



BUDGET & TREASURY OFFICE

2014/15 ADJUSTMENTS BUDGET

23 January 2015

Budget & Reporting
14/15 SCHEDULE B REPORT

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1. PART 1 – ADJUSTMENTS BUDGET

1. Mayor's Report

The first quarter of this financial year passed so quickly and yet it was one of the busiest. Taking the quarter under review the thing that stands out the most is the IDP Izimbizo that took place in all our zones. Council through its Izimbizo programme had a fruitful consultation with the communities. The issues that came out of these meetings transcend to all three spheres of government and make the need for intense intergovernmental relations more acute. With the term of office of the current council drawing to a close it goes without saying that we are now operating like a well-oiled machine and we push the administrators of the municipality to perform at their peak to ensure we achieve our goals.

What we are doing has impact on the lives of the community and as a result the planning and thinking that went into the strategic planning process was very important as it will ensure that our IDP remains credible and achievable. The local government turn around strategies and Delivery Outcome Nine which deals with the creation of a “responsive, effective and efficient Local Government Systems “are positive interventions that will enable a focused and meaningful attempt to transform the operations of local government. The recent adjustments in the Division of Revenue Act bear fruit to this testimony as has been seen by an increase in grants from the National Government Departments. The additional R19, 1million to the R10, 3million originally budgeted Neighbourhood Development Partnership Grant is just but one example confirming this fact.

As we know Honourable Speaker and fellow Councillors that there are uncertainties that exist at the time of the preparation of the annual budget, the MFMA through the Midyear Budget and Performance assessment affords Council the opportunity to review and make adjustments to the original budget within the legislative framework. Allow me to highlight the major changes that will result have resulted in the adjustments budget.

- ✓ A net increase in total revenue of R10, 7million arising from various movements in the Provincial and National operational and capital grant allocation (R12, 7million) and other downward adjustments (R2million).
- ✓ An increase in Operational Budget of R56, 9million being largely attributable to the increase in Bulk Purchases budget by R65million and downwards adjustments from Provincial Grant allocations.
- ✓ A net increase of R107, 2million in the Capital budget arising budget shifts from the operational to the capital budget, approved roll over funding (R86million) and adjustments in the national & provincial grant allocations (R20, 6million).

These adjustments will see the total adjusted revenue increase to R3, 8billion, the operational budget increase to R3, 5billion and the capital budget to R704, 9million.

Honourable Speaker and Councillors, I hereby table the 2014/15 Adjustments budget as contained in the budget schedules that follow for adoption.

2. Resolutions

It is recommended that Council;

- 2.1 Approves the 2014/15 adjustments budget
- 2.2 Approves the 2014/15 adjustments permitted in terms of s28 MFMA.
 - ✓ Authorise the utilisation of projected savings in one vote towards spending under another vote,
 - ✓ Authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council,
 - ✓ Corrects any errors in the annual budget
- 2.3 Authorises the 2013/14 Unauthorised Expenditure of R12 379 824 as disclosed in the Audited AFS in terms of s32(2)(a). (Separate report attached)

3. Executive Summary

Financial Implications of the Adjustments Budget

The main financial implications of this adjustments budget, except for the minor reduction in revenue, will be the reduction in the operating surplus mainly due to the increase in the operational budget for bulk purchases. The capital budget will also see an increase of 14% mainly due to the rollover of the approved conditional grants by the National Treasury and the increase in DORA and Provincial adjusted budget allocations.

Effect of the Adjustments Budget on Service Delivery Provision

Except for the increase in the bulk water purchases budget which will ensure that the municipality is able to pay its bulk suppliers to ensure uninterrupted provision of services, no other adjustments have been made that will affect service delivery provision.

Effect of the Adjustments Budget on Service Delivery Budget & Implementation Plan

The small percentage of targets not achieved will be shifted to the 3rd quarter of this financial year.

Adjustments budget Highlights

The main highlights of the adjustments budget can be summarised as follows;

REVENUE

- ✓ R1.6 m reduction in training levy recoveries.
- ✓ Downward adjustment of R7, 8million in operational grants and a net upward adjustment of R20, 6million in capital grant funding.

OPERATIONS BUDGET

- ✓ Increase in Bulk Purchases Budget by R65million
- ✓ Reallocation of R34million from the Repairs & Maintenance Budget due to low expenditure performance to the Capital budget.
- ✓ Increase in operational budget related by R15million of Council activities related to food for waste.

CAPITAL BUDGET

- ✓ Roll Over of 2013/14 unspent conditional grants approved by National Treasury increasing the capital budget by a further R51, 5million.
- ✓ Increase in Neighbourhood development partnership grant by R19, 1million.

4. Adjusted Budget Tables

TABLE B1: Adjustment Budget Summary

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table B1 Adjustments Budget Summary - 23/01/2015

Description	Budget Year 2014/15				Budget Year	Budget Year	
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	+1 2015/16	+2 2016/17	
	5	6	7	8			
	A	E	F	G	H		
R thousands							
Financial Performance							
Property rates	698 283	–	–	–	698 283	736 414	775 470
Service charges	2 234 125	–	–	–	2 234 125	2 398 438	2 569 602
Investment revenue	32 247	–	–	–	32 247	33 988	35 824
Transfers recognised - operational	415 372	(7 868)	–	(7 868)	407 504	436 640	458 643
Other own revenue	190 549	–	(2 005)	(2 005)	188 543	201 859	212 903
Total Revenue (excluding capital transfers and contributions)	3 570 575	(7 868)	(2 005)	(9 873)	3 560 702	3 807 340	4 052 441
Employee costs	855 887	–	–	–	855 887	920 778	991 388
Remuneration of councillors	39 272	–	–	–	39 272	42 350	45 659
Depreciation & asset impairment	259 469	–	–	–	259 469	268 183	281 592
Finance charges	60 738	–	–	–	60 738	54 782	50 025
Materials and bulk purchases	1 504 720	–	65 651	65 651	1 570 370	1 603 894	1 739 633
Transfers and grants	5 408	–	–	–	5 408	5 678	5 962
Other expenditure	774 761	(7 868)	(838)	(8 706)	766 055	835 849	885 998
Total Expenditure	3 500 255	(7 868)	64 813	56 945	3 557 200	3 731 515	4 000 256
Surplus/(Deficit)	70 320	–	(66 818)	(66 818)	3 502	75 825	52 185
Transfers recognised - capital	293 824	20 650	–	20 650	314 474	473 283	470 992
Contributions recognised - capital & contributed as	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Capital expenditure & funds sources							
Capital expenditure	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Transfers recognised - capital	293 824	20 650	–	20 650	314 474	473 283	470 992
Public contributions & donations	–	–	–	–	–	–	–
Borrowing	100 000	–	–	–	100 000	75 000	75 000
Internally generated funds	203 930	–	86 572	86 572	290 502	319 316	194 988
Total sources of capital funds	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Financial position							
Total current assets	2 605 848	–	153 777	153 777	2 759 625	2 422 405	2 347 281
Total non current assets	7 626 734	20 650	(554 110)	(533 460)	7 093 274	7 672 040	8 131 428
Total current liabilities	1 082 432	–	342 386	342 386	1 424 818	578 646	1 117 103
Total non current liabilities	868 990	–	–	–	868 990	1 427 946	2 030 349
Community wealth/Equity	8 281 160	20 650	(742 719)	(722 069)	7 559 090	8 087 853	8 611 360
Cash flows							
Net cash from (used) operating	576 871	20 650	105 950	126 600	703 471	802 412	832 667
Net cash from (used) investing	(364 442)	(20 650)	(251 451)	(272 101)	(636 543)	(780 839)	(666 882)
Net cash from (used) financing	57 309	–	–	–	57 309	20 276	26 268
Cash/cash equivalents at the year end	1 168 290	–	(145 501)	(145 501)	1 022 789	991 029	1 183 082
Cash backing/surplus reconciliation							
Cash and investments available	876 375	–	153 777	153 777	1 030 151	644 371	512 301
Application of cash and investments	74 473	–	278 327	278 327	352 800	(523 930)	(62 051)
Balance - surplus (shortfall)	801 902	–	(124 550)	(124 550)	677 351	1 168 301	574 351
Asset Management							
Asset register summary (WDV)	7 137 911	20 650	(74 105)	(53 455)	7 084 456	7 663 135	8 122 434
Depreciation & asset impairment	259 469	–	–	–	259 469	268 183	281 592
Renewal of Existing Assets	289 444	27 150	–	27 150	316 594	358 876	279 186
Repairs and Maintenance	291 357	–	(36 720)	(36 720)	254 637	518 883	608 295
Free services							
Cost of Free Basic Services provided	68 843	–	–	–	68 843	72 561	76 479
Revenue cost of free services provided	391 259	–	–	–	391 259	420 337	420 337
Households below minimum service level							
Water:	7	–	–	–	7	6	5
Sanitation/sewerage:	31	–	–	–	31	29	36
Energy:	3	–	–	–	3	3	3
Refuse:	61	–	–	–	61	50	53

TABLE B2: Adjustment Budget Financial Performance

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

KZN225 Msunduzi - Table B2 Adjustments Budget Financial Performance (standard classification) - 23/01/2015

Standard Description	Budget Year 2014/15					Budget Year	Budget Year
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2015/16 Adjusted Budget	+2 2016/17 Adjusted Budget
R thousands	A	9 E	10 F	11 G	12 H		
Revenue - Standard							
Governance and administration	1 152 828	–	(1 839)	(1 839)	1 150 989	1 337 551	1 340 781
Executive and council	–	–	–	–	–	–	–
Budget and treasury office	1 149 665	–	(239)	(239)	1 149 427	1 334 177	1 337 303
Corporate services	3 162	–	(1 600)	(1 600)	1 562	3 374	3 478
Community and public safety	13 361	(146)	–	(146)	13 215	14 264	14 210
Community and social services	3 250	(146)	–	(146)	3 104	3 546	2 818
Sport and recreation	729	–	–	–	729	760	798
Public safety	5 827	–	–	–	5 827	6 092	6 397
Housing	3 485	–	–	–	3 485	3 792	4 116
Health	70	–	–	–	70	73	81
Economic and environmental services	171 598	8 000	13	8 013	179 611	219 003	268 280
Planning and development	7 972	8 000	(0)	8 000	15 971	8 053	8 518
Road transport	163 627	–	13	13	163 640	210 950	259 761
Environmental protection	–	–	–	–	–	–	–
Trading services	2 437 047	4 928	(17)	4 911	2 441 958	2 620 117	2 713 826
Electricity	1 700 095	4 928	(38)	4 890	1 704 986	1 839 444	1 901 890
Water	500 521	–	–	–	500 521	533 983	554 418
Waste water management	149 071	–	21	21	149 092	155 516	162 313
Waste management	87 359	–	(0)	(0)	87 359	91 174	95 205
Other	89 565	–	(162)	(162)	89 403	89 688	186 337
Total Revenue - Standard	3 864 399	12 782	(2 005)	10 777	3 875 176	4 280 623	4 523 434
Expenditure - Standard							
Governance and administration	691 420	–	(14 364)	(14 364)	677 056	610 593	639 297
Executive and council	384 298	–	(1 000)	(1 000)	383 298	401 445	413 415
Budget and treasury office	200 157	–	(15 643)	(15 643)	184 514	99 997	104 960
Corporate services	106 965	–	2 279	2 279	109 244	109 150	120 923
Community and public safety	421 741	(146)	18 885	18 739	440 480	412 761	403 557
Community and social services	99 202	(146)	(100)	(246)	98 956	96 099	76 748
Sport and recreation	81 358	–	810	810	82 168	80 968	81 978
Public safety	196 317	–	8 154	8 154	204 472	191 191	199 520
Housing	25 149	–	2	2	25 150	25 247	25 658
Health	19 716	–	10 019	10 019	29 735	19 256	19 653
Economic and environmental services	462 751	–	(1 729)	(1 729)	461 022	464 630	556 317
Planning and development	128 290	–	(480)	(480)	127 809	126 201	94 451
Road transport	334 461	–	(1 249)	(1 249)	333 212	338 428	461 867
Environmental protection	–	–	–	–	–	–	–
Trading services	1 893 221	(7 722)	62 245	54 523	1 947 744	2 218 159	2 374 334
Electricity	1 374 093	(7 722)	(353)	(8 075)	1 366 018	1 508 952	1 613 629
Water	406 791	–	62 205	62 205	468 996	471 900	508 264
Waste water management	9 621	–	1 545	1 545	11 166	121 422	129 864
Waste management	102 716	–	(1 152)	(1 152)	101 564	115 884	122 577
Other	31 122	–	(224)	(224)	30 898	25 372	26 751
Total Expenditure - Standard	3 500 255	(7 868)	64 813	56 945	3 557 200	3 731 515	4 000 256
Surplus/ (Deficit) for the year	364 144	20 650	(66 818)	(46 168)	317 976	549 109	523 177

TABLE B3: Adjustment Budget Financial Performance

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23/01/2015

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2014/15					Budget Year	Budget Year
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2015/16	+2 2016/17
	A	7 E	8 F	9 G	10 H		
R thousands							
Revenue by Vote							
Vote 1 - Vote 1 - Corporate Services	311 882	(146)	(1 580)	(1 726)	310 156	491 724	489 135
Vote 2 - Vote 2 - Financial Management Area	1 077 719	-	-	-	1 077 719	1 145 893	1 303 906
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 436 060	12 928	(463)	12 465	2 448 525	2 603 497	2 684 875
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	38 737	-	38	38	38 775	39 509	45 518
Total Revenue by Vote	3 864 399	12 782	(2 005)	10 777	3 875 176	4 280 623	4 523 434
Expenditure by Vote							
Vote 1 - Vote 1 - Corporate Services	263 785	(146)	7 614	7 468	271 253	330 411	324 259
Vote 2 - Vote 2 - Financial Management Area	481 725	-	(21 555)	(21 555)	460 170	494 944	449 382
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 273 477	(7 722)	(1 984)	(9 706)	2 263 772	2 421 888	2 691 427
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	481 268	-	80 738	80 738	562 006	484 272	535 189
Total Expenditure by Vote	3 500 255	(7 868)	64 813	56 945	3 557 200	3 731 515	4 000 256
Surplus/ (Deficit) for the year	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177

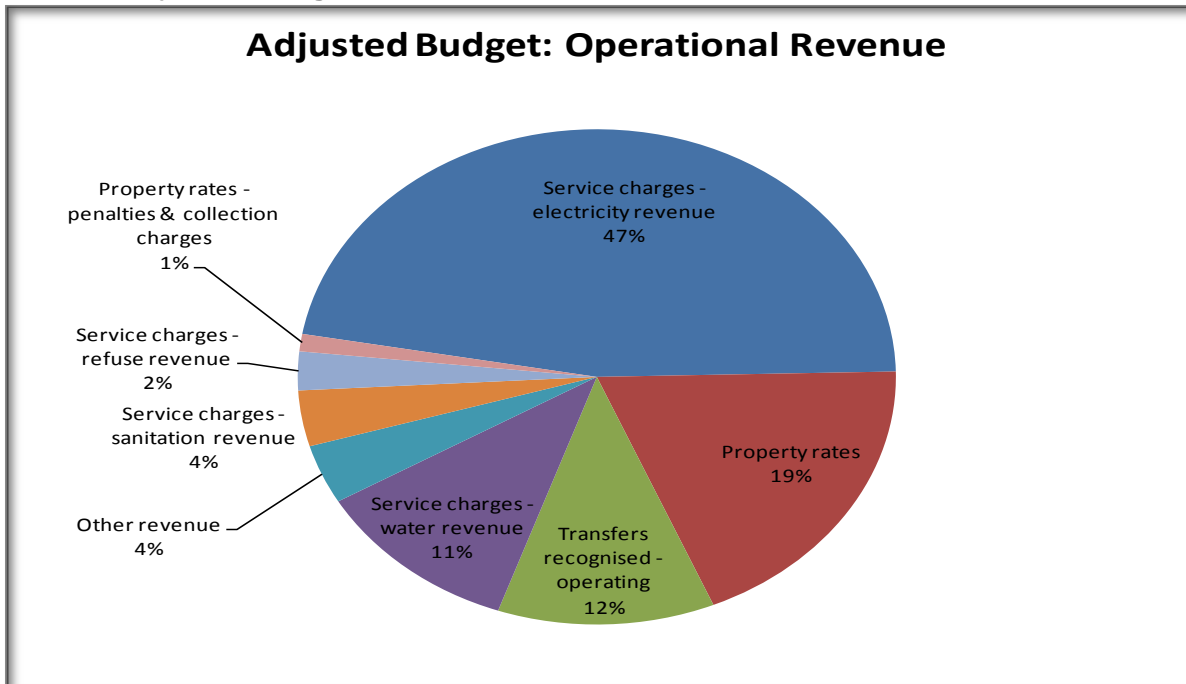
TABLE B4: Adjustment Budget Financial Performance

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

KZN225 Msunduzi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/01/2015

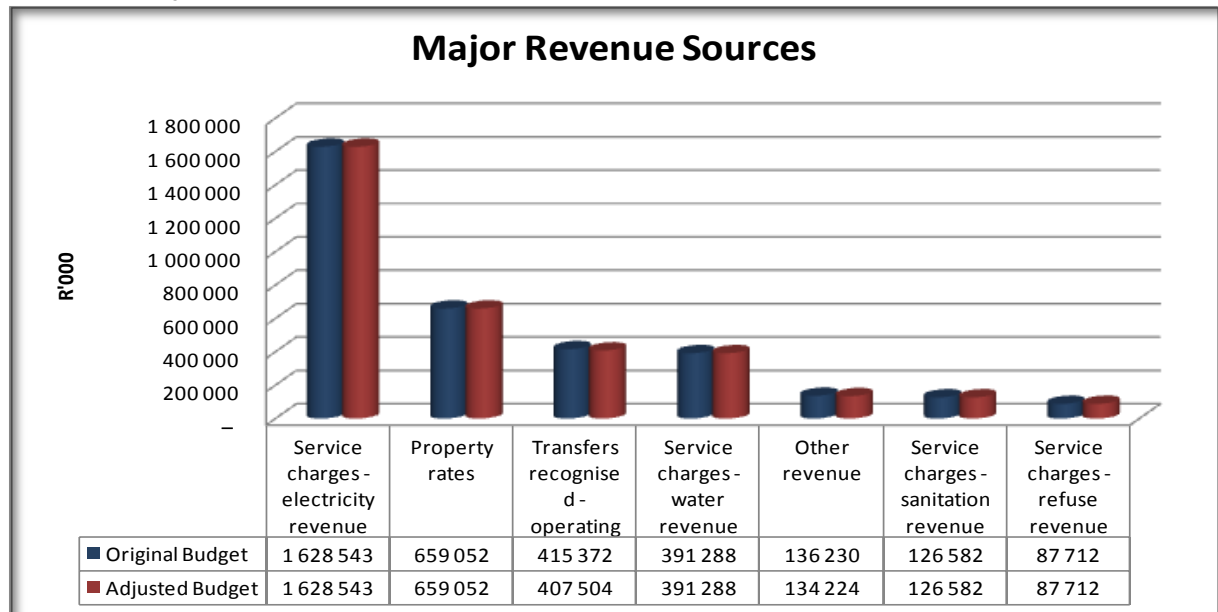
Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Revenue By Source							
Property rates	659 052	-	-	-	659 052	695 065	731 888
Property rates - penalties & collection charges	39 231	-	-	-	39 231	41 349	43 582
Service charges - electricity revenue	1 628 543	-	-	-	1 628 543	1 748 892	1 878 135
Service charges - water revenue	391 288	-	-	-	391 288	424 332	454 918
Service charges - sanitation revenue	126 582	-	-	-	126 582	133 938	141 417
Service charges - refuse revenue	87 712	-	-	-	87 712	91 276	95 132
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	35 024	-	-	-	35 024	38 329	40 292
Interest earned - external investments	32 247	-	-	-	32 247	33 988	35 824
Interest earned - outstanding debtors	1 325	-	-	-	1 325	1 399	1 478
Dividends received	-	-	-	-	-	-	-
Fines	14 667	-	-	-	14 667	15 488	16 356
Licences and permits	83	-	-	-	83	87	92
Agency services	3 220	-	-	-	3 220	3 324	3 490
Transfers recognised - operating	415 372	(7 868)	-	(7 868)	407 504	436 640	458 643
Other revenue	136 230	-	(2 005)	(2 005)	134 224	143 231	151 195
Gains on disposal of PPE	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3 570 575	(7 868)	(2 005)	(9 873)	3 560 702	3 807 340	4 052 441
Expenditure By Type							
Employee related costs	855 887	-	-	-	855 887	920 778	991 388
Remuneration of councillors	39 272	-	-	-	39 272	42 350	45 659
Debt impairment	144 577	-	-	-	144 577	154 586	164 979
Depreciation & asset impairment	259 469	-	-	-	259 469	268 183	281 592
Finance charges	60 738	-	-	-	60 738	54 782	50 025
Bulk purchases	1 479 522	-	65 651	65 651	1 545 173	1 577 336	1 711 641
Other materials	25 198	-	-	-	25 198	26 558	27 992
Contracted services	93 051	-	14 545	14 545	107 596	94 359	89 323
Transfers and grants	5 408	-	-	-	5 408	5 678	5 962
Other expenditure	537 133	(7 868)	(15 383)	(23 251)	513 882	586 904	631 696
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	3 500 255	(7 868)	64 813	56 945	3 557 200	3 731 515	4 000 256
Surplus/(Deficit)	70 320	-	(66 818)	(66 818)	3 502	75 825	52 185
Transfers recognised - capital	293 824	20 650	-	20 650	314 474	473 283	470 992
Contributions	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Attributable to minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177

Chart 1: Adjusted Budget Revenue Sources



The above pie chart presents the adjustment budget by major revenue sources. Electricity Service charges and property rates constitutes 47% and 19% respectively. These two revenue sources contribute 66% of the total revenue sources.

Chart 2: Major Revenue Sources

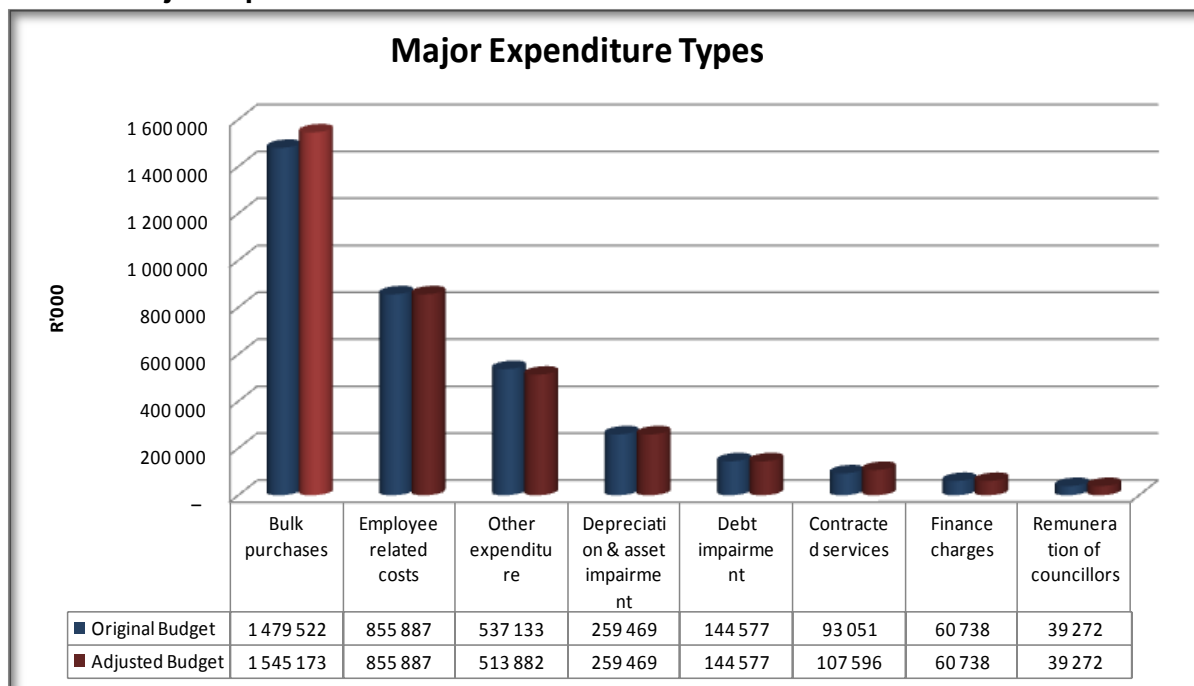


Transfers Recognised – Operating decreased mainly due to the R7, 7million reduction in the ‘Transfer of R293 Staff’ grant from Human Settlements.

Other Revenue: The total for other revenue was adjusted downwards from R136million to R134million mainly due to the reduction in the training levy recoveries..

The chart below presents the adjustment budget expenditure by major type.

Chart 3: Major Expenditure Source



Employee Related Cost: Employee related costs was budgeted accordingly in order to cater for the critical posts that are key in strengthening the workforce that drives service delivery.

Debt Impairment: There was no change in debt impairment budget.

Bulk Purchases: The expenditure on Bulk Water purchases has been increased by R65million to cater for the under budgeting in the original budget.

Other Expenditure: Other expenditure adjustment budget had a total decrease of R23million when comparing it with the original budget. An adjustment amount of R7, 8million was as a result of the operational grants reduction from the Provincial Departments.

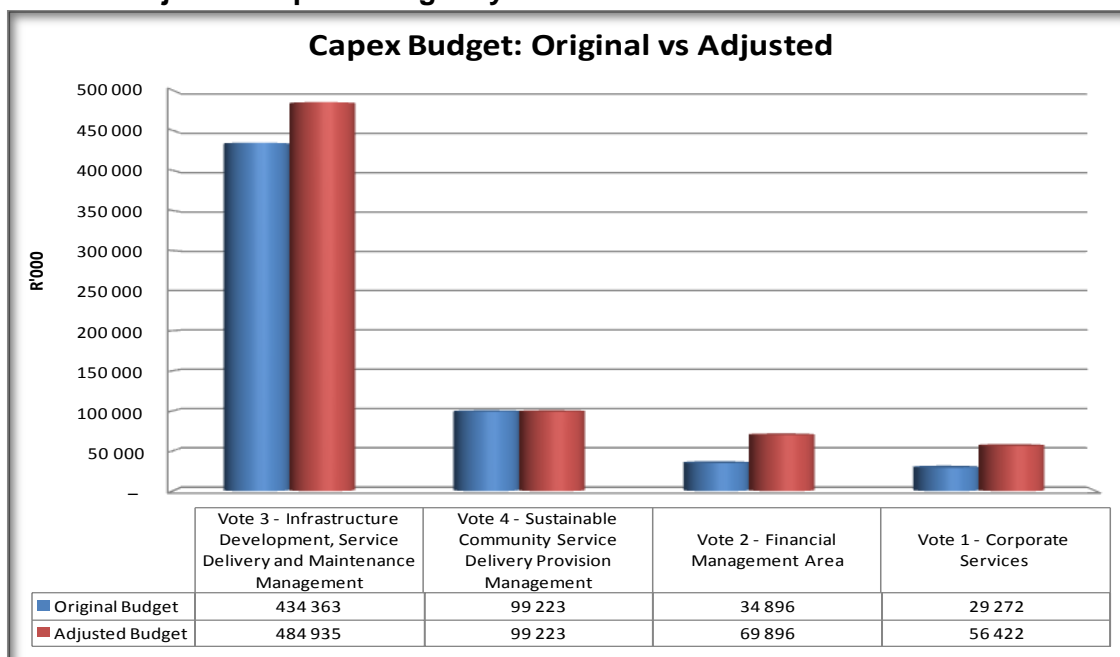
TABLE B5: Adjustment Capital Expenditure Budget by Vote And Funding

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23/01/2015

Description	Budget Year 2014/15					Budget Year	Budget Year
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2015/16	+2 2016/17
R thousands	A	9	10	11	12		
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 1 - Vote 1 - Corporate Services	25 454	-	-	-	25 454	65 822	72 487
Vote 2 - Vote 2 - Financial Management Area	24 417	-	31 800	31 800	56 217	-	-
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	321 922	26 150	-	26 150	348 072	225 555	241 765
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	74 305	-	-	-	74 305	372 211	298 329
Capital multi-year expenditure sub-total	446 098	26 150	31 800	57 950	504 048	663 588	612 581
Single-year expenditure to be adjusted							
Vote 1 - Vote 1 - Corporate Services	3 818	-	-	-	3 818	21 941	24 163
Vote 2 - Vote 2 - Financial Management Area	10 479	-	3 200	3 200	13 679	-	-
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	112 441	(5 500)	51 572	46 072	158 513	58 889	4 726
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	24 918	-	-	-	24 918	123 181	99 510
Capital single-year expenditure sub-total	151 656	(5 500)	54 772	49 272	200 928	204 011	128 399
Total Capital Expenditure - Vote	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Capital Expenditure - Standard							
Governance and administration	23 899	-	35 000	35 000	58 899	46 413	32 450
Executive and council	1 961	-	-	-	1 961	46 413	32 450
Budget and treasury office	21 938	-	35 000	35 000	56 938	-	-
Corporate services	-	-	-	-	-	-	-
Community and public safety	10 656	-	-	-	10 656	11 417	12 682
Community and social services	4 128	-	-	-	4 128	4 499	4 994
Sport and recreation	6 008	-	-	-	6 008	6 268	6 707
Public safety	520	-	-	-	520	649	981
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	350 836	27 150	-	27 150	377 986	505 906	403 691
Planning and development	173 873	27 150	-	27 150	201 023	272 963	180 353
Road transport	176 963	-	-	-	176 963	232 943	223 338
Environmental protection	-	-	-	-	-	-	-
Trading services	179 896	(6 500)	51 572	45 072	224 968	269 122	254 984
Electricity	95 035	(6 500)	51 572	45 072	140 107	192 517	185 899
Water	59 191	-	-	-	59 191	49 141	39 386
Waste water management	14 129	-	-	-	14 129	15 577	16 979
Waste management	11 541	-	-	-	11 541	11 887	12 719
Other	32 468	-	-	-	32 468	34 742	37 174
Total Capital Expenditure - Standard	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Funded by:							
National Government	283 897	18 150	-	18 150	302 047	464 283	470 992
Provincial Government	9 927	2 500	-	2 500	12 427	9 000	-
District Municipality	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-
Total Capital transfers recognised	293 824	20 650	-	20 650	314 474	473 283	470 992
Public contributions & donations	-	-	-	-	-	-	-
Borrowing	100 000	-	-	-	100 000	75 000	75 000
Internally generated funds	203 930	-	86 572	86 572	290 502	319 316	194 988
Total Capital Funding	597 754	20 650	86 572	107 222	704 976	867 599	740 980

Chart 4: Adjusted Capital Budget by Vote



The total approved budget was R 597million and adjusted budget is R 704, 9million. The major increases related to;

- ✓ The roll over of capital projects approved by National Treasury increasing the Capital budget by R51million,
- ✓ Budget for the Financial Management System, and
- ✓ National and Provincial conditional grants adjustments of R18, 1million and R2, 5million respectively.

TABLE B6: Adjustments Budget Financial Position

Table B6 displays the adjustment budget financial position of the municipality

KZN225 Msunduzi - Table B6 Adjustments Budget Financial Position - 23/01/2015

Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
ASSETS							
Current assets							
Cash	320 733		(270 733)	(270 733)	50 000	53 193	(108 512)
Call investment deposits	555 595	-	424 510	424 510	980 105	591 131	620 766
Consumer debtors	767 954	-	-	-	767 954	806 354	846 674
Other debtors	156 279				156 279	159 405	163 390
Current portion of long-term receivables	42 691				42 691	42 101	47 039
Inventory	762 595				762 595	770 221	777 924
Total current assets	2 605 848	-	153 777	153 777	2 759 625	2 422 405	2 347 281
Non current assets							
Long-term receivables	8 771				8 771	8 859	8 947
Investments	46				46	46	46
Investment property	320 520				320 520	320 520	320 520
Investment in Associate							
Property, plant and equipment	7 283 930	20 650	(554 110)	(533 460)	6 750 470	7 329 060	7 788 270
Agricultural							
Biological	648				648	648	648
Intangible	3 959				3 959	3 959	3 959
Other non-current assets	8 859				8 859	8 948	9 037
Total non current assets	7 626 734	20 650	(554 110)	(533 460)	7 093 274	7 672 040	8 131 428
TOTAL ASSETS	10 232 581	20 650	(400 333)	(379 683)	9 852 898	10 094 445	10 478 709
LIABILITIES							
Current liabilities							
Bank overdraft							
Borrowing	42 691	-	-	-	42 691	42 101	47 039
Consumer deposits	87 548				87 548	91 925	96 522
Trade and other payables	948 479	-	342 386	342 386	1 290 866	440 906	969 828
Provisions	3 714				3 714	3 714	3 714
Total current liabilities	1 082 432	-	342 386	342 386	1 424 818	578 646	1 117 103
Non current liabilities							
Borrowing	100 000	-	-	-	100 000	75 000	75 000
Provisions	768 990	-	-	-	768 990	1 352 946	1 955 349
Total non current liabilities	868 990	-	-	-	868 990	1 427 946	2 030 349
TOTAL LIABILITIES	1 951 422	-	342 386	342 386	2 293 808	2 006 591	3 147 452
NET ASSETS	8 281 160	20 650	(742 719)	(722 069)	7 559 090	8 087 853	7 331 257
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	8 237 940	20 650	(742 719)	(722 069)	7 515 870	8 044 328	8 567 505
Reserves	43 220	-	-	-	43 220	43 525	43 855
TOTAL COMMUNITY WEALTH/EQUITY	8 281 160	20 650	(742 719)	(722 069)	7 559 090	8 087 853	8 611 360

TABLE B7: Adjustments Budget Cash Flows
KZN225 Msunduzi - Table B7 Adjustments Budget Cash Flows - 23/01/2015

Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and other	3 015 567		78 544	78 544	3 094 111	3 140 688	3 392 901
Government - operating	415 372	(7 868)	(76 773)	(84 641)	330 731	436 640	458 643
Government - capital	293 824	20 650	-	20 650	314 474	473 283	470 992
Interest	32 247		(7 739)	(7 739)	24 508	33 988	35 824
Dividends	-			-	-	-	
Payments							
Suppliers and employees	(3 113 993)	7 868	111 919	119 787	(2 994 206)	(3 227 154)	(3 475 405)
Finance charges	(60 738)		-	-	(60 738)	(54 782)	(50 025)
Transfers and Grants	(5 408)		0	0	(5 408)	(251)	(263)
NET CASH FROM/(USED) OPERATING ACTIVITIES	576 871	20 650	105 950	126 600	703 471	802 412	832 667
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	(364 442)	(20 650)	(251 451)	(272 101)	(636 543)	(780 839)	(666 882)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(364 442)	(20 650)	(251 451)	(272 101)	(636 543)	(780 839)	(666 882)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	100 000	-	-	-	100 000	75 000	75 000
Increase (decrease) in consumer deposits	-	-	-	-	-	4 377	4 596
Payments							
Repayment of borrowing	(42 691)	-	-	-	(42 691)	(59 101)	(53 328)
NET CASH FROM/(USED) FINANCING ACTIVITIES	57 309	-	-	-	57 309	20 276	26 268
NET INCREASE/ (DECREASE) IN CASH HELD	269 738	-	(145 501)	(145 501)	124 237	41 849	192 053
Cash/cash equivalents at the year begin:	898 552			-	898 552	949 179	991 029
Cash/cash equivalents at the year end:	1 168 290		(145 501)		1 022 789	991 029	1 183 082

TABLE B8 Cash Backed Reserves / Accumulated Surplus Reconciliation

KZN225 Msunduzi - Table B8 Cash backed reserves/accumulated surplus reconciliation - 23/01/2015

Description	Budget Year 2014/15				Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
Cash and investments available						
Cash/cash equivalents at the year end	1 168 290	(145 501)	(145 501)	1 022 789	991 029	1 183 082
Other current investments > 90 days	(291 961)	299 278	299 278	7 317	(346 704)	(670 827)
Non current assets - Investments	46	-	-	46	46	46
Cash and investments available:	876 375	153 777	153 777	1 030 151	644 371	512 301
Applications of cash and investments						
Unspent conditional transfers	83 930	51 572	51 572	135 502	-	-
Unspent borrowing	100 000	(40 000)	(40 000)	60 000	-	0
Statutory requirements			-	-		
Other working capital requirements	(115 372)	266 755	266 755	151 383	(567 455)	(105 906)
Other provisions	(37 305)	-	-	(37 305)	-	-
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	43 220	-	-	43 220	43 525	43 855
Total Application of cash and investments:	74 473	278 327	278 327	352 800	(523 930)	(62 051)
Surplus(shortfall)	801 902	(124 550)	(124 550)	677 351	1 168 301	574 351

TABLE B9: Asset Management

KZN225 Msunduzi - Table B9 Asset Management - 23/01/2015							
Description	Budget Year 2014/15					Budget Year	Budget Year
	Original	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	11	12	13	14			
	E	F	G	H			
R thousands	A						
CAPITAL EXPENDITURE							
<u>Total New Assets to be adjusted</u>	308 310	(6 500)	86 572	80 072	388 382	508 723	461 794
<i>Infrastructure - Road transport</i>	108 100	-	-	-	108 100	232 550	259 250
<i>Infrastructure - Electricity</i>	63 500	(6 500)	51 572	45 072	108 572	141 695	136 695
<i>Infrastructure - Water</i>	24 677	-	-	-	24 677	34 544	8 583
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>	46 890	-	-	-	46 890	46 779	27 358
Infrastructure	243 167	(6 500)	51 572	45 072	288 239	455 569	431 887
Community	41 357	-	-	-	41 357	36 262	13 069
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	23 785	-	35 000	35 000	58 785	16 893	16 838
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	289 444	27 150	-	27 150	316 594	358 876	279 186
<i>Infrastructure - Road transport</i>	68 684	19 150	-	19 150	87 834	120 700	75 050
<i>Infrastructure - Electricity</i>	65 257	-	-	-	65 257	65 177	43 177
<i>Infrastructure - Water</i>	63 730	-	-	-	63 730	127 889	129 771
<i>Infrastructure - Sanitation</i>	31 938	-	-	-	31 938	-	-
<i>Infrastructure - Other</i>	6 171	-	-	-	6 171	500	-
Infrastructure	235 780	19 150	-	19 150	254 930	314 266	247 998
Community	52 615	-	-	-	52 615	44 185	30 687
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	1 050	8 000	-	8 000	9 050	425	500
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
<u>Total Capital Expenditure to be adjusted</u>	176 784	19 150	-	19 150	195 934	353 250	334 300
<i>Infrastructure - Road transport</i>	128 757	(6 500)	51 572	45 072	173 829	206 872	179 872
<i>Infrastructure - Electricity</i>	88 407	-	-	-	88 407	162 433	138 354
<i>Infrastructure - Water</i>	31 938	-	-	-	31 938	-	-
<i>Infrastructure - Sanitation</i>	53 061	-	-	-	53 061	47 279	27 358
Infrastructure	478 947	12 650	51 572	64 222	543 169	769 835	679 885
Community	93 972	-	-	-	93 972	80 447	43 757
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	24 835	8 000	35 000	43 000	67 835	17 318	17 338
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	597 754	20 650	86 572	107 222	704 976	867 599	740 980

TABLE B9: Asset Management Cont...

KZN225 Msunduzi - Table B9 Asset Management - 23/01/2015							
Description	Budget Year 2014/15					Budget Year	Budget Year
	Original	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
	11	12	13	14			
R thousands	A	E	F	G	H		
ASSET REGISTER SUMMARY - PPE (WDV)							
<i>Infrastructure - Road transport</i>	1 977 546	19 150	(189 095)	(169 945)	1 807 601	2 257 585	2 470 325
<i>Infrastructure - Electricity</i>	1 519 411	(6 500)	(147 797)	(154 297)	1 365 114	1 632 937	1 681 401
<i>Infrastructure - Water</i>	950 808	–	(96 225)	(96 225)	854 583	1 016 753	1 065 795
<i>Infrastructure - Sanitation</i>	650 936	–	(63 878)	(63 878)	587 057	676 199	722 788
<i>Infrastructure - Other</i>	516 776	–	(57 114)	(57 114)	459 662	506 795	506 570
Infrastructure	5 615 477	12 650	(554 110)	(541 460)	5 074 017	6 090 268	6 446 879
Community	427 607	–	–	–	427 607	448 883	418 209
Heritage assets	176 706	–	–	–	176 706	176 906	177 006
Investment properties	320 520	–	–	–	320 520	320 520	320 520
Other assets	592 994	8 000	480 005	488 005	1 080 999	621 951	755 213
Intangibles	3 959	–	–	–	3 959	–	–
Agricultural Assets	–	–	–	–	–	648	648
Biological assets	648	–	–	–	648	3 959	3 959
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	7 137 911	20 650	(74 105)	(53 455)	7 084 456	7 663 135	8 122 434
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	259 469	–	–	–	259 469	268 183	281 592
Repairs and Maintenance by asset class	291 357	–	(36 720)	(36 720)	254 637	518 883	608 295
<i>Infrastructure - Road transport</i>	63 667	–	–	–	63 667	118 191	174 080
<i>Infrastructure - Electricity</i>	73 236	–	(2 546)	(2 546)	70 690	128 342	182 076
<i>Infrastructure - Water</i>	21 849	–	–	–	21 849	41 953	61 592
<i>Infrastructure - Sanitation</i>	6 591	–	–	–	6 591	12 986	19 064
<i>Infrastructure - Other</i>	–	–	–	–	–	–	–
Infrastructure	165 342	–	(2 546)	(2 546)	162 796	301 471	436 812
Community	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–
Other assets	126 015	–	(34 174)	(34 174)	91 841	217 412	171 482
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	550 827	–	(36 720)	(36 720)	514 106	787 066	889 887
<i>% of capital exp on renewal of assets</i>	48.4%				44.9%	41.4%	37.7%
<i>Renewal of existing assets as % of deprecn</i>	111.6%				122.0%	133.8%	99.1%
<i>R&M as a % of PPE</i>	4.1%				3.6%	6.8%	7.5%
<i>Renewal and R&M as a % of PPE</i>	8.1%				8.1%	11.5%	10.9%

TABLE B10: Basic Service Delivery Measurement

KZN225 Msunduzi - Table B10 Basic service delivery measurement - 23/01/2015					
Description	Budget Year 2014/15			Budget Year +1	Budget Year +2
	Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	13 G	14 H		
Household service targets					
Water:					
Piped water inside dwelling	81 771	–	81 771	84 406	87 074
Piped water inside yard (but not in dwelling)	65 855	–	65 855	67 172	68 515
Using public tap (at least min.service level)	16 266	–	16 266	16 591	16 922
Other water supply (at least min.service level)		–	0		
Minimum Service Level and Above sub-total	163 892	–	163 892	168 169	172 511
Using public tap (< min.service level)		–	0		
Other water supply (< min.service level)		–	0		
No water supply	6 659	–	6 659	5 792	4 927
Below Minimum Service Level sub-total	6 659	–	6 659	5 792	4 927
Total number of households	170 551	–	170 551	173 961	177 438
Sanitation/sewerage:					
Flush toilet (connected to sewerage)	85 125	–	85 125	85 275	85 425
Flush toilet (with septic tank)	8 570	–	8 570	8 580	8 590
Chemical toilet	3 000	–	3 000	2 500	2 500
Pit toilet (ventilated)	22 344	–	22 344	32 696	32 696
Other toilet provisions (> min.service level)	20 044	–	20 044	16 044	12 044
Minimum Service Level and Above sub-total	139 083	–	139 083	145 095	141 255
Bucket toilet		–	0		
Other toilet provisions (< min.service level)	31 468	–	31 468	28 866	36 183
No toilet provisions		–	0		
Below Minimum Service Level sub-total	31 468	–	31 468	28 866	36 183
Total number of households	170 551	–	170 551	173 961	177 438
Energy:					
Electricity (at least min. service level)	145 139	–	145 139	148 041	151 001
Electricity - prepaid (> min.service level)	22 000	–	22 000	23 034	23 494
Minimum Service Level and Above sub-total	167 139	–	167 139	171 075	174 495
Electricity (< min.service level)		–	0		
Electricity - prepaid (< min. service level)	3 412	–	3 412	2 886	2 943
Other energy sources		–	0		
Below Minimum Service Level sub-total	3 412	–	3 412	2 886	2 943
Total number of households	170 551	–	170 551	173 961	177 438
Refuse:					
Removed at least once a week (min.service)	110 000	–	110 000	124 200	124 200
Minimum Service Level and Above sub-total	110 000	–	110 000	124 200	124 200
Removed less frequently than once a week		–	0	0	
Using communal refuse dump		–	0		
Using own refuse dump		–	0		
Other rubbish disposal	26 551	–	26 551	29 761	33 238
No rubbish disposal	34 000	–	34 000	20 000	20 000
Below Minimum Service Level sub-total	60 551	–	60 551	49 761	53 238
Total number of households	170 551	–	170 551	173 961	177 438

TABLE B10: Basic Service Delivery Measurement Cont...

KZN225 Msunduzi - Table B10 Basic service delivery measurement - 23/01/2015					
Description	Budget Year 2014/15			Budget Year +1	Budget Year +2
	Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	13 G	14 H		
Households receiving Free Basic Service					
Water (6 kilolitres per household per month)	21 760	–	21 760	22 630	22 630
Sanitation (free minimum level service)	21 760	–	21 760	22 630	22 630
Electricity /other energy (50kw h per household per month)		–	0		
Refuse (removed at least once a week)	21 760	–	21 760	21 760	21 760
Cost of Free Basic Services provided (R'000)					
Water (6 kilolitres per household per month)	50 880	–	50 880	53 628	56 524
Sanitation (free sanitation service)	8 087	–	8 087	8 524	8 984
Electricity /other energy (50kw h per household per month)	7 117	–	7 117	7 501	7 906
Refuse (removed once a week)	2 759	–	2 759	2 908	3 065
Total cost of FBS provided (minimum social package)	68 843	–	68 843	72 561	76 479
Highest level of free service provided					
Property rates (R'000 value threshold)	150	–	100	150	150
Water (kilolitres per household per month)	6	–	6	6	6
Sanitation (kilolitres per household per month)	0	–	0		
Sanitation (Rand per household per month)	0	–	0		
Electricity (kw per household per month)	50	–	50	50	50
Refuse (average litres per week)	0	–	0		
Revenue cost of free services provided (R'000)					
Property rates (R15 000 threshold rebate)	18 969	–	18 969	20 297	20 297
Property rates (other exemptions, reductions and rebates)		–	–		
Water	90 622	–	90 622	96 967	96 967
Sanitation	69 395	–	69 395	74 669	74 669
Electricity /other energy	143 138	–	143 138	154 016	154 016
Refuse	69 134	–	69 134	74 388	74 388
Municipal Housing - rental rebates		–	–		
Housing - top structure subsidies		–	–		
Other		–	–		
Total revenue cost of free services provided (total social package)	391 259	–	391 259	420 337	420 337

CONSOLIDATED ADJUSTED BUDGET TABLES

TABLE B1: Consolidated Adjustment Budget Summary

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow

KZN225 Msunduzi - Table B1 Consolidated Adjustments Budget Summary - 23/01/2015

Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Financial Performance							
Property rates	698 283	–	–	–	698 283	736 414	775 470
Service charges	2 234 125	–	–	–	2 234 125	2 398 438	2 569 602
Investment revenue	32 292	–	–	–	32 292	33 988	35 824
Transfers recognised - operational	415 372	(7 868)	–	(7 868)	407 504	436 640	458 643
Other own revenue	190 549	–	(2 005)	(2 005)	188 543	201 859	212 903
Total Revenue (excluding capital transfers and contributions)	3 570 620	(7 868)	(2 005)	(9 873)	3 560 747	3 807 340	4 052 441
Employee costs	859 582	–	–	–	859 582	920 778	991 388
Remuneration of councillors	39 272	–	–	–	39 272	42 350	45 659
Depreciation & asset impairment	259 497	–	–	–	259 497	268 183	281 592
Finance charges	60 746	–	–	–	60 746	54 782	50 025
Materials and bulk purchases	1 504 996	–	65 651	65 651	1 570 647	1 603 894	1 739 633
Transfers and grants	239	–	–	–	239	5 678	5 962
Other expenditure	775 812	(7 868)	(838)	(8 706)	767 106	835 849	885 998
Total Expenditure	3 500 144	(7 868)	64 813	56 945	3 557 089	3 731 515	4 000 256
Surplus/(Deficit)	70 477	–	(66 818)	(66 818)	3 658	75 825	52 185
Transfers recognised - capital	293 824	20 650	–	20 650	314 474	473 283	470 992
Contributions recognised - capital & contributed as	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	364 301	20 650	(66 818)	(46 168)	318 132	549 108	523 177
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	364 301	20 650	(66 818)	(46 168)	318 132	549 108	523 177
Capital expenditure & funds sources							
Capital expenditure	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Transfers recognised - capital	293 824	20 650	–	20 650	314 474	473 283	470 992
Public contributions & donations	–	–	–	–	–	–	–
Borrowing	100 000	–	–	–	100 000	75 000	75 000
Internally generated funds	203 930	–	86 572	86 572	290 502	319 316	194 988
Total sources of capital funds	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Financial position							
Total current assets	2 605 853	–	155 324	155 324	2 761 177	2 422 405	2 347 281
Total non current assets	7 626 733	20 650	(554 110)	(533 460)	7 093 274	7 672 040	8 131 428
Total current liabilities	1 082 432	–	343 934	343 934	1 426 366	578 646	1 117 103
Total non current liabilities	868 990	–	–	–	868 990	1 427 946	2 030 349
Community wealth/Equity	8 281 164	20 650	(742 719)	(722 069)	7 559 095	8 087 853	8 611 360
Cash flows							
Net cash from (used) operating	577 313	26 150	105 950	132 100	709 413	802 412	832 667
Net cash from (used) investing	(364 442)	(26 150)	(251 451)	(277 601)	(642 043)	(780 839)	(666 882)
Net cash from (used) financing	57 309	–	–	–	57 309	20 276	26 268
Cash/cash equivalents at the year end	1 169 837	–	(145 501)	(145 501)	1 024 336	991 029	1 183 082
Cash backing/surplus reconciliation							
Cash and investments available	876 374	–	155 324	155 324	1 031 698	644 371	512 301
Application of cash and investments	183 866	–	147 781	147 781	331 647	(523 930)	(62 051)
Balance - surplus (shortfall)	692 509	–	7 543	7 543	700 051	1 168 301	574 351
Asset Management							
Asset register summary (WDV)	7 137 911	20 650	(74 105)	(53 455)	7 084 456	7 663 135	8 122 434
Depreciation & asset impairment	259 497	–	–	–	259 497	268 183	281 592
Renewal of Existing Assets	289 444	27 150	–	27 150	316 594	358 876	279 186
Repairs and Maintenance	291 357	–	(36 720)	(36 720)	254 637	518 883	608 295
Free services							
Cost of Free Basic Services provided	68 843	–	–	–	68 843	72 561	76 479
Revenue cost of free services provided	391 259	–	–	–	391 259	420 337	420 337
Households below minimum service level							
Water:	7	–	–	–	7	6	5
Sanitation/sewage:	31	–	–	–	31	29	36
Energy:	3	–	–	–	3	3	3
Refuse:	61	–	–	–	61	50	53

TABLE B2: Consolidated Adjustment Budget Financial Performance

Schedule B2 is the Expenditure by standard classification presents the consolidated adjustment expenditures by the departments

KZN225 Msunduzi - Table B2 Consolidated Adjustments Budget Financial Performance (standard classification) - 23/01/2015

Standard Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Revenue - Standard							
<i>Governance and administration</i>	1 152 828	-	(1 839)	(1 839)	1 150 989	1 337 551	1 340 781
Executive and council	-	-	-	-	-	-	-
Budget and treasury office	1 149 665	-	(239)	(239)	1 149 427	1 334 177	1 337 303
Corporate services	3 162	-	(1 600)	(1 600)	1 562	3 374	3 478
<i>Community and public safety</i>	13 406	(146)	-	(146)	13 260	14 264	14 210
Community and social services	3 250	(146)	-	(146)	3 104	3 546	2 818
Sport and recreation	729	-	-	-	729	760	798
Public safety	5 873	-	-	-	5 873	6 092	6 397
Housing	3 485	-	-	-	3 485	3 792	4 116
Health	70	-	-	-	70	73	81
<i>Economic and environmental services</i>	171 598	8 000	13	8 013	179 611	219 003	268 280
Planning and development	7 972	8 000	(0)	8 000	15 971	8 053	8 518
Road transport	163 627	-	13	13	163 640	210 950	259 761
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	2 437 047	4 928	(17)	4 911	2 441 958	2 620 117	2 713 826
Electricity	1 700 095	4 928	(38)	4 890	1 704 986	1 839 444	1 901 890
Water	500 521	-	-	-	500 521	533 983	554 418
Waste water management	149 071	-	21	21	149 092	155 516	162 313
Waste management	87 359	-	(0)	(0)	87 359	91 174	95 205
<i>Other</i>	89 565	-	(162)	(162)	89 403	89 688	186 337
Total Revenue - Standard	3 864 444	12 782	(2 005)	10 777	3 875 221	4 280 623	4 523 434
Expenditure - Standard							
<i>Governance and administration</i>	691 420	-	(14 364)	(14 364)	677 056	610 593	639 297
Executive and council	384 298	-	(1 000)	(1 000)	383 298	401 445	413 415
Budget and treasury office	200 157	-	(15 643)	(15 643)	184 514	99 997	104 960
Corporate services	106 965	-	2 279	2 279	109 244	109 150	120 923
<i>Community and public safety</i>	421 630	(146)	18 885	18 739	440 369	412 761	403 557
Community and social services	99 202	(146)	(100)	(246)	98 956	96 099	76 748
Sport and recreation	81 358	-	810	810	82 168	80 968	81 978
Public safety	196 206	-	8 154	8 154	204 360	191 191	199 520
Housing	25 149	-	2	2	25 150	25 247	25 658
Health	19 716	-	10 019	10 019	29 735	19 256	19 653
<i>Economic and environmental services</i>	462 751	(7 722)	(1 729)	(9 451)	453 300	464 630	556 317
Planning and development	128 290	(7 722)	(480)	(8 202)	120 087	126 201	94 451
Road transport	334 461	-	(1 249)	(1 249)	333 212	338 428	461 867
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	1 893 221	-	62 245	62 245	1 955 466	2 218 159	2 374 334
Electricity	1 374 093	-	(353)	(353)	1 373 740	1 508 952	1 613 629
Water	406 791	-	62 205	62 205	468 996	471 900	508 264
Waste water management	9 621	-	1 545	1 545	11 166	121 422	129 864
Waste management	102 716	-	(1 152)	(1 152)	101 564	115 884	122 577
<i>Other</i>	31 122	-	(224)	(224)	30 898	25 372	26 751
Total Expenditure - Standard	3 500 144	(7 868)	64 813	56 945	3 557 089	3 731 515	4 000 256
Surplus/ (Deficit) for the year	364 301	20 650	(66 818)	(46 168)	318 132	549 109	523 177

TABLE B3: Consolidated Adjustment Budget Financial Performance

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23/01/2015

Vote Description <i>[Insert departmental structure etc]</i>	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget A	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands							
Revenue by Vote							
Vote 1 - Vote 1 - Corporate Services	311 882	(146)	(1 580)	(1 726)	310 156	491 724	489 135
Vote 2 - Vote 2 - Financial Management Area	1 077 719	-	-	-	1 077 719	1 145 893	1 303 906
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 436 060	12 928	(463)	12 465	2 448 525	2 603 497	2 684 875
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	38 782	-	38	38	38 820	39 509	45 518
Total Revenue by Vote	3 864 444	12 782	(2 005)	10 777	3 875 221	4 280 623	4 523 434
Expenditure by Vote							
Vote 1 - Vote 1 - Corporate Services	263 785	(146)	7 614	7 468	271 253	330 411	324 259
Vote 2 - Vote 2 - Financial Management Area	481 725	-	(21 555)	(21 555)	460 170	494 944	449 382
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	2 273 477	(7 722)	(1 984)	(9 706)	2 263 772	2 421 888	2 691 427
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	481 157	-	80 738	80 738	561 895	484 272	535 189
Total Expenditure by Vote	3 500 144	(7 868)	64 813	56 945	3 557 089	3 731 515	4 000 256
Surplus/ (Deficit) for the year	364 301	20 650	(66 818)	(46 168)	318 132	549 108	523 177

TABLE B4: Consolidated Adjustment Budget Financial Performance

This schedule provides information on the consolidated adjustment revenue by source and consolidated adjustment operational expenditures by type

KZN225 Msunduzi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23/01/2015

Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	E	F	G	H		
Revenue By Source							
Property rates	659 052	-	-	-	659 052	695 065	731 888
Property rates - penalties & collection charges	39 231	-	-	-	39 231	41 349	43 582
Service charges - electricity revenue	1 628 543	-	-	-	1 628 543	1 748 892	1 878 135
Service charges - water revenue	391 288	-	-	-	391 288	424 332	454 918
Service charges - sanitation revenue	126 582	-	-	-	126 582	133 938	141 417
Service charges - refuse revenue	87 712	-	-	-	87 712	91 276	95 132
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	35 024	-	-	-	35 024	38 329	40 292
Interest earned - external investments	32 247	-	-	-	32 247	33 988	35 824
Interest earned - outstanding debtors	1 325	-	-	-	1 325	1 399	1 478
Dividends received	-	-	-	-	-	-	-
Fines	14 667	-	-	-	14 667	15 488	16 356
Licences and permits	83	-	-	-	83	87	92
Agency services	3 220	-	-	-	3 220	3 324	3 490
Transfers recognised - operating	415 372	(7 868)	-	(7 868)	407 504	436 640	458 643
Other revenue	136 230	-	(2 005)	(2 005)	134 224	143 231	151 195
Gains on disposal of PPE	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3 570 575	(7 868)	(2 005)	(9 873)	3 560 702	3 807 340	4 052 441
Expenditure By Type							
Employee related costs	855 887	-	-	-	855 887	920 778	991 388
Remuneration of councillors	39 272	-	-	-	39 272	42 350	45 659
Debt impairment	144 577	-	-	-	144 577	154 586	164 979
Depreciation & asset impairment	259 469	-	-	-	259 469	268 183	281 592
Finance charges	60 738	-	-	-	60 738	54 782	50 025
Bulk purchases	1 479 522	-	65 651	65 651	1 545 173	1 577 336	1 711 641
Other materials	25 198	-	-	-	25 198	26 558	27 992
Contracted services	93 051	-	14 545	14 545	107 596	94 359	89 323
Transfers and grants	5 408	-	-	-	5 408	5 678	5 962
Other expenditure	537 133	(7 868)	(15 383)	(23 251)	513 882	586 904	631 696
Loss on disposal of PPE	-	-	-	-	-	-	-
Total Expenditure	3 500 255	(7 868)	64 813	56 945	3 557 200	3 731 515	4 000 256
Surplus/(Deficit)	70 320	-	(66 818)	(66 818)	3 502	75 825	52 185
Transfers recognised - capital	293 824	20 650	-	20 650	314 474	473 283	470 992
Contributions	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Attributable to minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	364 144	20 650	(66 818)	(46 168)	317 976	549 108	523 177

TABLE B5: Consolidated Adjustment Capex Budget By Vote And Funding

KZN225 Msunduzi - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 23/01/2015

Description	Budget Year 2014/15					Budget Year	Budget Year
	Original	Nat. or	Other	Total	Adjusted	+1 2015/16	+2 2016/17
	Budget	Prov. Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
	A	E	F	G	H		
R thousands							
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 1 - Vote 1 - Corporate Services	25 454	-	-	-	25 454	65 822	72 487
Vote 2 - Vote 2 - Financial Management Area	24 417	-	31 800	31 800	56 217	-	-
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	321 922	26 150	-	26 150	348 072	225 555	241 765
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	74 305	-	-	-	74 305	372 211	298 329
Capital multi-year expenditure sub-total	446 098	26 150	31 800	57 950	504 048	663 588	612 581
Single-year expenditure to be adjusted							
Vote 1 - Vote 1 - Corporate Services	3 818	-	-	-	3 818	21 941	24 163
Vote 2 - Vote 2 - Financial Management Area	10 479	-	3 200	3 200	13 679	-	-
Vote 3 - Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	112 441	(5 500)	51 572	46 072	158 513	58 889	4 726
Vote 4 - Vote 4 - Sustainable Community Service Delivery Provision Management	24 918	-	-	-	24 918	123 181	99 510
Capital single-year expenditure sub-total	151 656	(5 500)	54 772	49 272	200 928	204 011	128 399
Total Capital Expenditure - Vote	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Capital Expenditure - Standard							
Governance and administration	23 899	-	35 000	35 000	58 899	46 413	32 450
Executive and council	1 961	-	-	-	1 961	46 413	32 450
Budget and treasury office	21 938	-	35 000	35 000	56 938	-	-
Corporate services	-	-	-	-	-	-	-
Community and public safety	10 656	-	-	-	10 656	11 417	12 682
Community and social services	4 128	-	-	-	4 128	4 499	4 994
Sport and recreation	6 008	-	-	-	6 008	6 268	6 707
Public safety	520	-	-	-	520	649	981
Housing	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Economic and environmental services	350 836	27 150	-	27 150	377 986	505 906	403 691
Planning and development	173 873	27 150	-	27 150	201 023	272 963	180 353
Road transport	176 963	-	-	-	176 963	232 943	223 338
Environmental protection	-	-	-	-	-	-	-
Trading services	179 896	(6 500)	51 572	45 072	224 968	269 122	254 984
Electricity	95 035	(6 500)	51 572	45 072	140 107	192 517	185 899
Water	59 191	-	-	-	59 191	49 141	39 386
Waste water management	14 129	-	-	-	14 129	15 577	16 979
Waste management	11 541	-	-	-	11 541	11 887	12 719
Other	32 468	-	-	-	32 468	34 742	37 174
Total Capital Expenditure - Standard	597 754	20 650	86 572	107 222	704 976	867 599	740 980
Funded by:							
National Government	283 897	18 150	-	18 150	302 047	464 283	470 992
Provincial Government	9 927	2 500	-	2 500	12 427	9 000	-
District Municipality	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-
Total Capital transfers recognised	293 824	20 650	-	20 650	314 474	473 283	470 992
Public contributions & donations	-	-	-	-	-	-	-
Borrowing	100 000	-	-	-	100 000	75 000	75 000
Internally generated funds	203 930	-	86 572	86 572	290 502	319 316	194 988
Total Capital Funding	597 754	20 650	86 572	107 222	704 976	867 599	740 980

TABLE B6: Consolidated Adjustments Budget Financial Position

Table B6 displays the consolidated adjustment budget financial position of the municipality

KZN225 Msunduzi - Table B6 Consolidated Adjustments Budget Financial Position - 23/01/2015							
Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
ASSETS							
Current assets							
Cash	320 733	–	(269 186)	(269 186)	51 547	53 193	(108 512)
Call investment deposits	555 595	–	424 510	424 510	980 105	591 131	620 766
Consumer debtors	767 954	–	–	–	767 954	806 354	846 674
Other debtors	156 279	–	–	–	156 279	159 405	163 390
Current portion of long-term receivables	42 691	–	–	–	42 691	42 101	47 039
Inventory	762 601	–	–	–	762 601	770 221	777 924
Total current assets	2 605 853	–	155 324	155 324	2 761 177	2 422 405	2 347 281
Non current assets							
Long-term receivables	8 771	–	–	–	8 771	8 859	8 947
Investments	46	–	–	–	46	46	46
Investment property	320 520	–	–	–	320 520	320 520	320 520
Investment in Associate	–	–	–	–	–	–	–
Property, plant and equipment	7 283 930	20 650	(554 110)	(533 460)	6 750 470	7 329 060	7 788 270
Agricultural	–	–	–	–	–	–	–
Biological	648	–	–	–	648	648	648
Intangible	3 959	–	–	–	3 959	3 959	3 959
Other non-current assets	8 859	–	–	–	8 859	8 948	9 037
Total non current assets	7 626 733	20 650	(554 110)	(533 460)	7 093 274	7 672 040	8 131 428
TOTAL ASSETS	10 232 586	20 650	(398 786)	(378 136)	9 854 451	10 094 445	10 478 709
LIABILITIES							
Current liabilities							
Bank overdraft	–	–	–	–	–	–	–
Borrowing	42 691	–	–	–	42 691	42 101	47 039
Consumer deposits	87 548	–	–	–	87 548	91 925	96 522
Trade and other payables	948 479	–	343 934	343 934	1 292 413	440 906	969 828
Provisions	3 714	–	–	–	3 714	3 714	3 714
Total current liabilities	1 082 432	–	343 934	343 934	1 426 366	578 646	1 117 103
Non current liabilities							
Borrowing	100 000	–	–	–	100 000	75 000	75 000
Provisions	768 990	–	–	–	768 990	1 352 946	1 955 349
Total non current liabilities	868 990	–	–	–	868 990	1 427 946	2 030 349
TOTAL LIABILITIES	1 951 422	–	343 934	343 934	2 295 356	2 006 591	3 147 452
NET ASSETS	8 281 164	20 650	(742 719)	(722 069)	7 559 095	8 087 853	7 331 257
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	8 237 944	20 650	(742 719)	(722 069)	7 515 875	8 044 328	8 567 505
Reserves	43 220	–	–	–	43 220	43 525	43 855
TOTAL COMMUNITY WEALTH/EQUITY	8 281 164	20 650	(742 719)	(722 069)	7 559 095	8 087 853	8 611 360

TABLE B7: Consolidated Adjustments Budget Cash Flows

KZN225 Msunduzi - Table B7 Consolidated Adjustments Budget Cash Flows - 23/01/2015

Description	Budget Year 2014/15					Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and other	3 015 586		78 544	78 544	3 094 129	3 140 688	3 392 901
Government - operating	415 372	(146)	(76 773)	(76 919)	338 453	436 640	458 643
Government - capital	293 824	26 150	-	26 150	319 974	473 283	470 992
Interest	32 292		(7 739)	(7 739)	24 553	33 988	35 824
Dividends	-			-	-	-	
Payments							
Suppliers and employees	(3 118 776)	146	111 919	112 065	(3 006 711)	(3 227 154)	(3 475 405)
Finance charges	(60 746)		-	-	(60 746)	(54 782)	(50 025)
Transfers and Grants	(239)		0	0	(239)	(251)	(263)
NET CASH FROM/(USED) OPERATING ACTIVITIES	577 313	26 150	105 950	132 100	709 413	802 412	832 667
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	(364 442)	(26 150)	(251 451)	(277 601)	(642 043)	(780 839)	(666 882)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(364 442)	(26 150)	(251 451)	(277 601)	(642 043)	(780 839)	(666 882)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	100 000	-	-	-	100 000	75 000	75 000
Increase (decrease) in consumer deposits		-	-	-	-	4 377	4 596
Payments							
Repayment of borrowing	(42 691)	-	-	-	(42 691)	(59 101)	(53 328)
NET CASH FROM/(USED) FINANCING ACTIVITIES	57 309	-	-	-	57 309	20 276	26 268
NET INCREASE/ (DECREASE) IN CASH HELD	270 180	-	(145 501)	(145 501)	124 679	41 849	192 053
Cash/cash equivalents at the year begin:	899 657	-	-	-	899 657	949 179	991 029
Cash/cash equivalents at the year end:	1 169 837	-	(145 501)		1 024 336	991 029	1 183 082

TABLE B8: Consolidated Cash Backed Reserves / Accumulated Surplus Reconciliation

KZN225 Msunduzi - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 23/01/2015

Description	Budget Year 2014/15				Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
Cash and investments available						
Cash/cash equivalents at the year end	1 169 837	(145 501)	(145 501)	1 024 336	991 029	1 183 082
Other current investments > 90 days	(293 509)	300 825	300 825	7 317	(346 704)	(670 827)
Non current assets - Investments	46	-	-	46	46	46
Cash and investments available:	876 374	155 324	155 324	1 031 698	644 371	512 301
Applications of cash and investments						
Unspent conditional transfers	83 930	51 572	51 572	135 502	-	-
Unspent borrowing	100 000	(100 000)	(100 000)	-	-	-
Statutory requirements	-	-	-	-	-	-
Other working capital requirements	(115 377)	266 255	266 255	150 878	(567 455)	(105 906)
Other provisions	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	115 313	(72 093)	(72 093)	43 220	43 525	43 855
Total Application of cash and investments:	183 866	145 734	145 734	329 600	(523 930)	(62 051)
Surplus(shortfall)	692 509	9 590	9 590	702 099	1 168 301	574 351

TABLE B9: Consolidated Asset Management

KZN225 Msunduzi - Table B9 Consolidated Asset Management - 23/01/2015							
Description	Budget Year 2014/15					Budget Year	Budget Year
	Original Budget	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	11	12	13	14			
	E	F	G	H			
R thousands	A						
CAPITAL EXPENDITURE							
<u>Total New Assets to be adjusted</u>	308 310	(6 500)	86 572	80 072	388 382	508 723	461 794
<i>Infrastructure - Road transport</i>	108 100	-	-	-	108 100	232 550	259 250
<i>Infrastructure - Electricity</i>	63 500	(6 500)	51 572	45 072	108 572	141 695	136 695
<i>Infrastructure - Water</i>	24 677	-	-	-	24 677	34 544	8 583
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>	46 890	-	-	-	46 890	46 779	27 358
Infrastructure	243 167	(6 500)	51 572	45 072	288 239	455 569	431 887
Community	41 357	-	-	-	41 357	36 262	13 069
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	23 785	-	35 000	35 000	58 785	16 893	16 838
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	289 444	27 150	-	27 150	316 594	358 876	279 186
<i>Infrastructure - Road transport</i>	68 684	19 150	-	19 150	87 834	120 700	75 050
<i>Infrastructure - Electricity</i>	65 257	-	-	-	65 257	65 177	43 177
<i>Infrastructure - Water</i>	63 730	-	-	-	63 730	127 889	129 771
<i>Infrastructure - Sanitation</i>	31 938	-	-	-	31 938	-	-
<i>Infrastructure - Other</i>	6 171	-	-	-	6 171	500	-
Infrastructure	235 780	19 150	-	19 150	254 930	314 266	247 998
Community	52 615	-	-	-	52 615	44 185	30 687
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	1 050	8 000	-	8 000	9 050	425	500
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
<u>Total Capital Expenditure to be adjusted</u>							
<i>Infrastructure - Road transport</i>	176 784	19 150	-	19 150	195 934	353 250	334 300
<i>Infrastructure - Electricity</i>	128 757	(6 500)	51 572	45 072	173 829	206 872	179 872
<i>Infrastructure - Water</i>	88 407	-	-	-	88 407	162 433	138 354
<i>Infrastructure - Sanitation</i>	31 938	-	-	-	31 938	-	-
<i>Infrastructure - Other</i>	53 061	-	-	-	53 061	47 279	27 358
Infrastructure	478 947	12 650	51 572	64 222	543 169	769 835	679 885
Community	93 972	-	-	-	93 972	80 447	43 757
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	24 835	8 000	35 000	43 000	67 835	17 318	17 338
Agricultural Assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	597 754	20 650	86 572	107 222	704 976	867 599	740 980

TABLE B9: Consolidated Asset Management Cont...

KZN225 Msunduzi - Table B9 Consolidated Asset Management - 23/01/2015							
Description	Budget Year 2014/15					Budget Year	Budget Year
	Original	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	11	12	13	14			
R thousands	A	E	F	G	H		
ASSET REGISTER SUMMARY - PPE (WDV)							
<i>Infrastructure - Road transport</i>	1 977 546	19 150	(189 095)	(169 945)	1 807 601	2 257 585	2 470 325
<i>Infrastructure - Electricity</i>	1 519 411	(6 500)	(147 797)	(154 297)	1 365 114	1 632 937	1 681 401
<i>Infrastructure - Water</i>	950 808		(96 225)	(96 225)	854 583	1 016 753	1 065 795
<i>Infrastructure - Sanitation</i>	650 936		(63 878)	(63 878)	587 057	676 199	722 788
<i>Infrastructure - Other</i>	516 776		(57 114)	(57 114)	459 662	506 795	506 570
Infrastructure	5 615 477	12 650	(554 110)	(541 460)	5 074 017	6 090 268	6 446 879
Community	427 607		-	-	427 607	448 883	418 209
Heritage assets	176 706		-	-	176 706	176 906	177 006
Investment properties	320 520		-	-	320 520	320 520	320 520
Other assets	592 994	8 000	480 005	488 005	1 080 999	621 951	755 213
Intangibles	3 959		-	-	3 959	-	-
Agricultural Assets	-		-	-	-	648	648
Biological assets	648		-	-	648	3 959	3 959
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	7 137 911	20 650	(74 105)	(53 455)	7 084 456	7 663 135	8 122 434
EXPENDITURE OTHER ITEMS							
<u>Depreciation & asset impairment</u>	259 497	-	-	-	259 497	268 183	281 592
<u>Repairs and Maintenance by asset class</u>	291 357	-	(36 720)	(36 720)	254 637	518 883	608 295
<i>Infrastructure - Road transport</i>	63 667	-	-	-	63 667	118 191	174 080
<i>Infrastructure - Electricity</i>	73 236	-	(2 546)	(2 546)	70 690	128 342	182 076
<i>Infrastructure - Water</i>	21 849	-	-	-	21 849	41 953	61 592
<i>Infrastructure - Sanitation</i>	6 591	-	-	-	6 591	12 986	19 064
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-
Infrastructure	165 342	-	(2 546)	(2 546)	162 796	301 471	436 812
Community	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-
Other assets	126 015	-	(34 174)	(34 174)	91 841	217 412	171 482
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	550 854	-	(36 720)	(36 720)	514 134	787 066	889 887
% of capital exp on renewal of assets	48.4%				44.9%	41.4%	37.7%
Renewal of existing assets as % of deprecn	111.5%				122.0%	133.8%	99.1%
R&M as a % of PPE	4.1%				3.6%	6.8%	7.5%
Renewal and R&M as a % of PPE	8.1%				8.1%	11.5%	10.9%

TABLE B10: Consolidated Basic Service Delivery Measurement

KZN225 Msunduzi - Table B10 Consolidated Basic service delivery measurement - 23/01/2015					
Description	Budget Year 2014/15			Budget Year +1	Budget Year +2
	Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	13 G	14 H		
Household service targets					
Water:					
Piped water inside dwelling	81 771	–	81 771	84 406	87 074
Piped water inside yard (but not in dwelling)	65 855	–	65 855	67 172	68 515
Using public tap (at least min.service level)	16 266	–	16 266	16 591	16 922
Other water supply (at least min.service level)		–	0		
Minimum Service Level and Above sub-total	163 892	–	163 892	168 169	172 511
Using public tap (< min.service level)		–	0		
Other water supply (< min.service level)		–	0		
No water supply	6 659	–	6 659	5 792	4 927
Below Minimum Service Level sub-total	6 659	–	6 659	5 792	4 927
Total number of households	170 551	–	170 551	173 961	177 438
Sanitation/sewerage:					
Flush toilet (connected to sewerage)	85 125	–	85 125	85 275	85 425
Flush toilet (with septic tank)	8 570	–	8 570	8 580	8 590
Chemical toilet	3 000	–	3 000	2 500	2 500
Pit toilet (ventilated)	22 344	–	22 344	32 696	32 696
Other toilet provisions (> min.service level)	20 044	–	20 044	16 044	12 044
Minimum Service Level and Above sub-total	139 083	–	139 083	145 095	141 255
Bucket toilet		–	0		
Other toilet provisions (< min.service level)	31 468	–	31 468	28 866	36 183
No toilet provisions		–	0		
Below Minimum Service Level sub-total	31 468	–	31 468	28 866	36 183
Total number of households	170 551	–	170 551	173 961	177 438
Energy:					
Electricity (at least min. service level)	145 139	–	145 139	148 041	151 001
Electricity - prepaid (> min.service level)	22 000	–	22 000	23 034	23 494
Minimum Service Level and Above sub-total	167 139	–	167 139	171 075	174 495
Electricity (< min.service level)		–	0		
Electricity - prepaid (< min. service level)	3 412	–	3 412	2 886	2 943
Other energy sources		–	0		
Below Minimum Service Level sub-total	3 412	–	3 412	2 886	2 943
Total number of households	170 551	–	170 551	173 961	177 438
Refuse:					
Removed at least once a week (min.service)	110 000	–	110 000	124 200	124 200
Minimum Service Level and Above sub-total	110 000	–	110 000	124 200	124 200
Removed less frequently than once a week		–	0	0	
Using communal refuse dump		–	0		
Using own refuse dump		–	0		
Other rubbish disposal	26 551	–	26 551	29 761	33 238
No rubbish disposal	34 000	–	34 000	20 000	20 000
Below Minimum Service Level sub-total	60 551	–	60 551	49 761	53 238
Total number of households	170 551	–	170 551	173 961	177 438

TABLE B10: Consolidated Basic Service Delivery Measurement Cont...

KZN225 Msunduzi - Table B10 Consolidated Basic service delivery measurement - 23/01/2015					
Description	Budget Year 2014/15			Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	13 G	14 H		
Households receiving Free Basic Service					
Water (6 kilolitres per household per month)	21 760	–	21 760	22 630	22 630
Sanitation (free minimum level service)	21 760	–	21 760	22 630	22 630
Electricity/other energy (50kw h per household per month)		–	0		
Refuse (removed at least once a week)	21 760	–	21 760	21 760	21 760
Cost of Free Basic Services provided (R'000)					
Water (6 kilolitres per household per month)	50 880	–	50 880	53 628	56 524
Sanitation (free sanitation service)	8 087	–	8 087	8 524	8 984
Electricity/other energy (50kw h per household per month)	7 117	–	7 117	7 501	7 906
Refuse (removed once a week)	2 759	–	2 759	2 908	3 065
Total cost of FBS provided (minimum social package)	68 843	–	68 843	72 561	76 479
Highest level of free service provided					
Property rates (R'000 value threshold)	150	–	100	150	150
Water (kilolitres per household per month)	6	–	6	6	6
Sanitation (kilolitres per household per month)	0	–	0		
Sanitation (Rand per household per month)	0	–	0		
Electricity (kw per household per month)	50	–	50	50	50
Refuse (average litres per week)	0	–	0		
Revenue cost of free services provided (R'000)					
Property rates (R15 000 threshold rebate)	18 969	–	18 969	20 297	20 297
Property rates (other exemptions, reductions and rebates)		–	–		
Water	90 622	–	90 622	96 967	96 967
Sanitation	69 395	–	69 395	74 669	74 669
Electricity/other energy	143 138	–	143 138	154 016	154 016
Refuse	69 134	–	69 134	74 388	74 388
Municipal Housing - rental rebates		–	–		
Housing - top structure subsidies		–	–		
Other		–	–		
Total revenue cost of free services provided (total social package)	391 259	–	391 259	420 337	420 337

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

Except for the minor changes noted below, there have not been vast changes in the original budget assumptions.

External factors: The effects of high unemployment rates and slow economic growth continues to negatively affect the municipality’s plans to reduce rising consumer debt levels.

Collection rate for revenue services: While the average YTD collection rate at mid year for major revenue sources was 94%, a projected collection rate of 85% of billed services was initially planned during the annual budget preparation and has been conservatively left unadjusted.

Due to the historical trends of Capital Expenditure performance peaking in the 3rd and 4th quarters of the financial year, the current year’s projections are assumed to reflect this trend. This year has seen extensive measures being implemented to ensure an accelerated capital budget implementation. The results of these interventions are expected to be realised in the next financial years.

2.2 Adjustments to Budget funding

The major adjustments to Capital Budget funding relates to the increase in internally generated funds, the roll over grants and additional funding from National & Provincial Departments as detailed in the table below.

KZN225 Msunduzi - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 23/01/2015

Description	Budget Year 2014/15				Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Nat. or Prov. Govt	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	C	E	F		
RECEIPTS:						
Operating Transfers and Grants						
National Government:	384 424	-	-	384 424	402 078	422 802
Local Government Equitable Share	373 541	-	-	373 541	392 761	413 174
Municipal Systems Improvement	1 600	-	-	1 600	1 650	1 700
EPWP Incentive	934	-	-	934	967	1 018
Energy Efficiency and Demand Management	2 782	-	-	2 782	-	-
MIG Operating Costs	4 000	-	-	4 000	4 200	4 410
Neighbourhood Development Partnership Technical Assistance	1 567	-	-	1 567	2 500	2 500
Provincial Government:	30 948	(7 868)	(7 868)	23 080	34 562	35 841
Human Settlements	7 722	(7 722)	(7 722)	-	9 945	9 702
Public Works	-	-	-	-	-	-
Arts and Culture	23 226	(146)	(146)	23 080	24 617	26 139
Total Operating Transfers and Grants	415 372	(7 868)	(7 868)	407 504	436 640	458 643
Capital Transfers and Grants						
National Government:	283 897	18 150	18 150	302 047	464 283	470 992
Municipal Infrastructure Grant (MIG)	159 158	-	-	159 158	166 213	173 983
Public Transport and Systems	100 000	-	-	100 000	220 000	250 000
Neighbourhood Development Partnership	10 350	19 150	19 150	29 500	10 737	11 288
Intergrated National Electrification Programme	3 000	(1 000)	(1 000)	2 000	9 000	9 000
Municipal Water Infrastructure Grant	11 389	-	-	11 389	58 333	26 721
Other capital transfers [insert description]	-	-	-	-	-	-
Provincial Government:	9 927	2 500	2 500	12 427	9 000	-
Sport and Recreation	150	-	-	150	-	-
Treasury	5 500	(5 500)	(5 500)	-	-	-
COGTA	4 277	8 000	8 000	12 277	9 000	-
Total Capital Transfers and Grants	293 824	20 650	20 650	314 474	473 283	470 992
TOTAL RECEIPTS OF TRANSFERS & GRANTS	709 196	12 782	12 782	721 978	909 923	929 635

2.3 Adjustments to Expenditure on Allocations and Grant Programmes

The additions as well as reductions in the Provincial & National Government funding has had a net effect of increasing the expenditure on government grants funded projects by R12, 7million.

KZN225 Msunduzi - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 23/01/2015

Description	Budget Year 2014/15				Budget Year	Budget Year
	Original	Nat. or Prov.	Total	Adjusted	Adjusted	Adjusted
	Budget	Govt	Adjusts.	Budget	Budget	Budget
R thousands	A	C	E	F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:						
<u>Operating expenditure of Transfers and Grants</u>						
National Government:	384 424	-	-	384 424	402 078	422 802
Local Government Equitable Share	373 541	-	-	373 541	392 761	413 174
Municipal Systems Improvement	1 600	-	-	1 600	1 650	1 700
EPWP Incentive	934	-	-	934	967	1 018
Energy Efficiency and Demand Management	2 782	-	-	2 782	-	-
MIG Operating Costs	4 000	-	-	4 000	4 200	4 410
Neighbourhood Development Partnership Technical Assistance	1 567	-	-	1 567	2 500	2 500
Provincial Government:	30 948	(7 868)	(7 868)	23 080	34 562	35 841
Health subsidy	-	-	-	-	-	-
Health	-	-	-	-	-	-
Human Settlements	7 722	(7 722)	(7 722)	-	9 945	9 702
Public Works	-	-	-	-	-	-
Arts and Culture	23 226	(146)	(146)	23 080	24 617	26 139
Total operating expenditure of Transfers and Grants:	415 372	(7 868)	(7 868)	407 504	436 640	458 643
<u>Capital expenditure of Transfers and Grants</u>						
National Government:	283 897	18 150	18 150	302 047	464 283	470 992
Municipal Infrastructure Grant (MIG)	159 158	-	-	159 158	166 213	173 983
Public Transport and Systems	100 000	-	-	100 000	220 000	250 000
Neighbourhood Development Partnership	10 350	19 150	19 150	29 500	10 737	11 288
Integrated National Electrification Programme	3 000	(1 000)	(1 000)	2 000	9 000	9 000
Municipal Water Infrastructure Grant	11 389	-	-	11 389	58 333	26 721
Other capital transfers [insert description]	-	-	-	-	-	-
Provincial Government:	9 927	2 500	2 500	12 427	9 000	-
Sport and Recreation	150	-	-	150	-	-
Treasury	5 500	(5 500)	(5 500)	-	-	-
COGTA	4 277	8 000	8 000	12 277	9 000	-
Total capital expenditure of Transfers and Grants	293 824	20 650	20 650	314 474	473 283	470 992
Total capital expenditure of Transfers and Grants	709 196	12 782	12 782	721 978	909 923	929 635

2.4 Adjustments to Allocations and Grants made by the Municipality

No adjustments have been made to the grants made by the Municipality.

2.5 Adjustments to Councillor Allowances and Employee Benefits

Except for the reallocation of the “New Posts” budget within the Salaries budget, no adjustments have been made in these overall global budgets budget.

2.6 Adjustments to Service Delivery & Budget Implementation Plan (SDBIP)

No material adjustments have been made to the SDBIP. The minor targets that were not achieved in the second quarter have been planned for the third quarter.

2.7 Adjustments to Capital Expenditure

The adjustments to Capital expenditure were mainly as a result of the roll over capital projects (R51million) and adjustments to the Financial Management System procurement budget (R34million) and the net movements of increases and decreases in Government conditional capital funding of R20, 6million.

2.8 Other Supporting Documents

All the necessary documents have been presented under the respective headings.

2.9 Municipal Manager's Quality Certificate

I, N. Ngwenya..... Municipal Manager of **Msunduzi Municipality**, hereby certify that the adjustments and supporting documentation has been prepared in accordance with the Municipal Finance Management Act, and the regulations made under that act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name: Neliswa Ngwenya

Municipal Manager of Msunduzi

Signature: 

Date: 22/01/2015