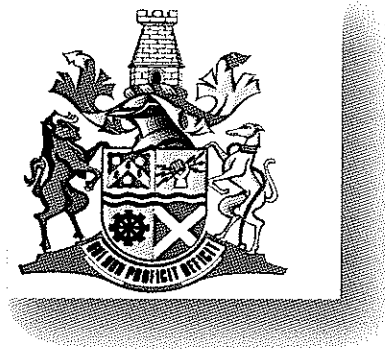


SECTION 71: MONTHLY BUDGET STATEMENT: NATIONAL REPORTING STANDARD: MONTH SEVEN: 31 JANUARY 2018: (T 6/1/1-2017/2018): BUDGET AND TREASURY OFFICE



REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL

File Reference:
Report Number:

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Designation: Director: Budget and Financial Reporting

FOR CONSIDERATION

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

SUBJECT: JANUARY 2018 MONTHLY SECTION71 REPORT

PURPOSE

The purpose of this report is to apprise the Finance Portfolio Committee, Executive Committee and Council of the monthly financial performance of the municipality as required by Section 71 of the Municipal Finance Management Act 56 of 2003 (MFMA) which states that;

"the accounting officer of a municipality must by no later than 10 working days after the end of the 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".

Read together with regulation 28 of the MBRR stating that *"The In Year Report of a municipality must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Municipal Finance Management Act"*. This report is submitted to both the National and Provincial Treasuries through a series of MFMA returns that were designed for the purpose of uploading into the National Treasury database.

1 ANNEXURES

- 1.1 uThukela Water Financial Performance report
- 1.2 Financial Reports as at 31 January 2018
 - 1.2.1 Eskom invoice for bulk
 - 1.2.2 Investment register
 - 1.2.3 Grant register
 - 1.2.4 Loan register
- 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.

Table C1: Monthly budget statements summary

The table below provides a high-level summation of the municipality's operating and capital budget actuals to date, financial position and cash flow.

| KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M07 January | | | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
| | 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 | 232 286 | 266 182 | - | 20 305 | 151 803 | 155 273 | (3 470) | -2% | 266 182 |
| Service charges | 948 273 | 990 210 | - | 71 254 | 579 531 | 577 622 | 1 909 | 0% | 990 210 |
| Investment revenue | 4 505 | 4 601 | - | 418 | 2 417 | 2 684 | (267) | -10% | 4 601 |
| Transfers and subsidies | 527 822 | 345 790 | - | 29 666 | 240 341 | 240 341 | - | - | 345 790 |
| Other own revenue | 37 579 | 43 583 | - | 3 947 | 22 558 | 25 423 | (2 865) | -11% | 43 583 |
| Total Revenue (excluding capital transfers and contributions) | 1 750 466 | 1 650 366 | - | 125 589 | 996 650 | 1 001 343 | (4 693) | -0% | 1 650 366 |
| Employee costs | 495 757 | 514 737 | - | 50 094 | 310 213 | 300 264 | 9 949 | 3% | 514 737 |
| Remuneration of Councillors | 20 389 | 23 219 | - | 1 563 | 11 954 | 13 545 | (1 590) | -12% | 23 219 |
| Depreciation & asset impairment | 472 110 | 247 895 | - | 39 311 | 266 696 | 144 605 | 122 091 | 84% | 247 895 |
| Finance charges | 65 784 | 47 135 | - | 4 120 | 28 200 | 27 496 | 704 | 3% | 47 135 |
| Materials and bulk purchases | 560 778 | 583 298 | - | 75 989 | 314 027 | 340 257 | (26 230) | -8% | 583 298 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Other expenditure | 388 709 | 315 797 | - | 17 957 | 168 165 | 184 215 | (16 050) | -9% | 315 797 |
| Total Expenditure | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 381 | 88 875 | 9% | 1 732 082 |
| Surplus/(Deficit) | (253 062) | (81 716) | - | (63 446) | (102 606) | (9 037) | (93 569) | 1035% | (81 716) |
| Transfers and subsidies - capital (monetary alloc | - | 229 854 | - | - | 86 758 | 86 758 | - | - | 229 854 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |
| Share of surplus/ (deficit) of associate | (41 220) | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (294 282) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Capital transfers recognised | 196 312 | 229 854 | - | 3 520 | 62 887 | 134 082 | (71 194) | -53% | 229 854 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 23 094 | 23 924 | - | 827 | 16 431 | 13 956 | 2 475 | 18% | 23 924 |
| Total sources of capital funds | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Financial position | | | | | | | | | |
| Total current assets | 572 491 | 317 136 | - | - | 736 221 | - | - | - | 317 136 |
| Total non current assets | 7 738 790 | 7 646 580 | - | - | 7 519 987 | - | - | - | 7 646 580 |
| Total current liabilities | 547 921 | 212 037 | - | - | 561 675 | - | - | - | 212 037 |
| Total non current liabilities | 606 837 | 534 708 | - | - | 596 951 | - | - | - | 534 708 |
| Community wealth/Equity | 7 156 524 | 7 216 971 | - | - | 7 097 582 | - | - | - | 7 216 971 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 233 689 | 290 793 | - | (28 126) | 112 401 | 169 629 | 57 227 | 34% | 290 793 |
| Net cash from (used) investing | (219 406) | (251 778) | - | 7 709 | (79 318) | (146 871) | (67 553) | 46% | (251 778) |
| Net cash from (used) financing | (8 347) | (31 738) | - | (622) | (16 370) | (18 514) | (2 144) | 12% | (31 738) |
| Cash/cash equivalents at the month/year end | 50 508 | 47 288 | - | - | 67 222 | 44 256 | (22 966) | -52% | 57 783 |
| 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 | 113 906 | 45 884 | 27 288 | 21 464 | 20 742 | 118 236 | 770 951 | - | 1 118 470 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 129 922 | 1 330 | 95 | 41 848 | 35 | - | 1 | - | 173 232 |

2.1 Operating budget performance - revenue

2.1.1 The municipality generated a total revenue of R996 560 000 of the original budget of R1 650 366 000, representing 60 percent . The variance between the pro-rata revenue budget and the actual revenue accrued for the same period amounts to R4 693 000, representing an under-performance of 0.2 percent during the period under review. Although the aggregate performance on revenue generated shows under-performance of 0.2%, it is however necessary to explain reasons which attributed to such variance.

2.1.2 The municipality generated R1 909 000 more revenue from service charges than a pro-rata budget of R577 622 000 for the period under review. The main service charge contributor to the positive variance was electricity and sanitation collectively over- performed by R7 799 000 for period under review. Water and refuse have collectively under-performed by R5 891 000.

2.1.3 The municipality generated R267 000 (-10%) less revenue from interest on investments than a pro-rata budget of R2 684 000 for the period under review. Withdrawals from investments and the inability to keep adequate investment is attributed to the variance, This will be addressed through an adjustment budget.

2.1.4 As at the end of January 2018 the municipality generated R240.1million from operational transfers and grants, and R86.7 million from capital transfers and grants. These are in line with the payment schedule of the Division of Revenue Act.

2.1.5 The municipality generated R2 865 000 (-11%) less revenue from sundry revenue than a pro-rata budget of R25 423 000 for the period under review. This is due to less demand for these services. This will be addressed through an adjustment budget.

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 January 2018, the municipality incurred the total expenditure of R1 099 256 000 of the original budget of R1 732 082 000, which represents 63 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R88 875 000, representing over-expenditure of 9 percent. The attributors to over-expenditure and under-expenditure are discussed below.

2.2.1 Debt impairment and depreciated both reflected an over-expenditure. These are accounting items which are non-cash, and are required to reflect on capital charges that compensate for doubtful debtors and assets which deteriorate in value. It is important that the municipality appropriately budget and contribute in reserves for these items for the future costs of unpaid debtors or replacement of assets. The municipality incurred R36 438 000 (61%) less than the pro rata budget of R59 388 000 on debt impairment during the period under review. This variance is taken into consideration after accounting for the doubtful debts of Indigents and other consumers. Depreciation over-performed by R122 091 000 (84%), this variance is caused after taking into consideration the revaluation of assets and the finalisation of the AFS audit which impact the opening balances of the assets. These variances will be addressed through an adjustment budget.

2.2.2 The municipality incurred R1 590 000 (-12%) less on councillors remuneration than a pro-rata budget of R13 545 000. This variance is attributed to the provision of EXCO members which were budgeted as full time but not yet approved as such by MEC for COGTA.

2.2.3 The municipality spent R427 000 (-19%) less on materials than a pro-rata budget of R2 282 000. This is mainly due to the culture of cost containment which has been inculcated.

2.2.4 The municipality spent R6 117 000 (47%) more on contracted services than a pro-rata budget of R12 952 000. This over expenditure is due to the appointment of external security services. The over-expenditure was due to inadequate budgeting compared to the contracts already in place. This will be addressed through an adjustment budget in order to avoid unauthorised expenditure.

2.3 Capital budget performance

Table C5: Monthly budget statements – Capital Expenditure (municipal vote, standard classification and funding).

The table below reflects the municipality's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from National and Provincial departments:

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

| Vote Description | Ref | Budget Year 2017/18 | | | | | | | | |
|--|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 2016/17 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 | | - | - | - | 120 | 330 | - | 330 | #DIV/0! | - |
| Vote 2 - COMMUNITY SERVICES | | 7 323 | 17 705 | - | 23 | 2 477 | 10 328 | (7 850) | -76% | 17 705 |
| Vote 3 - BUDGET AND TREASURY | | 737 | 1 000 | - | - | - | 583 | (583) | -100% | 1 000 |
| Vote 4 - MUNICIPAL MANAGER | | 32 | 2 700 | - | - | - | 1 575 | (1 575) | -100% | 2 700 |
| Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS | | 49 224 | 55 795 | - | 345 | 17 494 | 32 547 | (15 053) | -46% | 55 795 |
| Vote 6 - TECHNICAL SERVICES | | 153 197 | 167 578 | - | 3 737 | 56 664 | 97 754 | (39 089) | -40% | 167 578 |
| Vote 7 - ELECTRICAL AND MECHANICAL SERVICES | | 8 893 | 9 000 | - | 123 | 351 | 5 250 | (4 899) | -93% | 9 000 |
| 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 | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Total Capital Expenditure | | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 770 | 3 700 | - | 120 | 330 | 2 158 | (1 828) | -85% | 3 700 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 738 | - | - | - | - | - | - | - | - |
| Internal audit | | 32 | 3 700 | - | 120 | 330 | 2 158 | (1 828) | -85% | 3 700 |
| Community and public safety | | 9 171 | 17 705 | - | 46 | 2 858 | 10 328 | (7 470) | -72% | 17 705 |
| Community and social services | | 4 715 | 17 705 | - | 23 | 2 479 | 10 328 | (7 849) | -76% | 17 705 |
| Sport and recreation | | 2 202 | - | - | - | - | - | - | - | - |
| Public safety | | 48 | - | - | - | - | - | - | - | - |
| Housing | | 2 206 | - | - | 23 | 379 | - | 379 | #DIV/0! | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 126 477 | 108 784 | - | 1 488 | 38 647 | 63 458 | (24 810) | -39% | 108 784 |
| Planning and development | | 56 022 | 55 795 | - | 322 | 17 115 | 32 547 | (15 432) | -47% | 55 795 |
| Road transport | | 70 455 | 52 989 | - | 1 167 | 21 533 | 30 910 | (9 378) | -30% | 52 989 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 82 988 | 123 589 | - | 2 694 | 37 483 | 72 094 | (34 610) | -48% | 123 589 |
| Energy sources | | 9 367 | 9 000 | - | 123 | 351 | 5 250 | (4 899) | -93% | 9 000 |
| Water management | | 73 262 | 112 489 | - | 2 571 | 37 132 | 65 619 | (28 487) | -43% | 112 489 |
| Waste water management | | 358 | 2 100 | - | - | - | 1 225 | (1 225) | -100% | 2 100 |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 219 406 | 253 778 | - | 4 347 | 79 319 | 148 037 | (68 718) | -46% | 253 778 |
| Funded by: | | | | | | | | | | |
| National Government | | 185 150 | 212 204 | - | 3 391 | 56 630 | 123 786 | (67 155) | -54% | 212 204 |
| Provincial Government | | 11 162 | 11 250 | - | 23 | 79 | 6 563 | (6 484) | -99% | 11 250 |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | 6 400 | - | 106 | 6 178 | 3 733 | 2 444 | 65% | 6 400 |
| Transfers recognised - capital | | 196 312 | 229 854 | - | 3 520 | 62 887 | 134 082 | (71 194) | -53% | 229 854 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 23 094 | 23 924 | - | 827 | 16 431 | 13 956 | 2 475 | 18% | 23 924 |
| Total Capital Funding | | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |

2.3.1 Capital expenditure for the seventh month of the financial year amounted to R79 318 000, which represents 31% of the approved capital budget of R253 778 000. It must be noted that the capital expenditure appears to have dropped by R10 million when compared with R87 million reported in December 2017. The reason for reduction is due to the invoices that were accrued by not yet paid for the purpose of producing Mid-year review and the Interim Financial Statements. In view of this reduction, a position has been adopted that only actual expenditure, excluding any accrued or unpaid invoices, will be reported in future.

Comparison between the pro rata budget of R148 037 000 and actual expenditure for the period reflects an under expenditure of (R68 720 000) which implies that the municipality spent 46 percent less than the budget for the same period. Departments are encouraged to spend more on grants to avoid the reversal of grants by National and Provincial Treasury. Note should be taken that during September could approved internal roll overs and the total capital budget is now sitting at R271 million but this will only be collaborated on schedule C after the approval of the adjustment budget.

2.4 Financial position

Table C6: Monthly budget statements – Financial Position

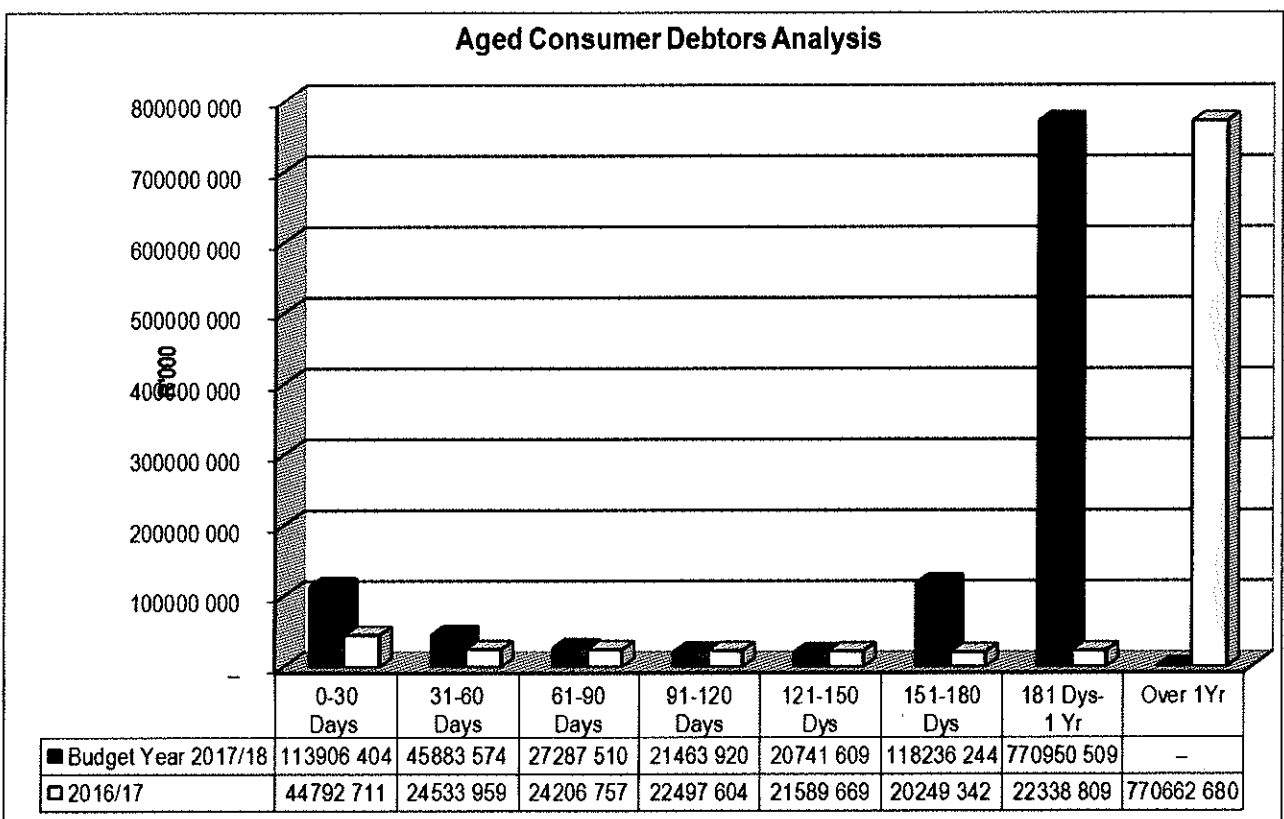
The table below reflects the performance to date in relation to the financial position of the municipality.

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M07 January

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | |
|--|-----|------------------|---------------------|-----------------|------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 20 722 | 15 187 | | 18 827 | 15 187 |
| Call investment deposits | | 29 785 | 32 101 | | 48 395 | 32 101 |
| Consumer debtors | | 452 627 | 225 034 | | 589 790 | 225 034 |
| Other debtors | | 54 128 | 31 166 | | 65 080 | 31 166 |
| Current portion of long-term receivables | | 6 | - | | 4 | - |
| Inventory | | 15 224 | 13 648 | | 14 126 | 13 648 |
| Total current assets | | 572 491 | 317 136 | - | 736 221 | 317 136 |
| Non current assets | | | | | | |
| Long-term receivables | | - | - | | - | - |
| Investments | | - | - | | - | - |
| Investment property | | 365 272 | 281 493 | | 365 272 | 281 493 |
| Investments in Associate | | 301 163 | 346 321 | | 301 163 | 346 321 |
| Property, plant and equipment | | 7 056 677 | 7 005 862 | | 6 839 126 | 7 005 862 |
| Agricultural | | - | - | | - | - |
| Biological assets | | - | - | | - | - |
| Intangible assets | | 8 687 | 6 877 | | 6 957 | 6 877 |
| Other non-current assets | | 6 991 | 6 025 | | 7 469 | 6 025 |
| Total non current assets | | 7 738 790 | 7 646 580 | - | 7 519 987 | 7 646 580 |
| TOTAL ASSETS | | 8 311 282 | 7 963 716 | - | 8 256 208 | 7 963 716 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | | - | - |
| Borrowing | | 32 171 | 32 002 | | 25 688 | 32 002 |
| Consumer deposits | | 14 334 | 13 478 | | 16 489 | 13 478 |
| Trade and other payables | | 495 200 | 160 101 | | 513 283 | 160 101 |
| Provisions | | 6 216 | 6 455 | | 6 216 | 6 455 |
| Total current liabilities | | 547 921 | 212 037 | - | 561 675 | 212 037 |
| Non current liabilities | | | | | | |
| Borrowing | | 447 450 | 397 125 | | 437 564 | 397 125 |
| Provisions | | 159 386 | 137 583 | | 159 386 | 137 583 |
| Total non current liabilities | | 606 837 | 534 708 | - | 596 951 | 534 708 |
| TOTAL LIABILITIES | | 1 154 758 | 746 745 | - | 1 158 626 | 746 745 |
| NET ASSETS | 2 | 7 156 524 | 7 216 971 | - | 7 097 582 | 7 216 971 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 7 130 923 | 7 188 422 | | 7 071 375 | 7 188 422 |
| Reserves | | 25 601 | 28 549 | | 26 207 | 28 549 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 7 156 524 | 7 216 971 | - | 7 097 582 | 7 216 971 |

2.4.1 As at end the seventh month of the financial year, the municipality seemed to be showing a favourable equity position, with a net effect of R7.1 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 ageing debtors as reflected in table SC3 and the graph below are R1.1billion as at the seventh month. The bulk of this amount (R931 392 000) is debt owing for more than 90 days, while R 819 433 000 of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent. While it is appreciated the intervention which was introduced by the Revenue Income Task Team which is mandated to devise strategies of dealing with the escalating debt and there by address or improve cash inflows, it is also recommended that the council also intervenes in this regard as the project of meter restrictors has been stalled.



2.4.3 Property Plant and Equipment (Assets) comprise of R6.8 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 As per AFS received from uThukela, the municipality has a share of 34%, representing an investment in associate of R301million. This also cannot be converted into cash instantly, however its represents the value of the interest of the municipality within the entity.

2.4.5 The municipality closed with a balance of cash and cash equivalent of R67.2 million as at the end of the seventh month of the financial year. The balance comprise of call investments of R48.4 million and the cash of R18.8 million, however it must be noted that included on the investment

is the housing development fund of R25 million which belong to KZN Department of Human Settlements. Looking at the cash position as mentioned above the municipality is currently not in the position to cover it short-term obligations.

2.5 Cash flow analysis

Table C7: Monthly budget statements – Cash Flow

The municipality's cash flow position and cash/cash equivalent outcome is shown on the table below:

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M07 January

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----|------------------|---------------------|-----------------|-----------------|-----------------|------------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 232 286 | 212 408 | | 16 650 | 113 224 | 106 204 | 7 020 | 7% | 212 408 |
| Service charges | | 832 111 | 845 575 | | 105 324 | 469 622 | 422 788 | 46 835 | 11% | 845 575 |
| Other revenue | | 12 805 | 27 367 | | 4 979 | 26 604 | 13 684 | 12 920 | 94% | 27 367 |
| Government - operating | | 317 832 | 339 640 | | - | 237 418 | 169 820 | 67 598 | 40% | 339 640 |
| Government - capital | | 218 965 | 240 492 | | 13 502 | 127 980 | 120 246 | 7 734 | 6% | 240 492 |
| Interest | | 14 835 | 8 373 | | 1 511 | 9 696 | 4 186 | 5 510 | 132% | 8 373 |
| Dividends | | | | | | | | - | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (1 329 362) | (1 335 927) | | (146 077) | (843 943) | (667 964) | 175 979 | -26% | (1 335 927) |
| Finance charges | | (65 784) | (47 135) | | (24 014) | (28 200) | (23 568) | 4 632 | -20% | (47 135) |
| Transfers and Grants | | | | | - | - | - | - | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 233 689 | 290 793 | - | (28 126) | 112 401 | 145 396 | 32 995 | 23% | 290 793 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | | 2 000 | | | | 1 000 | (1 000) | -100% | 2 000 |
| Decrease (increase) in non-current debtors | | - | - | | | | - | - | | - |
| Decrease (increase) other non-current receivables | | - | - | | | | - | - | | - |
| Decrease (increase) in non-current investments | | - | - | | | | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (219 406) | (253 778) | | 7 709 | (79 318) | (126 889) | (47 572) | 37% | (253 778) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (219 406) | (251 778) | - | 7 709 | (79 318) | (125 889) | (46 572) | 37% | (251 778) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | | | | - | - | | - |
| Borrowing long term/refinancing | | - | - | | | | - | - | | - |
| Increase (decrease) in consumer deposits | | | 264 | | | | 132 | (132) | -100% | 264 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (8 347) | (32 002) | | (622) | (16 370) | (16 001) | 368 | -2% | (32 002) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (8 347) | (31 738) | - | (622) | (16 370) | (15 869) | 500 | -3% | (31 738) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 5 935 | 7 276 | - | (21 040) | 16 714 | 3 638 | | | 7 276 |
| Cash/cash equivalents at beginning: | | 44 573 | 40 012 | | | 50 508 | 40 012 | | | 50 508 |
| Cash/cash equivalents at month/year end: | | 50 508 | 47 288 | | | 67 222 | 43 650 | | | 57 783 |

2.5.1 The municipality opened with a cash and cash equivalent balance of R50.5 million at the beginning of the financial year and closed with a balance of R67.2 million as at the end of January 2018, which represents a cash increase of R16.7 million.

2.5.2 Cash flows from operating activities yielded a net cash inflow of R112.4 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.

As per SC6 on the statement of transfers and grants as well as C7 the Cash Flow statement the municipality has received R370.1million, R242.9 million for operational grants and R127.9 million for capital grants. This is in line with the payment schedule of DORA allocation as issued by National Treasury as well as other grants not legislated by DORA.

2.5.3 Cash flows from investing activities recorded a cash outflow of R79.3million. This was the actual cash used by the municipality to implement its capital budget over the past seven months.

2.5.4 Cash flows from financing activities recorded a cash outflow of R16.4 million. This relates to the cash paid by the municipality to repay a portion of its long term loan.

CONCLUSION

Cooperation within management and structures in council is required in order to curb expenditure on the budget throughout the course of the year. 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 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

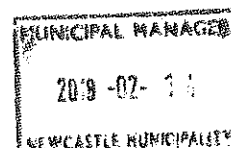
- (a) that S71 for the month ended 31 January be noted;
- (b) that council reconsider resuscitating water restrictor programme as a means to improve cash in-flows

Report prepared by : _____

Report seen by:


ME NKOSI
PORTFOLIO COUNCILLOR
BUDGET AND TREASURY OFFICE


BE HLONGWE
STRATEGIC EXECUTIVE DIRECTOR:
BUDGET AND TREASURY OFFICE



KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M07 January

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|-----------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| | 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 | 232 286 | 266 182 | - | 20 305 | 151 803 | 155 273 | (3 470) | -2% | 266 182 |
| Service charges | 948 273 | 990 210 | - | 71 254 | 579 531 | 577 622 | 1 909 | 0% | 990 210 |
| Investment revenue | 4 505 | 4 601 | - | 418 | 2 417 | 2 684 | (267) | -10% | 4 601 |
| Transfers and subsidies | 527 822 | 345 790 | - | 29 666 | 240 341 | 240 341 | - | | 345 790 |
| Other own revenue | 37 579 | 43 583 | - | 3 947 | 22 558 | 25 423 | (2 865) | -11% | 43 583 |
| Total Revenue (excluding capital transfers and contributions) | 1 750 466 | 1 650 366 | - | 125 589 | 996 650 | 1 001 343 | (4 693) | -0% | 1 650 366 |
| Employee costs | 495 757 | 514 737 | - | 50 094 | 310 213 | 300 264 | 9 949 | 3% | 514 737 |
| Remuneration of Councillors | 20 389 | 23 219 | - | 1 563 | 11 954 | 13 545 | (1 590) | -12% | 23 219 |
| Depreciation & asset impairment | 472 110 | 247 895 | - | 39 311 | 266 696 | 144 605 | 122 091 | 84% | 247 895 |
| Finance charges | 65 784 | 47 135 | - | 4 120 | 28 200 | 27 496 | 704 | 3% | 47 135 |
| Materials and bulk purchases | 560 778 | 583 298 | - | 75 989 | 314 027 | 340 257 | (26 230) | -8% | 583 298 |
| Transfers and subsidies | - | - | - | - | - | - | - | | - |
| Other expenditure | 388 709 | 315 797 | - | 17 957 | 168 165 | 184 215 | (16 050) | -9% | 315 797 |
| Total Expenditure | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 381 | 88 875 | 9% | 1 732 082 |
| plus/(Deficit) | (253 062) | (81 716) | - | (63 446) | (102 606) | (9 037) | (93 569) | 1035% | (81 716) |
| Transfers and subsidies - capital (monetary allocations) | - | 229 854 | - | - | 86 758 | 86 758 | - | | 229 854 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after capital transfers & contributions | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |
| Share of surplus/ (deficit) of associate | (41 220) | - | - | - | - | - | - | | - |
| Surplus/ (Deficit) for the year | (294 282) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Capital transfers recognised | 196 312 | 229 854 | - | 3 520 | 62 887 | 134 082 | (71 194) | -53% | 229 854 |
| Public contributions & donations | - | - | - | - | - | - | - | | - |
| Borrowing | - | - | - | - | - | - | - | | - |
| Internally generated funds | 23 094 | 23 924 | - | 827 | 16 431 | 13 956 | 2 475 | 18% | 23 924 |
| Total sources of capital funds | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Financial position | | | | | | | | | |
| Total current assets | 572 491 | 317 136 | - | - | 736 221 | - | - | | 317 136 |
| Total non current assets | 7 738 790 | 7 646 580 | - | - | 7 519 987 | - | - | | 7 646 580 |
| Total current liabilities | 547 921 | 212 037 | - | - | 561 675 | - | - | | 212 037 |
| Total non current liabilities | 606 837 | 534 708 | - | - | 596 951 | - | - | | 534 708 |
| Community wealth/Equity | 7 156 524 | 7 216 971 | - | - | 7 097 582 | - | - | - | 7 216 971 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 233 689 | 290 793 | - | (28 126) | 112 401 | 169 629 | 57 227 | 34% | 290 793 |
| Net cash from (used) investing | (219 406) | (251 778) | - | 7 709 | (79 318) | (146 871) | (67 553) | 46% | (251 778) |
| Net cash from (used) financing | (8 347) | (31 738) | - | (622) | (16 370) | (18 514) | (2 144) | 12% | (31 738) |
| Cash/cash equivalents at the month/year end | 50 508 | 47 288 | - | - | 67 222 | 44 256 | (22 966) | -52% | 57 783 |
| 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 | 113 906 | 45 884 | 27 288 | 21 464 | 20 742 | 118 236 | 770 951 | - | 1 118 470 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 129 922 | 1 330 | 95 | 41 848 | 35 | - | 1 | - | 173 232 |

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

| Description | Ref | 2016/17 | | Budget Year 2017/18 | | | | | | |
|--|----------|------------------|------------------|---------------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| Governance and administration | | 363 804 | 375 191 | - | 23 005 | 224 829 | 218 862 | 5 967 | 3% | 375 191 |
| Executive and council | | 8 514 | 8 151 | - | 705 | 5 676 | 4 755 | 921 | 19% | 8 151 |
| Finance and administration | | 355 290 | 367 040 | - | 22 300 | 219 153 | 214 107 | 5 046 | 2% | 367 040 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 21 005 | 23 116 | - | 1 533 | 14 370 | 13 484 | 885 | 7% | 23 116 |
| Community and social services | | 8 865 | 4 297 | - | 198 | 6 365 | 2 507 | 3 858 | 154% | 4 297 |
| Sport and recreation | | 501 | 652 | - | 219 | 448 | 381 | 67 | 18% | 652 |
| Public safety | | 3 588 | 5 136 | - | 767 | 3 635 | 2 996 | 639 | 21% | 5 136 |
| Housing | | 7 991 | 12 968 | - | 342 | 3 890 | 7 564 | (3 675) | -49% | 12 968 |
| Health | | 61 | 63 | - | 7 | 32 | 37 | (5) | -14% | 63 |
| Economic and environmental services | | 90 023 | 249 523 | - | 8 211 | 29 799 | 136 861 | (107 062) | -78% | 249 523 |
| Planning and development | | 35 070 | 1 236 | - | 1 216 | 15 631 | 721 | 14 910 | 2067% | 1 236 |
| Road transport | | 54 953 | 248 286 | - | 6 995 | 14 168 | 136 140 | (121 972) | -90% | 248 286 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 1 275 500 | 1 232 242 | - | 92 829 | 814 335 | 718 808 | 95 527 | 13% | 1 232 242 |
| Energy sources | | 679 610 | 750 879 | - | 45 974 | 454 504 | 438 013 | 16 492 | 4% | 750 879 |
| Water management | | 298 736 | 215 506 | - | 34 312 | 188 013 | 125 712 | 62 302 | 50% | 215 506 |
| Waste water management | | 184 598 | 171 271 | - | 7 323 | 116 993 | 99 908 | 17 084 | 17% | 171 271 |
| Waste management | | 112 557 | 94 586 | - | 5 219 | 54 825 | 55 175 | (351) | -1% | 94 586 |
| Other | 4 | 134 | 147 | - | 11 | 75 | 86 | (11) | -12% | 147 |
| Total Revenue - Functional | 2 | 1 750 466 | 1 880 220 | - | 125 589 | 1 083 408 | 1 088 101 | (4 693) | 0% | 1 880 220 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 420 546 | 300 787 | - | 45 645 | 181 933 | 175 459 | 6 473 | 4% | 300 787 |
| Executive and council | | 161 811 | 76 446 | - | 5 092 | 46 842 | 44 594 | 2 248 | 5% | 76 446 |
| Finance and administration | | 258 735 | 224 341 | - | 40 552 | 135 091 | 130 866 | 4 226 | 3% | 224 341 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 241 346 | 213 542 | - | 17 725 | 126 137 | 124 566 | 1 571 | 1% | 211 862 |
| Community and social services | | 89 993 | 63 712 | - | 4 601 | 36 935 | 37 165 | (230) | -1% | 63 712 |
| Sport and recreation | | 60 663 | 59 424 | - | 5 917 | 34 688 | 34 664 | 24 | 0% | 59 424 |
| Public safety | | 63 060 | 63 377 | - | 5 057 | 40 346 | 36 970 | 3 377 | 9% | 61 697 |
| Housing | | 23 562 | 23 144 | - | 1 822 | 12 006 | 13 501 | (1 495) | -11% | 23 144 |
| Health | | 4 068 | 3 886 | - | 328 | 2 161 | 2 267 | (105) | -5% | 3 886 |
| Economic and environmental services | | 491 357 | 334 193 | - | 36 778 | 300 843 | 194 946 | 105 897 | 54% | 334 193 |
| Planning and development | | 23 043 | 26 057 | - | 1 905 | 13 172 | 15 200 | (2 028) | -13% | 26 057 |
| Road transport | | 468 225 | 308 009 | - | 34 872 | 287 671 | 179 672 | 107 999 | 60% | 308 009 |
| Environmental protection | | 89 | 127 | - | - | - | 74 | (74) | -100% | 127 |
| Trading services | | 850 115 | 883 240 | - | 88 883 | 490 303 | 515 223 | (24 920) | -5% | 884 920 |
| Energy sources | | 493 825 | 531 397 | - | 60 989 | 300 496 | 309 982 | (9 486) | -3% | 533 077 |
| Water management | | 229 329 | 277 556 | - | 22 040 | 127 097 | 161 908 | (34 811) | -22% | 277 556 |
| Waste water management | | 33 008 | 4 289 | - | 388 | 4 061 | 2 502 | 1 559 | 62% | 4 289 |
| Waste management | | 93 953 | 69 997 | - | 5 466 | 58 649 | 40 832 | 17 817 | 44% | 69 997 |
| Other | | 164 | 320 | - | 5 | 42 | 187 | (145) | -78% | 320 |
| Total Expenditure - Functional | 3 | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 381 | 88 875 | 9% | 1 732 082 |
| Surplus/ (Deficit) for the year | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |

KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

| Vote Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|----------|------------------|---------------------|-----------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| | | 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 | 63 342 | 63 305 | - | 751 | 47 085 | 36 928 | 10 157 | 27,5% | 63 305 |
| Vote 2 - COMMUNITY SERVICES | | 126 512 | 107 288 | - | 6 468 | 65 964 | 62 585 | 3 379 | 5,4% | 107 288 |
| Vote 3 - BUDGET AND TREASURY | | 300 462 | 311 886 | - | 22 254 | 177 743 | 181 934 | (4 190) | -2,3% | 311 886 |
| Vote 4 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT | | 43 195 | 14 351 | - | 1 569 | 19 596 | 8 372 | 11 225 | 134,1% | 14 351 |
| Vote 6 - TECHNICAL SERVICES | | 537 346 | 632 510 | - | 48 573 | 318 514 | 360 270 | (41 756) | -11,6% | 632 510 |
| Vote 7 - ELECTRICAL AND MECHANICAL SERVICES | | 679 610 | 750 879 | - | 45 974 | 454 504 | 438 013 | 16 492 | 3,8% | 750 879 |
| 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 | 1 750 466 | 1 880 220 | - | 125 589 | 1 083 408 | 1 088 101 | (4 693) | -0,4% | 1 880 220 |
| Expenditure by Vote | | | | | | | | | | |
| Vote 1 - CORPORATE SERVICES | 1 | 136 869 | 69 300 | - | 4 750 | 38 689 | 40 425 | (1 736) | -4,3% | 69 300 |
| Vote 2 - COMMUNITY SERVICES | | 306 461 | 260 559 | - | 24 004 | 175 780 | 151 993 | 23 787 | 15,7% | 260 559 |
| Vote 3 - BUDGET AND TREASURY | | 198 546 | 164 891 | - | 18 855 | 120 699 | 96 186 | 24 513 | 25,5% | 164 891 |
| Vote 4 - MUNICIPAL MANAGER | | 76 542 | 60 251 | - | 4 924 | 35 332 | 35 147 | 186 | 0,5% | 60 251 |
| Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT | | 48 644 | 49 521 | - | 4 355 | 30 009 | 28 887 | 1 122 | 3,9% | 49 521 |
| Vote 6 - TECHNICAL SERVICES | | 720 185 | 593 483 | - | 65 758 | 418 739 | 346 198 | 72 541 | 21,0% | 593 483 |
| Vote 7 - ELECTRICAL AND MECHANICAL SERVICES | | 516 280 | 534 077 | - | 66 389 | 280 008 | 311 545 | (31 537) | -10,1% | 534 077 |
| 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 | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 361 | 88 875 | 8,8% | 1 732 082 |
| Surplus/ (Deficit) for the year | 2 | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120,4% | 148 138 |

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----|------------------|---------------------|-----------------|-----------------|------------------|------------------|----------------|----------------|--------------------|
| | | 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 | | 232 286 | 266 182 | | 20 305 | 151 803 | 155 273 | (3 470) | -2% | 266 182 |
| Service charges - electricity revenue | | 675 673 | 690 521 | | 45 974 | 407 703 | 402 804 | 4 898 | 1% | 690 521 |
| Service charges - water revenue | | 135 672 | 151 001 | | 12 746 | 87 728 | 88 084 | (356) | 0% | 151 001 |
| Service charges - sanitation revenue | | 80 093 | 85 212 | | 7 322 | 52 609 | 49 707 | 2 901 | 6% | 85 212 |
| Service charges - refuse revenue | | 56 836 | 63 475 | | 5 212 | 31 492 | 37 027 | (5 535) | -15% | 63 475 |
| Service charges - other | | - | - | | - | - | - | - | - | - |
| Rental of facilities and equipment | | 7 278 | 8 059 | | 663 | 4 569 | 4 701 | (132) | -3% | 8 059 |
| Interest earned - external investments | | 4 505 | 4 601 | | 418 | 2 417 | 2 684 | (267) | -10% | 4 601 |
| Interest earned - outstanding debtors | | 10 330 | 12 573 | | 1 201 | 7 279 | 7 334 | (55) | -1% | 12 573 |
| Dividends received | | - | - | | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 3 606 | 5 203 | | 780 | 3 704 | 3 035 | 669 | 22% | 5 203 |
| Licences and permits | | 12 | 12 | | 1 | 6 | 7 | (1) | -11% | 12 |
| Agency services | | - | - | | - | - | - | - | - | - |
| Transfers and subsidies | | 527 822 | 345 790 | | 29 666 | 240 341 | 240 341 | - | - | 345 790 |
| Other revenue | | 16 353 | 17 735 | | 1 301 | 6 999 | 10 346 | (3 346) | -32% | 17 735 |
| Gains on disposal of PPE | | - | - | | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 1 750 466 | 1 650 366 | - | 125 589 | 996 650 | 1 001 343 | (4 693) | 0% | 1 650 366 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 495 757 | 514 737 | | 50 094 | 310 213 | 300 264 | 9 949 | 3% | 514 737 |
| Remuneration of councillors | | 20 389 | 23 219 | | 1 563 | 11 954 | 13 545 | (1 590) | -12% | 23 219 |
| Debt impairment | | 100 304 | 101 807 | | 750 | 22 950 | 59 388 | (36 438) | -61% | 101 807 |
| Depreciation & asset impairment | | 472 110 | 247 895 | | 39 311 | 266 696 | 144 605 | 122 091 | 84% | 247 895 |
| Finance charges | | 65 784 | 47 135 | | 4 120 | 28 200 | 27 496 | 704 | 3% | 47 135 |
| Bulk purchases | | 558 946 | 579 385 | | 75 692 | 312 172 | 337 975 | (25 803) | -8% | 579 385 |
| Other materials | | 1 832 | 3 913 | | 297 | 1 856 | 2 282 | (427) | -19% | 3 913 |
| Contracted services | | 61 246 | 22 203 | | 99 | 19 069 | 12 952 | 6 117 | 47% | 22 203 |
| Transfers and subsidies | | - | - | | - | - | - | - | - | - |
| Other expenditure | | 227 160 | 191 787 | | 17 108 | 126 147 | 111 876 | 14 271 | 13% | 191 787 |
| Loss on disposal of PPE | | - | - | | - | - | - | - | - | - |
| Total Expenditure | | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 381 | 88 875 | 9% | 1 732 082 |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | (253 062) | (81 716) | - | (63 446) | (102 606) | (9 037) | (93 569) | 0 | (81 716) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | 229 854 | - | - | 86 758 | 86 758 | - | - | 229 854 |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | | | 148 138 |
| Taxation | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | | | 148 138 |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | | | 148 138 |
| Share of surplus/ (deficit) of associate | | (41 220) | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | (294 282) | 148 138 | - | (63 446) | (15 848) | 77 720 | | | 148 138 |

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

| Vote Description | Ref | 2016/17 | | Budget Year 2017/18 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | 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 | | - | - | - | 120 | 330 | - | 330 | #DIV/0! | - |
| Vote 2 - COMMUNITY SERVICES | | 7 323 | 17 705 | - | 23 | 2 477 | 10 328 | (7 850) | -76% | 17 705 |
| Vote 3 - BUDGET AND TREASURY | | 737 | 1 000 | - | - | - | 583 | (583) | -100% | 1 000 |
| Vote 4 - MUNICIPAL MANAGER | | 32 | 2 700 | - | - | - | 1 575 | (1 575) | -100% | 2 700 |
| Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS | | 49 224 | 55 795 | - | 345 | 17 494 | 32 547 | (15 053) | -46% | 55 795 |
| Vote 6 - TECHNICAL SERVICES | | 153 197 | 167 578 | - | 3 737 | 58 664 | 97 754 | (38 089) | -40% | 167 578 |
| Vote 7 - ELECTRICAL AND MECHANICAL SERVICES | | 8 893 | 9 000 | - | 123 | 351 | 5 250 | (4 899) | -83% | 9 000 |
| 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 | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Total Capital Expenditure | | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| <i>Governance and administration</i> | | 770 | 3 700 | - | 120 | 330 | 2 158 | (1 828) | -85% | 3 700 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 738 | - | - | - | - | - | - | - | - |
| Internal audit | | 32 | 3 700 | - | 120 | 330 | 2 158 | (1 828) | -85% | 3 700 |
| <i>Community and public safety</i> | | 9 171 | 17 705 | - | 46 | 2 858 | 10 328 | (7 470) | -72% | 17 705 |
| Community and social services | | 4 715 | 17 705 | - | 23 | 2 479 | 10 328 | (7 849) | -76% | 17 705 |
| Sport and recreation | | 2 202 | - | - | - | - | - | - | - | - |
| Public safety | | 48 | - | - | - | - | - | - | - | - |
| Housing | | 2 206 | - | - | 23 | 379 | - | 379 | #DIV/0! | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 126 477 | 108 784 | - | 1 488 | 38 647 | 63 458 | (24 810) | -39% | 108 784 |
| Planning and development | | 56 022 | 55 795 | - | 322 | 17 115 | 32 547 | (15 432) | -47% | 55 795 |
| Road transport | | 70 455 | 52 989 | - | 1 167 | 21 533 | 30 910 | (9 378) | -30% | 52 989 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 82 988 | 123 589 | - | 2 694 | 37 483 | 72 094 | (34 610) | -48% | 123 589 |
| Energy sources | | 9 367 | 9 000 | - | 123 | 351 | 5 250 | (4 899) | -93% | 9 000 |
| Water management | | 73 262 | 112 489 | - | 2 571 | 37 132 | 65 819 | (28 487) | -43% | 112 489 |
| Waste water management | | 358 | 2 100 | - | - | - | 1 225 | (1 225) | -100% | 2 100 |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 219 406 | 253 778 | - | 4 347 | 79 319 | 148 037 | (68 718) | -46% | 253 778 |
| Funded by: | | | | | | | | | | |
| National Government | | 185 150 | 212 204 | - | 3 391 | 56 630 | 123 786 | (67 155) | -54% | 212 204 |
| Provincial Government | | 11 182 | 11 250 | - | 23 | 79 | 6 563 | (6 484) | -99% | 11 250 |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | 6 400 | - | 106 | 6 178 | 3 733 | 2 444 | 65% | 6 400 |
| Transfers recognised - capital | | 196 312 | 229 854 | - | 3 520 | 62 887 | 134 082 | (71 194) | -53% | 229 854 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 23 094 | 23 924 | - | 827 | 16 431 | 13 956 | 2 475 | 18% | 23 924 |
| Total Capital Funding | | 219 406 | 253 778 | - | 4 347 | 79 318 | 148 037 | (68 720) | -46% | 253 778 |

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 functional 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 - M07 January

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | |
|--|-----|------------------|---------------------|-----------------|------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 20 722 | 15 187 | | 18 827 | 15 187 |
| Call investment deposits | | 29 785 | 32 101 | | 48 395 | 32 101 |
| Consumer debtors | | 452 627 | 225 034 | | 589 790 | 225 034 |
| Other debtors | | 54 128 | 31 166 | | 65 080 | 31 166 |
| Current portion of long-term receivables | | 6 | - | | 4 | - |
| Inventory | | 15 224 | 13 648 | | 14 126 | 13 648 |
| Total current assets | | 572 491 | 317 136 | - | 736 221 | 317 136 |
| Non current assets | | | | | | |
| Long-term receivables | | - | - | | - | - |
| Investments | | - | - | | - | - |
| Investment property | | 365 272 | 281 493 | | 365 272 | 281 493 |
| Investments in Associate | | 301 163 | 346 321 | | 301 163 | 346 321 |
| Property, plant and equipment | | 7 056 677 | 7 005 862 | | 6 839 126 | 7 005 862 |
| Agricultural | | - | - | | - | - |
| Biological assets | | - | - | | - | - |
| Intangible assets | | 8 687 | 6 877 | | 6 957 | 6 877 |
| Other non-current assets | | 6 991 | 6 025 | | 7 469 | 6 025 |
| Total non current assets | | 7 738 790 | 7 646 580 | - | 7 519 987 | 7 646 580 |
| TOTAL ASSETS | | 8 311 282 | 7 963 716 | - | 8 256 208 | 7 963 716 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | | - | - |
| Borrowing | | 32 171 | 32 002 | | 25 688 | 32 002 |
| Consumer deposits | | 14 334 | 13 478 | | 16 489 | 13 478 |
| Trade and other payables | | 495 200 | 160 101 | | 513 283 | 160 101 |
| Provisions | | 6 216 | 6 455 | | 6 216 | 6 455 |
| Total current liabilities | | 547 921 | 212 037 | - | 561 675 | 212 037 |
| Non current liabilities | | | | | | |
| Borrowing | | 447 450 | 397 125 | | 437 564 | 397 125 |
| Provisions | | 159 386 | 137 583 | | 159 386 | 137 583 |
| Total non current liabilities | | 606 837 | 534 708 | - | 596 951 | 534 708 |
| TOTAL LIABILITIES | | 1 154 758 | 746 745 | - | 1 158 626 | 746 745 |
| NET ASSETS | 2 | 7 156 524 | 7 216 971 | - | 7 097 582 | 7 216 971 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 7 130 923 | 7 188 422 | | 7 071 375 | 7 188 422 |
| Reserves | | 25 601 | 28 549 | | 26 207 | 28 549 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 7 156 524 | 7 216 971 | - | 7 097 582 | 7 216 971 |

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M07 January

| Description | Ref | Budget Year 2017/18 | | | | | | | | |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 2016/17 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 232 286 | 212 408 | | 16 650 | 113 224 | 123 904 | (10 680) | -9% | 212 408 |
| Service charges | | 832 111 | 845 575 | | 105 324 | 469 622 | 493 252 | (23 630) | -5% | 845 575 |
| Other revenue | | 12 805 | 27 367 | | 4 979 | 26 604 | 15 964 | 10 640 | 67% | 27 367 |
| Government - operating | | 317 832 | 339 640 | | - | 237 418 | 198 123 | 39 295 | 20% | 339 640 |
| Government - capital | | 218 965 | 240 492 | | 13 502 | 127 980 | 140 287 | (12 307) | -9% | 240 492 |
| Interest | | 14 835 | 8 373 | | 1 511 | 9 696 | 4 884 | 4 812 | 99% | 8 373 |
| Dividends | | | | | | | | - | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (1 329 362) | (1 335 927) | | (146 077) | (843 943) | (779 291) | 64 652 | -8% | (1 335 927) |
| Finance charges | | (65 784) | (47 135) | | (24 014) | (28 200) | (27 496) | 704 | -3% | (47 135) |
| Transfers and Grants | | | | | - | - | - | - | | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 233 689 | 290 793 | - | (28 126) | 112 401 | 169 629 | 57 227 | 34% | 290 793 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | | 2 000 | | | | 1 167 | (1 167) | -100% | 2 000 |
| Decrease (Increase) in non-current debtors | | - | - | | | | - | - | | - |
| Decrease (increase) other non-current receivables | | - | - | | | | - | - | | - |
| Decrease (increase) in non-current investments | | - | - | | | | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (219 406) | (253 778) | | 7 709 | (79 318) | (148 037) | (68 720) | 46% | (253 778) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (219 406) | (251 778) | - | 7 709 | (79 318) | (146 871) | (67 553) | 46% | (251 778) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | | | | - | - | | - |
| Borrowing long term/refinancing | | - | - | | | | - | - | | - |
| Increase (decrease) in consumer deposits | | | 264 | | | | 154 | (154) | -100% | 264 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (8 347) | (32 002) | | (622) | (16 370) | (18 668) | (2 298) | 12% | (32 002) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | (8 347) | (31 738) | - | (622) | (16 370) | (18 514) | (2 144) | 12% | (31 738) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 5 935 | 7 276 | - | (21 040) | 16 714 | 4 244 | | | 7 276 |
| Cash/cash equivalents at beginning: | | 44 573 | 40 012 | | | 50 508 | 40 012 | | | 50 508 |
| Cash/cash equivalents at month/year end: | | 50 508 | 47 288 | | | 67 222 | 44 256 | | | 57 783 |

KZN252 Newcastle - Supporting Table SC1 Material variance explanations - M07 January

| Ref | Description | Variance | Reasons for material deviations | Remedial or corrective steps/remarks |
|-----|---|----------|--|--|
| | R thousands | | | |
| 1 | Revenue By Source | | | |
| | Fines, penalties and forfeits | 22% | Strict law enforcement, | adjustment budget |
| | Services Charges:Refuse | -15% | Over-budgeting during the annual budget process due to lack of adequate statistical information | adjustment budget |
| | Interest earned - External Investments | -10% | Withdrawal of investments during the financial year due to financial constraints | adjustment budget |
| | Other Revenue | -32% | Other revenue is dependent on levels of consumption and therefore fluctuates every month. | adjustment budget |
| | Licences and permits | -11% | Licences are dependant on the publics reaction,it fluctuates every month. | adjustment budget |
| 2 | Expenditure By Type | | | |
| | Debt Impairment | -61% | Additional provision accounted for as a result of indigent cleaning process | adjustment budget |
| | Remuneration of Councillors | -12% | Time lag in the implementation of upper limits and the fact the members of EXCO were budgeted as full-time | adjustment budget |
| | Other Material | -19% | Consolidation of departments in the tower block has reduced expenditure | adjustment budget |
| | Depreciation | 84% | Under-budget based on MFMA Circular 57 relating to revaluation of assets | adjustment budget |
| | Other Expenditure | 13% | The budget allocation for most of these items were reduced drastically in implementation on cost containment | adjustment budget |
| | Contracted Services | 47% | Security charges and finance consultants fees escalated contracted services due delays in amending contracts | adjustment budget |
| 3 | Capital Expenditure | | | |
| | Grant funded projects | -53% | Delays in the SCM process, particularly on appointment consultants, incapacity of contractors | Fast track SCM processes and management of contractors |
| | Internally funded projects | 16% | Most of projects rolled over from 2016/17, with no need for new SCM processes | None |
| | Repairs and maintenance | 43% | Under-budgeting due to cash-flow challenges | None |
| 4 | Financial Position | | | |
| | Property Plant and Equipment | | Slow capital expenditure and depreciaion | adjustment budget |
| | Investment property | | Revaluation, which was finalised after financial budget was approved | adjustment budget |
| | Investment in Associates | | Decrease in Net Asset Value of the Entity, which was confirmed after annual budget was approved | adjustment budget |
| | Consumer Debtors | | Change in bad debt provision due to cleaning up of debtors and indigent books | adjustment budget |
| | Trade and other payables | | Error during annual budgeting | adjustment budget |
| | Cash Flow | | | |
| | Net Cash from Operating Activities | 16% | Equitable Share and other grants bulk of it received early in the financial year | adjustment budget |
| | Net Cash Used from Investing Activities | 31% | Slow capital expenditure | adjustment budget |
| | Net Cash Used from Financial Activities | 1% | Based on amortisation schedules | None |
| 6 | Measureable performance | | | |
| 7 | Municipal Entities | | | |

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January

| Description of financial indicator | Basis of calculation | Ref | 2016/17 | Budget Year 2017/18 | | | |
|---|---|-----|-----------------|---------------------|-----------------|---------------|--------------------|
| | | | 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 | | 2,9% | 17,0% | 0,0% | 2,6% | 4,1% |
| Borrowed funding of 'own' capital expenditure | Borrowings/Capital expenditure excl. transfers and grants | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| <u>Safety of Capital</u> | | | | | | | |
| Debt to Equity | Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves | | 13,6% | 8,2% | 0,0% | 13,8% | 8,2% |
| Gearing | Long Term Borrowing/ Funds & Reserves | | 1747,8% | 1391,1% | 0,0% | 1669,6% | 1391,1% |
| <u>Liquidity</u> | | | | | | | |
| Current Ratio | Current assets/current liabilities | 1 | 104,5% | 149,6% | 0,0% | 131,1% | 149,6% |
| Liquidity Ratio | Monetary Assets/Current Liabilities | | 9,2% | 22,3% | 0,0% | 12,0% | 22,3% |
| <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 | | 29,0% | 15,5% | 0,0% | 65,7% | 15,5% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| <u>Debtors 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 | 3,5% | | | | |
| Water Distribution Losses | % Volume (units purchased and own source less units sold)/Total units purchased and own source | 2 | 44,0% | | | | |
| Employee costs | Employee costs/Total Revenue - capital revenue | | 28,3% | 31,2% | 0,0% | 31,1% | 31,2% |
| 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 | | 30,7% | 17,9% | 0,0% | 2,8% | 4,3% |
| <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 - M07 January

| Description | NT Code | Budget Year 2017/18 | | | | | | | | Total | Over 1Yr | 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 | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 20 212 | 7 464 | 6 738 | 6 173 | 6 350 | 35 081 | 185 278 | - | 267 296 | 232 882 | - | - |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 51 955 | 18 007 | 2 282 | 683 | 520 | 2 047 | 9 427 | - | 84 930 | 12 687 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 25 761 | 6 775 | 6 197 | 4 652 | 4 618 | 28 889 | 126 711 | - | 203 602 | 164 870 | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 11 378 | 4 758 | 4 439 | 4 357 | 4 244 | 24 050 | 153 309 | - | 206 535 | 185 961 | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 6 682 | 2 237 | 2 024 | 1 969 | 1 860 | 10 088 | 64 848 | - | 89 708 | 78 765 | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 462 | 108 | 97 | 108 | 94 | 486 | 1 838 | - | 3 194 | 2 527 | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 2 180 | 1 144 | 1 026 | 1 229 | 952 | 5 325 | 42 420 | - | 54 275 | 49 926 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | (4 723) | 5 382 | 4 486 | 2 283 | 2 103 | 12 269 | 187 119 | - | 208 929 | 203 774 | - | - |
| Total By Income Source | 2000 | 113 906 | 45 884 | 27 288 | 21 464 | 20 742 | 118 236 | 770 951 | - | 1 118 470 | 931 392 | - | - |
| 2016/17 - totals only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | (1 947) | 646 | 2 407 | 778 | 620 | 6 327 | 29 116 | - | 37 946 | 36 841 | - | - |
| Commercial | 2300 | 59 659 | 23 007 | 5 078 | 1 975 | 1 690 | 9 586 | 52 038 | - | 153 033 | 65 288 | - | - |
| Households | 2400 | 55 700 | 21 965 | 19 592 | 18 500 | 18 204 | 100 464 | 682 285 | - | 916 690 | 819 433 | - | - |
| Other | 2500 | 494 | 266 | 211 | 212 | 228 | 1 859 | 7 532 | - | 10 801 | 9 830 | - | - |
| Total By Customer Group | 2600 | 113 906 | 45 884 | 27 288 | 21 464 | 20 742 | 118 236 | 770 951 | - | 1 118 470 | 931 392 | - | - |

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M07 January

| 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 | | | | | | | | | | |
| <u>Municipality</u> | | | | | | | | | | |
| Nedbank | | 12 months | | Call Account | | - | - | - | - | - |
| Standard Bank | | 12 months | | Call Account | | 1 353 | - | 82 611 | (40 947) | 41 664 |
| ABSA | | 12 months | | Call Account | | 299 | - | 26 679 | (19 948) | 6 731 |
| Sanlam | | 12 months | | Call Account | | 4 | - | 95 | (95) | - |
| Municipality sub-total | | | | | | 1 656 | | 109 385 | (60 990) | 48 395 |
| <u>Entities</u> | | | | | | | | | | |
| Entities sub-total | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | 1 656 | | 109 385 | (60 990) | 48 395 |

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

| Description | Ref | 2016/17 | | Budget Year 2017/18 | | | | | | |
|---|----------|-----------------|-----------------|---------------------|----------------|----------------|----------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| RECEIPTS: | | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | 1,2 | 311 750 | 324 042 | - | - | 242 539 | 243 248 | (709) | -0,3% | 324 042 |
| Local Government Equitable Share | | 306 952 | 318 176 | - | - | 237 923 | 236 632 | (709) | -0,3% | 318 176 |
| Water Services Operating Subsidy | | - | - | - | - | - | - | - | - | - |
| EPWP Incentive | | 3 173 | 4 166 | - | - | 2 916 | 2 916 | - | - | 4 166 |
| Integrated National Electrification Programme | | - | - | - | - | - | - | - | - | - |
| Finance Management | | 1 625 | 1 700 | - | - | 1 700 | 1 700 | - | - | 1 700 |
| Municipal Systems Improvement | | - | - | - | - | - | - | - | - | - |
| Neighbourhood Development Partnership | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants [insert description] | | | | | | | | | | |
| Provincial Government: | 3 | 10 643 | 15 598 | - | - | 350 | 350 | - | - | 15 598 |
| Provincialisation of Libraries | | 5 695 | 5 923 | - | - | - | - | - | - | 5 923 |
| Level 2 accreditation | | 4 077 | 8 761 | - | - | - | - | - | - | 8 761 |
| Museums Services | | 334 | 350 | - | - | 350 | 350 | - | - | 350 |
| Community Library Services Grant | | 537 | 564 | - | - | - | - | - | - | 564 |
| Health subsidy | | | | | | | | | | |
| District Municipality: | 4 | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| [insert description] | | | | | | | | | | |
| Total Operating Transfers and Grants | 5 | 322 393 | 339 640 | - | - | 242 889 | 243 588 | (709) | -0,3% | 339 640 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | 5 | 185 150 | 218 604 | - | 13 500 | 121 800 | 121 800 | - | - | 218 604 |
| Neighbourhood Development Partnership | | 28 323 | 50 000 | - | - | 4 800 | 4 800 | - | - | 50 000 |
| Municipal Infrastructure Grant (MIG) | | 109 214 | 114 604 | - | - | 72 000 | 72 000 | - | - | 114 604 |
| Integrated National Electrification Programme | | 7 000 | 9 000 | - | - | 9 000 | 9 000 | - | - | 9 000 |
| Energy efficiency & demand side management | | - | - | - | - | - | - | - | - | - |
| Municipal water infrastructure | | 40 613 | - | - | - | - | - | - | - | - |
| Water Services Infrastructure Grant (WSIG) | | - | 45 000 | - | 13 500 | 36 000 | 36 000 | - | - | 45 000 |
| Other capital transfers [insert description] | | | | | | | | | | |
| Provincial Government: | | | 11 000 | - | - | - | - | - | - | 11 000 |
| Level 2 accreditation | | | - | - | - | - | - | - | - | - |
| Recapitalisation of Community Libraries | | | - | - | - | - | - | - | - | - |
| Sport and Recreation | | | - | - | - | - | - | - | - | - |
| Community Library Service | | | 11 000 | - | - | - | - | - | - | 11 000 |
| Museum | | | - | - | - | - | - | - | - | - |
| Corridor Development | | | - | - | - | - | - | - | - | - |
| District Municipality: | | | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | | | |
| Other grant providers: | | 9 798 | 10 888 | - | 2 | 6 180 | 6 180 | - | - | 10 888 |
| European Union | | 9 798 | 10 888 | - | 2 | 6 180 | 6 180 | - | - | 10 888 |
| Total Capital Transfers and Grants | 5 | 194 948 | 240 492 | - | 13 502 | 127 980 | 127 980 | - | - | 240 492 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 517 341 | 580 132 | - | 13 502 | 370 869 | 371 578 | (709) | -0,2% | 580 132 |

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

| Description | Ref | 2016/17 | | Budget Year 2017/18 | | | | | | |
|---|-----|-----------------|-----------------|---------------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | | 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: | | 311 750 | 324 042 | - | 105 829 | 240 810 | 242 054 | (1 244) | -0,5% | 324 042 |
| Local Government Equitable Share | | 306 952 | 318 176 | - | 105 349 | 237 923 | 238 632 | (709) | -0,3% | 318 176 |
| Water Services Operating Subsidy | | - | - | - | - | - | - | - | - | - |
| EPWP Incentive | | 3 173 | 4 166 | - | 440 | 2 639 | 2 430 | 209 | 8,6% | 4 166 |
| Integrated National Electrification Programme | | - | - | - | - | - | - | - | - | - |
| Finance Management | | 1 625 | 1 700 | - | 39 | 247 | 992 | (744) | -75,1% | 1 700 |
| Municipal Systems Improvement | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants [insert description] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | 8 643 | 15 598 | - | 2 895 | 6 356 | 8 770 | (3 853) | -43,9% | 15 598 |
| Level 2 accreditation | | 4 077 | 8 761 | - | 264 | 1 462 | 5 111 | (3 649) | -71,4% | 8 761 |
| Recapitalisation of Community Libraries | | 3 695 | 5 923 | - | 2 632 | 4 895 | 3 455 | - | - | 5 923 |
| Museums Services | | 334 | 350 | - | - | - | 204 | (204) | -100,0% | 350 |
| Community Library Services Grant | | 537 | 564 | - | - | - | - | - | - | 564 |
| Health subsidy | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| European Union | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 320 393 | 339 640 | - | 108 724 | 247 166 | 250 824 | (5 097) | -2,0% | 339 640 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 152 395 | 218 604 | - | 6 284 | 69 173 | 103 152 | (3 424) | -3,3% | 218 604 |
| Neighbourhood Development Partnership | | 11 954 | 50 000 | - | - | 4 800 | 4 800 | 0 | 0,0% | 50 000 |
| Municipal Infrastructure Grant (MIG) | | 99 544 | 114 604 | - | 2 519 | 39 957 | 66 852 | - | - | 114 604 |
| Integrated National Electrification Programme | | 6 001 | 9 000 | - | - | 1 591 | 5 250 | - | - | 9 000 |
| Emergy efficiency & demand side management | | - | - | - | - | - | - | - | - | - |
| Water Services Infrastructure Grant (WSIG) | | 34 896 | 45 000 | - | 3 765 | 22 826 | 26 250 | (3 424) | -13,0% | 45 000 |
| Other capital transfers [insert description] | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | 2 000 | 11 000 | - | - | - | 6 417 | (6 417) | -100,0% | 11 000 |
| Level 2 accreditation | | - | - | - | - | - | - | - | - | - |
| Recapitalisation of Community Libraries | | 2 000 | - | - | - | - | - | - | - | - |
| Sport and Recreation | | - | - | - | - | - | - | - | - | - |
| Community Library | | - | 11 000 | - | - | - | 6 417 | - | - | 11 000 |
| Museum | | - | - | - | - | - | - | - | - | - |
| Corridor Development | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | 9 798 | 10 888 | - | 2 | 6 180 | 6 180 | - | - | 10 888 |
| European Union | | 9 798 | 10 888 | - | 2 | 6 180 | 6 180 | - | - | 10 888 |
| Total capital expenditure of Transfers and Grants | | 164 193 | 240 492 | - | 6 287 | 75 353 | 115 749 | (9 841) | -8,5% | 240 492 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 484 586 | 580 132 | - | 115 011 | 322 519 | 366 572 | (14 938) | -4,1% | 580 132 |

KZN252 Newcastle - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

| Summary of Employee and Councillor remuneration | Ref | Budget Year 2017/18 | | | | | | | | |
|---|-----|-------------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| | | 2016/17 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | A | B | C | | | | | D | |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 12 321 | 14 613 | | 639 | 8 991 | 8 524 | 467 | 5% | 14 613 |
| Pension and UIF Contributions | | 1 700 | 2 305 | | 115 | 454 | 1 344 | (890) | -66% | 2 305 |
| Medical Aid Contributions | | 283 | 1 201 | | 7 | 30 | 700 | (670) | -96% | 1 201 |
| Motor Vehicle Allowance | | 4 759 | 3 841 | | 718 | 2 315 | 2 241 | 75 | 3% | 3 841 |
| Cellphone Allowance | | - | 155 | | - | - | 90 | (90) | -100% | 155 |
| Housing Allowances | | 612 | - | | 63 | - | - | - | - | - |
| Other benefits and allowances | | 714 | 1 106 | | - | 164 | 645 | (461) | -75% | 1 106 |
| Sub Total - Councillors | | 20 389 | 23 219 | - | 1 563 | 11 954 | 13 545 | (1 590) | -12% | 23 219 |
| % Increase | 4 | | 13,9% | | | | | | | 13,9% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 23 792 | 8 892 | | 278 | 850 | 5 187 | (4 337) | -84% | 8 892 |
| Pension and UIF Contributions | | 547 | 580 | | 22 | 55 | 338 | (283) | -84% | 580 |
| Medical Aid Contributions | | 160 | 169 | | 9 | 26 | 99 | (72) | -73% | 169 |
| Overtime | | - | - | | - | - | - | - | - | - |
| Performance Bonus | | 249 | 264 | | - | - | 154 | (154) | -100% | 264 |
| Motor Vehicle Allowance | | 825 | 875 | | 21 | 64 | 510 | (446) | -87% | 875 |
| Cellphone Allowance | | - | - | | - | - | - | - | - | - |
| Housing Allowances | | 30 | 32 | | - | - | 19 | (19) | -100% | 32 |
| Other benefits and allowances | | 137 | 146 | | 24 | 55 | 85 | (30) | -35% | 146 |
| Payments in lieu of leave | | - | - | | - | 119 | - | 119 | #DIV/0! | - |
| Long service awards | | - | - | | - | - | - | - | - | - |
| Post-retirement benefit obligations | | - | - | | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 25 739 | 10 957 | - | 354 | 1 169 | 6 391 | (5 222) | -82% | 10 957 |
| % Increase | 4 | | -57,4% | | | | | | | -57,4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 302 880 | 295 998 | | 32 465 | 257 024 | 172 665 | 84 359 | 49% | 295 998 |
| Pension and UIF Contributions | | 51 570 | 55 321 | | 4 639 | 14 015 | 32 271 | (18 256) | -57% | 55 321 |
| Medical Aid Contributions | | 18 714 | 21 691 | | 1 837 | 5 533 | 12 653 | (7 120) | -56% | 21 691 |
| Overtime | | 35 605 | 32 652 | | 3 772 | 11 127 | 19 047 | (7 920) | -42% | 32 652 |
| Performance Bonus | | 27 223 | 28 856 | | - | - | 16 833 | (16 833) | -100% | 28 856 |
| Motor Vehicle Allowance | | 12 496 | 15 954 | | 1 805 | 5 471 | 9 307 | (3 835) | -41% | 15 954 |
| Cellphone Allowance | | 11 | 11 | | - | - | 6 | (6) | -100% | 11 |
| Housing Allowances | | 8 910 | 9 483 | | 690 | 1 383 | 5 532 | (4 149) | -75% | 9 483 |
| Other benefits and allowances | | 12 610 | 18 491 | | 3 971 | 12 654 | 10 787 | 1 867 | 17% | 18 491 |
| Payments in lieu of leave | | - | 24 462 | | 562 | 1 836 | 14 269 | (12 433) | -87% | 24 462 |
| Long service awards | | - | 862 | | - | - | 503 | (503) | -100% | 862 |
| Post-retirement benefit obligations | | - | - | | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 470 018 | 503 781 | - | 49 741 | 309 043 | 293 872 | 15 171 | 5% | 503 781 |
| % Increase | 4 | | 7,2% | | | | | | | 7,2% |
| Total Parent Municipality | | 516 146 | 537 957 | - | 51 657 | 322 167 | 313 808 | 8 359 | 3% | 537 957 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| Board Members of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | | - | - | - | - | - | - |
| Overtime | | - | - | | - | - | - | - | - | - |
| Performance Bonus | | - | - | | - | - | - | - | - | - |
| Motor Vehicle Allowance | | - | - | | - | - | - | - | - | - |
| Cellphone Allowance | | - | - | | - | - | - | - | - | - |
| Housing Allowances | | - | - | | - | - | - | - | - | - |
| Other benefits and allowances | | - | - | | - | - | - | - | - | - |
| Board Fees | | - | - | | - | - | - | - | - | - |
| Payments in lieu of leave | | - | - | | - | - | - | - | - | - |
| Long service awards | | - | - | | - | - | - | - | - | - |
| Post-retirement benefit obligations | | - | - | | - | - | - | - | - | - |
| Sub Total - Board Members of Entities | | - | - | - | - | - | - | - | - | - |
| % Increase | 4 | | | | | | | | | |
| Senior Managers of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | | - | - | - | - | - | - |
| Overtime | | - | - | | - | - | - | - | - | - |
| 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 - Senior Managers of Entities | | - | - | - | - | - | - | - | - | - |
| % Increase | 4 | | | | | | | | | |
| Other Staff of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | | - | - | - | - | - | - |
| Overtime | | - | - | | - | - | - | - | - | - |

| | | | | | | | | | | |
|--|---|---------|---------|---|--------|---------|---------|-------|----|---------|
| 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 | | 516 148 | 537 957 | - | 51 657 | 322 167 | 313 808 | 8 358 | 3% | 537 957 |
| % increase | 4 | | 4,2% | | | | | | | 4,2% |
| TOTAL MANAGERS AND STAFF | | 495 757 | 514 737 | - | 50 094 | 310 213 | 300 264 | 9 948 | 3% | 514 737 |

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M07 January

| Description | Ref | Budget Year 2017/18 | | | | | | | | |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 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 By Source | | | | | | | | | | |
| Property rates | | 232 286 | 266 182 | | 20 305 | 151 603 | 155 273 | (3 470) | -2% | 266 182 |
| Service charges - electricity revenue | | 675 673 | 690 521 | | 45 974 | 407 703 | 402 804 | 4 898 | 1% | 690 521 |
| Service charges - water revenue | | 135 672 | 151 001 | | 12 746 | 87 728 | 88 084 | (356) | 0% | 151 001 |
| Service charges - sanitation revenue | | 80 093 | 85 212 | | 7 322 | 52 609 | 49 707 | 2 901 | 6% | 85 212 |
| Service charges - refuse revenue | | 56 836 | 63 475 | | 5 212 | 31 492 | 37 027 | (5 535) | -15% | 63 475 |
| Service charges - other | | - | - | | - | - | - | - | - | - |
| Rental of facilities and equipment | | 7 278 | 8 059 | | 663 | 4 569 | 4 701 | (132) | -3% | 8 059 |
| Interest earned - external investments | | 4 505 | 4 601 | | 418 | 2 417 | 2 684 | (267) | -10% | 4 601 |
| Interest earned - outstanding debtors | | 10 330 | 12 573 | | 1 201 | 7 279 | 7 334 | (55) | -1% | 12 573 |
| Dividends received | | - | - | | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 3 606 | 5 203 | | 780 | 3 704 | 3 035 | 669 | 22% | 5 203 |
| Licences and permits | | 12 | 12 | | 1 | 6 | 7 | (1) | -11% | 12 |
| Agency services | | - | - | | - | - | - | - | - | - |
| Transfers and subsidies | | 527 822 | 345 790 | | 29 666 | 240 341 | 240 341 | - | - | 345 790 |
| Other revenue | | 16 353 | 17 735 | | 1 301 | 6 999 | 10 346 | (3 346) | -32% | 17 735 |
| Gains on disposal of PPE | | - | - | | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 1 750 466 | 1 650 366 | - | 125 589 | 996 650 | 1 001 343 | (4 693) | 0% | 1 650 366 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 495 757 | 514 737 | | 50 094 | 310 213 | 300 264 | 9 949 | 3% | 514 737 |
| Remuneration of councillors | | 20 389 | 23 219 | | 1 563 | 11 954 | 13 545 | (1 590) | -12% | 23 219 |
| Debt impairment | | 100 304 | 101 807 | | 750 | 22 950 | 59 388 | (36 438) | -61% | 101 807 |
| Depreciation & asset impairment | | 472 110 | 247 895 | | 39 311 | 266 696 | 144 605 | 122 091 | 84% | 247 895 |
| Finance charges | | 65 784 | 47 135 | | 4 120 | 28 200 | 27 496 | 704 | 3% | 47 135 |
| Bulk purchases | | 558 946 | 579 385 | | 75 692 | 312 172 | 337 975 | (25 803) | -8% | 579 385 |
| Other materials | | 1 832 | 3 913 | | 297 | 1 856 | 2 282 | (427) | -19% | 3 913 |
| Contracted services | | 61 246 | 22 203 | | 99 | 19 069 | 12 952 | 6 117 | 47% | 22 203 |
| Transfers and subsidies | | - | - | | - | - | - | - | - | - |
| Other expenditure | | 227 160 | 191 787 | | 17 108 | 126 147 | 111 876 | 14 271 | 13% | 191 787 |
| Loss on disposal of PPE | | - | - | | - | - | - | - | - | - |
| Total Expenditure | | 2 003 528 | 1 732 082 | - | 189 035 | 1 099 256 | 1 010 381 | 88 875 | 9% | 1 732 082 |
| Surplus/(Deficit) | | (253 062) | (81 716) | - | (63 446) | (102 606) | (9 037) | (93 569) | 1035% | (81 716) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | 229 854 | | | 86 758 | 86 758 | - | - | 229 854 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | | | | | | - | - | |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | - | - | |
| Surplus/(Deficit) after capital transfers & contributions | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |
| Taxation | | | | | | | | - | - | |
| Surplus/(Deficit) after taxation | | (253 062) | 148 138 | - | (63 446) | (15 848) | 77 720 | (93 569) | -120% | 148 138 |

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

| R thousands | Month | Budget Year 2017/18 | | | | | | | | | |
|--|----------------------------------|---------------------|-----------------|-----------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | | 2016/17 | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| Monthly expenditure performance trend | | | | | | | | | | | |
| | July | 5 425 | 21 148 | | 382 | 382 | 21 148 | 20 767 | 98,2% | 0% | |
| | August | 24 742 | 21 148 | | 6 685 | 7 067 | 42 296 | 35 230 | 83,3% | 3% | |
| | September | 9 997 | 21 148 | | 16 817 | 23 883 | 63 445 | 39 561 | 62,4% | 9% | |
| | October | 6 589 | 21 148 | | 10 827 | 34 710 | 84 593 | 49 883 | 59,0% | 14% | |
| | November | 20 254 | 21 148 | | 23 361 | 58 071 | 105 741 | 47 670 | 45,1% | 23% | |
| | December | 18 619 | 21 148 | | 16 899 | 74 970 | 126 889 | 51 919 | 40,9% | 30% | |
| | January | 11 502 | 21 148 | | 4 347 | 79 318 | 148 037 | 68 720 | 46,4% | 31% | |
| | February | 12 094 | 21 148 | | | | 169 186 | - | | | |
| | March | 7 186 | 21 148 | | | | 190 334 | - | | | |
| | April | 9 042 | 21 148 | | | | 211 482 | - | | | |
| | May | 34 782 | 21 148 | | | | 232 630 | - | | | |
| | June | 59 173 | 21 148 | | | | 253 778 | - | | | |
| | Total Capital expenditure | 219 406 | 253 778 | - | 79 318 | | | | | | |

KZN252 Newcastle - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

| Description | Ref | Budget Year 2017/18 | | | | | | | | |
|---|-----|-------------------------|-----------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | 2016/17 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 188 532 | 224 836 | - | 3 873 | 61 949 | 131 154 | 69 205 | 52,8% | 224 836 |
| Roads Infrastructure | | 110 326 | 98 873 | - | 1 302 | 20 604 | 57 676 | 37 071 | 64,3% | 98 873 |
| Roads | | 110 326 | 98 873 | - | 1 302 | 20 604 | 57 676 | 37 071 | 64,3% | 98 873 |
| Road Structures | | - | - | - | - | - | - | - | - | - |
| Road Furniture | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | 327 | 1 814 | - | (1 814) | #DIV/0! | - |
| Drainage Collection | | - | - | - | - | - | - | - | - | - |
| Storm water Conveyance | | - | - | - | 327 | 1 814 | - | (1 814) | #DIV/0! | - |
| Attenuation | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | 1 059 | 9 000 | - | - | 1 395 | 5 250 | 3 855 | 73,4% | 9 000 |
| Power Plants | | 1 059 | 9 000 | - | - | 1 395 | 5 250 | 3 855 | 73,4% | 9 000 |
| HV Substations | | - | - | - | - | - | - | - | - | - |
| HV Switching Station | | - | - | - | - | - | - | - | - | - |
| HV Transmission Conductors | | - | - | - | - | - | - | - | - | - |
| MV Substations | | - | - | - | - | - | - | - | - | - |
| MV Switching Stations | | - | - | - | - | - | - | - | - | - |
| MV Networks | | - | - | - | - | - | - | - | - | - |
| LV Networks | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | 46 310 | 116 963 | - | 2 147 | 21 783 | 68 228 | 46 446 | 68,1% | 116 963 |
| Dams and Weirs | | - | - | - | - | - | - | - | - | - |
| Boreholes | | - | - | - | - | - | - | - | - | - |
| Reservoirs | | - | - | - | - | - | - | - | - | - |
| Pump Stations | | - | - | - | - | - | - | - | - | - |
| Water Treatment Works | | 46 310 | 116 963 | - | 2 147 | 21 783 | 68 228 | 46 446 | 68,1% | 116 963 |
| Bulk Mains | | - | - | - | - | - | - | - | - | - |
| Distribution | | - | - | - | - | - | - | - | - | - |
| Distribution Points | | - | - | - | - | - | - | - | - | - |
| PRV Stations | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | 10 235 | - | - | 97 | 16 352 | - | (16 352) | #DIV/0! | - |
| Pump Station | | - | - | - | - | - | - | - | - | - |
| Reticulation | | 10 235 | - | - | 97 | 16 352 | - | (16 352) | #DIV/0! | - |
| Waste Water Treatment Works | | - | - | - | - | - | - | - | - | - |
| Outfall Sewers | | - | - | - | - | - | - | - | - | - |
| Toilet Facilities | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | 602 | - | - | - | - | - | - | - | - |
| Landfill Sites | | - | - | - | - | - | - | - | - | - |
| Waste Transfer Stations | | - | - | - | - | - | - | - | - | - |
| Waste Processing Facilities | | - | - | - | - | - | - | - | - | - |
| Waste Drop-off Points | | - | - | - | - | - | - | - | - | - |
| Waste Separation Facilities | | - | - | - | - | - | - | - | - | - |
| Electricity Generation Facilities | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | 602 | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Lines | | - | - | - | - | - | - | - | - | - |
| Rail Structures | | - | - | - | - | - | - | - | - | - |
| Rail Furniture | | - | - | - | - | - | - | - | - | - |
| Drainage Collection | | - | - | - | - | - | - | - | - | - |
| Storm water Conveyance | | - | - | - | - | - | - | - | - | - |
| Attenuation | | - | - | - | - | - | - | - | - | - |
| MV Substations | | - | - | - | - | - | - | - | - | - |
| LV Networks | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sand Pumps | | - | - | - | - | - | - | - | - | - |
| Piers | | - | - | - | - | - | - | - | - | - |
| Revetments | | - | - | - | - | - | - | - | - | - |
| Promenades | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Data Centres | | - | - | - | - | - | - | - | - | - |
| Core Layers | | - | - | - | - | - | - | - | - | - |
| Distribution Layers | | - | - | - | - | - | - | - | - | - |
| Capital Spares | | - | - | - | - | - | - | - | - | - |
| Community Assets | | 1 411 | 10 368 | - | 23 | 2 479 | 6 048 | 3 569 | 59,0% | 10 368 |
| Community Facilities | | 815 | 10 368 | - | 23 | 2 479 | 6 048 | 3 569 | 59,0% | 10 368 |
| Halls | | - | 10 368 | - | - | - | 6 048 | 6 048 | 100,0% | 10 368 |
| Centres | | - | - | - | - | - | - | - | - | - |
| Crèches | | - | - | - | - | - | - | - | - | - |
| Clinics/Care Centres | | - | - | - | - | - | - | - | - | - |
| Fire/Ambulance Stations | | 48 | - | - | - | - | - | - | - | - |
| Testing Stations | | - | - | - | - | - | - | - | - | - |
| Museums | | - | - | - | - | - | - | - | - | - |
| Galleries | | - | - | - | - | - | - | - | - | - |
| Theatres | | - | - | - | - | - | - | - | - | - |
| Libraries | | - | - | - | 23 | 2 479 | - | (2 479) | #DIV/0! | - |

| | | | | | | | | | | |
|---|-----|---------|---------|-----|-------|--------|---------|---------|-------|---------|
| Cemeteries/Crematoria | | | | | | | | | | |
| Police | | | | | | | | | | |
| Parks | | | | | | | | | | |
| Public Open Space | 767 | | | | | | | | | |
| Nature Reserves | | | | | | | | | | |
| Public Ablution Facilities | | | | | | | | | | |
| Markets | | | | | | | | | | |
| Stalls | | | | | | | | | | |
| Abattoirs | | | | | | | | | | |
| Airports | | | | | | | | | | |
| Taxi Ranks/Bus Terminals | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Sport and Recreation Facilities | 567 | | | | | | | | | |
| Indoor Facilities | | | | | | | | | | |
| Outdoor Facilities | 597 | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Heritage assets | | | | 106 | 6 178 | | (6 178) | #DIV/0! | | |
| Monuments | | | | | | | | | | |
| Historic Buildings | | | | 106 | 6 178 | | (6 178) | #DIV/0! | | |
| Works of Art | | | | | | | | | | |
| Conservation Areas | | | | | | | | | | |
| Other Heritage | | | | | | | | | | |
| Investment properties | | | | | | | | | | |
| Revenue Generating | | | | | | | | | | |
| Improved Property | | | | | | | | | | |
| Unimproved Property | | | | | | | | | | |
| Non-revenue Generating | | | | | | | | | | |
| Improved Property | | | | | | | | | | |
| Unimproved Property | | | | | | | | | | |
| Other assets | 602 | | | | | | | | | |
| Operational Buildings | 602 | | | | | | | | | |
| Municipal Offices | | | | | | | | | | |
| Pay/Enquiry Points | | | | | | | | | | |
| Building Plan Offices | | | | | | | | | | |
| Workshops | | | | | | | | | | |
| Yards | | | | | | | | | | |
| Stores | | | | | | | | | | |
| Laboratories | | | | | | | | | | |
| Training Centres | | | | | | | | | | |
| Manufacturing Plant | | | | | | | | | | |
| Depots | | | | | | | | | | |
| Capital Spares | 602 | | | | | | | | | |
| Housing | | | | | | | | | | |
| Staff Housing | | | | | | | | | | |
| Social Housing | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Intangible Assets | 32 | | | | | | | | | |
| Servitudes | | | | | | | | | | |
| Licences and Rights | 32 | | | | | | | | | |
| Water Rights | | | | | | | | | | |
| Effluent Licenses | | | | | | | | | | |
| Solid Waste Licenses | | | | | | | | | | |
| Computer Software and Applications | 32 | | | | | | | | | |
| Load Settlement Software Applications | | | | | | | | | | |
| Unspecified | | | | | | | | | | |
| Computer Equipment | 115 | 2 700 | | | | 1 575 | 1 575 | 100,0% | 2 700 | |
| Computer Equipment | 115 | 2 700 | | | | 1 575 | 1 575 | 100,0% | 2 700 | |
| Furniture and Office Equipment | 358 | 1 250 | | 143 | 408 | 729 | 321 | 44,1% | 1 250 | |
| Furniture and Office Equipment | 358 | 1 250 | | 143 | 408 | 729 | 321 | 44,1% | 1 250 | |
| Machinery and Equipment | | | | | | | | | | |
| Machinery and Equipment | | | | | | | | | | |
| Transport Assets | | | | | | | | | | |
| Transport Assets | | | | | | | | | | |
| Libraries | | | | | | | | | | |
| Libraries | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Total Capital Expenditure on new assets | 1 | 171 050 | 239 154 | | 4 145 | 71 013 | 139 507 | 68 493 | 49,1% | 239 154 |

| | | | | | | | | | |
|--|-------|--------|--------|---|-------|-------|--------|-------|--------|
| Crèches | | | | | | | | | |
| Clinics/Care Centres | | | | | | | | | |
| Fire/Ambulance Stations | | | | | | | | | |
| Testing Stations | | | | | | | | | |
| Museums | | | | | | | | | |
| Galleries | | | | | | | | | |
| Theatres | | | | | | | | | |
| Libraries | 1 203 | 5 705 | - | - | 3 328 | 3 328 | 100,0% | 5 705 | |
| Cemeteries/Crematoria | | | | | | | | | |
| Police | | | | | | | | | |
| Parks | | | | | | | | | |
| Public Open Space | | | | | | | | | |
| Nature Reserves | | | | | | | | | |
| Public Ablution Facilities | | | | | | | | | |
| Markets | | | | | | | | | |
| Stalls | | | | | | | | | |
| Abattoirs | | | | | | | | | |
| Airports | | | | | | | | | |
| Taxi Ranks/Bus Terminals | | | | | | | | | |
| Capital Spares | | | | | | | | | |
| Sport and Recreation Facilities | | | | | | | | | |
| Indoor Facilities | | | | | | | | | |
| Outdoor Facilities | | | | | | | | | |
| Capital Spares | | | | | | | | | |
| Heritage assets | | | | | | | | | |
| Monuments | | | | | | | | | |
| Historic Buildings | | | | | | | | | |
| Works of Art | | | | | | | | | |
| Conservation Areas | | | | | | | | | |
| Other Heritage | | | | | | | | | |
| Investment properties | | | | | | | | | |
| Revenue Generating | | | | | | | | | |
| Improved Property | | | | | | | | | |
| Unimproved Property | | | | | | | | | |
| Non-revenue Generating | | | | | | | | | |
| Improved Property | | | | | | | | | |
| Unimproved Property | | | | | | | | | |
| Other assets | | 6 545 | - | - | 300 | 3 818 | 3 518 | 92,1% | 6 545 |
| Operational Buildings | | | | | | | | | |
| Municipal Offices | | | | | | | | | |
| Pay/Enquiry Points | | | | | | | | | |
| Building Plan Offices | | | | | | | | | |
| Workshops | | | | | | | | | |
| Yards | | | | | | | | | |
| Stores | | | | | | | | | |
| Laboratories | | | | | | | | | |
| Training Centres | | | | | | | | | |
| Manufacturing Plant | | | | | | | | | |
| Depots | | | | | | | | | |
| Capital Spares | | | | | | | | | |
| Housing | | 6 545 | - | - | 300 | 3 818 | 3 518 | 92,1% | 6 545 |
| Staff Housing | | | | | | | | | |
| Social Housing | | | | | | | | | |
| Capital Spares | | 6 545 | - | - | 300 | 3 818 | 3 518 | 92,1% | 6 545 |
| Biological or Cultivated Assets | | | | | | | | | |
| Biological or Cultivated Assets | | | | | | | | | |
| Intangible Assets | | | | | | | | | |
| Servitudes | | | | | | | | | |
| Licences and Rights | | | | | | | | | |
| Water Rights | | | | | | | | | |
| Effluent Licenses | | | | | | | | | |
| Solid Waste Licenses | | | | | | | | | |
| Computer Software and Applications | | | | | | | | | |
| Load Settlement Software Applications | | | | | | | | | |
| Unspecified | | | | | | | | | |
| Computer Equipment | | | | | | | | | |
| Computer Equipment | | | | | | | | | |
| Furniture and Office Equipment | | | | | | | | | |
| Furniture and Office Equipment | | | | | | | | | |
| Machinery and Equipment | | | | | | | | | |
| Machinery and Equipment | | | | | | | | | |
| Transport Assets | | | | | | | | | |
| Transport Assets | | | | | | | | | |
| Libraries | | | | | | | | | |
| Libraries | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | |
| Total Capital Expenditure on renewal of existing assets | 1 | 48 356 | 14 624 | - | 203 | 8 304 | 8 531 | 2,7% | 14 624 |

| | | | | | | | | | | |
|--|--------|--------|--------|-----|-------|--------|--------|---------|-------|--------|
| Staff Housing | | | | | | | - | | | |
| Social Housing | | | | | | | - | | | |
| Capital Spares | 387 | | | | | | - | | | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | | - | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Intangible Assets | 2 537 | 2 600 | - | 178 | 1 759 | 1 517 | (242) | -16,0% | 2 600 | |
| Servitudes | | | | | | | | | | |
| Licences and Rights | 2 537 | 2 600 | - | 178 | 1 759 | 1 517 | (242) | -16,0% | 2 600 | |
| Water Rights | | | | | | | | | | |
| Effluent Licenses | | | | | | | | | | |
| Solid Waste Licenses | | | | | | | | | | |
| Computer Software and Applications | 2 537 | 2 600 | - | 178 | 1 759 | 1 517 | (242) | -16,0% | 2 600 | |
| Load Settlement Software Applications | | | | | | | | | | |
| Unspecified | | | | | | | | | | |
| Computer Equipment | - | - | - | - | - | - | - | | - | |
| Computer Equipment | | | | | | | | | | |
| Furniture and Office Equipment | - | - | - | - | - | - | - | | - | |
| Furniture and Office Equipment | | | | | | | | | | |
| Machinery and Equipment | 10 100 | 7 130 | - | 563 | 4 982 | 4 159 | (823) | -19,8% | 7 130 | |
| Machinery and Equipment | 10 100 | 7 130 | - | 563 | 4 982 | 4 159 | (823) | -19,8% | 7 130 | |
| Transport Assets | - | - | - | - | - | - | - | | - | |
| Transport Assets | | | | | | | | | | |
| Libraries | - | - | - | - | - | - | - | | - | |
| Libraries | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | | - | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Total Repairs and Maintenance Expenditure | 1 | 85 654 | 45 165 | - | 4 241 | 34 362 | 31 275 | (3 087) | -8,9% | 45 165 |

| | | | | | | | | | | |
|---|-------|---------|---------|-----|--------|---------|---------|-----------|--------|---------|
| Staff Housing | | | | | | | | | | |
| Social Housing | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Biological or Cultivated Assets | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | |
| Servitudes | 1 881 | - | - | 247 | 1 730 | - | (1 730) | #DIV/0! | - | - |
| Licences and Rights | 1 881 | - | - | 247 | 1 730 | - | (1 730) | #DIV/0! | - | - |
| Water Rights | | | | | | | | | | |
| Effluent Licenses | | | | | | | | | | |
| Solid Waste Licenses | | | | | | | | | | |
| Computer Software and Applications | 1 881 | | | 247 | 1 730 | | (1 730) | #DIV/0! | | |
| Load Settlement Software Applications | | | | | | | | | | |
| Unspecified | | | | | | | | | | |
| Computer Equipment | 1 774 | - | - | 130 | 986 | - | (986) | #DIV/0! | - | - |
| Computer Equipment | 1 774 | | | 130 | 986 | | (986) | #DIV/0! | | |
| Furniture and Office Equipment | 1 656 | - | - | 205 | 1 422 | - | (1 422) | #DIV/0! | - | - |
| Furniture and Office Equipment | 1 656 | | | 205 | 1 422 | | (1 422) | #DIV/0! | | |
| Machinery and Equipment | 5 760 | - | - | 661 | 4 847 | - | (4 847) | #DIV/0! | - | - |
| Machinery and Equipment | 5 760 | | | 661 | 4 847 | | (4 847) | #DIV/0! | | |
| Transport Assets | 8 138 | - | - | 770 | 5 422 | - | (5 422) | #DIV/0! | - | - |
| Transport Assets | 8 138 | | | 770 | 5 422 | | (5 422) | #DIV/0! | | |
| Libraries | | | | | | | | | | |
| Libraries | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| Total Depreciation | 1 | 472 111 | 247 895 | - | 38 408 | 266 696 | 144 605 | (122 091) | -84,4% | 247 895 |

- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 Jan 2018

| Description | NEWCASTLE MUNICIPALITY | | | | | | | | |
|--|------------------------|----------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| | 2016/17 | Current Year 2017/18 | | | | | | | |
| | Unaudited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Revenue By Source | | | | | | | | | |
| Service charges - water revenue | | 66 793 | | 5 566 | 38 963 | 38 963 | - | 0,0% | 66 793 |
| Service charges - sanitation revenue | | | | | | | | | |
| Service charges - other | | | | | | | | | |
| Rental of facilities and equipment | | | | | | | | | |
| Interest earned - external investments | | | | | | | | | |
| Interest earned - outstanding debtors | | | | | | | | | |
| Agency services | | | | | | | | | |
| Transfers recognised - operational | | | | | | | | | |
| Other revenue | | | | | | | | | |
| Gains on disposal of PPE | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | - | 66 793 | - | 5 566 | 38 963 | 38 963 | - | 0,0% | 66 793 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | | 10 849 | | 1 478 | 6 335 | 6 329 | 7 | 0,1% | 10 849 |
| Remuneration of Directors | | - | | - | - | - | - | | - |
| Debt impairment | | - | | - | - | - | - | | - |
| Collection costs | | - | | - | - | - | - | | - |
| Depreciation & asset impairment | | 528 | | 88 | 308 | 308 | 0 | 0,0% | 528 |
| Finance charges | | - | | - | - | - | - | | - |
| Bulk purchases | | 15 000 | | 4 801 | 11 468 | 8 750 | 2 718 | 31,1% | 15 000 |
| Other materials | | 3 450 | | 1 177 | 3 018 | 2 012 | 1 006 | 50,0% | 3 450 |
| Contracted services | | - | | - | - | - | - | | - |
| Transfers and grants | | - | | - | - | - | - | | - |
| Repairs and maintenance | | 27 802 | | 2 840 | 14 552 | 16 218 | (1 666) | -10,3% | 27 802 |
| Other expenditure | | 31 | | 119 | 125 | 18 | 107 | 584,5% | 31 |
| Loss on disposal of PPE | | - | | - | - | - | - | | - |
| Total Expenditure | | 57 659 | - | 10 504 | 35 806 | 33 635 | 2 172 | 6,5% | 57 659 |
| Recharge | | | | | | | | | |
| Head Office Recharge | | 25 374 | | 2 065 | 15 518 | 14 802 | 716 | 4,8% | 25 374 |
| Surplus/(Deficit) | - | (16 240) | - | (7 003) | (12 361) | (9 474) | | - | (16 240) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | | | | | | | |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | |
| Surplus/(Deficit) for the year | | (16 240) | - | 1 478 | 6 335 | 6 329 | 7 | | 1 787 |

- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 Jan 2018

| Description | uTHUKELA WATER (PTY) LTD | | | | | | | | |
|---|--------------------------|----------------------|-----------------|-----------------|----------------|---------------|----------------|--------------|--------------------|
| | 2016/17 | Current Year 2017/18 | | | | | | | |
| | Unaudited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Revenue By Source | | | | | | | | | |
| Service charges - water revenue | | 99 745 | | 8 747 | 59 797 | 58 184 | 1 612 | 2,8% | 102 509 |
| Service charges - sanitation revenue | | | | | | | | | |
| Service charges - other | | | | | | | | | |
| Rental of facilities and equipment | | | | 10 | 67 | - | 67 | | 115 |
| Interest earned - external investments | | 250 | | 105 | 563 | 146 | 417 | 286,1% | 965 |
| Interest earned - outstanding debtors | | | | | | | | | |
| Agency services | | | | | | | | | |
| Transfers recognised - operational | | | | | | | | | |
| Other revenue | | | | - | 37 | - | 37 | | 63 |
| Gains on disposal of PPE | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 99 995 | - | 8 862 | 60 464 | 58 330 | 2 133 | 3,7% | 102 937 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 33 209 | 38 941 | | 23 584 | 23 584 | 22 716 | 868 | 3,8% | 38 941 |
| Remuneration of Directors | - | - | | - | - | - | - | | - |
| Debt impairment | - | - | | - | - | - | - | | - |
| Collection costs | - | - | | - | - | - | - | | - |
| Depreciation & asset impairment | 1 133 | 1 484 | | 892 | 892 | 865 | 27 | 3,1% | 1 484 |
| Finance charges | 1 359 | 1 578 | | 762 | 762 | 920 | (159) | -17,3% | 1 578 |
| Bulk purchases | 21 280 | 1 803 | | 12 520 | 12 520 | 1 052 | 11 468 | 1090,8% | 1 803 |
| Other materials | 5 640 | 6 507 | | 4 059 | 4 059 | 3 796 | 263 | 6,9% | 6 507 |
| Contracted services | - | - | | - | - | - | - | | - |
| Transfers and grants | - | - | | - | - | - | - | | - |
| Repairs and maintenance | 40 437 | 46 107 | | 20 570 | 20 570 | 26 896 | (6 326) | -23,5% | 46 107 |
| Other expenditure | 3 256 | 5 001 | | 4 347 | 4 347 | 2 917 | 1 429 | 49,0% | 5 001 |
| Loss on disposal of PPE | - | - | | - | - | - | - | | - |
| Total Expenditure | 106 314 | 101 421 | - | 66 734 | 66 734 | 59 163 | 7 571 | 12,8% | 101 421 |
| Surplus/(Deficit) | (106 314) | (1 427) | - | (57 872) | (6 270) | (832) | (5 438) | - | (14 777) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | | | | | | | |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | |
| Surplus/(Deficit) for the year | | (1 427) | - | (57 872) | (6 270) | (832) | (5 438) | | (14 777) |



NEWCASTLE MUNICIPALITY
(Registration number KZ252)

**ANNUAL FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 31 JANUARY 2018**

Newcastle Municipality

Annual Financial Statements for the 7 Months ended 31 January 2018

Statement of Financial Position as at 31 January 2018

| Figures in Rand | Note(s) | 31 January 2018 | 30 June 2017 |
|---|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | | 14 126 055 | 15 223 528 |
| Other financial assets | | 4 438 | 5 791 |
| Receivables from exchange transactions | | 41 647 045 | 42 011 583 |
| Receivables from non-exchange transactions | | 14 959 310 | 12 116 267 |
| VAT receivable | | 8 473 191 | - |
| Consumer debtors from exchange transactions | | 589 789 594 | 452 626 524 |
| Cash and cash equivalents | | 67 221 684 | 50 507 758 |
| | | 736 221 317 | 572 491 451 |
| Non-Current Assets | | | |
| Investment property | | 365 272 000 | 365 272 000 |
| Property, plant and equipment | | 6 839 126 399 | 7 056 677 338 |
| Intangible assets | | 6 956 899 | 8 686 539 |
| Heritage assets | | 7 468 510 | 6 991 102 |
| Investments in associates | | 301 163 242 | 301 163 242 |
| | | 7 519 987 050 | 7 738 790 221 |
| Non-Current Assets | | 7 519 987 050 | 7 738 790 221 |
| Current Assets | | 736 221 317 | 572 491 451 |
| Total Assets | | 8 256 208 367 | 8 311 281 672 |
| Liabilities | | | |
| Current Liabilities | | | |
| Financial liabilities | | 25 617 094 | 32 002 485 |
| Finance lease obligation | | 70 710 | 168 853 |
| Payables from exchange transactions | | 424 085 785 | 451 253 295 |
| VAT payable | | - | 2 390 525 |
| Consumer deposits | | 16 489 138 | 14 334 239 |
| Unspent conditional grants and receipts | | 89 196 753 | 41 556 011 |
| Defined benefit plan | | 6 215 831 | 6 215 831 |
| | | 561 675 311 | 547 921 239 |
| Non-Current Liabilities | | | |
| Financial liabilities | | 437 329 425 | 447 215 530 |
| Finance lease obligation | | 234 909 | 234 909 |
| Defined benefit plan | | 128 168 731 | 128 168 731 |
| Provision for rehabilitation costs of landfill site | | 31 217 649 | 31 217 649 |
| | | 596 950 714 | 606 836 819 |
| Non-Current Liabilities | | 596 950 714 | 606 836 819 |
| Current Liabilities | | 561 675 311 | 547 921 239 |
| Total Liabilities | | 1 158 626 025 | 1 154 758 058 |
| Assets | | 8 256 208 367 | 8 311 281 672 |
| Liabilities | | (1 158 626 025) | (1 154 758 058) |
| Net Assets | | 7 097 582 342 | 7 156 523 614 |

Newcastle Municipality

Annual Financial Statements for the 7 Months ended 31 January 2018

Statement of Financial Position as at 31 January 2018

| Figures in Rand | Note(s) | 31 January 2018 | 30 June 2017 |
|--------------------------|---------|----------------------|----------------------|
| Reserves | | | |
| Housing Development fund | | 25 740 956 | 25 071 001 |
| Self insurance reserve | | 466 332 | 530 020 |
| Accumulated surplus | | 7 071 375 039 | 7 130 922 592 |
| Total Net Assets | | 7 097 582 327 | 7 156 523 613 |

Newcastle Municipality

Annual Financial Statements for the 7 Months ended 31 January 2018

Statement of Financial Performance

| Figures in Rand | Note(s) | 31 January 2018 | 30 June 2017 |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Service charges | | 579 531 087 | 948 273 264 |
| Rental of facilities and equipment | | 4 568 635 | 7 278 218 |
| Sundry revenue | | 1 142 983 | 3 647 339 |
| Other income | | 650 786 | 1 303 488 |
| Fee income | | 5 211 983 | 7 854 510 |
| Interest received | | 9 695 924 | 14 835 339 |
| Property Rates | | 151 803 332 | 232 285 813 |
| Government grants & subsidies | | 327 098 643 | 527 822 316 |
| Fines | | 3 704 249 | 3 605 936 |
| Total revenue | | 1 083 407 622 | 1 746 906 223 |
| Expenditure | | | |
| Employee costs | | 323 843 629 | 495 757 372 |
| Remuneration of councillors | | - | 20 389 056 |
| Depreciation and amortisation | | 266 696 379 | 472 110 422 |
| Impairment of assets | | - | 1 348 277 |
| Finance costs | | 28 200 163 | 65 783 550 |
| Debt Impairment | | 22 949 734 | 100 303 930 |
| Collection costs | | 2 399 303 | 8 802 170 |
| Repairs and maintenance | | 34 362 369 | 85 654 026 |
| Bulk purchases | | 312 171 652 | 558 945 739 |
| Contracted services | | 15 980 624 | 61 245 745 |
| General Expenses | | 135 745 055 | 219 013 610 |
| Loss on actuarial valuation | | - | 3 472 031 |
| Total expenditure | | 1 142 348 908 | 2 092 825 928 |
| Total revenue | | 1 083 407 622 | 1 746 906 223 |
| Total expenditure | | (1 142 348 908) | (2 092 825 928) |
| Operating deficit | | (58 941 286) | (345 919 705) |
| Share of deficit in investment in associates | | - | (41 219 977) |
| Actuarial gains/losses | | - | 3 559 453 |
| Fair value adjustments to investment property | | - | 89 298 000 |
| | | - | 51 637 476 |
| Operating surplus/deficit | | - | 51 637 476 |
| Deficit before taxation | | (58 941 286) | (294 282 229) |
| Taxation | | - | - |
| Deficit for the 7 Months | | (58 941 286) | (294 282 229) |

Newcastle Municipality

Annual Financial Statements for the 7 Months ended 31 January 2018

Statement of Changes in Net Assets

| Figures in Rand | Housing development fund | Insurance reserve | Total reserves | Accumulated surplus | Total net assets |
|--------------------------------------|--------------------------|-------------------|-------------------|----------------------|----------------------|
| Balance at 01 July 2016 | 26 037 234 | 708 555 | 26 745 789 | 7 424 242 101 | 7 450 987 890 |
| Changes in net assets | | | | | |
| Deficit for the year | - | - | - | (294 282 229) | (294 282 229) |
| Transfer to housing development fund | (966 233) | - | (966 233) | 966 233 | - |
| Transfer to self insurance reserves | - | (178 535) | (178 535) | 178 535 | - |
| Recognising Nedbank deposits | - | - | - | 375 174 | 375 174 |
| Adjustment on Assets | - | - | - | (557 222) | (557 222) |
| Total changes | (966 233) | (178 535) | (1 144 768) | (293 319 509) | (294 464 277) |
| Balance at 01 July 2017 | 25 071 001 | 530 020 | 25 601 021 | 7 130 922 592 | 7 156 523 613 |
| Deficit for the year | - | - | - | (58 941 286) | (58 941 286) |
| Transfer to housing development fund | 669 955 | - | 669 955 | (669 955) | - |
| Transfer to self insurance reserve | - | (63 688) | (63 688) | 63 688 | - |
| Total changes | 669 955 | (63 688) | 606 267 | (59 547 553) | (58 941 286) |
| Balance at 31 January 2018 | 25 740 956 | 466 332 | 26 207 288 | 7 071 375 039 | 7 097 582 327 |

Newcastle Municipality

Annual Financial Statements for the 7 Months ended 31 January 2018

Cash Flow Statement

| Figures in Rand | Note(s) | 31 January 2018 | 30 June 2017 |
|---|---------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 609 449 985 | 1 077 201 316 |
| Grants | | 365 398 000 | 536 797 337 |
| Interest income | | 9 695 924 | 14 835 339 |
| | | <u>984 543 909</u> | <u>1 628 833 992</u> |
| Payments | | | |
| Employee costs and Councillors remuneration | | (323 843 629) | (516 146 428) |
| Suppliers | | (520 098 907) | (813 215 793) |
| Finance costs | | (28 200 163) | (65 783 550) |
| | | <u>(872 142 699)</u> | <u>(1 395 145 771)</u> |
| Total receipts | | 984 543 909 | 1 628 833 992 |
| Total payments | | (872 142 699) | (1 395 145 771) |
| Net cash flows from operating activities | | <u>112 401 210</u> | <u>233 688 221</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (79 317 645) | (219 374 430) |
| Purchase of other intangible assets | | - | (26 590) |
| Purchases of Heritage Assets | | - | (4 850) |
| | | <u>(79 317 645)</u> | <u>(219 405 870)</u> |
| Cash flows from financing activities | | | |
| Net movements in long term loans | | (16 271 496) | (8 659 637) |
| Movement on finance lease | | (98 143) | 312 148 |
| | | <u>(16 369 639)</u> | <u>(8 347 489)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 16 713 926 | 5 934 862 |
| Cash and cash equivalents at the beginning of the year | | 50 507 758 | 44 572 895 |
| Cash and cash equivalents at the end of the year | | <u>67 221 684</u> | <u>50 507 757</u> |



EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

TEL: 08600 37566
SMS: 35328

NEWCASTLE MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

| | |
|------------------|--------------|
| YOUR ACCOUNT NO | 5578885631 |
| SECURITY HELD | 1.16 |
| BILLING DATE | 2018-02-05 |
| TAX INVOICE NO | 557885188144 |
| ACCOUNT MONTH | JANUARY 2018 |
| CURRENT DUE DATE | 2018-03-07 |
| VAT REG NO | 4000791824 |

CUSTOMER SELF SERVICE WEBSITE:
<https://csonline.eskom.co.za>

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

| | |
|-----------------------|---------------------|
| DIRECT DEPOSIT DETAIL | |
| BANK: | First National Bank |
| BRANCH CODE: | 223626 |
| BANK ACC NO: | 50850143295 |

TAX INVOICE

E-MAIL: electric@newcastle.gov.za

ACCOUNT TRANSACTION SUMMARY

| | | | |
|--------------------------------------|---------------|--------------|--------------|
| ADMINISTRATION CHARGE | R | 3,443.17 | |
| TRANSMISSION NETWORK CAPACITY | R | 1,095,000.00 | |
| URBAN LOW VOLTAGE SUBSIDY | R | 1,560,000.00 | |
| ANCILLARY SERVICE (ALL) | R | 120,977.05 | |
| ENERGY CHARGE (PEAK) | 6,118,853.00 | R | 5,015,011.92 |
| ENERGY CHARGE (OFF) | 16,824,581.00 | R | 6,021,517.54 |
| ENERGY CHARGE (STD) | 16,081,421.00 | R | 9,071,529.59 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | R | 2,696,617.48 | |
| SERVICE CHARGE | R | 107,815.83 | |

TOTAL CHARGES FOR BILLING PERIOD R **25,691,912.58**

ACCOUNT SUMMARY FOR JANUARY 2018

| | | | |
|----------------------------------|-----------------------------|---|----------------|
| BALANCE BROUGHT FORWARD | (Due Date 2018-02-01) | R | 124,637,455.87 |
| PAYMENT(S) RECEIVED | Direct Deposit - 2018-01-10 | R | -8,195,526.49 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 25,691,912.58 |
| ADJUSTMENT | Interest on overdue account | R | 629,550.68 |
| VAT RAISED ON ITEMS AT 14% | | R | 3,596,867.77 |

COPY ONLY

ACCOUNT NO / REFERENCE NO

| |
|------------------------|
| 5578885631 |
| NAME |
| NEWCASTLE MUNICIPALITY |
| FAX NUMBER |
| 0343129697 |
| 0934 5578885631 |

11341 5578885631



9207 0557 8885 6313

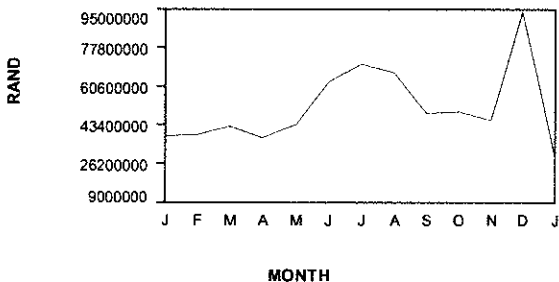


TOTAL AMOUNT DUE

146,360,260.40

| ARREARS | | | | |
|--------------------|---------------|---------------|------------|-----------------------|
| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS | CURRENT |
| 0.00 | 21,482,133.03 | 94,959,796.35 | 0.00 | 29,918,331.03 |
| TOTAL DUE R | | | | 146,360,260.41 |

Account OVERDUE - Subject to Disconnection



PAYMENT ARRANGEMENT

| | |
|-------------------------------|----------------|
| INSTALMENT | 0.00 |
| ARREARS (Due Immediately) | 116,441,929.38 |
| DUE DATE (For Current Amount) | 2018-03-07 |
| AMOUNT PAID | |

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

| | |
|-------------|--------|
| PAGE RUN NO | EP 1 |
| BILL GROUP | |
| BILL PAGE | 1 OF 2 |



EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566
 FAX NO: 0862 437 566
 E-MAIL: customerservices@eskom.co.za
 WEB: WWW.ESKOM.CO.ZA

NEWCASTLE MUNICIPALITY
 PRIVATE BAG X6621
 NEWCASTLE
 2940

| | |
|---------------------|--------------|
| YOUR ACCOUNT NO | 5578885631 |
| BILLING DATE | 2018-02-05 |
| TAX INVOICE NO | 557885188144 |
| ACCOUNT MONTH | JANUARY 2018 |
| CURRENT DUE DATE | 2018-03-07 |
| VAT REG NO | 4000791824 |
| NOTIFIED MAX DEMAND | 125,000.00 |
| UTILISED CAPACITY | 125,000.00 |

CONSUMPTION DETAILS (2018-01-01 - 2018-01-31)

| | |
|---------------------------------|---------------|
| ENERGY CONSUMPTION OFF PEAK kWh | 16,824,581.36 |
| ENERGY CONSUMPTION STD kWh | 16,081,420.72 |
| ENERGY CONSUMPTION PEAK kWh | 6,118,853.08 |
| ENERGY CONSUMPTION ALL kWh | 39,024,855.16 |
| DEMAND CONSUMPTION - OFF PEAK | 74,902.28 |
| DEMAND CONSUMPTION - STD | 85,837.72 |
| DEMAND CONSUMPTION - PEAK | 76,889.72 |
| DEMAND READING - KW/KVA | 85,837.72 |
| REACTIVE ENERGY - OFF PEAK | 6,451,838.90 |
| REACTIVE ENERGY - STD | 5,757,369.02 |
| REACTIVE ENERGY - PEAK | 2,238,873.58 |
| LOAD FACTOR | 64.00 |

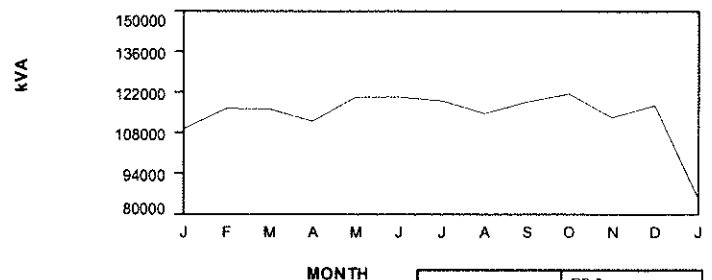
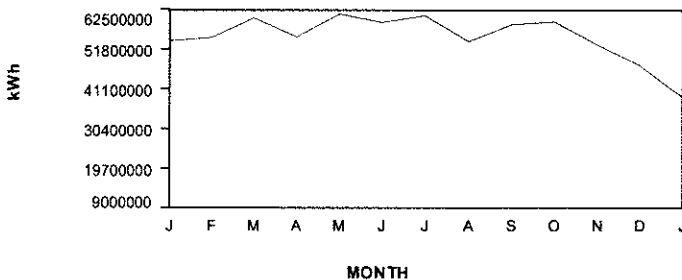
PREMISE ID NUMBER 5578885383 TARIFF NAME: Megaflex

INST 08881 BULK SUPPLY 1 NEWCASTLE CIVIC CENTRE 37 MURCHISON BULK SUPPLY TO NEWCASTLE MUNICIPALITY

| | | |
|---|---|--------------|
| Administration Charge @ R111.07 per day for 31 days | R | 3,443.17 |
| TX Network Capacity Charge 125,000 kVa @ R8.76 : = R8.76/kVA | R | 1,095,000.00 |
| Urban Low Voltage Subsidy 125,000 kVa @ R12.48 : = R12.48/kVA | R | 1,560,000.00 |
| Ancillary Service Charge 39,024,855 kWh @ R0.0031 /kWh | R | 120,977.05 |
| Low Season Peak Energy Charge 6,118,853 kWh @ R0.8196 /kWh | R | 5,015,011.92 |
| Low Season Off Peak Energy Charge 16,824,581 kWh @ R0.3670 /kWh | R | 6,021,517.54 |
| Low Season Standard Energy Charge 16,081,421 kWh @ R0.5641 /kWh | R | 9,071,529.59 |
| Electrification and Rural Subsidy 39,024,855 kWh @ R0.0891 /kWh | R | 2,696,617.48 |

SERVICE CHARGE R 107,815.83

TOTAL CHARGES R 25,691,912.58



| | |
|-------------|--------|
| PAGE RUN NO | EP 2 |
| BILL GROUP | |
| BILL PAGE | 2 OF 2 |

SUMMARY OF INVESTMENTS FOR NEWCASTLE FOR JANUARY 2018

| Account Number | Opening balance | Investment made | Investment Matured | Withdrawals made | Interest Received | Interest Capitalized | Bank Charges Vat & Other | Balance |
|-----------------------------|-----------------|-----------------|--------------------|------------------|-------------------|----------------------|--------------------------|-----------------|
| Standard Bank 068450354/015 | R 903 090,28 | | | | | R 38 833,73 | | R 938 924,01 |
| Standard Bank 068450354/016 | R 15 409 490,38 | R 10 000 000,00 | | R 5 000 000,00 | | R 658 138,74 | | R 21 067 629,12 |
| Standard Bank 068450354/035 | R 5 726 142,46 | R 0,00 | | R 0,00 | | R 227 207,68 | | R 5 953 350,14 |
| Standard Bank 068450354/036 | R 972 373,67 | R 37 000 000,00 | | R 31 000 000,00 | | R 243 934,04 | | R 7 216 307,71 |
| Standard Bank 068450354/037 | R 0,00 | R 3 600 000,00 | | R 0,00 | | R 101 228,13 | | R 3 701 228,13 |
| Standard Bank 068450354/038 | R 0,00 | R 9 000 000,00 | | R 8 000 000,00 | | R 48 234,41 | | R 1 048 234,41 |
| Standard Bank 068450354/039 | R 0,00 | R 1 700 000,00 | | | | R 38 627,50 | | R 1 738 627,50 |
| Absa: 9288456248 | R 6 366 719,28 | | | R 0,00 | R 246 509,22 | | R 231,00 | R 6 366 488,28 |
| Absa 9300506428 | R 312 151,42 | R 20 000 000,00 | | R 20 000 000,00 | | R 52 180,98 | | R 364 332,40 |
| Glacier/Sanlam: 001246115 | R 95 315,79 | | | R 99 134,22 | | R 3 818,43 | | R 0,00 |
| Total as '2018/01/31 | R 29 785 283,28 | R 81 300 000,00 | R 0,00 | R 64 099 134,22 | R 246 509,22 | R 1 409 203,64 | R 231,00 | R 48 395 121,70 |

R 48 395 121,70

C MOORE

CHIEF CLARK: FINANCIAL ACCOUNTING

SP HLATSHWAYO

ACTING MANAGER: FINANCIAL REPORTING

MS NDLOVU

DIRECTOR: BUDGET & FINANCIAL REFORMS

SM NKOSI

ACTING SED: BUDGET & TREASURY OFFICE

/BALANCE PER GENERAL LEDGER '2017/12/31 (030997010001)

| | | | | |
|----------------------|------------|---------|--------------------------|---------------|
| Interest capitalised | 2018/01/09 | JV23768 | Standardba0684503540/015 | 47 888 133,27 |
| Interest capitalised | 2018/01/09 | JV23767 | Standardba0684503540/016 | 5 540,39 |
| Interest capitalised | 2018/01/09 | JV23765 | Standardba0684503540/035 | 124 315,55 |
| Interest capitalised | 2018/01/09 | JV23764 | Standardba0684503540/036 | 35 129,44 |
| Interest capitalised | 2018/01/09 | JV23763 | Standardba0684503540/037 | 47 255,36 |
| Interest capitalised | 2018/01/09 | JV23762 | Standardba0684503540/038 | 21 840,15 |
| Interest capitalised | 2018/01/09 | JV23761 | Standardba0684503540/039 | 6 185,41 |
| Bank charges | 2018/01/09 | JV23759 | ABSA 9288456248 | 7 715,94 |
| Interest capitalised | 2018/01/09 | JV23760 | ABSA 9300506428 | (28,00) |
| | | | | 42 111,52 |
| | | | | 48 178 199,03 |

BALANCE PER GENERAL LEDGER '2017/12/31 (020101000064)

Interest received 2018/01/09 JV23758 ABSA 9288456248

175 675,15
35 417,17
211 092,32

BALANCE PER GENERAL LEDGER '2017/12/31 (020101000075)

Interest Capitalised 2018/01/09 JV23768 Standard Bani 068450351/015
Interest Capitalised 2018/01/09 JV23767 Standard Bani 068450351/016
Interest Capitalised 2018/01/09 JV23765 Standard Bani 068450351/035
Interest Capitalised 2018/01/09 JV23764 Standard Bani 068450351/036
Interest Capitalised 2018/01/09 JV23763 Standard Bani 068450351/037
Interest Capitalised 2018/01/09 JV23762 Standard Bani 068450351/038
Interest Capitalised 2018/01/09 JV23761 Standard Bani 068450351/039
Interest Capitalised 2018/01/09 JV23760 ABSA 9300506428

902 134,21
5 540,39
124 315,55
35 129,44
47 255,36
21 840,15
6 185,41
7 715,94
42 111,52
1 192 227,97

SUMMARY OF LOAN REGISTER FOR JANUARY 2018

| Account number | Interest Rate | LOAN AMOUNT | Opening balance as at 01.07.2017 | Opening balance as at 01.01.2018 | Total Capital Payments | Disbursement | Interest Capitalised to Date | Interest Capitalised for the month | Interest Paid as per Repayment Advice | Balance |
|--------------------------|---------------|----------------|----------------------------------|----------------------------------|------------------------|--------------|------------------------------|------------------------------------|---------------------------------------|-----------------------|
| Loan Account: 61000536 | 9,37% | 24 285 550,00 | 12 023 067,59 | 10 921 847,22 | 1 058 826,52 | 0,00 | 567 676,34 | 75 051,33 | 535 018,86 | 10 996 898,55 |
| Loan Account: 61000654 | 9,10% | 25 993 166,00 | 14 477 726,54 | 13 439 754,65 | 1 018 959,61 | 0,00 | 728 412,70 | 101 537,35 | 645 887,63 | 13 541 292,00 |
| Loan Account: 61000825 | 11,45% | 2 750 000,00 | 654 428,91 | 448 552,20 | 200 440,24 | 0,00 | 35 327,78 | 4 238,25 | 36 526,00 | 452 790,45 |
| Loan Account: 61000826 | 11,29% | 12 750 000,00 | 6 591 999,00 | 6 237 864,83 | 346 690,57 | 0,00 | 413 633,15 | 58 154,33 | 362 922,43 | 6 296 019,16 |
| Loan Account: 61000827 | 11,25% | 1 975 000,00 | 1 650 366,03 | 1 614 282,34 | 35 645,52 | 0,00 | 105 107,68 | 14 998,10 | 90 547,75 | 1 629 280,44 |
| Loan Account: 61000918 | 9,72% | 960 000,00 | 25 559,99 | 0,00 | 22 818,93 | 0,00 | 0,00 | 0,00 | 2 741,56 | - |
| Loan Account: 61000919 | 10,09% | 800 000,00 | 341 976,96 | 280 371,84 | 58 961,07 | 0,00 | 15 361,23 | 1 797,62 | 16 207,66 | 282 169,46 |
| Loan Account: 61000920 | 10,69% | 7 000 000,00 | 6 107 534,66 | 5 945 237,45 | 158 444,79 | 0,00 | 354 019,69 | 50 017,39 | 307 854,72 | 5 995 254,84 |
| Loan Account: 61000921 | 10,83% | 1 850 000,00 | 1 388 555,19 | 1 368 880,93 | 17 795,18 | 0,00 | 82 694,47 | 11 829,23 | 70 744,32 | 1 380 710,16 |
| Loan Account: 61007325 | 5,00% | 11 980 174,80 | 8 988 319,68 | 8 588 350,65 | 393 406,24 | 0,00 | 245 194,66 | 34 043,34 | 217 714,11 | 8 622 383,99 |
| Loan Account: 61007238 | 9,93% | 41 232 000,00 | 21 095 999,92 | 16 196 687,05 | 4 688 283,97 | 0,00 | 858 281,98 | 94 521,14 | 994 789,62 | 16 291 208,19 |
| Loan Account: 61007195 | 10,40% | 122 185 000,00 | 117 029 869,93 | 114 452 311,66 | 2 450 482,29 | 0,00 | 6 641 476,43 | 998 873,26 | 5 769 679,15 | 115 451 184,92 |
| Loan Account: 3042598105 | 11,44% | 284 839 959,00 | 288 944 610,59 | 284 060 955,09 | 9 309 161,23 | 0,00 | 18 059 352,50 | 2 730 017,41 | 15 587 484,84 | 282 007 317,02 |
| Totals | | | 479 218 014,99 | 463 555 095,91 | 19 739 916,16 | 0,00 | 28 106 538,49 | 4 175 078,75 | 24 638 118,65 | 462 946 519,18 |

BALANCE PER STATEMENT

BALANCE PER GENERAL LEDGER

DIFF - STATEMENT VS GEN LED
2 DAYS INTEREST STILL TO BE
UPDATED ON SYSTEM

PREPARED BY:

REVIEWED BY:

REVIEWED BY:

AUTHORIZED BY:

C HARIPARSAD

SP HLATHSWAYO

M S NDLOVU

ACCOUNTANT: GEN ACCOUNT & ADMIN
SERVICES

ACTING MANAGER:
FINANCIAL
REPORTING

DIRECTOR: BUDGET &
FINANCIAL REFORMS

BE HLONGWE
STRATEGIC
EXECUTIVE DIRECTOR:
BUDGET & TREASURY
OFFICE

462 946 519,18

462 880 252,54

66 266,64

| Number | Vote number | Description | Opening balance | Receipts | Expenditures for JAN 2016 | Adjustments | Total Expenditures before Vat | VAT FOR THE MONTH | Total Vat Amount | Total Expenditure after Vat | Closing balance |
|--------|--------------|--|-----------------------|------------------------|---------------------------|-------------------|-------------------------------|---------------------|---------------------|-----------------------------|------------------------|
| 1 | 03962000101 | Environmental Management Framework | (902 871,43) | | | | | | | | (902 871,43) |
| 2 | 03962004801 | Y. T. Tiroo Shelter Project | (650 000,00) | | | | | | | | (650 000,00) |
| 3 | 03962007001 | Cheapest town | (623 975,11) | | | | | | | | (623 975,11) |
| 4 | 03962004801 | Electricity Grant | (650 877,68) | (6 000 000,00) | | | 1 395 450,00 | | 1 953 900,00 | 1 590 813,00 | (8 989 004,59) |
| 5 | 03962001501 | Newcastle library internet project | - | | | | | | | | |
| 6 | 03962002001 | Expanded P/Works incentive | - | (2 916 000,00) | 440 170,00 | | 2 984 788,83 | | 54 980,53 | 2 639 120,16 | (276 870,64) |
| 7 | 03962009401 | Municipal Systems Improvement Grant | - | (1 700 000,00) | 39 420,46 | | 247 288,82 | | | 247 288,82 | (1 662 611,18) |
| 8 | 03962006501 | Financial Management Grant (FMG) | - | | | | | | | | (3 893 700,36) |
| 9 | 03962006501 | Grant Skill Development | - | | | | | | | | (11 353,38) |
| 10 | 03962001801 | Madisoni library internet project | - | | | | | | | | (11 353,38) |
| 11 | 039620021001 | 100000 fresh produce | (11 353,38) | | | | | | | | (11 353,38) |
| 12 | 03962003801 | Obwende library internet project | - | | | | | | | | |
| 13 | 03962004401 | Reborn construction burnt damage HS | - | | | | | | | | |
| 14 | 03962007001 | MFG | - | (72 000 000,00) | 2 248 057,68 | | 35 376 886,63 | | 4 979 764,00 | 39 956 651,23 | (32 443 344,77) |
| 15 | 03962006501 | Obwende Art Centre | - | | | | | | | | (38 926,00) |
| 16 | 03962009001 | Comrade Development | (38 926,00) | | | | | | | | (38 926,00) |
| 17 | 03962010701 | JBC Housing Project | (131 074,64) | | | | | | | | (131 074,64) |
| 18 | 03962010901 | Provincialisation - All Libraries | (22 462 828,43) | | | | | | | | (17 658 222,67) |
| 19 | 03962010901 | Carnegie Art Gallery | (186 742,23) | (200 000,00) | 2 347 805,86 | | 4 540 242,87 | | 345 102,84 | 4 884 705,76 | (3 689 702,83) |
| 20 | 03962001801 | Fort Amiel Museum | (300 025,43) | (150 000,00) | | | | | | | (450 025,43) |
| 21 | 03962001801 | Capacity Building Housing | (6 893 870,98) | | 255 884,26 | | 1 453 784,52 | | 7 814,52 | 1 461 599,04 | (8 232 271,35) |
| 22 | 03962001801 | Newcastle Airport | (272 257,25) | | | | | | | | (272 257,25) |
| 23 | 03962024001 | Neighbouring Development Partnership Grant | (708 206,53) | (4 800 000,00) | | | | | | 4 800 200,53 | 6,00 |
| 24 | 03962024801 | Municipal Works Infra Grant | (3 000 000,00) | (3 000 000,00) | 3 393 015,17 | | 20 022 327,45 | | 462 422,12 | 22 853 681,26 | (13 174 316,74) |
| 25 | 03962003401 | All Housing Grants | (4 204 812,79) | | | | | | | | (4 204 812,79) |
| | | TOTAL | -41 556 010,67 | -129 786 000,00 | 8 824 833,40 | 700 000,00 | 79 383 126,14 | 1 024 913,64 | 6 033 132,96 | 76 418 256,80 | (88 189 752,07) |

PREPARED BY:

C HARIPARSAD
 ACCOUNTANT:
 GENERAL
 ACCOUNT &
 ADMIN
 SERVICES

REVIEWED BY:

SP HLATSHWAYO
 ACTING MANAGER:
 FINANCIAL
 REPORTING

REVIEWED BY:

MS NDLOVU
 DIRECTOR:
 BUDGET &
 FINANCIAL
 REFORMS

AUTHORIZED BY:

SM NKOSI
 ACTING STRATEGIC
 EXECUTIVE
 DIRECTOR: BUDGET
 & TREASURY
 OFFICE

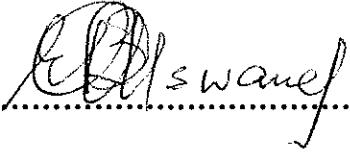
MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **BE Mswane**, the Municipal Manager of **Newcastle Municipality**, hereby certify that the monthly budget statement; for the month of January of 2017/2018. financial year, have been prepared in accordance the Municipal Finance Management Act, No56 of 2003; and Regulation 27 of the Budget and Reporting Regulations.

Print Name : **BHEKANI ERROL MSWANE**

Municipal Manager : **NEWCASTLE MUNICIPALITY**

Signature : .....

Date : 14 / 02 / 2018.....