

CITY OF CHOICE



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

Msunduzi Municipality
MFMA S71 Monthly Report

February 2016 Report
Budget & Treasury Office

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1. PART 1 – IN YEAR REPORT

1.1 Executive Summary

Legislative Requirements

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

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

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) total revenue earned was R 2.67 billion for the period ending 29 February 2016. The YTD Budget was R 2.83 billion, therefore the actual underperformed against the budget by R 156.3 million against the revenue projected. The two main contributors, both accounting for 63% of the actual total YTD Revenue earned are Electricity (45%) & Property Rates revenue (18%). These two revenue sources make up more than 62% of the total YTD budget.

Operating Expenditure: The total actual YTD operating expenditure for the period ending 29 February 2016 amounted to R 2.57 billion while the YTD budget was R 2.82 billion. Operational expenditure is largely defined by the bulk (electricity & water) purchases and employee related costs both accounting for 70% of the YTD expenditure.

Capital Expenditure: While the YTD capital expenditure budget was R 473.5 million, the actual YTD Capital expenditure incurred amounted to R 269.6 million resulting in underperformance of the capital budget. This is mainly due to the slow start of the new financial year.

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

Cash & Cash equivalents as at 29 February 2016 was R 958.5 million.

Consumer Debt: Consumer debt at 29 February 2016 was just over R 1.99 billion.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only)

Monthly Budget Statements Summary

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

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - M08 February

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	794 866	61 844	505 657	529 910	(24 254)	-5%	784 462
Service charges	2 227 636	2 694 541	2 694 542	198 425	1 678 626	1 796 361	(117 735)	-7%	2 694 541
Investment revenue	50 973	33 988	33 988	4 266	37 832	22 659	15 173	67%	33 988
Transfers recognised - operational	519 604	440 652	518 243	7 283	345 829	345 495	334	0%	440 652
Other own revenue	325 520	211 526	211 524	11 276	111 134	141 016	(29 883)	-21%	211 526
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 165 169	4 253 163	283 092	2 679 078	2 835 442	(156 364)	-6%	4 165 169
Employee costs	832 532	956 536	956 536	68 793	617 294	637 691	(20 396)	-3%	956 536
Remuneration of Councillors	34 657	42 350	42 350	3 377	27 153	28 234	(1 080)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	485 746	38 710	312 095	323 831	(11 735)	-4%	485 746
Finance charges	71 169	69 489	69 489	158	29 569	46 326	(16 757)	-36%	69 489
Materials and bulk purchases	1 591 553	1 766 585	1 981 935	135 700	1 298 364	1 321 290	(22 926)	-2%	1 766 585
Transfers and grants	11 572	134 035	134 035	20	4 414	89 357	(84 943)	-95%	134 035
Other expenditure	1 121 566	706 958	566 058	35 159	285 737	377 372	(91 635)	-24%	706 958
Total Expenditure	4 126 113	4 161 699	4 236 150	281 919	2 574 627	2 824 100	(249 473)	-9%	4 161 699
Surplus/(Deficit)	(285 775)	3 470	17 013	1 174	104 451	11 342	93 109	821%	3 470
Transfers recognised - capital	356 459	489 060	453 347	(10 789)	162 878	302 231	(139 353)	-46%	489 060
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	70 683	492 530	470 360	(9 615)	267 329	313 573	(46 244)	-15%	492 530
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 683	492 530	470 360	(9 615)	267 329	313 573	(46 244)	-15%	492 530
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	710 288
Capital transfers recognised	291 650	489 060	481 807	(4 056)	164 106	321 204	(157 098)	-49%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	23 237	33 261	66 667	(33 405)	-50%	100 000
Internally generated funds	155 105	120 000	128 482	13 136	72 251	85 654	(13 403)	-16%	120 000
Total sources of capital funds	528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 207 918				3 169 490
Total non current assets	7 548 842	7 568 078	7 547 576		7 448 966				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		674 957				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 323 992				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 468		7 657 935				8 077 468
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	37 533	312 827	423 059	110 232	26%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(32 316)	(269 618)	(343 878)	(74 259)	22%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	(24)	73 290	32 317	(40 974)	-127%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	958 568	953 850	(4 718)	-0%	1 033 208
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	295 559	157 866	52 292	42 834	70 024	41 963	46 082	#####	1 994 375
Creditors Age Analysis									
Total Creditors	410 282	494	258	471	391	3 730	-	-	415 626

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	1 620 365	102 565	1 021 390	1 080 243	(58 853)	-5%	1 281 199
Executive and council		6 748	1 600	1 600	43	2 943	1 067	1 876	176%	1 600
Budget and treasury office	1 422 429	1 276 437	1 608 739	1 608 739	101 623	1 018 370	1 072 493	(54 123)	-5%	1 276 437
Corporate services	5 993	3 162	10 025	10 025	899	77	6 684	(6 606)	-99%	3 162
<i>Community and public safety</i>		225 653	13 361	114 997	8 321	79 790	76 665	3 125	4%	13 361
Community and social services	71 074	3 250	37 283	37 283	5 827	35 099	24 855	10 244	41%	3 250
Sport and recreation	24 880	729	838	838	108	21 115	559	20 556	3679%	729
Public safety	111 819	5 827	25 684	25 684	1 008	11 086	17 123	(6 037)	-35%	5 827
Housing	17 809	3 485	51 159	51 159	1 378	12 480	34 106	(21 626)	-63%	3 485
Health	71	70	32	32	0	9	21	(12)	-57%	70
<i>Economic and environmental services</i>		235 988	171 598	472 543	4 435	88 120	315 028	(226 909)	-72%	171 598
Planning and development	63 074	7 972	70 312	70 312	1 081	11 950	46 875	(34 925)	-75%	7 972
Road transport	172 914	163 627	402 230	402 230	3 354	76 170	268 153	(191 984)	-72%	163 627
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 043 525	193 867	1 948 790	2 029 017	(80 226)	-4%	2 437 047
Electricity	1 723 118	1 700 095	1 910 807	1 910 807	123 131	1 257 899	1 273 872	(15 973)	-1%	1 700 095
Water	660 510	500 521	878 276	878 276	44 136	486 394	585 517	(99 123)	-17%	500 521
Waste water management	191 593	149 071	152 591	152 591	17 934	132 445	101 727	30 718	30%	149 071
Waste management	115 022	87 359	101 851	101 851	8 666	72 053	67 901	4 152	6%	87 359
<i>Other</i>	4	34 298	89 565	28 007	2 286	16 938	18 672	(1 734)	-9%	89 565
Total Revenue - Standard	2	4 621 352	3 992 771	5 279 436	311 474	3 155 027	3 519 624	(364 597)	-10%	3 992 771
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	917 462	71 487	604 618	609 713	(5 095)	-1%	691 420
Executive and council	7 712	384 298	131 695	131 695	9 612	88 249	87 797	452	1%	384 298
Budget and treasury office	859 050	200 157	573 669	573 669	50 807	410 206	380 766	29 440	8%	200 157
Corporate services	8 009	106 965	212 098	212 098	11 068	106 163	141 150	(34 987)	-25%	106 965
<i>Community and public safety</i>		670 660	421 741	546 398	40 649	362 692	364 097	(1 405)	0%	421 741
Community and social services	116 571	99 202	134 986	134 986	9 947	84 916	89 808	(4 891)	-5%	99 202
Sport and recreation	145 186	81 358	106 700	106 700	8 701	71 799	71 125	675	1%	81 358
Public safety	316 932	196 317	214 531	214 531	17 169	165 898	143 025	22 873	16%	196 317
Housing	49 923	25 149	69 802	69 802	3 232	26 760	46 554	(19 795)	-43%	25 149
Health	42 048	19 716	20 379	20 379	1 599	13 319	13 586	(266)	-2%	19 716
<i>Economic and environmental services</i>		522 277	462 751	583 893	30 724	278 382	390 867	(112 485)	-29%	462 751
Planning and development	97 679	128 290	107 372	107 372	6 637	71 531	71 742	(212)	0%	128 290
Road transport	424 597	334 461	476 521	476 521	24 087	206 851	319 124	(112 274)	-35%	334 461
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 718 573	174 326	1 612 057	1 812 857	(200 799)	-11%	1 893 207
Electricity	1 512 417	1 374 079	1 589 585	1 589 585	109 133	1 053 574	1 060 484	(6 910)	-1%	1 374 079
Water	590 023	406 791	836 877	836 877	43 616	375 352	557 626	(182 274)	-33%	406 791
Waste water management	175 548	9 621	185 133	185 133	13 446	112 046	123 424	(11 378)	-9%	9 621
Waste management	150 620	102 716	106 978	106 978	8 130	71 086	71 324	(237)	0%	102 716
<i>Other</i>		54 353	31 122	42 750	3 903	29 948	28 517	1 431	5%	31 122
Total Expenditure - Standard	3	4 550 669	3 500 241	4 809 076	321 089	2 887 698	3 206 051	(318 353)	-10%	3 500 241
Surplus/ (Deficit) for the year		70 683	492 530	470 360	(9 615)	267 329	313 573	(46 244)	-15%	492 530

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	1 600	1 600	46	2 974	1 067	1 907	178.8%	1 600
Vote 2 - City Finance		1 422 429	1 598 335	1 608 739	101 623	1 018 370	1 072 493	(54 123)	-5.0%	1 598 335
Vote 3 - Community Services & Social Equity		281 059	155 606	160 178	12 113	121 856	106 785	15 071	14.1%	155 606
Vote 4 - Corporate Services		5 890	10 026	10 027	896	46	6 685	(6 639)	-99.3%	10 026
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 369 094	189 991	1 962 447	2 246 063	(283 616)	-12.6%	3 369 093
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	129 798	6 805	49 334	86 532	(37 198)	-43.0%	88 384
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 621 352	5 223 044	5 279 436	311 474	3 155 027	3 519 624	(364 597)	-10.4%	5 223 044
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	159 741	11 459	104 216	106 494	(2 278)	-2.1%	147 876
Vote 2 - City Finance		931 400	672 127	644 631	57 925	458 063	429 997	28 066	6.5%	672 127
Vote 3 - Community Services & Social Equity		732 073	550 686	557 520	42 666	387 340	371 441	15 899	4.3%	550 686
Vote 4 - Corporate Services		8 582	195 576	192 624	9 645	93 470	128 167	(34 697)	-27.1%	195 576
Vote 5 - Infrastructure Services		2 664 812	3 005 424	3 057 853	186 775	1 729 875	2 038 779	(308 904)	-15.2%	3 005 424
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	196 708	12 618	114 734	131 174	(16 440)	-12.5%	158 825
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 550 669	4 730 514	4 809 076	321 089	2 887 698	3 206 051	(318 353)	-9.9%	4 730 514
Surplus/ (Deficit) for the year	2	70 683	492 530	470 360	(9 615)	267 329	313 573	(46 244)	-14.7%	492 530

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 29 February 2016.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	60 523	487 587	502 344	(14 757)	-3%	743 113
Property rates - penalties & collection charges		30 207	41 349	41 349	1 321	18 070	27 566	(9 496)	-34%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	143 168	1 209 865	1 243 804	(33 939)	-3%	1 865 706
Service charges - water revenue		452 443	595 443	595 443	36 720	329 384	396 962	(67 578)	-17%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	10 902	83 706	92 981	(9 275)	-10%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	7 634	55 672	62 615	(6 943)	-11%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 329	1 672	13 028	27 553	(14 525)	-53%	41 329
Interest earned - external investments		50 973	33 988	33 988	4 266	37 832	22 659	15 173	67%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	6 451	43 745	41 729	2 016	5%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	17 488	548	8 073	11 659	(3 586)	-31%	17 488
Licences and permits		89	87	87	14	62	58	4	7%	87
Agency services		578	632	632	99	362	421	(60)	-14%	632
Transfers recognised - operational		519 604	440 652	518 243	7 283	345 829	345 495	334	0%	440 652
Other revenue		123 214	79 695	79 695	4 568	45 297	53 130	(7 833)	-15%	79 695
Gains on disposal of PPE		-	9 700	9 700	(2 077)	568	6 467	(5 899)	-91%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 165 169	4 253 163	283 092	2 679 078	2 835 442	(156 364)	-6%	4 165 169
Expenditure By Type										
Employee related costs		832 532	956 536	956 536	68 793	617 294	637 691	(20 396)	-3%	956 536
Remuneration of councillors		34 657	42 350	42 350	3 377	27 153	28 234	(1 080)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	71 503	(71 503)	-100%	124 586
Depreciation & asset impairment		463 063	485 746	485 746	38 710	312 095	323 831	(11 735)	-4%	485 746
Finance charges		71 169	69 489	69 489	158	29 569	46 326	(16 757)	-36%	69 489
Bulk purchases		1 586 802	1 736 811	1 781 093	125 792	1 204 755	1 187 395	17 360	1%	1 736 811
Other materials		4 751	29 773	200 842	9 907	93 609	133 895	(40 286)	-30%	29 773
Contracted services		29 698	18 556	25 556	8 532	74 517	17 037	57 480	337%	18 556
Transfers and grants		11 572	134 035	134 035	20	4 414	89 357	(84 943)	-95%	134 035
Other expenditure		869 758	563 817	433 247	28 731	207 739	288 832	(81 092)	-28%	563 817
Loss on disposal of PPE		-	-	-	(2 104)	3 480	-	3 480	#DIV/0!	-
Total Expenditure		4 126 113	4 161 699	4 236 150	281 919	2 574 627	2 824 100	(249 473)	-9%	4 161 699
Surplus/(Deficit)		(285 775)	3 470	17 013	1 174	104 451	11 342	93 109	0	3 470
Transfers recognised - capital		356 459	489 060	453 347	(10 789)	162 878	302 231	(139 353)	(0)	489 060
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 683	492 530	470 360	(9 615)	267 329	313 573			492 530
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 683	492 530	470 360	(9 615)	267 329	313 573			492 530
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 683	492 530	470 360	(9 615)	267 329	313 573			492 530
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 683	492 530	470 360	(9 615)	267 329	313 573			492 530

Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

Vote Description	Ref	2014/15		Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		9 110	5 000	6 180	-	3 730	4 120	(390)	-9%	6 180
Vote 2 - City Finance		15 139	26 500	41 278	2 899	4 065	27 519	(23 454)	-85%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	54 868	2 762	29 647	36 579	(6 931)	-19%	54 868
Vote 4 - Corporate Services		4 119	3 250	3 637	-	-	2 425	(2 425)	-100%	3 637
Vote 5 - Infrastructure Services		333 861	569 454	555 387	15 736	169 733	370 258	(200 525)	-54%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	21 932	1 530	20 225	14 622	5 603	38%	21 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	451 009	682 054	683 282	22 926	227 400	455 522	(228 122)	-50%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	750	48	506	500	6	1%	750
Vote 2 - City Finance		13 442	710	710	7 941	17 484	473	17 011	3596%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	17 619	823	10 784	11 746	(962)	-8%	17 619
Vote 4 - Corporate Services		8 398	3 150	3 150	(432)	3 992	2 100	1 892	90%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	2 980	156	8 385	1 987	6 398	322%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	1 798	854	1 068	1 198	(130)	-11%	1 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 627	27 006	27 006	9 390	42 219	18 004	24 215	134%	27 006
Total Capital Expenditure		528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	38 052	10 455	29 777	25 368	4 409	17%	39 360
Executive and council		9 665	5 750	5 910	48	4 236	3 940	296	8%	5 750
Budget and treasury office		28 581	27 210	25 714	10 840	21 549	17 142	4 407	26%	27 210
Corporate services		12 517	6 400	6 429	(432)	3 992	4 286	(294)	-7%	6 400
Community and public safety		68 187	63 824	55 717	4 152	41 501	37 145	4 356	12%	63 824
Community and social services		17 495	3 446	26 139	95	3 217	17 426	(14 209)	-82%	3 446
Sport and recreation		45 618	33 350	3 006	3 273	34 202	2 004	32 198	1607%	33 350
Public safety		1 883	8 333	8 333	-	444	5 555	(5 111)	-92%	8 333
Housing		3 191	17 075	16 041	784	3 638	10 694	(7 056)	-66%	17 075
Health		-	1 620	2 198	-	-	1 465	(1 465)	-100%	1 620
Economic and environmental services		166 656	347 746	362 557	9 832	83 185	241 705	(158 520)	-66%	347 746
Planning and development		48 972	28 325	7 445	1 557	17 243	4 963	12 280	247%	28 325
Road transport		116 686	317 801	355 112	8 250	64 994	236 741	(171 747)	-73%	317 801
Environmental protection		997	1 620	-	24	948	-	948	#DIV/0!	1 620
Trading services		236 720	258 353	253 400	7 836	114 744	168 934	(54 189)	-32%	258 353
Electricity		136 907	133 000	130 791	4 075	55 100	87 194	(32 094)	-37%	133 000
Water		53 989	83 133	75 709	2 408	33 089	50 473	(17 383)	-34%	83 133
Waste water management		33 205	37 500	42 200	1 159	24 180	28 133	(3 953)	-14%	37 500
Waste management		12 620	4 720	4 700	194	2 375	3 133	(758)	-24%	4 720
Other		6 311	1 398	562	42	412	375	38	10%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	710 288	32 316	269 619	473 526	(203 907)	-43%	710 680
Funded by:										
National Government		224 530	489 060	467 038	(4 035)	155 683	311 358	(155 676)	-50%	489 060
Provincial Government		67 121	-	14 769	(21)	8 424	9 846	(1 422)	-14%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	481 807	(4 056)	164 106	321 204	(157 098)	-49%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	23 237	33 261	66 667	(33 405)	-50%	100 000
Internally generated funds		155 105	120 000	128 482	13 136	72 251	85 654	(13 403)	-16%	120 000
Total Capital Funding		528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	709 060

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

Table C6 displays the financial position of the municipality as at 29 February 2016.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		96 597	45 513	81 975	71 336	81 975
Call investment deposits		745 471	1 086 263	1 085 994	887 232	1 085 994
Consumer debtors		728 136	883 147	883 147	1 298 000	883 147
Other debtors		390 671	376 440	376 438	(100 937)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	52 241	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 207 918	3 169 490
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 947	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	381 065	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		7 091 843	6 948 898	6 928 396	7 036 985	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	936	46 520
Intangible assets		18 880	27 283	27 283	19 033	27 283
Other non-current assets		-	179 008	179 008	-	179 008
Total non current assets		7 548 842	7 568 078	7 547 576	7 448 966	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 656 884	10 717 066
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	93 243	92 798
Trade and other payables		765 335	1 217 489	1 217 489	556 527	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		915 372	1 378 122	1 378 122	674 957	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	670 242	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 323 992	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	1 998 948	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 657 935	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 392 535	7 904 554
Reserves		257 948	172 915	172 914	265 401	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 657 935	8 077 468

Table C7 below display the Cash Flow Statement for the month ending 29 February 2016.

KZN225 Msunduzi - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	701 467	711 871	53 666	459 544	415 258	44 286	11%	711 871
Service charges		2 227 636	2 349 116	2 349 116	190 114	1 655 750	1 370 318	285 433	21%	2 349 116
Other revenue		18 478	84 318	84 320	42 514	271 473	49 187	222 287	452%	84 320
Government - operating		519 604	440 652	484 851	1 251	326 383	282 830	43 553	15%	484 851
Government - capital		356 459	489 060	453 347	2 098	245 396	264 452	(19 057)	-7%	453 347
Interest		120 502	64 837	64 894	3 125	28 989	37 855	(8 866)	-23%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(255 057)	(2 630 163)	(1 956 194)	673 970	-34%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(158)	(29 569)	(40 541)	(10 972)	27%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(14 976)	(106)	14 870	-14084%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	37 533	312 827	423 059	110 232	26%	725 244
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421					-	-		-
Decrease (Increase) in non-current debtors							-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(1 928)					-	-		-
Payments										
Capital assets		(1 249 093)	(589 505)	(589 505)	(32 316)	(269 618)	(343 878)	(74 259)	22%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(32 316)	(269 618)	(343 878)	(74 259)	22%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000	-	100 000	58 333	41 667	71%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	-	2 902	3 063	(161)	-5%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)	(24)	(29 612)	(29 079)	532	-2%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	(24)	73 290	32 317	(40 974)	-127%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	172 159	191 139	5 193	116 499	111 498			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 069	842 352			842 069
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		958 568	953 850			1 033 208

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - M08 February

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	716 603	784 462	794 866	61 844	505 657	529 910	(24 254)	-5%	784 462
Service charges	2 227 636	2 694 541	2 694 542	198 425	1 678 626	1 796 361	(117 735)	-7%	2 694 541
Investment revenue	50 973	33 988	33 988	4 326	37 992	22 696	15 296	67%	33 988
Transfers recognised - operational	519 604	440 652	518 243	7 283	345 829	345 495	334	0%	440 652
Other own revenue	325 520	211 526	211 524	11 276	111 134	141 016	(29 883)	-21%	211 526
Total Revenue (excluding capital transfers and contributions)	3 840 338	4 165 169	4 253 163	283 152	2 679 238	2 835 479	(156 241)	-6%	4 165 169
Employee costs	832 532	956 536	956 536	69 091	620 013	640 891	(20 877)	-3%	956 536
Remuneration of Councillors	34 657	42 350	42 350	3 377	27 153	28 234	(1 080)	-4%	42 350
Depreciation & asset impairment	463 063	485 746	485 746	38 840	313 136	324 872	(11 735)	-4%	485 746
Finance charges	71 169	69 489	69 489	159	29 577	46 334	(16 757)	-36%	69 489
Materials and bulk purchases	1 591 553	1 766 585	1 981 935	135 707	1 298 494	1 321 476	(22 982)	-2%	1 766 585
Transfers and grants	11 572	134 035	134 035	20	159	89 357	(89 198)	-100%	134 035
Other expenditure	1 121 566	706 958	566 058	35 203	292 652	384 801	(92 149)	-24%	706 958
Total Expenditure	4 126 113	4 161 699	4 236 150	282 399	2 581 185	2 835 964	(254 779)	-9%	4 161 699
Surplus/(Deficit)	(285 775)	3 470	17 013	754	98 053	(485)	98 538	-20315%	3 470
Transfers recognised - capital	356 459	489 060	453 347	(10 789)	162 878	302 231	(139 353)	-46%	489 060
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	70 683	492 530	470 360	(10 035)	260 931	301 746	(40 815)	-14%	492 530
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 683	492 530	470 360	(10 035)	260 931	301 746	(40 815)	-14%	492 530
Capital expenditure & funds sources									
Capital expenditure	528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	710 288
Capital transfers recognised	291 650	489 060	481 807	(4 056)	164 106	321 204	(157 098)	-49%	489 060
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	81 881	100 000	100 000	23 237	33 261	66 667	(33 405)	-50%	100 000
Internally generated funds	155 105	120 000	128 482	13 136	72 251	85 654	(13 403)	-16%	120 000
Total sources of capital funds	528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	709 060
Financial position									
Total current assets	2 007 658	3 133 299	3 169 490		2 201 025				3 169 490
Total non current assets	7 548 842	7 568 078	7 547 576		7 448 966				7 547 576
Total current liabilities	915 372	1 378 122	1 378 122		674 957				1 378 122
Total non current liabilities	1 197 150	1 261 476	1 261 476		1 323 992				1 261 476
Community wealth/Equity	7 443 978	8 061 779	8 077 468		7 651 042				8 077 468
Cash flows									
Net cash from (used) operating	1 199 351	706 264	725 244	37 244	312 544	483 496	170 952	35%	725 244
Net cash from (used) investing	(1 250 600)	(589 505)	(589 505)	(32 316)	(276 228)	(393 003)	(116 775)	30%	(589 505)
Net cash from (used) financing	58 109	55 400	55 400	(24)	73 290	36 933	(36 357)	-98%	55 400
Cash/cash equivalents at the month/year end	834 133	1 123 670	1 033 491	-	951 675	969 778	18 103	2%	1 033 208
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	295 559	157 866	52 292	42 834	70 024	41 963	46 082	#####	1 994 375
Creditors Age Analysis									
Total Creditors	410 282	494	258	471	391	3 730	-	-	415 626

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 435 170	1 281 199	1 620 365	102 565	1 021 390	1 080 243	(58 853)	-5%	1 281 199
Executive and council		6 748	1 600	1 600	43	2 943	1 067	1 876	176%	1 600
Budget and treasury office		1 422 429	1 276 437	1 608 739	101 623	1 018 370	1 072 493	(54 123)	-5%	1 276 437
Corporate services		5 993	3 162	10 025	899	77	6 684	(6 606)	-99%	3 162
<i>Community and public safety</i>		225 653	13 361	114 997	8 321	79 790	76 665	3 125	4%	13 361
Community and social services		71 074	3 250	37 283	5 827	35 099	24 855	10 244	41%	3 250
Sport and recreation		24 880	729	838	108	21 115	559	20 556	3679%	729
Public safety		111 819	5 827	25 684	1 008	11 086	17 123	(6 037)	-35%	5 827
Housing		17 809	3 485	51 159	1 378	12 480	34 106	(21 626)	-63%	3 485
Health		71	70	32	0	9	21	(12)	-57%	70
<i>Economic and environmental services</i>		235 988	171 598	472 543	4 435	88 120	315 028	(226 909)	-72%	171 598
Planning and development		63 074	7 972	70 312	1 081	11 950	46 875	(34 925)	-75%	7 972
Road transport		172 914	163 627	402 230	3 354	76 170	268 153	(191 984)	-72%	163 627
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 690 243	2 437 047	3 043 525	193 867	1 948 790	2 029 017	(80 226)	-4%	2 437 047
Electricity		1 723 118	1 700 095	1 910 807	123 131	1 257 899	1 273 872	(15 973)	-1%	1 700 095
Water		660 510	500 521	878 276	44 136	486 394	585 517	(99 123)	-17%	500 521
Waste water management		191 593	149 071	152 591	17 934	132 445	101 727	30 718	30%	149 071
Waste management		115 022	87 359	101 851	8 666	72 053	67 901	4 152	6%	87 359
<i>Other</i>	4	34 298	89 565	28 007	2 286	16 938	18 672	(1 734)	-9%	89 565
Total Revenue - Standard	2	4 621 352	3 992 771	5 279 436	311 474	3 155 027	3 519 624	(364 597)	-10%	3 992 771
Expenditure - Standard										
<i>Governance and administration</i>		874 771	691 420	917 462	71 487	604 618	609 713	(5 095)	-1%	691 420
Executive and council		7 712	384 298	131 695	9 612	88 249	87 797	452	1%	384 298
Budget and treasury office		859 050	200 157	573 669	50 807	410 206	380 766	29 440	8%	200 157
Corporate services		8 009	106 965	212 098	11 068	106 163	141 150	(34 987)	-25%	106 965
<i>Community and public safety</i>		670 660	421 741	546 398	40 649	362 692	364 097	(1 405)	0%	421 741
Community and social services		116 571	99 202	134 986	9 947	84 916	89 808	(4 891)	-5%	99 202
Sport and recreation		145 186	81 358	106 700	8 701	71 799	71 125	675	1%	81 358
Public safety		316 932	196 317	214 531	17 169	165 898	143 025	22 873	16%	196 317
Housing		49 923	25 149	69 802	3 232	26 760	46 554	(19 795)	-43%	25 149
Health		42 048	19 716	20 379	1 599	13 319	13 586	(266)	-2%	19 716
<i>Economic and environmental services</i>		522 277	462 751	583 893	30 724	278 382	390 867	(112 485)	-29%	462 751
Planning and development		97 679	128 290	107 372	6 637	71 531	71 742	(212)	0%	128 290
Road transport		424 597	334 461	476 521	24 087	206 851	319 124	(112 274)	-35%	334 461
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 428 609	1 893 207	2 718 573	174 746	1 618 455	1 824 684	(206 228)	-11%	1 893 207
Electricity		1 512 417	1 374 079	1 589 585	109 553	1 059 972	1 072 311	(12 339)	-1%	1 374 079
Water		590 023	406 791	836 877	43 616	375 352	557 626	(182 274)	-33%	406 791
Waste water management		175 548	9 621	185 133	13 446	112 046	123 424	(11 378)	-9%	9 621
Waste management		150 620	102 716	106 978	8 130	71 086	71 324	(237)	0%	102 716
<i>Other</i>		54 353	31 122	42 750	3 903	29 948	28 517	1 431	5%	31 122
Total Expenditure - Standard	3	4 550 669	3 500 241	4 809 076	321 509	2 894 096	3 217 878	(323 782)	-10%	3 500 241
Surplus/ (Deficit) for the year		70 683	492 530	470 360	(10 035)	260 931	301 746	(40 815)	-14%	492 530

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - City Manager	1	6 851	1 600	1 600	46	2 974	1 067	1 907	178.8%	1 600
Vote 2 - City Finance		1 422 429	1 598 335	1 608 739	101 623	1 018 370	1 072 493	(54 123)	-5.0%	1 598 335
Vote 3 - Community Services & Social Equity		281 059	155 606	160 178	12 113	121 856	106 785	15 071	14.1%	155 606
Vote 4 - Corporate Services		5 890	10 026	10 027	896	46	6 685	(6 639)	-99.3%	10 026
Vote 5 - Infrastructure Services		2 763 949	3 369 093	3 369 094	189 991	1 962 447	2 246 063	(283 616)	-12.6%	3 369 093
Vote 6 - Sustainable Development and City Enterprises		141 174	88 384	129 798	6 805	49 334	86 532	(37 198)	-43.0%	88 384
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 621 352	5 223 044	5 279 436	311 474	3 155 027	3 519 624	(364 597)	-10.4%	5 223 044
Expenditure by Vote										
Vote 1 - City Manager	1	12 576	147 876	159 741	11 459	104 216	106 494	(2 278)	-2.1%	147 876
Vote 2 - City Finance		931 400	672 127	644 631	57 925	458 063	429 997	28 066	6.5%	672 127
Vote 3 - Community Services & Social Equity		732 073	550 686	557 520	42 666	387 340	371 441	15 899	4.3%	550 686
Vote 4 - Corporate Services		8 582	195 576	192 624	9 645	93 470	128 167	(34 697)	-27.1%	195 576
Vote 5 - Infrastructure Services		2 664 812	3 005 424	3 057 853	187 195	1 736 273	2 050 606	(314 333)	-15.3%	3 005 424
Vote 6 - Sustainable Development and City Enterprises		201 227	158 825	196 708	12 618	114 734	131 174	(16 440)	-12.5%	158 825
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	4 550 669	4 730 514	4 809 076	321 509	2 894 096	3 217 878	(323 782)	-10.1%	4 730 514
Surplus/ (Deficit) for the year	2	70 683	492 530	470 360	(10 035)	260 931	301 746	(40 815)	-13.5%	492 530

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		686 396	743 113	753 517	60 523	487 587	502 344	(14 757)	-3%	743 113
Property rates - penalties & collection charges		30 207	41 349	41 349	1 321	18 070	27 566	(9 496)	-34%	41 349
Service charges - electricity revenue		1 566 133	1 865 706	1 865 706	143 168	1 209 865	1 243 804	(33 939)	-3%	1 865 706
Service charges - w ater revenue		452 443	595 443	595 443	36 720	329 384	396 962	(67 578)	-17%	595 443
Service charges - sanitation revenue		127 516	139 471	139 471	10 902	83 706	92 981	(9 275)	-10%	139 471
Service charges - refuse revenue		81 544	93 922	93 922	7 634	55 672	62 615	(6 943)	-11%	93 922
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		23 477	41 329	41 329	1 672	13 028	27 553	(14 525)	-53%	41 329
Interest earned - external investments		50 973	33 988	33 988	4 326	37 992	22 696	15 296	67%	33 988
Interest earned - outstanding debtors		69 529	62 593	62 593	6 451	43 745	41 729	2 016	5%	62 593
Dividends received		-	-	-	-	-	-	-	-	-
Fines		108 634	17 488	17 488	548	8 073	11 659	(3 586)	-31%	17 488
Licences and permits		89	87	87	14	62	58	4	7%	87
Agency services		578	632	632	99	362	421	(60)	-14%	632
Transfers recognised - operational		519 604	440 652	518 243	7 283	345 829	345 495	334	0%	440 652
Other revenue		123 214	79 695	79 695	4 568	45 297	53 130	(7 833)	-15%	79 695
Gains on disposal of PPE		-	9 700	9 700	(2 077)	568	6 467	(5 899)	-91%	9 700
Total Revenue (excluding capital transfers and contributions)		3 840 338	4 165 169	4 253 163	283 152	2 679 238	2 835 479	(156 241)	-6%	4 165 169
Expenditure By Type										
Employee related costs		832 532	956 536	956 536	69 091	620 013	640 891	(20 877)	-3%	956 536
Remuneration of councillors		34 657	42 350	42 350	3 377	27 153	28 234	(1 080)	-4%	42 350
Debt impairment		222 110	124 586	107 255	-	-	71 503	(71 503)	-100%	124 586
Depreciation & asset impairment		463 063	485 746	485 746	38 840	313 136	324 872	(11 735)	-4%	485 746
Finance charges		71 169	69 489	69 489	159	29 577	46 334	(16 757)	-36%	69 489
Bulk purchases		1 586 802	1 736 811	1 781 093	125 792	1 204 755	1 187 395	17 360	1%	1 736 811
Other materials		4 751	29 773	200 842	9 914	93 739	134 081	(40 342)	-30%	29 773
Contracted services		29 698	18 556	25 556	8 549	81 127	23 822	57 305	241%	18 556
Transfers and grants		11 572	134 035	134 035	20	159	89 357	(89 198)	-100%	134 035
Other expenditure		869 758	563 817	433 247	28 758	208 044	289 476	(81 431)	-28%	563 817
Loss on disposal of PPE		-	-	-	(2 104)	3 480	-	3 480	#DIV/0!	-
Total Expenditure		4 126 113	4 161 699	4 236 150	282 399	2 581 185	2 835 964	(254 779)	-9%	4 161 699
Surplus/(Deficit)		(285 775)	3 470	17 013	754	98 053	(485)	98 538	(0)	3 470
Transfers recognised - capital		356 459	489 060	453 347	(10 789)	162 878	302 231	(139 353)	(0)	489 060
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 683	492 530	470 360	(10 035)	260 931	301 746			492 530
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 683	492 530	470 360	(10 035)	260 931	301 746			492 530
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 683	492 530	470 360	(10 035)	260 931	301 746			492 530
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 683	492 530	470 360	(10 035)	260 931	301 746			492 530

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M08 February)

Vote Description	Ref	2014/15		Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		9 110	5 000	6 180	-	3 730	4 120	(390)	-9%	6 180
Vote 2 - City Finance		15 139	26 500	41 278	2 899	4 065	27 519	(23 454)	-85%	41 278
Vote 3 - Community Services & Social Equity		56 719	32 850	54 868	2 762	29 647	36 579	(6 931)	-19%	54 868
Vote 4 - Corporate Services		4 119	3 250	3 637	-	-	2 425	(2 425)	-100%	3 637
Vote 5 - Infrastructure Services		333 861	569 454	555 387	15 736	169 733	370 258	(200 525)	-54%	555 387
Vote 6 - Sustainable Development and City Enterprises		32 063	45 000	21 932	1 530	20 225	14 622	5 603	38%	21 932
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	451 009	682 054	683 282	22 926	227 400	455 522	(228 122)	-50%	683 282
Single Year expenditure appropriation	2									
Vote 1 - City Manager		555	750	750	48	506	500	6	1%	750
Vote 2 - City Finance		13 442	710	710	7 941	17 484	473	17 011	3596%	710
Vote 3 - Community Services & Social Equity		13 720	17 619	17 619	823	10 784	11 746	(962)	-8%	17 619
Vote 4 - Corporate Services		8 398	3 150	3 150	(432)	3 992	2 100	1 892	90%	3 150
Vote 5 - Infrastructure Services		15 100	2 980	2 980	156	8 385	1 987	6 398	322%	2 980
Vote 6 - Sustainable Development and City Enterprises		26 412	1 798	1 798	854	1 068	1 198	(130)	-11%	1 798
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	77 627	27 006	27 006	9 390	42 219	18 004	24 215	134%	27 006
Total Capital Expenditure		528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	710 288
Capital Expenditure - Standard Classification										
Governance and administration		50 762	39 360	38 052	10 455	29 777	25 368	4 409	17%	39 360
Executive and council		9 665	5 750	5 910	48	4 236	3 940	296	8%	5 750
Budget and treasury office		28 581	27 210	25 714	10 840	21 549	17 142	4 407	26%	27 210
Corporate services		12 517	6 400	6 429	(432)	3 992	4 286	(294)	-7%	6 400
Community and public safety		68 187	63 824	55 717	4 152	41 501	37 145	4 356	12%	63 824
Community and social services		17 495	3 446	26 139	95	3 217	17 426	(14 209)	-82%	3 446
Sport and recreation		45 618	33 350	3 006	3 273	34 202	2 004	32 198	1607%	33 350
Public safety		1 883	8 333	8 333	-	444	5 555	(5 111)	-92%	8 333
Housing		3 191	17 075	16 041	784	3 638	10 694	(7 056)	-66%	17 075
Health		-	1 620	2 198	-	-	1 465	(1 465)	-100%	1 620
Economic and environmental services		166 656	347 746	362 557	9 832	83 185	241 705	(158 520)	-66%	347 746
Planning and development		48 972	28 325	7 445	1 557	17 243	4 963	12 280	247%	28 325
Road transport		116 686	317 801	355 112	8 250	64 994	236 741	(171 747)	-73%	317 801
Environmental protection		997	1 620	-	24	948	-	948	#DIV/0!	1 620
Trading services		236 720	258 353	253 400	7 836	114 744	168 934	(54 189)	-32%	258 353
Electricity		136 907	133 000	130 791	4 075	55 100	87 194	(32 094)	-37%	133 000
Water		53 989	83 133	75 709	2 408	33 089	50 473	(17 383)	-34%	83 133
Waste water management		33 205	37 500	42 200	1 159	24 180	28 133	(3 953)	-14%	37 500
Waste management		12 620	4 720	4 700	194	2 375	3 133	(758)	-24%	4 720
Other		6 311	1 398	562	42	412	375	38	10%	1 398
Total Capital Expenditure - Standard Classification	3	528 636	710 680	710 288	32 316	269 619	473 526	(203 907)	-43%	710 680
Funded by:										
National Government		224 530	489 060	467 038	(4 035)	155 683	311 358	(155 676)	-50%	489 060
Provincial Government		67 121	-	14 769	(21)	8 424	9 846	(1 422)	-14%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		291 650	489 060	481 807	(4 056)	164 106	321 204	(157 098)	-49%	489 060
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	81 881	100 000	100 000	23 237	33 261	66 667	(33 405)	-50%	100 000
Internally generated funds		155 105	120 000	128 482	13 136	72 251	85 654	(13 403)	-16%	120 000
Total Capital Funding		528 636	709 060	710 288	32 316	269 619	473 526	(203 907)	-43%	709 060

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		96 597	45 513	81 975	64 443	81 975
Call investment deposits		745 471	1 086 263	1 085 994	887 232	1 085 994
Consumer debtors		728 136	883 147	883 147	1 298 000	883 147
Other debtors		390 671	376 440	376 438	(100 937)	376 438
Current portion of long-term receivables		46	43	43	46	43
Inventory		46 737	741 893	741 893	52 241	741 893
Total current assets		2 007 658	3 133 299	3 169 490	2 201 025	3 169 490
Non current assets						
Long-term receivables		10 482	9 455	9 455	10 947	9 455
Investments		-	-	-	-	-
Investment property		382 805	356 914	356 914	381 065	356 914
Investments in Associate		-	-	-	-	-
Property, plant and equipment		7 091 843	6 948 898	6 928 396	7 036 985	6 928 396
Agricultural		44 831	-	-	-	-
Biological assets		-	46 520	46 520	936	46 520
Intangible assets		18 880	27 283	27 283	19 033	27 283
Other non-current assets		-	179 008	179 008	-	179 008
Total non current assets		7 548 842	7 568 078	7 547 576	7 448 966	7 547 576
TOTAL ASSETS		9 556 500	10 701 377	10 717 066	9 649 991	10 717 066
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		53 524	61 751	61 751	1 120	61 751
Consumer deposits		89 479	92 798	92 798	93 243	92 798
Trade and other payables		765 335	1 217 489	1 217 489	556 527	1 217 489
Provisions		7 034	6 084	6 084	24 067	6 084
Total current liabilities		915 372	1 378 122	1 378 122	674 957	1 378 122
Non current liabilities						
Borrowing		543 401	579 761	579 761	670 242	579 761
Provisions		653 749	681 715	681 715	653 749	681 715
Total non current liabilities		1 197 150	1 261 476	1 261 476	1 323 992	1 261 476
TOTAL LIABILITIES		2 112 522	2 639 598	2 639 598	1 998 948	2 639 598
NET ASSETS	2	7 443 978	8 061 779	8 077 468	7 651 042	8 077 468
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		7 186 031	7 888 864	7 904 554	7 385 642	7 904 554
Reserves		257 948	172 915	172 914	265 401	172 914
TOTAL COMMUNITY WEALTH/EQUITY	2	7 443 978	8 061 779	8 077 468	7 651 042	8 077 468

KZN225 Msunduzi - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		716 603	701 467	711 871	53 666	470 410	474 581	(4 171)	-1%	711 871
Service charges		2 227 636	2 349 116	2 349 116	190 114	1 655 750	1 566 077	89 673	6%	2 349 116
Other revenue		18 478	84 318	84 320	42 514	271 473	56 213	215 260	383%	84 320
Government - operating		519 604	440 652	484 851	1 251	326 383	323 234	3 149	1%	484 851
Government - capital		356 459	489 060	453 347	2 098	245 396	302 231	(56 835)	-19%	453 347
Interest		120 502	64 837	64 894	3 185	29 149	43 263	(14 114)	-33%	64 894
Dividends							-	-		-
Payments										
Suppliers and employees		(2 677 191)	(3 347 843)	(3 353 475)	(255 405)	(2 641 464)	(2 235 650)	405 814	-18%	(3 353 475)
Finance charges		(71 169)	(69 489)	(69 499)	(159)	(29 577)	(46 333)	(16 755)	36%	(69 499)
Transfers and Grants		(11 572)	(5 854)	(181)	(20)	(14 976)	(121)	14 855	-12311%	(181)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 199 351	706 264	725 244	37 244	312 544	483 496	170 952	35%	725 244
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		421					-	-		-
Decrease (increase) in non-current debtors							-	-		-
Decrease (increase) other non-current receivables							-	-		-
Decrease (increase) in non-current investments		(1 928)					-	-		-
Payments										
Capital assets		(1 249 093)	(589 505)	(589 505)	(32 316)	(276 228)	(393 003)	(116 775)	30%	(589 505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 250 600)	(589 505)	(589 505)	(32 316)	(276 228)	(393 003)	(116 775)	30%	(589 505)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-	-	-		-
Borrowing long term/refinancing		100 000	100 000	100 000	-	100 000	66 667	33 333	50%	100 000
Increase (decrease) in consumer deposits		4 370	5 250	5 250	-	2 902	3 500	(598)	-17%	5 250
Payments										
Repayment of borrowing		(46 261)	(49 850)	(49 850)	(24)	(29 612)	(33 233)	(3 622)	11%	(49 850)
NET CASH FROM/(USED) FINANCING ACTIVITIES		58 109	55 400	55 400	(24)	73 290	36 933	(36 357)	-98%	55 400
NET INCREASE/ (DECREASE) IN CASH HELD		6 860	172 159	191 139	4 904	109 606	127 426			191 139
Cash/cash equivalents at beginning:		827 273	951 511	842 352		842 069	842 352			842 069
Cash/cash equivalents at month/year end:		834 133	1 123 670	1 033 491		951 675	969 778			1 033 208

1 PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

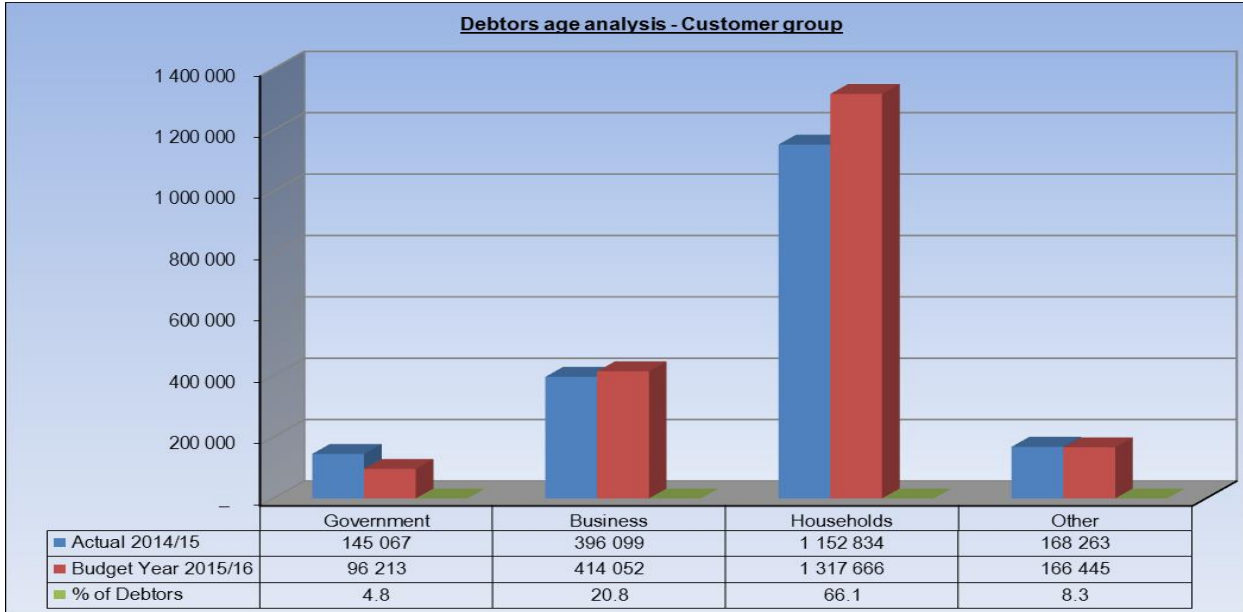
The table presented below summarises the Debtors Age Analysis as at 29 February 2016.

Table 2.1.1: Debtors Age Analysis by Income Source

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2015/16										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	49 411	32 752	19 859	20 137	20 053	18 178	18 048	423 155	601 591	499 570		210 408
Trade and Other Receivables from Exchange Transactions - Electricity	1300	162 046	74 600	8 017	5 556	4 666	4 804	4 547	75 866	340 102	95 439		37 047
Receivables from Non-exchange Transactions - Property Rates	1400	55 007	31 128	11 806	9 304	15 537	8 094	7 522	214 355	352 753	254 812		122 218
Receivables from Exchange Transactions - Waste Water Management	1500	11 919	6 339	3 772	3 182	3 164	2 650	2 834	92 912	126 773	104 742		53 400
Receivables from Exchange Transactions - Waste Management	1600	6 939	3 839	1 837	1 678	1 628	1 565	1 518	49 832	68 836	56 221		29 608
Receivables from Exchange Transactions - Property Rental Debtors	1700	658	610	578	568	568	554	555	25 569	29 659	27 813		18 151
Interest on Arrear Debtor Accounts	1810	9 772	9 164	9 034	8 660	8 389	8 037	7 958	274 745	335 759	307 788		175 253
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	(194)	(566)	(2 611)	(6 251)	16 020	(1 918)	3 101	131 322	138 903	142 273		75 371
Total By Income Source	2000	295 559	157 866	52 292	42 834	70 024	41 963	46 082	1 287 755	1 994 375	1 488 658	-	721 457
2014/15 - totals only		280 203	156 369	71 977	53 536	51 472	40 275	38 696	1 169 735	1 862 262	1 353 713		602 904
Debtors Age Analysis By Customer Group													
Organs of State	2200	23 210	5 631	3 898	(6 203)	3 021	593	(2 213)	68 275	96 213	63 473		42 118
Commercial	2300	147 728	68 411	9 121	7 516	8 294	6 400	13 686	152 897	414 052	188 792		88 196
Households	2400	117 350	76 403	35 840	37 855	53 856	31 877	31 647	932 837	1 317 666	1 088 073		506 702
Other	2500	7 271	7 421	3 433	3 666	4 854	3 094	2 962	133 745	166 445	148 320		84 441
Total By Customer Group	2600	295 559	157 866	52 292	42 834	70 024	41 963	46 082	1 287 755	1 994 375	1 488 658	-	721 457

Chart 1: Debtors Age Analysis By Customer Group

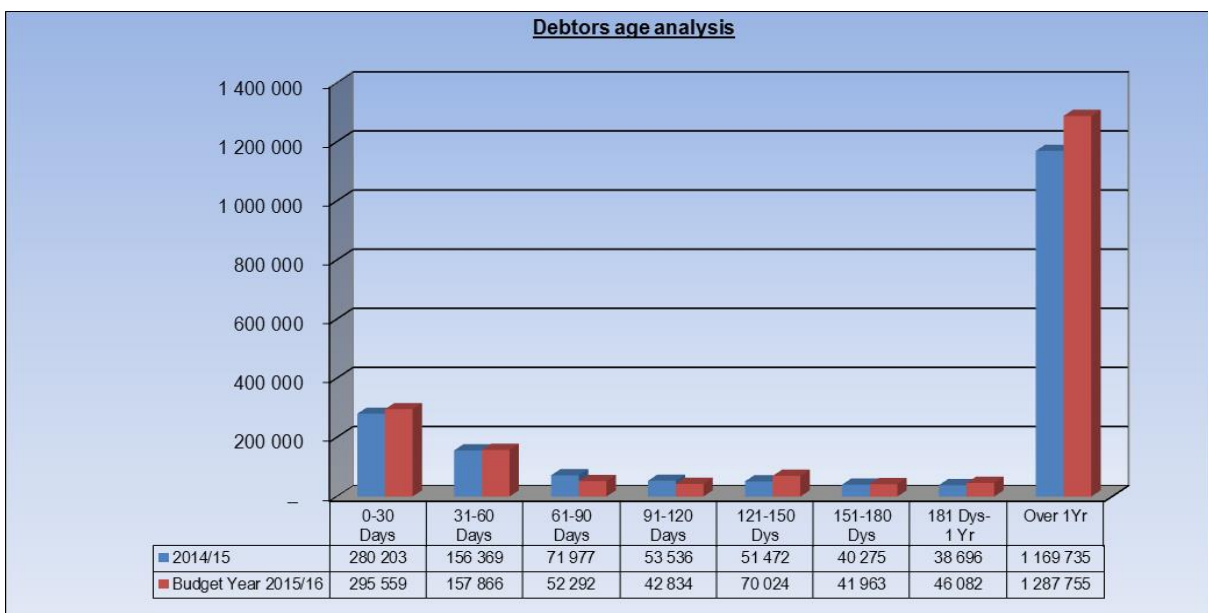


The information presented in the chart above reflects a slight increase in the outstanding debtor's balances as at 29 February 2016 of R 72.5 million when compared to the prior month balance bringing the total outstanding debtors balance to R 1, 99 billion.

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

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

Chart 2: Year on Year Debtors Age Analysis



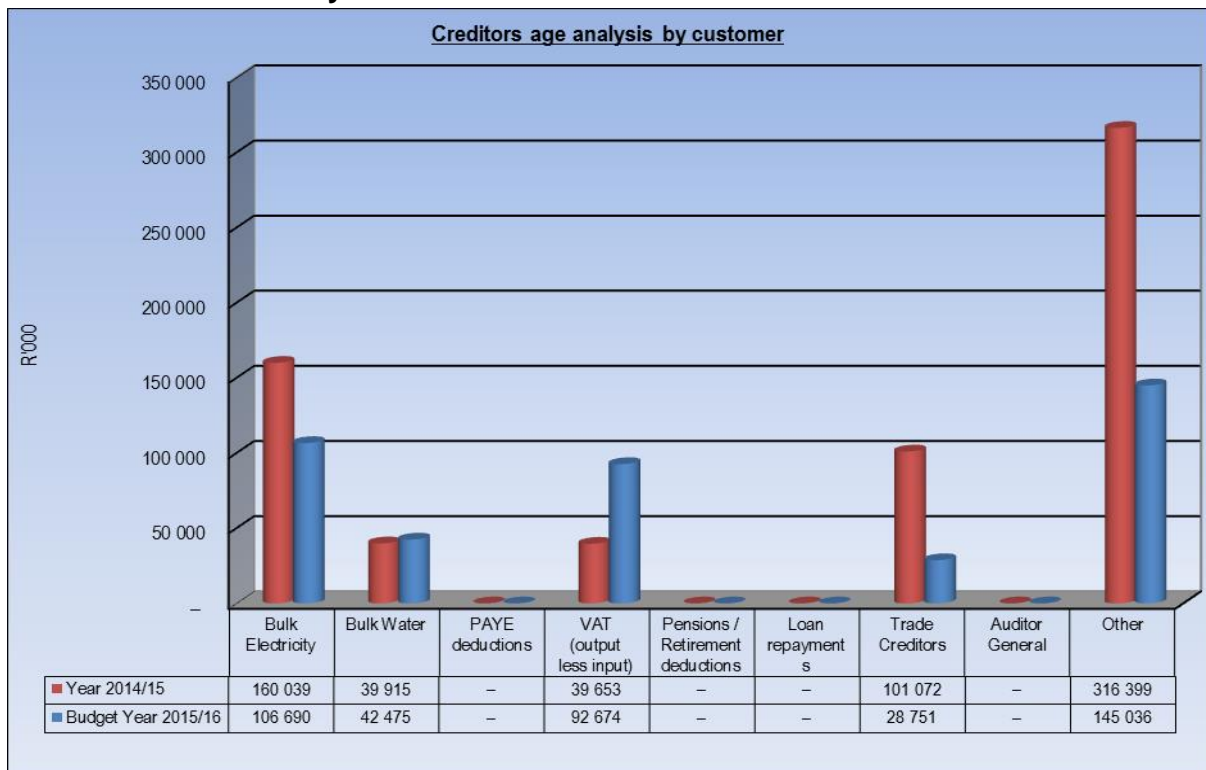
2.2 Creditors Analysis

Table SC 4 below presents the aged creditors as at 29 February 2016

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors										M07 February 2016	
Description	NT Code	Budget Year 2015/16								Total	Year 2014/15
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	106 690	-	-	-	-	-	-	-	106 690	160 039
Bulk Water	0200	42 475	-	-	-	-	-	-	-	42 475	39 915
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	92 674	-	-	-	-	-	-	-	92 674	39 653
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	23 407	494	258	471	391	3 730	-	-	28 751	101 072
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	145 036	-	-	-	-	-	-	-	145 036	316 399
Total By Customer Type	2600	410 282	494	258	471	391	3 730	-	-	415 626	657 078

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

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

The following information presents the short term investments balances broken down per investment type as at 29 February 2016.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio							M07 February 2016		
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Fixed - ABSA - Call		Call	Call	on call					26 400
Fixed - ABSA - 12 months (WCA)		12 months							8 318
Fixed - ABSA - Various		Various							200 000
Fixed - FNB - Various		Various							495 008
Fixed - Investec - 3 months		various							157 506
Municipality sub-total					-		-	-	887 232

The total consolidated investment balances as at 29 February 2016 was R 887.2 million.

2.4 Allocation and Grant receipts and Expenditure

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

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts						M07 February 2016			
Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		487 405	407 948	407 948	351 461	271 965	79 496	29.2%	407 948
Local Government Equitable Share		373 541	395 786	395 786	345 829	263 857	81 972	31.1%	395 786
Finance Management		1 600	1 600	1 600	1 600	1 067	533	50.0%	1 600
Municipal Systems Improvement		-	930	930	-	620	(620)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	2 688	1 344	50.0%	4 032
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-
Water Services Operating Subsidy	3	-	-	-	-	-	-	-	-
Public Transport and Systems		109 480	-	-	-	-	-	-	-
Operating costs-MIG		-	5 000	5 000	-	3 333	(3 333)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	400	(400)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	14 274	21 803	(7 529)	-34.5%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	14 274	5 810	8 464	145.7%	8 715
Arts and Culture - Subsidies		-	380	380	-	253	(253)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	368	(368)	-100.0%	552
Arts and Culture - Prov incilisation		-	23 057	23 057	-	15 371	(15 371)	-100.0%	23 057
Sanitation Bucket eradication		-	-	-	-	-	-	-	-
GEDI		31 298	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	528 854	440 652	440 652	365 735	293 768	71 967	24.5%	440 652
Capital Transfers and Grants									
National Government:		316 544	489 060	489 060	307 628	326 040	(18 412)	-5.6%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	145 370	124 971	20 399	16.3%	187 456
Public Transport and Systems		-	213 271	213 271	65 000	142 181	(77 181)	-54.3%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	-	13 333	(13 333)	-100.0%	20 000
Dept of Mineral/Electricity		-	-	-	-	-	-	-	-
Intergrated National Electrification Programme		95 989	10 000	10 000	14 386	6 667	7 719	115.8%	10 000
Municipal Water infrastructure Grant		11 389	58 333	58 333	58 333	38 889	19 444	50.0%	58 333
MSIG		1 226	-	-	930	-	930	0.0%	-
Library		24 586	-	-	23 609	-	23 609	0.0%	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		19 870	-	-	554	-	554	0.0%	-
Airport Development Project		-	-	-	174	-	174	0.0%	-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-
COGTA - URBAN RENEWAL		-	-	-	-	-	-	0.0%	-
COGTA - SANITATION BUCKET ERADICATION		4	-	-	-	-	-	-	-
COGTA - MASSIFICATION		4 375	-	-	-	-	-	-	-
COGTA		5 810	-	-	-	-	-	0.0%	-
Operation Dlusumlando-Agriculture		500	-	-	-	-	-	-	-
Art and Culture		988	-	-	380	-	380	0.0%	-
Market		6 077	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		37	-	-	-	-	-	-	-
Youth Advisory Council		35	-	-	-	-	-	-	-
COMMUNITY COMMUNICATION INITIATIVE		1	-	-	-	-	-	-	-
Q Dot Pharma For Ward 3,4,6		-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	336 450	489 060	489 060	308 182	326 040	(17 858)	-5.5%	489 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	865 304	929 712	929 712	673 917	619 808	54 109	8.7%	929 712

Capital and Operating grants: While the full year grant expenditure budget is R 929.7 million, the actual YTD Capital grant expenditure incurred amounted to R 174.9 million resulting in underperformance of 46% of the YTD capital grants budget of R 326.0 million.

KZN225 Msunduzi - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure							M07 February 2016		
Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		487 405	407 948	407 948	5 210	271 965	(266 756)	-98.1%	407 948
Local Government Equitable Share		373 541	395 786	395 786	-	263 857	(263 857)	-100.0%	395 786
Finance Management		1 600	1 600	1 600	1 178	1 067	111	10.4%	1 600
Municipal Systems Improvement		-	930	930	-	620	(620)	-100.0%	930
EPWP Incentive		2 784	4 032	4 032	4 032	2 688	1 344	50.0%	4 032
Public Transport and Systems		109 480	-	-	-	-	-	-	-
Operating costs-MIG		-	5 000	5 000	-	3 333	(3 333)	-100.0%	5 000
Neighbourhood Development Partnership Technical ass		-	600	600	-	400	(400)	-100.0%	600
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-
Provincial Government:		41 449	32 704	32 704	13 805	21 803	(7 998)	-36.7%	32 704
Expanded Public Works Grant		3	-	-	-	-	-	-	-
Human Settlements		10 148	8 715	8 715	13 805	5 810	7 995	137.6%	8 715
Arts and Culture - Subsidies		-	380	380	-	253	(253)	-100.0%	380
Arts and Culture - Comm Library		-	552	552	-	368	(368)	-100.0%	552
Arts and Culture - Provincialisat ion		-	23 057	23 057	-	15 371	(15 371)	-100.0%	23 057
GEDI		31 298	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		528 854	440 652	440 652	19 015	293 768	(274 753)	-93.5%	440 652
Capital expenditure of Transfers and Grants									
National Government:		316 544	489 060	489 060	172 200	326 040	(153 840)	-47.2%	489 060
Municipal Infrastructure Grant (MIG)		163 157	187 456	187 456	123 097	124 971	(1 873)	-1.5%	187 456
Public Transport and Systems		-	213 271	213 271	20 039	142 181	(122 142)	-85.9%	213 271
Neighbourhood Development Partnership		20 195	20 000	20 000	76	13 333	(13 257)	-99.4%	20 000
Intergrated National Electrification Programme		95 989	10 000	10 000	7 743	6 667	1 077	16.1%	10 000
Municipal Water infrastrucure Grant		11 389	58 333	58 333	13 602	38 889	(25 286)	-65.0%	58 333
MSIG		1 226	-	-	698	-	698	0.0%	-
Library		24 586	-	-	6 944	-	6 944	#DIV/0!	-
Provincial Government:		19 870	-	-	2 718	-	2 718	0.0%	-
Airport Development Project		-	-	-	-	-	-	-	-
Sport and Recreation		140	-	-	-	-	-	0.0%	-
Publicity House Renovation		1 977	-	-	26	-	26	0.0%	-
COGTA - Art Gallery		-	-	-	251	-	251	0.0%	-
COGTA - SANITATION BUCKET ERADICATION		4	-	-	-	-	-	-	-
COGTA - MASSIFICATION		4 375	-	-	-	-	-	-	-
COGTA - Market		5 810	-	-	251	-	251	0.0%	-
Operation Dlusumlando-Agriculture		500	-	-	2 190	-	2 190	0.0%	-
Art and Culture		988	-	-	-	-	-	-	-
Market		6 077	-	-	-	-	-	-	-
Other grant providers:		37	-	-	-	-	-	-	-
Youth Advisory Council		35	-	-	-	-	-	-	-
COMMUNITY COMMUNICATION INITIATIVE		1	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		336 450	489 060	489 060	174 918	326 040	(151 122)	-46.4%	489 060
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		865 304	929 712	929 712	193 933	619 808	(425 875)	-68.7%	929 712

2.5 Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
Summary of Employee and Councillor remuneration	Ref	2014/15		Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		31 389	29 522	29 522	2 976	18 044	19 681	(1 637)	-8%	29 522
Pension and UIF Contributions		253	3 496	3 496	284	2 262	2 331	(69)	-3%	3 496
Medical Aid Contributions		2 287	1 296	1 296	118	854	864	(10)	-1%	1 296
Motor Vehicle Allowance		528	6 333	6 333	573	4 690	4 222	468	11%	6 333
Cellphone Allowance		133	1 565	1 565	130	1 050	1 044	7	1%	1 565
Housing Allowances		10	137	137	3	54	91	(37)	-41%	137
Other benefits and allow ances		58	-	-	0	902	-	902	#DIV/0!	-
Sub Total - Councillors		34 657	42 350	42 350	4 084	27 856	28 233	(377)	-1%	42 350
% increase	4		22.2%	22.2%						22.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 651	6 744	6 744	791	4 240	4 496	(256)	-6%	6 744
Pension and UIF Contributions		798	870	870	99	705	580	125	22%	870
Medical Aid Contributions		-	20	20	6	38	14	24	178%	20
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		210	360	360	12	143	240	(97)	-40%	360
Motor Vehicle Allowance		762	756	756	112	664	504	160	32%	756
Cellphone Allowance		-	90	90	8	62	60	2	4%	90
Housing Allowances		98	64	64	62	175	42	132	312%	64
Other benefits and allow ances		38	-	-	-	0	-	0	#DIV/0!	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	37	37	-	37	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7 558	8 904	8 904	1 126	6 064	5 936	128	2%	8 904
% increase	4		17.8%	17.8%						17.8%
Other Municipal Staff										
Basic Salaries and Wages		504 910	741 800	741 800	47 913	339 326	494 533	(155 207)	-31%	741 800
Pension and UIF Contributions		112 428	16 945	16 945	13 151	86 155	11 297	74 858	663%	16 945
Medical Aid Contributions		40 020	110 158	110 158	6 225	29 482	73 439	(43 957)	-60%	110 158
Overtime		38 448	32 271	32 271	2 230	22 530	21 514	1 017	5%	32 271
Performance Bonus		-	-	-	26	262	-	262	#DIV/0!	-
Motor Vehicle Allowance		12 324	52 435	52 435	1 218	9 278	34 957	(25 679)	-73%	52 435
Cellphone Allowance		2 340	-	-	228	1 753	-	1 753	#DIV/0!	-
Housing Allowances		3 108	9 351	9 351	389	2 628	6 234	(3 606)	-58%	9 351
Other benefits and allow ances		96 672	-	-	4 439	81 331	-	81 331	#DIV/0!	-
Payments in lieu of leave		2 280	-	-	152	2 928	-	2 928	#DIV/0!	-
Long service awards		12 444	3 461	3 461	627	4 982	2 307	2 675	116%	3 461
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		824 974	966 420	966 420	76 597	580 654	644 280	(63 626)	-10%	966 420
% increase	4		17.1%	17.1%						17.1%
Total Parent Municipality		867 189	1 017 674	1 017 674	81 807	614 575	678 450	(63 875)	-9%	1 017 674
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Board Members of Entities		-	11	11	-	-	0	-	-	11
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of Entities										
Basic Salaries and Wages		329	409	409	30	271	273	(2)	-1%	409
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		12	14	14	1	8	9	(1)	-7%	14
Overtime		18	-	-	-	-	-	-	-	-
Performance Bonus		6	6	6	-	6	4	2	50%	6
Motor Vehicle Allowance		-	18	18	2	12	12	-	-	18
Cellphone Allowance		4	4	4	-	2	2	-	-	4
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		369	450	450	33	299	299 695	(0)	0%	450
% increase	4		22.0%	22.0%						22.0%
Other Staff of Entities										
Basic Salaries and Wages		2 259	2 794	2 794	157	1 521	1 863	(342)	-18%	2 794
Pension and UIF Contributions		154	194	194	14	110	129	(19)	-15%	194
Medical Aid Contributions		389	533	533	30	223	355	(132)	-37%	533
Overtime		416	457	457	34	289	305	(16)	-5%	457
Performance Bonus		22	25	25	-	25	17	8	50%	25
Motor Vehicle Allowance		56	72	72	5	39	48	(9)	-19%	72
Cellphone Allowance		11	14	14	1	9	9	(0)	-4%	14
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allow ances		219	250	250	25	204	167	37	22%	250
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		3 526	4 339	4 339	266	2 420	2 893	(473)	-16%	4 339
% increase	4		23.1%	23.1%						23.1%
Total Municipal Entities		3 895	4 800	4 800	299	2 719	3 192	(473)	-15%	4 800
TOTAL SALARY, ALLOWANCES & BENEFITS		871 084	1 022 474	1 022 474	82 106	617 294	681 642	(64 348)	-9%	1 022 474
% increase	4		17.4%	17.4%						17.4%
TOTAL MANAGERS AND STAFF		836 427	980 114	980 114	78 022	607 871	653 409	(63 971)	-10%	980 114

Councillor Allowances

The expenditure on councillor allowances as at 29 February 2016 was under spent by 4%. The year to date budget for Remuneration of Councillor's is R 28.2 million while the actual expenditure incurred was R 27.1 million resulting in 96% YTD expenditure performance.

Employee Benefits

The total salaries expenditure for 29 February 2016 was R 617.2 million, against the budget of R 637.6 million, resulting in a slight underperformance.

Board Member Fees – Safe City

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

The detailed staff benefits report is contained in the s66 report

2.6 Material Variances to the SDBIP

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

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

2.6.1 Monthly Cash Projections

Table SC9 presents the actual cash flows for the period ending 29 February 2016 and the monthly forecast till year end. The first table mainly presents cash inflows, while the next the page presents mainly outflows.

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts													M07 February 2016			
Description	Ref	Budget Year 2015/16											Medium Term Revenue and Expenditure Framework			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source																
Property rates		54 136	51 550	50 506	53 308	76 797	58 464	48 673	52 276	68 298	55 203	62 831	947	668 801	706 022	741 323
Property rates - penalties & collection charges		1 198	1 407	957	1 646	3 294	2 782	1 158	1 390	3 800	3 072	3 496	2 156	32 666	34 430	36 289
Service charges - electricity revenue		155 985	169 554	187 831	166 499	154 031	160 255	139 602	141 787	131 296	118 452	127 585	135 714	1 751 944	1 923 703	2 154 547
Service charges - water revenue		32 607	29 258	33 019	34 690	32 067	32 544	28 164	31 513	43 825	35 422	40 317	70 971	405 277	414 729	435 465
Service charges - sanitation revenue		10 881	8 749	10 474	10 307	10 879	9 798	8 206	10 821	10 162	10 162	10 162	10 354	114 680	120 204	126 695
Service charges - refuse		6 192	4 996	6 092	6 127	5 988	5 823	5 021	5 993	8 349	6 748	7 681	5 740	77 215	80 862	85 229
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 480	1 097	1 125	1 361	998	1 251	921	1 105	3 455	3 755	3 755	6 795	33 063	32 234	33 974
Interest earned - external investments		2 684	1 909	913	867	903	1 092	11 873	2 206	2 928	2 970	3 034	2 934	32 289	34 033	35 871
Interest earned - outstanding debtors		838	1 107	910	910	698	1 160	752	920	5 383	5 462	5 580	4 487	32 549	34 510	36 374
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1 134	1 121	1 050	963	1 101	1 210	981	548	1 457	1 457	1 457	1 457	9 094	8 505	8 964
Licences and permits		7	7	8	9	6	5	5	13	7	7	7	7	87	92	97
Agency services		0	0	0	-	-	0	0	58	47	53	65	632	668	704	
Transfer receipts - operating		197 440	10 800	3 705	36 520	73 449	-	3 217	1 251	182 696	110	259	44 495	440 652	463 799	502 985
Other revenue		27 939	23 190	46 154	41 902	41 764	15 173	16 249	40 682	1 221	11 221	11 221	11 499	41 442	42 502	44 798
Cash Receipts by Source		492 520	304 746	342 741	355 109	401 975	289 557	264 823	290 505	462 937	254 088	277 438	297 620	3 640 390	3 896 292	4 243 314
Other Cash Flows by Source																
Transfer receipts - capital		87 408	20 445	7 232	33 787	76 843	3 000	14 583	2 098	37 408	37 408	37 408	37 409	489 060	466 372	480 820
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	100 000	-	-	-	-	-	100 000	50 000	-
Increase in consumer deposits		552	417	156	787	393	627	(29)	166	-	-	-	-	5 250	6 150	5 250
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		580 481	325 608	350 129	389 683	479 211	293 183	379 377	292 769	500 345	291 496	314 846	335 028	4 234 700	4 418 814	4 729 384

KZN225 Msunduzi - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash payments																
Description	Ref	Budget Year 2015/16											Medium Term Revenue and Expenditure Framework			
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Payments by Type																
Employee related costs		70 097	69 777	82 066	114 438	75 102	75 365	76 219	75 389	62 539	62 539	62 539	158 193	956 536	1 009 506	1 073 538
Remuneration of councillors		3 213	3 263	3 212	3 208	3 213	4 076	4 534	3 375	3 734	3 734	3 734	3 737	42 350	45 659	48 124
Interest paid		118	40	11 714	205	197	16 597	540	158	21 049	-	-	21 049	69 489	68 312	61 719
Bulk purchases - Electricity		160 039	194 248	177 735	111 831	113 431	108 729	101 024	103 001	108 737	108 737	108 737	108 445	1 270 801	1 397 881	1 537 670
Bulk purchases - Water & Sewer		40 030	45 376	46 460	43 918	45 367	44 829	46 048	44 940	43 133	43 133	43 133	43 136	466 010	509 352	556 286
Other materials		-	-	-	14 804	11 650	15 250	7 067	9 907	13 638	13 638	13 638	13 639	6 773	9 269	9 770
Contracted services		-	-	-	12 956	14 882	21 420	5 663	8 978	9 941	9 941	6 590	18 556	19 483	20 535	
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		1 438	20	20	12 000	20	1 438	20	20	660	660	660	661	5 854	6 599	6 999
General expenses		138 681	58 702	60 150	26 683	32 171	55 561	32 618	9 466	17 647	17 647	17 647	166 715	586 817	713 254	813 675
Cash Payments by Type		413 617	371 425	381 358	340 042	296 032	343 265	273 733	255 236	272 078	251 029	251 029	522 164	3 423 186	3 779 317	4 128 316
Other Cash Flows/Payments by Type																
Capital assets		9 089	23 544	39 949	46 126	39 269	63 575	15 750	32 316	64 406	64 406	64 406	64 407	589 505	555 584	537 677
Repayment of borrowing		23	24	18 571	24	24	10 899	24	24	-	-	-	49 850	49 850	53 628	53 757
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		422 730	394 993	439 878	386 192	335 325	417 739	289 506	287 576	336 484	315 435	315 435	636 420	4 062 541	4 388 529	4 719 749
NET INCREASE/(DECREASE) IN CASH HELD		157 751	(69 386)	(89 749)	3 491	143 886	(124 556)	89 870	5 193	163 861	(23 939)	(589)	(301 392)	172 159	30 286	9 635
Cash/cash equivalents at the month/year beginning:		842 068	999 819	930 434	840 684	844 175	988 061	863 505	953 375	958 568	1 122 429	1 098 490	1 097 901	842 068	1 014 227	1 044 513
Cash/cash equivalents at the month/year end:		999 819	930 434	840 684	844 175	988 061	863 505	953 375	958 568	1 122 429	1 098 490	1 097 901	796 509	1 014 227	1 044 513	1 054 148

2.6.2 Material Variances: Financial Indicators

KZN225 Msunduzi - Supporting Table SC1 Material variance explanations			M07 February 2016	
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Agency services	-14%	This is based on the customer usage for fire services to the District municipality	
	Other revenue	-15%		
	Rental of facilities and equipment	-53%	This is a user driven resource	
	Licences and permits	7%		
	Interest earned - external investments	67%	This is would smooth out during the year	
	Transfers recognised - operational	0%	This is would smooth out during the year	
	Interest earned - outstanding debtors	5%		
2	Expenditure By Type			
	Debt impairment	100%	This is an annualised year end entry	
	Other materials	30%	This is a seasonal category and will smooth out during the year	
	Contracted services	-337%	This over-performance is primarily due to the increased security costs	
	Transfers and grants	95%	These are quarterly payments, the under-performance would smooth out during the year	
	Finance charges	36%	This over-performance would smooth out during the	
	Bulk purchases	-1%	This is would smooth out during the year	
	Depreciation & asset impairment	4%		
	Other expenditure	28%	This is would smooth out during the year	

2.7 Parent Municipality Financial Performance

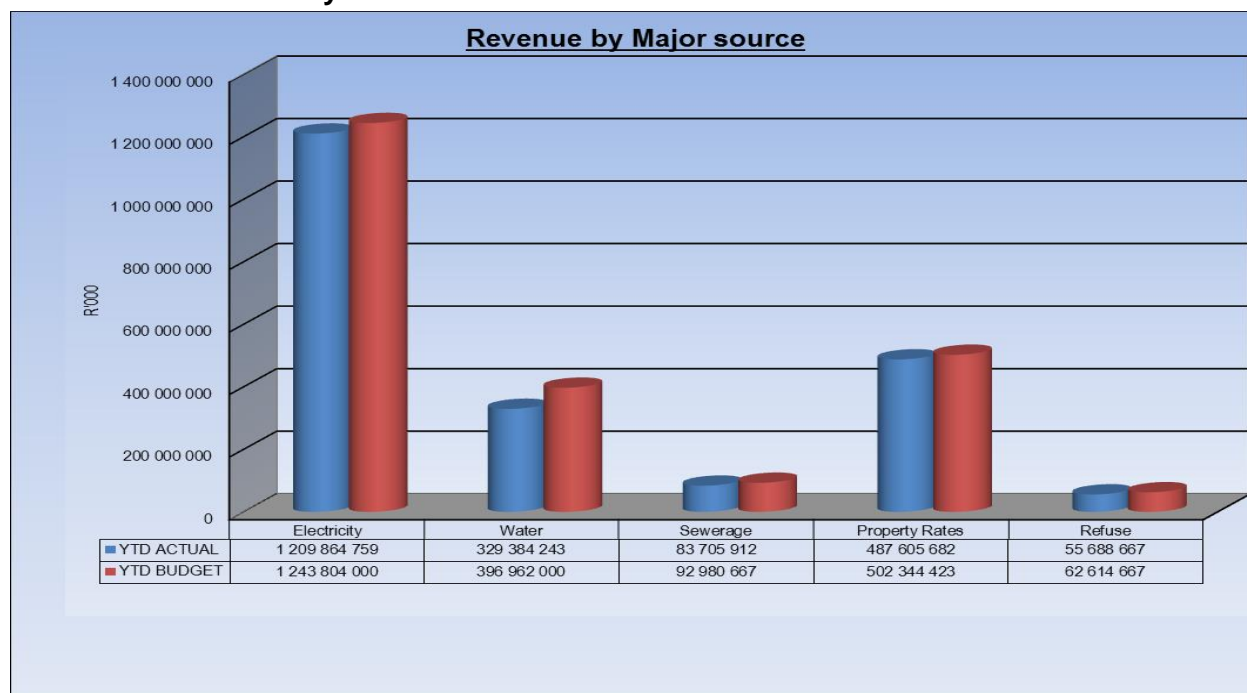
REVENUE ANALYSIS

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

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

2.7.1 FINANCIAL PERFORMANCE

Chart 4: Revenue Analysis



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality contributing 45% to the actual Year operating revenue basket. The year to date revenue earned from electricity service charges slightly under performed by (R 33.9 million) when compared to the Year Budget.

Property Rates is the second largest contributor to the operating revenue basket making up 18% of the total operating revenue. When comparing YTD Actual revenue earned to YTD Budget, there is a 3% under performance existed as at 29 February 2016.

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

Service Charges - Water revenue: The revenue earned from Water charges shared 14% of the budgeted revenue basket and 12% of YTD actual revenue, there is an underperformance against the budget causing a 17% variance when comparing YTD actual to YTD Budget.

Service Charges - sanitation revenue: reflects a 10% under performance when comparing the YTD actual revenue to the YTD budget.

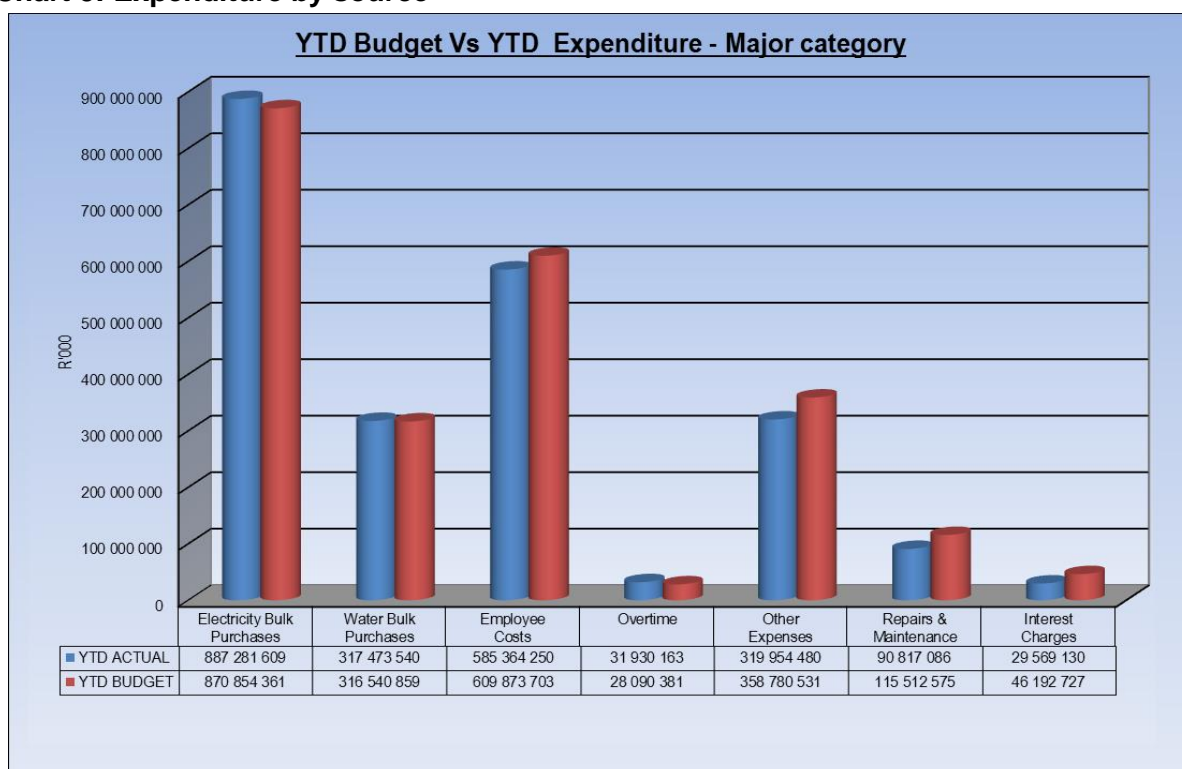
Service Charges - refuse revenue reflects an under performance of 11% when comparing the YTD actual revenue to the YTD budget.

Interest earned – outstanding debtors and other revenue contributed 3.0% to the total operating revenue received as at 29 February 2016.

OPERATIONAL EXPENDITURE

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

Chart 5: Expenditure by source



Bulk Purchases: The YTD expenditure budget for Bulk Purchases was R 1. 2 billion which is a slight over performance against the budget. Bulk Purchases is made up of Bulk Electricity Purchases and Water Purchases as broken down below;

✓ Bulk Purchases – Electricity	R 887 282	74%
✓ Bulk Purchases- Water	<u>R 317 473</u>	<u>26%</u>
Total	<u>R 1 204 755</u>	<u>100%</u>

Employee Related Costs: There is a slight under expenditure in respect of actual YTD expenditure on employee related costs against the YTD budget. A detailed line item and business unit analysis of the employee related costs is contained in the MFMA S66 report on staff benefits.

Other Expenditure's YTD budget figure was R 288.8 million while the actual costs incurred was R 207.7 million resulting in under performance against the budget of R 81.0 million. The table below provides a detailed listing of the top 20 cash drainers during the month of February 2016.

Table 3: Top 20 Cash Drainers – February 2016

No:	Description	YTD Actual	February - 2016	
			Annual Budget	YTD % of Annual budget
1	Pension Payable	13 389 109	4 002 038	334.6%
2	Security Services	37 272 924	25 141 576	148.3%
3	Subscriptions For Cities Network	1 650 000	1 650 000	100.0%
4	IDP Expenses	3 811 763	4 000 400	95.3%
5	Ward Committee Expenses	4 424 851	7 035 929	62.9%
6	Printing And Stationery	5 024 946	6 288 781	79.9%
7	Postage And Stamps	2 739 794	4 840 944	56.6%
8	Marketing & Promotion	16 498 293	21 491 911	76.8%
9	Uniforms	3 219 698	4 819 251	66.8%
10	Bank Charges	3 733 934	5 412 869	69.0%
11	Telephones	5 538 419	7 515 804	73.7%
12	Extraordinary Items	595 994	725 000	82.2%
13	Stores & Materials	2 688 198	4 519 685	59.5%
14	Motor Vehicle Licences	1 682 671	2 114 668	79.6%
15	Interview Costs	10 474	20 000	52.4%
16	Petrol & Lubricants	16 650 881	30 067 141	55.4%
17	Hire Charges	10 487 172	18 604 815	56.4%
18	Audit Fees	2 489 475	5 414 822	46.0%
19	Entertainment	220 475	332 725	66.3%
20	Plant Hire	1 322 636	1 647 541	80.3%

Depreciation & Asset Impairment: The full year depreciation & asset impairment figure is R 556.4 million. The actual YTD is R 312.0 million whilst the YTD budget is R 323.8 million.

Finance Charges: YTD budgeted figure for finance charges for the year was R 46.3 million and the Actual figure was R 29.5 million pointing to a positive variance in this line item.

Contracted Services: YTD Budget for contracted services was R 76.7 million, whilst the actual YTD is R 78.0 million, resulting in a slight negative variance in this line item.

Remuneration of councillors: the YTD budget was R 28.2 million and the actual expenditure incurred was R 27.1 million.

2.8 Municipal Entity Financial Performance

Safe City Msunduzi (PTY)Ltd - Table F1 Monthly Budget Statement Summary - M08 February

Description	2014/15	Current Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	54	56	-	6	160	37	0	326%	56
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	4 534	12 474	-	-	11 055	11 055	-	-	12 474
Total Revenue (excluding capital transfers and contributions)	4 588	12 530	-	6	11 215	11 092	122	0	12 530
Employee costs	3 735	4 799	-	298	2 719	3 200	(481)	(0)	4 799
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	501	1 553	-	130	1 041	1 041	(0)	(0)	1 553
Finance charges	11	12	-	1	8	8	0	0	12
Materials and bulk purchases	212	279	-	7	130	186	(56)	(0)	279
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	578	8 029	-	43	6 915	7 429	(514)	(0)	8 029
Total Expenditure	5 037	14 672	-	479	10 813	11 863	(1 051)	(0)	14 672
Surplus/(Deficit)	(449)	(2 142)	-	(473)	402	(771)	1 173	(0)	(2 142)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(449)	(2 142)	-	(473)	402	(771)	1 173	(0)	(2 142)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(449)	(2 142)	-	(473)	402	(771)	1 173	(0)	(2 142)
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	8 222	453	-	-	1 802	-	-	-	453
Total non current assets	684	6 778	-	-	5 927	-	-	-	6 778
Total current liabilities	7 770	6 982	-	-	243	-	-	-	6 982
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 136	0	-	-	7 486	-	-	-	0
Cash flows									
Net cash from (used) operating	7 852	(589)	-	(343)	(284)	(225)	(59)	0	(589)
Net cash from (used) investing	(313)	-	-	-	(6 610)	(6 610)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	8 209	80	669	(343)	(6 894)	(6 834)	(59)	0	80
Debtors & creditors analysis	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Debtors Age Analysis	-	-	-	-	-	-	-	-	-
Total By Revenue Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis	-	-	-	-	-	-	-	-	-
Total Creditors	-	-	-	-	-	-	-	-	-

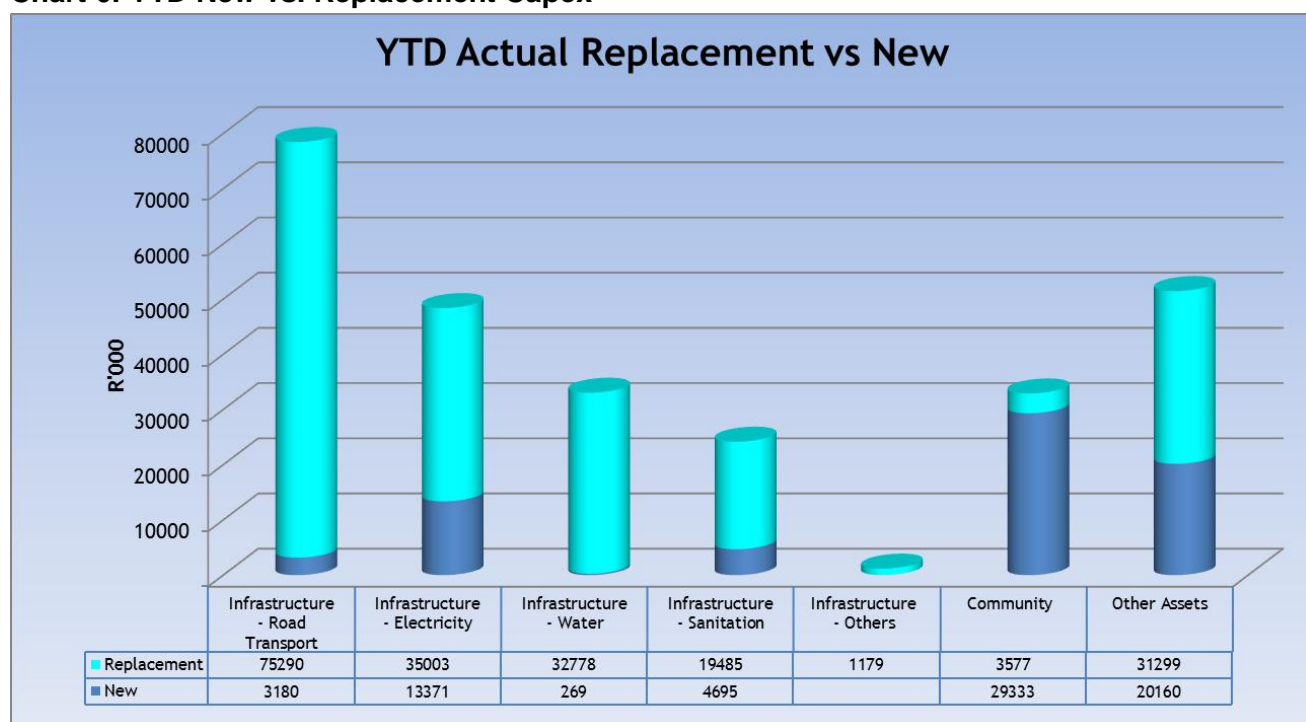
2.9 Capital Programme Performance

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

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend									M07 February 2016
Month	2014/15	Budget Year 2015/16							% spend of Original Budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	
R thousands									%
Monthly expenditure performance trend									
July	1 459	19 856	9 089	9 089	9 089	9 089	-		1%
August	15 964	60 407	23 544	23 544	32 633	32 633	-		5%
September	29 556	58 688	39 949	39 949	72 583	72 583	-		10%
October	55 143	55 535	46 126	46 126	118 709	118 708	(0)	0.0%	17%
November	28 042	66 844	39 269	39 269	157 977	157 977	(0)	0.0%	22%
December	36 204	92 393	63 575	63 575	221 552	221 552	(0)	0.0%	31%
January	59 425	12 874	72 395	15 750	237 302	293 947	56 645	19.3%	33%
February	62 127	69 412	65 256	32 316	269 619	359 203	89 584	24.9%	38%
March	51 888	62 204	78 600	-	-	437 803	-		
April	42 741	70 535	89 154	-	-	526 957	-		
May	40 445	73 060	92 590	-	-	619 547	-		
June	105 643	67 251	90 741	-	-	710 288	-		
Total Capital expenditure	528 635	709 060	710 288	269 619					

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

Chart 6: YTD New vs. Replacement Capex



The Total Capital Expenditure amounted to R 269.6 million, R 71.0 million (26%) was new assets and R 198.6 million (74%) was Replacement assets.

KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

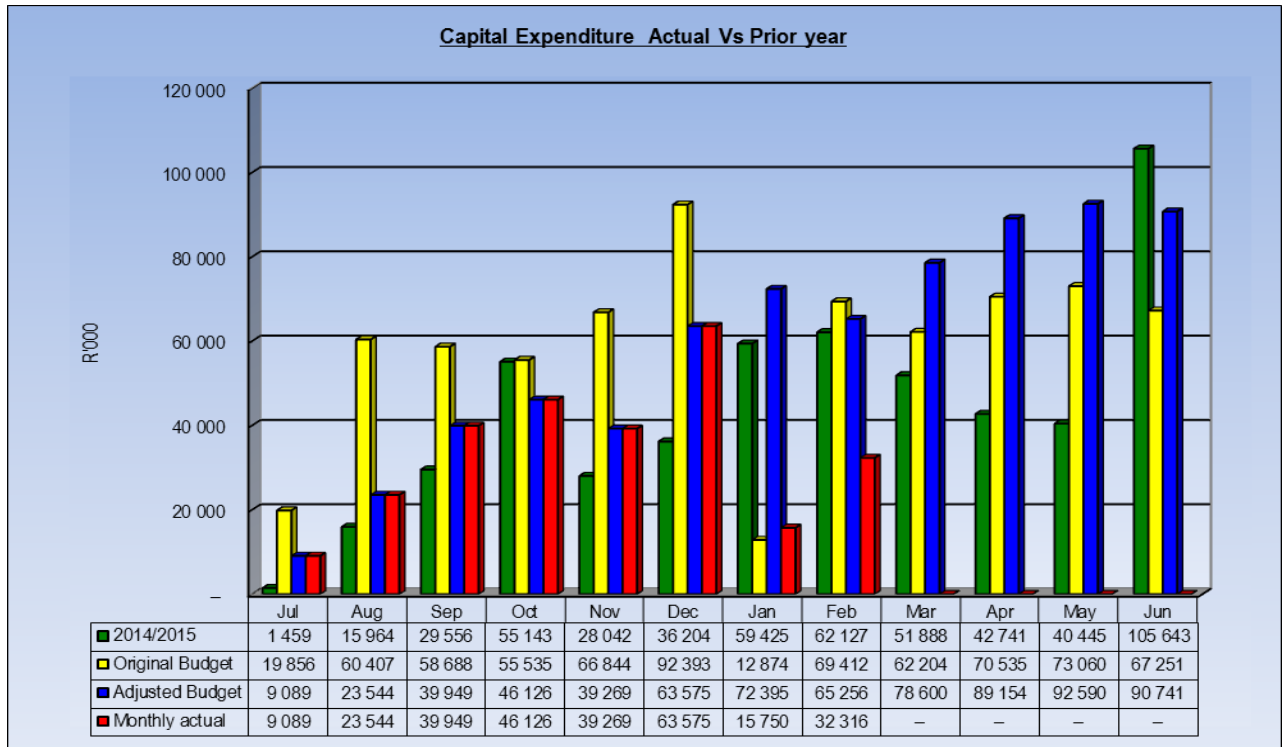
Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		69 056	46 075	57 184	3 470	21 514	38 122	16 608	43.6%	57 184
Infrastructure - Road transport		-	2 230	16 292	(20)	3 180	10 861	7 682	70.7%	16 292
Roads, Pavements & Bridges		-	2 230	16 292	(20)	3 180	10 861	7 682	70.7%	16 292
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		25 692	18 000	22 491	3 173	13 371	14 994	1 624	10.8%	22 491
Generation		25 692	10 000	14 491	-	-	9 661	9 661	100.0%	14 491
Transmission & Reticulation		-	-	-	3 173	13 371	-	(13 371)	#DIV/0!	-
Street Lighting		-	8 000	8 000	-	-	5 333	5 333	100.0%	8 000
Infrastructure - Water		1 660	25 445	18 000	-	269	12 000	11 731	97.8%	18 000
Dams & Reservoirs		-	-	-	-	269	-	(269)	#DIV/0!	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		1 660	25 445	18 000	-	-	12 000	12 000	100.0%	18 000
Infrastructure - Sanitation		41 674	-	-	317	4 695	-	(4 695)	#DIV/0!	-
Reticulation		14 953	-	-	-	-	-	-	-	-
Sewerage purification		26 721	-	-	317	4 695	-	(4 695)	#DIV/0!	-
Infrastructure - Other		30	400	400	-	-	267	267	100.0%	400
Waste Management		30	400	400	-	-	267	267	100.0%	400
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		27 505	10 288	10 288	2 547	29 333	6 858	(22 474)	-327.7%	10 288
Parks & gardens		243	-	-	-	169	-	(169)	#DIV/0!	-
Sportsfields & stadia		-	-	-	2 547	25 975	-	(25 975)	#DIV/0!	-
Swimming pools		-	3 200	3 200	-	-	2 133	2 133	100.0%	3 200
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	3 189	-	(3 189)	#DIV/0!	-
Fire, safety & emergency		-	618	618	-	-	412	412	100.0%	618
Security and policing		-	1 200	1 200	-	-	800	800	100.0%	1 200
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		94	-	-	-	-	-	-	-	-
Cemeteries		-	2 000	2 000	-	-	1 333	1 333	100.0%	2 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		27 168	3 270	3 270	-	-	2 180	2 180	100.0%	3 270
Heritage assets		-	5 350	-	-	-	-	-	-	-
Buildings		-	5 350	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		39 968	10 712	18 739	1 571	18 333	12 201	(6 132)	-50.3%	18 739
General v vehicles		2 343	-	6 991	-	-	4 660	4 660	100.0%	6 991
Specialised vehicles		-	3 500	3 500	-	-	2 042	2 042	100.0%	3 500
Plant & equipment		28 413	3 347	4 130	796	5 508	2 753	(2 755)	-100.1%	4 130
Computers - hardware/equipment		573	2 995	3 104	-	-	2 070	2 070	100.0%	3 104
Furniture and other office equipment		7 964	600	668	68	2 297	446	(1 852)	-415.6%	668
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	117	6 726	-	(6 726)	#DIV/0!	-
Civic Land and Buildings		-	-	76	-	-	51	51	100.0%	76
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		676	270	270	590	3 801	180	(3 621)	-2011.9%	270
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		10 062	-	-	183	1 828	-	(1 828)	#DIV/0!	-
Computers - software & programming		586	-	-	183	1 828	-	(1 828)	#DIV/0!	-
Other		9 476	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	146 592	72 424	86 210	7 771	71 008	57 182	(13 826)	-24.2%	86 210

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		114 268	553 466	534 609	14 530	163 735	356 406	192 671	54.1%	534 609
Infrastructure - Road transport		76 131	343 277	325 621	10 197	75 290	217 080	141 791	65.3%	325 621
Roads, Pavements & Bridges		76 016	343 277	325 621	10 197	75 290	217 080	141 791	65.3%	325 621
Storm water		115	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	115 000	115 000	785	35 003	76 667	41 663	54.3%	115 000
Generation		-	115 000	115 000	-	-	76 667	76 667	100.0%	115 000
Transmission & Reticulation		-	-	-	785	35 003	-	(35 003)	0.0%	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		31 683	64 689	63 489	2 408	32 778	42 326	9 548	22.6%	63 489
Dams & Reservoirs		-	64 689	63 489	2 408	32 778	42 326	9 548	22.6%	63 489
Water purification		31 683	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	29 500	29 500	843	19 485	19 667	182	0.9%	29 500
Reticulation		-	29 500	29 500	-	-	19 667	19 667	100.0%	29 500
Sewerage purification		-	-	-	843	19 485	-	(19 485)	0.0%	-
Infrastructure - Other		6 454	1 000	1 000	297	1 179	667	(513)	-76.9%	1 000
Waste Management		-	1 000	1 000	194	949	667	(282)	-42.3%	1 000
Transportation		6 454	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	104	231	-	(231)	0.0%	-
Community		22 013	31 250	32 422	500	3 577	21 614	18 038	83.5%	32 422
Parks & gardens		-	1 000	1 000	-	-	667	667	100.0%	1 000
Sportsfields & stadia		13 919	21 500	22 671	121	121	15 114	14 994	99.2%	22 671
Swimming pools		-	2 000	2 000	-	-	1 333	1 333	100.0%	2 000
Community halls		4 458	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	340	2 600	-	(2 600)	0.0%	-
Fire, safety & emergency		2 766	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	0	40	831	0	(831)	-268541.4%	0
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		870	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	6 750	6 750	-	25	4 500	4 475	99.4%	6 750
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		48 690	26 920	32 047	1 574	14 353	21 365	7 011	32.8%	32 047
General v ehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	300	-	(300)	0.0%	-
Computers - hardware/equipment		-	3 750	3 750	-	-	2 500	2 500	100.0%	3 750
Furniture and other office equipment		-	-	-	(784)	948	-	(948)	0.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		1 973	-	461	-	251	308	57	18.6%	461
Civic Land and Buildings		43 678	10 170	14 836	2 359	12 854	9 891	(2 964)	-30.0%	14 836
Other Buildings		301	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2 738	13 000	13 000	-	-	8 667	8 667	100.0%	13 000
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		19	25 000	25 000	7 941	16 946	16 667	(279)	-1.7%	25 000
Computers - software & programming		-	25 000	25 000	-	-	16 667	16 667	100.0%	25 000
Other		19	-	-	7 941	16 946	-	(16 946)	0.0%	-
Total Capital Expenditure on renewal of existing ass	1	184 990	636 636	624 078	24 545	198 611	416 052	217 441	52.3%	624 078

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

Chart 7: Capital Expenditure Monthly Trend



The monthly 2014/15 trend presents monthly actual expenditure figures for prior year. Original Budget stipulates the budget for the year. The monthly actual figures stipulates a monthly trend, there has been a slight increase when compared to the previous month.

The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

Chart 8: Capital Expenditure: YTD Actual vs. YTD Target

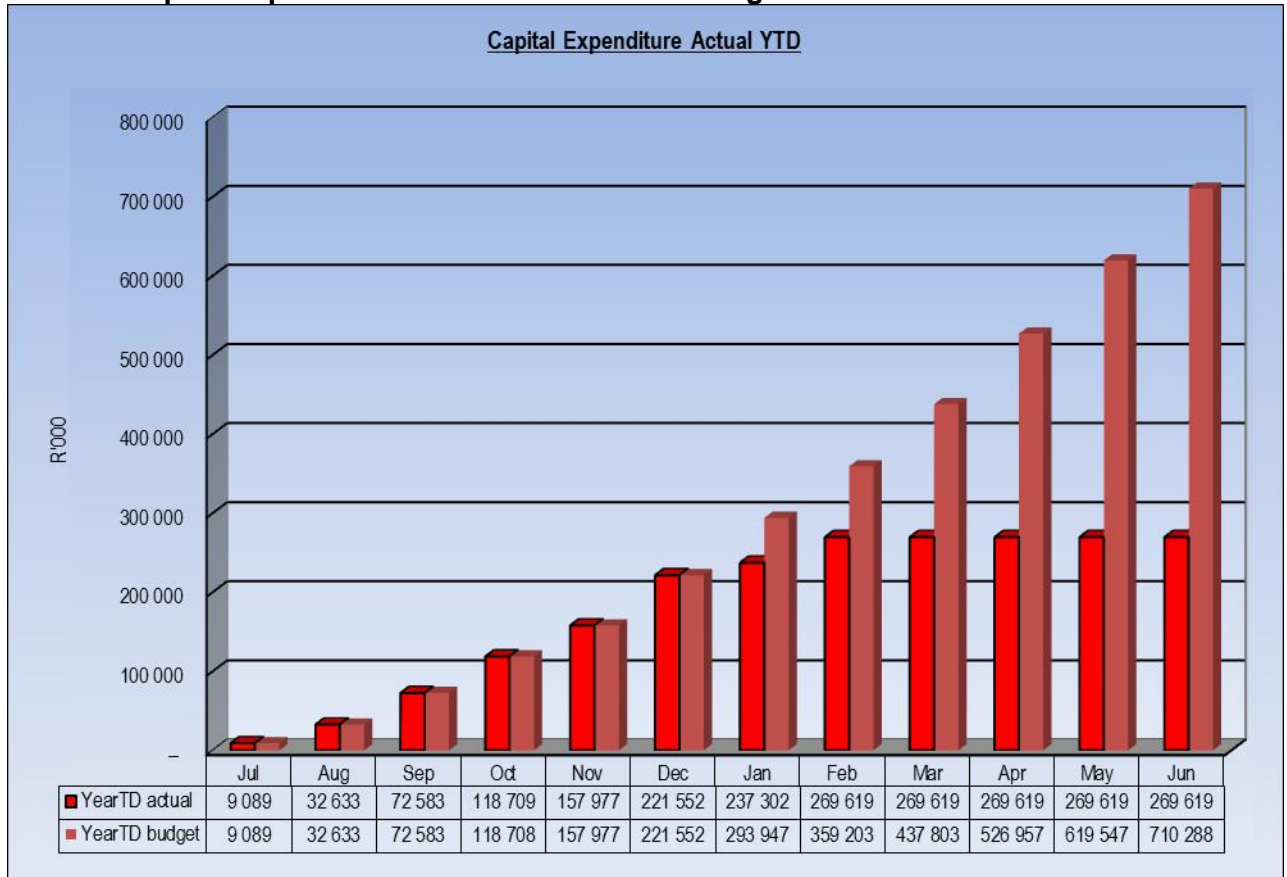
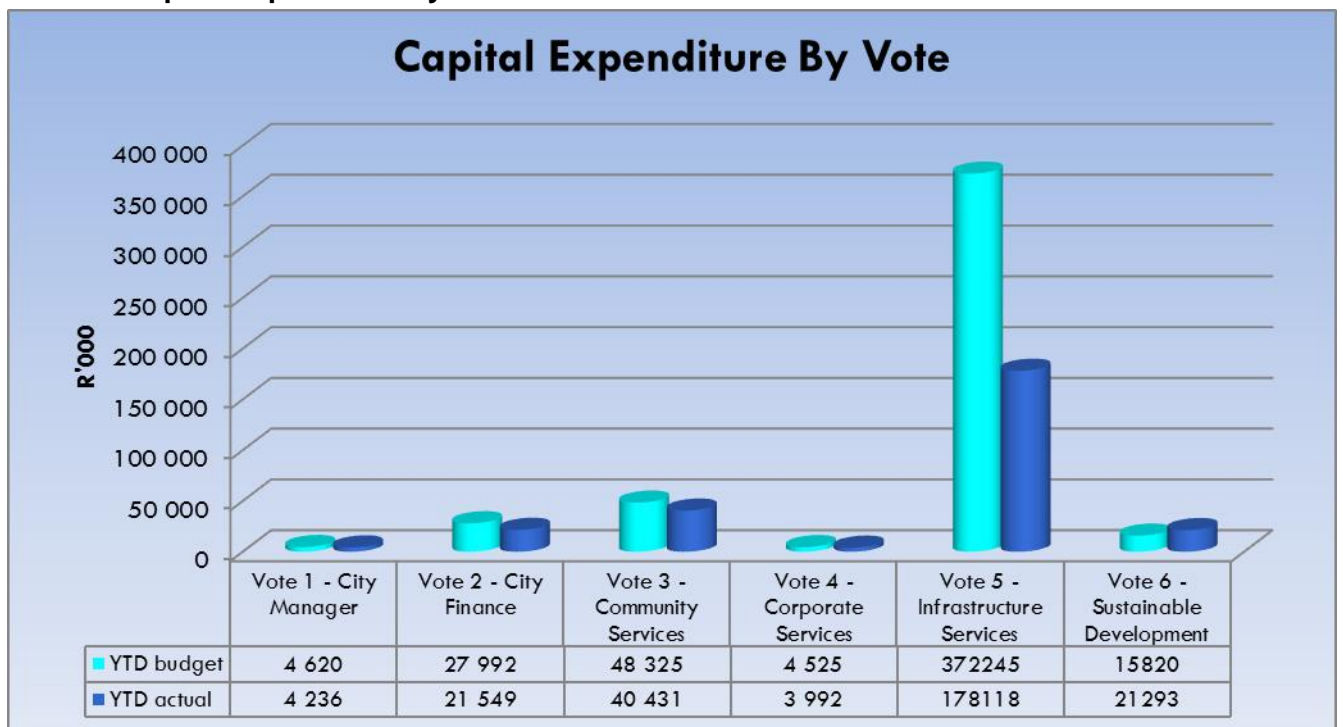


Chart 9: Capital Expenditure by Vote



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

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

2.10 Municipal Manager's Quality's Certification

Quality Certificate

I, **MXOLISI NKOSI**, the municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

- the monthly budget statement

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

Print name: **MXOLISI NKOSI**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: _____

Date: _____