428	1 687	19 973	41 428	(21 454)	-52%	41 428
Interest earned - external investments		50 973	33 988	33 988	233	55 244	34 045	21 199	62%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	4 393	60 214	62 593	(2 379)	-4%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	21 525	377	9 677	21 525	(11 848)	-55%	21 525
Licences and permits		89	87	87	6	90	87	3	3%	87
Agency services		24 372	632	14 669	51	532	14 669	(14 137)	-96%	14 669
Transfers recognised - operational		519 191	440 652	490 476	6 227	461 706	493 502	(31 796)	-6%	490 476
Other revenue		101 001	79 695	136 515	(9 882)	61 554	136 515	(74 961)	-55%	136 515
Gains on disposal of PPE		420	9 700	9 700	630	548	9 700	(9 152)	-94%	9 700
Total Revenue (excluding capital transfers and contributions)		3 841 347	4 165 169	4 300 388	282 060	3 887 134	4 303 471	(416 337)	-10%	4 300 388
Expenditure By Type										
Employee related costs		832 495	956 536	962 165	70 983	906 689	962 258	(55 569)	-6%	962 165
Remuneration of councillors		34 657	42 350	42 350	3 347	40 676	42 350	(1 675)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	107 255	(107 255)	-100%	107 255
Depreciation & asset impairment		463 063	485 746	558 036	5 368	440 415	558 121	(117 706)	-21%	558 036
Finance charges		71 169	69 489	69 301	24 301	70 794	69 301	1 493	2%	69 301
Bulk purchases		1 586 802	1 736 811	1 776 493	192 774	1 799 100	1 771 493	27 607	2%	1 776 493
Other materials		198 513	29 773	176 727	20 594	156 571	169 948	(13 377)	-8%	176 727
Contracted services		110 072	18 556	124 536	38 249	152 632	184 491	(31 859)	-17%	124 536
Transfers and grants		11 995	134 035	134 036	20	5 911	81 273	(75 362)	-93%	134 036
Other expenditure		618 857	563 817	349 677	44 667	329 030	357 005	(27 975)	-8%	349 677
Loss on disposal of PPE		457	-	-	-	3 554	-	3 554	#DIV/0!	-
Total Expenditure		4 150 192	4 161 699	4 300 575	400 302	3 905 372	4 303 496	(398 124)	-9%	4 300 575
Surplus/(Deficit)		(308 844)	3 470	(187)	(118 242)	(18 238)	(25)	(18 213)	1	(187)
Transfers recognised - capital		356 835	489 060	490 090	42 281	303 103	490 090	(186 987)	(0)	490 090
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		47 991	492 530	489 903	(75 962)	284 865	490 065			489 903
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		47 991	492 530	489 903	(75 962)	284 865	490 065			489 903
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		47 991	492 530	489 903	(75 962)	284 865	490 065			489 903
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		47 991	492 530	489 903	(75 962)	284 865	490 065			489 903

KZN25 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M12 June

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	7 190	2 042	6 411	7 190	(779)	-11%	6 180
Vote 2 - City Finance		15 139	26 500	4 982	55	4 936	4 982	(46)	-1%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	40 513	1 501	34 870	40 513	(5 644)	-14%	54 868
Vote 4 - Corporate Services		4 119	3 250	-	-	-	-	-	-	3 637
Vote 5 - Infrastructure Services		333 861	569 454	552 278	43 339	311 425	552 278	(240 853)	-44%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	58 976	200	26 852	58 976	(32 124)	-54%	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	663 939	47 138	384 493	663 939	(279 446)	-42%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	1 165	35	763	1 165	(402)	-35%	750
Vote 2 - City Finance		13 442	710	26 510	12 620	31 896	26 510	5 386	20%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	18 016	3 030	16 180	18 016	(1 836)	-10%	17 619
Vote 4 - Corporate Services		8 398	3 150	6 737	748	6 460	6 737	(277)	-4%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	18 323	4 553	17 510	18 323	(813)	-4%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	7 521	1 071	4 409	7 521	(3 112)	-41%	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	78 271	22 056	77 217	78 271	(1 054)	-1%	27 006
Total Capital Expenditure		528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	46 584	15 499	50 466	46 584	3 882	8%	39 360
Executive and council		9 665	5 750	8 355	2 077	7 174	8 355	(1 182)	-14%	5 750
Budget and treasury office		28 581	27 210	31 491	12 674	36 832	31 491	5 341	17%	27 210
Corporate services		12 517	6 400	6 737	748	6 460	6 737	(277)	-4%	6 400
Community and public safety		68 187	63 824	63 174	4 260	52 921	63 174	(10 253)	-16%	63 824
Community and social services		17 495	3 446	10 792	367	4 763	10 792	(6 028)	-56%	3 446
Sport and recreation		45 618	33 350	40 214	1 186	39 271	40 214	(943)	-2%	33 350
Public safety		1 883	8 333	3 533	2 266	3 022	3 533	(511)	-14%	8 333
Housing		3 191	17 075	8 635	441	5 864	8 635	(2 770)	-32%	17 075
Health		-	1 620	-	-	-	-	-	-	1 620
Economic and environmental services		166 656	347 746	365 416	17 443	151 576	365 416	(213 840)	-59%	347 746
Planning and development		48 972	28 325	57 862	412	23 039	57 862	(34 823)	-60%	28 325
Road transport		116 686	317 801	305 934	16 786	126 943	305 934	(178 991)	-59%	317 801
Environmental protection		997	1 620	1 620	245	1 594	1 620	(26)	-2%	1 620
Trading services		236 720	258 353	267 037	31 574	204 390	267 037	(62 647)	-23%	258 353
Electricity		136 907	133 000	137 861	20 691	97 937	137 861	(39 924)	-29%	133 000
Water		53 989	83 133	83 672	4 944	65 591	83 672	(18 081)	-22%	83 133
Waste water management		33 205	37 500	41 638	5 471	37 404	41 638	(4 234)	-10%	37 500
Waste management		12 620	4 720	3 866	468	3 457	3 866	(408)	-11%	4 720
Other		6 311	1 398	417	2 357	-	-	2 357	#DIV/0!	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	742 211	69 194	461 711	742 211	(280 500)	-38%	710 680
Funded by:										
National Government		224 530	489 060	482 602	23 701	260 460	482 602	(222 142)	-46%	489 060
Provincial Government		67 121	-	33 386	992	15 205	33 386	(18 180)	-54%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	515 988	24 693	275 665	515 988	(240 323)	-47%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	14 449	62 181	100 000	(37 819)	-38%	100 000
Internally generated funds		155 105	120 000	126 223	30 052	123 864	126 223	(2 359)	-2%	120 000
Total Capital Funding		528 636	709 060	742 211	69 194	461 711	742 211	(280 500)	-38%	709 060

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

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	37 489	81 975
Call investment deposits		745 471	1 086 263	1 085 994	1 008 500	1 085 994
Consumer debtors		728 136	883 147	883 147	1 382 837	883 147
Other debtors		390 671	376 440	376 438	(113 446)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	61 363	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 376 790	3 169 489
Non current assets						
Long-term receivables		10 482	9 455	9 455	11 566	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	402 205	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		7 091 843	6 948 898	6 928 396	7 091 066	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	936	46 520
Intangible assets		18 880	27 283	27 283	44 484	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	7 550 257	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 927 047	10 717 065
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	95 822	92 798
Trade and other payables		765 335	1 217 489	1 217 489	774 915	1 217 489
Provisions		7 034	6 084	6 084	25 662	6 084
Total current liabilities		915 372	1 378 122	1 378 122	897 519	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	638 119	579 761
Provisions		653 749	681 715	681 715	658 941	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 297 060	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	2 194 579	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 732 468	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 454 164	7 904 553
Reserves		257 948	172 915	172 914	278 304	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 732 468	8 077 467

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

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	66 731	693 681	711 871	(18 190)	-3%	711 871
Service charges		2 227 636	2 349 116	2 349 116	219 036	2 502 093	2 349 116	152 977	7%	2 349 116
Other revenue		18 478	84 318	84 320	35 376	377 044	84 320	292 724	347%	84 320
Government - operating		519 604	440 652	484 851	4 622	434 615	484 851	(50 236)	-10%	484 851
Government - capital		356 459	489 060	453 347	223	475 560	453 347	22 213	5%	453 347
Interest		120 502	64 837	64 894	2 475	43 309	64 950	(21 641)	-33%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(299 980)	(3 829 555)	(3 366 180)	463 375	-14%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(18 072)	(64 566)	(69 511)	(4 945)	7%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(16 473)	(181)	16 292	-9001%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	10 391	615 708	712 583	96 875	14%	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)	(55 616)	(454 744)	(596 115)	(141 371)	24%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(55 616)	(454 744)	(596 115)	(141 371)	24%	(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	-		100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	343	4 697	5 250	(553)	-11%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)		(61 739)	(49 850)	11 889	-24%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	343	42 958	55 400	12 442	22%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	172 159	191 139	(44 882)	203 922	171 868			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 067	842 352			842 067
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		1 045 989	1 014 220			1 033 206

1 PART 2 – SUPPORTING DOCUMENTATION

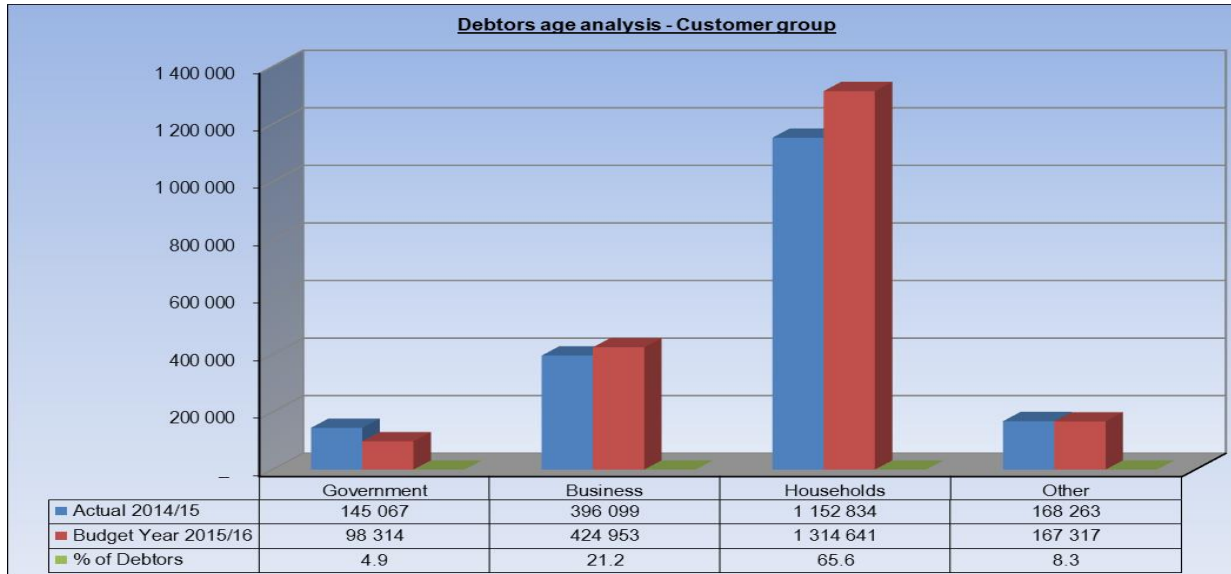
2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 June 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors										M12 June 2016			
Description	NT Code	Budget Year 2015/16								Total	Impairment of Bad debt to Council	>90 days	>90 Day Os %
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Revenue Source													
Water	1200	46 694 902	29 647 055	19 022 079	18 622 500	18 502 264	18 920 467	16 529 656	433 020 670	600 959 593	223 158 344	505 595 557	84%
Electricity	1300	172 729 810	69 548 234	22 320 179	5 715 616	5 453 596	4 116 002	3 733 987	69 346 017	352 963 441	35 817 618	88 365 218	25%
Rates	1400	54 306 441	25 614 226	12 116 706	9 030 477	8 480 407	9 307 349	7 645 519	224 110 701	350 611 826	122 794 651	258 574 453	74%
Sewerage / Sanitation	1500	11 924 372	5 737 078	3 313 548	3 192 557	2 982 968	2 887 325	2 861 660	91 222 049	124 121 557	53 720 911	103 146 559	83%
Refuse Removal	1600	6 856 608	3 641 932	1 719 857	1 638 908	1 583 759	1 534 223	1 488 668	49 099 091	67 563 046	29 369 342	55 344 649	82%
Housing (Rental Revenue)	1700	658 999	606 105	575 328	566 289	570 463	561 782	537 683	25 448 820	29 525 469	18 136 327	27 685 037	94%
Interest on arrear Drts	1810	9 616 931	9 479 827	9 157 270	8 939 211	8 710 226	8 493 360	8 400 930	276 278 738	339 076 493	174 390 727	310 822 465	92%
Recoverable unauthorised, irregular or fruitless & wasteful Expenditure	1820	0	0	0	0	0	0	0	0	0	0	0	0%
Other	1900	2 474 552	-718 614	1 756 551	1 348 028	4 109 187	2 660 189	-158 204	128 932 753	140 404 442	68 974 035	136 891 953	97%
Total By Revenue Source	2000	305 263	143 556	69 982	49 054	50 393	48 481	41 040	1 297 459	2 005 226	726 362	1 486 426	
Prior Year	2014/15	280 203	156 369	71 977	53 536	51 472	40 275	38 696	1 169 735	1 862 262	602 904	1 145 727	
Debtors Age Analysis By Customer Category													% Drts
Government	2200	25 421 049	14 048 547	3 466 154	2 769 675	2 402 349	2 099 436	1 820 554	46 286 654	98 314 418	36 809 358		5%
Business	2300	158 376 772	63 252 618	26 078 870	7 109 207	7 609 977	5 986 433	5 574 171	150 964 945	424 952 993	86 348 325		21%
Households	2400	114 014 015	61 759 588	37 551 769	35 961 663	37 461 461	35 968 039	30 969 885	960 954 863	1 314 641 283	515 722 778		66%
Other	2500	7 450 779	4 495 090	2 884 725	3 213 041	2 919 083	4 426 789	2 675 289	139 252 377	167 317 173	87 481 494		8%
Total By Customer Category	2600	305 263	143 556	69 982	49 054	50 393	48 481	41 040	1 297 459	2 005 226	726 362		
Notes	%	15.22	7.16	3.49	2.45	2.51	2.42	2.05	64.70				

Chart 1: Debtors Age Analysis By Customer Group

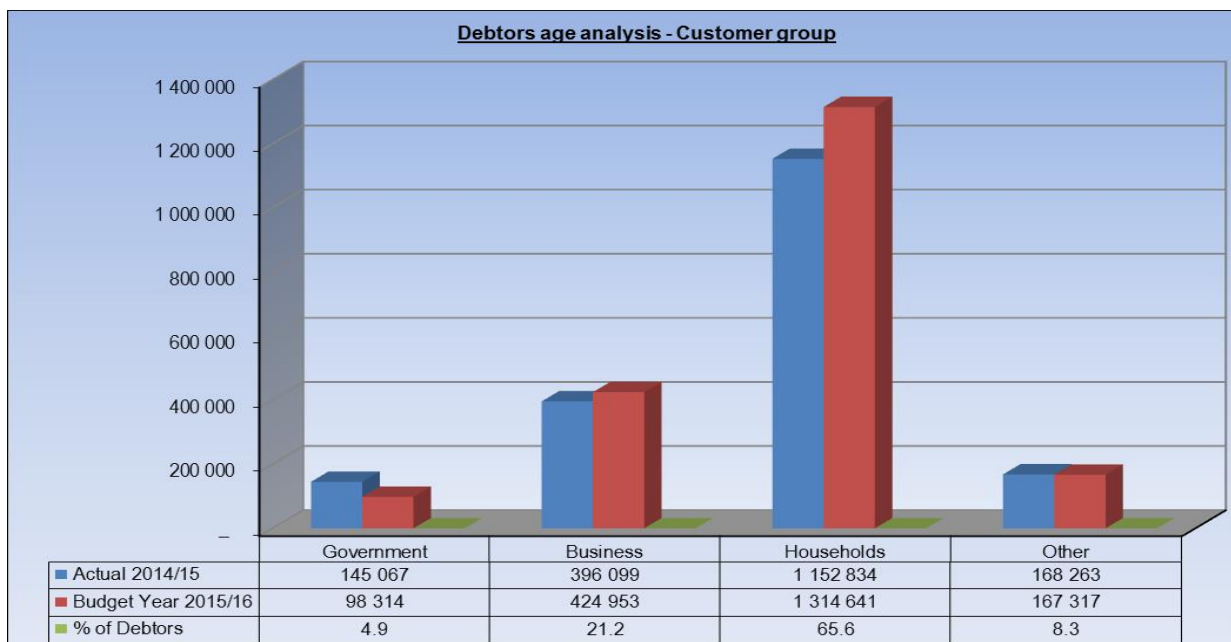


The information presented in the chart above reflects a slight increase in the outstanding debtor's balances as at 30 June 2016 of R 32.9 million when compared to the prior month balance bringing the total outstanding debtors balance to R 2.0 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 66% of the total municipal debt as detailed below:

- ✓ Households 66%
- ✓ Commercial 21%
- ✓ Other 8%
- ✓ Organs of State 5%

Chart 2: Year on Year Debtors Age Analysis



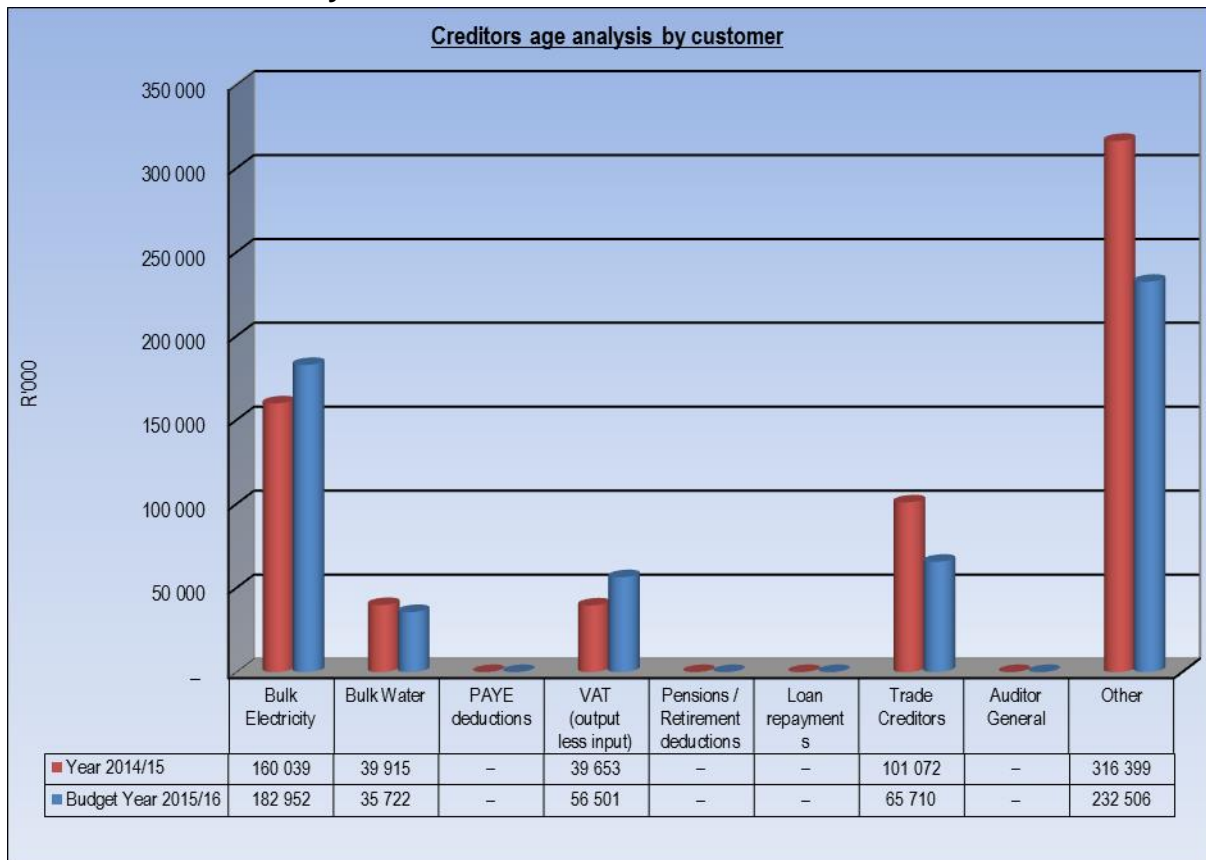
2.2 Creditors Analysis

Table SC 4 below presents the aged creditors as at 30 June 2016

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M12 June 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	182 952	-	-	-	-	-	-	-	182 952	160 039
Bulk Water	0200	35 722	-	-	-	-	-	-	-	35 722	39 915
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	56 501	-	-	-	-	-	-	-	56 501	39 653
Pensions / Retirement deduction	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	56 305	5 358	92	192	113	3 651	-	-	65 710	101 072
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	232 506	-	-	-	-	-	-	-	232 506	316 399
Total By Customer Type	2600	563 987	5 358	92	192	113	3 651	-	-	573 392	657 078

The chart below presents a comparison of the age creditors between the current and prior year and for the reporting 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 30 June 2016.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio							M12 June 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
R thousands		Yrs/Months							
Municipality									
Fixed - ABSA - Call		Call	Call	on call					27 091
Fixed - ABSA - 12 months (WCA)		12 months							8 318
Fixed - ABSA - Various		Various							150 000
Fixed - FNB - Various		Various							550 109
Standard Bank		3 months							210 000
Municipality sub-total					-		-	-	945 518

The total investment balance as at 30 June 2016 was R 945.5 million.

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total operational and capital grant budgeted 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							M12 June 2016		
Description	Ref	2014/15	Budget Year 2015/16					YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance		
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		487 405	407 948	407 948	401 418	12 162	389 256	3200.6%	407 948
Local Government Equitable Share		373 541	395 786	395 786	395 786	-	395 786	#DIV/0!	395 786
Finance Management		1 600	1 600	1 600	1 600	1 600	-		1 600
Municipal Systems Improvement		-	930	930	-	930	(930)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	4 032	-		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	-	5 000	(5 000)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	600	(600)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-		-
Provincial Government:		41 449	32 704	32 704	49 771	32 704	17 067	52.2%	32 704
Expanded Public Works Grant		3	-	-	-	-	-		-
Health		-	-	-	-	-	-		-
Human Settlements		10 148	8 715	8 715	49 771	8 715	41 056	471.1%	8 715
Arts and Culture - Subsidies		-	380	380	-	380	(380)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	552	(552)	-100.0%	552
Arts and Culture - Provincialisisation		-	23 057	23 057	-	23 057	(23 057)	-100.0%	23 057
Sanitation Bucket eradication		-	-	-	-	-	-		-
GEDI		31 298	-	-	-	-	-		-
Total Operating Transfers and Grants	5	528 854	440 652	440 652	451 189	44 866	406 323	905.6%	440 652
Capital Transfers and Grants									
National Government:		316 544	489 060	489 060	502 985	489 060	13 925	2.8%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	192 456	187 456	5 000	2.7%	187 456
Public Transport and Systems		-	213 271	213 271	213 271	213 271	-		213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	-	20 000	(20 000)	-100.0%	20 000
Dept of Mineral/Electricity		-	-	-	-	-	-		-
Intergrated National Electrification Programme		95 989	10 000	10 000	14 386	10 000	4 386	43.9%	10 000
Municipal Water infrastructure Grant		11 389	58 333	58 333	58 333	58 333	-		58 333
MSIG		1 226	-	-	930	-	930	0.0%	-
Library		24 586	-	-	23 609	-	23 609	0.0%	-
Other capital transfers [insert description]		-	-	-	-	-	-		-
Provincial Government:		19 870	-	-	1 384	-	1 384	0.0%	-
Airport Development Project		-	-	-	1 004	-	1 004	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 Dlusumlando-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	504 369	489 060	15 309	3.1%	489 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	865 304	929 712	929 712	955 558	533 926	421 632	79.0%	929 712

Capital and Operating grants: While the budgeted full year grant expenditure budget is R 929.7 million, the actual YTD Capital grant expenditure incurred amounted to R 717.9 million resulting in underperformance of 23% of the YTD capital grants budget of R 929.7 million.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure							M12 June 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	401 246	407 948	(6 702)	-1.6%	407 948
Local Government Equitable Share		373 541	395 786	395 786	395 786	395 786	-		395 786
Finance Management		1 600	1 600	1 600	1 428	1 600	(172)	-10.8%	1 600
Municipal Systems Improvement		-	930	930	-	930	(930)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	4 032	-		4 032
Public Transport and Systems		109 480	-	-	-	-	-		-
Operating costs-MIG		-	5 000	5 000	-	5 000	(5 000)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	600	(600)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-		-
Provincial Government:		41 449	32 704	32 704	21 528	32 704	(11 176)	-34.2%	32 704
Expanded Public Works Grant		3	-	-	-	-	-		-
Human Settlements		10 148	8 715	8 715	21 528	8 715	12 813	147.0%	8 715
Arts and Culture - Subsidies		-	380	380	-	380	(380)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	552	(552)	-100.0%	552
Arts and Culture - Provincialisisation		-	23 057	23 057	-	23 057	(23 057)	-100.0%	23 057
GEDI		31 298	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		528 854	440 652	440 652	422 774	440 652	(17 878)	-4.1%	440 652
Capital expenditure of Transfers and Grants									
National Government:		316 544	489 060	489 060	292 299	489 060	(196 761)	-40.2%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	172 215	187 456	(15 241)	-8.1%	187 456
Public Transport and Systems		-	213 271	213 271	42 231	213 271	(171 040)	-80.2%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	1 004	20 000	(18 996)	-95.0%	20 000
Intergrated National Electrification Programme		95 989	10 000	10 000	13 263	10 000	3 263	32.6%	10 000
Municipal Water infrastructure Grant		11 389	58 333	58 333	49 779	58 333	(8 554)	-14.7%	58 333
MSIG		1 226	-	-	855	-	855	0.0%	-
Library		24 586	-	-	12 952	-	12 952	#DIV/0!	-
Provincial Government:		19 870	-	-	2 829	-	2 829	0.0%	-
Airport Development Project		-	-	-	-	-	-		-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	26	-	26	0.0%	-
COGTA - Art Gallery		-	-	-	363	-	363	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	295 128	489 060	(193 932)	-39.7%	489 060
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		865 304	929 712	929 712	717 902	929 712	(211 810)	-22.8%	929 712

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June										
Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	29 522	29 522	2 231	26 393	29 522	(3 129)	-11%	29 522
Pension and UIF Contributions		253	3 496	3 496	281	3 396	3 496	(100)	-3%	3 496
Medical Aid Contributions		2 287	1 296	1 296	106	1 288	1 296	(8)	-1%	1 296
Motor Vehicle Allowance		528	6 333	6 333	564	6 974	6 333	641	10%	6 333
Cellphone Allowance		133	1 565	1 565	129	1 570	1 565	5	0%	1 565
Housing Allowances		10	137	137	3	67	137	(70)	-51%	137
Other benefits and allowances		58	-	-	21	988	-	988	#DIV/0!	-
Sub Total - Councillors		34 657	42 350	42 350	3 335	40 676	42 350	(1 673)	-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	768	6 672	6 744	(73)	-1%	6 744
Pension and UIF Contributions		798	870	870	78	997	870	127	15%	870
Medical Aid Contributions		-	20	20	1	55	20	34	169%	20
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		210	360	360	-	143	360	(217)	-60%	360
Motor Vehicle Allowance		762	756	756	90	971	756	215	28%	756
Cellphone Allowance		-	90	90	9	92	90	2	3%	90
Housing Allowances		98	64	64	80	414	64	350	551%	64
Other benefits and allowances		38	-	-	11	34	-	34	#DIV/0!	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	37	-	37	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7 558	8 904	8 904	1 037	9 414	8 904	509	6%	8 904
% increase	4		17.8%	17.8%						17.8%
Other Municipal Staff										
Basic Salaries and Wages		504 910	741 800	741 800	43 747	548 922	741 800	(192 878)	-26%	741 800
Pension and UIF Contributions		112 428	16 945	16 945	9 882	125 330	16 945	108 385	640%	16 945
Medical Aid Contributions		40 020	110 158	110 158	3 527	43 773	110 158	(66 385)	-60%	110 158
Overtime		38 448	32 271	32 271	1 663	31 066	32 271	(1 205)	-4%	32 271
Performance Bonus		-	-	-	78	342	-	342	#DIV/0!	-
Motor Vehicle Allowance		12 324	52 435	52 435	1 189	13 964	52 435	(38 471)	-73%	52 435
Cellphone Allowance		2 340	-	-	233	2 674	-	2 674	#DIV/0!	-
Housing Allowances		3 108	9 351	9 351	399	4 186	9 351	(5 165)	-55%	9 351
Other benefits and allowances		96 672	-	-	8 143	111 646	-	111 646	#DIV/0!	-
Payments in lieu of leave		2 280	-	-	10	3 919	-	3 919	#DIV/0!	-
Long service awards		12 444	3 461	3 461	154	7 225	3 461	3 765	109%	3 461
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		824 974	966 420	966 420	69 025	893 047	966 420	(73 373)	-8%	966 420
% increase	4		17.1%	17.1%						17.1%
Total Parent Municipality		867 189	1 017 674	1 017 674	73 398	943 138	1 017 674	(74 537)	-7%	1 017 674
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Board Members of Entities		-	11	-	-	-	-	-	-	11
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of Entities										
Basic Salaries and Wages		329	409	333	-	333	333	(333)	-100%	409
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		12	14	14	-	14	14	(14)	-100%	14
Overtime		18	-	-	-	-	-	-	-	-
Performance Bonus		6	6	6	-	6	6	(6)	-100%	6
Motor Vehicle Allowance		-	18	18	-	18	18	(18)	-100%	18
Cellphone Allowance		4	4	4	-	4	4	(4)	-100%	4
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		369	450	374	-	-	374	(374)	-100%	450
% increase	4		22.0%	1.4%						22.0%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 794	2 080	-	2 080	2 080	(2 080)	-100%	2 794
Pension and UIF Contributions		154	194	171	-	171	171	(171)	-100%	194
Medical Aid Contributions		389	533	469	-	469	469	(469)	-100%	533
Overtime		416	457	373	-	373	373	(373)	-100%	467
Performance Bonus		22	25	24	-	24	24	(24)	-100%	25
Motor Vehicle Allowance		56	72	54	-	54	54	(54)	-100%	72
Cellphone Allowance		11	14	11	-	11	11	(11)	-100%	14
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		219	250	245	-	245	245	(245)	-100%	250
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		3 526	4 339	3 427	-	-	3 427	(3 427)	-100%	4 339
% increase	4		23.1%	-2.8%						23.1%
Total Municipal Entities		3 895	4 800	3 801	-	-	3 801	(3 801)	-100%	4 800
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 022 474	1 021 475	73 398	943 138	1 021 475	(78 338)	-8%	1 022 474
% increase	4		17.4%	17.3%						17.4%
TOTAL MANAGERS AND STAFF		836 427	980 114	979 126	70 063	902 461	979 126	(76 665)	-8%	980 114

Councillor Allowances

The expenditure on councillor allowances as at 30 June 2016 was under spent by 4%. The year to date budget for Remuneration of Councillor's is R 42.3 million while the actual expenditure incurred was R 40.6 million resulting in 96% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for 30 June 2016 was R 902.4 million, against the budget of R 957.4 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 30 June 2016 and the monthly forecast till year end. The first table mainly presents cash inflows, while the next the page presents mainly outflows.

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts														M12 June 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	52 276	56 072	55 191	52 088	65 581	668 801	706 022	741 323
Property rates - penalties & collection charges		1 198	1 407	957	1 646	3 294	2 782	1 158	1 390	1 501	1 546	1 009	1 149	32 666	34 430	36 289
Service charges - electricity revenue		155 985	169 554	187 831	166 499	154 031	160 255	139 602	141 787	159 979	158 946	160 474	161 821	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	31 513	32 899	32 734	32 404	36 634	405 277	414 729	435 465
Service charges - sanitation revenue		10 881	8 749	10 474	10 307	10 879	9 798	8 206	10 821	10 131	10 912	10 535	12 905	114 680	120 204	126 695
Service charges - refuse		6 192	4 996	6 092	6 127	5 988	5 823	5 021	5 993	6 345	5 731	6 218	7 676	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	1 105	1 277	1 144	1 176	1 485	33 063	32 234	33 974
Interest earned - external investments		2 684	1 909	913	867	903	1 092	11 873	2 206	3 812	1 677	1 855	1 731	32 289	34 033	35 871
Interest earned - outstanding debtors		838	1 107	910	910	698	1 160	752	920	785	1 817	962	736	32 549	34 510	36 374
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1 134	1 121	1 050	963	1 101	1 210	981	548	394	459	374	377	9 094	8 505	8 964
Licences and permits		7	7	8	9	6	5	5	13	11	6	5	6	87	92	97
Agency services		0	0	0	-	-	0	0	0	0	0	0	0	632	668	704
Transfer receipts - operating		197 440	10 800	3 705	36 520	73 449	-	3 217	1 251	100 468	-	3 143	4 622	440 652	463 799	502 985
Other revenue		27 939	23 190	46 154	41 902	41 764	15 173	16 249	40 682	26 720	22 603	16 941	33 508	41 442	42 502	44 798
Cash Receipts by Source		492 520	304 746	342 741	355 109	401 975	289 557	264 823	290 505	400 393	292 765	287 184	328 232	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	2 098	229 942	-	-	223	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)	166	315	641	331	343	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	292 769	630 649	293 406	287 514	328 798	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	75 389	74 980	75 907	75 154	76 099	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	3 375	3 375	3 379	3 372	3 337	42 350	45 659	48 124
Interest paid		118	40	11 714	205	197	16 597	540	158	16 591	168	155	18 071	69 489	68 312	61 719
Bulk purchases - Electricity		160 039	194 248	177 735	111 831	113 431	108 729	101 024	103 001	106 690	106 899	106 201	111 888	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	44 940	42 590	46 684	41 283	40 788	466 010	509 352	556 286
Other materials		-	-	-	14 804	11 650	15 250	7 067	9 907	11 905	13 870	16 440	20 580	6 773	9 269	9 770
Contracted services		-	-	-	12 956	14 882	21 420	5 663	8 978	5 056	14 037	13 602	38 918	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	20	1 438	20	20	20	5 854	6 599	6 999
General expenses		138 681	58 702	60 150	26 683	32 171	55 561	32 618	9 466	20 505	69 261	35 959	7 930	586 817	713 254	813 675
Cash Payments by Type		413 617	371 425	381 358	340 042	296 032	343 265	273 733	255 236	283 130	330 225	292 185	317 631	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	32 316	32 165	46 620	44 113	55 616	589 505	555 584	537 677
Repayment of borrowing		23	24	18 571	24	24	10 899	24	24	17 993	24	24	14 087	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	287 576	333 288	376 868	336 322	387 334	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	5 193	297 361	(83 462)	(48 808)	(58 536)	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	958 568	1 255 930	1 172 468	1 123 660	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	958 568	1 255 930	1 172 468	1 123 660	1 065 124	1 014 227	1 044 513	1 054 148

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Agency services	-96%	This is based on the customer usage fgor fire services	
	Other revenue	-55%	This is a user driven resource	
	Rental of facilities and equipment	-52%	This is a user driven resource	
	Licences and permits	3%	This is a user driven resource	
	Interest earned - external investments	62%	This is would smooth out during the year	
	Transfers recognised - operational	-6%	This is would smooth out during the year	
	Interest earned - outstanding debtors	-4%	This is would smooth out during the year	
2	Expenditure By Type			
	Debt impairment	100%	This is an annualised year end entry	
	Other materials	8%	This is a seasonal category and will smooth out during	
	Contracted services	18%	This over-performance is primarily due to the increased security costs	
	Transfers and grants	93%	These are quarterly payments, the under-performance This over-performance would smooth out during the	
	Finance charges	-2%	year	
	Bulk purchases	-2%	This is would smooth out during the year	
	Depreciation & asset impairment	21%	This is an annualised year end entry	
	Other expenditure	8%	This is would smooth out during the year	

2.7 Parent Municipality Financial Performance

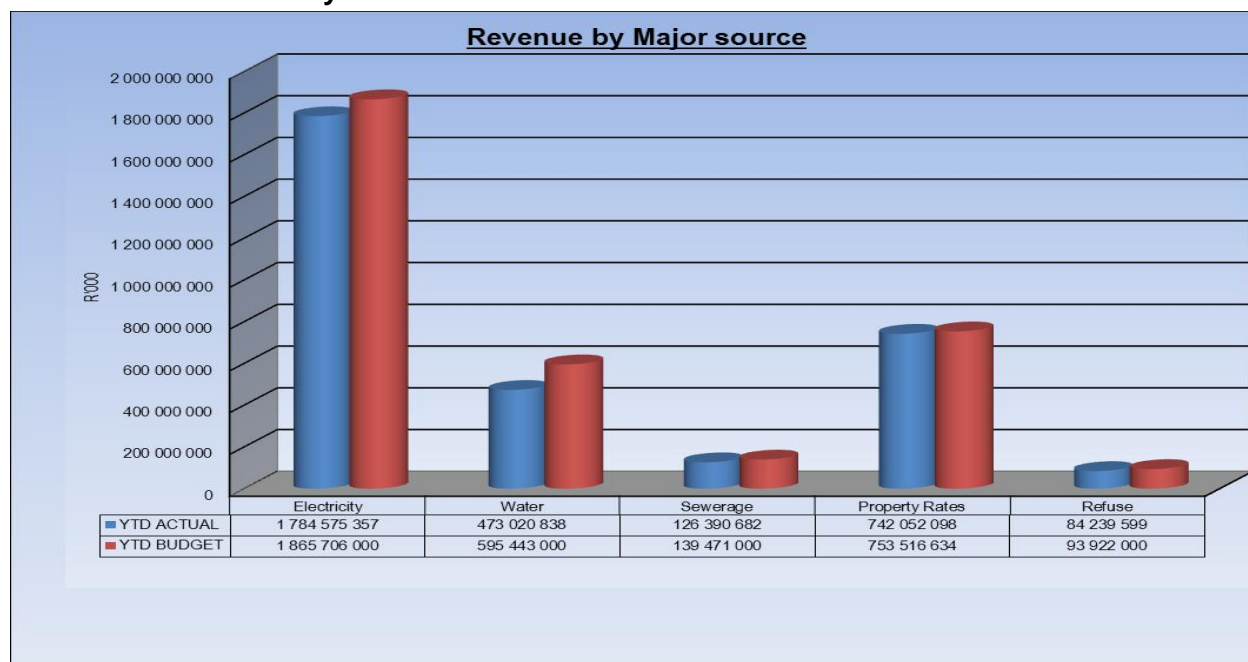
REVENUE ANALYSIS

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 and
- ✓ Operational Expenditure by Type

2.7.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 46% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges slightly under performed by (R 81.1 million) when compared to the Year Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 19% of the total operating revenue. When comparing YTD Actual revenue earned to YTD Budget, there is a 2% under performance existed as at 30 June 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 21% variance when comparing YTD actual to YTD Budget.

Service Charges - sanitation revenue: reflects a 14% under performance when comparing the YTD actual revenue to the YTD budget.

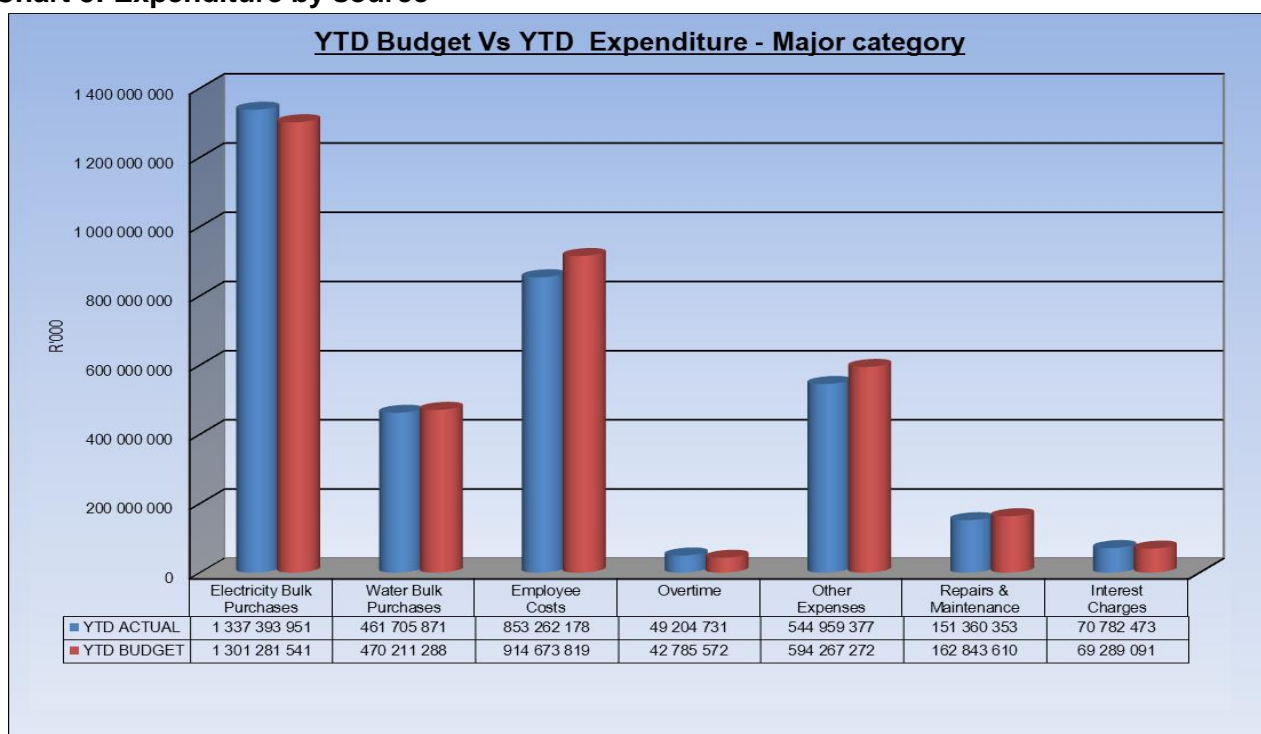
Service Charges - refuse revenue reflects an under performance of 13% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 3.1% to the total operating revenue received as at 30 June 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. 79 billion which is in line with the performance against the budget. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 1 337 393	74%
✓ Bulk Purchases- Water	<u>R 461 706</u>	<u>26%</u>
Total	<u>R 1 799 099</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 361.7 million while the actual costs incurred was R 334.1 million resulting in under performance against the budget of R 27.5 million. The table below provides a detailed listing of the top 20 cash drainers during the month of June 2016.

Table 3: Top 20 Cash Drainers – June 2016

No:	Description	YTD Actual	June - 2016	
			Annual Budget	YTD % of Annual budget
1	Pension Payable	20 632 700	4 002 038	515.6%
2	Kwanalogo Subscriptions	9 950 021	5 214 767	190.8%
3	Bank Charges	5 697 978	5 541 468	102.8%
4	IDP Expenses	4 000 163	4 000 400	100.0%
5	Extraordinary Items	722 942	725 000	99.7%
6	Plant Hire	1 585 846	1 647 541	96.3%
7	Security Services	65 468 010	69 006 350	94.9%
8	Uniforms	4 854 361	5 131 777	94.6%
9	Petrol & Lubricants	25 963 323	27 778 777	93.5%
10	Postage And Stamps	4 493 769	4 844 095	92.8%
11	Hire Charges	22 084 841	23 920 781	92.3%
12	Marketing & Promotion	21 079 333	22 864 871	92.2%
13	Motor Vehicle Licences	2 427 428	2 664 668	91.1%
14	Stores & Materials	4 905 996	5 566 263	88.1%
15	External Services	55 408 194	63 671 407	87.0%
16	Telephones	6 998 971	8 363 708	83.7%
17	Subscriptions For Cities Network	2 150 000	2 650 000	81.1%
18	Printing And Stationery	6 849 531	8 669 352	79.0%
19	Valuation Roll	479 818	615 000	78.0%
20	Plant & Equipment	111 106	143 323	77.5%

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 556.4 million. The actual YTD is R 438.7 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 69.2 million and the Actual figure was R 70.7 million pointing to a slight negative variance in this line item.

Contracted Services: YTD Budget for contracted services was R 177.6 million, whilst the actual YTD is R 145.8 million, resulting in a slight positive variance in this line item.

Remuneration of councillors: the YTD budget was R 42.3 million and the actual expenditure incurred was R 40.6 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M12 June

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	-	8	194	57	0	242%	56
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	4 534	12 474	-	-	12 284	12 473	(0)	-2%	12 474
Total Revenue (excluding capital transfers and contributions)	4 588	12 530	-	8	12 478	12 530	(52)	(0)	12 530
Employee costs	3 735	4 799	-	380	4 227	4 799	(572)	(0)	4 799
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	501	1 553	-	153	1 638	1 638	0	0	1 553
Finance charges	11	12	-	1	12	12	0	0	12
Materials and bulk purchases	212	279	-	14	167	279	(112)	(0)	279
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	578	8 029	-	45	7 338	7 839	(500)	(0)	8 029
Total Expenditure	5 037	14 672	-	594	13 382	14 566	(1 185)	(0)	14 672
Surplus/(Deficit)	(449)	(2 142)	-	(586)	(903)	(2 036)	1 133	(0)	(2 142)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(449)	(2 142)	-	(586)	(903)	(2 036)	1 133	(0)	(2 142)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(449)	(2 142)	-	(586)	(903)	(2 036)	1 133	(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	-	-	1 407	-	-	-	453
Total non current assets	684	6 778	-	-	5 132	-	-	-	6 778
Total current liabilities	7 770	6 982	-	-	222	-	-	-	6 982
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 136	0	-	-	6 316	-	-	-	0
Cash flows									
Net cash from (used) operating	7 852	(589)	-	(434)	(240)	(187)	(53)	0	(589)
Net cash from (used) investing	(313)	-	-	-	(6 610)	(6 610)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 209	80	669	(434)	(6 850)	(6 796)	(53)	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

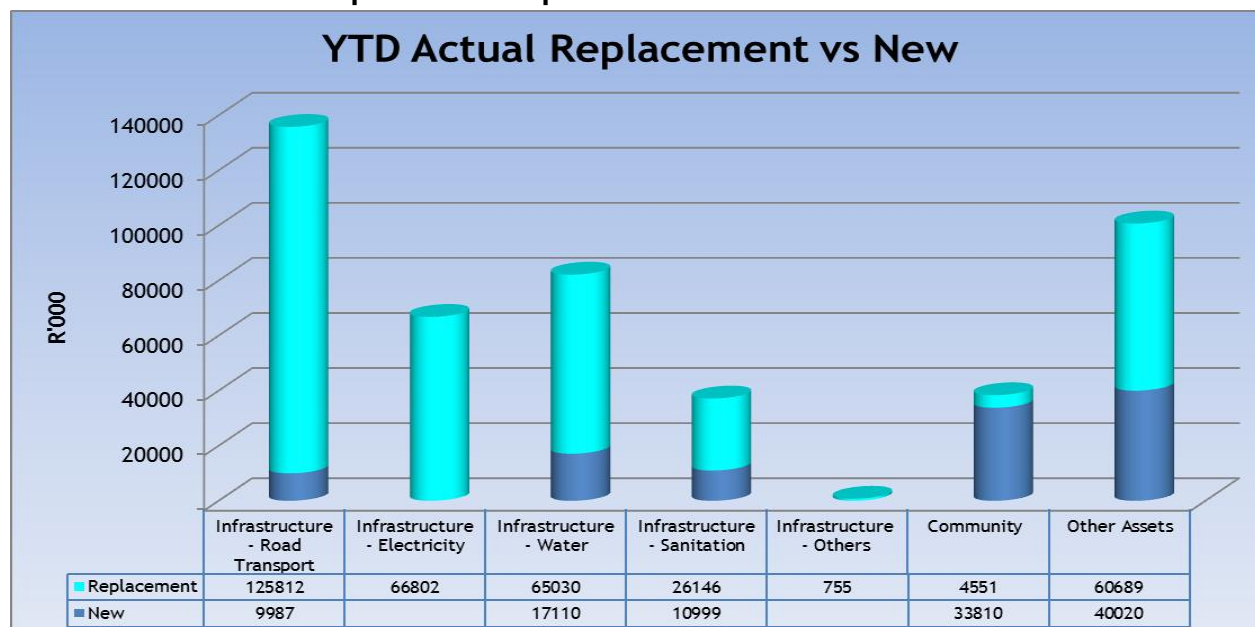
This next section looks at the performance of the capital expenditure programme. This performance is best illustrated in the table and charts that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	164	19 856	9 089	9 089	9 089	9 089	-		1%
August	7 724	60 407	23 544	23 544	32 633	32 633	-		5%
September	21 392	58 688	39 949	39 949	72 583	72 583	-		10%
October	18 184	55 535	46 126	46 126	118 709	118 708	(0)	0.0%	17%
November	19 331	66 844	39 269	39 269	157 977	157 977	(0)	0.0%	22%
December	11 272	92 393	63 575	63 575	221 552	221 552	(0)	0.0%	31%
January	29 898	12 874	77 715	15 750	237 302	299 267	61 965	20.7%	33%
February	10 312	69 412	70 576	32 316	269 619	369 843	100 224	27.1%	38%
March	10 640	62 204	83 830	32 165	301 784	453 673	151 889	33.5%	43%
April	35 236	70 535	94 474	46 620	348 404	548 147	199 743	36.4%	49%
May	33 481	73 060	97 910	44 113	392 517	646 057	253 540	39.2%	55%
June	154 384	67 251	96 154	69 194	461 711	742 211	280 501	37.8%	65%
Total Capital expenditure	352 017	709 060	742 211	461 711					

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 June 2016.

Chart 6: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 461.7 million, R 111.9 million (24%) was new assets and R 349.8 million (76%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

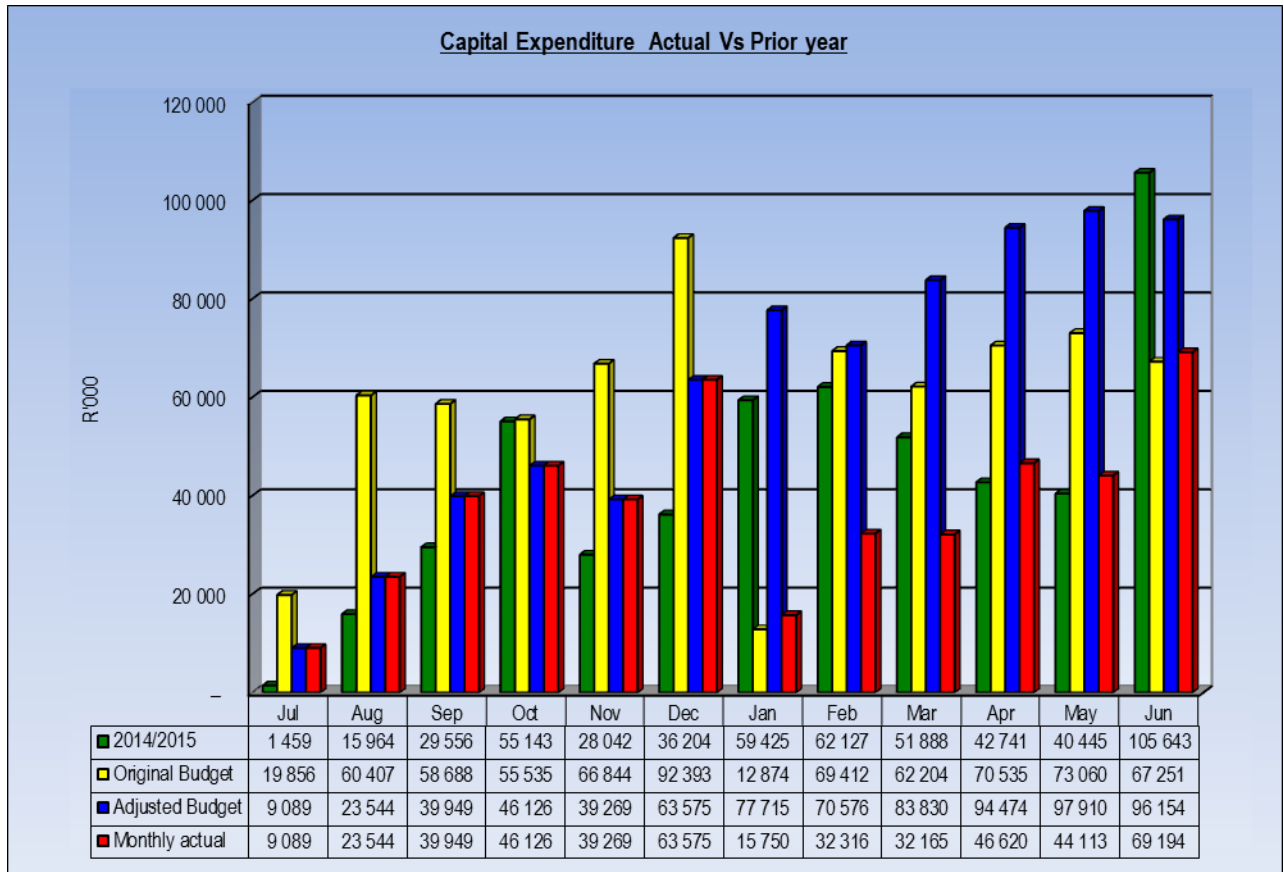
Description	Ref	2014/15	Budget Year 2015/16						YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
R thousands	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure		69 056	46 075	54 124	5 962	38 095	54 124	16 029	29.6%	54 124	
Infrastructure - Road transport		-	2 230	19 584	2 342	9 987	19 584	9 597	49.0%	19 584	
Roads, Pavements & Bridges		-	2 230	19 584	2 342	9 987	19 584	9 597	49.0%	19 584	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		25 692	18 000	18 105	-	-	18 105	18 105	100.0%	18 105	
Generation		25 692	10 000	18 105	-	-	18 105	18 105	100.0%	18 105	
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	
Street Lighting		-	8 000	-	-	-	-	-	-	-	
Infrastructure - Water		1 660	25 445	300	641	17 110	300	(16 810)	-5603.3%	300	
Dams & Reservoirs		-	-	300	28	297	300	3	1.1%	300	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		1 660	25 445	-	614	16 813	-	(16 813)	#DIV/0!	-	
Infrastructure - Sanitation		41 674	-	16 135	2 979	10 999	16 135	5 136	31.8%	16 135	
Reticulation		14 953	-	16 135	-	-	16 135	16 135	100.0%	16 135	
Sewerage purification		26 721	-	-	2 979	10 999	-	(10 999)	#DIV/0!	-	
Infrastructure - Other		30	400	-	-	-	-	-	-	-	
Waste Management		30	400	-	-	-	-	-	-	-	
Transportation		-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Community		27 505	10 288	36 391	1 004	33 810	36 391	2 581	7.1%	36 391	
Parks & gardens		243	-	170	-	169	170	1	0.4%	170	
Sportsfields & stadia		-	-	28 528	1 004	30 452	28 528	(1 924)	-6.7%	28 528	
Swimming pools		-	3 200	-	-	-	-	-	-	-	
Community halls		-	-	-	-	-	-	-	-	-	
Libraries		-	-	-	-	-	-	-	-	-	
Recreational facilities		-	-	3 200	-	3 189	3 200	11	0.3%	3 200	
Fire, safety & emergency		-	618	-	-	-	-	-	-	-	
Security and policing		-	1 200	-	-	-	-	-	-	-	
Buses		-	-	-	-	-	-	-	-	-	
Clinics		-	-	-	-	-	-	-	-	-	
Museums & Art Galleries		94	-	-	-	-	-	-	-	-	
Cemeteries		-	2 000	-	-	-	-	-	-	-	
Social rental housing		-	-	-	-	-	-	-	-	-	
Other		27 168	3 270	4 494	-	-	4 494	4 494	100.0%	4 494	
Heritage assets		-	5 350	-	-	-	-	-	-	-	
Buildings		-	5 350	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets		39 968	10 712	44 091	9 734	40 021	44 091	4 071	9.2%	47 591	
General vehicles		2 343	-	8 237	1 484	6 716	8 237	1 521	18.5%	8 237	
Specialised vehicles		-	3 500	-	-	-	-	-	-	3 500	
Plant & equipment		28 413	3 347	12 051	5 321	10 682	12 051	1 369	11.4%	12 051	
Computers - hardware/equipment		573	2 995	3 365	683	3 486	3 365	(121)	-3.6%	3 365	
Furniture and other office equipment		7 964	600	9 305	1 093	5 981	9 305	3 324	35.7%	9 305	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	9 950	-	9 901	9 950	49	0.5%	9 950	
Civic Land and Buildings		-	-	1 184	-	868	1 184	316	26.7%	1 184	
Other Buildings		-	-	-	-	-	-	-	-	-	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		676	270	-	1 154	2 386	-	(2 386)	#DIV/0!	-	
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	134 606	16 700	111 925	134 606	22 681	16.8%	138 106	

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

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	548 634	39 693	284 545	548 634	264 089	48.1%	548 634
Infrastructure - Road transport		76 131	343 277	334 019	16 726	125 812	334 019	208 207	62.3%	334 019
Roads, Pavements & Bridges		76 016	343 277	333 719	16 661	125 552	333 719	208 167	62.4%	333 719
Storm water		115	-	300	65	260	300	40	13.3%	300
Infrastructure - Electricity		-	115 000	105 400	15 674	66 802	105 400	38 598	36.6%	105 400
Generation		-	115 000	105 400	15 674	66 802	105 400	38 598	36.6%	105 400
Transmission & Reticulation		-	-	-	-	-	-	-	0.0%	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		31 683	64 689	82 956	4 866	65 030	82 956	17 926	21.6%	82 956
Dams & Reservoirs		-	64 689	82 956	4 866	65 030	82 956	17 926	21.6%	82 956
Water purification		31 683	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	29 500	25 503	2 427	26 146	25 503	(642)	-2.5%	25 503
Reticulation		-	29 500	25 503	-	-	25 503	25 503	100.0%	25 503
Sewerage purification		-	-	-	2 427	26 146	-	(26 146)	0.0%	-
Infrastructure - Other		6 454	1 000	755	-	755	755	0	0.0%	755
Waste Management		-	1 000	755	-	755	755	0	0.0%	755
Transportation		6 454	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	0.0%	-
Community		22 013	31 250	9 522	211	4 551	9 522	4 971	52.2%	9 522
Parks & gardens		-	1 000	-	-	-	-	-	-	-
Sportsfields & stadia		13 919	21 500	121	-	121	121	0	0.0%	121
Swimming pools		-	2 000	3 025	-	-	3 025	3 025	100.0%	3 025
Community halls		4 458	-	-	-	-	-	-	-	-
Libraries		-	-	4 650	-	-	4 650	4 650	100.0%	4 650
Recreational facilities		-	-	1 171	19	2 823	1 171	(1 652)	0.0%	1 171
Fire, safety & emergency		2 766	-	55	-	-	55	55	100.0%	55
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		870	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	6 750	500	192	1 607	500	(1 107)	-221.5%	500
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		48 690	26 920	26 285	515	31 275	26 285	(4 990)	-19.0%	26 285
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	0.0%	-
Computers - hardware/equipment		-	3 750	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	396	2 019	-	(2 019)	0.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		1 973	-	461	-	251	461	211	45.7%	461
Civic Land and Buildings		43 678	10 170	15 671	64	14 359	15 671	1 312	8.4%	15 671
Other Buildings		301	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 738	13 000	10 152	55	14 646	10 152	(4 494)	-44.3%	10 152
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		19	25 000	23 165	12 074	29 415	23 165	(6 250)	-27.0%	23 165
Computers - software & programming		-	25 000	23 165	12 074	29 415	23 165	(6 250)	-27.0%	23 165
Other		19	-	-	-	-	-	-	0.0%	-
Total Capital Expenditure on renewal of existing ass	1	184 990	636 636	607 605	52 493	349 785	607 605	257 819	42.4%	607 605

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

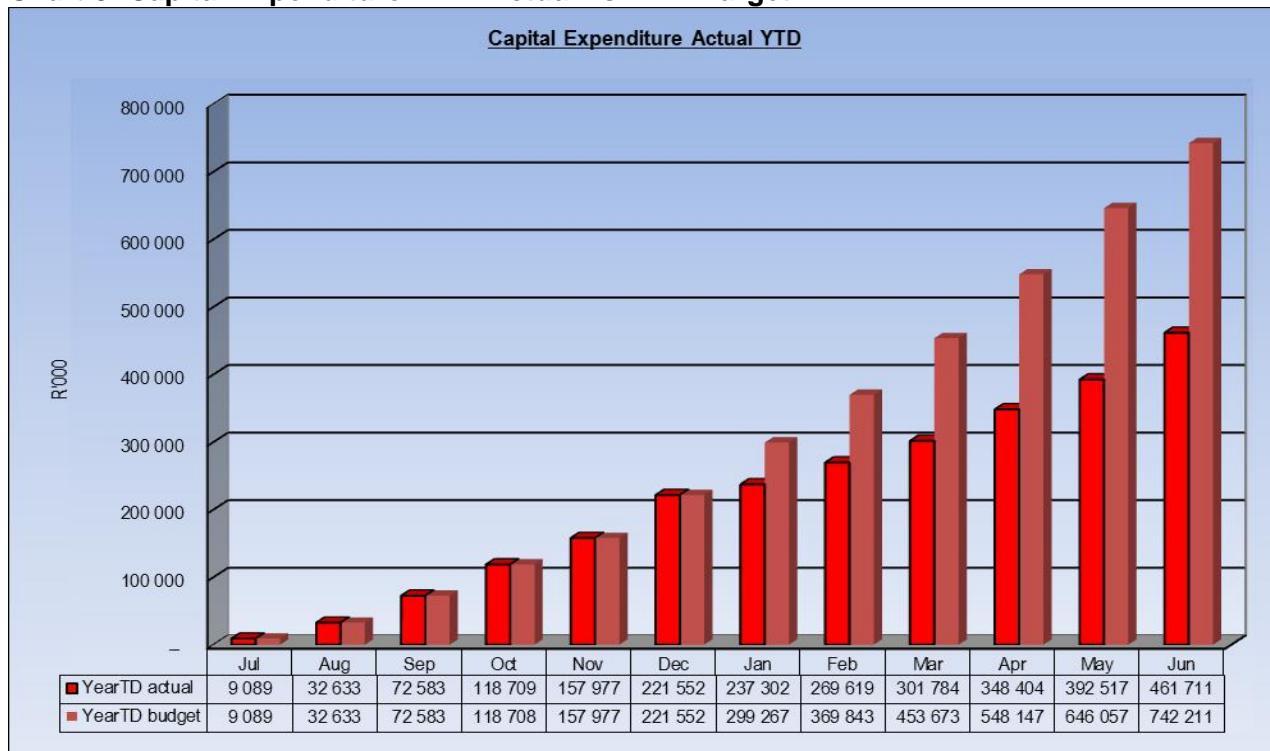
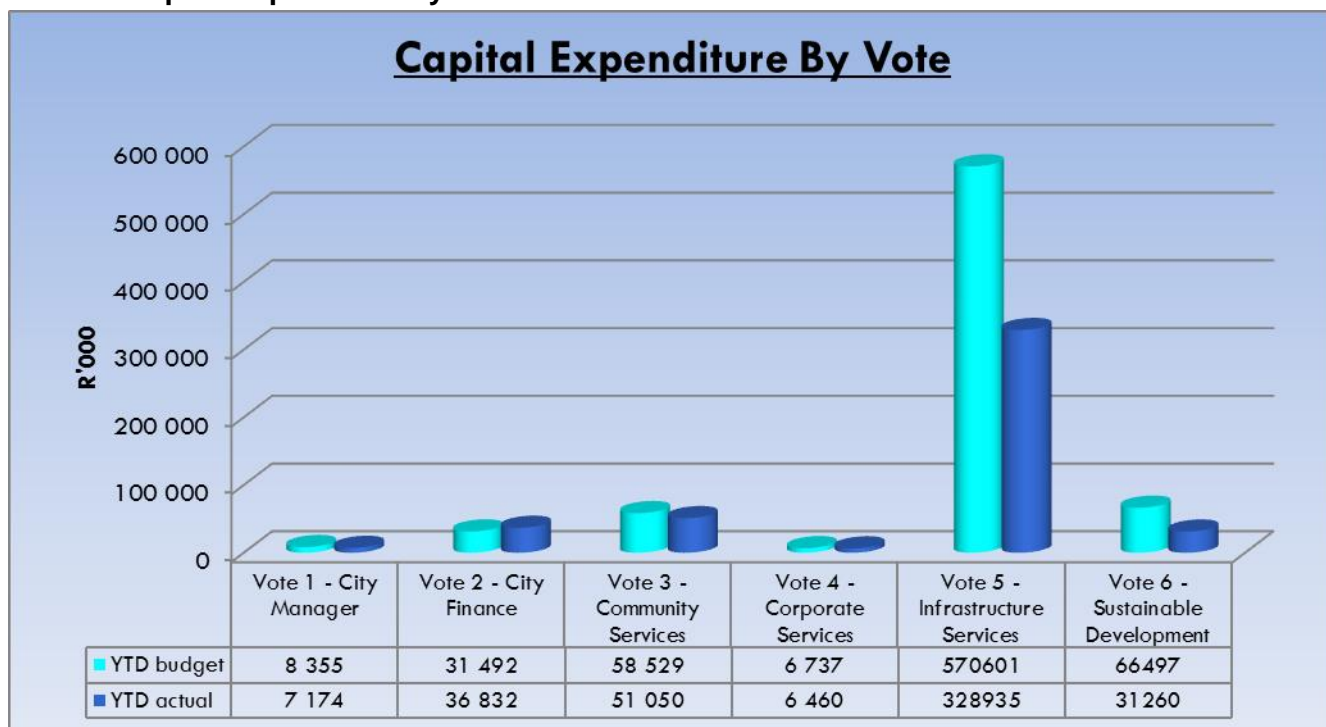


Chart 9: Capital Expenditure by Vote



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

The municipal entity's report for the month ending June 2016 is attached.

2.10 Municipal Manager's Quality's Certification

Quality Certificate

I, Mr S. Hadebe, the Acting Municipal Manager of MSUNDUZI LOCAL MUNICIPALITY, hereby certify that –

- the monthly budget statement

for the month of June 2016 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Sizwe Hadebe

Municipal manager of: MSUNDUZI MUNICIPALITY

Signature: _____

Date: _____