

SECTION 52(d): QUARTERLY REPORT: NATIONAL REPORTING STANDARD: THIRD QUARTER: 31 MARCH 2017: (T 6/1/1-2016/2017): BUDGET AND TREASURY OFFICE



REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL

File Reference:
Report Number:

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Designation: Director: Budget and Financial Reporting

FOR CONSIDERATION

1st Level: FORTFOLIO COMMITTEE
2nd Level: EXECUTIVE COMMITTEE
3rd Level: COUNCIL

SUBJECT: THIRD QUARTER SECTION 52 (d) REPORT 2016/17

PURPOSE

The purpose of this report is to apprise the Finance Portfolio Committee, Executive Committee and Council of the implementation of budget and financial state of affairs for the third quarter as required by Section 52(d) of the Municipal Finance Management Act 56 of 2003 (MFMA) which states that; the accounting officer of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of budget and financial state of affairs. Regulation 31(1)(a & c); further states that; the report must be in the format specified in Schedule C and must be submitted to both the National and Provincial Treasuries within five days of tabling of the report in the council.

1 ANNEXURES

- 1.1 uThukela Water Financial Performance report
- 1.2 Financial Reports as at 31 March 2017
 - 1.2.1 Monthly Financial Statements
 - 1.2.2 Employee Costs Expenditure Reconciliation
 - 1.2.3 Grant register
 - 1.2.4 Investment register
 - 1.2.5 Eskom bulk electricity purchases
 - 1.2.6 Bank Reconciliation
 - 1.2.7 Bank Statements
- 1.3 Quality Certificate

2 ANALYSIS OF FINANCIAL RESULTS

The financial analysis comprise of the operating budget performance, capital budget performance, analysis of financial position as well as the cash flows. Major variances and those items with an impact in each of these categories will be discussed in the analysis below.

2.1 Operating budget performance - revenue

2.1.1 The municipality generated a total revenue of R1 430 124 000 of the adjusted budget of R1 676 393 000, representing 85 percent. The variance between the pro-rata revenue budget and the actual revenue accrued for the same period amounts to R14 951 000, representing an under-performance of 1 percent in revenue generation during the period under review. Even though the aggregate performance on revenue generated shows under performance of 1, it is however necessary to explain reasons which attributed to variances.

2.1.2 The municipality generated R12 762 000 (-2%) less revenue from service charges than a pro-rata budget of R778 191 000 for the period under review. When compared to previous month service charges had a variance of (-4%), the main service charge contributor to that variance was water having a variance of R16 380 000. It is then commended to note that for the period under review there is no longer a variance on water due to the adjustment budget.

On the other hand, electricity under-performed by R11 209 000 (-2%) in the same period due to seasonal consumption, which is expected to pick up in the last three months of the financial year. No adjustment has been done in the adjustment budget in respect of electricity as it is most likely expected to perform as budgeted by the end of the financial year. Refuse and sewer have collectively under-performed by R1 879 000 (-2%). While there is still a need for management to improve on these service charges, however these variances are still considered to be within the acceptable level.

2.1.3 The municipality generated R1 237 000 (-41%) less revenue from interest on investments than a pro-rata budget of R3 001 000 for the period under review. During the course of the year the municipality withdrew some investments to compensate for operational expenditure. With additional investments made during March 2017, the return on investment is expected to improve in the last three months of the financial year, which will compensate the variance.

2.1.4 The municipality generated R2 992 000 (-10%) less revenue from sundry revenue than a pro-rata budget of R30 311 000 for the period under review. The attributors to this variance are fines with the under collection of R1 353 000 (-35%). It must also be stated that even though the variance has decreased from (-56%) to (-35%) from last month, this was mainly due to the reduction in the adjustment budget, which has taken effect from March 2017. Together with other sources of revenue which seem to be under-performing, a report will be submitted to the RIIT to thoroughly investigate the collection of fines.

2.2 Operating performance – expenditure

The summary of the operating expenditure is reflected in C1 and C4 tables of the Schedule C attached hereto. As at the end of March 2017, the municipality incurred the total expenditure of R1 486 507 000 of the adjustment budget of R1 958 821 000, which represents 76 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R17 391 000, representing over-expenditure of 1 percent. The aggregate of 1 percent might seem satisfactory however it is important that each expenditure item is carefully analysed.

Variances and reasons which attributed to over/under expenditure in each item, including non-cash items, are explained below:

2.2.1 The main attributors of the over-expenditure are non-cash items, being debt impairment and depreciation. These are accounting items, which are required to reflect capital charges that compensate for doubtful debtors and assets which deteriorate in value. It is important that the municipality appropriately budgets and contributes in reserves for these items for the future costs of unpaid debtors or replacement of assets. While it is acknowledged that it is impractical at this stage to fully provide for these items such that the budget is operating at a surplus, the municipality however needs to strive to provide for these items.

The municipality incurred R47 393 000 (-72%) less than the pro rata budget of R66 192 000 during the period under review on debt impairment. Even though this provision has been adjusted in the adjustment budget but the budget still appears to be over budgeted for, however this will be monitored closely as debt impairment is calculated annually. Furthermore the municipality spent R61 547 000 (22%) more on depreciation and asset impairment than a pro-rata budget of R220 080 000 during the period under review. During the adjustments budget, depreciation was increased from R330 121 000 to R369 587 000, however the performance still shows that depreciation is under-budgeted. Management will closely monitor its performance and accordingly advise council with a view to avoid any unauthorised expenditure.

2.2.2 The municipality incurred R3 223 000 (1%) more on employee costs than a pro-rata budget of R353 111 000. Management is currently investigating the use and the scale of overtime with a view to reduce employee costs to be within the approved budget. Nevertheless, the variance of 1 percent is considered to be within the acceptable level.

2.2.3 The municipality incurred R1 983 000 (-13%) less on councillors remuneration than a pro-rata budget of R15 791 000. The delays in payment of the upper limits of councillors with effect from July 2016 has attributed to this variance. The variance is expected to reduce significantly next month due to the payments being effected in April.

2.2.4 The municipality incurred R625 000 (2%) more on the interest on loans than a pro-rata budget of R37 734 000. This is due to the monthly interest which has accrued and which is paid on a quarterly basis. It is expected that which variance will be fully eliminated by the end of June 2017. Nevertheless, the variance of 2 percent is considered to be within the acceptable level.

2.2.5 The municipality spent R4 201 000 (1%) more on the bulk purchases than a pro-rata budget of R414 872 000. This is due to the fluctuating electricity consumption which will be studied closely for the remainder of the financial year. Nevertheless, the variance of 1 percent is considered to be within the acceptable level.

2.2.6 The municipality spent R212 000 (-8%) less on materials than a pro-rata budget of R2 662 000. This is mainly due to the cost cutting measure achieved through the adjustment budget.

2.2.7 The municipality spent R5 096 000 (17%) more on contracted services than a pro-rata budget of R29 124 000. The contracts and payments for security services seem to far exceed the budget allocated. It is understood that the bidding process for the new service provider and new specification is underway with a view of managing the costs and the budget. Furthermore, the projects for asset management and mSCOA within the Budget and Treasury Office have been completed and all payments done, which has actually increased the actual beyond pro-rata budget.

2.2.8 The indigent benefit was increased from R96 098 000 to R100 964 000 during the adjustment budget and hence it is noticed that the variance has been reduced to (-1%) when compared to previous quarter. The Budget and Treasury Office is also still in the process of auditing and cleaning up the indigent register which is expected that the number of indigents might decrease when this exercise is finalised.

2.3 Capital budget performance

Capital expenditure for the eighth month of the financial year amounted to R123 237 000, which represents 47% of the revised capital budget of R263 990 000. Comparison between the pro rata budget of R197 993 000 and actual expenditure for the period reflects an under expenditure of (R74 756 000) which implies that the municipality spent 38 percent less than the budget for the same period. The under expenditure is attributed to management's decision to delay most of the projects that were funded through the external loan. It must be noted that the revised budget was only approved in December 2016. It must further be noted that capital grants amounting to R215.6 million which was appropriated to fund capital programme has been received during the current year, however, only R112.5 million has been spent on capital projects, leaving the balance of R103.1 million capital grants unspent. As at 31 March 2016, the municipality closed with the investment portfolio of R80.3 million, of which R43.4 million was for capital grants. This therefore implies that R59.7 million of capital grants were not cash-backed and was used since it has been utilised to fund operating expenditure. While it is acknowledged that delays in the implementation of projects has a negative impact on capital expenditure performance, however, lack of cash to back unspent conditional grants exacerbated the situation.

Furthermore, internally funded projects indicate under-expenditure of R25.5 million when compared to the pro-rata budget of R36.2 million. Again, one of the reasons for under-performance has been delays in the release of Vat refunds by SARS and the slow rate at which outstanding debtors and revenue on sale of land has been collected, as this was funded from these revenue sources. It is interesting to report that about R26 million of Vat refunds were received by the municipality during March 2017. This has been used to compensate conditional grants already spend, and a portion of internally funded capital spent during March. It can also not be denied that in most instances where revenue has been regenerated from these sources, at some stage it was used to fund a portion of the operating expenditure. The conditional grants and internally generated reserves will be replenished when these sources of funding are being received by the municipality.

As at the end of the ninth month of the financial year, the capital expenditure per department reflected as follows:

Vote Description	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	'000	'000	'000	'000	%
CORPORATE SERVICES	-	-	-	-	-
COMMUNITY SERVICES	14,500	4,522	10,875	(6,353)	-58%
BUDGET AND TREASURY	802	296	602	(305)	-51%
MUNICIPAL MANAGER	2,824	32	2,118	(2,086)	-98%
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS	57,549	19,581	43,162	(23,582)	-55%
TECHNICAL SERVICES	177,602	93,216	133,201	(39,986)	-30%
ELECTRICAL AND MECHANICAL SERVICES	10,712	5,590	8,034	(2,445)	-30%
Total Capital Expenditure	263,990	123,237	197,993	(74,756)	-38%

2.4 Financial position

2.4.1 As at end the ninth month of the financial year, the municipality seemed to be showing a favourable equity position, with a net effect of R7.3 billion. While this picture looks good, it is however important to point

out major contributors to such a favourable equity position, being consumer debtors and the property plant and equipment (assets), which cannot instantly be converted into cash. The following provides a closer look on some of critical financial position items:

2.4.2 The municipality's consumer debtors as reflected in table SC3 has increased by R2 925 000 and by the end of the third quarter, the total debtors amounted to R961 707 000. The bulk of this amount (R889 794 000) is debt owing for more than 90 days, while R838 924 000 of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent.

The office of the municipal manager has convened a Revenue Income Task Team which is mandated to devise strategies of dealing with the escalating debt and there by address or improve cash inflows, the impact of which is expected to be evident later in the financial year. It must be mentioned that the impact of the water restrictors and other interventions cannot be quantified at this stage, however, if successful, this may be seen one of the main interventions to improve the financial position of the municipality in the near future.

2.4.3 Property Plant and Equipment (Assets) comprise of R7.0 billion of the total assets of R8.3 billion as reflected in table C6. These assets comprise of roads, community assets, water infrastructure, electricity infrastructure, other plants and equipment which the municipality has acquired for service delivery as well as for its own use. Service delivery of the municipal is majored by its ability to provide these services to communities. It is however important to note that the majority of these assets may not be easily converted to cash and cash equivalent.

2.4.4 An amount of R346 million included in assets represents investment in uThukela Water since the municipality is the shareholder. This also cannot be converted into cash instantly, however its represents the value of the interest of the municipality with the entity.

2.4.5 The municipality closed with a balance of cash and cash equivalent of R80 850 000 as at the end of the ninth month of the financial year. The balance comprise only of call investments of R80 364 000 and the cash of 486 000. This amount of R80.8 million includes an amount R27.4 million for the Housing Development Fund, and the remainder of R53.4 million to fund unspent grants and other municipal operations. Of the amount of R53.4 million, R43.4 million was ring-fenced for capital grants, R9.3 million for operational grants and the remainder was reserved for any other operational requirements. Although the situation shows cash improvement compared to February 2017 and while the municipality is still expecting receipts from debtors relating to March 2017, this cash position however indicate that the municipality is still experiencing serious cash flow problems to cover unspent grants and meet its short term commitments.

2.4.6 The municipality had a total loan liability of R466 million as at the end of the third quarter of the financial year, a capital portion of the loan amounting to R29.3 was payable in the current financial year. About R15.99 million of this has already been paid, with the balance of R13.4 million payable before the end of June 2017.

2.4.7 As at the end of third quarter, the municipality had trade creditors amounting to R74.6 million. Important to note is the fact that cash and cash equivalents of R80.8 million as mentioned in 3.4.5 above was not adequate to honour these creditors, taking into consideration the Housing Development Fund of R27.4 million, unspent grants of R125m and trade creditors of R74.6 million. This therefore indicates that the municipality was operating at a cash deficit of R146.2 million. Although revenue billed for March was still due to be collected in April, however the level of billing and the current payment factor will still generate far less cash than what is required.

2.4.8 As at the end of third quarter, the municipality had unspent conditional grants amounting to R125 million. It is important that expenditure on conditional grants is fast-tracked in line with their conditions so that the municipality does not loose such grants to National Treasury at the end of the financial year. The balance of cash and cash equivalent indicates that unspent grants are under cash-backed by an amount of R71.3 million, taking it consideration the Housing Development Fund of R27.4 million as explained above.

2.5 Cash flow analysis

2.5.1 The municipality opened with a cash and cash equivalent balance of R44.5 million at the beginning of the financial year and closed with a balance of R80.8 as at the end of third quarter, which represents a cash increase of R36.3 million. These balances both include an amount of R27.4 million for the Housing Development Fund, which does belong to the KZN Department of Human Settlements.

2.5.2 Cash flows from operating activities yielded a net cash inflow of R180.5 million as result of receipts from services charges, property rates, government grants as well as other sundry receipts. This net cash inflows was after the municipality paid its suppliers for services rendered, remunerated its employees and paid the portion of the outstanding interest on loans.

2.5.3 Cash flows from investing activities had a cash outflow of R123.2 million. This was the actual cash used by the municipality to implement its capital budget over the past nine months.

2.5.4 Cash flows from financing activities had a cash outflow of R20.9 million. This relates to the cash paid by the municipality to repay a portion of its long term loan.

CONCLUSION

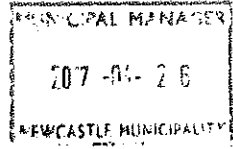
The municipality approved the adjustment budget by end of February 2017 as required in terms of the Municipal Finance Management Act; Section 28. Cooperation amongst management and structures in council is required in order to curb expenditure on the budget. The issues that still reflect variances in the budget performance report must be monitored and managed to ensure that the municipality operates within the approved budget.

Furthermore, the municipality will continue to explore and implement effective credit control measures through RIIT in order to strengthen its cash base, especially from individual consumers. Other revenue enhancement strategies over and above those currently yielding revenue will have to be explored with a view to widen the revenue and cash base as these seem to be the solution to turn the cash-flow situation around.

RECOMMENDED

- (a) That report be submitted before that end of June 2017 for expenditure items which appear to be over-spend and with a view to avoid unauthorised expenditure;
- (b) that report be submitted regarding possibility and quantification of unspent grants before the end of the financial year, and actions to be taken by the municipality to avoid reverting grants to National Treasury;
- (c) that the report be submitted before the end of the financial year regarding possible capital roll-over and funding thereof in the 2017/18 financial year;
- (d) that all Strategic Executive Directors enforce strict budget control measure to ensure their votes are not overspent.

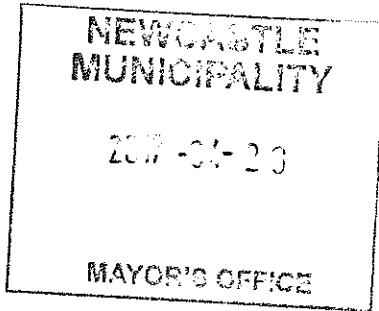
Report seen by:



A handwritten signature in black ink, appearing to be "S.M. Nkosi".

M.E NKOSI
PORTFOLIO COUNCILLOR
BUDGET AND TREASURY OFFICE

S.M NKOSI
ACTING STRATEGIC EXECUTIVE DIRECTOR:
BUDGET AND TREASURY OFFICE



KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2015/16	Budget Year 2016/17							
	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	214,714	256,072	262,901	16,742	199,216	197,176	2,040	1%	265,621
Service charges	914,751	1,083,994	1,037,588	86,110	765,429	778,191	(12,762)	-2%	1,020,572
Investment revenue	12,517	4,000	4,001	150	1,764	3,001	(1,237)	-41%	2,352
Transfers recognised - operational	467,502	325,438	331,488	88,480	436,396	436,396	-		331,488
Other own revenue	37,571	40,170	40,415	3,354	27,320	30,311	(2,992)	-10%	36,426
Total Revenue (excluding capital transfers and contributions)	1,647,055	1,709,674	1,676,393	194,836	1,430,124	1,445,075	(14,951)	-1%	1,656,459
Employee costs	489,601	476,620	470,815	39,861	356,335	353,111	3,223	1%	475,113
Remuneration of Councillors	18,453	21,023	21,055	1,493	13,808	15,791	(1,983)	-13%	18,411
Depreciation & asset impairment	456,741	330,121	369,587	54,803	338,737	277,191	61,547	22%	451,650
Finance charges	66,141	61,899	50,312	4,696	38,359	37,734	625	2%	51,146
Materials and bulk purchases	515,969	581,035	556,705	79,369	421,517	417,529	3,988	1%	562,023
Transfers and grants	90,764	96,098	100,964	2,872	74,725	75,723	(998)	-1%	99,633
Other expenditure	900,750	388,935	389,383	32,857	243,025	292,037	(49,012)	-17%	324,034
Total Expenditure	2,538,418	1,955,731	1,958,821	215,951	1,486,507	1,469,116	17,391	1%	1,982,009
Surplus/(Deficit)	(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)
Capital expenditure & funds sources									
Capital expenditure	297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	164,316
Capital transfers recognised	132,181	185,150	215,687	9,445	109,404	161,765	(52,361)	-32%	147,583
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	76,535	90,517	-	-	-	-	-	-	-
Internally generated funds	89,221	-	48,303	798	13,833	36,227	(22,395)	-62%	18,444
Total sources of capital funds	297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	166,027
Financial position									
Total current assets	817,098	611,816	464,814		618,656				464,814
Total non current assets	8,303,445	4,620,712	7,782,730		7,699,954				7,782,730
Total current liabilities	439,749	184,956	303,681		400,647				303,681
Total non current liabilities	605,419	676,044	576,043		600,414				576,043
Community wealth/Equity	8,075,375	4,371,528	7,367,820		7,317,549				7,367,820
Cash flows									
Net cash from (used) operating	24,166	215,539	229,355	-	180,512	180,512	0	0%	229,355
Net cash from (used) investing	(308,750)	(273,623)	(217,100)	-	(123,237)	(123,237)	-		(217,100)
Net cash from (used) financing	(11,656)	59,457	(27,671)	-	(20,999)	(20,999)	-		(27,671)
Cash/cash equivalents at the month/year end	44,573	40,554	29,156	-	80,849	80,849	0	0%	29,156
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	(32,339)	79,469	24,783	23,218	20,722	22,044	20,845	802,967	961,707
Creditors Age Analysis									
Total Creditors	73,678	908	-	0	-	-	9	8	74,603

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		272,895	360,756	367,646	37,688	292,921	275,734	17,187	6%	390,561
Executive and council		16,258	13,210	7,445	1,227	6,705	5,584	1,121	20%	8,940
Budget and treasury office		201,988	291,002	304,335	22,961	232,137	228,251	3,886	2%	309,515
Corporate services		54,649	56,544	55,866	13,499	54,080	41,900	12,180	29%	72,106
Community and public safety		45,671	25,616	23,349	2,222	16,368	17,512	(1,144)	-7%	21,824
Community and social services		28,988	7,058	6,946	446	5,585	5,210	375	7%	7,446
Sport and recreation		1,125	417	646	28	460	485	(25)	-5%	613
Public safety		5,122	7,557	5,136	164	2,534	3,852	(1,318)	-34%	3,379
Housing		10,404	10,557	10,557	1,579	7,740	7,918	(177)	-2%	10,320
Health		33	28	63	4	49	48	2	3%	65
Economic and environmental services		60,361	5,001	7,381	7,020	59,116	5,536	53,580	968%	78,822
Planning and development		14,560	666	1,234	3,368	20,865	926	19,939	2154%	27,820
Road transport		45,801	4,336	6,147	3,652	38,251	4,610	33,641	730%	51,002
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,267,999	1,318,136	1,277,882	147,896	1,061,614	1,146,191	(84,577)	-7%	1,165,112
Electricity		688,435	771,359	748,239	70,696	569,345	654,769	(85,424)	-13%	634,340
Water		294,234	247,149	229,146	33,564	241,136	218,955	22,181	10%	227,324
Waste water management		177,916	186,113	186,165	29,245	159,220	186,719	(27,499)	-15%	180,897
Waste management		107,414	113,515	114,332	14,391	91,913	85,749	6,165	7%	122,551
Other	4	130	164	136	9	105	102	3	3%	140
Total Revenue - Standard	2	1,647,055	1,709,674	1,676,393	194,836	1,430,124	1,445,075	(14,951)	-1%	1,656,459
Expenditure - Standard										
Governance and administration		187,373	332,329	346,450	22,272	237,041	259,838	(22,797)	-9%	316,054
Executive and council		(47,541)	90,786	89,999	5,237	64,642	67,499	(2,858)	-4%	86,189
Budget and treasury office		168,462	161,526	191,490	11,168	127,155	143,617	(16,462)	-11%	169,540
Corporate services		66,452	80,017	64,962	5,867	45,244	48,721	(3,477)	-7%	60,325
Community and public safety		254,047	253,527	239,565	19,510	182,854	179,673	3,180	2%	243,805
Community and social services		86,904	90,729	85,584	8,217	66,234	64,188	2,046	3%	88,311
Sport and recreation		58,257	63,316	60,333	4,907	45,384	45,250	134	0%	60,512
Public safety		73,462	69,346	64,176	4,445	49,513	48,132	1,381	3%	66,017
Housing		31,257	26,104	25,426	1,509	18,653	19,069	(417)	-2%	24,870
Health		4,166	4,032	4,046	432	3,070	3,035	36	1%	4,094
Economic and environmental services		390,394	408,940	410,668	56,367	366,801	308,001	58,800	19%	489,068
Planning and development		31,279	31,183	23,289	1,918	17,578	17,467	111	1%	23,438
Road transport		358,988	377,616	387,241	54,445	349,150	290,431	58,719	20%	465,534
Environmental protection		128	141	137	4	72	103	(31)	-30%	96
Trading services		1,705,618	960,137	961,333	117,798	699,755	721,000	(21,245)	-3%	933,006
Electricity		706,916	562,521	561,042	86,967	439,493	420,782	18,712	4%	585,991
Water		860,238	261,534	273,359	17,998	166,093	205,019	(38,927)	-19%	221,457
Waste water management		37,433	32,248	29,525	3,157	23,508	22,144	1,365	6%	31,344
Waste management		101,031	103,835	97,407	9,676	70,660	73,055	(2,395)	-3%	94,214
Other		986	799	805	5	57	604	(547)	-90%	77
Total Expenditure - Standard	3	2,538,418	1,955,731	1,958,821	215,951	1,486,507	1,469,116	17,391	1%	1,982,009
Surplus/ (Deficit) for the year		(891,363)	(246,057)	(282,428)	(21,116)	(56,383)	(24,041)	(32,342)	135%	(325,550)

KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description	Ref	Budget Year 2016/17								
		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 - CORPORATE SERVICES	1	70,656	69,754	63,311	14,726	60,784	47,483	13,301	28.0%	81,046
Vote 2 - COMMUNITY SERVICES		143,982	129,317	129,677	15,098	101,333	97,258	4,075	4.2%	135,110
Vote 3 - BUDGET AND TREASURY		201,988	291,002	304,335	22,961	232,137	228,251	3,886	1.7%	309,515
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		25,094	11,387	11,927	4,956	28,710	8,946	19,765	220.9%	38,281
Vote 6 - TECHNICAL SERVICES		516,649	436,856	418,904	66,397	437,815	408,368	29,447	7.2%	583,753
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		688,686	771,359	748,239	70,696	569,345	654,769	(85,424)	-13.0%	508,753
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	1,647,055	1,709,674	1,676,393	194,836	1,430,124	1,445,075	(14,951)	-1.0%	1,656,459
Expenditure by Vote										
Vote 1 - CORPORATE SERVICES	1	730,586	86,215	71,709	5,998	47,780	53,781	(6,001)	-11.2%	63,707
Vote 2 - COMMUNITY SERVICES		309,225	326,605	305,603	27,866	228,344	229,202	(858)	-0.4%	304,459
Vote 3 - BUDGET AND TREASURY		168,462	161,526	191,491	11,168	127,155	143,618	(16,463)	-11.5%	169,540
Vote 4 - MUNICIPAL MANAGER		84,830	72,511	74,787	4,728	56,568	56,090	478	0.9%	75,425
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		63,522	58,086	49,700	3,431	36,288	37,275	(987)	-2.6%	48,384
Vote 6 - TECHNICAL SERVICES		625,444	678,979	695,409	75,794	542,178	521,557	20,621	4.0%	722,904
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		556,350	571,809	570,122	86,967	448,193	427,592	20,601	4.8%	597,591
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	2,538,418	1,955,731	1,958,821	215,951	1,486,507	1,469,116	17,391	1.2%	1,982,009
Surplus/ (Deficit) for the year	2	(691,363)	(246,057)	(282,428)	(21,116)	(56,383)	(24,041)	(32,342)	134.5%	(325,550)

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		214,714	256,072	262,901	16,742	199,216	197,176	2,040	1%	265,621
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		638,731	712,968	689,824	56,113	506,159	517,368	(11,209)	-2%	674,879
Service charges - water revenue		144,962	184,732	161,470	14,644	121,428	121,103	326	0%	161,905
Service charges - sanitation revenue		76,454	102,873	102,873	8,477	76,020	77,155	(1,135)	-1%	101,360
Service charges - refuse revenue		54,603	83,421	83,421	6,875	61,822	62,566	(744)	-1%	82,429
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		7,918	7,326	7,326	642	5,458	5,495	(36)	-1%	7,278
Interest earned - external investments		12,517	4,000	4,001	150	1,764	3,001	(1,237)	-41%	2,352
Interest earned - outstanding debtors		7,156	6,099	11,750	879	8,275	8,813	(538)	-6%	11,033
Dividends received		-	-	-	-	-	-	-	-	-
Fines		5,206	7,660	5,203	170	2,549	3,902	(1,353)	-35%	3,399
Licences and permits		-	12	12	1	9	9	(0)	-4%	12
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		467,502	325,438	331,488	88,480	436,396	436,396	-	-	331,488
Other revenue		16,522	19,072	16,123	1,662	11,028	12,092	(1,064)	-9%	14,704
Gains on disposal of PPE		770	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,647,055	1,709,674	1,676,393	194,836	1,430,124	1,445,075	(14,951)	-1%	1,656,459
Expenditure By Type										
Employee related costs		489,601	476,620	470,815	39,861	356,335	353,111	3,223	1%	475,113
Remuneration of councillors		18,453	21,023	21,055	1,493	13,808	15,791	(1,983)	-13%	18,411
Debt impairment		542,783	61,007	88,256	2,923	18,799	66,192	(47,393)	-72%	25,065
Depreciation & asset impairment		456,741	330,121	369,587	54,803	338,737	277,191	61,547	22%	451,650
Finance charges		66,141	61,899	50,312	4,696	38,359	37,734	625	2%	51,146
Bulk purchases		513,530	577,973	553,162	79,137	419,072	414,872	4,201	1%	558,763
Other materials		2,438	3,061	3,543	232	2,445	2,657	(212)	-8%	3,260
Contracted services		84,691	52,490	38,832	5,910	34,220	29,124	5,096	17%	45,627
Transfers and grants		90,764	96,098	100,964	2,872	74,725	75,723	(998)	-1%	99,633
Other expenditure		269,804	275,436	262,295	24,023	190,006	196,721	(6,715)	-3%	253,342
Loss on disposal of PPE		3,472	-	-	-	-	-	-	-	-
Total Expenditure		2,538,418	1,955,731	1,958,821	215,951	1,486,507	1,469,116	17,391	1%	1,982,009
Surplus/(Deficit)		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	0	(325,550)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)			(325,550)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)			(325,550)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)			(325,550)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)			(325,550)

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q3 Third Quarter

Vote Description	Ref	Budget Year 2016/17								
		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 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		47,141	17,604	-	(1,028)	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		22,484	31,161	14,500	89	4,522	10,875	(6,353)	-58%	6,030
Vote 3 - BUDGET AND TREASURY		14,280	943	802	239	296	602	(305)	-51%	395
Vote 4 - MUNICIPAL MANAGER		-	2,824	2,824	-	32	2,118	(2,086)	-98%	43
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		121	32,772	57,549	4,235	19,581	43,162	(23,582)	-56%	26,107
Vote 6 - TECHNICAL SERVICES		182,646	175,427	177,602	5,695	93,216	133,201	(39,986)	-30%	124,288
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		31,284	14,936	10,712	1,012	5,590	8,034	(2,445)	-30%	7,453
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	297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	164,316
Total Capital Expenditure		297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	164,316
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		71,570	21,371	3,626	(789)	329	2,720	(2,391)	-88%	438
Executive and council		47,141	17,604	-	(1,028)	-	-	-	-	-
Budget and treasury office		21,067	943	802	239	296	602	(305)	-51%	395
Corporate services		3,362	2,824	2,824	-	32	2,118	(2,086)	-98%	43
<i>Community and public safety</i>		19,760	25,213	14,371	89	4,164	10,778	(6,614)	-61%	5,552
Community and social services		15,677	7,933	11,180	-	2,253	8,385	(6,132)	-73%	3,004
Sport and recreation		4,083	16,225	2,800	89	1,863	2,100	(237)	-11%	2,484
Public safety		-	827	162	-	48	122	(74)	-60%	64
Housing		-	100	100	-	-	75	(75)	-100%	-
Health		-	129	129	-	-	97	(97)	-100%	-
<i>Economic and environmental services</i>		113,117	109,904	145,768	6,785	62,994	109,326	(46,333)	-42%	83,992
Planning and development		2,541	32,672	57,549	4,057	19,581	43,162	(23,582)	-55%	26,107
Road transport		110,576	77,231	88,219	2,729	43,413	66,164	(22,751)	-34%	57,884
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		93,489	119,179	100,224	4,158	55,750	75,168	(19,418)	-26%	74,334
Electricity		31,284	14,936	10,712	1,012	5,590	8,034	(2,445)	-30%	7,453
Water		34,800	98,196	89,154	3,146	49,803	66,865	(17,063)	-26%	66,403
Waste water management		27,404	6,047	358	-	358	89	89	33%	477
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	164,316
Funded by:										
National Government		132,181	185,150	178,286	9,445	99,140	133,714	(34,574)	-26%	132,186
Provincial Government		-	-	37,402	-	10,284	28,051	(17,787)	-63%	15,396
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		132,181	185,150	215,687	9,445	109,404	161,765	(52,361)	-32%	147,583
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	78,535	90,517	-	-	-	-	-	-	-
Internally generated funds		89,221	-	48,303	798	13,833	36,227	(22,395)	-62%	18,444
Total Capital Funding		297,936	275,667	263,990	10,243	123,237	197,993	(74,756)	-38%	166,027

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment
- Capital expenditure by standard classification must reconcile to the total of multi-year and single year appropriations
- Include expenditure on investment property, intangible and biological assets
- Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		44,573	2,072	2,072	486	2,072
Call investment deposits			38,482	27,913	80,364	27,913
Consumer debtors		707,525	489,883	367,848	474,085	367,848
Other debtors		51,612	68,250	53,592	49,930	53,592
Current portion of long-term receivables		8	11	8	6	8
Inventory		13,381	13,118	13,381	13,785	13,381
Total current assets		817,098	611,816	464,814	618,656	464,814
Non current assets						
Long-term receivables				-		-
Investments				-		-
Investment property		275,974	265,125	275,974	275,974	275,974
Investments in Associate		346,156	421,324	346,321	346,321	346,321
Property, plant and equipment		7,670,847	3,925,100	7,146,887	7,064,461	7,146,887
Agricultural				-		-
Biological assets				-		-
Intangible assets		4,497	6,138	7,221	6,870	7,221
Other non-current assets		5,970	3,025	6,327	6,327	6,327
Total non current assets		8,303,445	4,620,712	7,782,730	7,699,954	7,782,730
TOTAL ASSETS		9,120,542	5,232,528	8,247,544	8,318,610	8,247,544
LIABILITIES						
Current liabilities						
Bank overdraft				-		-
Borrowing		29,441	32,192	29,375	13,447	29,375
Consumer deposits		12,753	13,389	13,214	13,443	13,214
Trade and other payables		391,780	134,448	255,002	367,982	255,002
Provisions		5,775	4,927	6,090	5,775	6,090
Total current liabilities		439,749	184,956	303,681	400,647	303,681
Non current liabilities						
Borrowing		458,528	528,190	429,127	453,524	429,127
Provisions		146,890	147,855	146,916	146,890	146,916
Total non current liabilities		605,419	676,044	576,043	600,414	576,043
TOTAL LIABILITIES		1,045,167	861,000	879,724	1,001,061	879,724
NET ASSETS	2	8,075,375	4,371,528	7,367,820	7,317,549	7,367,820
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		8,048,629	4,333,046	7,339,907	7,289,816	7,339,907
Reserves		26,746	38,482	27,913	27,733	27,913
TOTAL COMMUNITY WEALTH/EQUITY	2	8,075,375	4,371,528	7,367,820	7,317,549	7,367,820

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	Budget Year 2016/17								
		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		214,714	209,979	205,062		199,216	199,216	(0)	0%	205,062
Service charges		708,366	903,135	905,895		611,861	611,861	-		905,895
Other revenue		47,158	28,911	37,223		19,242	19,242	-		37,223
Government - operating		314,920	325,438	331,488		350,370	350,370	-		331,488
Government - capital		149,157	185,150	215,686		179,319	179,319	-		215,686
Interest		19,673	5,220	7,525		11,455	11,455	(0)	0%	7,525
Dividends		-	-	-		-	-	-		-
Payments										
Suppliers and employees		(1,363,680)	(1,380,394)	(1,423,212)		(1,152,558)	(1,152,558)	-		(1,423,212)
Finance charges		(66,141)	(61,899)	(50,312)		(38,393)	(38,393)	0	0%	(50,312)
Transfers and Grants		-	-	-		-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		24,166	215,539	229,355	-	180,512	180,512	0	0%	229,355
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,688	2,012	2,012		-	-	-		2,012
Decrease (Increase) in non-current debtors		-	-	-		-	-	-		-
Decrease (increase) other non-current receivables		-	-	-		-	-	-		-
Decrease (increase) in non-current investments		-	-	-		-	-	-		-
Payments										
Capital assets		(310,438)	(275,635)	(219,112)		(123,237)	(123,237)	-		(219,112)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(308,750)	(273,623)	(217,100)	-	(123,237)	(123,237)	-		(217,100)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-		-	-	-		-
Borrowing long term/refinancing		(11,362)	90,517	(0)		-	-	-		(0)
Increase (decrease) in consumer deposits		-	1,132	1,705		-	-	-		1,705
Payments										
Repayment of borrowing		(294)	(32,192)	(29,375)		(20,999)	(20,999)	-		(29,375)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(11,656)	59,457	(27,671)	-	(20,999)	(20,999)	-		(27,671)
NET INCREASE/ (DECREASE) IN CASH HELD		(296,240)	1,372	(15,417)	-	36,276	36,276			(15,417)
Cash/cash equivalents at beginning:		340,813	39,182	44,573		44,573	44,573			44,573
Cash/cash equivalents at month/year end:		44,573	40,554	29,156		80,849	80,849			29,156

KZN252 Newcastle - Supporting Table SC1 Material variance explanations - Q3 Third Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Interest earned : external investments	-41%	More investments being withdrawn due to cash flow problems	
	Fines Recognised	-35%	We received less funds from fines payed by consumers	
2	<u>Expenditure By Type</u>			
	Debt Impairment	-72%	Debt payment is accounted for once at the end of the year.	
	Remuneration of Councillors	-13%	Back pay for upper limits paid early April and will reflect on April report	
	Depreciation	22%	Still in the process of calculating depreciation in line with the finalised revaluation of assets	
	Contracted Services	17%	Consultancy was adjusted downwards during adjustment and will reflect normal by end of financial year	
	Materials	-8%	Delays of spending due to cash flow	
3	<u>Capital Expenditure</u>			
4	<u>Financial Position</u>			
5	<u>Cash Flow</u>			
6	<u>Measurable performance</u>		The variances in both capital and operational budget performances resulted in the variance in the overall performance of the municipality	
7	<u>Municipal Entities</u>			

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.6%	20.0%	21.4%	2.6%	3.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		25.7%	32.8%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		10.9%	15.9%	9.7%	11.4%	9.7%
Gearing	Long Term Borrowing/ Funds & Reserves		1714.4%	1372.5%	1537.3%	1635.3%	1537.3%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	185.8%	330.8%	153.1%	154.4%	153.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		10.1%	21.9%	9.9%	20.2%	9.9%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		46.1%	32.6%	25.1%	36.6%	25.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.7%	27.9%	28.1%	24.9%	28.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		31.7%	22.9%	25.0%	2.7%	4.2%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN252 Newcastle - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description	NT Code	Budget Year 2016/17										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy		
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total						
R thousands																
Debtors Age Analysis By Income Source																
Trade and Other Receivables from Exchange Transactions - Water	1200	(1,721)	13,492	6,968	6,885	5,963	5,561	5,810	193,438	236,387	217,658					
Trade and Other Receivables from Exchange Transactions - Electricity	1300	(119)	25,616	1,836	833	634	2,439	463	9,297	41,102	13,767					
Receivables from Non-exchange Transactions - Property Rates	1400	(655)	17,979	5,874	5,913	4,945	4,708	4,600	131,350	174,713	151,516					
Receivables from Exchange Transactions - Waste Water Management	1500	(436)	6,923	4,295	4,199	4,110	4,034	4,058	152,226	179,408	168,627					
Receivables from Exchange Transactions - Waste Management	1600	(560)	4,348	2,127	1,930	1,895	1,876	1,847	68,338	81,802	75,886					
Receivables from Exchange Transactions - Property Rental Debtors	1700	(162)	339	116	107	96	93	178	1,670	2,439	2,145					
Interest on Arrear Debtor Accounts	1810	(167)	1,048	968	963	923	908	889	43,848	49,370	47,531					
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-					
Other	1900	(28,520)	9,723	2,619	2,288	2,157	2,423	2,989	202,799	196,487	212,665	11				
Total By Income Source	2000	(32,339)	79,469	24,783	23,218	20,722	22,044	20,845	802,967	961,707	889,794	11				
2015/16 - totals only																
Debtors Age Analysis By Customer Group																
Organs of State	2200	(10,143)	4,578	1,080	1,447	673	698	1,659	28,244	28,196	32,681					
Commercial	2300	(12,627)	29,157	3,444	2,247	2,116	1,901	1,725	55,871	83,834	63,860					
Households	2400	(8,817)	43,064	20,005	19,300	17,677	19,288	17,294	711,113	838,924	784,672	10				
Other	2500	(753)	2,670	254	223	256	196	167	7,738	10,753	8,582	1				
Total By Customer Group	2600	(32,339)	79,469	24,783	23,218	20,722	22,044	20,845	802,967	961,707	889,794	11				

KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	Budget Year 2016/17										Total	
		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	38,966											38,966
Bulk Water	0200	5,341											5,341
PAYE deductions	0300												-
VAT (output less input)	0400	4,200											4,200
Pensions / Retirement deductions	0500	13,868											13,868
Loan repayments	0600				0								-
Trade Creditors	0700	11,303	908						9			8	12,227
Auditor General	0800												-
Other	0900												-
Total By Customer Type	1000	73,678	908	-	0	-	-	-	9	-	-	8	74,603

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter

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
		Yrs/Months							
R thousands									
Municipality									
Nedbank		12 months	Call Account		-		-	-	-
Standard Bank		12 months	Call Account		1,372		170,550	(108,628)	61,922
ABSA		12 months	Call Account		510		18,317	32	18,348
Sanlam		12 months	Call Account		10		85	9	93
Municipality sub-total					1,892		188,951	(108,587)	80,364
Entities									
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST					1,892		188,951	(108,587)	80,364

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		307,059	311,750	311,750	76,739	311,750	311,750	-		311,750
Local Government Equitable Share		298,215	306,952	306,952	76,739	306,952	306,952	-		306,952
Water Services Operating Subsidy		3,000								
EPWP Incentive		3,286	3,173	3,173		3,173	3,173			3,173
Integrated National Electrification Programme										
Finance Management		1,600	1,625	1,625		1,625	1,625			1,625
Municipal Systems Improvement	3	930						-		
Neighbourhood Development Partnership		28						-		
Other transfers and grants [insert description]								-		
Provincial Government:		11,354	10,643	10,643	334	21,454	21,454	-		10,643
Recapitalisation of Community Libraries		4,750	5,695	5,695				-		5,695
Accredited Municipalities		5,627	4,077	4,077		21,120	21,120	-		4,077
Museums Services		150	334	334				-		334
Community Library Services Grant	4	510	537	537	334	334	334	-		537
Sport and Recreation		317						-		
Health subsidy								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Operating Transfers and Grants	5	318,413	322,393	322,393	77,073	333,204	333,204	-		322,393
Capital Transfers and Grants										
National Government:		162,530	185,150	185,150	26,935	186,150	186,150	(0)	0.0%	185,150
Neighbourhood Development Partnership		22,000	28,323	28,323	13,721	28,323	28,323	(0)	0.0%	28,323
Municipal Infrastructure Grant (MIG)		110,705	109,214	109,214	12,214	109,214	109,214			109,214
Integrated National Electrification Programme		8,000	7,000	7,000	1,000	8,000	8,000			7,000
Energy efficiency & demand side management		7,000	-	-						-
Municipal water infrastructure		14,825	40,613	40,613		40,613	40,613			40,613
Accreditation								-		
Other capital transfers [insert description]								-		
Provincial Government:		11,354	-	15,425	1,909	9,798	9,798	-		15,425
Level 2 accreditation		4,750						-		
Recapitalisation of Community Libraries		5,627						-		
Sport and Recreation		150						-		
Community Library Service		510		15,425				-		15,425
Museum		317						-		
Corridor Development					1,909	9,798	9,798	-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	25,572	-	-	-	-		25,572
European Union				25,572				-		25,572
Total Capital Transfers and Grants	5	173,884	185,150	226,147	28,844	195,948	195,948	(0)	0.0%	226,147
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	492,297	507,543	548,540	105,917	529,152	529,152	(0)	0.0%	548,540

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		307,059	311,750	311,750	76,789	311,440	311,440	-		311,750
Local Government Equitable Share		298,215	306,952	306,952	76,739	306,952	306,952	-		306,952
Water Services Operating Subsidy		3,000						-		
EPWP Incentive		3,286	3,173	3,173		3,173	3,173	-		3,173
Integrated National Electrification Programme								-		
Finance Management		1,600	1,625	1,625	50	1,315	1,315	-		1,625
Municipal Systems Improvement		930						-		
Neighbourhood Development Partnership		28						-		
Other transfers and grants [insert description]								-		
Provincial Government:		11,354	10,643	10,643	466	6,023	6,023	-		10,643
Level 2 accreditation		4,750	5,695	5,695	225	2,243	2,243	-		5,695
Recapitalisation of Community Libraries		5,627	4,077	4,077	188	3,262	3,262	-		4,077
Sport and Recreation		150	334	334				-		334
Community Library		510	537	537	53	518	518	-		537
Museum		317						-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total operating expenditure of Transfers and Grants:		318,413	322,393	322,393	77,254	317,464	317,464	-		322,393
Capital expenditure of Transfers and Grants										
National Government:		162,530	185,150	185,150	8,408	104,679	104,679	-		185,150
Neighbourhood Development Partnership		22,000	28,323	28,323	1,846	7,016	7,016	-		28,323
Municipal Infrastructure Grant (MIG)		110,705	109,214	109,214	1,062	68,841	68,841	-		109,214
Integrated National Electrification Programme		8,000	7,000	7,000	926	4,806	4,806	-		7,000
Emergy efficiency & demand side management		7,000	-	-				-		-
Municipal water infrastructure		14,825	40,613	40,613	4,574	24,017	24,017	-		40,613
Accreditation								-		
Provincial Government:		-	-	15,425	-	-	-	-		15,425
Level 2 accreditation								-		
Recapitalisation of Community Libraries								-		
Sport and Recreation								-		
Community Library				15,425				-		15,425
Museum								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	25,572	2,831	8,737	8,737	-		25,572
European Union				25,572	2,831	8,737	8,737	-		25,572
Total capital expenditure of Transfers and Grants		162,530	185,150	226,147	11,239	113,416	113,416	-		226,147
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		480,943	507,543	548,540	88,493	430,880	430,880	-		548,540

KZN252 Newcastle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Q3 Third Quarter

Description	Ref	Budget Year 2016/17				
		Approved Rollover 2015/16	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share						
Water Services Operating Subsidy						
EPWP Incentive						
Integrated National Electrification Programme						
Finance Management						
Municipal Systems Improvement						
Other transfers and grants [insert description]						
Provincial Government:		6,825	53	1,980	4,845	71.0%
Recapitalisation of Community Libraries		1,797			1,797	100.0%
Museums Services		695			695	100.0%
Community Library Services Grant		66	53	66	-	
Sport and Recreation						
Health subsidy						
Human Settlement		4,267		1,915	2,352	55.1%
District Municipality:		-	-	-	-	
[insert description]						
Other grant providers:		-	-	-	-	
[insert description]						
Total operating expenditure of Approved Roll-overs		6,825	53	1,980	4,845	71.0%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Neighbourhood Development Partnership						
Accreditation						
Other capital transfers [insert description]						
Provincial Government:		6,970	1,657	4,731	2,239	32.1%
Recapitalisation of Community Libraries		5,501	188	3,262	2,239	40.7%
Corridor Development		1,469	1,469	1,469	-	
District Municipality:		-	-	-	-	
[insert description]						
Other grant providers:		-	-	-	-	
[insert description]						
Total capital expenditure of Approved Roll-overs		6,970	1,657	4,731	2,239	32.1%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		13,795	1,710	6,711	7,084	51.3%

Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		467,578	497,643	491,870	41,354	370,143	368,903	1,240	0%	493,524
% Increase	4		6.4%	5.2%						5.5%
TOTAL MANAGERS AND STAFF		448,370	476,820	470,815	39,861	356,335	353,112	3,223	1%	475,113

KZN252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q3 Third Quarter

Ref	Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget		
Cash Receipts By Source																
	Property rates	22,326	18,706	22,234	18,706	19,517	18,704	14,995	41,957	15,124	16,645	16,645	(21,097)	205,063	219,417	234,776
	Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - electricity revenue	38,944	50,662	53,506	44,581	58,332	26,587	30,198	27,962	38,157	52,887	52,887	159,936	634,638	682,551	726,596
	Service charges - water revenue	12,623	15,394	14,345	14,577	11,460	15,394	6,793	5,967	6,601	12,008	12,008	(1,243)	125,947	134,763	144,196
	Service charges - sanitation revenue	7,030	8,573	8,459	8,530	8,463	8,573	3,070	2,891	3,276	6,687	6,687	8,004	80,241	85,858	91,868
	Service charges - refuse	5,700	6,952	6,886	6,769	6,875	6,952	3,112	3,133	3,244	5,422	5,422	4,601	65,068	69,623	74,497
	Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rental of facilities and equipment	500	611	577	749	488	519	606	593	642	612	612	818	7,326	8,059	8,865
	Interest earned - external investments	333	1,848	166	212	(52)	333	515	229	150	215	215	(166)	4,001	10,337	11,370
	Interest earned - outstanding debtors	102	508	845	1,154	998	508	369	756	879	102	102	(2,817)	3,525	6,897	7,587
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines	159	318	118	172	121	478	353	510	170	128	128	(1,094)	1,561	6,226	6,849
	Licences and permits	1	1	1	1	1	1	1	1	1	0	0	3	12	13	15
	Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfer receipts - operating	17,204	24,850	14,158	15,446	4,632	102,713	7,580	10,863	95,046	82,672	82,672	(126,346)	331,488	314,600	321,688
	Other revenue	299	299	299	1,295	3,187	1,589	2,024	939	2,024	2,024	2,024	12,315	28,321	20,944	23,003
	Cash Receipts by Source	105,822	128,723	121,594	112,192	114,041	182,352	69,637	95,801	165,315	179,401	179,401	32,913	1,487,191	1,559,288	1,651,310
	Other Cash Flows by Source															
	Transfer receipts - capital	24,000	41,161	4,625	-	13,360	75,837	72,427	-	-	17,933	17,933	(51,590)	215,686	184,662	222,540
	Contributions & Contributed assets	-	-	-	-	-	-	-	-	3	3	3	-	-	2,000	2,000
	Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	670	459
	Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Cash Receipts by Source	129,822	169,884	126,219	186,643	127,401	258,189	142,064	95,801	165,602	197,621	197,621	(90,274)	1,706,594	1,746,620	1,876,308
	Cash Payments by Type															
	Employee related costs	28,666	29,411	38,212	38,261	36,283	57,899	41,114	40,998	39,861	38,742	38,742	42,626	470,815	466,484	499,225
	Remuneration of councillors	1,447	1,496	2,200	1,499	1,049	2,124	1,586	1,473	1,493	1,752	1,752	3,184	21,055	22,076	23,458
	Interest paid	4,932	3,742	4,203	4,320	4,182	4,202	4,299	3,802	4,696	4,193	4,193	3,547	50,312	56,347	53,785
	Bulk purchases - Electricity	-	-	94,945	39,345	42,870	64,985	47,071	25,963	35,486	46,097	46,097	(16,240)	464,938	589,715	633,450
	Bulk purchases - Water & Sewer	5,685	5,685	5,685	5,685	6,481	6,481	6,481	6,481	5,341	380	380	14,216	68,224	3,745	3,932
	Other materials	175	238	220	689	285	384	1,273	99	232	360	360	(813)	3,543	53,355	55,313
	Contracted services	9,433	150	4,365	3,209	2,137	3,724	3,145	2,147	5,910	3,145	3,145	(1,678)	38,832	84,422	-
	Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	General expenses	58,433	54,472	28,890	13,103	8,800	61,202	45,611	20,720	16,795	20,720	20,720	(13,663)	335,804	322,720	333,292
	Cash Payments by Type	108,771	153,522	178,720	108,112	102,087	201,002	150,582	101,676	109,815	123,037	123,037	15,164	1,473,524	1,598,863	1,602,455
	Other Cash Flows/Payments by Type															
	Capital assets	5,425	24,742	9,997	6,569	20,254	18,619	9,352	8,750	23,083	23,373	23,373	45,557	219,112	184,662	222,540
	Repayment of borrowing	-	-	-	-	-	30,543	(4,291)	-	-	-	-	3,123	29,375	37,206	41,351
	Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Cash Payments by Type	114,196	178,264	188,717	112,700	122,341	250,165	155,643	110,425	132,898	146,409	146,409	63,843	1,722,011	1,820,731	1,866,345
	NET INCREASE/(DECREASE) IN CASH HELD	15,625	(8,381)	(62,498)	73,943	5,060	8,024	(13,579)	(14,624)	32,704	51,212	51,212	(154,117)	(15,417)	(74,112)	9,962
	Cash/cash equivalents at the month/year beginning:	44,573	60,198	51,818	(10,680)	63,263	68,323	76,348	62,769	48,145	80,849	132,061	183,273	44,573	29,156	(44,956)
	Cash/cash equivalents at the month/year end:	60,198	51,818	(10,680)	63,263	68,323	76,348	62,769	48,145	80,849	132,061	183,273	29,156	29,156	(44,956)	(34,994)

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Q3 Third Quarter

Description	Ref	Budget Year 2016/17								
		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 By Source										
Property rates		214,714	256,072	262,901	16,742	199,216	197,176	2,040	1%	265,621
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		638,731	712,968	689,824	56,113	506,159	517,368	(11,209)	-2%	675,424
Service charges - water revenue		144,962	184,732	161,470	14,644	121,428	121,103	326	0%	135,712
Service charges - sanitation revenue		76,454	102,873	102,873	8,477	76,020	77,155	(1,135)	-1%	127,385
Service charges - refuse revenue		54,603	83,421	83,421	6,875	61,822	62,566	(744)	-1%	82,597
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		7,918	7,326	7,326	642	5,458	5,495	(36)	-1%	7,278
Interest earned - external investments		12,517	4,000	4,001	150	1,764	3,001	(1,237)	-41%	2,352
Interest earned - outstanding debtors		7,156	6,099	11,750	879	8,275	8,813	(538)	-6%	11,033
Dividends received		-	-	-	-	-	-	-	-	-
Fines		5,206	7,660	5,203	170	2,549	3,902	(1,353)	-35%	3,399
Licences and permits		-	12	12	1	9	9	(0)	-4%	12
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		467,502	325,438	331,488	88,480	436,396	436,396	-	-	331,488
Other revenue		16,522	19,072	16,123	1,662	11,028	12,092	(1,064)	-9%	14,159
Gains on disposal of PPE		770	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,647,055	1,709,674	1,676,393	194,836	1,430,124	1,445,075	(14,951)	-1%	1,656,459
Expenditure By Type										
Employee related costs		489,601	476,620	470,815	39,861	356,335	353,111	3,223	1%	475,113
Remuneration of councillors		18,453	21,023	21,055	1,493	13,808	15,791	(1,983)	-13%	18,411
Debt impairment		542,783	61,007	88,256	2,923	18,799	66,192	(47,393)	-72%	25,065
Depreciation & asset impairment		456,741	330,121	369,587	54,803	338,737	277,191	61,547	22%	451,650
Finance charges		66,141	61,899	50,312	4,696	38,359	37,734	625	2%	51,146
Bulk purchases		513,530	577,973	553,162	74,452	368,904	414,872	(45,967)	-11%	491,872
Other materials		2,438	3,061	3,543	232	2,445	2,657	(212)	-8%	3,260
Contracted services		84,691	52,490	38,832	5,910	34,220	29,124	5,096	17%	45,627
Transfers and grants		90,764	96,098	100,964	2,872	74,725	75,723	(998)	-1%	99,633
Other expenditure		269,804	275,438	262,295	28,708	240,174	196,721	43,453	22%	320,232
Loss on disposal of PPE		3,472	-	-	-	-	-	-	-	-
Total Expenditure		2,538,418	1,955,731	1,958,821	215,951	1,486,507	1,469,116	17,391	1%	1,982,009
Surplus/(Deficit)		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(891,364)	(246,057)	(282,428)	(21,115)	(56,383)	(24,041)	(32,342)	135%	(325,550)

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q3 Third Quarter

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	3,762	22,972	22,972	5,425	5,425	22,972	17,547	76.4%	2%
August	12,575	22,972	22,972	24,742	30,167	45,944	15,777	34.3%	11%
September	26,961	22,972	22,972	9,997	40,164	68,916	28,752	41.7%	15%
October	25,500	22,972	22,972	6,589	46,752	91,888	45,136	49.1%	17%
November	30,129	22,972	22,972	20,254	67,006	114,860	47,854	41.7%	24%
December	45,724	22,972	20,818	18,619	85,625	135,678	50,053	36.9%	31%
January	18,503	22,972	20,818	11,502	97,127	156,496	59,369	37.9%	35%
February	15,855	22,972	20,818	12,094	109,221	177,314	68,093	38.4%	40%
March	16,595	22,972	21,669	7,186	116,408	198,983	82,575	41.5%	42%
April	25,071	22,972	21,669	6,829	123,237	220,652	97,415	44.1%	0
May	25,666	22,972	21,669			242,321	-		
June	46,954	22,972	21,669			263,990	-		
Total Capital expenditure	293,295	275,664	263,990	123,237					

KZN252 Newcastle - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q3 Third Quarter

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	151,808	130,219	5,647	74,312	98,039	23,727	24.2%	99,083
Infrastructure - Road transport		-	74,156	45,092	5,647	62,323	34,194	(28,129)	-82.3%	83,098
Roads, Pavements & Bridges		-	74,156	45,092	5,647	62,323	34,194	(28,129)	-82.3%	83,098
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	32,865	14,467	-	1,059	10,850	9,791	90.2%	1,412
Generation		-	5,665	-	-	-	-	-	-	-
Transmission & Reticulation		-	22,200	9,467	-	1,059	7,100	6,041	85.1%	1,412
Street Lighting		-	5,000	5,000	-	-	3,750	3,750	100.0%	-
Infrastructure - Water		-	26,475	52,192	-	93	39,144	39,051	99.8%	124
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	26,475	52,192	-	93	39,144	39,051	99.8%	124
Infrastructure - Sanitation		-	17,312	17,000	-	10,235	12,750	2,515	19.7%	13,647
Reticulation		-	9,112	17,000	-	10,235	12,750	2,515	19.7%	13,647
Sewerage purification		-	8,200	-	-	-	-	-	-	-
Infrastructure - Other		-	1,000	1,469	-	602	1,102	500	45.4%	802
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	1,000	1,469	-	602	1,102	500	45.4%	802
Community		-	750	6,115	633	1,411	4,586	3,175	69.2%	1,882
Parks & gardens		-	-	1,800	394	767	1,350	583	43.2%	1,022
Sportsfields & stadia		-	750	1,000	239	597	750	153	20.4%	796
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	3,153	-	-	2,364	2,364	100.0%	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	162	-	48	122	74	60.5%	64
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	33,165	36,445	113	1,074	27,333	26,259	96.1%	1,433
General vehicles		-	-	-	-	602	-	(602)	#DIV/0!	802
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	8,115	1,510	-	358	1,133	775	68.4%	477
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	600	1,087	113	115	815	700	85.9%	153
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	22,000	31,662	-	-	23,747	23,747	100.0%	-
Other Buildings		-	-	1,045	-	-	784	784	100.0%	-
Other Land		-	2,450	1,141	-	-	855	855	100.0%	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	2,400	3,024	-	32	2,268	2,236	98.6%	43
Computers - software & programming		-	2,400	3,024	-	32	2,268	2,236	98.6%	43
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	-	188,123	175,802	6,394	76,830	132,227	55,397	41.9%	102,440

Total Capital Expenditure on renewal of existing assets	1	297,936	87,544	88,188	3,850	46,407	65,766	19,359	29.4%	61,876
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Specialised vehicles										
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) must reconcile to total capital expenditure in Table C5

check balance	-	0	0	-0	0	0	0	0	0	0
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KZN252 Newcastle - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	54,069	28,020	5,673	28,442	21,015	(7,427)	-35.3%	37,922
Infrastructure - Road transport		-	35,655	881	2,370	8,624	661	(7,964)	-1205.2%	11,499
Roads, Pavements & Bridges		-	35,655	881	2,370	8,624	661	(7,964)	-1205.2%	11,499
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	116	2,320	2,401	15,544	1,740	(13,804)	-793.4%	20,725
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	116	2,320	2,401	15,544	1,740	(13,804)	-793.4%	20,725
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	13,737	11,019	782	1,385	8,265	6,879	83.2%	1,847
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	13,737	11,019	782	1,385	8,265	6,879	83.2%	1,847
Infrastructure - Sanitation		-	-	12,890	80	2,775	9,667	6,892	71.3%	3,700
Reticulation		-	-	12,855	80	2,775	9,642	6,866	71.2%	3,700
Sewerage purification		-	-	34	-	-	26	26	100.0%	-
Infrastructure - Other		-	4,561	910	38	113	682	570	83.5%	150
Waste Management		-	184	67	-	-	51	51	100.0%	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	4,377	843	38	113	632	519	82.1%	150
Community		-	5,050	15,459	151	810	11,594	10,784	93.0%	1,080
Parks & gardens		-	43	1,218	32	68	914	846	92.5%	91
Sportsfields & stadia		-	809	771	-	3	578	576	99.5%	4
Swimming pools		-	97	553	1	168	414	246	59.4%	224
Community halls		-	373	415	71	254	312	58	18.6%	338
Libraries		-	918	529	37	301	397	96	24.2%	401
Recreational facilities		-	86	2,354	10	13	1,766	1,752	99.2%	18
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	404	9,580	-	1	7,185	7,184	100.0%	2
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	2,321	38	-	2	20	26	92.8%	3
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	30,980	18,680	1,856	18,079	14,010	(4,069)	-29.0%	24,105
General vehicles		-	-	-	38	127	-	(127)	#DIV/0!	169
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	20,945	8,847	1,000	5,481	6,635	1,154	17.4%	7,308
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	465	465	-	-	349	349	100.0%	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	9,569	9,188	818	12,471	6,891	(5,580)	-81.0%	16,628
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	180	-	-	135	135	100.0%	-
Agricultural assets		-	-	43	-	-	-	-	-	-
Heritage		-	-	43	-	-	-	-	-	-

Chart C1 2016/17 Capital Expenditure Monthly Trend: actual v target

Month	2015/16	Original Budget	Adjusted Budget	Monthly actual	Monthly actual
Jul	3,762	22,972	22,972	5,425	24,742
Aug	12,575	22,972	22,972	24,742	9,987
Sep	26,661	22,972	22,972	6,589	20,254
Oct	25,500	22,972	22,972	20,816	18,519
Nov	30,128	22,972	22,972	20,816	11,502
Dec	45,724	22,972	20,816	20,816	12,064
Jan	16,503	22,972	20,816	21,669	7,186
Feb	15,855	22,972	20,816	21,669	6,829
Mar	16,595	22,972	21,669	21,669	—
Apr	25,071	22,972	21,669	21,669	—
May	25,666	22,972	21,669	21,669	—
Jun	46,954	22,972	21,669	21,669	—

Chart C1 2016/17 Capital Expenditure Monthly Trend: actual v target

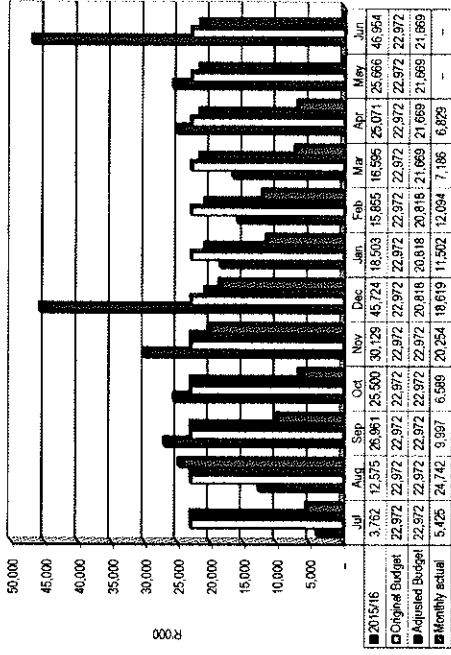


Chart C2 2016/17 Capital Expenditure: YTD actual v YTD target

Month	YearTD actual	YearTD budget
Jul	5,425	22,972
Aug	30,167	45,944
Sep	40,164	68,916
Oct	46,752	91,888
Nov	67,006	114,860
Dec	85,625	135,678
Jan	97,127	156,496
Feb	109,221	177,314
Mar	116,408	198,983
Apr	123,237	220,652
May	242,321	242,321
Jun	263,990	263,990

Chart C2 2016/17 Capital Expenditure: YTD actual v YTD target

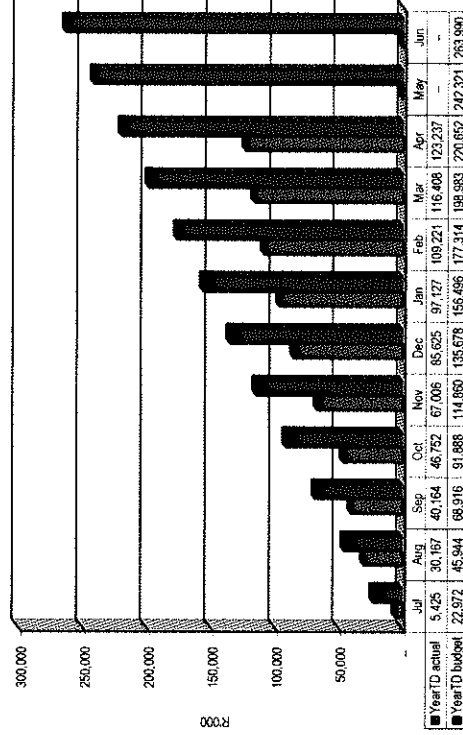


Chart C3 Aged Consumer Debtors Analysis

Budget Year 2016	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days+ Yr	Over 1Yr
2015/16	(32,339)	79,469	24,783	22,044	20,722	23,218	20,846	802,967

Chart C3 Aged Consumer Debtors Analysis



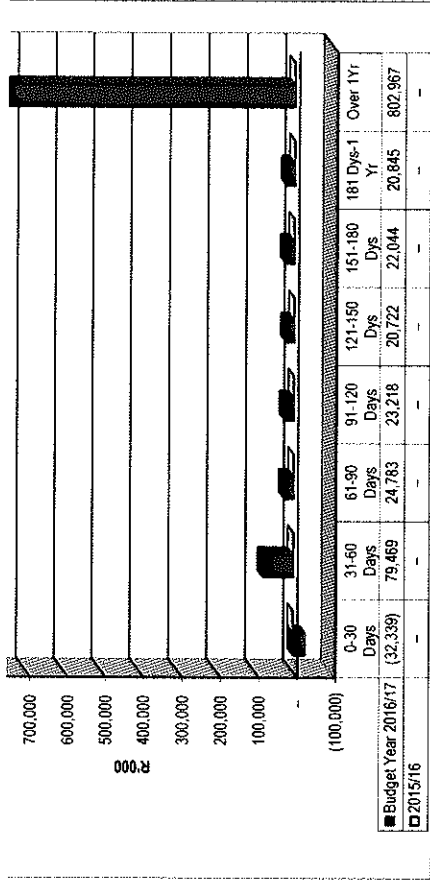


Chart C4 Consumer Debtors (total by Debtor Customer Category)

	2015/16	Budget Year 2016/17
Organs of State	27,350	28,196
Commercial	81,319	83,834
Households	813,756	838,924
Other	10,430	10,753

Chart C4 Consumer Debtors (total by Debtor Customer Category)

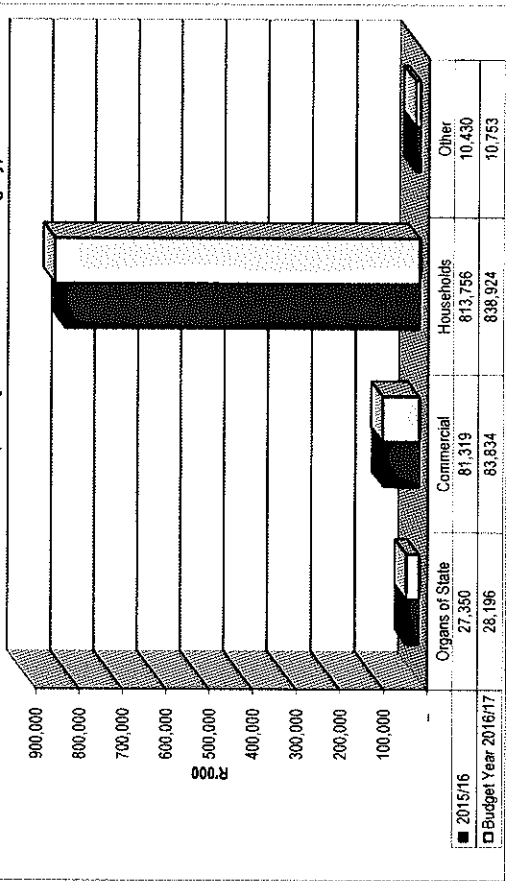


Chart C5 Aged Creditors Analysis

	2015/16	Budget Year 2016/17
Organs of State	27,350	28,196
Commercial	81,319	83,834
Households	813,756	838,924
Other	10,430	10,753

Chart C5 Aged Creditors Analysis

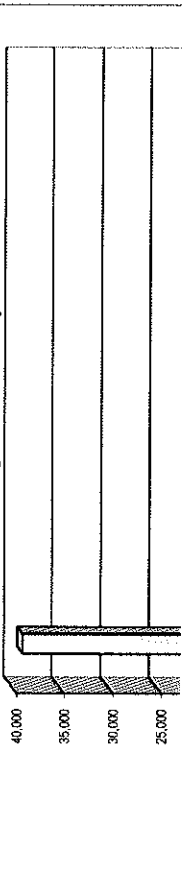
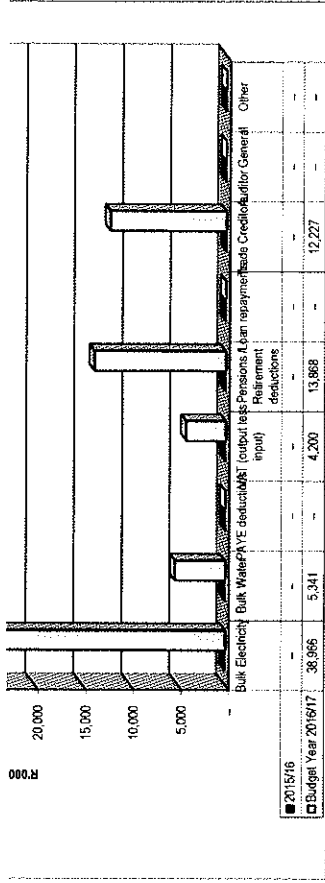


Chart C5 Aged Creditors Analysis

	2015/16	Budget Year 2016/17
Organs of State	27,350	28,196
Commercial	81,319	83,834
Households	813,756	838,924
Other	10,430	10,753



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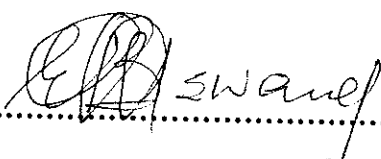
MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **BE Mswane**, the Municipal Manager of **Newcastle Municipality**, hereby certify that the quarterly report on the implementation of budget and financial state of affairs for third quarter have been prepared in accordance with Section 52(d) of the Municipal Finance Management Act, No56 of 2003; and Regulation 31-32 of the Municipal Budget and Reporting Regulations.

Print Name : **BHEKANI ERROL MSWANE**

Municipal Manager : **NEWCASTLE MUNICIPALITY**

Signature : .....

Date : 2017/04/26.....

ANNEXURES

(Please see annexures on S71 report)