



Msunduzi Municipality
MFMA S71 Monthly Report

May 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 3.60 billion for the period ending 31 May 2016. The YTD Budget was R 3.94 billion, therefore the actual underperformed against the budget by R 337.1 million against the revenue projected. The two main contributors, both accounting for 64% of the actual total YTD Revenue earned are Electricity (46%) & Property Rates revenue (18%). 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 31 May 2016 amounted to R 3.49 billion while the YTD budget was R 3.93 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 680.3 million, the actual YTD Capital expenditure incurred amounted to R 392.5 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 31 May 2016 was R 1.12 billion.

Consumer Debt: Consumer debt at 31 May 2016 was just over R 1.97 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 - M11 May

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	794 866	58 842	694 839	728 627	(33 788)	-5%	794 866
Service charges	2 227 636	2 694 541	2 694 542	186 262	2 244 420	2 469 997	(225 577)	-9%	2 694 542
Investment revenue	50 973	33 988	33 988	4 594	54 825	31 156	23 669	76%	33 988
Transfers recognised - operational	519 604	440 652	490 476	5 833	455 479	449 603	5 876	1%	490 476
Other own revenue	325 520	211 526	286 517	17 403	155 326	262 640	(107 315)	-41%	286 517
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 165 169	4 300 388	272 934	3 604 888	3 942 022	(337 134)	-9%	4 300 388
Employee costs	832 532	956 536	957 458	71 139	831 859	877 670	(45 811)	-5%	957 458
Remuneration of Councillors	34 657	42 350	42 350	3 384	37 329	38 821	(1 492)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	556 483	40 268	433 562	510 109	(76 547)	-15%	556 483
Finance charges	71 169	69 489	69 289	155	46 483	63 515	(17 032)	-27%	69 289
Materials and bulk purchases	1 591 553	1 766 585	1 943 051	149 496	1 742 149	1 781 130	(38 981)	-2%	1 943 051
Transfers and grants	11 572	134 035	101 081	20	5 891	92 657	(86 766)	-94%	101 081
Other expenditure	1 121 566	706 958	621 864	50 171	400 681	570 042	(169 361)	-30%	621 864
Total Expenditure	4 126 113	4 161 699	4 291 576	314 634	3 497 954	3 933 945	(435 990)	-11%	4 291 576
Surplus/(Deficit)	(285 775)	3 470	8 812	(41 699)	106 934	8 078	98 857	1224%	8 812
Transfers recognised - capital	356 459	489 060	490 090	37 503	260 823	449 249	(188 426)	-42%	490 090
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	70 683	492 530	498 902	(4 196)	367 757	457 327	(89 570)	-20%	498 902
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 683	492 530	498 902	(4 196)	367 757	457 327	(89 570)	-20%	498 902
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	710 288
Capital transfers recognised	291 650	489 060	515 988	32 283	250 972	472 989	(222 017)	-47%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	3 589	47 733	91 667	(43 934)	-48%	100 000
Internally generated funds	155 105	120 000	126 223	8 241	93 812	115 704	(21 892)	-19%	120 000
Total sources of capital funds	528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 364 942				3 169 489
Total non current assets	7 548 842	7 568 078	7 547 576		7 471 086				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		734 667				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 305 954				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 468		7 795 407				8 077 467
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	(5 003)	617 408	664 807	47 399	7%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(44 113)	(392 517)	(540 380)	(147 863)	27%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	331	56 703	50 783	(5 920)	-12%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	1 123 660	1 017 563	(106 098)	-10%	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	278 802	101 753	52 570	53 697	49 295	42 023	43 130	#####	1 972 236
Creditors Age Analysis									
Total Creditors	343 188	1 911	367	50	36	3 630	-	-	349 182

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M11 May

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	111 445	1 406 392	1 323 425	82 967	6%	1 443 736
Executive and council		6 748	1 600	930	16	3 116	853	2 264	266%	930
Budget and treasury office		1 422 429	1 276 437	1 432 810	111 406	1 402 850	1 313 409	89 441	7%	1 432 810
Corporate services		5 993	3 162	9 997	23	426	9 164	(8 738)	-95%	9 997
<i>Community and public safety</i>		225 653	13 361	139 282	6 110	102 961	127 675	(24 714)	-19%	139 282
Community and social services		71 074	3 250	66 588	2 656	47 455	61 039	(13 584)	-22%	66 588
Sport and recreation		24 880	729	838	1 532	25 418	768	24 649	3209%	838
Public safety		111 819	5 827	25 684	786	13 688	23 544	(9 856)	-42%	25 684
Housing		17 809	3 485	46 139	1 136	16 391	42 294	(25 904)	-61%	46 139
Health		71	70	32	-	10	29	(20)	-67%	32
<i>Economic and environmental services</i>		235 988	171 598	452 543	21 305	142 344	414 831	(272 487)	-66%	452 543
Planning and development		63 074	7 972	50 312	1 157	15 323	46 120	(30 796)	-67%	50 312
Road transport		172 914	163 627	402 230	20 148	127 020	368 711	(241 691)	-66%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 220 125	210 156	2 631 490	2 951 781	(320 291)	-11%	3 220 125
Electricity		1 723 118	1 700 095	1 926 916	137 308	1 686 850	1 766 340	(79 490)	-5%	1 926 916
Water		660 510	500 521	1 009 716	50 906	666 189	925 573	(259 384)	-28%	1 009 716
Waste water management		191 593	149 071	167 552	15 559	180 334	153 589	26 745	17%	167 552
Waste management		115 022	87 359	115 941	6 383	98 116	106 279	(8 163)	-8%	115 941
<i>Other</i>	4	34 298	89 565	32 683	1 093	24 234	29 960	(5 726)	-19%	32 683
Total Revenue - Standard	2	4 621 352	3 992 771	5 288 369	350 109	4 307 420	4 847 671	(540 251)	-11%	5 288 369
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	934 963	78 406	839 906	857 049	(17 144)	-2%	934 963
Executive and council		7 712	384 298	142 328	10 721	118 715	130 467	(11 752)	-9%	142 328
Budget and treasury office		859 050	200 157	581 205	53 159	568 656	532 771	35 885	7%	581 205
Corporate services		8 009	106 965	211 431	14 526	152 535	193 811	(41 277)	-21%	211 431
<i>Community and public safety</i>		670 660	421 741	567 016	48 964	494 123	519 765	(25 642)	-5%	567 016
Community and social services		116 571	99 202	126 563	10 752	115 290	116 016	(727)	-1%	126 563
Sport and recreation		145 186	81 358	110 436	10 591	100 637	101 233	(596)	-1%	110 436
Public safety		316 932	196 317	238 113	19 254	218 565	218 271	294	0%	238 113
Housing		49 923	25 149	71 586	6 773	42 152	65 620	(23 468)	-36%	71 586
Health		42 048	19 716	20 318	1 593	17 480	18 625	(1 145)	-6%	20 318
<i>Economic and environmental services</i>		522 277	462 751	571 409	37 137	387 320	523 791	(136 471)	-26%	571 409
Planning and development		97 679	128 290	107 132	7 446	95 432	98 205	(2 773)	-3%	107 132
Road transport		424 597	334 461	464 276	29 691	291 888	425 587	(133 698)	-31%	464 276
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 673 326	184 947	2 175 717	2 450 549	(274 832)	-11%	2 673 326
Electricity		1 512 417	1 374 079	1 580 022	117 399	1 408 808	1 448 353	(39 545)	-3%	1 580 022
Water		590 023	406 791	800 434	45 031	515 571	733 731	(218 160)	-30%	800 434
Waste water management		175 548	9 621	184 060	13 687	154 194	168 721	(14 527)	-9%	184 060
Waste management		150 620	102 716	108 811	8 830	97 143	99 743	(2 600)	-3%	108 811
<i>Other</i>		54 353	31 122	42 753	4 852	42 597	39 190	3 407	9%	42 753
Total Expenditure - Standard	3	4 550 669	3 500 241	4 789 467	354 305	3 939 663	4 390 344	(450 681)	-10%	4 789 467
Surplus/ (Deficit) for the year		70 683	492 530	498 902	(4 196)	367 757	457 327	(89 570)	-20%	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) - M11 May

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	22	3 174	853	2 322	272.3%	930
Vote 2 - City Finance		1 422 429	1 598 335	1 432 810	111 406	1 402 850	1 313 409	89 441	6.8%	1 432 810
Vote 3 - Community Services & Social Equity		281 059	155 606	174 268	10 240	159 951	159 745	206	0.1%	174 268
Vote 4 - Corporate Services		5 890	10 026	9 998	17	368	9 165	(8 797)	-96.0%	9 998
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 531 604	224 135	2 671 812	3 237 304	(565 492)	-17.5%	3 531 604
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	138 759	4 289	69 265	127 196	(57 931)	-45.5%	138 759
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	5 288 369	350 109	4 307 420	4 847 671	(540 251)	-11.1%	5 288 369
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	170 256	12 585	140 402	156 068	(15 666)	-10.0%	170 256
Vote 2 - City Finance		931 400	672 127	656 586	60 393	635 265	601 871	33 394	5.5%	656 586
Vote 3 - Community Services & Social Equity		732 073	550 686	580 930	47 956	521 965	532 519	(10 554)	-2.0%	580 930
Vote 4 - Corporate Services		8 582	195 576	192 013	13 110	135 286	176 012	(40 726)	-23.1%	192 013
Vote 5 - Infrastructure Services		2 664 812	3 005 424	2 991 698	202 428	2 345 448	2 742 390	(396 942)	-14.5%	2 991 698
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	197 984	17 832	161 298	181 485	(20 187)	-11.1%	197 984
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 550 669	4 730 514	4 789 467	354 305	3 939 663	4 390 344	(450 681)	-10.3%	4 789 467
Surplus/ (Deficit) for the year	2	70 683	492 530	498 902	(4 196)	367 757	457 327	(89 570)	-19.6%	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 31 May 2016.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	63 176	676 561	690 724	(14 162)	-2%	753 517
Property rates - penalties & collection charges		30 207	41 349	41 349	(4 334)	18 277	37 903	(19 626)	-52%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	136 647	1 626 058	1 710 231	(84 173)	-5%	1 865 706
Service charges - water revenue		452 443	595 443	595 443	32 891	435 445	545 823	(110 377)	-20%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	11 401	107 532	127 848	(20 316)	-16%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	5 323	75 384	86 095	(10 711)	-12%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 428	1 689	18 286	37 975	(19 689)	-52%	41 428
Interest earned - external investments		50 973	33 988	33 988	4 594	54 825	31 156	23 669	76%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	339	55 821	57 377	(1 556)	-3%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	21 525	374	9 300	19 731	(10 431)	-53%	21 525
Licences and permits		89	87	87	5	84	80	4	5%	87
Agency services		578	632	14 669	52	481	13 447	(12 966)	-96%	14 669
Transfers recognised - operational		519 604	440 652	490 476	5 833	455 479	449 603	5 876	1%	490 476
Other revenue		123 214	79 695	136 515	15 593	71 436	125 139	(53 703)	-43%	136 515
Gains on disposal of PPE		-	9 700	9 700	(650)	(82)	8 892	(8 974)	-101%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 165 169	4 300 388	272 934	3 604 888	3 942 022	(337 134)	-9%	4 300 388
Expenditure By Type										
Employee related costs		832 532	956 536	957 458	71 139	831 859	877 670	(45 811)	-5%	957 458
Remuneration of councillors		34 657	42 350	42 350	3 384	37 329	38 821	(1 492)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	98 317	(98 317)	-100%	107 255
Depreciation & asset impairment		463 063	485 746	556 483	40 268	433 562	510 109	(76 547)	-15%	556 483
Finance charges		71 169	69 489	69 289	155	46 483	63 515	(17 032)	-27%	69 289
Bulk purchases		1 586 802	1 736 811	1 771 493	133 057	1 606 325	1 623 868	(17 543)	-1%	1 771 493
Other materials		4 751	29 773	171 558	16 440	135 824	157 262	(21 438)	-14%	171 558
Contracted services		29 698	18 556	155 439	13 556	107 574	142 486	(34 912)	-25%	155 439
Transfers and grants		11 572	134 035	101 081	20	5 891	92 657	(86 766)	-94%	101 081
Other expenditure		869 758	563 817	359 170	36 615	289 553	329 239	(39 687)	-12%	359 170
Loss on disposal of PPE		-	-	-	-	3 554	-	3 554	#DIV/0!	-
Total Expenditure		4 126 113	4 161 699	4 291 576	314 634	3 497 954	3 933 945	(435 990)	-11%	4 291 576
Surplus/(Deficit)		(285 775)	3 470	8 812	(41 699)	106 934	8 078	98 857	0	8 812
Transfers recognised - capital		356 459	489 060	490 090	37 503	260 823	449 249	(188 426)	(0)	490 090
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 683	492 530	498 902	(4 196)	367 757	457 327			498 902
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 683	492 530	498 902	(4 196)	367 757	457 327			498 902
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 683	492 530	498 902	(4 196)	367 757	457 327			498 902
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 683	492 530	498 902	(4 196)	367 757	457 327			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) - M11 May

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	224	4 369	6 591	(2 222)	-34%	6 180
Vote 2 - City Finance		15 139	26 500	4 982	291	4 881	4 566	315	7%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	40 513	1 151	33 368	37 137	(3 769)	-10%	54 868
Vote 4 - Corporate Services		4 119	3 250	-	-	-	-	-	-	3 637
Vote 5 - Infrastructure Services		333 861	569 454	552 278	37 821	268 086	506 255	(238 169)	-47%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	58 976	489	26 652	54 061	(27 409)	-51%	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	39 976	337 356	608 611	(271 255)	-45%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	1 165	57	728	1 068	(340)	-32%	750
Vote 2 - City Finance		13 442	710	26 510	1 000	19 276	24 301	(5 024)	-21%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	18 016	1 099	13 149	16 515	(3 365)	-20%	17 619
Vote 4 - Corporate Services		8 398	3 150	6 737	821	5 713	6 176	(463)	-8%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	18 323	1 413	12 957	16 796	(3 839)	-23%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	7 521	(253)	3 338	6 894	(3 556)	-52%	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	4 137	55 161	71 749	(16 587)	-23%	27 006
Total Capital Expenditure		528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	46 584	3 293	34 967	42 702	(7 735)	-18%	39 360
Executive and council		9 665	5 750	8 355	281	5 097	7 659	(2 562)	-33%	5 750
Budget and treasury office		28 581	27 210	31 491	2 192	24 157	28 867	(4 710)	-16%	27 210
Corporate services		12 517	6 400	6 737	821	5 713	6 176	(463)	-8%	6 400
Community and public safety		68 187	63 824	63 174	1 759	48 661	57 909	(9 248)	-16%	63 824
Community and social services		17 495	3 446	10 792	214	4 397	9 893	(5 496)	-56%	3 446
Sport and recreation		45 618	33 350	40 214	1 177	38 085	36 863	1 222	3%	33 350
Public safety		1 883	8 333	3 533	299	757	3 239	(2 482)	-77%	8 333
Housing		3 191	17 075	8 635	69	5 423	7 915	(2 482)	-31%	17 075
Health		-	1 620	-	-	-	-	-	-	1 620
Economic and environmental services		166 656	347 746	365 416	16 749	134 238	334 965	(200 727)	-60%	347 746
Planning and development		48 972	28 325	57 862	176	22 732	53 040	(30 308)	-57%	28 325
Road transport		116 686	317 801	305 934	16 195	110 157	280 439	(170 283)	-61%	317 801
Environmental protection		997	1 620	1 620	378	1 349	1 485	(136)	-9%	1 620
Trading services		236 720	258 353	267 037	23 222	172 816	244 784	(71 968)	-29%	258 353
Electricity		136 907	133 000	137 861	7 144	77 246	126 373	(49 127)	-39%	133 000
Water		53 989	83 133	83 672	12 162	60 647	76 699	(16 051)	-21%	83 133
Waste water management		33 205	37 500	41 638	3 734	31 933	38 168	(6 235)	-16%	37 500
Waste management		12 620	4 720	3 866	182	2 989	3 544	(554)	-16%	4 720
Other		6 311	1 398	-	(909)	1 835	-	1 835	#DIV/0!	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	742 211	44 113	392 517	680 360	(287 843)	-42%	710 680
Funded by:										
National Government		224 530	489 060	482 602	31 847	236 758	442 385	(205 627)	-46%	489 060
Provincial Government		67 121	-	33 386	437	14 214	30 604	(16 390)	-54%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	515 988	32 283	250 972	472 989	(222 017)	-47%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	3 589	47 733	91 667	(43 934)	-48%	100 000
Internally generated funds		155 105	120 000	126 223	8 241	93 812	115 704	(21 892)	-19%	120 000
Total Capital Funding		528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	709 060

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

Table C6 displays the financial position of the municipality as at 31 May 2016.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M11 May

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	83 601	81 975
Call investment deposits		745 471	1 086 263	1 085 994	1 040 059	1 085 994
Consumer debtors		728 136	883 147	883 147	1 280 109	883 147
Other debtors		390 671	376 440	376 438	(106 710)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	67 837	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 364 942	3 169 489
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 864	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	7 038 681	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	936	46 520
Intangible assets		18 880	27 283	27 283	18 400	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	7 471 086	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 836 029	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	94 772	92 798
Trade and other payables		765 335	1 217 489	1 217 489	614 708	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		915 372	1 378 122	1 378 122	734 667	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	652 205	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 305 954	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	2 040 621	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 795 407	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 534 882	7 904 553
Reserves		257 948	172 915	172 914	260 526	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 795 407	8 077 467

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

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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	53 097	626 950	593 226	33 724	6%	711 871
Service charges		2 227 636	2 349 116	2 349 116	209 630	2 283 056	1 957 597	325 460	17%	2 349 116
Other revenue		18 478	84 318	84 320	18 495	341 667	70 267	271 400	386%	84 320
Government - operating		519 604	440 652	484 851	3 143	429 993	404 043	25 951	6%	484 851
Government - capital		356 459	489 060	453 347	-	475 338	377 789	97 549	26%	453 347
Interest		120 502	64 837	64 894	2 818	40 650	54 078	(13 428)	-25%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(292 011)	(3 517 311)	(2 794 563)	722 749	-26%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(155)	(46 483)	(57 916)	(11 433)	20%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(16 453)	(151)	16 302	-10808%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	(5 003)	617 408	604 370	(13 038)	-2%	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)	(44 113)	(392 517)	(491 254)	(98 737)	20%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(44 113)	(392 517)	(491 254)	(98 737)	20%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000		100 000	83 333	16 667	20%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	331	4 355	4 375	(20)	0%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)		(47 652)	(41 542)	6 110	-15%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	331	56 703	46 167	(10 536)	-23%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		827 273	951 511	842 352	(48 785)	842 067	842 352			842 067
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		1 123 660	1 001 635			1 033 206

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M11 May

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	794 866	58 842	694 839	728 627	(33 788)	-5%	794 866
Service charges	2 227 636	2 694 541	2 694 542	186 262	2 244 420	2 469 997	(225 577)	-9%	2 694 542
Investment revenue	50 973	33 988	33 988	4 604	55 010	31 208	23 802	76%	33 988
Transfers recognised - operational	519 604	440 652	490 476	5 833	455 479	449 603	5 876	1%	490 476
Other own revenue	325 520	211 526	286 517	17 403	155 326	262 640	(107 315)	-41%	286 517
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 165 169	4 300 388	272 944	3 605 073	3 942 074	(337 001)	-9%	4 300 388
Employee costs	832 532	956 536	957 366	71 532	835 706	882 069	(46 363)	-5%	957 366
Remuneration of Councillors	34 657	42 350	42 350	3 384	37 329	38 821	(1 492)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	556 483	40 268	433 562	510 109	(76 547)	-15%	556 483
Finance charges	71 169	69 489	69 289	156	46 494	63 526	(17 032)	-27%	69 289
Materials and bulk purchases	1 591 553	1 766 585	1 952 941	149 501	1 742 301	1 781 386	(39 085)	-2%	1 952 941
Transfers and grants	11 572	134 035	134 036	20	5 891	92 657	(86 766)	-94%	134 036
Other expenditure	1 121 566	706 958	579 111	50 422	409 612	579 416	(169 804)	-29%	579 111
Total Expenditure	4 126 113	4 161 699	4 291 576	315 284	3 510 895	3 947 985	(437 089)	-11%	4 291 576
Surplus/(Deficit)	(285 775)	3 470	8 812	(42 339)	94 178	(5 910)	100 089	-1693%	8 812
Transfers recognised - capital	356 459	489 060	490 090	37 503	260 823	449 249	(188 426)	-42%	490 090
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	70 683	492 530	498 902	(4 836)	355 001	443 339	(88 338)	-20%	498 902
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 683	492 530	498 902	(4 836)	355 001	443 339	(88 338)	-20%	498 902
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	710 288
Capital transfers recognised	291 650	489 060	515 988	32 283	250 972	472 989	(222 017)	-47%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	3 589	47 733	91 667	(43 934)	-48%	100 000
Internally generated funds	155 105	120 000	126 223	8 241	93 812	115 704	(21 892)	-19%	120 000
Total sources of capital funds	528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 346 250				3 169 489
Total non current assets	7 548 842	7 568 078	7 547 576		7 471 086				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		734 667				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 305 954				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 468		7 776 715				8 077 467
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	(5 496)	605 326	652 592	47 266	7%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(50 723)	(399 127)	(540 380)	(141 253)	26%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	331	56 703	50 783	(5 920)	-12%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	1 104 968	1 005 348	(99 621)	-10%	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	278 802	101 753	52 570	53 697	49 295	42 023	43 130	#####	1 972 236
Creditors Age Analysis									
Total Creditors	343 188	1 911	367	50	36	3 630	-	-	349 182

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	1 443 736	111 445	1 406 392	1 323 425	82 967	6%	1 443 736
Executive and council		6 748	1 600	930	16	3 116	853	2 264	266%	930
Budget and treasury office		1 422 429	1 276 437	1 432 810	111 406	1 402 850	1 313 409	89 441	7%	1 432 810
Corporate services		5 993	3 162	9 997	23	426	9 164	(8 738)	-95%	9 997
<i>Community and public safety</i>		225 653	13 361	139 282	6 110	102 961	127 675	(24 714)	-19%	139 282
Community and social services		71 074	3 250	66 588	2 656	47 455	61 039	(13 584)	-22%	66 588
Sport and recreation		24 880	729	838	1 532	25 418	768	24 649	3209%	838
Public safety		111 819	5 827	25 684	786	13 688	23 544	(9 856)	-42%	25 684
Housing		17 809	3 485	46 139	1 136	16 391	42 294	(25 904)	-61%	46 139
Health		71	70	32	-	10	29	(20)	-67%	32
<i>Economic and environmental services</i>		235 988	171 598	452 543	21 305	142 344	414 831	(272 487)	-66%	452 543
Planning and development		63 074	7 972	50 312	1 157	15 323	46 120	(30 796)	-67%	50 312
Road transport		172 914	163 627	402 230	20 148	127 020	368 711	(241 691)	-66%	402 230
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 220 125	210 156	2 631 490	2 951 781	(320 291)	-11%	3 220 125
Electricity		1 723 118	1 700 095	1 926 916	137 308	1 686 850	1 766 340	(79 490)	-5%	1 926 916
Water		660 510	500 521	1 009 716	50 906	666 189	925 573	(259 384)	-28%	1 009 716
Waste water management		191 593	149 071	167 552	15 559	180 334	153 589	26 745	17%	167 552
Waste management		115 022	87 359	115 941	6 383	98 116	106 279	(8 163)	-8%	115 941
<i>Other</i>	4	34 298	89 565	32 683	1 093	24 234	29 960	(5 726)	-19%	32 683
Total Revenue - Standard	2	4 621 352	3 992 771	5 288 369	350 109	4 307 420	4 847 671	(540 251)	-11%	5 288 369
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	919 049	78 406	839 906	857 049	(17 144)	-2%	919 049
Executive and council		7 712	384 298	137 072	10 721	118 715	130 467	(11 752)	-9%	137 072
Budget and treasury office		859 050	200 157	570 519	53 159	568 656	532 771	35 885	7%	570 519
Corporate services		8 009	106 965	211 458	14 526	152 535	193 811	(41 277)	-21%	211 458
<i>Community and public safety</i>		670 660	421 741	540 009	49 604	506 879	519 765	(12 886)	-2%	540 009
Community and social services		116 571	99 202	126 663	10 752	115 290	116 016	(727)	-1%	126 663
Sport and recreation		145 186	81 358	106 336	10 591	100 637	101 233	(596)	-1%	106 336
Public safety		316 932	196 317	214 469	19 894	231 321	218 271	13 050	6%	214 469
Housing		49 923	25 149	72 202	6 773	42 152	65 620	(23 468)	-36%	72 202
Health		42 048	19 716	20 339	1 593	17 480	18 625	(1 145)	-6%	20 339
<i>Economic and environmental services</i>		522 277	462 751	572 219	37 137	387 320	523 791	(136 471)	-26%	572 219
Planning and development		97 679	128 290	107 541	7 446	95 432	98 205	(2 773)	-3%	107 541
Road transport		424 597	334 461	464 678	29 691	291 888	425 587	(133 698)	-31%	464 678
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 715 356	184 947	2 175 717	2 450 549	(274 832)	-11%	2 715 356
Electricity		1 512 417	1 374 079	1 591 127	117 399	1 408 808	1 448 353	(39 545)	-3%	1 591 127
Water		590 023	406 791	831 200	45 031	515 571	733 731	(218 160)	-30%	831 200
Waste water management		175 548	9 621	184 477	13 687	154 194	168 721	(14 527)	-9%	184 477
Waste management		150 620	102 716	108 552	8 830	97 143	99 743	(2 600)	-3%	108 552
<i>Other</i>		54 353	31 122	42 835	4 852	42 597	39 190	3 407	9%	42 835
Total Expenditure - Standard	3	4 550 669	3 500 241	4 789 467	354 945	3 952 419	4 390 344	(437 925)	-10%	4 789 467
Surplus/ (Deficit) for the year		70 683	492 530	498 902	(4 836)	355 001	457 327	(102 326)	-22%	498 902

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	1 600	930	22	3 174	853	2 322	272.3%	930
Vote 2 - City Finance		1 422 429	1 598 335	1 432 810	111 406	1 402 850	1 313 409	89 441	6.8%	1 432 810
Vote 3 - Community Services & Social Equity		281 059	155 606	174 268	10 240	159 951	159 745	206	0.1%	174 268
Vote 4 - Corporate Services		5 890	10 026	9 998	17	368	9 165	(8 797)	-96.0%	9 998
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 531 604	224 135	2 671 812	3 237 304	(565 492)	-17.5%	3 531 604
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	138 759	4 289	69 265	127 196	(57 931)	-45.5%	138 759
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	5 288 369	350 109	4 307 420	4 847 671	(540 251)	-11.1%	5 288 369
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	165 001	12 585	140 402	156 068	(15 666)	-10.0%	165 001
Vote 2 - City Finance		931 400	672 127	644 446	60 393	635 265	601 871	33 394	5.5%	644 446
Vote 3 - Community Services & Social Equity		732 073	550 686	551 165	48 596	534 721	532 519	2 202	0.4%	551 165
Vote 4 - Corporate Services		8 582	195 576	192 060	13 110	135 286	176 012	(40 726)	-23.1%	192 060
Vote 5 - Infrastructure Services		2 664 812	3 005 424	3 037 678	202 428	2 345 448	2 742 390	(396 942)	-14.5%	3 037 678
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	199 117	17 832	161 298	181 485	(20 187)	-11.1%	199 117
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 550 669	4 730 514	4 789 467	354 945	3 952 419	4 390 344	(437 925)	-10.0%	4 789 467
Surplus/ (Deficit) for the year	2	70 683	492 530	498 902	(4 836)	355 001	457 327	(102 326)	-22.4%	498 902

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	63 176	676 561	690 724	(14 162)	-2%	753 517
Property rates - penalties & collection charges		30 207	41 349	41 349	(4 334)	18 277	37 903	(19 626)	-52%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	136 647	1 626 058	1 710 231	(84 173)	-5%	1 865 706
Service charges - water revenue		452 443	595 443	595 443	32 891	435 445	545 823	(110 377)	-20%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	11 401	107 532	127 848	(20 316)	-16%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	5 323	75 384	86 095	(10 711)	-12%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 428	1 689	18 286	37 975	(19 689)	-52%	41 428
Interest earned - external investments		50 973	33 988	33 988	4 604	55 010	31 208	23 802	76%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	339	55 821	57 377	(1 556)	-3%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	21 525	374	9 300	19 731	(10 431)	-53%	21 525
Licences and permits		89	87	87	5	84	80	4	5%	87
Agency services		578	632	14 669	52	481	13 447	(12 966)	-96%	14 669
Transfers recognised - operational		519 604	440 652	490 476	5 833	455 479	449 603	5 876	1%	490 476
Other revenue		123 214	79 695	136 515	15 593	71 436	125 139	(53 703)	-43%	136 515
Gains on disposal of PPE		-	9 700	9 700	(650)	(82)	8 892	(8 974)	-101%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 165 169	4 300 388	272 944	3 605 073	3 942 074	(337 001)	-9%	4 300 388
Expenditure By Type										
Employee related costs		832 532	956 536	957 366	71 532	835 706	882 069	(46 363)	-5%	957 366
Remuneration of councillors		34 657	42 350	42 350	3 384	37 329	38 821	(1 492)	-4%	42 350
Debt impairment		222 110	124 586	107 255	149	1 638	99 955	(98 317)	-98%	107 255
Depreciation & asset impairment		463 063	485 746	556 483	40 268	433 562	510 109	(76 547)	-15%	556 483
Finance charges		71 169	69 489	69 289	156	46 494	63 526	(17 032)	-27%	69 289
Bulk purchases		1 586 802	1 736 811	1 776 493	133 057	1 606 325	1 623 868	(17 543)	-1%	1 776 493
Other materials		4 751	29 773	176 448	16 445	135 976	157 518	(21 542)	-14%	176 448
Contracted services		29 698	18 556	117 473	13 574	114 383	149 337	(34 954)	-23%	117 473
Transfers and grants		11 572	134 035	134 036	20	5 891	92 657	(86 766)	-94%	134 036
Other expenditure		869 758	563 817	354 384	36 699	290 037	330 124	(40 088)	-12%	354 384
Loss on disposal of PPE		-	-	-	-	3 554	-	3 554	#DIV/0!	-
Total Expenditure		4 126 113	4 161 699	4 291 576	315 284	3 510 895	3 947 985	(437 089)	-11%	4 291 576
Surplus/(Deficit)		(285 775)	3 470	8 812	(42 339)	94 178	(5 910)	100 089	(0)	8 812
Transfers recognised - capital		356 459	489 060	490 090	37 503	260 823	449 249	(188 426)	(0)	490 090
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 683	492 530	498 902	(4 836)	355 001	443 339			498 902
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 683	492 530	498 902	(4 836)	355 001	443 339			498 902
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 683	492 530	498 902	(4 836)	355 001	443 339			498 902
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 683	492 530	498 902	(4 836)	355 001	443 339			498 902

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M11 May

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	224	4 369	6 591	(2 222)	-34%	6 180
Vote 2 - City Finance		15 139	26 500	4 982	291	4 881	4 566	315	7%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	40 513	1 151	33 368	37 137	(3 769)	-10%	54 868
Vote 4 - Corporate Services		4 119	3 250	-	-	-	-	-	-	3 637
Vote 5 - Infrastructure Services		333 861	569 454	552 278	37 821	268 086	506 255	(238 169)	-47%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	58 976	489	26 652	54 061	(27 409)	-51%	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	39 976	337 356	608 611	(271 255)	-45%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	1 165	57	728	1 068	(340)	-32%	750
Vote 2 - City Finance		13 442	710	26 510	1 000	19 276	24 301	(5 024)	-21%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	18 016	1 099	13 149	16 515	(3 365)	-20%	17 619
Vote 4 - Corporate Services		8 398	3 150	6 737	821	5 713	6 176	(463)	-8%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	18 323	1 413	12 957	16 796	(3 839)	-23%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	7 521	(253)	3 338	6 894	(3 556)	-52%	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	4 137	55 161	71 749	(16 587)	-23%	27 006
Total Capital Expenditure		528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	46 584	3 293	34 967	42 702	(7 735)	-18%	39 360
Executive and council		9 665	5 750	8 355	281	5 097	7 659	(2 562)	-33%	5 750
Budget and treasury office		28 581	27 210	31 491	2 192	24 157	28 867	(4 710)	-16%	27 210
Corporate services		12 517	6 400	6 737	821	5 713	6 176	(463)	-8%	6 400
Community and public safety		68 187	63 824	63 174	1 759	48 661	57 909	(9 248)	-16%	63 824
Community and social services		17 495	3 446	10 792	214	4 397	9 893	(5 496)	-56%	3 446
Sport and recreation		45 618	33 350	40 214	1 177	38 085	36 863	1 222	3%	33 350
Public safety		1 883	8 333	3 533	299	757	3 239	(2 482)	-77%	8 333
Housing		3 191	17 075	8 635	69	5 423	7 915	(2 492)	-31%	17 075
Health		-	1 620	-	-	-	-	-	-	1 620
Economic and environmental services		166 656	347 746	365 416	16 749	134 238	334 965	(200 727)	-60%	347 746
Planning and development		48 972	28 325	57 862	176	22 732	53 040	(30 308)	-57%	28 325
Road transport		116 686	317 801	305 934	16 195	110 157	280 439	(170 283)	-61%	317 801
Environmental protection		997	1 620	1 620	378	1 349	1 485	(136)	-9%	1 620
Trading services		236 720	258 353	267 037	23 222	172 816	244 784	(71 968)	-29%	258 353
Electricity		136 907	133 000	137 861	7 144	77 246	126 373	(49 127)	-39%	133 000
Water		53 989	83 133	83 672	12 162	60 647	76 699	(16 051)	-21%	83 133
Waste water management		33 205	37 500	41 638	3 734	31 933	38 168	(6 235)	-16%	37 500
Waste management		12 620	4 720	3 866	182	2 989	3 544	(554)	-16%	4 720
Other		6 311	1 398	-	(909)	1 835	-	1 835	#DIV/0!	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	742 211	44 113	392 517	680 360	(287 843)	-42%	710 680
Funded by:										
National Government		224 530	489 060	482 602	31 847	236 758	442 385	(205 627)	-46%	489 060
Provincial Government		67 121	-	33 386	437	14 214	30 604	(16 390)	-54%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	515 988	32 283	250 972	472 989	(222 017)	-47%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	3 589	47 733	91 667	(43 934)	-48%	100 000
Internally generated funds		155 105	120 000	126 223	8 241	93 812	115 704	(21 892)	-19%	120 000
Total Capital Funding		528 636	709 060	742 211	44 113	392 517	680 360	(287 843)	-42%	709 060

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11 May

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	64 909	81 975
Call investment deposits		745 471	1 086 263	1 085 994	1 040 059	1 085 994
Consumer debtors		728 136	883 147	883 147	1 280 109	883 147
Other debtors		390 671	376 440	376 438	(106 710)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	67 837	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 346 250	3 169 489
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 864	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	7 038 681	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	936	46 520
Intangible assets		18 880	27 283	27 283	18 400	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	7 471 086	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 817 337	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	94 772	92 798
Trade and other payables		765 335	1 217 489	1 217 489	614 708	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		915 372	1 378 122	1 378 122	734 667	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	652 205	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 305 954	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	2 040 621	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 776 715	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 516 190	7 904 553
Reserves		257 948	172 915	172 914	260 526	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 776 715	8 077 467

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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	53 097	626 950	652 548	(25 598)	-4%	711 871
Service charges		2 227 636	2 349 116	2 349 116	209 630	2 283 056	2 153 356	129 700	6%	2 349 116
Other revenue		18 478	84 318	84 320	18 495	341 667	77 293	264 374	342%	84 320
Government - operating		519 604	440 652	484 851	3 143	429 993	444 447	(14 454)	-3%	484 851
Government - capital		356 459	489 060	453 347	-	475 338	415 568	59 770	14%	453 347
Interest		120 502	64 837	64 894	2 828	40 835	59 538	(18 703)	-31%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(292 513)	(3 529 567)	(3 086 275)	443 292	-14%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(156)	(46 494)	(63 718)	(17 224)	27%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(16 453)	(166)	16 287	-9816%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	(5 496)	605 326	652 592	47 266	7%	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)	(50 723)	(399 127)	(540 380)	(141 253)	26%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(50 723)	(399 127)	(540 380)	(141 253)	26%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000		100 000	91 667	8 333	9%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	331	4 355	4 813	(458)	-10%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)		(47 652)	(45 696)	1 956	-4%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	331	56 703	50 783	(5 920)	-12%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD										
		6 860	172 159	191 139	(55 888)	262 902	162 996			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 067	842 352			842 067
Cash/cash equivalents at monthly/year end:		834 133	1 123 670	1 033 491		1 104 968	1 005 348			1 033 206

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

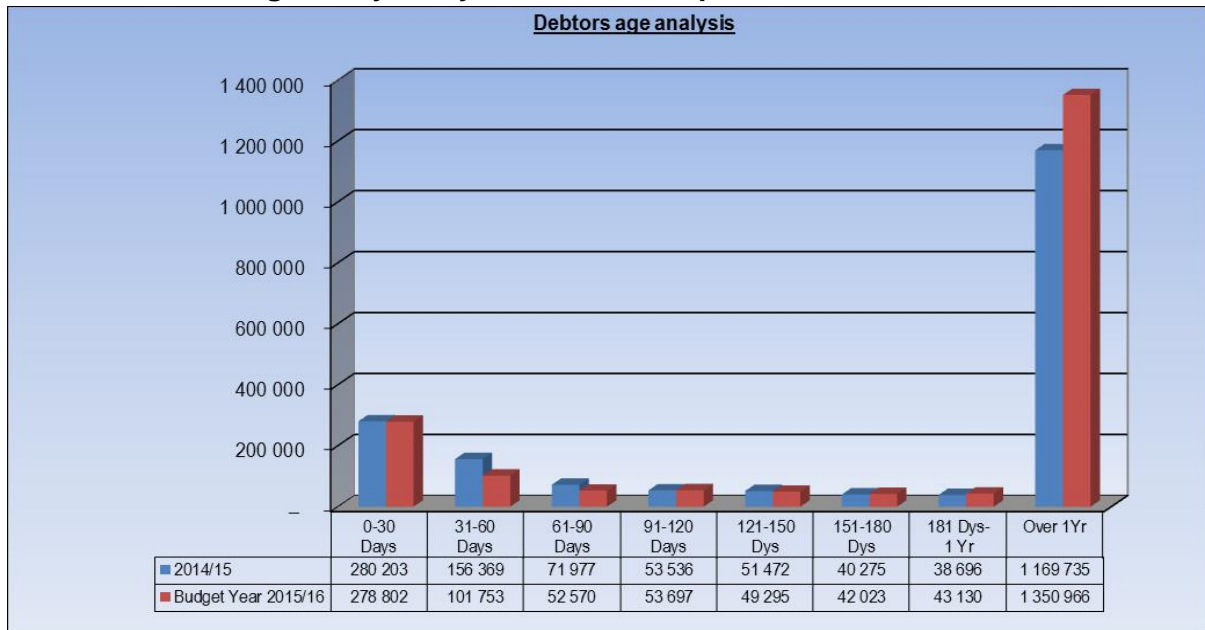
The table presented below summarises the Debtors Age Analysis as at 31 May 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2015/16										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	46 815	23 906	19 687	19 952	19 516	17 275	17 667	451 072	615 891	525 482		229 005
Trade and Other Receivables from Exchange Transactions - Electricity	1300	150 277	40 848	7 609	6 260	4 564	4 091	3 566	74 758	291 973	93 239		38 382
Receivables from Non-exchange Transactions - Property Rates	1400	54 551	18 414	9 507	9 050	9 618	7 830	7 944	224 084	340 998	258 526		123 583
Receivables from Exchange Transactions - Waste Water Management	1500	11 028	4 751	3 371	3 501	2 966	2 926	2 862	97 102	128 507	109 356		57 404
Receivables from Exchange Transactions - Waste Management	1600	6 821	2 543	1 733	1 650	1 590	1 541	1 500	51 840	69 218	58 121		31 145
Receivables from Exchange Transactions - Property Rental Debtors	1700	661	596	570	575	572	562	553	26 508	30 597	28 770		18 653
Interest on Arrear Debtor Accounts	1810	9 775	9 327	9 091	9 097	8 632	8 545	8 201	282 870	345 538	317 346		178 870
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	(1 126)	1 368	1 001	3 611	1 837	(747)	838	142 732	149 515	148 271		74 520
Total By Income Source	2000	278 802	101 753	52 570	53 697	49 295	42 023	43 130	1 350 966	1 972 236	1 539 111	-	751 562
2014/15 - totals only		280 203	156 369	71 977	53 536	51 472	40 275	38 696	1 169 735	1 862 262	1 353 713		602 904
Debtors Age Analysis By Customer Group													
Organs of State	2200	22 113	5 938	3 459	2 703	1 625	1 825	(1 258)	45 345	81 750	50 240		36 393
Commercial	2300	138 465	41 330	8 065	9 623	6 434	5 759	5 553	157 850	373 079	185 219		88 773
Households	2400	111 504	50 817	37 665	38 343	36 709	31 509	35 485	1 008 165	1 350 198	1 150 212		539 765
Other	2500	6 721	3 667	3 381	3 027	4 527	2 929	3 350	139 607	167 209	153 440		86 631
Total By Customer Group	2600	278 802	101 753	52 570	53 697	49 295	42 023	43 130	1 350 966	1 972 236	1 539 111	-	751 562

Chart 1: Debtors Age Analysis By Customer Group

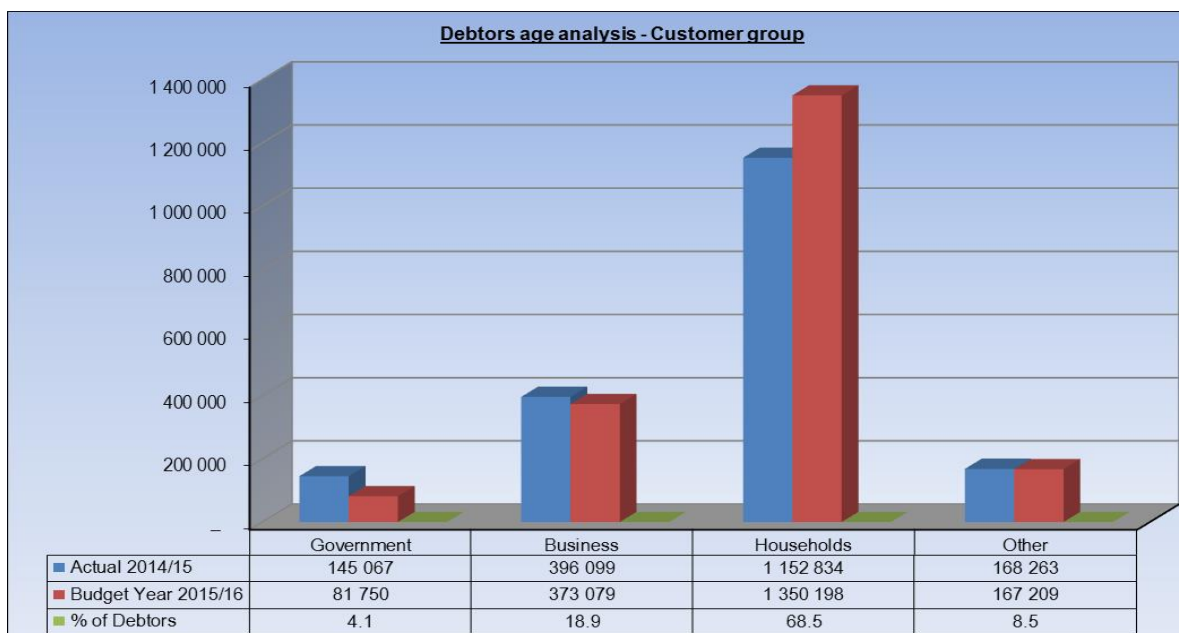


The information presented in the chart above reflects a slight increase in the outstanding debtor's balances as at 31 May 2016 of R 15.1 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1, 97 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 68% of the total municipal debt as detailed below:

- ✓ Households 68%
- ✓ Commercial 19%
- ✓ Other 9%
- ✓ Organs of State 4%

Chart 2: Year on Year Debtors Age Analysis



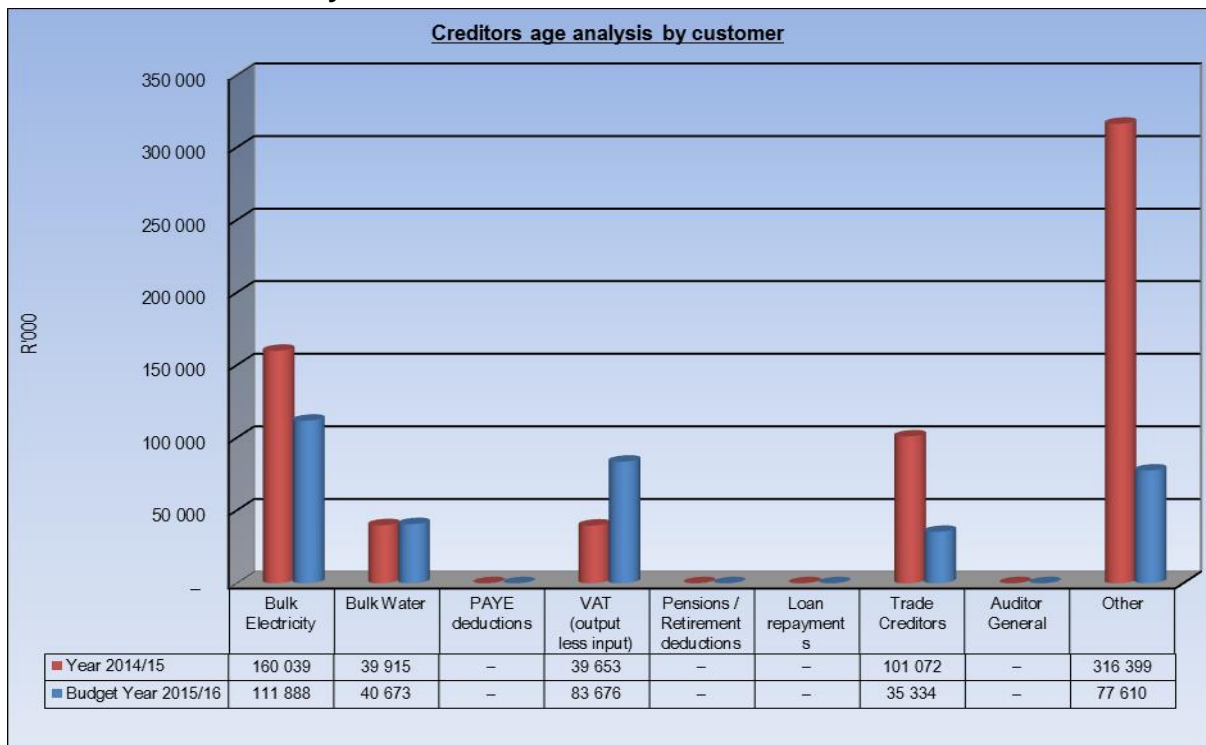
2.2 Creditors Analysis

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

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M11 May 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	111 888	-	-	-	-	-	-	-	111 888	160 039
Bulk Water	0200	40 673	-	-	-	-	-	-	-	40 673	39 915
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	83 676	-	-	-	-	-	-	-	83 676	39 653
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	29 340	1 911	367	50	36	3 630	-	-	35 334	101 072
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	77 610	-	-	-	-	-	-	-	77 610	316 399
Total By Customer Type	2600	343 188	1 911	367	50	36	3 630	-	-	349 182	657 078

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

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

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

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio							M11 May 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					26 933
Fixed - ABSA - 12 months (WCA)		12 months							8 318
Fixed - ABSA - Various		Various							200 000
Fixed - FNB - Various		Various							644 808
Standard Bank		3 months							160 000
Municipality sub-total					-		-	-	1 040 059

The total consolidated investment balances as at 31 May 2016 was R 1.040 billion.

2.4 Allocation and Grant receipts and Expenditure

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

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts						M11 May 2016			
Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		487 405	407 948	407 948	401 418	11 149	390 270	3500.6%	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	1 467	133	9.1%	1 600
Municipal Systems Improvement		-	930	930	-	853	(853)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	3 696	336	9.1%	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	-	4 583	(4 583)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	550	(550)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	49 771	29 979	19 793	66.0%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	49 771	7 989	41 783	523.0%	8 715
Arts and Culture - Subsidies		-	380	380	-	348	(348)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	506	(506)	-100.0%	552
Arts and Culture - Prov incilisation		-	23 057	23 057	-	21 136	(21 136)	-100.0%	23 057
Sanitation Bucket eradication		-	-	-	-	-	-	-	-
GEDI		31 298	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	528 854	440 652	440 652	451 189	41 127	410 062	997.1%	440 652
Capital Transfers and Grants									
National Government:		316 544	489 060	489 060	502 985	448 305	54 680	12.2%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	192 456	171 835	20 621	12.0%	187 456
Public Transport and Systems		-	213 271	213 271	213 271	195 498	17 773	9.1%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	-	18 333	(18 333)	-100.0%	20 000
Dept of Mineral/Electricity		-	-	-	-	-	-	-	-
Intergrated National Electrification Pogramme		95 989	10 000	10 000	14 386	9 167	5 219	56.9%	10 000
Mnicipal Water infrastrucure Grant		11 389	58 333	58 333	58 333	53 472	4 861	9.1%	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	-	-	1 161	-	1 161	0.0%	-
Airport Development Project		-	-	-	781	-	781	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	504 146	448 305	55 841	12.5%	489 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	865 304	929 712	929 712	955 336	489 432	465 903	95.2%	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 689.6 million resulting in underperformance of 19% of the YTD capital grants budget of R 852.2 million.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure						M11 May 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	401 219	373 952	27 267	7.3%	407 948
Local Government Equitable Share		373 541	395 786	395 786	395 786	362 804	32 982	9.1%	395 786
Finance Management		1 600	1 600	1 600	1 401	1 467	(65)	-4.5%	1 600
Municipal Systems Improvement		-	930	930	-	853	(853)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	3 696	336	9.1%	4 032
Public Transport and Systems		109 480	-	-	-	-	-	-	-
Operating costs-MIG		-	5 000	5 000	-	4 583	(4 583)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	550	(550)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	20 373	29 979	(9 606)	-32.0%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	20 373	7 989	12 384	155.0%	8 715
Arts and Culture - Subsidies		-	380	380	-	348	(348)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	506	(506)	-100.0%	552
Arts and Culture - Provincialisisation		-	23 057	23 057	-	21 136	(21 136)	-100.0%	23 057
GEDI		31 298	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		528 854	440 652	440 652	421 592	403 931	17 661	4.4%	440 652
Capital expenditure of Transfers and Grants									
National Government:		316 544	489 060	489 060	265 246	448 305	(183 059)	-40.8%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	167 044	171 835	(4 791)	-2.8%	187 456
Public Transport and Systems		-	213 271	213 271	39 886	195 498	(155 612)	-79.6%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	781	18 333	(17 552)	-95.7%	20 000
Intergrated National Electrification Programme		95 989	10 000	10 000	8 588	9 167	(578)	-6.3%	10 000
Municipal Water infrastrucure Grant		11 389	58 333	58 333	37 030	53 472	(16 442)	-30.7%	58 333
MSIG		1 226	-	-	-	855	855	0.0%	-
Library		24 586	-	-	11 062	-	11 062	#DIV/0!	-
Provincial Government:		19 870	-	-	2 811	-	2 811	0.0%	-
Airport Development Project		-	-	-	-	-	-	-	-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	26	-	26	0.0%	-
COGTA - Art Gallery		-	-	-	345	-	345	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	268 057	448 305	(180 248)	-40.2%	489 060
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		865 304	929 712	929 712	689 649	852 236	(162 587)	-19.1%	929 712

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
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										
	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	29 522	29 522	2 252	40 639	27 062	13 578	50%	29 522
Pension and UIF Contributions		253	3 496	3 496	280	3 115	3 205	(90)	-3%	3 496
Medical Aid Contributions		2 287	1 296	1 296	110	1 182	1 188	(6)	0%	1 296
Motor Vehicle Allowance		528	6 333	6 333	573	6 410	5 806	604	10%	6 333
Cellphone Allowance		133	1 565	1 565	130	1 442	1 435	7	0%	1 565
Housing Allowances		10	137	137	3	64	126	(62)	-49%	137
Other benefits and allow ances		58	-	-	22	967	-	967	#DIV/0!	-
Sub Total - Councillors		34 657	42 350	42 350	3 372	53 818	38 820	14 998	39%	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	421	5 904	6 182	(279)	-5%	6 744
Pension and UIF Contributions		798	870	870	58	919	798	121	15%	870
Medical Aid Contributions		-	20	20	3	54	19	35	187%	20
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		210	360	360	-	143	330	(187)	-57%	360
Motor Vehicle Allowance		762	756	756	52	880	693	188	27%	756
Cellphone Allowance		-	90	90	5	83	83	1	1%	90
Housing Allowances		98	64	64	37	334	58	276	474%	64
Other benefits and allow ances		38	-	-	22	23	-	23	#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	598	8 376	8 162	214	3%	8 904
% increase	4		17.8%	17.8%						17.8%
Other Municipal Staff										
Basic Salaries and Wages		504 910	741 800	741 800	43 919	484 299	679 983	(195 684)	-29%	741 800
Pension and UIF Contributions		112 428	16 945	16 945	9 762	115 447	15 533	99 914	643%	16 945
Medical Aid Contributions		40 020	110 158	110 158	3 579	40 246	100 979	(60 733)	-60%	110 158
Overtime		38 448	32 271	32 271	2 369	29 403	29 581	(179)	-1%	32 271
Performance Bonus		-	-	-	3	264	-	264	#DIV/0!	-
Motor Vehicle Allowance		12 324	52 435	52 435	1 190	12 775	48 065	(35 291)	-73%	52 435
Cellphone Allowance		2 340	-	-	233	2 441	-	2 441	#DIV/0!	-
Housing Allowances		3 108	9 351	9 351	383	3 787	8 571	(4 785)	-56%	9 351
Other benefits and allow ances		96 672	-	-	10 489	103 504	-	103 504	#DIV/0!	-
Payments in lieu of leave		2 280	-	-	257	3 909	-	3 909	#DIV/0!	-
Long service awards		12 444	3 461	3 461	1 297	7 072	3 172	3 900	123%	3 461
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		824 974	966 420	966 420	73 480	803 146	885 885	(82 739)	-9%	966 420
% increase	4		17.1%	17.1%						17.1%
Total Parent Municipality		867 189	1 017 674	1 017 674	77 450	865 341	932 868	(67 527)	-7%	1 017 674
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Board Members of Entities	2	-	11	-	-	-	-	-	-	11
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of Entities										
Basic Salaries and Wages		329	409	333	33	369	305	64	21%	409
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		12	14	14	2	13	12	1	5%	14
Overtime		18	-	-	-	-	-	-	-	-
Performance Bonus		6	6	6	-	6	6	1	9%	6
Motor Vehicle Allowance		-	18	18	2	17	17	1	3%	18
Cellphone Allowance		4	4	4	-	3	3	(0)	-9%	4
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		369	450	374	37	408	343	65	19%	450
% increase	4		22.0%	1.4%						22.0%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 794	2 080	207	2 124	1 907	217	11%	2 794
Pension and UIF Contributions		154	194	171	18	148	157	(9)	-6%	194
Medical Aid Contributions		389	533	469	28	306	430	(124)	-29%	533
Overtime		416	457	373	55	57	342	(285)	-83%	457
Performance Bonus		22	25	24	1	12	22	(10)	-45%	25
Motor Vehicle Allowance		56	72	54	6	-	50	(50)	-100%	72
Cellphone Allowance		11	14	11	-	455	10	445	4412%	14
Housing Allowances		-	-	-	-	25	-	25	#DIV/0!	-
Other benefits and allow ances		219	250	245	41	312	225	87	39%	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	355	3 439	3 141	298	9%	4 339
% increase	4		23.1%	-2.8%						23.1%
Total Municipal Entities		3 895	4 800	3 801	392	3 847	3 484	363	10%	4 800
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 022 474	1 021 475	77 842	869 188	936 352	(67 165)	-7%	1 022 474
% increase	4		17.4%	17.3%						17.4%
TOTAL MANAGERS AND STAFF		836 427	980 114	979 126	74 470	815 369	897 532	(82 163)	-9%	980 114

Councillor Allowances

The expenditure on councillor allowances as at 31 May 2016 was under spent by 4%. The year to date budget for Remuneration of Councillor's is R 38.8 million while the actual expenditure incurred was R 37.3 million resulting in 96% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for 31 May 2016 was R 877.6 million, against the budget of R 831.8 million, resulting in a slight underperformance.

Board Member Fees – Safe City

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

The detailed staff benefits report is contained in the s66 report

2.6 Material Variances to the SDBIP

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

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

2.6.1 Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending 31 May 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													M11 May 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	947	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	2 156	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	135 714	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	70 971	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	10 354	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	5 740	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	6 795	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	2 934	32 289	34 033	35 871
Interest earned - outstanding debtors		838	1 107	910	910	698	1 160	752	920	785	1 817	962	4 487	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	1 457	9 094	8 505	8 964
Licences and permits		7	7	8	9	6	5	5	13	11	6	5	7	87	92	97
Agency services		0	0	0	-	-	0	0	0	0	0	0	65	632	668	704
Transfer receipts - operating		197 440	10 800	3 705	36 520	73 449	-	3 217	1 251	100 468	-	3 143	44 495	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	11 499	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	297 620	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	-	-	37 409	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	-	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	335 028	4 234 700	4 418 814	4 729 384

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash payments													M11 May 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 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	158 193	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	3 737	42 350	45 659	48 124
Interest paid		118	40	11 714	205	197	16 597	540	158	16 591	168	155	21 049	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	108 445	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	43 136	466 010	509 352	556 286
Other materials		-	-	-	14 804	11 650	15 250	7 067	9 907	11 905	13 870	16 440	13 639	6 773	9 269	9 770
Contracted services		-	-	-	12 956	14 882	21 420	5 663	8 978	5 056	14 037	13 602	6 590	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	661	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	166 715	586 817	713 254	813 675
Cash Payments by Type		413 617	371 425	439 878	340 042	296 032	343 265	273 733	255 236	283 130	330 225	292 185	522 164	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	64 407	589 505	555 584	537 677
Repayment of borrowing		23	24	18 571	24	24	10 899	24	24	17 993	24	24	49 850	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	636 420	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)	(301 392)	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	822 269	1 014 227	1 044 513	1 054 148

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations			M11 May 2016	
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue By Source			
	Agency services	-96%	This is based on the customer usage for fire services to the District municipality	
	Other revenue	-43%	This is a user driven resource	
	Rental of facilities and equipment	-52%	This is a user driven resource	
	Licences and permits	5%	This is a user driven resource	
	Interest earned - external investments	76%	This is would smooth out during the year	
	Transfers recognised - operational	1%	This is would smooth out during the year	
	Interest earned - outstanding debtors	-3%	This is would smooth out during the year	
2	Expenditure By Type			
	Debt impairment	100%	This is an annualised year end entry	
	Other materials	14%	This is a seasonal category and will smooth out during the year	
	Contracted services	25%	This over-performance is primarily due to the increased security costs	
	Transfers and grants	94%	These are quarterly payments, the under-performance would smooth out during the year	
	Finance charges	27%	This over-performance would smooth out during the	
	Bulk purchases	1%	This is would smooth out during the year	
	Depreciation & asset impairment	15%	This is an annualised year end entry	
	Other expenditure	12%	This is would smooth out during the year	

2.7 Parent Municipality Financial Performance

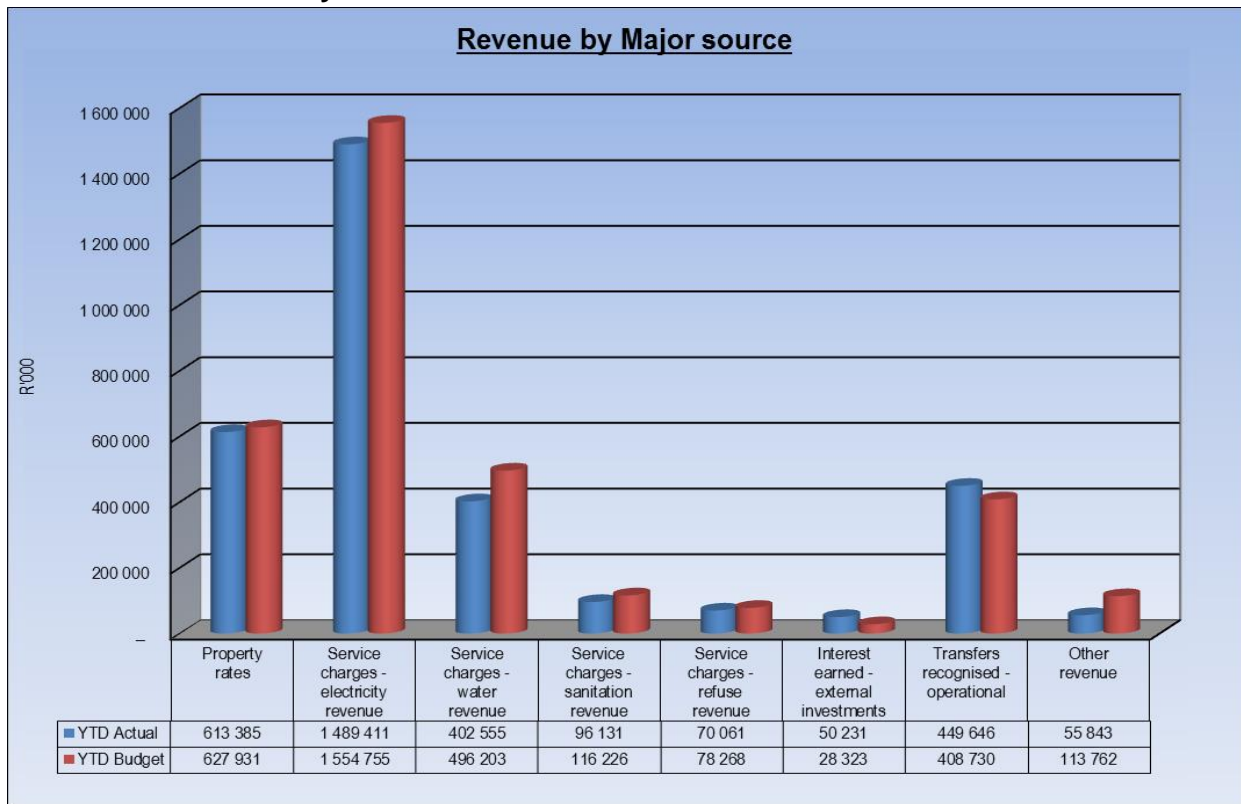
REVENUE ANALYSIS

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 45% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges slightly under performed by (R 84.1 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 31 May 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 20% variance when comparing YTD actual to YTD Budget.

Service Charges - sanitation revenue: reflects a 16% under performance when comparing the YTD actual revenue to the YTD budget.

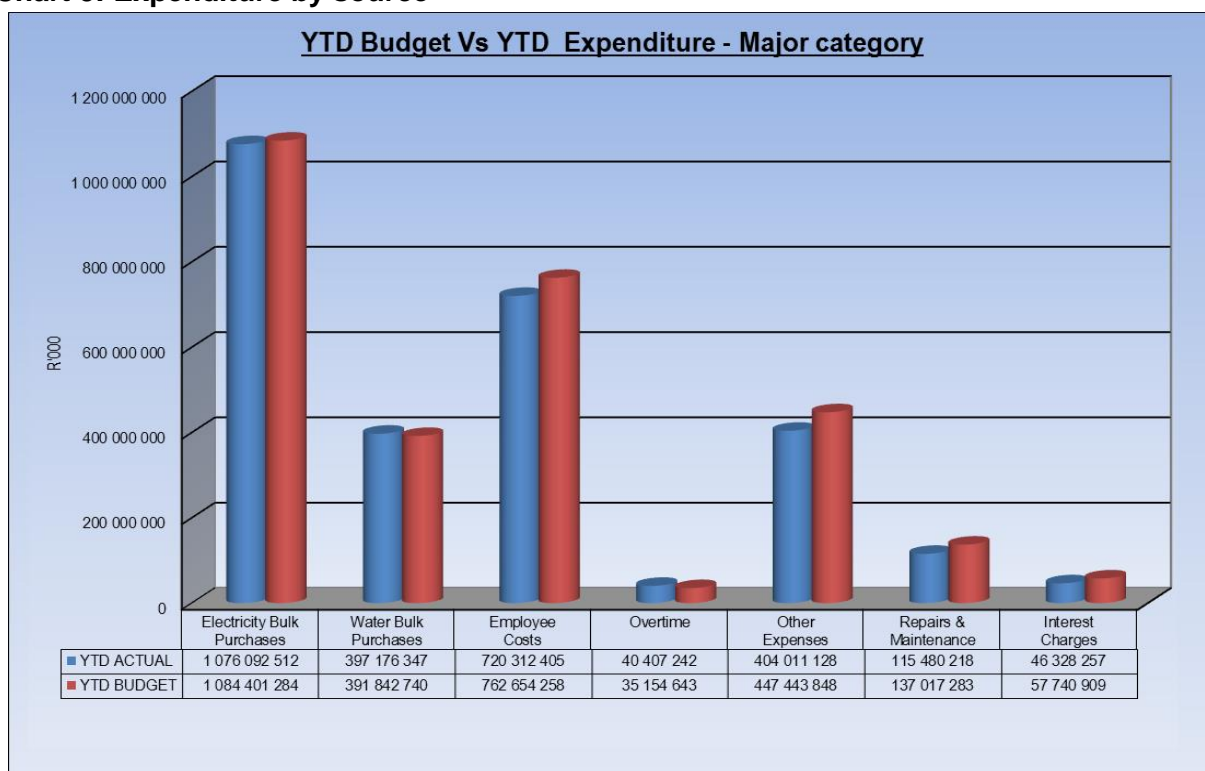
Service Charges - refuse revenue reflects an under performance of 12% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 3.5% to the total operating revenue received as at 31 May 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. 60 billion which is a slight under performance against the budget. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 1 172 089	73%
✓ Bulk Purchases- Water	<u>R 434 236</u>	<u>27%</u>
Total	<u>R 1 606 325</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 329.2 million while the actual costs incurred was R 289.6 million resulting in under performance against the budget of R 39.6 million. The table below provides a detailed listing of the top 20 cash drainers during the month of May 2016.

Table 3: Top 20 Cash Drainers – May 2016

No:	Description	YTD Actual	May - 2016	
			Annual Budget	YTD % of Annual budget
1	Pension Payable	17 044 616	4 002 038	425.9%
2	Kwanalogo Subscriptions	9 950 021	5 214 767	190.8%
3	IDP Expenses	3 974 135	4 000 400	99.3%
4	Security Services	47 568 375	48 529 535	98.0%
5	Telephones	7 754 210	8 011 306	96.8%
6	Bank Charges	5 099 864	5 412 869	94.2%
7	Extraordinary Items	671 942	725 000	92.7%
8	Plant Hire	1 450 836	1 647 541	88.1%
9	Marketing & Promotion	20 039 227	23 464 871	85.4%
10	Postage And Stamps	3 990 963	4 842 534	82.4%
11	Uniforms	4 168 146	5 131 777	81.2%
12	Subscriptions For Cities Network	2 150 000	2 650 000	81.1%
13	Motor Vehicle Licences	2 122 446	2 664 668	79.7%
14	Petrol & Lubricants	23 465 228	30 067 141	78.0%
15	Ward Committee Expenses	5 440 909	7 001 929	77.7%
16	Stores & Materials	4 377 317	5 705 063	76.7%
17	Printing And Stationery	6 096 424	8 311 087	73.4%
18	Entertainment	286 114	407 725	70.2%
19	Hire Charges	15 856 496	23 580 931	67.2%
20	External Services	41 212 712	61 903 854	66.6%

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 556.4 million. The actual YTD is R 433.5 million whilst the YTD budget is R 510.1 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 63.5 million and the Actual figure was R 46.4 million pointing to a positive variance in this line item.

Contracted Services: YTD Budget for contracted services was R 142.4 million, whilst the actual YTD is R 107.5 million, resulting in a slight negative variance in this line item.

Remuneration of councillors: the YTD budget was R 38.8 million and the actual expenditure incurred was R 37.3 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M11 May

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	-	10	185	52	0	258%	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	-	10	12 469	12 525	(56)	(0)	12 530
Employee costs	3 735	4 799	-	393	3 847	4 399	(553)	(0)	4 799
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	501	1 553	-	149	1 638	1 638	0	0	1 553
Finance charges	11	12	-	1	11	11	0	0	12
Materials and bulk purchases	212	279	-	5	152	256	(103)	(0)	279
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	578	8 029	-	103	7 293	7 736	(443)	(0)	8 029
Total Expenditure	5 037	14 672	-	651	12 941	14 040	(1 099)	(0)	14 672
Surplus/(Deficit)	(449)	(2 142)	-	(641)	(472)	(1 515)	1 043	(0)	(2 142)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(449)	(2 142)	-	(641)	(472)	(1 515)	1 043	(0)	(2 142)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(449)	(2 142)	-	(641)	(472)	(1 515)	1 043	(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	-	-	1 840	-	-	-	453
Total non current assets	684	6 778	-	-	5 330	-	-	-	6 778
Total current liabilities	7 770	6 982	-	-	222	-	-	-	6 982
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 136	0	-	-	6 948	-	-	-	0
Cash flows									
Net cash from (used) operating	7 852	(589)	-	(493)	202	258	(56)	(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	(493)	(6 408)	(6 351)	(56)	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	-	-	-	-	-	-	-	-	-

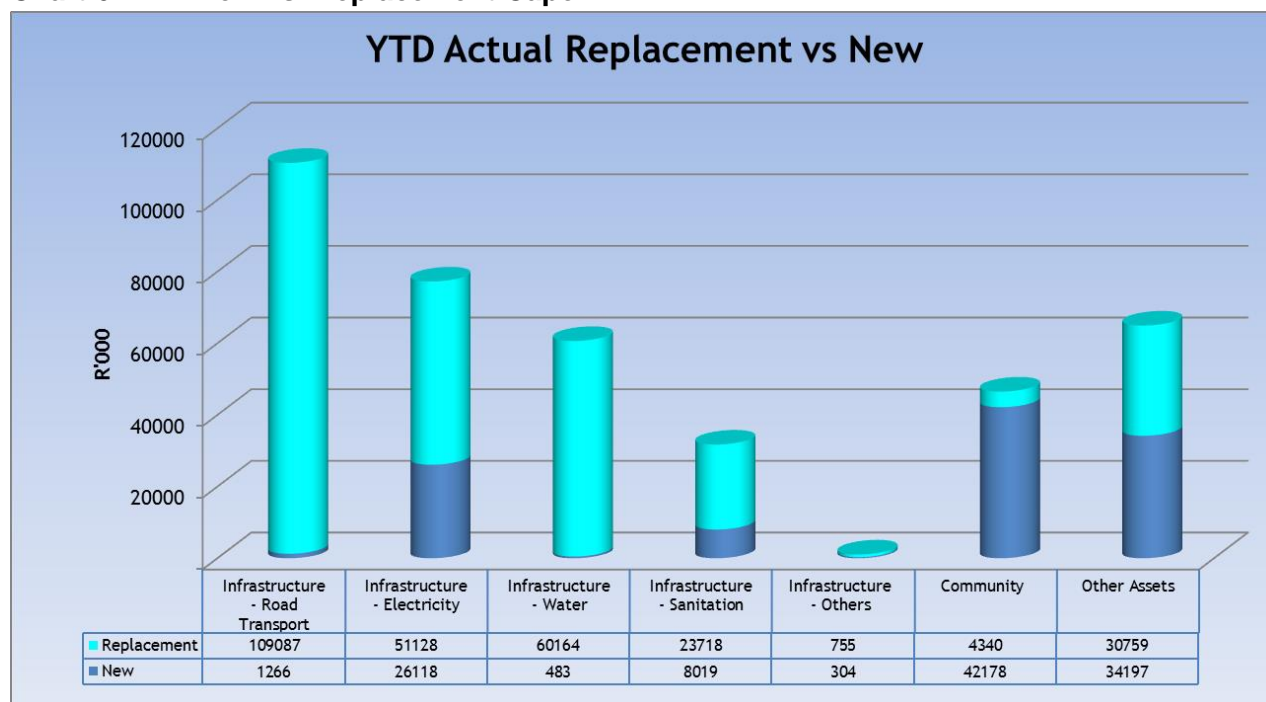
2.9 Capital Programme Performance

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									M11 May 2016
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	1 459	19 856	9 089	9 089	9 089	9 089	-		1%
August	15 964	60 407	23 544	23 544	32 633	32 633	-		5%
September	29 556	58 688	39 949	39 949	72 583	72 583	-		10%
October	55 143	55 535	46 126	46 126	118 709	118 708	(0)	0.0%	17%
November	28 042	66 844	39 269	39 269	157 977	157 977	(0)	0.0%	22%
December	36 204	92 393	63 575	63 575	221 552	221 552	(0)	0.0%	31%
January	59 425	12 874	72 395	15 750	237 302	293 947	56 645	19.3%	33%
February	62 127	69 412	65 256	32 316	269 619	359 203	89 584	24.9%	38%
March	51 888	62 204	78 600	32 165	301 784	437 803	136 019	31.1%	43%
April	42 741	70 535	89 154	46 620	348 404	526 957	178 553	33.9%	0
May	40 445	73 060	92 590	44 113	392 517	619 547	227 030	36.6%	0
June	105 643	67 251	90 741	-		710 288	-		
Total Capital expenditure	528 635	709 060	710 288	392 517					

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 May 2016.

Chart 6: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 392.5 million, R 95.2 million (25%) was new assets and R 297.2million (75%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

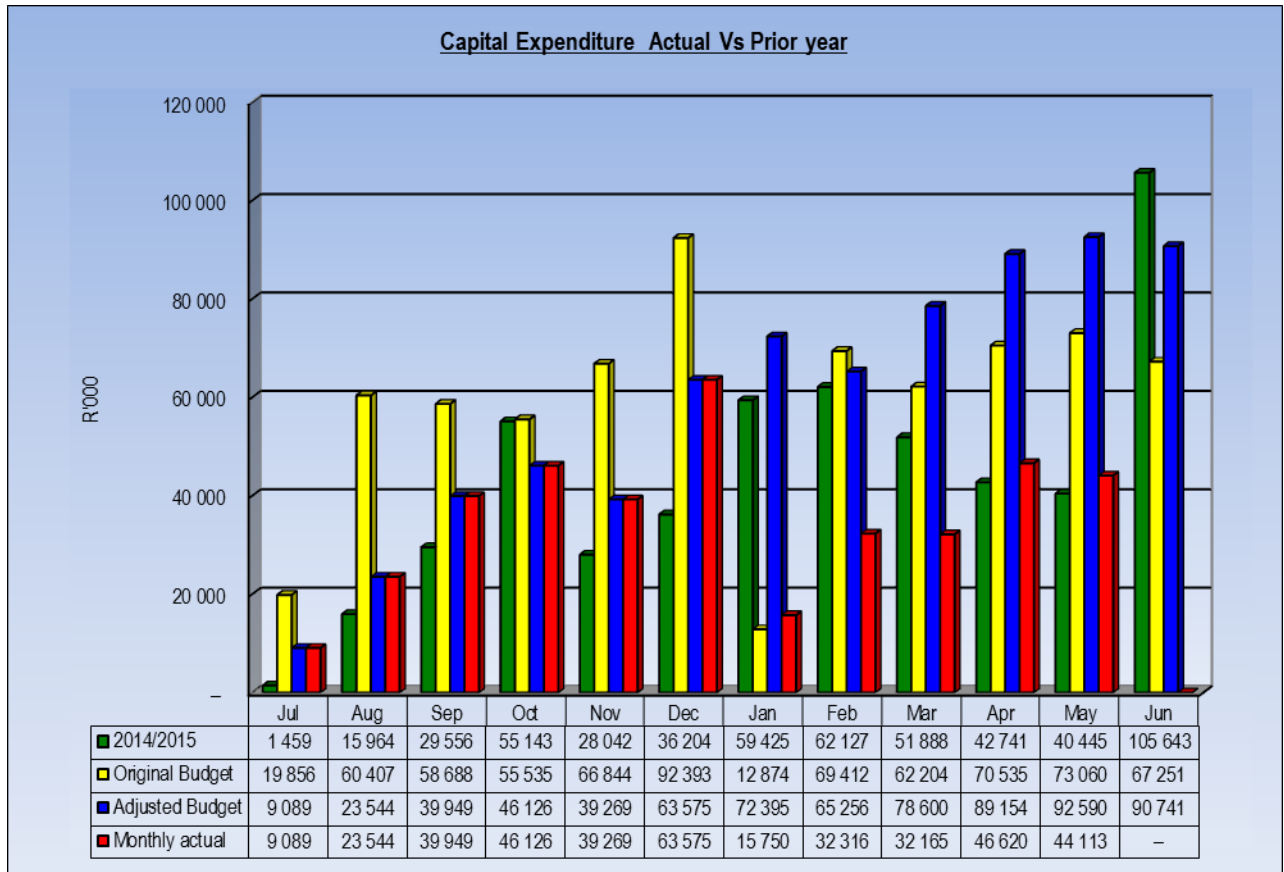
Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		69 056	46 075	54 124	5 648	36 191	49 613	13 422	27.1%	54 124
Infrastructure - Road transport		-	2 230	19 584	384	1 266	17 952	16 686	92.9%	19 584
Roads, Pavements & Bridges		-	2 230	19 584	384	1 266	17 952	16 686	92.9%	19 584
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		25 692	18 000	18 105	2 887	26 118	16 597	(9 521)	-57.4%	18 105
Generation		25 692	10 000	18 105	2 887	26 118	16 597	(9 521)	-57.4%	18 105
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	8 000	-	-	-	-	-	-	-
Infrastructure - Water		1 660	25 445	300	-	483	275	(208)	-75.8%	300
Dams & Reservoirs		-	-	300	-	483	275	(208)	-75.8%	300
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		1 660	25 445	-	-	-	-	-	-	-
Infrastructure - Sanitation		41 674	-	16 135	2 377	8 019	14 790	6 771	45.8%	16 135
Reticulation		14 953	-	16 135	2 377	8 019	14 790	6 771	45.8%	16 135
Sewerage purification		26 721	-	-	-	-	-	-	-	-
Infrastructure - Other		30	400	-	-	304	-	(304)	#DIV/0!	-
Waste Management		30	400	-	-	304	-	(304)	#DIV/0!	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		27 505	10 288	36 391	2 066	42 178	33 358	(8 819)	-26.4%	36 391
Parks & gardens		243	-	170	-	169	155	(13)	-8.6%	170
Sportsfields & stadia		-	-	28 528	1 151	29 448	26 150	(3 298)	-12.6%	28 528
Swimming pools		-	3 200	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	3 200	-	3 189	2 933	(256)	-8.7%	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	915	9 372	4 119	(5 253)	-127.5%	4 494
Heritage assets		-	5 350	-	-	-	-	-	-	-
Buildings		-	5 350	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		39 968	10 712	44 091	212	16 856	40 417	23 561	58.3%	47 591
General vehicles		2 343	-	8 237	-	1 588	7 551	5 963	79.0%	8 237
Specialised vehicles		-	3 500	-	-	-	-	-	-	3 500
Plant & equipment		28 413	3 347	12 051	26	581	11 046	10 466	94.7%	12 051
Computers - hardware/equipment		573	2 995	3 365	(128)	2 441	3 085	644	20.9%	3 365
Furniture and other office equipment		7 964	600	9 305	340	3 954	8 529	4 575	53.6%	9 305
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	9 950	-	-	9 121	9 121	100.0%	9 950
Civic Land and Buildings		-	-	1 184	-	788	1 086	298	27.5%	1 184
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		676	270	-	(25)	7 505	-	(7 505)	#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	7 927	95 225	123 389	28 164	22.8%	138 106

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M11 May

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									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		114 268	553 466	548 634	33 586	244 852	502 914	258 062	51.3%	548 634
Infrastructure - Road transport		76 131	343 277	334 019	15 811	109 087	306 184	197 097	64.4%	334 019
<i>Roads, Pavements & Bridges</i>		76 016	343 277	333 719	15 811	108 891	305 909	197 018	64.4%	333 719
<i>Storm water</i>		115	-	300	-	195	275	80	28.9%	300
Infrastructure - Electricity		-	115 000	105 400	4 257	51 128	96 617	45 489	47.1%	105 400
<i>Generation</i>		-	115 000	105 400	4 257	51 128	96 617	45 489	47.1%	105 400
<i>Transmission & Reticulation</i>		-	-	-	-	-	-	-	0.0%	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		31 683	64 689	82 956	12 162	60 164	76 043	15 879	20.9%	82 956
<i>Dams & Reservoirs</i>		-	64 689	82 956	12 162	60 164	76 043	15 879	20.9%	82 956
<i>Water purification</i>		31 683	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	29 500	25 503	1 356	23 718	23 378	(340)	-1.5%	25 503
<i>Reticulation</i>		-	29 500	25 503	1 356	23 718	23 378	(340)	-1.5%	25 503
<i>Sewerage purification</i>		-	-	-	-	-	-	-	0.0%	-
Infrastructure - Other		6 454	1 000	755	-	755	692	(63)	-9.1%	755
<i>Waste Management</i>		-	1 000	755	-	755	692	(63)	-9.1%	755
<i>Transportation</i>		6 454	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	0.0%	-
Community		22 013	31 250	9 522	184	4 340	8 728	4 389	50.3%	9 522
Parks & gardens		-	1 000	-	182	500	-	(500)	#DIV/0!	-
Sportsfields & stadia		13 919	21 500	121	-	121	110	(10)	-9.1%	121
Swimming pools		-	2 000	3 025	-	-	2 773	2 773	100.0%	3 025
Community halls		4 458	-	-	-	-	-	-	-	-
Libraries		-	-	4 650	-	-	4 263	4 263	100.0%	4 650
Recreational facilities		-	-	1 171	-	2 804	1 074	(1 730)	0.0%	1 171
Fire, safety & emergency		2 766	-	55	-	-	50	50	100.0%	55
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		870	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	6 750	500	2	916	458	(458)	-99.9%	500
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		48 690	26 920	26 285	1 422	30 759	24 094	(6 665)	-27.7%	26 285
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	0.0%	-
Computers - hardware/equipment		-	3 750	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	621	1 622	-	(1 622)	0.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		1 973	-	461	-	251	423	172	40.8%	461
Civic Land and Buildings		43 678	10 170	15 671	243	14 295	14 365	70	0.5%	15 671
Other Buildings		301	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 738	13 000	10 152	558	14 592	9 306	(5 285)	-56.8%	10 152
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		19	25 000	23 165	995	17 341	21 234	3 893	18.3%	23 165
Computers - software & programming		-	25 000	23 165	995	17 341	21 234	3 893	18.3%	23 165
Other		19	-	-	-	-	-	-	0.0%	-
Total Capital Expenditure on renewal of existing ass	1	184 990	636 636	607 605	36 186	297 292	556 971	259 679	46.6%	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

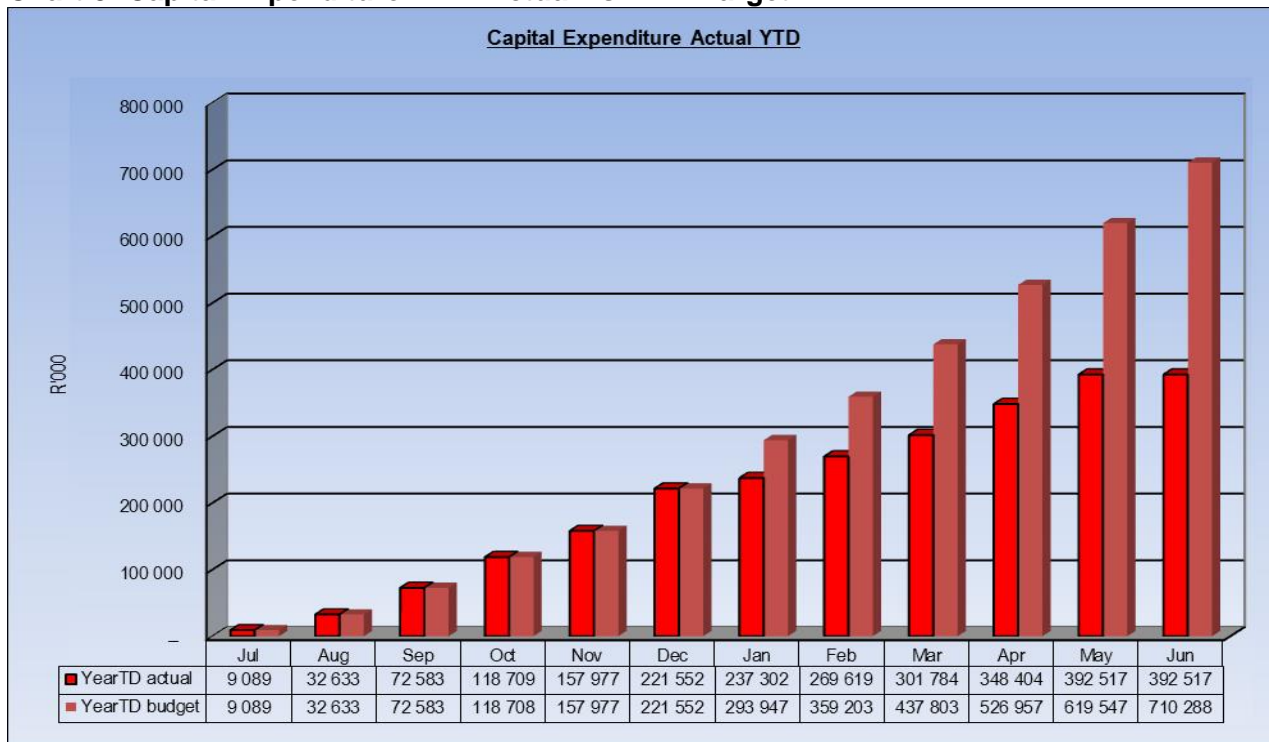
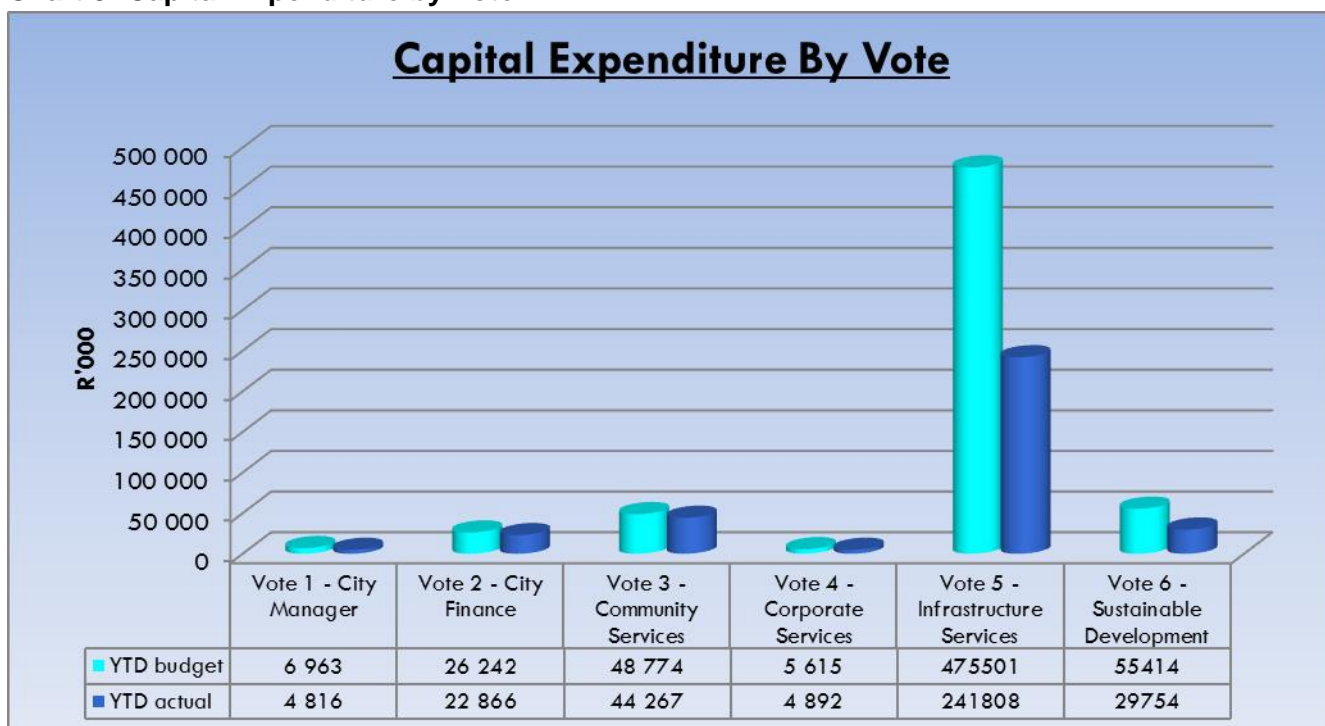


Chart 9: Capital Expenditure by Vote



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

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

2.10 Municipal Manager's Quality's Certification

Quality Certificate

I, **Boniwe Zulu**, the Acting municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

- the monthly budget statement

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

Print name: **Boniwe Zulu**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: _____

Date: _____