

**SECTION 71: MONTHLY BUDGET STATEMENT: NATIONAL REPORTING STANDARD: MONTH ONE: 31 JULY 2018: (T 6/1/1-2018/2019): 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

1<sup>st</sup> Level: PORTFOLIO COMMITTEE  
2<sup>nd</sup> Level: EXECUTIVE COMMITTEE  
3<sup>rd</sup> Level: COUNCIL

**SUBJECT: JULY 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. This report is submitted to both the National and Provincial Treasuries in C Schedule format and through a series of MFMA returns that were designed for the purpose of uploading into the National Treasury database.

**1. ANNEXURES**

- 1.1. Financial Reports as at 31 July 2018
- 1.2. Eskom invoice for bulk
- 1.3. Grant register
- 1.4. Quality Certificate
- 1.5. uThukela Water Financial Performance report

**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. Differences will be noted between the financial statement and the Section 71 tables due to the transitional period between the year-end and the new year. The figures reflected in the Section 71 report reflect more correct and realistic picture of the state of finances of the municipality for the reporting period. Major variances and those items with an impact on these categories are 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 and actuals to date, financial position and cash flow position.

**KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M01 July**

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	252,934	295,785	-	31,454	31,454	24,649	6,805	28%	295,785
Service charges	962,401	1,008,550	-	95,108	95,108	84,046	11,062	13%	1,008,550
Investment revenue	4,826	4,041	-	0	0	337	(337)	-100%	4,041
Transfers and subsidies	365,726	384,734	-	142,716	142,716	142,716	-		384,734
Other own revenue	40,372	75,611	-	2,591	2,591	6,301	(3,710)	-59%	75,611
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>271,869</b>	<b>271,869</b>	<b>258,048</b>	<b>13,821</b>	<b>5%</b>	<b>1,768,722</b>
Employee costs	538,871	537,171	-	46,526	46,526	44,764	1,761	4%	537,171
Remuneration of Councillors	21,527	24,119	-	2,075	2,075	2,010	65	3%	24,119
Depreciation & asset impairment	452,759	525,578	-	34,150	34,150	43,798	(9,648)	-22%	525,578
Finance charges	35,355	43,979	-	3,881	3,881	3,665	216	6%	43,979
Materials and bulk purchases	537,642	622,493	-	54,855	54,855	51,874	2,980	6%	622,493
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	511,520	483,668	-	19,416	19,416	40,306	(20,890)	-52%	483,668
<b>Total Expenditure</b>	<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-14%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>	<b>(471,415)</b>	<b>(468,287)</b>	<b>-</b>	<b>110,968</b>	<b>110,968</b>	<b>71,631</b>	<b>39,337</b>	<b>55%</b>	<b>(468,287)</b>
Transfers and subsidies - capital (monetary alloc	158,481	166,736	-	3,433	3,433	3,433	-		166,736
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>3,436</b>	<b>3,436</b>	<b>17,131</b>	<b>(13,696)</b>	<b>-80%</b>	<b>205,576</b>
Capital transfers recognised	158,481	166,736	-	3,433	3,433	13,895	(10,461)	-75%	166,736
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	21,412	38,840	-	2	2	3,237	(3,234)	-100%	38,840
<b>Total sources of capital funds</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>3,436</b>	<b>3,436</b>	<b>17,131</b>	<b>(13,696)</b>	<b>-80%</b>	<b>205,576</b>
<b>Financial position</b>									
Total current assets	794,427	366,049	-		789,660				366,049
Total non current assets	7,396,359	7,515,728	-		7,391,549				7,515,728
Total current liabilities	533,860	297,641	-		622,990				297,641
Total non current liabilities	597,335	534,920	-		623,536				534,920
<b>Community wealth/Equity</b>	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>		<b>6,934,684</b>				<b>7,049,216</b>
<b>Cash flows</b>									
Net cash from (used) operating	209,574	151,264	-	26,732	30,021	148,262	118,241	80%	151,264
Net cash from (used) investing	(155,174)	(151,250)	-	3,436	3,436	(12,604)	(16,040)	127%	(151,250)
Net cash from (used) financing	(47,889)	(32,000)	-	-	-	(2,667)	(2,667)	100%	(32,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>57,019</b>	<b>1,265</b>	<b>-</b>	<b>-</b>	<b>90,922</b>	<b>166,242</b>	<b>75,320</b>	<b>45%</b>	<b>25,479</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	125,567	57,682	27,814	26,042	23,697	23,523	123,200	807,855	1,215,380
<b>Creditors Age Analysis</b>									
Total Creditors	71,236	108,061	30,034	2,348	1,695	955	3,175	10,254	227,759

## **2.1 Operating budget performance-revenue**

2.1.1 The municipality generated a total revenue of R271 869 000 of the original budget of R1 768 722 000, representing 15 percent. The variance between the year-to-date revenue budget and the actual revenue accrued for the same period amounts to R13 821 000, representing an over-performance of 5 percent during the period under review. Although the aggregate performance on revenue generated shows over performance of 5, it is however necessary to explain reasons which attributed to such variance.

2.1.2 The municipality generated R11 062 000 (13%) more revenue from service charges than a pro-rata budget of R84 046 000 for the period under review. The main service charge contributor to that variance was electricity having a variance of R7 109 000 for period under review, due to winter seasonal consumption. All other service charges collectively over-performed by R3 952 000.

2.1.3 The municipality generated R6 805 000 (28%) more revenue from property rates than the year-to-date budget of R24 649 000 for the period under review. This is due to government departments billed for the annual rates in July.

2.1.4 The municipality generated R337 000 (100%) less revenue from interest on investments than the year-to-date budget of R337 000 for the period under review. This is due to withdrawals made by the municipality during the month of July 2018.

2.1.5 As per SC6 on the statement of transfers and grants as well as C7 the Cash Flow statement, the municipality recorded R146 149 000, R142 716 000 for operational grants and R3 433 000 for capital grants respectively. This is in line year-to-date budget as projected.

2.1.6 The municipality generated R3 710 000 (59%) less revenue from sundry revenue than a pro-rata budget of R6 301 000 for the period under review. Most items on other revenue seem to be under-performing with high variances of more than 70%, this variance will reduce as the year progresses.

## **2.2 Operating performance – expenditure**

2.2.1 The summary of the operating expenditure is reflected in C1 and C4 tables of the Schedule C attached hereto. As at the end of July 2018, the municipality incurred the total expenditure of R160 901 069 of the original budget of R2 237 008 000, which represents 7 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R25 516 000, representing under-expenditure of 14 percent. This is the first month in the financial year and the expenditure will increase as the year progresses.

2.2.2 The main attributors of the under-expenditure are non-cash items, being debt impairment and depreciation. These are accounting items, which 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. While it is acknowledged that it is impractical at this stage to fully provide for these items such that the budget is operating at a surplus, the municipality however needs to strive to adequately provide for these items. Depreciation has under-performed by 22 percent in the first month of the financial year, this due to the very low capital expenditure resulting from SCM processes currently underway. Other expenditure has also under-performed by 52%.

2.2.3 The municipality spent R54 760 000 (6%) more on the bulk purchases than a pro-rata budget of R51 561 000. This is due to the fluctuating electricity consumption which will be studied closely and will gradually decrease as the warmer season approaches. The invoices for Eskom for the month of July 2018 is included on this report.

2.2.4 The municipality spent R219 000 (70%) less on materials than a pro-rata budget of R314 000. This is mainly due to the culture of cost containment which has been inculcated.

2.2.5 The municipality spent R2 912 000 (100%) less on contracted services than a pro-rata budget of R2 912 000. This under expenditure is due to the fact that we accrued invoices for securities and other invoices for consultants of service delivery have not been received for the month of July 2018.

## 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) - M01 July**

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4.7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		1,955	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		8,912	2,640	-	-	-	220	(220)	-100%	2,640
Vote 3 - BUDGET AND TREASURY		-	1,000	-	-	-	83	(83)	-100%	1,000
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		36,701	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		130,826	197,436	-	3,436	3,436	16,453	(13,017)	-79%	197,436
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		1,499	4,500	-	-	-	375	(375)	-100%	4,500
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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Total Capital Expenditure</b>		179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1,955	1,000	-	-	-	83	(83)	-100%	1,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,955	1,000	-	-	-	83	(83)	-100%	1,000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		9,455	2,640	-	-	-	220	(220)	-100%	2,640
Community and social services		8,048	990	-	-	-	83	(83)	-100%	990
Sport and recreation		766	1,650	-	-	-	138	(138)	-100%	1,650
Public safety		99	-	-	-	-	-	-	-	-
Housing		543	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46,849	142,436	-	2	2	11,870	(11,867)	-100%	142,436
Planning and development		20,512	-	-	-	-	-	-	-	-
Road transport		26,337	142,436	-	2	2	11,870	(11,867)	-100%	142,436
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		105,987	59,500	-	3,433	3,433	4,958	(1,525)	-31%	59,500
Energy sources		1,499	4,500	-	-	-	375	(375)	-100%	4,500
Water management		104,489	55,000	-	3,433	3,433	4,583	(1,150)	-25%	55,000
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		15,646	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Funded by:</b>										
National Government		133,908	148,032	-	3,433	3,433	12,336	(8,903)	-72%	148,032
Provincial Government		8,926	18,704	-	-	-	1,559	(1,559)	-100%	18,704
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		15,646	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		158,481	166,736	-	3,433	3,433	13,895	(10,461)	-75%	166,736
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		21,412	38,840	-	2	2	3,237	(3,234)	-100%	38,840
<b>Total Capital Funding</b>		179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576

2.3.1 Capital expenditure for the first month of the financial year amounted to R3 436 000, which represents 1.7% of the approved capital budget of R205 576 000. Comparison between the pro rata budget of R17 131 000 and actual expenditure for the period reflects an under expenditure of (R13 696 000) which implies that the municipality spent 80 percent less than the budget for the same period. The spending of capital projects will steadily increase during the course of the year.

## 2.4 Financial position

**Table C6: Monthly budget statements – Financial Position**

Table C6 below reflects the performance to date in relation to the financial position of the municipality.

**KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M01 July**

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9,612	1,265		20,642	1,265
Call investment deposits		47,407	10,951		70,280	10,951
Consumer debtors		673,840	305,160		604,312	305,160
Other debtors		51,145	33,098		81,230	33,098
Current portion of long-term receivables		4	-		3	-
Inventory		12,420	15,575		13,193	15,575
<b>Total current assets</b>		<b>794,427</b>	<b>366,049</b>	<b>-</b>	<b>789,660</b>	<b>366,049</b>
<b>Non current assets</b>						
Long-term receivables		-	-		-	-
Investments		-	-		-	-
Investment property		365,272	361,651		365,272	361,651
Investments in Associate		301,163	298,182		301,163	298,182
Property, plant and equipment		6,716,697	6,840,820		6,711,883	6,840,820
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		5,758	7,650		5,763	7,650
Other non-current assets		7,469	7,425		7,469	7,425
<b>Total non current assets</b>		<b>7,396,359</b>	<b>7,515,728</b>	<b>-</b>	<b>7,391,549</b>	<b>7,515,728</b>
<b>TOTAL ASSETS</b>		<b>8,190,786</b>	<b>7,881,777</b>	<b>-</b>	<b>8,181,210</b>	<b>7,881,777</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-		-	-
Borrowing		-	33,987		-	33,987
Consumer deposits		18,965	16,867		19,402	16,867
Trade and other payables		514,895	240,096		603,588	240,096
Provisions		-	6,691		-	6,691
<b>Total current liabilities</b>		<b>533,860</b>	<b>297,641</b>	<b>-</b>	<b>622,990</b>	<b>297,641</b>
<b>Non current liabilities</b>						
Borrowing		431,733	373,941		436,198	373,941
Provisions		165,602	160,980		187,338	160,980
<b>Total non current liabilities</b>		<b>597,335</b>	<b>534,920</b>	<b>-</b>	<b>623,536</b>	<b>534,920</b>
<b>TOTAL LIABILITIES</b>		<b>1,131,195</b>	<b>832,561</b>	<b>-</b>	<b>1,246,526</b>	<b>832,561</b>
<b>NET ASSETS</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,934,684</b>	<b>7,049,216</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		7,032,915	7,046,945		6,908,136	7,046,945
Reserves		26,676	2,271		26,548	2,271
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,934,684</b>	<b>7,049,216</b>

2.4.1 As at end the end of the first month of the financial year, the municipality showed a favourable equity position, with a net asset effect of R6.9 billion. While this picture looks good, it is however important to point out major reasons 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 debtors aging as reflected in table SC3 is a total of R1.2 billion as at the end of the first month. The bulk of this amount (R1 004 million) is debt owing for more than 90 days, while R893 million of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent. Debtors seem to be accumulating in each and every month, it is recommended that the council also intervenes in this regard.

2.4.3 Property Plant and Equipment (Assets) comprise of R6.7 billion of the total assets of R8.2 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 The municipality closed with a balance of cash and cash equivalent of R91 million as at the end of the first month of the financial year. It must be noted that included in the investment is the housing development fund of R25 million which belongs to KZN Department of Human Settlements. The short-term obligations are sitting at R227.7 million as illustrated on SC4, while unspent conditional grants amount to R95 million, representing a cash short-fall of R256.7 million.

Looking at the cash position as mentioned above the municipality is currently not in the position to cover it short-term obligations, including unspent conditional grants.

## 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 - M01 July**

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		180,280	233,985		14,613	14,613	19,499	(4,885)	-25%	233,985
Service charges		794,533	859,570		70,156	70,156	71,631	(1,475)	-2%	859,570
Other revenue		43,610	37,516		6,640	6,640	3,126	3,513	112%	37,516
Government - operating		345,816	384,734		142,253	142,253	142,253	-		384,734
Government - capital		217,288	162,426		-	39,000	39,000	-		162,426
Interest		16,036	9,328		711	711	777	(67)	-9%	9,328
Dividends		-	-		-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(1,355,861)	(1,492,315)		(203,760)	(239,471)	(124,360)	115,112	-93%	(1,492,315)
Finance charges		(32,127)	(43,979)		(3,881)	(3,881)	(3,665)	216	-6%	(43,979)
Transfers and Grants		-	-		-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>209,574</b>	<b>151,264</b>	<b>-</b>	<b>26,732</b>	<b>30,021</b>	<b>148,262</b>	<b>118,241</b>	<b>80%</b>	<b>151,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	21,200		-	-	1,767	(1,767)	-100%	21,200
Decrease (increase) in non-current debtors		-	-		-	-	-	-		-
Decrease (increase) other non-current receivables		-	33,125		-	-	2,760	(2,760)	-100%	33,125
Decrease (increase) in non-current investments		-	-		-	-	-	-		-
<b>Payments</b>										
Capital assets		(155,174)	(205,576)		3,436	3,436	(17,131)	(20,567)	120%	(205,576)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(155,174)</b>	<b>(151,250)</b>	<b>-</b>	<b>3,436</b>	<b>3,436</b>	<b>(12,604)</b>	<b>(16,040)</b>	<b>127%</b>	<b>(151,250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-		-	-	-	-		-
Borrowing long term/refinancing		-	-		-	-	-	-		-
Increase (decrease) in consumer deposits		-	-		-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(47,889)	(32,000)		-	-	(2,667)	(2,667)	100%	(32,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(47,889)</b>	<b>(32,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,667)</b>	<b>(2,667)</b>	<b>100%</b>	<b>(32,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>6,512</b>	<b>(31,986)</b>	<b>-</b>	<b>30,168</b>	<b>33,457</b>	<b>132,991</b>			<b>(31,986)</b>
Cash/cash equivalents at beginning:		50,508	33,251			57,465	33,251			57,465
Cash/cash equivalents at month/year end:		57,019	1,265			90,922	166,242			25,479

2.5.1 The municipality opened with a cash and cash equivalent balance of R57.5 million at the beginning of the financial year and closed with a balance of R91 million as at the end of July 2018, which represents a cash increase of R33.5 million.

2.5.2 Cash flows from operating activities yielded a net cash inflow of R30.0 million as result of receipts from services charges, property rates, government grants as well as other sundry receipts. This net cash inflows was after the municipality paid its suppliers for services rendered, remunerated its employees and paid the portion of the outstanding interest on loans.



2.5.3 Cash flows from investing activities recorded cash outflows of R3.4 million due to capital expenditure.

2.5.4 No cash flows were recorded for financing activities during the period under review. This is due to restructuring of loans by the municipality.

### **3. 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 should 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.

### **4. RECOMMENDED**

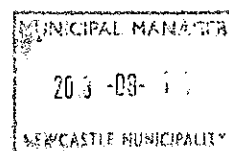
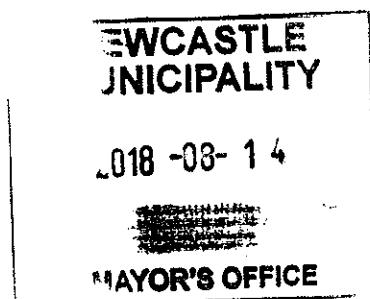
- (a) That reports submitted in terms of Section 71 of the MFMA for the month ended 31 July 2018 be noted;

**Report Prepared by:**

**Report seen by:**

  
ME NKOSI  
PORTFOLIO COUNCILLOR  
BUDGET AND TREASURY OFFICE

  
SM NKOSI  
ACTING STRATEGIC EXECUTIVE DIRECTOR:  
BUDGET AND TREASURY OFFICE



KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M01 July

Description	2017/18 Audited Outcome	Budget Year 2018/19							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	252,934	295,785	-	31,454	31,454	24,649	6,805	28%	295,785
Service charges	962,401	1,008,550	-	95,108	95,108	84,046	11,062	13%	1,008,550
Investment revenue	4,826	4,041	-	0	0	337	(337)	-100%	4,041
Transfers and subsidies	366,726	384,734	-	142,716	142,716	142,716	-		384,734
Other own revenue	40,372	75,611	-	2,591	2,591	6,301	(3,710)	-59%	75,611
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>271,869</b>	<b>271,869</b>	<b>258,048</b>	<b>13,821</b>	<b>5%</b>	<b>1,768,722</b>
Employee costs	538,871	537,171	-	46,526	46,526	44,764	1,761	4%	537,171
Remuneration of Councillors	21,527	24,119	-	2,075	2,075	2,010	65	3%	24,119
Depreciation & asset impairment	452,759	525,578	-	34,150	34,150	43,798	(9,648)	-22%	525,578
Finance charges	35,355	43,979	-	3,881	3,881	3,665	216	6%	43,979
Materials and bulk purchases	537,642	622,493	-	54,855	54,855	51,874	2,980	6%	622,493
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	511,520	483,668	-	19,416	19,416	40,306	(20,890)	-52%	483,668
<b>Total Expenditure</b>	<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-14%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>	<b>(471,415)</b>	<b>(468,287)</b>	<b>-</b>	<b>110,968</b>	<b>110,968</b>	<b>71,631</b>	<b>39,337</b>	<b>55%</b>	<b>(468,287)</b>
Transfers and subsidies - capital (monetary allocations)	158,481	166,736	-	3,433	3,433	3,433	-		166,736
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
Capital transfers recognised	158,481	166,736	-	3,433	3,433	13,895	(10,461)	-75%	166,736
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	21,412	38,840	-	2	2	3,237	(3,234)	-100%	38,840
<b>Total sources of capital funds</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>3,436</b>	<b>3,436</b>	<b>17,131</b>	<b>(13,696)</b>	<b>-80%</b>	<b>205,576</b>
<b>Financial position</b>									
Total current assets	794,427	366,049	-	-	789,660	-	-	-	366,049
Total non current assets	7,396,359	7,515,728	-	-	7,391,549	-	-	-	7,515,728
Total current liabilities	533,860	297,641	-	-	622,990	-	-	-	297,641
Total non current liabilities	597,335	534,920	-	-	623,536	-	-	-	534,920
<b>Community wealth/Equity</b>	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>-</b>	<b>6,934,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,049,216</b>
<b>Cash flows</b>									
Net cash from (used) operating	209,574	151,264	-	26,732	30,021	148,262	118,241	80%	151,264
Net cash from (used) investing	(155,174)	(151,250)	-	3,436	3,436	(12,604)	(16,040)	127%	(151,250)
Net cash from (used) financing	(47,889)	(32,000)	-	-	-	(2,667)	(2,667)	100%	(32,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>57,019</b>	<b>1,265</b>	<b>-</b>	<b>-</b>	<b>90,922</b>	<b>166,242</b>	<b>75,320</b>	<b>45%</b>	<b>25,479</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	125,567	57,682	27,814	26,042	23,697	23,523	123,200	807,855	1,215,380
<b>Creditors Age Analysis</b>									
Total Creditors	71,236	108,061	30,034	2,348	1,695	955	3,175	10,254	227,759

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		<b>360,307</b>	<b>412,282</b>	-	<b>67,395</b>	<b>67,395</b>	<b>72,387</b>	(4,992)	-7%	<b>412,282</b>
Executive and council		11,473	9,712	-	1,660	1,660	809	851	105%	9,712
Finance and administration		348,834	402,569	-	65,735	65,735	71,577	(5,842)	-8%	402,569
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		<b>32,639</b>	<b>35,390</b>	-	<b>1,198</b>	<b>1,198</b>	<b>2,949</b>	(1,751)	-59%	<b>35,390</b>
Community and social services		18,274	9,840	-	494	494	820	(326)	-40%	9,840
Sport and recreation		541	698	-	1	1	58	(57)	-98%	698
Public safety		6,942	11,450	-	133	133	954	(822)	-86%	11,450
Housing		6,836	13,331	-	553	553	1,111	(558)	-50%	13,331
Health		47	71	-	17	17	6	12	196%	71
<i>Economic and environmental services</i>		<b>109,277</b>	<b>33,606</b>	-	<b>114</b>	<b>114</b>	<b>2,801</b>	(2,687)	-96%	<b>33,606</b>
Planning and development		70,898	22,907	-	114	114	1,909	(1,795)	-94%	22,907
Road transport		38,379	10,699	-	-	-	892	(892)	-100%	10,699
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>1,282,385</b>	<b>1,287,275</b>	-	<b>206,584</b>	<b>206,584</b>	<b>183,331</b>	23,252	13%	<b>1,287,275</b>
Energy sources		718,633	770,528	-	91,286	91,286	92,733	(1,446)	-2%	770,528
Water management		290,791	231,141	-	46,455	46,455	66,798	(20,343)	-30%	231,141
Waste water management		176,687	187,871	-	48,044	48,044	15,656	32,388	207%	187,871
Waste management		96,274	97,735	-	20,798	20,798	8,145	12,654	155%	97,735
<i>Other</i>	4	<b>132</b>	<b>169</b>	-	<b>11</b>	<b>11</b>	<b>14</b>	<b>(3)</b>	<b>-18%</b>	<b>169</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1,784,740</b>	<b>1,768,722</b>	-	<b>275,302</b>	<b>275,302</b>	<b>261,482</b>	<b>13,821</b>	<b>5%</b>	<b>1,768,722</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		<b>541,588</b>	<b>412,389</b>	-	<b>19,524</b>	<b>19,524</b>	<b>34,366</b>	(14,842)	-43%	<b>412,389</b>
Executive and council		190,702	81,497	-	5,609	5,609	6,791	(1,182)	-17%	81,497
Finance and administration		350,886	330,892	-	13,915	13,915	27,574	(13,660)	-50%	330,892
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		<b>181,581</b>	<b>223,369</b>	-	<b>13,249</b>	<b>13,249</b>	<b>18,614</b>	(5,365)	-29%	<b>223,369</b>
Community and social services		26,192	29,016	-	2,264	2,264	2,418	(154)	-6%	29,016
Sport and recreation		68,213	76,393	-	5,133	5,133	6,366	(1,233)	-19%	76,393
Public safety		58,141	65,757	-	4,058	4,058	5,480	(1,422)	-26%	65,757
Housing		25,358	44,877	-	1,349	1,349	3,740	(2,391)	-64%	44,877
Health		3,678	7,327	-	445	445	611	(166)	-27%	7,327
<i>Economic and environmental services</i>		<b>250,510</b>	<b>264,341</b>	-	<b>17,007</b>	<b>17,007</b>	<b>22,028</b>	(5,021)	-23%	<b>264,341</b>
Planning and development		24,167	27,477	-	1,637	1,637	2,290	(653)	-29%	27,477
Road transport		226,343	236,865	-	15,370	15,370	19,739	(4,369)	-22%	236,865
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>1,123,847</b>	<b>1,335,639</b>	-	<b>111,116</b>	<b>111,116</b>	<b>111,303</b>	(188)	0%	<b>1,335,639</b>
Energy sources		608,813	708,833	-	69,007	69,007	59,069	9,937	17%	708,833
Water management		383,390	493,851	-	37,972	37,972	41,154	(3,182)	-8%	493,851
Waste water management		60,109	65,969	-	(8)	(8)	5,497	(5,505)	-100%	65,969
Waste management		71,534	66,986	-	4,145	4,145	5,582	(1,437)	-26%	66,986
<i>Other</i>		<b>148</b>	<b>1,270</b>	-	<b>5</b>	<b>5</b>	<b>106</b>	<b>(101)</b>	<b>-95%</b>	<b>1,270</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>2,097,674</b>	<b>2,237,008</b>	-	<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-14%</b>	<b>2,237,008</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(312,934)</b>	<b>(468,287)</b>	-	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(468,287)</b>

**KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July**

Vote Description	Ref	2017/18 Audited Outcome	Budget Year 2018/19							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	66,746	69,026	-	26,244	26,244	24,767	1,477	6.0%	69,026
Vote 2 - COMMUNITY SERVICES		130,826	119,794	-	21,444	21,444	19,490	1,954	10.0%	119,794
Vote 3 - BUDGET AND TREASURY		293,561	343,256	-	41,151	41,151	38,112	3,039	8.0%	343,256
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		77,865	36,407	-	678	678	3,034	(2,356)	-77.7%	36,407
Vote 6 - TECHNICAL SERVICES		497,109	429,711	-	94,499	94,499	83,346	11,153	13.4%	429,711
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		718,633	770,528	-	91,286	91,286	92,733	(1,446)	-1.6%	770,528
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1,784,740</b>	<b>1,768,722</b>	<b>-</b>	<b>275,302</b>	<b>275,302</b>	<b>261,482</b>	<b>13,820</b>	<b>5.3%</b>	<b>1,768,722</b>
<b>Expenditure by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	239,523	146,473	-	4,338	4,338	12,206	(7,868)	-64.5%	146,473
Vote 2 - COMMUNITY SERVICES		284,594	291,202	-	17,534	17,534	24,267	(6,733)	-27.7%	291,202
Vote 3 - BUDGET AND TREASURY		162,888	152,792	-	9,639	9,639	12,733	(3,094)	-24.3%	152,792
Vote 4 - MUNICIPAL MANAGER		70,952	62,110	-	3,725	3,725	5,176	(1,451)	-28.0%	62,110
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		59,379	79,124	-	3,313	3,313	6,594	(3,281)	-49.8%	79,124
Vote 6 - TECHNICAL SERVICES		671,525	807,857	-	53,346	53,346	66,373	(13,027)	-19.6%	796,474
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		608,813	708,833	-	69,007	69,007	59,069	9,937	16.8%	708,833
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>2,097,674</b>	<b>2,248,392</b>	<b>-</b>	<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-13.7%</b>	<b>2,237,008</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(312,934)</b>	<b>(479,670)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,065</b>	<b>39,336</b>	<b>52.4%</b>	<b>(468,287)</b>

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates		252,934	295,785			31,454	31,454	24,649	6,805	28%	295,785
Service charges - electricity revenue		649,843	686,768			64,340	64,340	57,231	7,109	12%	686,768
Service charges - water revenue		156,568	161,896			14,182	14,182	13,491	690	5%	161,896
Service charges - sanitation revenue		90,849	95,532			9,669	9,669	7,961	1,708	21%	95,532
Service charges - refuse revenue		65,141	64,354			6,917	6,917	5,363	1,554	29%	64,354
Service charges - other		-	-			-	-	-	-	-	-
Rental of facilities and equipment		7,815	8,642			680	680	720	(40)	-6%	8,642
Interest earned - external investments		4,826	4,041			0	0	337	(337)	-100%	4,041
Interest earned - outstanding debtors		11,595	13,218			710	710	1,101	(391)	-36%	13,218
Dividends received		-	-			-	-	-	-	-	-
Fines, penalties and forfeits		6,103	8,710			90	90	726	(636)	-88%	8,710
Licences and permits		10	13			2	2	1	1	89%	13
Agency services		-	-			-	-	-	-	-	-
Transfers and subsidies		365,726	384,734			142,716	142,716	142,716	-	-	384,734
Other revenue		14,848	45,029			1,109	1,109	3,752	(2,644)	-70%	45,029
Gains on disposal of PPE		-	-			-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,626,259</b>	<b>1,768,722</b>			<b>271,869</b>	<b>271,869</b>	<b>258,048</b>	<b>13,821</b>	<b>5%</b>	<b>1,768,722</b>
<b>Expenditure By Type</b>											
Employee related costs		538,871	537,171			46,526	46,526	44,764	1,761	4%	537,171
Remuneration of councillors		21,527	24,119			2,075	2,075	2,010	65	3%	24,119
Debt impairment		137,597	163,946			12,311	12,311	13,662	(1,351)	-10%	163,946
Depreciation & asset impairment		452,759	525,578			34,150	34,150	43,798	(9,648)	-22%	525,578
Finance charges		35,355	43,979			3,881	3,881	3,665	216	6%	43,979
Bulk purchases		530,968	618,730			54,760	54,760	51,561	3,200	6%	618,730
Other materials		6,673	3,763			94	94	314	(219)	-70%	3,763
Contracted services		53,171	34,945			-	-	2,912	(2,912)	-100%	34,945
Transfers and subsidies		-	-			-	-	-	-	-	-
Other expenditure		320,751	284,777			7,105	7,105	23,731	(16,626)	-70%	284,777
Loss on disposal of PPE		-	-			-	-	-	-	-	-
<b>Total Expenditure</b>		<b>2,097,674</b>	<b>2,237,008</b>			<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-14%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(471,415)	(468,287)			110,968	110,968	71,631	39,337	0	(468,287)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		158,481	166,736			3,433	3,433	3,433	-	-	166,736
Transfers and subsidies - capital (in-kind - all)		-	-			-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(312,934)</b>	<b>(301,551)</b>			<b>114,401</b>	<b>114,401</b>	<b>75,064</b>			<b>(301,551)</b>
Taxation		-	-			-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(312,934)</b>	<b>(301,551)</b>			<b>114,401</b>	<b>114,401</b>	<b>75,064</b>			<b>(301,551)</b>
Attributable to minorities		-	-			-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(312,934)</b>	<b>(301,551)</b>			<b>114,401</b>	<b>114,401</b>	<b>75,064</b>			<b>(301,551)</b>
Share of surplus/ (deficit) of associate		-	-			-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(312,934)</b>	<b>(301,551)</b>			<b>114,401</b>	<b>114,401</b>	<b>75,064</b>			<b>(301,551)</b>

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	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]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		1,955	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		8,912	2,640	-	-	-	220	(220)	-100%	2,640
Vote 3 - BUDGET AND TREASURY		-	1,000	-	-	-	83	(83)	-100%	1,000
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		36,701	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		130,826	197,436	-	3,436	3,436	16,453	(13,017)	-79%	197,436
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		1,499	4,500	-	-	-	375	(375)	-100%	4,500
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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Total Capital Expenditure</b>		179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1,955	1,000	-	-	-	83	(83)	-100%	1,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,955	1,000	-	-	-	83	(83)	-100%	1,000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		9,455	2,640	-	-	-	220	(220)	-100%	2,640
Community and social services		8,048	990	-	-	-	83	(83)	-100%	990
Sport and recreation		766	1,650	-	-	-	138	(138)	-100%	1,650
Public safety		99	-	-	-	-	-	-	-	-
Housing		543	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46,849	142,436	-	2	2	11,870	(11,867)	-100%	142,436
Planning and development		20,512	-	-	-	-	-	-	-	-
Road transport		26,337	142,436	-	2	2	11,870	(11,867)	-100%	142,436
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		105,987	59,500	-	3,433	3,433	4,958	(1,525)	-31%	59,500
Energy sources		1,499	4,500	-	-	-	375	(375)	-100%	4,500
Water management		104,489	55,000	-	3,433	3,433	4,583	(1,150)	-25%	55,000
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		15,646	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576
<b>Funded by:</b>										
National Government		133,909	148,032	-	3,433	3,433	12,336	(8,903)	-72%	148,032
Provincial Government		8,926	18,704	-	-	-	1,559	(1,559)	-100%	18,704
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		15,646	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		158,481	166,736	-	3,433	3,433	13,895	(10,461)	-75%	166,736
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		21,412	38,840	-	2	2	3,237	(3,234)	-100%	38,840
<b>Total Capital Funding</b>		179,893	205,576	-	3,436	3,436	17,131	(13,696)	-80%	205,576

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9,612	1,265		20,642	1,265
Call investment deposits		47,407	10,951		70,280	10,951
Consumer debtors		673,840	305,160		604,312	305,160
Other debtors		51,145	33,098		81,230	33,098
Current portion of long-term receivables		4	-		3	-
Inventory		12,420	15,575		13,193	15,575
<b>Total current assets</b>		<b>794,427</b>	<b>366,049</b>	<b>-</b>	<b>789,660</b>	<b>366,049</b>
<b>Non current assets</b>						
Long-term receivables		-	-		-	-
Investments		-	-		-	-
Investment property		365,272	361,651		365,272	361,651
Investments in Associate		301,163	298,182		301,163	298,182
Property, plant and equipment		6,716,697	6,840,820		6,711,883	6,840,820
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		5,758	7,650		5,763	7,650
Other non-current assets		7,469	7,425		7,469	7,425
<b>Total non current assets</b>		<b>7,396,359</b>	<b>7,515,728</b>	<b>-</b>	<b>7,391,549</b>	<b>7,515,728</b>
<b>TOTAL ASSETS</b>		<b>8,190,786</b>	<b>7,881,777</b>	<b>-</b>	<b>8,181,210</b>	<b>7,881,777</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-		-	-
Borrowing		-	33,987		-	33,987
Consumer deposits		18,965	16,867		19,402	16,867
Trade and other payables		514,895	240,096		603,588	240,096
Provisions		-	6,691		-	6,691
<b>Total current liabilities</b>		<b>533,860</b>	<b>297,641</b>	<b>-</b>	<b>622,990</b>	<b>297,641</b>
<b>Non current liabilities</b>						
Borrowing		431,733	373,941		436,198	373,941
Provisions		165,602	160,980		187,338	160,980
<b>Total non current liabilities</b>		<b>597,335</b>	<b>534,920</b>	<b>-</b>	<b>623,536</b>	<b>534,920</b>
<b>TOTAL LIABILITIES</b>		<b>1,131,195</b>	<b>832,561</b>	<b>-</b>	<b>1,246,526</b>	<b>832,561</b>
<b>NET ASSETS</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,934,684</b>	<b>7,049,216</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		7,032,915	7,046,945		6,908,136	7,046,945
Reserves		26,676	2,271		26,548	2,271
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,934,684</b>	<b>7,049,216</b>

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		180,280	233,985		14,613	14,613	19,499	(4,885)	-25%	233,985
Service charges		794,533	859,570		70,156	70,156	71,631	(1,475)	-2%	859,570
Other revenue		43,610	37,516		6,640	6,640	3,126	3,513	112%	37,516
Government - operating		345,816	384,734		142,253	142,253	142,253	-		384,734
Government - capital		217,288	162,426		-	39,000	39,000	-		162,426
Interest		16,036	9,328		711	711	777	(67)	-9%	9,328
Dividends										
<b>Payments</b>										
Suppliers and employees		(1,355,861)	(1,492,315)		(203,760)	(239,471)	(124,360)	115,112	-93%	(1,492,315)
Finance charges		(32,127)	(43,979)		(3,881)	(3,881)	(3,665)	216	-6%	(43,979)
Transfers and Grants										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>209,574</b>	<b>151,264</b>	<b>-</b>	<b>26,732</b>	<b>30,021</b>	<b>148,262</b>	<b>118,241</b>	<b>80%</b>	<b>151,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE			21,200		-	-	1,767	(1,767)	-100%	21,200
Decrease (increase) in non-current debtors										
Decrease (increase) other non-current receivables			33,125				2,760	(2,760)	-100%	33,125
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(155,174)	(205,576)		3,436	3,436	(17,131)	(20,567)	120%	(205,576)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(155,174)</b>	<b>(151,250)</b>	<b>-</b>	<b>3,436</b>	<b>3,436</b>	<b>(12,804)</b>	<b>(16,040)</b>	<b>127%</b>	<b>(151,250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
<b>Payments</b>										
Repayment of borrowing		(47,889)	(32,000)				(2,667)	(2,667)	100%	(32,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(47,889)</b>	<b>(32,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,667)</b>	<b>(2,667)</b>	<b>100%</b>	<b>(32,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>6,512</b>	<b>(31,986)</b>	<b>-</b>	<b>30,168</b>	<b>33,457</b>	<b>132,991</b>			<b>(31,986)</b>
Cash/cash equivalents at beginning:		50,508	33,251			57,465	33,251			57,465
Cash/cash equivalents at month/year end:		57,019	1,265			90,922	166,242			25,479



KZN252 Newcastle - Supporting Table SC1 Material variance explanations - M01 July

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<p><b>R thousands</b></p> <p><b>Revenue By Source</b></p> <p>Fines, penalties and forfeits</p> <p>Property rates</p> <p>Service charges - electricity revenue</p> <p>Service charges - sanitation revenue</p> <p>Service charges - refuse revenue</p> <p>Interest earned - external investments</p> <p>Interest earned - outstanding debtors</p> <p>Other Revenue</p> <p>Licences and permits</p> <p><b>Expenditure By Type</b></p> <p>Depreciation &amp; asset impairment</p> <p>Contracted Services</p> <p>Other Material</p> <p>Other expenditure</p> <p><b>Capital Expenditure</b></p> <p>Grant funded projects</p> <p>Internally funded projects</p> <p>Repairs and maintenance</p>	<p>-86%</p> <p>28%</p> <p>12%</p> <p>21%</p> <p>29%</p> <p>-100%</p> <p>-36%</p> <p>-70%</p> <p>89%</p> <p>-22%</p> <p>-100%</p> <p>-70%</p> <p>-70%</p> <p>-75%</p> <p>-80%</p> <p>4%</p> <p>0%</p> <p>33%</p> <p>-59%</p>	<p>Strict law enforcement,</p> <p>Governmental Department make payments in the first month.</p> <p>Governmental Department make payments in the first month.</p> <p>Governmental Department make payments in the first month.</p> <p>Governmental Department make payments in the first month.</p> <p>Due to an increase on our debtors book.</p> <p>Interest on investments has not been recognised.</p> <p>Other revenue is dependent on levels of consumption and therefore fluctuates every month.</p> <p>Licences are dependent on the public's reaction, it fluctuates every month.</p> <p>Opening balance haven't been finalized due to year end</p> <p>Invoice from service providers haven't yet received</p> <p>Cross cut measures are implemented to reduce the expenditure for material</p> <p>Cross cut measures are implemented to reduce the expenditure for other expenditure</p> <p>Delays in the SCM process, particularly on appointment consultants, incapacity of contractors</p> <p>Most of projects rolled over from 2016/17, with no need for new SCM processes</p> <p>Under-budgeting due to cash-flow challenges</p> <p>Slow capital expenditure and depreciation</p> <p>Revaluation, which was finalised after financial budget was approved</p> <p>Decrease in Net Asset Value of the Entity, which was confirmed after annual budget was approved</p> <p>Change in bad debt provision due to cleaning up of debtors and indigent books</p> <p>Error during annual budgeting</p> <p>Slow capital expenditure</p> <p>Based on amortisation schedules</p>	<p>Fast track SCM processes and management of contractors</p> <p>None</p> <p>None</p> <p>None</p>
2	<p><b>Financial Position</b></p> <p>Property Plant and Equipment</p> <p>Investment property</p> <p>Investment in Associate</p> <p>Consumer Debtors</p> <p>Trade and other payables</p>			
3	<p><b>Cash Flow</b></p> <p>Net Cash from Operating Activities</p> <p>Net Cash Used from Investing Activities</p> <p>Net Cash Used from Financial Activities</p>			
4	<p><b>Measurable performance</b></p>			
5	<p><b>Municipal Entities</b></p>			

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - M01 July

Description of financial indicator	Basis of calculation	Ref	2017/18	Budget Year 2018/19			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.6%	25.5%	0.0%	2.4%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		13.4%	9.2%	0.0%	15.0%	9.2%
Gearing	Long Term Borrowing/ Funds & Reserves		1618.4%	16463.8%	0.0%	1643.1%	16463.8%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	148.8%	123.0%	0.0%	126.8%	123.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		10.7%	4.1%	0.0%	14.6%	4.1%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		44.6%	19.1%	0.0%	252.2%	19.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
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		33.1%	30.4%	0.0%	17.1%	30.4%
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		30.0%	32.2%	0.0%	1.4%	3.9%
<b>IDP regulation financial viability indicators</b>							
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 - M01 July

Description	NT Code	Budget Year 2018/19										Total	Over 1Yr	Total over 90 days	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 Days	151-180 Days	181 Dys-1 Yr									
<b>Debtors Age Analysis By Income Source</b>																	
Trade and Other Receivables from Exchange Transactions - Water	1200	20,144	9,603	8,557	8,220	7,670	7,560	36,310	199,117	297,181	258,877	5,018					
Trade and Other Receivables from Exchange Transactions - Electricity	1300	51,485	21,201	562	494	448	339	2,174	9,461	86,163	12,916	438					
Receivables from Non-exchange Transactions - Property Rates	1400	36,294	6,693	5,999	5,416	4,902	4,583	28,976	133,132	225,995	177,009	1,603					
Receivables from Exchange Transactions - Waste Water Management	1500	15,186	5,907	5,194	4,753	4,359	4,254	24,479	163,763	227,896	201,608	2,571					
Receivables from Exchange Transactions - Waste Management	1600	10,550	3,884	3,287	2,895	2,207	2,115	11,071	68,708	104,777	86,995	1,100					
Receivables from Exchange Transactions - Property Rental Debtors	1700	540	127	111	115	106	98	489	2,174	3,769	2,991	38					
Interest on Arrear Debtor Accounts	1810	1,152	807	791	828	997	914	5,697	43,622	54,806	52,056	180					
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820																
Other	1900	(9,784)	9,461	3,313	3,321	3,009	3,660	13,995	187,878	214,853	211,863	2,046					
<b>Total By Income Source</b>	<b>2000</b>	<b>125,567</b>	<b>57,682</b>	<b>27,814</b>	<b>26,042</b>	<b>23,697</b>	<b>23,523</b>	<b>123,200</b>	<b>807,855</b>	<b>1,215,380</b>	<b>1,004,316</b>	<b>12,996</b>					
<b>Debtors Age Analysis By Customer Group</b>																	
Organs of State	2200	12,614	1,085	574	569	607	1,661	6,916	28,281	52,308	38,034	-					
Commercial	2300	36,574	27,763	1,937	1,911	1,897	1,825	7,825	49,060	128,793	62,518	-					
Households	2400	74,009	28,684	25,144	23,410	21,003	19,864	106,607	722,154	1,020,856	893,039	12,896					
Other	2500	2,370	170	159	152	190	172	1,851	8,360	13,423	10,724	-					
<b>Total By Customer Group</b>	<b>2600</b>	<b>125,567</b>	<b>57,682</b>	<b>27,814</b>	<b>26,042</b>	<b>23,697</b>	<b>23,523</b>	<b>123,200</b>	<b>807,855</b>	<b>1,215,380</b>	<b>1,004,316</b>	<b>12,996</b>					

KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2018/19										Total	Prior year totals for chart (same period)		
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year						
<b>Creditors Age Analysis By Customer Type</b>															
Bulk Electricity	0100	54,750	39,057	28,273	-	-	-	-	-	-	-	-	-	122,079	-
Bulk Water	0200	7,948	11,001	-	-	-	-	-	-	-	-	-	6,026	24,975	-
PAYE deductions	0300	7,559	-	-	-	-	-	-	-	-	-	-	-	7,559	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	977	58,004	1,761	2,348	1,695	955	3,175	4,228	-	-	-	73,143	-	
Auditor General	0800	3	-	-	-	-	-	-	-	-	-	-	-	3	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>71,236</b>	<b>108,061</b>	<b>30,034</b>	<b>2,348</b>	<b>1,695</b>	<b>955</b>	<b>3,175</b>	<b>10,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,759</b>	<b>-</b>	

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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							
<b>R thousands</b>										
<b>Municipality</b>										
Nedbank		12 months		Call Account				0	-	0
Standard Bank		12 months		Call Account				44,167	22,871	67,039
ABSA		12 months		Call Account				3,240	2	3,241
Sanlam		12 months		Call Account					-	
<b>Municipality sub-total</b>								47,407	22,873	70,281
<b>Entities</b>										
<b>Entities sub-total</b>										
<b>TOTAL INVESTMENTS AND INTEREST</b>	2							47,407	22,873	70,281

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		353,098	368,807	-	142,253	142,253	142,253	-		368,807
Local Government Equitable Share		317,467	341,408		142,253	142,253	142,253	-		341,408
Water Services Operating Subsidy		-								
EPWP Incentive		4,166	3,199							3,199
Integrated National Electrification Programme		-								
Finance Management		1,700	1,700							1,700
Municipal Systems Improvement	3	-								
Water Services Infrastructure Grant (WSIG)		2,500	15,000							15,000
Municipal Infrastructure Grant (MIG)		18,265	7,500							7,500
Energy Efficiency and Demand side Management Grant		9,000								
Other transfers and grants [insert description]										
Provincial Government:		15,598	14,097	-	-	-	-	-		14,097
Provincialisation of Libraries		5,923	6,234							6,234
Level 2 accreditation		8,761	7,437							7,437
Museums Services		350	368							368
Community Library Services Grant		564								
Sport and Recreation	4	-	58							58
Health subsidy		-								
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		1,850	-	-	-	-	-	-		-
COGTA Grant		1,000								
Tirelo Boshha Grant		850								
<b>Total Operating Transfers and Grants</b>	5	370,546	382,904	-	142,253	142,253	142,253	-		382,904
<b>Capital Transfers and Grants</b>										
National Government:		173,606	142,732	-	39,000	39,000	39,000	-		142,732
Neighbourhood Development Partnership		34,767								
Municipal Infrastructure Grant (MIG)		96,339	102,732		39,000	39,000	39,000			102,732
Integrated National Electrification Programme		-								
Emergy efficiency & demand side management		-								
Municipal water infrastructure		-								
Water Services Infrastructure Grant (WSIG)		42,500	40,000							40,000
Other capital transfers [insert description]										
Provincial Government:		890	19,997	-	-	-	-	-		19,997
Level 2 accreditation		-								
Recapitalisation of Community Libraries		-								
Sport and Recreation		890	7,850							7,850
Community Library Service		-	12,147							12,147
Museum		-								
Corridor Development		-								
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		19,076	-	-	-	-	-	-		-
European Union		19,076								
<b>Total Capital Transfers and Grants</b>	5	193,571	162,729	-	39,000	39,000	39,000	-		162,729
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	564,117	545,633	-	181,253	181,253	181,253	-		545,633

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		353,549	368,807	-	142,253	142,253	144,536	(2,283)	-1.6%	368,807
Local Government Equitable Share		317,467	341,408		142,253	142,253	142,253	-		341,408
Water Services Operating Subsidy		-					-	-		
EPWP Incentive		4,166	3,199				267	(267)	-100.0%	3,199
Integrated National Electrification Programme		-					-	-		
Finance Management		1,700	1,700				142	(142)	-100.0%	1,700
Water Services Infrastructure Grant (WSIG)		2,500					-	-		
Energy Efficiency and Demand side Management Grant		9,451	15,000				1,250	(1,250)	-100.0%	15,000
Municipal Infrastructure Grant (MIG)		18,265	7,500				625	(625)	-100.0%	7,500
Provincial Government:		11,989	14,097	-	-	-	1,170	(650)	-55.6%	14,097
Level 2 accreditation		5,196	7,437				620	(620)	-100.0%	7,437
Recapitalisation of Community Libraries		5,923	6,234				520			6,234
Museums Services		343	368				31	(31)	-100.0%	368
Community Library Services Grant		527					-	-		
Sport and Recreation			58				-	-		58
Health subsidy		-					-	-		
District Municipality:		-					-	-		
[insert description]										
Other grant providers:		1,850								
COGTA Grant		1,000								
Tirelo Boshia Grant		850								
<b>Total operating expenditure of Transfers and Grants:</b>		<b>367,388</b>	<b>382,904</b>	<b>-</b>	<b>142,253</b>	<b>142,253</b>	<b>145,706</b>	<b>(2,934)</b>	<b>-2.0%</b>	<b>382,904</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		161,487	142,732	-	-	-	11,894	(3,333)	-28.0%	142,732
Neighbourhood Development Partnership		22,648					-	-		
Municipal Infrastructure Grant (MIG)		96,339	102,732				8,561			102,732
Integrated National Electrification Programme		-					-	-		
Energy efficiency & demand side management		-					-	-		
Water Services Infrastructure Grant (WSIG)		42,500	40,000				3,333	(3,333)	-100.0%	40,000
MWIG							-	-		
Other capital transfers [insert description]							-	-		
Provincial Government:		3,177	19,997	-	-	-	1,666	(1,666)	-100.0%	19,997
Level 2 accreditation		-					-	-		
Recapitalisation of Community Libraries		-					-	-		
Sport and Recreation		881	7,850				654			7,850
Community Library		2,297	12,147				1,012			12,147
Museum		-					-	-		
Corridor Development		-					-	-		
District Municipality:		-					-	-		
Other grant providers:		17,533								
European Union		17,533								
<b>Total capital expenditure of Transfers and Grants</b>		<b>182,198</b>	<b>162,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,561</b>	<b>(5,000)</b>	<b>-36.9%</b>	<b>162,729</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>549,586</b>	<b>545,633</b>	<b>-</b>	<b>142,253</b>	<b>142,253</b>	<b>159,267</b>	<b>(7,933)</b>	<b>-5.0%</b>	<b>545,633</b>

KZN252 Newcastle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M01 July

Description	Ref	Budget Year 2018/19				
		Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance %
<b>R thousands</b>						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		-	-	-	-	
Local Government Equitable Share						
Water Services Operating Subsidy						
EPWP Incentive						
Integrated National Electrification Programme						
Finance Management						
Municipal Systems Improvement						
Energy Efficiency and Demand side Management Grant						
<b>Provincial Government:</b>		-	-	-	-	
Provincialisation of Libraries						
Museums Services						
Community Library Services Grant						
Sport and Recreation						
Health subsidy						
<b>District Municipality:</b>		-	-	-	-	
<i>[insert description]</i>						
<b>Other grant providers:</b>		-	-	-	-	
COGTA Grant						
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		-	-	-	-	
Neighbourhood Development Partnership						
Water Services Infrastructure Grant (WSIG)						
Integrated National Electrification Programme						
Other capital transfers <i>[insert description]</i>						
<b>Provincial Government:</b>		-	-	-	-	
Recapitalisation of Community Libraries						
Corridor Development						
<b>District Municipality:</b>		-	-	-	-	
<i>[insert description]</i>						
<b>Other grant providers:</b>		-	-	-	-	
<i>[insert description]</i>						
<b>Total capital expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		-	-	-	-	





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										
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		560,398	561,330	-	48,600	48,600	46,777	1,823	4%	561,330
<b>% increase</b>	4		0.2%							0.2%
<b>TOTAL MANAGERS AND STAFF</b>		538,871	537,171	-	46,526	46,526	44,764	1,761	4%	537,171

KZM252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July

Ref	Description	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework					
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21			
		Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget						
	<b>Cash Receipts By Source</b>																		
	Property rates	14,613															205,063	219,417	234,776
	Service charges - electricity revenue	55,178															634,638	682,551	726,596
	Service charges - water revenue	7,612															125,947	134,763	144,196
	Service charges - sanitation revenue	3,929															80,241	85,856	91,868
	Service charges - refuse	3,438															65,058	68,523	74,497
	Service charges - other	-															-	-	-
	Rental of facilities and equipment	660															7,326	8,059	8,865
	Interest earned - external investments	-															4,001	10,337	11,370
	Interest earned - outstanding debtors	711															3,525	6,897	7,587
	Dividends received	-															-	-	-
	Fines, penalties and forfeits	90															1,561	6,226	6,849
	Licences and permits	2															12	13	15
	Agency services	-															-	-	-
	Transfer receipts - operating	142,253															331,488	314,600	321,688
	Other revenue	5,868															28,321	20,944	23,003
	<b>Cash Receipts by Source</b>	<b>234,373</b>															<b>1,487,191</b>	<b>1,559,288</b>	<b>1,651,310</b>
	<b>Other Cash Flows by Source</b>																		
	Transfer receipts - capital	39,000															215,686	184,662	222,540
	Contributions & Contributed assets	-															-	-	-
	Proceeds on disposal of PPE	-															2,012	2,000	2,000
	Short term loans	-															-	-	-
	Borrowing long term/financing	-															-	-	-
	Increase in consumer deposits	-															-	-	-
	Receipt of non-current debtors	-															1,705	670	458
	Receipt of non-current receivables	-															-	-	-
	Change in non-current investments	-															-	-	-
	<b>Total Cash Receipts by Source</b>	<b>273,373</b>															<b>1,706,594</b>	<b>1,746,620</b>	<b>1,876,308</b>
	<b>Cash Payments by Type</b>																		
	Employee related costs	46,526															470,815	466,484	499,225
	Remuneration of councillors	2,075															18,980	22,076	23,458
	Interest paid	3,881															21,055	56,347	53,785
	Bulk purchases - Electricity	122,750															50,312	56,347	53,785
	Bulk purchases - Water & Sewer	26,785															464,938	589,715	633,450
	Other materials	94															68,224	68,224	68,224
	Contracted services	57,862															3,543	3,745	3,932
	Grants and subsidies paid - other municipalities	-															38,832	53,355	55,313
	Grants and subsidies paid - other	-															-	84,422	-
	General expenses	(23,491)															-	-	-
	<b>Cash Payments by Type</b>	<b>236,481</b>															<b>335,804</b>	<b>322,720</b>	<b>333,292</b>
	<b>Other Cash Flows/Payments by Type</b>																		
	Capital assets	3,436															1,473,524	1,596,863	1,602,455
	Repayment of borrowing	-															219,112	184,662	222,540
	Other Cash Flows/Payments	-															29,375	37,206	41,351
	<b>Total Cash Payments by Type</b>	<b>239,916</b>															<b>1,722,011</b>	<b>1,820,731</b>	<b>1,866,345</b>
	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>33,457</b>															<b>(15,417)</b>	<b>(74,112)</b>	<b>9,962</b>
	Cash/cash equivalents at the month/year beginning:	57,465															57,465	42,048	(32,064)
	Cash/cash equivalents at the month/year end:	90,922															42,048	(32,064)	(22,102)

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M01 July

Description	Ref	Budget Year 2018/19								
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue By Source</b>										
Property rates		252,934	295,785		31,454	31,454	24,649	6,805	28%	295,785
Service charges - electricity revenue		649,843	686,768		64,340	64,340	57,231	7,109	12%	686,768
Service charges - water revenue		156,568	161,896		14,182	14,182	13,491	690	5%	161,896
Service charges - sanitation revenue		90,849	95,532		9,669	9,669	7,961	1,708	21%	95,532
Service charges - refuse revenue		65,141	64,354		6,917	6,917	5,363	1,554	29%	64,354
Service charges - other		-	-		-	-	-	-	-	-
Rental of facilities and equipment		7,815	8,642		680	680	720	(40)	-6%	8,642
Interest earned - external investments		4,826	4,041		0	0	337	(337)	-100%	4,041
Interest earned - outstanding debtors		11,595	13,218		710	710	1,101	(391)	-36%	13,218
Dividends received		-	-		-	-	-	-	-	-
Fines, penalties and forfeits		6,103	8,710		90	90	726	(636)	-88%	8,710
Licences and permits		10	13		2	2	1	1	89%	13
Agency services		-	-		-	-	-	-	-	-
Transfers and subsidies		365,726	384,734		142,716	142,716	142,716	-	-	384,734
Other revenue		14,848	45,029		1,109	1,109	3,752	(2,644)	-70%	45,029
Gains on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>271,869</b>	<b>271,869</b>	<b>258,048</b>	<b>13,821</b>	<b>5%</b>	<b>1,768,722</b>
<b>Expenditure By Type</b>										
Employee related costs		538,871	537,171		46,526	46,526	44,764	1,761	4%	537,171
Remuneration of councillors		21,527	24,119		2,075	2,075	2,010	65	3%	24,119
Debt impairment		137,597	163,946		12,311	12,311	13,662	(1,351)	-10%	163,946
Depreciation & asset impairment		452,759	525,578		34,150	34,150	43,798	(9,648)	-22%	525,578
Finance charges		35,355	43,979		3,881	3,881	3,665	216	6%	43,979
Bulk purchases		530,968	618,730		54,760	54,760	51,561	3,200	6%	618,730
Other materials		6,673	3,763		94	94	314	(219)	-70%	3,763
Contracted services		53,171	34,945		-	-	2,912	(2,912)	-100%	34,945
Transfers and subsidies		-	-		-	-	-	-	-	-
Other expenditure		320,751	284,777		7,105	7,105	23,731	(16,626)	-70%	284,777
Loss on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>160,901</b>	<b>160,901</b>	<b>186,417</b>	<b>(25,516)</b>	<b>-14%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>		<b>(471,415)</b>	<b>(468,287)</b>	<b>-</b>	<b>110,968</b>	<b>110,968</b>	<b>71,631</b>	<b>39,337</b>	<b>55%</b>	<b>(468,287)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		158,481	166,736		3,433	3,433	3,433	-	-	166,736
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)		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>
Taxation		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>114,401</b>	<b>114,401</b>	<b>75,064</b>	<b>39,337</b>	<b>52%</b>	<b>(301,551)</b>

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Municipal Entity</b>										
Service charges - water revenue		78,793	82,934		6,911	6,911	6,911	-		82,934
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								-		
<b>Total Operating Revenue</b>	1	<b>78,793</b>	<b>82,934</b>	<b>-</b>	<b>6,911</b>	<b>6,911</b>	<b>6,911</b>	<b>-</b>		<b>82,934</b>
<b>Expenditure By Municipal Entity</b>										
Employee Related Cost		10,542	12,142		835	835	1,012	(177)	-17%	12,142
Debt Impairment		-						-		
Collection Costs		-						-		
Depreciation		528	681		57	57	57	(0)	0%	681
Finance Charges		-						-		
Bulk Purchases		15,984	25,512		2,126	2,126	2,126	(0)	0%	25,512
Other Material		5,707	5,108		223	223	426	(203)	-48%	5,108
Repairs & Maintenance		25,153	32,087		2,887	2,887	2,674	213	8%	32,087
Other Expenditure		221	345		27	27	29	(2)	-7%	345
<b>Total Operating Expenditure</b>	2	<b>58,134</b>	<b>75,875</b>	<b>-</b>	<b>6,154</b>	<b>6,154</b>	<b>6,323</b>	<b>(168)</b>	<b>-3%</b>	<b>75,875</b>
<b>Surplus/ (Deficit) for the yr/period</b>		<b>20,659</b>	<b>7,059</b>	<b>-</b>	<b>757</b>	<b>757</b>	<b>588</b>	<b>(168)</b>	<b>-29%</b>	<b>7,059</b>
<b>Capital Expenditure By Municipal Entity</b>										
Service charges - water revenue								-		
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								-		
<b>Total Capital Expenditure</b>	3	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

R thousands	Month	Budget Year 2018/19									
		2017/18	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>Monthly expenditure performance trend</b>											
	July	382		17,131		3,436	3,436	17,131	13,696	79.9%	2%
	August	6,685		17,131				34,263	-		
	September	16,817		17,131				51,394	-		
	October	10,827		17,131				68,525	-		
	November	16,130		17,131				85,656	-		
	December	16,899		17,131				102,788	-		
	January	15,359		17,131				119,919	-		
	February	16,694		17,131				137,050	-		
	March	14,498		17,131				154,182	-		
	April	13,418		17,131				171,313	-		
	May	7,386		17,131				188,444	-		
	June	44,798		17,131				205,576	-		
	<b>Total Capital expenditure</b>	<b>179,893</b>		<b>205,576</b>	<b>-</b>	<b>3,436</b>					

KZN252 Newcastle - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		74,850	107,732	-	35	35	8,978	8,943	99.6%	107,732
Roads Infrastructure		27,783	68,232	-	-	-	5,686	5,686	100.0%	68,232
Roads		27,685	68,232	-	-	-	5,686	5,686	100.0%	68,232
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		99	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1,499	4,500	-	-	-	375	375	100.0%	4,500
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		1,499	-	-	-	-	-	-	-	-
LV Networks		-	4,500	-	-	-	375	375	100.0%	4,500
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		38,268	35,000	-	35	35	2,917	2,882	98.8%	35,000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		38,268	35,000	-	35	35	2,917	2,882	98.8%	35,000
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		7,299	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		7,299	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		4,598	21,344	-	-	-	1,779	1,779	100.0%	21,344
Community Facilities		4,598	21,344	-	-	-	1,779	1,779	100.0%	21,344
Halls		2,378	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		2,221	19,694	-	-	-	1,641	1,641	100.0%	19,694

Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	1,650	-	-	-	138	138	100.0%	1,650	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	15,677	-	-	-	-	-	-	-	-	
Operational Buildings	15,677	-	-	-	-	-	-	-	-	
Municipal Offices	15,677	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	2,278	1,000	-	-	-	83	83	100.0%	1,000	
Furniture and Office Equipment	2,278	1,000	-	-	-	83	83	100.0%	1,000	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on new assets</b>	1	97,403	130,076	-	35	35	10,840	10,805	99.7%	130,076







Machinery and Equipment										
<b>Transport Assets</b>										
Transport Assets										
<b>Libraries</b>										
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>56,746</b>	<b>58,000</b>	<b>-</b>	<b>3,401</b>	<b>3,401</b>	<b>4,833</b>	<b>1,432</b>	<b>29.6%</b>	<b>58,000</b>



Piers	-	-	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>2,520</b>	<b>13,239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,103</b>	<b>1,103</b>	<b>100.0%</b>	<b>13,239</b>
Community Facilities	2,520	13,239	-	-	-	1,103	1,103	100.0%	13,239
Halls	322	400	-	-	-	33	33	100.0%	400
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	31	-	-	-	3	3	100.0%	31
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	50	-	-	-	4	4	100.0%	50
Galleries	-	36	-	-	-	3	3	100.0%	36
Theatres	-	-	-	-	-	-	-	-	-
Libraries	54	250	-	-	-	21	21	100.0%	250
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	1,054	2,054	-	-	-	171	171	100.0%	2,054
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	7,127	-	-	-	594	594	100.0%	7,127
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	100	-	-	-	8	8	100.0%	100
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	100	-	-	-	8	8	100.0%	100
Capital Spares	1,091	3,093	-	-	-	258	258	100.0%	3,093
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>130</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>100.0%</b>	<b>2</b>
Monuments	130	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	2	-	-	-	0	0	100.0%	2
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>341</b>	<b>4,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407</b>	<b>407</b>	<b>100.0%</b>	<b>4,885</b>
Operational Buildings	41	3,894	-	-	-	324	324	100.0%	3,894
Municipal Offices	41	1,008	-	-	-	84	84	100.0%	1,008
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	50	-	-	-	4	4	100.0%	50
Yards	-	-	-	-	-	-	-	-	-
Stores	-	143	-	-	-	12	12	100.0%	143
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	2,693	-	-	-	224	224	100.0%	2,693
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	300	991	-	-	-	83	83	100.0%	991

Staff Housing	300	486	-	-	-	41	41	100.0%	486	
Social Housing	-	505	-	-	-	42	42	100.0%	505	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	2,940	4,925	-	-	-	410	410	100.0%	4,925	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	2,940	4,925	-	-	-	410	410	100.0%	4,925	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	2,940	4,925	-	-	-	410	410	100.0%	4,925	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	4,794	-	-	-	400	400	100.0%	4,794	
Furniture and Office Equipment	-	4,794	-	-	-	400	400	100.0%	4,794	
<b>Machinery and Equipment</b>	2,887	6,161	-	-	-	513	513	100.0%	6,161	
Machinery and Equipment	2,887	6,161	-	-	-	513	513	100.0%	6,161	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Repairs and Maintenance Expenditure</b>	1	121,344	68,123	-	-	-	5,619	5,619	100.0%	68,123







Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>	1,952									
Servitudes										
Licences and Rights	1,952									
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	1,952									
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	1,103									
Computer Equipment	1,103									
<b>Furniture and Office Equipment</b>	1,607									
Furniture and Office Equipment	1,607									
<b>Machinery and Equipment</b>	5,442									
Machinery and Equipment	5,442									
<b>Transport Assets</b>	6,113									
Transport Assets	6,113									
<b>Libraries</b>										
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Depreciation</b>	1	452,759	525,578		34,150	34,150	43,798	9,648	22.0%	525,578







- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 Jul 2018

Description	NEWCASTLE MUNICIPALITY								
	2017/18	Current Year 2018/19							
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Revenue By Source</b>									
Service charges - water revenue		82,934		6,911	6,911	6,911	-	0.0%	82,934
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									
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	82,934	-	6,911	6,911	6,911	-	0.0%	82,934
<b>Expenditure By Type</b>									
Employee related costs		12,142		835	835	1,012	(177)	-17.5%	12,142
Remuneration of Directors		-		-	-	-	-		-
Debt impairment		-		-	-	-	-		-
Collection costs		-		-	-	-	-		-
Depreciation & asset impairment		681		57	57	57	(0)	0.0%	681
Finance charges		-		-	-	-	-		-
Bulk purchases		25,512		2,126	2,126	2,126	(0)	0.0%	25,512
Other materials		5,108		223	223	426	(203)	-47.6%	5,108
Contracted services		-		-	-	-	-		-
Transfers and grants		-		-	-	-	-		-
Repairs and maintenance		32,087		2,887	2,887	2,674	213	8.0%	32,087
Other expenditure		345		27	27	29	(2)	-7.4%	345
Loss on disposal of PPE		-		-	-	-	-		-
<b>Total Expenditure</b>		75,875	-	6,154	6,154	6,323	(168)	-2.7%	75,875
<b>Recharge</b>									
Head Office Recharge		30,253		1,900	4,646	2,521	2,125	84.3%	30,253
<b>Surplus/(Deficit)</b>	-	(23,194)	-	(1,143)	(3,889)	(1,933)			(23,194)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									
Transfers and subsidies - capital (in-kind - all)									
<b>Surplus/(Deficit) for the year</b>		(23,194)	-	(1,143)	(3,889)	(1,933)			(23,194)

- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 Jul 2018

Description	uTHUKELA WATER (PTY) LTD									
	2017/18	Current Year 2018/10								
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast	
<b>R thousands</b>								%		
<b>Revenue By Source</b>										
Service charges - water revenue		118,440		9,724	9,724	9,870	(146)	-1.5%	118,440	
Service charges - sanitation revenue										
Service charges - other										
Rental of facilities and equipment				11	11	-	11		130	
Interest earned - external investments		1,105		75	75	92	(17)	-19.0%	895	
Interest earned - outstanding debtors										
Agency services										
Transfers recognised - operational										
Other revenue		795		-	-	66	(66)	-100.0%	795	
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	120,339	-	9,809	9,809	10,028	(219)	-2.2%	120,260
<b>Expenditure By Type</b>										
Employee related costs		43,191		3,240	3,240	3,599	(359)	-10.0%	43,191	
Remuneration of Directors		-		-	-	-	-		-	
Debt impairment		-		-	-	-	-		-	
Collection costs		-		-	-	-	-		-	
Depreciation & asset impairment		1,561		118	118	130	(12)	-9.5%	1,561	
Finance charges		1,479		106	106	123	(17)	-14.0%	1,479	
Bulk purchases		26,460		2,205	2,205	2,205	(0)	0.0%	26,460	
Other materials		7,555		454	454	630	(176)	-27.9%	7,555	
Contracted services		2,268		-	-	189	-		2,268	
Transfers and grants		-		-	-	-	-		-	
Repairs and maintenance		50,364		3,890	3,890	4,197	(307)	-7.3%	50,364	
Other expenditure		6,317		488	488	526	(39)	-7.3%	6,317	
Loss on disposal of PPE		-		-	-	-	-		-	
<b>Total Expenditure</b>		139,196	-	10,500	10,500	11,600	(911)	-7.9%	139,196	
<b>Surplus/(Deficit)</b>		(106,314)	(18,857)	-	(690)	(690)	(1,571)	692	-	(18,937)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)										
Transfers and subsidies - capital (in-kind - all)										
<b>Surplus/(Deficit) for the year</b>		(18,857)	-	(690)	(690)	(1,571)	692		(18,937)	



**NEWCASTLE MUNICIPALITY**  
(Registration number KZ252)

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

# Newcastle Municipality

Annual Financial Statements for the year ended 30 June 2019

## Cash Flow Statement

Figures in Rand	Note(s)	2019	2018
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		91,408,898	1,054,719,354
Grants		142,253,000	571,242,725
Interest income		710,591	16,421,320
		<u>234,372,489</u>	<u>1,642,383,399</u>
<b>Payments</b>			
Employee costs and Councillors remuneration		(38,362,489)	(568,845,960)
Suppliers		(165,397,757)	(793,103,210)
Finance costs		(3,880,559)	(47,786,594)
		<u>(207,640,805)</u>	<u>(1,409,735,764)</u>
<b>Net cash flows from operating activities</b>		<b><u>26,731,684</u></b>	<b><u>232,647,635</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(178,451,402)
Purchase of other intangible assets		-	(4,879)
<b>Net cash flows from investing activities</b>		<b><u>-</u></b>	<b><u>(178,456,281)</u></b>
<b>Cash flows from financing activities</b>			
Net movements in long term loans		3,880,559	(47,163,407)
Movement in provision for landfill rehabilitation costs		2,840,548	75,106
Movement on finance lease		4,633	(145,941)
<b>Net cash flows from financing activities</b>		<b><u>6,725,740</u></b>	<b><u>(47,234,242)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>33,457,424</u></b>	<b><u>6,957,112</u></b>
Cash and cash equivalents at the beginning of the year		57,464,870	50,507,758
<b>Cash and cash equivalents at the end of the year</b>		<b><u>90,922,294</u></b>	<b><u>57,464,870</u></b>



# Newcastle Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018
<b>Assets</b>			
<b>Current Assets</b>			
Inventories		13,192,781	12,401,043
Other financial assets		3,465	3,621
Receivables from exchange transactions		60,466,018	61,937,278
Receivables from non-exchange transactions		17,366,290	13,278,220
VAT receivable		3,397,374	-
Consumer debtors from exchange transactions		604,312,408	567,598,247
Other asset 1		-	-
Cash and cash equivalents		93,626,757	57,464,870
		<b>792,365,093</b>	<b>712,683,279</b>
<b>Non-Current Assets</b>			
Investment property		365,272,000	379,856,000
Property, plant and equipment		6,711,882,607	6,737,272,478
Intangible assets		5,762,884	5,762,884
Heritage assets		7,468,510	7,468,510
Investments in associates		301,163,242	301,163,242
		<b>7,391,549,243</b>	<b>7,431,523,114</b>
<b>Total Assets</b>		<b>8,183,914,336</b>	<b>8,144,206,393</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities		-	29,483,981
Finance lease obligation		-	233,511
Payables from exchange transactions		508,103,545	637,256,357
VAT payable		-	1,196,708
Consumer deposits		19,402,027	18,966,524
Unspent conditional grants and receipts		95,484,550	56,316,815
Provisions		-	7,997,613
Bank overdraft		2,704,463	-
		<b>625,694,585</b>	<b>751,451,509</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities		435,935,167	402,570,627
Finance lease obligation		262,454	24,310
Provisions		153,204,815	145,207,202
Other liability 1		34,133,303	31,292,755
		<b>623,535,739</b>	<b>579,094,894</b>
<b>Total Liabilities</b>		<b>1,249,230,324</b>	<b>1,330,546,403</b>
<b>Net Assets</b>		<b>6,934,684,012</b>	<b>6,813,659,990</b>
<b>Reserves</b>			
Housing Development fund		26,076,953	26,076,953
Self insurance reserve		470,659	472,159
Accumulated surplus		6,908,136,400	6,787,110,858
<b>Total Net Assets</b>		<b>6,934,684,012</b>	<b>6,813,659,970</b>

# Newcastle Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018
<b>Revenue</b>			
Service charges		94,975,229	959,908,806
Rental of facilities and equipment		680,919	7,814,644
Profit on sale of Assets		319,183	716,221
Sundry revenue		267,098	4,551,141
Other income		53,097	931,633
Fee income		602,547	11,118,686
Interest received		710,591	16,421,320
Property Rates		31,453,872	253,485,719
Government grants & subsidies		142,716,055	556,662,414
Fines		90,297	6,671,062
<b>Total revenue</b>		<b>271,868,888</b>	<b>1,818,281,646</b>
<b>Expenditure</b>			
Employee costs		38,362,489	546,893,540
Remuneration of councillors		1,248,091	23,149,262
Depreciation and amortisation		-	449,470,417
Impairment of assets		-	4,095,007
Finance costs		3,880,559	47,786,594
Lease rentals on operating lease		-	3,081,352
Debt Impairment		12,310,708	137,597,437
Collection costs		2,094	1,657,929
Bulk purchases		54,760,380	541,002,620
Contracted services		273,900	90,855,374
General Expenses		6,918,612	311,587,531
<b>Total expenditure</b>		<b>117,756,833</b>	<b>2,157,177,063</b>
<b>Operating surplus (deficit)</b>		<b>154,112,055</b>	<b>(338,895,417)</b>
Actuarial gains/losses		-	(5,793,705)
Fair value adjustments to investment property		-	14,584,000
		-	<b>8,790,295</b>
<b>Surplus (deficit) for the year</b>		<b>154,112,055</b>	<b>(330,105,122)</b>

# Newcastle Municipality

Annual Financial Statements for the year ended 30 June 2019

## Statement of Changes in Net Assets

Figures in Rand	Donations and public contributions	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
<b>Balance at 01 July 2017</b>	<b>25,071,001</b>	<b>530,020</b>	<b>25,601,021</b>	<b>7,118,221,766</b>	<b>7,143,822,787</b>
Changes in net assets					
Deficit for the year	-	-	-	(330,105,122)	(330,105,122)
Transfer to Housing Development	1,005,952	-	1,005,952	(1,005,952)	-
Transfer from Self insurance Reserve	-	(57,861)	(57,861)	57,861	-
Prior year Adjustments on Assets	-	-	-	(57,695)	(57,695)
<b>Total changes</b>	<b>1,005,952</b>	<b>(57,861)</b>	<b>948,091</b>	<b>(331,110,908)</b>	<b>(330,162,817)</b>
<b>Balance at 01 July 2018</b>	<b>26,076,953</b>	<b>472,159</b>	<b>26,549,112</b>	<b>6,787,110,858</b>	<b>6,813,659,970</b>
Incorrect Movement in the Accumulated Surplus	-	-	-	(33,088,013)	(33,088,013)
Net income (losses) recognised directly in net assets	-	-	-	(33,088,013)	(33,088,013)
Deficit for the year	-	-	-	154,112,055	154,112,055
Total recognised income and expenses for the year	-	-	-	121,024,042	121,024,042
Transfer to insurance reserves	-	(1,500)	(1,500)	1,500	-
<b>Total changes</b>	<b>-</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>121,025,542</b>	<b>121,024,042</b>
<b>Balance at 30 June 2019</b>	<b>26,076,953</b>	<b>470,659</b>	<b>26,547,612</b>	<b>6,908,136,400</b>	<b>6,934,684,012</b>