



BUDGET & TREASURY OFFICE

2015/16 ADJUSTMENTS BUDGET

**Budget & Reporting
15/16 SCHEDULE B REPORT**

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1. PART 1 – ADJUSTMENTS BUDGET

1. Mayor's Report

The first half the financial year has come to an end and this means that the municipality has another half to ensure delivery as per mandate. 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.

Section 72 of the MFMA requires that the municipality's performance during the first half of the financial year be reviewed in order to ascertain if there are adjustments and interventions that need to be made. Once such a review has been conducted, Section 28 of the MFMA requires that an adjustments budget be prepared if the outcomes of the review so dictate. The adjustments budget is therefore a function of the Mid-year review. Honourable Speaker and fellow Councillors, this report therefore serves as a an intervention tool given the municipality's performance during the first 6 months of the financial year.

Honourable Speaker and Councillors, I hereby table the 2015/16 adjustments budget for consideration and approval.

2. Resolutions

It is recommended that Council;

- 2.1 Council approves the 2015/16 adjustments budget as per section 28 of the MFMA,
- 2.2 Council authorises the utilisation of projected savings in one vote towards spending under another vote,
- 2.3 Council authorise the spending of funds that were unspent at the end of the past financial year,
- 2.4 Council authorise the spending of funds that were unspent at the end of the past financial year where the under spending could not be reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by Council,
- 2.5 Council corrects any errors in the annual budget.

3. Executive Summary

Financial Implications of the Adjustments Budget

The main financial implications of this adjustments budget is an increase in the operating surplus from R3.4 million to R17 million. This is despite the increase in the operational budget for bulk purchases amounting to R44.2 million. The capital budget will also see a net increase of R1.2 million which includes roll-overs of R28.1 million by the National Treasury and re allocations as requested by various business units.

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.

Adjustments budget Highlights

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

REVENUE

- ✓ R10.4 m increase in Property Rates revenue.
- ✓ Operating Grants roll overs amounting to R33.4 million
- ✓ Re-allocation of R35.6 million from Capex to Opex for IRPTN

OPERATIONS BUDGET

- ✓ Increase in Bulk Purchases Budget by R44.2million
- ✓ Reallocation of R30million from the Repairs & Maintenance.
- ✓ Increase in grant funded other expenditure resulting from roll overs approved.

CAPITAL BUDGET

- ✓ Roll Over of 2014/15 unspent conditional grants approved by National Treasury in the capital budget amounted to R28, 1million.
- ✓ A decrease of R35.6 million re-allocated to the operational budget for IRPTN.

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 -

Description	Budget Year 2015/16									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2016/17	+2 2017/18
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	784,462	-	-	-	-	-	404	404	784,866	828,050	869,627
Service charges	2,694,542	-	-	-	-	-	-	-	2,694,542	2,984,209	3,295,959
Investment revenue	33,988	-	-	-	-	-	10,000	10,000	43,988	35,887	37,826
Transfers recognised - operational	440,652	-	-	-	-	8,486	69,104	77,590	518,242	463,799	502,985
Other own revenue	211,526	-	-	-	-	-	-	-	211,526	208,508	218,606
Total Revenue (excluding capital transfers and contributions)	4,165,169	-	-	-	-	8,486	79,508	87,994	4,253,163	4,520,454	4,925,002
Employee costs	956,536	-	-	-	-	-	-	-	956,536	1,013,939	1,078,366
Remuneration of councillors	42,350	-	-	-	-	-	-	-	42,350	45,659	48,124
Depreciation & asset impairment	485,746	-	-	-	-	-	-	-	485,746	537,909	595,116
Finance charges	69,489	-	-	-	-	-	-	-	69,489	68,323	61,730
Materials and bulk purchases	1,766,584	-	-	-	-	-	215,351	215,351	1,981,935	1,941,181	2,129,752
Transfers and grants	134,035	-	-	-	-	-	-	-	134,035	149,851	174,933
Other expenditure	706,959	-	-	-	-	8,486	(149,386)	(140,900)	566,059	758,049	828,248
Total Expenditure	4,161,699	-	-	-	-	8,486	65,965	74,451	4,236,150	4,514,911	4,916,269
Surplus/(Deficit)	3,470	-	-	-	-	-	13,543	13,543	17,013	5,543	8,734
Transfers recognised - capital	489,060	-	-	-	-	-	(35,713)	(35,713)	453,347	466,372	480,820
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	492,530	-	-	-	-	-	(22,170)	(22,170)	470,360	471,915	489,554
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	492,530	-	-	-	-	-	(22,170)	(22,170)	470,360	471,915	489,554
Capital expenditure & funds sources											
Capital expenditure	709,060	-	-	-	-	-	1,228	1,228	710,288	636,372	600,820
Transfers recognised - capital	489,060	-	-	-	-	-	(7,253)	(7,253)	481,807	466,372	480,820
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	100,000	-	-	-	-	-	-	-	100,000	50,000	-
Internally generated funds	120,000	-	-	-	-	-	8,481	8,481	128,481	120,000	120,000
Total sources of capital funds	709,060	-	-	-	-	-	1,228	1,228	710,288	636,372	600,820
Financial position											
Total current assets	3,132,947	-	-	-	-	-	36,542	36,542	3,169,489	3,274,384	3,404,479
Total non current assets	7,567,965	-	-	-	-	-	(20,389)	(20,389)	7,547,576	7,677,387	7,692,424
Total current liabilities	1,378,122	-	-	-	-	-	-	-	1,378,122	999,627	640,836
Total non current liabilities	1,261,476	-	-	-	-	-	-	-	1,261,476	1,297,900	1,291,234
Community wealth/Equity	8,061,314	-	-	-	-	-	16,153	16,153	8,077,467	8,654,244	9,164,833
Cash flows											
Net cash from (used) operating	706,354	-	-	-	-	8,486	10,404	18,890	725,244	670,295	721,593
Net cash from (used) investing	(589,505)	-	-	-	-	-	-	-	(589,505)	(555,584)	(537,677)
Net cash from (used) financing	55,400	-	-	-	-	-	-	-	55,400	2,522	(48,507)
Cash/cash equivalents at the year end	1,014,601	-	-	-	-	8,486	10,404	18,890	1,033,491	1,240,992	1,376,402
Cash backing/surplus reconciliation											
Cash and investments available	1,131,427	-	-	-	-	-	36,542	36,542	1,167,969	1,162,178	1,172,307
Application of cash and investments	1,047,929	-	-	-	-	-	(3,560)	(3,560)	1,044,368	691,632	338,241
Balance - surplus (shortfall)	83,498	-	-	-	-	-	40,102	40,102	123,600	470,547	834,066
Asset Management											
Asset register summary (WDV)	7,379,615	-	-	-	-	-	-	-	7,379,615	7,485,269	7,481,905
Depreciation & asset impairment	485,746	-	-	-	-	-	-	-	485,746	537,909	595,116
Renewal of Existing Assets	644,081	-	-	-	-	-	1,117	1,117	645,198	501,905	482,323
Repairs and Maintenance	202,126	-	-	-	-	-	-	-	202,126	280,975	361,657
Free services											
Cost of Free Basic Services provided	128,182	-	-	-	-	-	-	-	128,182	149,588	174,655
Revenue cost of free services provided	569,008	-	-	-	-	-	-	-	569,008	616,997	670,305
Households below minimum service level											
Water:	6	-	-	-	-	-	-	-	6	5	3
Sanitation/sewage:	3	-	-	-	-	-	-	-	3	1	1
Energy:	11	-	-	-	-	-	-	-	11	10	9
Refuse:	44	-	-	-	-	-	-	-	44	38	23

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) -

Standard Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	+1 2016/17
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Standard												
Governance and administration		1,240,510	-	-	-	-	-	46,300	46,300	1,286,810	1,302,013	1,383,957
Executive and council		1,600	-	-	-	-	-	35,896	35,896	37,496	1,625	1,700
Budget and treasury office		1,228,885	-	-	-	-	-	10,404	10,404	1,239,289	1,290,107	1,371,691
Corporate services		10,024	-	-	-	-	-	-	-	10,024	10,281	10,566
Community and public safety		68,651	-	-	-	-	8,486	33,391	41,877	110,528	69,183	71,125
Community and social services		31,421	-	-	-	-	-	1,269	1,269	32,690	28,799	30,225
Sport and recreation		838	-	-	-	-	-	-	-	838	885	933
Public safety		21,248	-	-	-	-	-	-	-	21,248	20,385	21,487
Housing		15,112	-	-	-	-	8,486	32,122	40,608	55,720	19,080	18,445
Health		32	-	-	-	-	-	-	-	32	34	36
Economic and environmental services		472,320	-	-	-	-	-	-	-	472,320	480,289	491,528
Planning and development		70,135	-	-	-	-	-	-	-	70,135	79,601	82,279
Road transport		402,185	-	-	-	-	-	-	-	402,185	400,688	409,249
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		2,844,740	-	-	-	-	-	-	-	2,844,740	3,107,787	3,430,170
Electricity		1,908,647	-	-	-	-	-	-	-	1,908,647	2,129,988	2,384,358
Water		689,287	-	-	-	-	-	-	-	689,287	720,935	774,081
Waste water management		148,037	-	-	-	-	-	-	-	148,037	154,008	162,919
Waste management		98,770	-	-	-	-	-	-	-	98,770	102,856	108,813
Other		28,007	-	-	-	-	-	-	-	28,007	27,554	29,042
Total Revenue - Standard	2	4,654,229	-	-	-	-	8,486	79,691	88,177	4,742,406	4,986,826	5,405,823
Expenditure - Standard												
Governance and administration		499,300	-	-	-	-	-	40,140	40,140	539,440	552,588	616,585
Executive and council		107,609	-	-	-	-	-	42,543	42,543	150,152	116,432	123,036
Budget and treasury office		171,968	-	-	-	-	-	-	-	171,968	204,190	239,724
Corporate services		219,723	-	-	-	-	-	(2,403)	(2,403)	217,320	231,967	253,824
Community and public safety		494,075	-	-	-	-	8,486	60,091	68,577	562,652	516,131	546,313
Community and social services		127,547	-	-	-	-	-	16,894	16,894	144,441	130,644	138,442
Sport and recreation		107,339	-	-	-	-	-	-	-	107,339	113,185	120,622
Public safety		203,382	-	-	-	-	-	2,890	2,890	206,272	213,214	224,897
Housing		36,390	-	-	-	-	8,486	40,726	49,212	85,602	38,740	40,818
Health		19,417	-	-	-	-	-	(419)	(419)	18,998	20,349	21,534
Economic and environmental services		564,150	-	-	-	-	-	1,651	1,651	565,802	603,466	644,862
Planning and development		110,638	-	-	-	-	-	(20,689)	(20,689)	89,949	117,043	124,388
Road transport		453,512	-	-	-	-	-	22,340	22,340	475,852	486,423	520,474
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		2,562,425	-	-	-	-	-	-	-	2,562,425	2,798,185	3,060,605
Electricity		1,561,557	-	-	-	-	-	-	-	1,561,557	1,702,299	1,862,191
Water		705,930	-	-	-	-	-	-	-	705,930	775,582	854,973
Waste water management		186,492	-	-	-	-	-	-	-	186,492	201,457	217,622
Waste management		108,446	-	-	-	-	-	-	-	108,446	118,846	125,819
Other		41,749	-	-	-	-	-	(21)	(21)	41,728	44,541	47,904
Total Expenditure - Standard	3	4,161,699	-	-	-	-	8,486	101,861	110,347	4,272,046	4,514,910	4,916,269
Surplus/ (Deficit) for the year		492,530	-	-	-	-	-	(22,170)	(22,170)	470,360	471,916	489,554

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) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
City Manager		1,600	-	-	-	-	-	35,896	35,896	37,496	4,950	5,533
City Finance		1,465,407	-	-	-	-	-	10,404	10,404	1,475,811	1,505,003	1,600,442
Community Services and Social Equity		158,786	-	-	-	-	-	1,269	1,269	160,055	-	-
Corporate Services		10,026	-	-	-	-	-	-	-	10,026	-	-
Infrastructure Services		2,930,027	-	-	-	-	-	-	-	2,930,027	2,243,380	2,449,428
Sustainable Development and City Enterprises		88,383	-	-	-	-	8,486	32,122	40,608	128,991	210,445	216,949
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	4,654,229	-	-	-	-	8,486	79,691	88,177	4,742,406	3,963,778	4,272,353
Expenditure by Vote	1											
City Manager		147,877	-	-	-	-	-	28,612	28,612	176,489	570,789	601,612
City Finance		592,671	-	-	-	-	-	(1,392)	(1,392)	591,279	640,829	707,969
Community Services and Social Equity		335,197	-	-	-	-	-	(1,158)	(1,158)	334,039	640,829	707,969
Corporate Services		195,577	-	-	-	-	-	3,453	3,453	199,030	576,851	643,927
Infrastructure Services		2,731,553	-	-	-	-	-	42,507	42,507	2,774,060	1,956,982	2,068,074
Sustainable Development and City Enterprises		158,824	-	-	-	-	8,486	29,839	38,325	197,149	425,020	526,472
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	4,161,699	-	-	-	-	8,486	101,861	110,347	4,272,046	4,811,300	5,256,022
Surplus/ (Deficit) for the year	2	492,530	-	-	-	-	-	(22,170)	(22,170)	470,360	(847,522)	(983,669)

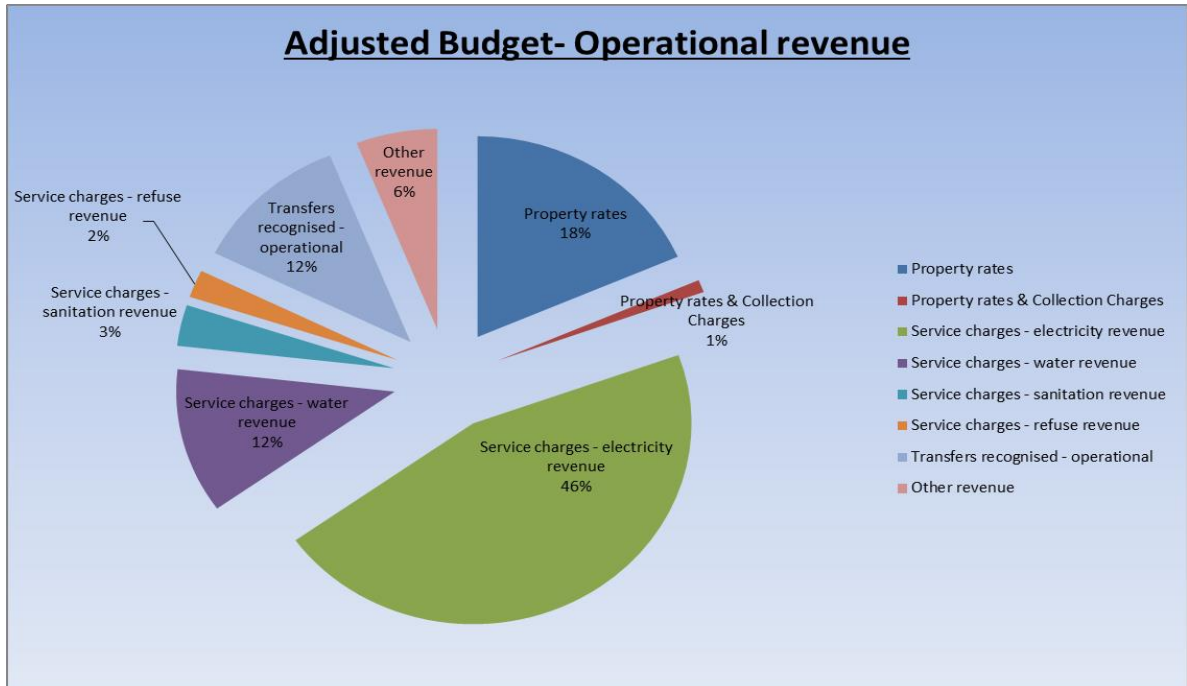
TABLE B4: Adjustment Budget Financial Performance

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) -

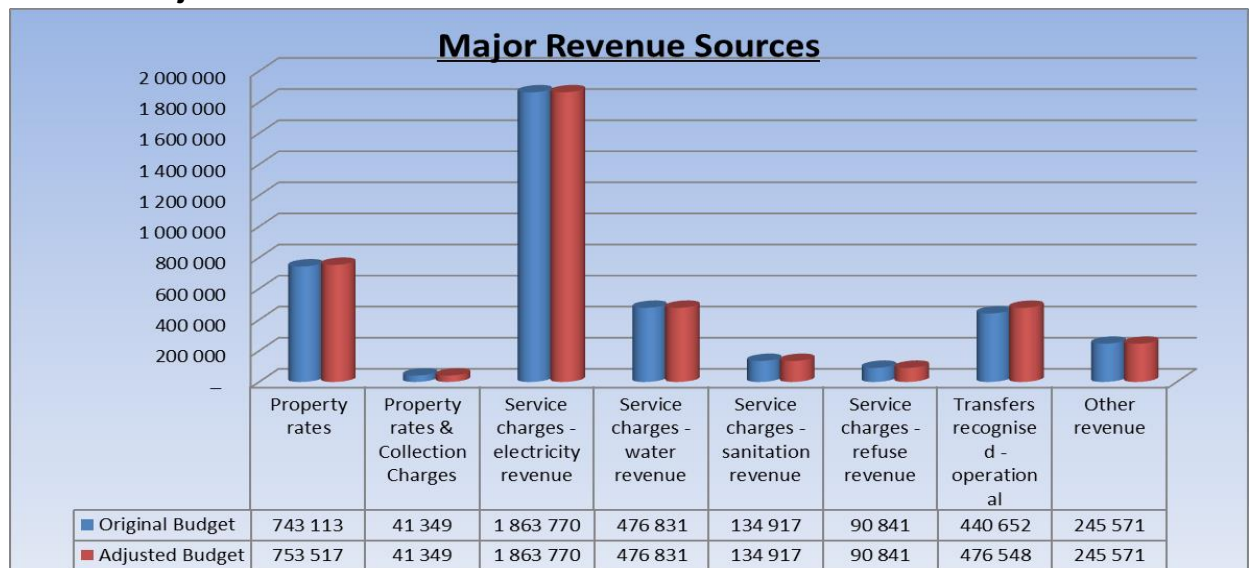
Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjus.	Adjusted Budget	+1 2016/17	+2 2017/18
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	743,113	-	-	-	-	-	10,404	10,404	753,517	784,468	823,692
Property rates - penalties & collection charges		41,349						(10,000)	(10,000)	31,349	43,582	45,935
Service charges - electricity revenue	2	1,865,706	-	-	-	-	-	-	-	1,865,706	2,087,542	2,335,687
Service charges - water revenue	2	595,443	-	-	-	-	-	-	-	595,443	651,217	700,571
Service charges - sanitation revenue	2	139,471	-	-	-	-	-	-	-	139,471	146,726	155,244
Service charges - refuse revenue	2	93,922	-	-	-	-	-	-	-	93,922	98,724	104,457
Service charges - other		-								-	-	-
Rental of facilities and equipment		41,329								41,329	43,292	44,468
Interest earned - external investments		33,988						10,000	10,000	43,988	35,887	37,826
Interest earned - outstanding debtors		62,593						-	-	62,593	66,366	69,950
Dividends received		-						-	-	-	-	-
Fines		17,488						-	-	17,488	16,356	17,239
Licences and permits		87						-	-	87	92	97
Agency services		632						-	-	632	668	704
Transfers recognised - operating		440,652					8,486	69,104	77,590	518,242	463,799	502,985
Other revenue	2	79,695	-	-	-	-	-	-	-	79,695	81,735	86,149
Gains on disposal of PPE		9,700						-	-	9,700		
Total Revenue (excluding capital transfers and contributions)		4,165,169					8,486	79,508	87,994	4,253,163	4,520,454	4,925,002
Expenditure By Type												
Employee related costs		956,536	-	-	-	-	-	-	-	956,536	1,013,939	1,078,366
Remuneration of councillors		42,350								42,350	45,659	48,124
Debt impairment		124,586						(17,331)	(17,331)	107,255	134,979	143,888
Depreciation & asset impairment		485,746						-	-	485,746	537,909	595,116
Finance charges		69,489						-	-	69,489	68,323	61,730
Bulk purchases		1,736,811						44,282	44,282	1,781,093	1,907,233	2,093,955
Other materials		29,773						171,069	171,069	200,842	33,948	35,797
Contracted services		18,556						7,000	7,000	25,556	19,795	20,864
Transfers and grants		134,035						-	-	134,035	149,851	174,933
Other expenditure		563,817					8,486	(139,055)	(130,569)	433,248	603,275	663,496
Loss on disposal of PPE		-						-	-	-	-	-
Total Expenditure		4,161,699					8,486	65,965	74,451	4,236,150	4,514,911	4,916,269
Surplus/(Deficit)												
Transfers recognised - capital		489,060						(35,713)	(35,713)	453,347	466,372	480,820
Contributions recognised - capital												
Contributed assets												
Surplus/(Deficit) before taxation		492,530						(22,170)	(22,170)	470,360	471,915	489,554
Taxation												
Surplus/(Deficit) after taxation		492,530						(22,170)	(22,170)	470,360	471,915	489,554
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		492,530						(22,170)	(22,170)	470,360	471,915	489,554
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year		492,530						(22,170)	(22,170)	470,360	471,915	489,554

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 46% and 18% respectively. These two revenue sources contribute 64% of the total revenue sources.

Chart 2: Major Revenue Sources

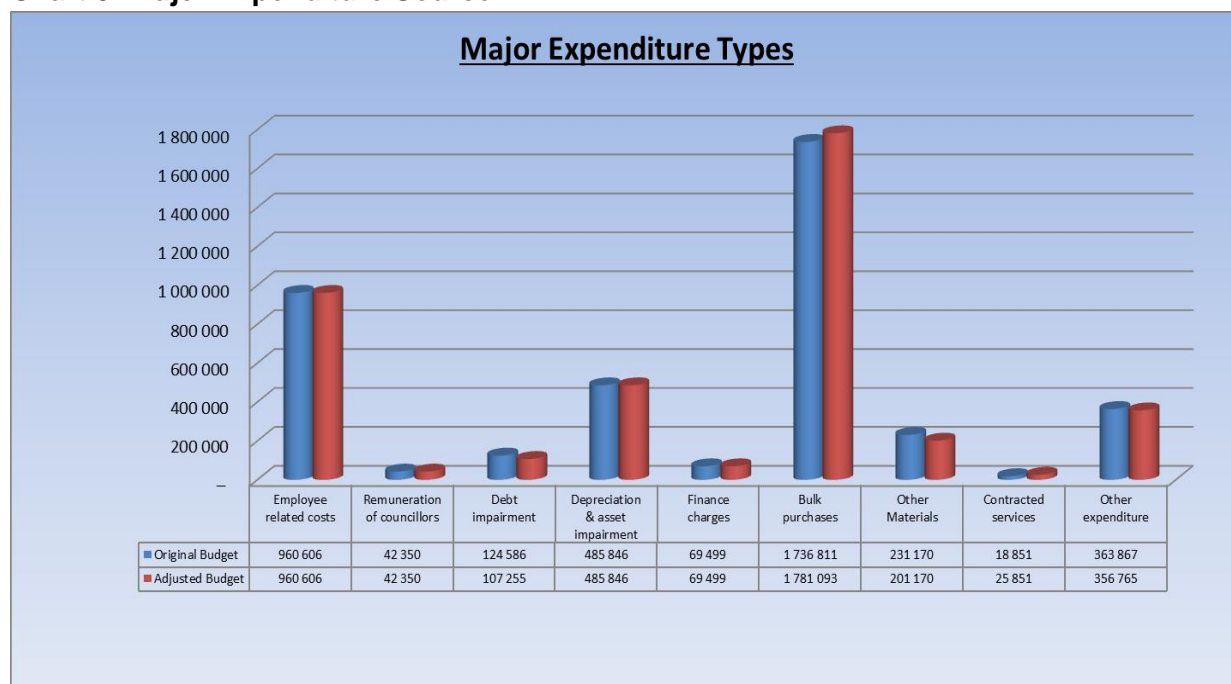


Transfers Recognised – Operating increased mainly due to the R 77.6 million Transfer of capital grant to operating and approved roll overs.

Rates Revenue: The total for rates revenue was adjusted slightly upwards by R 10.4 million from R 743.1 million to R 753.5 million.

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

Chart 3: Major Expenditure Source



Employee Related Cost: There is no change in the budget.

Debt Impairment: The budget was revised slightly downwards after consideration of the total provision being carried in the balance sheet.

Bulk Purchases: The expenditure on Bulk Water purchases has been increased by R 8.8 million to cater for the under budgeting in the original budget and Electricity has been increased by R 35.4 million bring the total upward adjustment for this line item to R 44.2 million.

Other Expenditure: Other expenditure adjustment budget had a total increase of R 8.5 million when comparing it with the original budget.

Other Materials: Other materials adjustment budget had a total decrease of R 30.0 million when comparing it with the original budget. This is primarily due to the reduction in repairs and maintenance.

Contracted Services: Contracted services expenditure adjustment budget had a total increase of R 7.0 million when comparing it with the original budget. This is primarily due to the increased estimates in security costs.

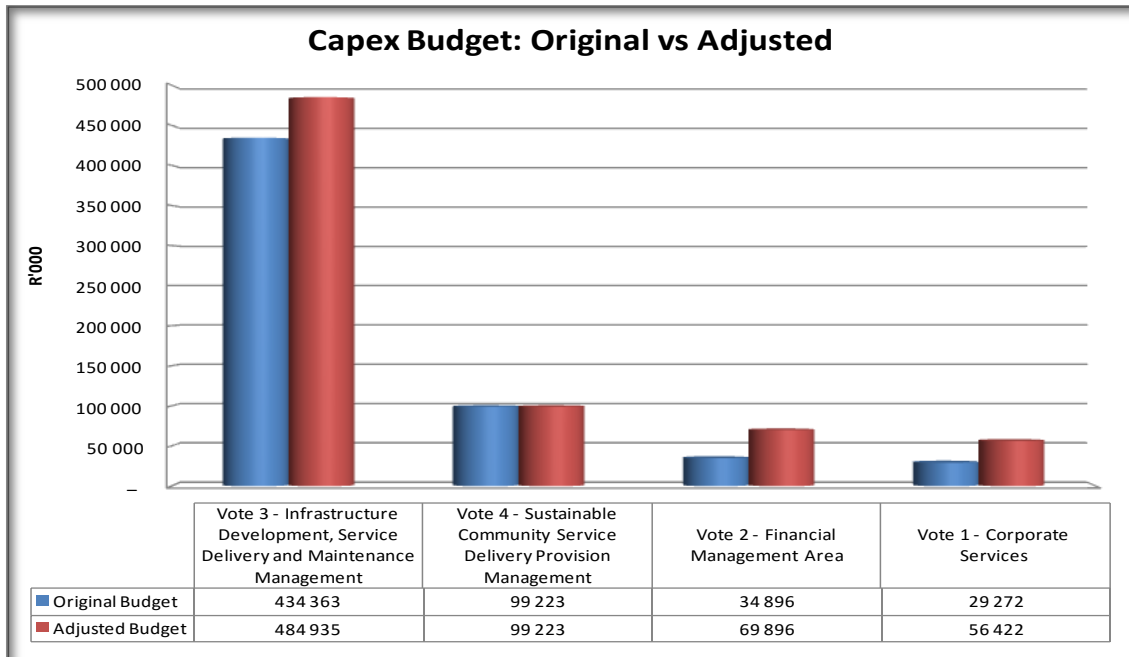
TABLE B5: Adjustment Capital Expenditure Budget by Vote And Funding

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 -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	5	6	7	8	9	10	11	12			
	A1	B	C	D	E	F	G	H				
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
City Manager		5,000	-	-	-	-	1,180	1,180	6,180	3,700	13,007	
City Finance		26,500	-	-	-	-	14,778	14,778	41,278	30,000	5,000	
Community Services and Social Equity		25,706	-	-	-	-	22,018	22,018	47,724	9,420	9,966	
Corporate Services		3,250	-	-	-	-	387	387	3,637	-	-	
Infrastructure Services		569,454	-	-	-	-	(14,067)	(14,067)	555,387	514,365	526,504	
Sustainable Development and City Enterprises		45,000	-	-	-	-	(23,068)	(23,068)	21,932	78,887	46,343	
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]		-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	3	674,910	-	-	-	-	1,228	1,228	676,138	636,372	600,820	
Single-year expenditure to be adjusted	2											
City Manager		750	-	-	-	-	-	-	750	-	-	
City Finance		710	-	-	-	-	-	-	710	-	-	
Community Services and Social Equity		24,763	-	-	-	-	-	-	24,763	-	-	
Corporate Services		3,150	-	-	-	-	-	-	3,150	-	-	
Infrastructure Services		2,980	-	-	-	-	-	-	2,980	-	-	
Sustainable Development and City Enterprises		1,798	-	-	-	-	-	-	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]		-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		34,150	-	-	-	-	-	-	34,150	-	-	
Total Capital Expenditure - Vote		709,060	-	-	-	-	1,228	1,228	710,288	636,372	600,820	
Capital Expenditure - Standard												
Governance and administration		59,385	-	-	-	-	(21,332)	(21,332)	38,052	60,000	41,007	
Executive and council		5,800	-	-	-	-	110	110	5,910	-	6,007	
Budget and treasury office		53,585	-	-	-	-	(27,871)	(27,871)	25,714	60,000	35,000	
Corporate services		-	-	-	-	-	6,429	6,429	6,429	-	-	
Community and public safety		54,598	-	-	-	-	1,119	1,119	55,717	48,307	15,613	
Community and social services		2,500	-	-	-	-	23,639	23,639	26,139	3,500	-	
Sport and recreation		34,400	-	-	-	-	(31,394)	(31,394)	3,006	39,300	12,000	
Public safety		8,353	-	-	-	-	(20)	(20)	8,333	3,950	1,930	
Housing		7,725	-	-	-	-	8,316	8,316	16,041	200	-	
Health		1,620	-	-	-	-	578	578	2,198	1,357	1,683	
Economic and environmental services		339,647	-	-	-	-	22,910	22,910	362,557	340,368	365,858	
Planning and development		9,590	-	-	-	-	(2,145)	(2,145)	7,445	4,800	7,050	
Road transport		330,057	-	-	-	-	25,055	25,055	355,112	335,568	358,808	
Environmental protection		-	-	-	-	-	-	-	-	-	-	
Trading services		254,033	-	-	-	-	(633)	(633)	253,400	186,967	177,612	
Electricity		133,000	-	-	-	-	(2,209)	(2,209)	130,791	85,500	39,405	
Water		83,133	-	-	-	-	(7,424)	(7,424)	75,709	59,721	75,241	
Waste water management		36,900	-	-	-	-	5,300	5,300	42,200	32,826	53,600	
Waste management		1,000	-	-	-	-	3,700	3,700	4,700	8,920	9,366	
Other		1,398	-	-	-	-	(836)	(836)	562	730	730	
Total Capital Expenditure - Standard	3	709,060	-	-	-	-	1,228	1,228	710,288	636,372	600,820	
Funded by:												
National Government		489,060	-	-	-	-	(22,022)	(22,022)	467,038	466,372	480,820	
Provincial Government		-	-	-	-	-	14,769	14,769	14,769	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	
Total Capital transfers recognised	4	489,060	-	-	-	-	(7,253)	(7,253)	481,807	466,372	480,820	
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	
Borrowing		100,000	-	-	-	-	-	-	100,000	50,000	-	
Internally generated funds		120,000	-	-	-	-	8,481	8,481	128,481	120,000	120,000	
Total Capital Funding		709,060	-	-	-	-	1,228	1,228	710,288	636,372	600,820	

Chart 4: Adjusted Capital Budget by Vote



The total approved budget was R 709 million and adjusted budget is R 710.2 million. The major increases related to;

- ✓ The roll over of capital projects approved by National Treasury increasing the Capital budget,
- ✓ A transfer of R35.6 million from the capital budget to the operating budget

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 -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2016/17	+2 2017/18
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		45,433						36,542	36,542	81,975	52,241	54,086
Call investment deposits	1	1,085,994	-	-	-	-	-	(255,260)	(255,260)	830,734	1,109,937	1,118,221
Consumer debtors	1	883,147	-	-	-	-	-	-	-	883,147	971,462	1,068,608
Other debtors		376,438								376,438	383,966	391,646
Current portion of long-term receivables		43								43	47	53
Inventory		741,893								741,893	756,731	771,865
Total current assets		3,132,947	-	-	-	-	-	(218,718)	(218,718)	2,914,229	3,274,384	3,404,479
Non current assets												
Long-term receivables		9,455							-	9,455	9,644	9,837
Investments		-							-	-	-	-
Investment property		356,914							-	356,914	364,052	371,333
Investment in Associate		-							-	-	-	-
Property, plant and equipment	1	6,948,785	-	-	-	-	-	(20,389)	(20,389)	6,928,396	7,017,300	7,018,060
Agricultural		-							-	-	-	-
Biological		46,520							-	46,520	46,520	46,520
Intangible		27,283							-	27,283	57,283	45,827
Other non-current assets		179,008							-	179,008	182,588	200,847
Total non current assets		7,567,965	-	-	-	-	-	(20,389)	(20,389)	7,547,576	7,677,387	7,692,424
TOTAL ASSETS		10,700,912	-	-	-	-	-	(239,107)	(239,107)	10,461,805	10,951,771	11,096,903
LIABILITIES												
Current liabilities												
Bank overdraft									-	-	-	-
Borrowing		61,751	-	-	-	-	-	-	-	61,751	73,149	77,414
Consumer deposits		92,798							-	92,798	98,948	104,198
Trade and other payables		1,217,489	-	-	-	-	-	-	-	1,217,489	821,324	452,894
Provisions		6,084							-	6,084	6,206	6,330
Total current liabilities		1,378,122	-	-	-	-	-	-	-	1,378,122	999,627	640,836
Non current liabilities												
Borrowing	1	579,761	-	-	-	-	-	-	-	579,761	548,013	467,808
Provisions	1	681,715	-	-	-	-	-	-	-	681,715	749,887	823,426
Total non current liabilities		1,261,476	-	-	-	-	-	-	-	1,261,476	1,297,900	1,291,234
TOTAL LIABILITIES		2,639,598	-	-	-	-	-	-	-	2,639,598	2,297,527	1,932,071
NET ASSETS	2	8,061,314	-	-	-	-	-	(239,107)	(239,107)	7,822,207	8,654,244	9,164,833
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		7,888,400	-	-	-	-	-	(239,107)	(239,107)	7,649,293	8,460,272	8,949,781
Reserves		172,914	-	-	-	-	-	-	-	172,914	193,972	215,052
Minorities' interests									-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		8,061,314	-	-	-	-	-	(239,107)	(239,107)	7,822,207	8,654,244	9,164,833

TABLE B7: Adjustments Budget Cash Flows

KZN225 Msunduzi - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		701,467					10,404	10,404	711,871	740,451	777,612	
Service charges		2,349,116							2,349,116	2,539,498	2,801,937	
Other revenue		84,320							84,320	84,002	88,538	
Government - operating	1	440,652				8,486	35,713	44,199	484,851	463,799	502,985	
Government - capital	1	489,060					(35,713)	(35,713)	453,347	466,372	480,820	
Interest		64,894							64,894	68,606	72,312	
Dividends												
Payments												
Suppliers and employees		(3,353,475)							(3,353,475)	(3,623,849)	(3,940,602)	
Finance charges		(69,499)							(69,499)	(68,323)	(61,730)	
Transfers and Grants	1	(181)							(181)	(263)	(277)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		706,354	-	-	-	8,486	10,404	18,890	725,244	670,295	721,593	
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		(589,505)					(120,782)	(120,782)	(710,288)	(555,584)	(537,677)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(589,505)	-	-	-	-	(120,782)	(120,782)	(710,288)	(555,584)	(537,677)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing		100,000							100,000	50,000	-	
Increase (decrease) in consumer deposits		5,250							5,250	6,150	5,250	
Payments												
Repayment of borrowing		(49,850)							(49,850)	(53,628)	(53,757)	
NET CASH FROM/(USED) FINANCING ACTIVITIES		55,400	-	-	-	-	-	-	55,400	2,522	(48,507)	
NET INCREASE/ (DECREASE) IN CASH HELD		172,249	-	-	-	8,486	(110,378)	(101,892)	70,357	117,233	135,409	
Cash/cash equivalents at the year begin:	2	842,352							842,352	1,123,760	1,240,992	
Cash/cash equivalents at the year end:	2	1,014,601							912,709	1,240,992	1,376,402	

TABLE B8 Cash Backed Reserves / Accumulated Surplus Reconciliation

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

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
Cash and investments available												
Cash/cash equivalents at the year end	1	1,014,601	-	-	-	-	8,486	(110,378)	(101,892)	912,709	1,240,992	1,376,402
Other current investments > 90 days		116,825	-	-	-	-	(8,486)	(108,340)	(116,826)	(1)	(78,814)	(204,094)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		1,131,427	-	-	-	-	-	(218,718)	(218,718)	912,709	1,162,178	1,172,307
Applications of cash and investments												
Unspent conditional transfers		174,788	-	-	-	-	-	-	-	174,788	104,873	41,949
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	700,226	-	-	-	-	(2,895)	(2,895)	697,331	392,786	81,240	
Other provisions												
Long term investments committed		-	-	-	-	-	-	-	-	-	-	
Reserves to be backed by cash/investments		172,914	-	-	-	-	-	-	172,914	193,972	215,052	
Total Application of cash and investments:		1,047,929	-	-	-	-	(2,895)	(2,895)	1,045,033	691,632	338,241	
Surplus(shortfall)		83,498	-	-	-	-	(215,823)	(215,823)	(132,325)	470,547	834,066	

TABLE B9: Asset Management

KZN225 Msunduzi - Table B9 Asset Management -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	64,980	-	-	-	-	-	21,231	21,231	86,210	134,467	118,497
Infrastructure - Road transport		2,230	-	-	-	-	-	14,062	14,062	16,292	4,500	1,300
Infrastructure - Electricity		18,000	-	-	-	-	-	4,491	4,491	22,491	20,500	24,405
Infrastructure - Water		18,000	-	-	-	-	-	-	-	18,000	63,200	70,398
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		400	-	-	-	-	-	-	-	400	500	600
Infrastructure		38,630	-	-	-	-	-	18,554	18,554	57,184	88,700	96,704
Community		10,288	-	-	-	-	-	-	-	10,288	23,470	12,845
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	16,062	-	-	-	-	-	2,677	2,677	18,739	22,297	8,948
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	644,081	-	-	-	-	-	(20,003)	(20,003)	624,078	501,905	482,323
Infrastructure - Road transport		350,722	-	-	-	-	-	(25,102)	(25,102)	325,620	317,389	345,151
Infrastructure - Electricity		115,000	-	-	-	-	-	-	-	115,000	65,000	15,000
Infrastructure - Water		64,689	-	-	-	-	-	(1,200)	(1,200)	63,489	41,400	52,200
Infrastructure - Sanitation		29,500	-	-	-	-	-	-	-	29,500	22,326	38,000
Infrastructure - Other		1,000	-	-	-	-	-	-	-	1,000	8,920	9,366
Infrastructure		560,911	-	-	-	-	-	(26,302)	(26,302)	534,609	455,035	459,716
Community		31,250	-	-	-	-	-	1,172	1,172	32,422	16,600	11,100
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	26,920	-	-	-	-	-	5,127	5,127	32,047	270	6,507
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25,000	-	-	-	-	-	-	-	25,000	30,000	5,000
Total Capital Expenditure to be adjusted	4	352,952	-	-	-	-	-	(11,039)	(11,039)	341,912	321,889	346,451
Infrastructure - Road transport		133,000	-	-	-	-	-	4,491	4,491	137,491	85,500	39,405
Infrastructure - Electricity		82,689	-	-	-	-	-	(1,200)	(1,200)	81,489	104,600	122,598
Infrastructure - Water		29,500	-	-	-	-	-	-	-	29,500	22,326	38,000
Infrastructure - Sanitation		1,400	-	-	-	-	-	-	-	1,400	9,420	9,966
Infrastructure - Other		599,541	-	-	-	-	-	(7,748)	(7,748)	591,792	543,735	556,420
Infrastructure		41,538	-	-	-	-	-	1,172	1,172	42,709	40,070	23,945
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	42,982	-	-	-	-	-	7,804	7,804	50,786	22,567	15,455
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25,000	-	-	-	-	-	-	-	25,000	30,000	5,000
TOTAL CAPITAL EXPENDITURE to be adjusted	2	709,060	-	-	-	-	-	1,228	1,228	710,288	636,372	600,820
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		1,868,350	-	-	-	-	-	-	-	1,868,350	2,015,324	2,142,325
Infrastructure - Electricity		1,546,767	-	-	-	-	-	-	-	1,546,767	1,583,638	1,653,320
Infrastructure - Water		878,146	-	-	-	-	-	-	-	878,146	846,649	787,186
Infrastructure - Sanitation		612,431	-	-	-	-	-	-	-	612,431	595,560	558,876
Infrastructure - Other		485,490	-	-	-	-	-	-	-	485,490	467,834	450,627
Infrastructure		5,391,184	-	-	-	-	-	-	-	5,391,184	5,509,006	5,592,335
Community		361,370	-	-	-	-	-	-	-	361,370	343,557	307,584
Heritage assets		177,572	-	-	-	-	-	-	-	177,572	177,572	177,572
Investment properties		356,914	-	-	-	-	-	-	-	356,914	364,052	371,333
Other assets		1,018,771	-	-	-	-	-	-	-	1,018,771	987,278	940,735
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		46,520	-	-	-	-	-	-	-	46,520	46,520	46,520
Intangibles		27,283	-	-	-	-	-	-	-	27,283	57,283	45,827
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	7,379,615	-	-	-	-	-	-	-	7,379,615	7,485,269	7,481,905
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		485,746	-	-	-	-	-	-	-	485,746	537,909	595,116
Repairs and Maintenance by asset class	3	202,126	-	-	-	-	-	(30,000)	(30,000)	172,126	280,975	361,657
Infrastructure - Road transport		29,658	-	-	-	-	-	(10,000)	(10,000)	19,658	51,811	85,115
Infrastructure - Electricity		48,071	-	-	-	-	-	(5,000)	(5,000)	43,071	48,774	11,408
Infrastructure - Water		15,714	-	-	-	-	-	-	-	15,714	16,499	17,390
Infrastructure - Sanitation		4,807	-	-	-	-	-	-	-	4,807	5,047	5,320
Infrastructure - Other		8,814	-	-	-	-	-	-	-	8,814	9,255	9,754
Infrastructure		107,064	-	-	-	-	-	(15,000)	(15,000)	92,064	131,387	128,988
Community		4,582	-	-	-	-	-	-	-	4,582	4,811	5,071
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	90,481	-	-	-	-	-	(15,000)	(15,000)	75,481	144,778	227,599
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		687,872	-	-	-	-	-	(30,000)	(30,000)	657,872	818,884	956,773
Renewal of Existing Assets as % of total capex		90.8%	0.0%							87.9%	78.9%	80.3%
Renewal of Existing Assets as % of deprecn"		132.6%	0.0%							128.5%	93.3%	81.0%
R&M as a % of PPE		2.7%	0.0%							2.3%	3.8%	4.8%
Renewal and R&M as a % of PPE		11.5%	0.0%							10.8%	10.5%	11.3%

KZN225 Msunduzi - Table B9 Asset Management -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unavoid.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjts.	Adjts.	Budget	Budget	Budget
A	A1	B	C	D	E	F	G	H	I	J	K	
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	64,980	-	-	-	-	-	111	111	65,091	134,467	118,497
Infrastructure - Road transport		2,230	-	-	-	-	-	111	111	2,341	4,500	1,300
Infrastructure - Electricity		18,000	-	-	-	-	-	-	-	18,000	20,500	24,405
Infrastructure - Water		18,000	-	-	-	-	-	-	-	18,000	63,200	70,398
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		400	-	-	-	-	-	-	-	400	500	600
Infrastructure		38,630	-	-	-	-	-	111	111	38,741	88,700	96,704
Community		10,288	-	-	-	-	-	-	-	10,288	23,470	12,845
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		16,062	-	-	-	-	-	-	-	16,062	22,297	8,948
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	644,081	-	-	-	-	-	1,117	1,117	645,198	501,905	482,323
Infrastructure - Road transport		350,722	-	-	-	-	-	1,117	1,117	351,839	317,389	345,151
Infrastructure - Electricity		115,000	-	-	-	-	-	-	-	115,000	65,000	15,000
Infrastructure - Water		64,689	-	-	-	-	-	-	-	64,689	41,400	52,200
Infrastructure - Sanitation		29,500	-	-	-	-	-	-	-	29,500	22,326	38,000
Infrastructure - Other		1,000	-	-	-	-	-	-	-	1,000	8,920	9,366
Infrastructure		560,911	-	-	-	-	-	1,117	1,117	562,028	455,035	459,716
Community		31,250	-	-	-	-	-	-	-	31,250	16,600	11,100
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		26,920	-	-	-	-	-	-	-	26,920	270	6,507
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25,000	-	-	-	-	-	-	-	25,000	30,000	5,000
Total Capital Expenditure to be adjusted	4	352,952	-	-	-	-	-	1,228	1,228	354,180	321,889	346,451
Infrastructure - Road transport		133,000	-	-	-	-	-	-	-	133,000	85,500	39,405
Infrastructure - Electricity		82,689	-	-	-	-	-	-	-	82,689	104,600	122,598
Infrastructure - Water		29,500	-	-	-	-	-	-	-	29,500	22,326	38,000
Infrastructure - Sanitation		1,400	-	-	-	-	-	-	-	1,400	9,420	9,966
Infrastructure - Other		599,541	-	-	-	-	-	1,228	1,228	600,769	543,735	556,420
Infrastructure		41,538	-	-	-	-	-	-	-	41,538	40,070	23,945
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		42,982	-	-	-	-	-	-	-	42,982	22,567	15,455
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25,000	-	-	-	-	-	-	-	25,000	30,000	5,000
TOTAL CAPITAL EXPENDITURE to be adjusted	2	709,060	-	-	-	-	-	1,228	1,228	710,288	636,372	600,820
ASSET REGISTER SUMMARY - PPE (WDV)												
Infrastructure - Road transport	5	1,868,350	-	-	-	-	-	-	-	1,868,350	2,015,324	2,142,325
Infrastructure - Electricity		1,546,767	-	-	-	-	-	-	-	1,546,767	1,583,638	1,653,320
Infrastructure - Water		878,146	-	-	-	-	-	-	-	878,146	846,649	787,186
Infrastructure - Sanitation		612,431	-	-	-	-	-	-	-	612,431	595,560	558,876
Infrastructure - Other		485,490	-	-	-	-	-	-	-	485,490	467,834	450,627
Infrastructure		5,391,184	-	-	-	-	-	-	-	5,391,184	5,509,006	5,592,335
Community		361,370	-	-	-	-	-	-	-	361,370	343,557	307,584
Heritage assets		177,572	-	-	-	-	-	-	-	177,572	177,572	177,572
Investment properties		356,914	-	-	-	-	-	-	-	356,914	364,052	371,333
Other assets		1,018,771	-	-	-	-	-	-	-	1,018,771	987,278	940,735
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		46,520	-	-	-	-	-	-	-	46,520	46,520	46,520
Intangibles		27,283	-	-	-	-	-	-	-	27,283	57,283	45,827
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	7,379,615	-	-	-	-	-	-	-	7,379,615	7,485,269	7,481,905
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		485,746	-	-	-	-	-	-	-	485,746	537,909	595,116
Repairs and Maintenance by asset class	3	202,126	-	-	-	-	-	-	-	202,126	280,975	361,657
Infrastructure - Road transport		29,658	-	-	-	-	-	-	-	29,658	51,811	85,115
Infrastructure - Electricity		48,071	-	-	-	-	-	-	-	48,071	48,774	11,408
Infrastructure - Water		15,714	-	-	-	-	-	-	-	15,714	16,499	17,390
Infrastructure - Sanitation		4,807	-	-	-	-	-	-	-	4,807	5,047	5,320
Infrastructure - Other		8,814	-	-	-	-	-	-	-	8,814	9,255	9,754
Infrastructure		107,064	-	-	-	-	-	-	-	107,064	131,387	128,988
Community		4,582	-	-	-	-	-	-	-	4,582	4,811	5,071
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		90,481	-	-	-	-	-	-	-	90,481	144,778	227,599
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6	687,872	-	-	-	-	-	-	-	687,872	818,884	956,773
Renewal of Existing Assets as % of total capex		90.8%	0.0%							90.8%	78.9%	80.3%
Renewal of Existing Assets as % of deprecn"		132.6%	0.0%							132.6%	93.3%	81.0%
R&M as a % of PPE		2.7%	0.0%							2.7%	3.8%	4.8%
Renewal and R&M as a % of PPE		11.5%	0.0%							11.5%	10.5%	11.3%

TABLE B10: Basic Service Delivery Measurement

KZN225 Msunduzi - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2015/16									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		A	7	8	9	10	11	12	13	14		
			A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling		100,771							-	101	104,071	109,209
Piped water inside yard (but not in dwelling)		65,855							-	66	67,465	67,465
Using public tap (at least min.service level)	2	7,463							-	7	7,463	7,624
Other water supply (at least min.service level)		-							-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		174	-	-	-	-	-	-	-	174	179	184
Using public tap (< min.service level)	3	3,395							-	3	2,785	1,536
Other water supply (< min.service level)	3,4	3,009							-	3	2,009	1,259
No water supply		-							-	-	-	-
<i>Below Minimum Service Level sub-total</i>		6	-	-	-	-	-	-	-	6	5	3
Total number of households	5	180	-	-	-	-	-	-	-	180	184	187
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		99,501							-	99,501	103,301	104,401
Flush toilet (with septic tank)		8,515							-	8,515	8,515	8,515
Chemical toilet		5,485							-	5,485	4,985	4,885
Pit toilet (ventilated)		63,615							-	63,615	65,715	68,715
Other toilet provisions (> min.service level)		-							-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		177,116	-	-	-	-	-	-	-	177,116	182,516	186,516
Bucket toilet		-							-	-	-	-
Other toilet provisions (< min.service level)		3,377							-	3,377	1,277	577
No toilet provisions		-							-	-	-	-
<i>Below Minimum Service Level sub-total</i>		3,377	-	-	-	-	-	-	-	3,377	1,277	577
Total number of households	5	180,493	-	-	-	-	-	-	-	180,493	183,793	187,093
Energy:												
Electricity (at least min. service level)		109,326							-	109,326	109,326	109,326
Electricity - prepaid (> min.service level)		59,766							-	59,766	64,206	68,532
<i>Minimum Service Level and Above sub-total</i>		169,093	-	-	-	-	-	-	-	169,093	173,533	177,859
Electricity (< min.service level)		-							-	-	-	-
Electricity - prepaid (< min. service level)		-							-	-	-	-
Other energy sources		11,400							-	11,400	10,260	9,234
<i>Below Minimum Service Level sub-total</i>		11,400	-	-	-	-	-	-	-	11,400	10,260	9,234
Total number of households	5	180,493	-	-	-	-	-	-	-	180,493	183,793	187,093
Refuse:												
Removed at least once a week (min.service)		136,100							-	136,100	145,400	164,537
<i>Minimum Service Level and Above sub-total</i>		136,100	-	-	-	-	-	-	-	136,100	145,400	164,537
Removed less frequently than once a week		28,556							-	28,556	24,556	22,556
Using communal refuse dump		-							-	-	-	-
Using own refuse dump		15,837							-	15,837	13,837	-
Other rubbish disposal		-							-	-	-	-
No rubbish disposal		-							-	-	-	-
<i>Below Minimum Service Level sub-total</i>		44,393	-	-	-	-	-	-	-	44,393	38,393	22,556
Total number of households	5	180,493	-	-	-	-	-	-	-	180,493	183,793	187,093
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		21,125							-	21,125	23,238	25,561
Sanitation (free minimum level service)		2,950							-	2,950	3,245	3,570
Electricity/other energy (50kwh per household per month)		3,076							-	3,076	3,384	3,722
Refuse (removed at least once a week)		3,225							-	3,225	3,548	3,902
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		118,611							-	118,611	138,301	161,259
Sanitation (free sanitation service)		4,554							-	4,554	5,309	6,191
Electricity/other energy (50kwh per household per month)		1,936							-	1,936	2,386	3,018
Refuse (removed once a week)		3,080							-	3,080	3,592	4,188
Total cost of FBS provided (minimum social package)		128,182	-	-	-	-	-	-	-	128,182	149,588	174,655
Highest level of free service provided												
Property rates (R'000 value threshold)		100,000							-	100,000	100,000	100,000
Water (kilolitres per household per month)		6							-	6	6	6
Sanitation (kilolitres per household per month)		-							-	-	-	-
Sanitation (Rand per household per month)		129							-	129	136	143
Electricity (kw per household per month)		70							-	70	70	70
Refuse (average litres per week)		200							-	200	200	200
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		428,580							-	428,580	454,295	481,552
Property rates (other exemptions, reductions and rebates)		11,472							-	11,472	12,160	12,890
Water		118,611							-	118,611	138,301	161,259
Sanitation		4,554							-	4,554	5,309	6,191
Electricity/other energy		2,711							-	2,711	3,340	4,225
Refuse		3,080							-	3,080	3,592	4,188
Municipal Housing - rental rebates		-							-	-	-	-
Housing - top structure subsidies	6	-							-	-	-	-
Other		-							-	-	-	-
Total revenue cost of free services provided (total social package)		569,008	-	-	-	-	-	-	-	569,008	616,997	670,305

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.