

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



**REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL**

File Reference:  
Report Number:

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Designation: Director: Budget and Financial Reporting

FOR CONSIDERATION

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

**SUBJECT: JULY 2017/18 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 through a series of MFMA returns that were designed for the purpose of uploading into the National Treasury database.

**1 ANNEXURES**

- 1.1 uThukela Water Financial Performance report
- 1.2 Financial Reports as at 31 July 2017
  - 1.2.1 Eskom invoice for bulk
  - 1.2.2 Investment register
  - 1.2.3 Grant register
  - 1.2.4 Bank Statements
- 1.3 Quality Certificate

## 2 ANALYSIS OF FINANCIAL RESULTS

It must be mentioned that due to the finalisation of the Annual Financial Statements the figures displayed on this report are provisional figures. The financial analysis comprise of the operating budget performance, capital budget performance, analysis of financial position as well as the cash flows. Major variances and those items with an impact in each of these categories will be discussed in the analysis below.

**Table C1: Monthly budget statements summary**

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

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	266,182	-	32,128	32,128	22,182	9,947	45%	385,542
Service charges	-	990,210	-	95,231	95,231	82,517	12,713	15%	1,142,770
Investment revenue	-	4,601	-	-	-	383	(383)	-100%	-
Transfers recognised - operational	-	345,790	-	134,274	134,274	134,274	-	-	345,790
Other own revenue	-	43,583	-	2,344	2,344	3,632	(1,288)	-35%	28,123
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>1,650,366</b>	-	<b>263,977</b>	<b>263,977</b>	<b>242,989</b>	<b>20,988</b>	<b>9%</b>	<b>1,902,225</b>
Employee costs	-	514,737	-	42,692	42,692	42,895	(202)	-0%	512,308
Remuneration of Councillors	-	23,219	-	1,563	1,563	1,935	(372)	-19%	18,757
Depreciation & asset impairment	-	247,895	-	-	-	20,658	(20,658)	-100%	-
Finance charges	-	47,135	-	4,079	4,079	3,928	151	4%	48,944
Materials and bulk purchases	-	583,298	-	55,075	55,075	48,608	6,467	13%	660,901
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	315,797	-	23,363	23,363	26,316	(2,953)	-11%	280,358
<b>Total Expenditure</b>	-	<b>1,732,082</b>	-	<b>126,772</b>	<b>126,772</b>	<b>144,340</b>	<b>(17,568)</b>	<b>-12%</b>	<b>1,521,267</b>
<b>Surplus/(Deficit)</b>	-	<b>(81,716)</b>	-	<b>137,205</b>	<b>137,205</b>	<b>98,649</b>	<b>38,556</b>	<b>39%</b>	<b>380,957</b>
Transfers recognised - capital	-	229,854	-	49,700	49,700	49,700	-	-	229,854
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>148,138</b>	-	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>	<b>38,556</b>	<b>26%</b>	<b>610,811</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>148,138</b>	-	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>	<b>38,556</b>	<b>26%</b>	<b>610,811</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>253,778</b>	-	<b>382</b>	<b>382</b>	<b>21,148</b>	<b>(20,767)</b>	<b>-98%</b>	<b>4,578</b>
Capital transfers recognised	-	229,854	-	382	382	19,155	(18,773)	-98%	4,578
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	23,924	-	-	-	1,994	(1,994)	-100%	-
<b>Total sources of capital funds</b>	-	<b>253,778</b>	-	<b>382</b>	<b>382</b>	<b>21,148</b>	<b>(20,767)</b>	<b>-98%</b>	<b>4,578</b>
<b>Financial position</b>									
Total current assets	-	317,136	-	-	605,797	-	-	-	317,136
Total non current assets	-	7,646,580	-	-	7,662,071	-	-	-	7,646,580
Total current liabilities	-	212,037	-	-	440,649	-	-	-	212,037
Total non current liabilities	-	534,708	-	-	612,060	-	-	-	534,708
<b>Community wealth/Equity</b>	-	<b>7,216,971</b>	-	-	<b>7,215,159</b>	-	-	-	<b>7,216,971</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	290,793	-	69,894	69,894	69,894	-	-	290,793
Net cash from (used) investing	-	(251,778)	-	(382)	(382)	(382)	-	-	(251,778)
Net cash from (used) financing	-	(31,738)	-	(32,406)	(32,406)	(32,406)	-	-	(31,738)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>47,288</b>	-	<b>-</b>	<b>80,942</b>	<b>77,119</b>	<b>(3,823)</b>	<b>-5%</b>	<b>51,111</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	46,288	26,283	22,549	22,341	20,368	19,507	113,868	714,336	985,540
<b>Creditors Age Analysis</b>									
Total Creditors	107,434	5,382	831	970	1,016	202	989	573	117,396

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

2.1.1 The municipality generated a total revenue of R263 977 000 of the original budget of R1 650 366 000, representing 16 percent. The variance between the pro-rata revenue budget and the actual revenue accrued for the same period amounts to R20 988 000, representing an over-performance of 9 percent during the period under review. Although the aggregate performance on revenue generated shows over performance of 9, it is however necessary to explain reasons which attributed to such variance.

2.1.2 The municipality generated R12 713 000 (15%) more revenue from service charges than a pro-rata budget of R82 517 000 for the period under review. The main service charge contributor to that variance was electricity having a variance of R8 696 000 for period under review, due to departments paying within the first month. Water, refuse and sewer have collectively over-performed by R4 016 000. These variances are still considered to be within the acceptable level.

2.1.3 The municipality generated R383 000 (100%) less revenue from interest on investments than a pro-rata budget of R383 000 for the period under review.

2.1.4 As per SC6 on the statement of transfers and grants as well as C7 the Cash Flow statement we have receipted R183 974 million, R134 274 million for operational grants and R49 700 million for capital grants.

2.1.5 The municipality generated R1 288 000 (35%) less revenue from sundry revenue than a pro-rata budget of R3 632 000 for the period under review. The main attributor to this variance are fines which are still underperforming by (-82%), together with other sources of revenue which seem to be under-performing, as advised in previous financial year, it's imperative that RIIT submits a report to council in this regard and further interventions be introduced.

## **2.2 Operating performance – expenditure**

The summary of the operating expenditure is reflected in C1 and C4 tables of the Schedule C attached hereto. As at the end of July 2017, the municipality incurred the total expenditure of R144 340 000 of the original budget of R1 732 082 000, which represents 8 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R17 568 000, representing under-expenditure of 12 percent. This is the first month in the financial year and the expenditure will increase as the year progresses.

2.2.1 The main attributors of the over-expenditure are non-cash items, being debt impairment and depreciation. These are accounting items, which are required to reflect 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.

The municipality incurred R1 505 000 (-18%) less than the pro rata budget of R8 484 000 on debt impairment during the period under review.

2.2.2 The municipality incurred R372 000 (-19%) less on councillors remuneration than a pro-rata budget of R1 935 000. This variance is attributed to the provision of EXCO members which were budgeted as full time.

2.2.3 The municipality spent R6 642 000 (14%) more on the bulk purchases than a pro-rata budget of R48 282 000. 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 and uThukela Water for the month of July 2017 are not included, as we normally accrue them since they are received after month-end.

2.2.4 The municipality spent R175 000 (-54%) less on materials than a pro-rata budget of R326 000. This is mainly due to the culture of cost containment which has been inculcated.

2.2.5 The municipality spent R1 085 000 (-59%) less on contracted services than a pro-rata budget of R1 850 000. This under expenditure is mainly due to the finalisation of contracts for security service.

## 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, standard classification and funding) - M01 July										
Vote Description	Ref	Budget Year 2017/18								
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<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										
Vote 2 - COMMUNITY SERVICES			17 705				1 475	(1 475)	-100%	
Vote 3 - BUDGET AND TREASURY			1 000				83	(83)	-100%	
Vote 4 - MUNICIPAL MANAGER			2 700				225	(225)	-100%	
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS			55 795				4 650	(4 650)	-100%	
Vote 6 - TECHNICAL SERVICES			167 578		382	382	13 965	(13 583)	-97%	4 578
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES			9 000				750	(750)	-100%	
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		253 778		382	382	21 148	(20 787)	-98%	4 578
<b>Total Capital Expenditure</b>			253 778		382	382	21 148	(20 787)	-98%	4 578
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>			3 700				308	(308)	-100%	
Executive and council										
Budget and treasury office			3 700				308	(308)	-100%	
Corporate services										
<b>Community and public safety</b>			17 705				2 675	(2 675)	-100%	
Community and social services			17 705				1 475	(1 475)	-100%	
Sport and recreation										
Public safety										
Housing							1 200	(1 200)	-100%	
Health										
<b>Economic and environmental services</b>			108 784				9 065	(9 065)	-100%	
Planning and development			55 795				4 650	(4 650)	-100%	
Road transport			52 989				4 415	(4 415)	-100%	
Environmental protection										
<b>Trading services</b>			123 689		382	382	9 099	(8 718)	-96%	4 678
Electricity			9 000				750	(750)	-100%	
Water			112 489		382	382	8 174	(7 793)	-95%	4 578
Waste water management			2 100				175	(175)	-100%	
Waste management										
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3		253 778		382	382	21 148	(20 787)	-98%	4 578
<b>Funded by:</b>										
National Government			212 204		382	382	17 684	(17 302)	-98%	4 578
Provincial Government			11 250				938	(938)	-100%	
District Municipality										
Other transfers and grants			6 400				533	(533)	-100%	
<b>Transfers recognised - capital</b>			229 854		382	382	19 155	(18 773)	-98%	4 578
<b>Public contributions &amp; donations</b>	5									
<b>Borrowing</b>	6									
<b>Internally generated funds</b>			23 924				1 994	(1 994)	-100%	
<b>Total Capital Funding</b>			253 778		382	382	21 148	(20 787)	-98%	4 578

Capital expenditure for the first month of the financial year amounted to R382 000, which represents 0.1% of the approved capital budget of R253 778 000. Comparison between the pro rata budget of R21 148 000 and actual expenditure for the period reflects an under expenditure of (R20 767 000) which implies that the municipality spent 98 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**

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

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

Description	Ref	2016/17	Budget Year 2017/18				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			15,187		32,784	15,187	
Call investment deposits			32,101		48,158	32,101	
Consumer debtors			225,034		443,115	225,034	
Other debtors			31,166		66,868	31,166	
Current portion of long-term receivables			-		-	-	
Inventory			13,648		14,872	13,648	
<b>Total current assets</b>			-	317,136	-	605,797	317,136
<b>Non current assets</b>							
Long-term receivables			-	-	-	-	
Investments			-	-	-	-	
Investment property			281,493		275,974	281,493	
Investments in Associate			346,321		342,383	346,321	
Property, plant and equipment			7,005,862		7,031,075	7,005,862	
Agricultural			-		-	-	
Biological assets			-		-	-	
Intangible assets			6,877		6,307	6,877	
Other non-current assets			6,025		6,332	6,025	
<b>Total non current assets</b>			-	7,646,580	-	7,662,071	7,646,580
<b>TOTAL ASSETS</b>			-	7,963,716	-	8,267,868	7,963,716
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft			-		-	-	
Borrowing			32,002		-	32,002	
Consumer deposits			13,478		14,617	13,478	
Trade and other payables			160,101		426,032	160,101	
Provisions			6,455		-	6,455	
<b>Total current liabilities</b>			-	212,037	-	440,649	212,037
<b>Non current liabilities</b>							
Borrowing				397,125	446,844	397,125	
Provisions				137,583	165,216	137,583	
<b>Total non current liabilities</b>			-	534,708	-	612,060	534,708
<b>TOTAL LIABILITIES</b>			-	746,745	-	1,052,709	746,745
<b>NET ASSETS</b>	2		-	7,216,971	-	7,215,159	7,216,971
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)				7,188,422	7,189,562	7,188,422	
Reserves				28,549	25,597	28,549	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		-	7,216,971	-	7,215,159	7,216,971

2.4.1 As at end the first month of the financial year, the municipality seemed to be showing a favourable equity position, with a net effect of R7.2 billion. While this picture looks good, it is however important to point out major contributors to such a favourable equity position, being consumer debtors and the property plant and equipment (assets), which cannot instantly be converted into cash. The following provides a closer look on some of critical financial position items:

2.4.2 The municipality's consumer debtors as reflected in table SC3 are R985 540 million as at the first month. The bulk of this amount (R890 420 000) is debt owing for more than 90 days, while R783 099 000 of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent. While it is appreciated the intervention which introduced the Revenue Income Task Team which is mandated to devise strategies of dealing with the escalating debt and there by address or improve cash inflows, it is also recommended that the council also intervenes in this regard as the project of meter restrictors has been stalled.

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

2.4.4 As per AFS received from uThukela indicated that we now have a share of 34%, which makes our investment in associate is R342million. This also cannot be converted into cash instantly, however its represents the value of the interest of the municipality within the entity.

2.4.5 The municipality closed with a balance of cash and cash equivalent of R80.9 million as at the end of the first month of the financial year. The balance comprise only of call investments of R48.2 million and the cash of R32.8 million, however it must be noted that included on the investment is the housing development fund of R25 million which belong to KZN Department of Human Settlements. Looking at the cash position as mentioned above the municipality is currently not in the position to cover it current liabilities.

2.4.6 The municipality had a total loan liability of R446 million as at the end of the first month of the financial year.

## **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	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges			212,408		15,368	15,368	15,368	-		212,408
Service charges			845,575		84,154	84,154	84,154	-		845,575
Other revenue			27,367		672	672	672	-		27,367
Government - operating			339,640		134,274	134,274	134,274	-		339,640
Government - capital			240,492		49,700	49,700	49,700	-		240,492
Interest			8,373		1,070	1,070	1,070	-		8,373
Dividends			-		-	-	-	-		-
<b>Payments</b>										
Suppliers and employees			(1,335,927)		(211,266)	(211,266)	(211,266)	-		(1,335,927)
Finance charges			(47,135)		(4,079)	(4,079)	(4,079)	-		(47,135)
Transfers and Grants			-		-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	290,793	-	69,894	69,894	69,894	-	290,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE			2,000		-	-	-	-		2,000
Decrease (increase) in non-current debtors			-		-	-	-	-		-
Decrease (increase) other non-current receivables			-		-	-	-	-		-
Decrease (increase) in non-current investments			-		-	-	-	-		-
<b>Payments</b>										
Capital assets			(253,778)		(382)	(382)	(382)	-		(253,778)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(251,778)	-	(382)	(382)	(382)	-	(251,778)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans			-		-	-	-	-		-
Borrowing long term/refinancing			-		-	-	-	-		-
Increase (decrease) in consumer deposits			264		-	-	-	-		264
<b>Payments</b>										
Repayment of borrowing			(32,002)		(32,406)	(32,406)	(32,406)	-		(32,002)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	(31,738)	-	(32,406)	(32,406)	(32,406)	-	(31,738)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:			40,012			43,835	40,012			43,835
Cash/cash equivalents at month/year end:			47,288			80,942	77,119			51,111

2.5.1 The municipality opened with a cash and cash equivalent balance of R43.8 million at the beginning of the financial year and closed with a balance of R80.9 as at the end of July 2017, which represents a cash increase of R37.1million. These balances both include and amount of R25 million for the Housing Development Fund, which belong to the KZN Department of Human Settlements.

2.5.2 Cash flows from operating activities yielded a net cash inflow of R69 894 million as result of receipts from services charges, property rates, government grants as well as other sundry receipts. This net cash inflows was after the municipality paid its suppliers for services rendered, remunerated its employees and paid the portion of the outstanding interest on loans.

2.5.3 Cash flows from investing activities had a cash outflow of R382 thousands. This was the actual cash used by the municipality to implement its capital budget over the past month.

2.5.4 Cash flows from financing activities had a cash outflow of R32.4million. This relates to the cash paid by the municipality to repay a portion of its long term loan.

## **CONCLUSION**

Cooperation within management and structures in council is required in order to curb expenditure on the budget throughout the course of the year. The issues that still reflect variances in the budget performance report must be monitored and managed to ensure that the municipality operates within the approved budget.


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

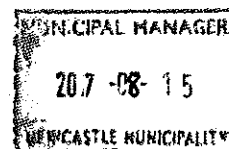
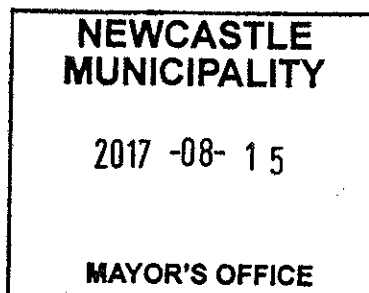
## **RECOMMENDED**

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

**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	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	266,182	-	32,128	32,128	22,182	9,947	45%	385,542
Service charges	-	990,210	-	95,231	95,231	82,517	12,713	15%	1,142,770
Investment revenue	-	4,601	-	-	-	383	(383)	-100%	-
Transfers recognised - operational	-	345,790	-	134,274	134,274	134,274	-	-	345,790
Other own revenue	-	43,583	-	2,344	2,344	3,632	(1,288)	-35%	28,123
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>1,650,366</b>	-	<b>263,977</b>	<b>263,977</b>	<b>242,989</b>	<b>20,988</b>	<b>9%</b>	<b>1,902,225</b>
Employee costs	-	514,737	-	42,692	42,692	42,895	(202)	-0%	512,308
Remuneration of Councillors	-	23,219	-	1,563	1,563	1,935	(372)	-19%	18,757
Depreciation & asset impairment	-	247,895	-	-	-	20,658	(20,658)	-100%	-
Finance charges	-	47,135	-	4,079	4,079	3,928	151	4%	48,944
Materials and bulk purchases	-	583,298	-	55,075	55,075	48,608	6,467	13%	660,901
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	315,797	-	23,363	23,363	26,316	(2,953)	-11%	280,358
<b>Total Expenditure</b>	-	<b>1,732,082</b>	-	<b>126,772</b>	<b>126,772</b>	<b>144,340</b>	<b>(17,568)</b>	<b>-12%</b>	<b>1,521,267</b>
<b>Surplus/(Deficit)</b>	-	<b>(81,716)</b>	-	<b>137,205</b>	<b>137,205</b>	<b>98,649</b>	<b>38,556</b>	<b>39%</b>	<b>380,957</b>
Transfers recognised - capital	-	229,854	-	49,700	49,700	49,700	-	-	229,854
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>148,138</b>	-	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>	<b>38,556</b>	<b>26%</b>	<b>610,811</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>148,138</b>	-	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>	<b>38,556</b>	<b>26%</b>	<b>610,811</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>253,778</b>	-	<b>382</b>	<b>382</b>	<b>21,148</b>	<b>(20,767)</b>	<b>-98%</b>	<b>4,578</b>
Capital transfers recognised	-	229,854	-	382	382	19,155	(18,773)	-98%	4,578
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	23,924	-	-	-	1,994	(1,994)	-100%	-
<b>Total sources of capital funds</b>	-	<b>253,778</b>	-	<b>382</b>	<b>382</b>	<b>21,148</b>	<b>(20,767)</b>	<b>-98%</b>	<b>4,578</b>
<b>Financial position</b>									
Total current assets	-	317,136	-	-	605,797	-	-	-	317,136
Total non current assets	-	7,646,580	-	-	7,662,071	-	-	-	7,646,580
Total current liabilities	-	212,037	-	-	440,649	-	-	-	212,037
Total non current liabilities	-	534,708	-	-	612,060	-	-	-	534,708
<b>Community wealth/Equity</b>	-	<b>7,216,971</b>	-	-	<b>7,215,159</b>	-	-	-	<b>7,216,971</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	290,793	-	69,894	69,894	59,773	(10,121)	-17%	290,793
Net cash from (used) investing	-	(251,778)	-	(382)	(382)	(21,148)	(20,767)	98%	(251,778)
Net cash from (used) financing	-	(31,738)	-	(32,406)	(32,406)	(32,406)	-	-	(31,738)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>47,288</b>	-	<b>80,942</b>	<b>80,942</b>	<b>46,231</b>	<b>(34,711)</b>	<b>-75%</b>	<b>51,111</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	46,288	26,283	22,549	22,341	20,368	19,507	113,868	714,336	985,540
<b>Creditors Age Analysis</b>									
Total Creditors	98,493	5,382	831	970	1,016	202	989	573	108,455

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Standard</b>										
<i>Governance and administration</i>										
Executive and council		-	375,191	-	65,608	65,608	31,266	34,342	110%	787,291
Budget and treasury office		-	8,151	-	1,555	1,555	679	876	129%	18,661
Corporate services		-	311,886	-	41,115	41,115	25,991	15,125	58%	493,383
<i>Community and public safety</i>										
Community and social services		-	55,154	-	22,937	22,937	4,596	18,341	399%	275,247
Sport and recreation		-	23,116	-	1,138	1,138	1,926	(789)	-41%	13,654
Public safety		-	4,297	-	519	519	358	161	45%	6,232
Housing		-	652	-	2	2	54	(52)	-96%	29
Health		-	5,136	-	73	73	428	(355)	-83%	879
<i>Economic and environmental services</i>										
Planning and development		-	12,968	-	542	542	1,081	(539)	-50%	6,502
Road transport		-	63	-	1	1	5	(4)	-82%	11
Environmental protection		-	249,523	-	19,038	19,038	38,994	(19,956)	-51%	294,580
<i>Trading services</i>										
Electricity		-	1,236	-	1,979	1,979	1,303	676	52%	73,753
Water		-	248,286	-	17,058	17,058	37,691	(20,632)	-55%	220,826
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	1,232,242	-	227,884	227,884	220,491	7,393	3%	1,036,439
Other	4	-	750,879	-	100,354	100,354	114,538	(14,184)	-12%	484,855
Total Revenue - Standard	2	-	215,506	-	61,714	61,714	61,941	(227)	0%	273,648
		-	94,586	-	45,579	45,579	36,129	9,450	26%	133,576
		-	171,271	-	20,237	20,237	7,882	12,354	157%	144,360
		-	147	-	10	10	12	(3)	-21%	116
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>										
Executive and council		-	300,787	-	20,765	20,765	25,066	(4,301)	-17%	249,179
Budget and treasury office		-	76,446	-	4,279	4,279	6,371	(2,091)	-33%	51,353
Corporate services		-	164,891	-	13,110	13,110	13,741	(630)	-5%	157,326
<i>Community and public safety</i>										
Community and social services		-	59,450	-	3,375	3,375	4,954	(1,579)	-32%	40,500
Sport and recreation		-	213,542	-	16,700	16,700	17,795	(1,095)	-6%	200,396
Public safety		-	63,712	-	5,314	5,314	5,309	5	0%	63,773
Housing		-	59,424	-	4,237	4,237	4,952	(715)	-14%	50,842
Health		-	63,377	-	5,534	5,534	5,281	253	5%	66,408
<i>Economic and environmental services</i>										
Planning and development		-	23,144	-	1,359	1,359	1,929	(570)	-30%	16,309
Road transport		-	3,886	-	255	255	324	(68)	-21%	3,064
Environmental protection		-	334,193	-	5,726	5,726	27,764	(22,038)	-79%	68,718
<i>Trading services</i>										
Electricity		-	26,057	-	1,900	1,900	2,171	(272)	-13%	22,795
Water		-	308,009	-	3,827	3,827	25,593	(21,766)	-85%	45,923
Waste water management		-	127	-	-	-	-	-	-	-
Waste management		-	883,240	-	83,576	83,576	73,688	9,888	13%	1,002,918
Other		-	531,397	-	58,992	58,992	44,368	14,624	33%	707,906
Total Expenditure - Standard	3	-	277,556	-	14,796	14,796	23,130	(8,333)	-36%	177,554
		-	4,289	-	2,634	2,634	357	2,277	637%	31,613
		-	69,997	-	7,154	7,154	5,833	1,321	23%	85,844
		-	320	-	5	5	27	(22)	-82%	57
<b>Surplus/ (Deficit) for the year</b>										
		-	1,732,082	-	126,772	126,772	144,340	(17,568)	-12%	1,521,267
		-	148,138	-	186,905	186,905	148,349	38,556	26%	610,811

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

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	-	63,305	-	24,492	24,492	5,275	19,217	364.3%	293,908
Vote 2 - COMMUNITY SERVICES		-	107,288	-	20,886	20,886	8,941	11,945	133.6%	250,634
Vote 3 - BUDGET AND TREASURY		-	311,886	-	41,115	41,115	25,991	15,125	58.2%	493,383
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		-	14,351	-	2,531	2,531	2,396	135	5.6%	80,371
Vote 6 - TECHNICAL SERVICES		-	632,510	-	124,298	124,298	135,600	(11,302)	-8.3%	528,897
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	750,879	-	100,354	100,354	114,486	(14,132)	-12.3%	484,885
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>-</b>	<b>1,880,220</b>	<b>-</b>	<b>313,677</b>	<b>313,677</b>	<b>292,689</b>	<b>20,988</b>	<b>7.2%</b>	<b>2,132,079</b>
<b>Expenditure by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	-	69,300	-	3,964	3,964	5,775	(1,811)	-31.4%	47,571
Vote 2 - COMMUNITY SERVICES		-	260,559	-	22,023	22,023	21,713	310	1.4%	264,281
Vote 3 - BUDGET AND TREASURY		-	164,891	-	13,110	13,110	13,741	(630)	-4.6%	157,326
Vote 4 - MUNICIPAL MANAGER		-	60,251	-	3,134	3,134	5,021	(1,887)	-37.6%	37,611
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		-	49,521	-	3,415	3,415	4,127	(712)	-17.3%	40,974
Vote 6 - TECHNICAL SERVICES		-	593,483	-	21,381	21,381	49,457	(28,076)	-56.8%	256,573
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	534,077	-	59,744	59,744	44,506	15,238	34.2%	716,931
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>-</b>	<b>1,732,082</b>	<b>-</b>	<b>126,772</b>	<b>126,772</b>	<b>144,340</b>	<b>(17,568)</b>	<b>-12.2%</b>	<b>1,521,267</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>-</b>	<b>148,138</b>	<b>-</b>	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>	<b>38,556</b>	<b>26.0%</b>	<b>610,811</b>

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

Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			266,182			32,128	32,128	22,182	9,947	45%	385,542
Property rates - penalties & collection charges								-	-		-
Service charges - electricity revenue			690,521			66,240	66,240	57,543	8,696	15%	794,878
Service charges - water revenue			151,001			12,346	12,346	12,583	(238)	-2%	148,150
Service charges - sanitation revenue			85,212			9,341	9,341	7,101	2,240	32%	112,096
Service charges - refuse revenue			63,475			7,304	7,304	5,290	2,014	38%	87,645
Service charges - other			-			-	-	-	-		-
Rental of facilities and equipment			8,059			668	668	672	(3)	0%	8,019
Interest earned - external investments			4,601			-	-	383	(383)	-100%	-
Interest earned - outstanding debtors			12,573			897	897	1,048	(151)	-14%	10,761
Dividends received			-			-	-	-	-		-
Fines			5,203			78	78	434	(356)	-82%	933
Licences and permits			12			1	1	1	0	6%	13
Agency services			-			-	-	-	-		-
Transfers recognised - operational			345,790			134,274	134,274	134,274	-		345,790
Other revenue			17,735			700	700	1,478	(778)	-53%	8,397
Gains on disposal of PPE			-			-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>	<b>1,650,366</b>	<b>-</b>	<b>263,977</b>	<b>263,977</b>	<b>242,989</b>	<b>20,988</b>	<b>9%</b>	<b>1,902,225</b>
<b>Expenditure By Type</b>											
Employee related costs			514,737			42,692	42,692	42,895	(202)	0%	512,308
Remuneration of councillors			23,219			1,563	1,563	1,935	(372)	-19%	18,757
Debt impairment			101,807			6,978	6,978	8,484	(1,505)	-18%	83,742
Depreciation & asset impairment			247,895			-	-	20,658	(20,658)	-100%	-
Finance charges			47,135			4,079	4,079	3,928	151	4%	48,944
Bulk purchases			579,385			54,924	54,924	48,282	6,642	14%	659,087
Other materials			3,913			151	151	326	(175)	-54%	1,814
Contracted services			22,203			765	765	1,850	(1,085)	-59%	9,183
Transfers and grants			-			-	-	-	-		-
Other expenditure			191,787			15,619	15,619	15,982	(363)	-2%	187,434
Loss on disposal of PPE			-			-	-	-	-		-
<b>Total Expenditure</b>			<b>-</b>	<b>1,732,082</b>	<b>-</b>	<b>126,772</b>	<b>126,772</b>	<b>144,340</b>	<b>(17,568)</b>	<b>-12%</b>	<b>1,521,267</b>
<b>Surplus/(Deficit)</b>			<b>-</b>	<b>(81,716)</b>	<b>-</b>	<b>137,205</b>	<b>137,205</b>	<b>98,649</b>	<b>38,556</b>	<b>0</b>	<b>380,957</b>
Transfers recognised - capital			229,854			49,700	49,700	49,700	-		229,854
Contributions recognised - capital			-			-	-	-	-		-
Contributed assets			-			-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>-</b>	<b>148,138</b>	<b>-</b>	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>			<b>610,811</b>
Taxation			-			-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>			<b>-</b>	<b>148,138</b>	<b>-</b>	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>			<b>610,811</b>
Attributable to minorities			-			-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>			<b>-</b>	<b>148,138</b>	<b>-</b>	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>			<b>610,811</b>
Share of surplus/ (deficit) of associate			-			-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>			<b>-</b>	<b>148,138</b>	<b>-</b>	<b>186,905</b>	<b>186,905</b>	<b>148,349</b>			<b>610,811</b>

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

Vote Description	Ref	Budget Year 2017/18								
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
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>	<b>4,7</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	17,705	-	-	-	1,475	(1,475)	-100%	-
Vote 3 - BUDGET AND TREASURY		-	1,000	-	-	-	83	(83)	-100%	-
Vote 4 - MUNICIPAL MANAGER		-	2,700	-	-	-	225	(225)	-100%	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		-	55,795	-	-	-	4,650	(4,650)	-100%	-
Vote 6 - TECHNICAL SERVICES		-	167,578	-	382	382	13,965	(13,583)	-97%	4,578
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	9,000	-	-	-	750	(750)	-100%	-
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>	<b>4</b>	-	253,778	-	382	382	21,148	(20,767)	-98%	4,578
<b>Total Capital Expenditure</b>		-	253,778	-	382	382	21,148	(20,767)	-98%	4,578
<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		-	3,700	-	-	-	308	(308)	-100%	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	3,700	-	-	-	308	(308)	-100%	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	17,705	-	-	-	2,675	(2,675)	-100%	-
Community and social services		-	17,705	-	-	-	1,475	(1,475)	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	1,200	(1,200)	-100%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	108,784	-	-	-	9,065	(9,065)	-100%	-
Planning and development		-	55,795	-	-	-	4,650	(4,650)	-100%	-
Road transport		-	52,989	-	-	-	4,416	(4,416)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	123,589	-	382	382	9,099	(8,718)	-96%	4,578
Electricity		-	9,000	-	-	-	750	(750)	-100%	-
Water		-	112,489	-	382	382	8,174	(7,793)	-95%	4,578
Waste water management		-	2,100	-	-	-	175	(175)	-100%	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	<b>3</b>	-	253,778	-	382	382	21,148	(20,767)	-98%	4,578
<b>Funded by:</b>										
National Government		-	212,204	-	382	382	17,684	(17,302)	-98%	4,578
Provincial Government		-	11,250	-	-	-	938	(938)	-100%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	6,400	-	-	-	533	(533)	-100%	-
Transfers recognised - capital		-	229,854	-	382	382	19,155	(18,773)	-98%	4,578
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	23,924	-	-	-	1,994	(1,994)	-100%	-
<b>Total Capital Funding</b>		-	253,778	-	382	382	21,148	(20,767)	-98%	4,578

References

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

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

Description	Ref	2016/17	Budget Year 2017/18				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			15,187		32,784	15,187	
Call investment deposits			32,101		48,158	32,101	
Consumer debtors			225,034		443,115	225,034	
Other debtors			31,166		66,868	31,166	
Current portion of long-term receivables			-		-	-	
Inventory			13,648		14,872	13,648	
<b>Total current assets</b>			-	317,136	-	605,797	317,136
<b>Non current assets</b>							
Long-term receivables			-	-	-	-	
Investments			-	-	-	-	
Investment property			281,493		275,974	281,493	
Investments in Associate			346,321		342,383	346,321	
Property, plant and equipment			7,005,862		7,031,075	7,005,862	
Agricultural			-		-	-	
Biological assets			-		-	-	
Intangible assets			6,877		6,307	6,877	
Other non-current assets			6,025		6,332	6,025	
<b>Total non current assets</b>			-	7,646,580	-	7,662,071	7,646,580
<b>TOTAL ASSETS</b>			-	7,963,716	-	8,267,868	7,963,716
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft			-		-	-	
Borrowing			32,002		-	32,002	
Consumer deposits			13,478		14,617	13,478	
Trade and other payables			160,101		426,032	160,101	
Provisions			6,455		-	6,455	
<b>Total current liabilities</b>			-	212,037	-	440,649	212,037
<b>Non current liabilities</b>							
Borrowing			397,125		446,844	397,125	
Provisions			137,583		165,216	137,583	
<b>Total non current liabilities</b>			-	534,708	-	612,060	534,708
<b>TOTAL LIABILITIES</b>			-	746,745	-	1,052,709	746,745
<b>NET ASSETS</b>	2		-	7,216,971	-	7,215,159	7,216,971
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			7,188,422		7,189,562	7,188,422	
Reserves			28,549		25,597	28,549	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		-	7,216,971	-	7,215,159	7,216,971

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

Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges			212,408		15,368	15,368	17,701	(2,333)	-13%	212,408	
Service charges			845,575		84,154	84,154	70,465	13,690	19%	845,575	
Other revenue			27,367		672	672	2,281	(1,608)	-71%	27,367	
Government - operating			339,640		134,274	134,274	134,274	-		339,640	
Government - capital			240,492		49,700	49,700	49,700	-		240,492	
Interest			8,373		1,070	1,070	698	372	53%	8,373	
Dividends			-		-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(1,335,927)		(211,266)	(211,266)	(211,266)	-		(1,335,927)	
Finance charges			(47,135)		(4,079)	(4,079)	(4,079)	-		(47,135)	
Transfers and Grants			-		-	-	-	-		-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	290,793	-	69,894	69,894	59,773	(10,121)	-17%	290,793
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			2,000		-	-	-	-		2,000	
Decrease (increase) in non-current debtors			-		-	-	-	-		-	
Decrease (increase) other non-current receivables			-		-	-	-	-		-	
Decrease (increase) in non-current investments			-		-	-	-	-		-	
<b>Payments</b>											
Capital assets			(253,778)		(382)	(382)	(21,148)	(20,767)	98%	(253,778)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(251,778)	-	(382)	(382)	(21,148)	(20,767)	98%	(251,778)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-		-	-	-	-		-	
Borrowing long term/refinancing			-		-	-	-	-		-	
Increase (decrease) in consumer deposits			264		-	-	-	-		264	
<b>Payments</b>											
Repayment of borrowing			(32,002)		(32,406)	(32,406)	(32,406)	-		(32,002)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	(31,738)	-	(32,406)	(32,406)	(32,406)	-	(31,738)	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at beginning:			40,012		37,107	37,107	6,219			43,835	
Cash/cash equivalents at month/year end:			47,288		-	80,942	46,231			51,111	

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>Property Rates                      Services Charges: Electricity                      Services Charges: Water                      Interest earned : Outstanding Debtors                      Interest earned : external investments                      Fines Recognised                      Other Revenue</p>	<p>36%                      15%                      -14%                      -14%                      -100%                      -82%                      -53%</p>	<p>Governmental Department make payments in the first month.                      Governmental Department make payments in the first month.                      Water revenue is dependent on levels of consumption and therefore fluctuates every month.                      Due to an increase on our debtors book                      Interest on investments has not been recognised.                      We received less funds from fines paid by consumers.                      Other revenue is dependent on levels of consumption and therefore fluctuates every month.</p>	
2	<p><b>Expenditure By Type</b></p> <p>Debt Impairment                      Remuneration of Councillors                      Contracted Services                      Bulk Purchases                      Other Material                      Depreciation                      Other Expenditure</p>	<p>-18%                      -19%                      -59%                      14%                      -54%                      -100%                      -58%</p>	<p>Debt Impairment is accounted for once at the end of the year.                      Councillors were budgeted as full time.                      Contracts for security services are being finalised.                      This fluctuates due to level of consumption and fluctuate every month.                      Culture of cost containment being implemented.                      This is due to under expenditure on capital projects. The lower the Capital expenditure the lower the Depreciation.</p>	
3	<p><b>Capital Expenditure</b></p>			
4	<p><b>Financial Position</b></p>			
5	<p><b>Cash Flow</b></p>			
6	<p><b>Measurable performance</b></p>		<p>The variances in both capital and operational budget performances resulted in the variance in the overall performance of the municipality</p>	
7	<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	2016/17	Budget Year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	17.0%	0.0%	3.2%	4.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	8.2%	0.0%	12.1%	8.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	1391.1%	0.0%	1745.7%	1391.1%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	0.0%	149.6%	0.0%	137.5%	149.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	22.3%	0.0%	18.4%	22.3%
<b><u>Revenue Management</u></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		0.0%	15.5%	0.0%	193.2%	13.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		0.0%	31.2%	0.0%	16.2%	26.9%
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		0.0%	17.9%	0.0%	1.5%	3.6%
<b><u>IDP regulation financial viability indicators</u></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

R thousands	Description	NT Code	Budget Year 2017/18										Total	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	Over 1Yr	Total over 90 days					
<b>Debtors Age Analysis By Income Source</b>																
	Trade and Other Receivables from Exchange Transactions - Water	1200	8,901	7,558	6,691	6,932	5,927	5,932	33,314	167,431	242,686	219,536				
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	37,796	1,961	664	598	540	491	3,860	7,011	52,910	12,500				
	Receivables from Non-exchange Transactions - Property Rates	1400	25,547	5,849	5,103	4,840	4,795	4,458	26,025	114,422	191,038	154,539				
	Receivables from Exchange Transactions - Waste Water Management	1500	6,392	4,476	4,469	4,150	4,168	3,916	22,863	137,623	188,057	172,720				
	Receivables from Exchange Transactions - Waste Management	1600	3,797	2,169	1,947	1,899	1,774	1,725	10,076	60,007	83,393	75,480				
	Receivables from Exchange Transactions - Property Rental Debtors	1700	335	126	108	128	98	78	488	1,404	2,764	2,195				
	Interest on Arrear Debtor Accounts	1810	882	1,009	980	1,237	935	898	5,077	40,008	51,026	48,155				
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-				
	Other	1900	(37,352)	3,136	2,587	2,558	2,131	2,010	12,166	186,431	173,666	205,296	1			
	<b>Total By Income Source</b>	2000	46,288	26,283	22,549	22,341	20,368	19,507	113,868	714,336	985,540	890,420	1			
	2016/17 - totals only															
<b>Debtors Age Analysis By Customer Group</b>																
	Organs of State	2200	2,213	1,067	1,134	1,138	848	646	5,184	27,098	39,328	34,914				
	Commercial	2300	36,758	3,353	2,216	1,980	1,758	1,749	8,871	49,715	106,400	64,074				
	Households	2400	3,863	21,638	18,959	19,052	17,575	16,951	98,923	630,598	827,599	783,099	1			
	Other	2500	3,453	225	201	171	187	161	889	6,925	12,212	8,333				
	<b>Total By Customer Group</b>	2600	46,288	26,283	22,549	22,341	20,368	19,507	113,868	714,336	985,540	890,420	1			

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

R thousands	Description	NT Code	Budget Year 2017/18										Total		
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year					
	<b>Creditors Age Analysis By Customer Type</b>														
	Bulk Electricity	0100	54,924												54,924
	Bulk Water	0200	5,566												5,566
	PAYE deductions	0300	6,835												6,835
	VAT (output less input)	0400	-												-
	Pensions / Retirement deductions	0500	16,059												16,059
	Loan repayments	0600	-												-
	Trade Creditors	0700	15,108	5,382	831	970	1,016	202	989	573				25,071	
	Auditor General	0800													
	Other	0900													
	<b>Total By Customer Type</b>	<b>1000</b>	<b>98,493</b>	<b>5,382</b>	<b>831</b>	<b>970</b>	<b>1,016</b>	<b>202</b>	<b>989</b>	<b>573</b>				<b>108,455</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		-		-	-	-
Standard Bank		12 months		Call Account		171		41,211	171	41,382
ABSA		12 months		Call Account		38		6,679	2	6,680
Sanlam		12 months		Call Account		1		95	1	96
<b>Municipality sub-total</b>						210		47,985	173	48,158
<b>Entities</b>										
<b>Entities sub-total</b>										
<b>TOTAL INVESTMENTS AND INTEREST</b>	2					210		47,985	173	48,158

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		-	324,042	-	134,274	134,274	134,274	-		324,042
Local Government Equitable Share			318,176		132,574	132,574	132,574	-		318,176
Water Services Operating Subsidy			-		-	-	-			-
EPWP Incentive			4,166		-	-	-			4,166
Integrated National Electrification Programme			-		-	-	-			-
Finance Management			1,700		1,700	1,700	1,700			1,700
Municipal Systems Improvement	3		-		-	-	-			-
Neighbourhood Development Partnership			-		-	-	-			-
Other transfers and grants [insert description]			-		-	-	-			-
Provincial Government:		-	15,598	-	-	-	-	-		15,598
Provincialisation of Libraries			5,923		-	-	-			5,923
Accredited Municipalities			8,761		-	-	-			8,761
Museums Services			350		-	-	-			350
Community Library Services Grant			564		-	-	-			564
Sport and Recreation	4		-		-	-	-			-
Health subsidy			-		-	-	-			-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-			-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-			-
<b>Total Operating Transfers and Grants</b>	5	-	339,640	-	134,274	134,274	134,274	-		339,640
<b>Capital Transfers and Grants</b>										
National Government:		-	218,604	-	49,700	49,700	49,700	-		218,604
Neighbourhood Development Partnership			50,000		1,200	1,200	1,200			50,000
Municipal Infrastructure Grant (MIG)			114,604		17,000	17,000	17,000			114,604
Integrated National Electrification Programme			9,000		9,000	9,000	9,000			9,000
Emergency efficiency & demand side management			-		-	-	-			-
Municipal water infrastructure			-		-	-	-			-
Water Services Infrastructure Grant (WSIG)			45,000		22,500	22,500	22,500			45,000
Other capital transfers [insert description]			-		-	-	-			-
Provincial Government:		-	11,000	-	-	-	-	-		11,000
Level 2 accreditation			-		-	-	-			-
Recapitalisation of Community Libraries			-		-	-	-			-
Sport and Recreation			-		-	-	-			-
Community Library Service			11,000		-	-	-			11,000
Museum			-		-	-	-			-
Corridor Development			-		-	-	-			-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]			-		-	-	-			-
Other grant providers:		-	10,888	-	-	-	-	-		10,888
European Union			10,888		-	-	-			10,888
<b>Total Capital Transfers and Grants</b>	5	-	240,492	-	49,700	49,700	49,700	-		240,492
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	580,132	-	183,974	183,974	183,974	-		580,132

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

Description	Ref	Budget Year 2017/18								
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	324,042	-	132,612	132,612	132,612	-		324,042
Local Government Equitable Share			318,176		132,574	132,574	132,574	-		318,176
Water Services Operating Subsidy			-		-	-	-	-		-
EPWP Incentive			4,166		-	-	-	-		4,166
Integrated National Electrification Programme			-		-	-	-	-		-
Finance Management			1,700		38	38	38	-		1,700
Municipal Systems Improvement			-		-	-	-	-		-
Neighbourhood Development Partnership			-		-	-	-	-		-
Other transfers and grants [insert description]			-		-	-	-	-		-
<b>Provincial Government:</b>		-	15,598	-	445	445	445	-		15,598
<b>Level 2 accreditation</b>			8,761		187	187	187	-		8,761
Accredited Municipalities			-		-	-	-	-		-
Recapitalisation of Community Libraries			5,923		257	257	257	-		5,923
Health subsidy			-		-	-	-	-		-
Community Library			564		-	-	-	-		564
Museum			350		-	-	-	-		350
			-		-	-	-	-		-
<b>District Municipality:</b>			-		-	-	-	-		-
[insert description]			-		-	-	-	-		-
<b>Other grant providers:</b>			-		-	-	-	-		-
<b>Total operating expenditure of Transfers and Grants:</b>		-	339,640	-	133,057	133,057	133,057	-		339,640
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	218,604	-	2,344	2,344	2,344	-		218,604
Neighbourhood Development Partnership			50,000		-	-	-	-		50,000
Municipal Infrastructure Grant (MIG)			114,604		2,344	2,344	2,344	-		114,604
Integrated National Electrification Programme			9,000		-	-	-	-		9,000
Emergy efficiency & demand side management			-		-	-	-	-		-
Municipal water infrastructure			45,000		-	-	-	-		45,000
Accreditation			11,000		-	-	-	-		11,000
<b>Provincial Government:</b>			-		-	-	-	-		-
Level 2 accreditation			-		-	-	-	-		-
Recapitalisation of Community Libraries			-		-	-	-	-		-
Sport and Recreation			-		-	-	-	-		-
Community Library			11,000		-	-	-	-		11,000
Museum			-		-	-	-	-		-
<b>District Municipality:</b>			-		-	-	-	-		-
			10,888		-	-	-	-		10,888
<b>Other grant providers:</b>			-		-	-	-	-		-
European Union			10,888		-	-	-	-		10,888
<b>Total capital expenditure of Transfers and Grants</b>		-	240,492	-	2,344	2,344	2,344	-		240,492
		-	580,132	-	135,401	135,401	135,401	-		580,132

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

Description	Ref	Budget Year 2017/18				
		Approved Rollover 2016/17	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						
Other transfers and grants [insert description]						
<b>Provincial Government:</b>		-	-	-	-	
Provincialisation of Libraries						
Museums Services						
Community Library Services Grant						
Sport and Recreation						
Health subsidy						
Human Settlement						
<b>District Municipality:</b>		-	-	-	-	
[insert description]						
<b>Other grant providers:</b>		-	-	-	-	
[insert description]						
<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)						
Other capital transfers [insert description]						
<b>Provincial Government:</b>		-	-	-	-	
Recapitalisation of Community Libraries						
Corridor Development						
<b>District Municipality:</b>		-	-	-	-	
Other grant providers:						
<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>		-	537,957	-	45,462	45,462	44,830	632	1%	545,544
<b>% Increase</b>	4		#DIV/0!							#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>		-	514,737	-	43,764	43,764	42,895	869	2%	525,167

KZN252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July

Description	Ref	Budget Year 2017/18												2017/18 Medium Term Revenue & Expenditure Framework					
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20			
		Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget						
<b>Cash Receipts By Source</b>																			
Property rates		15,368															205,063	219,417	234,776
Property rates - penalties & collection charges		-															-	-	-
Service charges - electricity revenue		58,062															634,638	682,551	726,596
Service charges - water revenue		11,111															125,947	134,763	144,196
Service charges - sanitation revenue		8,407															80,241	85,858	91,868
Service charges - refuse		6,573															65,068	69,623	74,497
Service charges - other		-															-	-	-
Rental of facilities and equipment		601															7,326	8,059	8,865
Interest earned - external investments		-															4,001	10,337	11,370
Interest earned - outstanding debtors		1,070															3,525	6,897	7,587
Dividends received		-															-	-	-
Fines		70															1,561	6,226	6,849
Licences and permits		-															11	12	13
Agency services		-															-	-	-
Transfer receipts - operating		134,274															331,488	314,800	321,688
Other revenue		-															28,321	20,944	23,003
<b>Cash Receipts by Source</b>		<b>235,538</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		49,700															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/refinancing		-															-	-	-
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>285,238</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		42,692															470,815	466,484	499,225
Remuneration of councillors		1,563															19,492	22,076	23,458
Interest paid		4,079															50,312	56,347	53,785
Bulk purchases - Electricity		154,766															484,936	599,715	633,450
Bulk purchases - Water & Sewer		4,685															68,224	3,745	3,392
Other materials		151															3,543	53,355	55,313
Contracted services		765															38,832	84,422	-
Grants and subsidies paid - other municipalities		-															-	-	-
Grants and subsidies paid - other		-															-	-	-
General expenses		6,642															329,162	322,720	333,292
<b>Cash Payments by Type</b>		<b>215,944</b>															<b>1,473,524</b>	<b>1,598,863</b>	<b>1,624,455</b>
<b>Other Cash Flows/Payments by Type</b>																			
Capital assets		382															219,112	184,662	222,540
Repayment of borrowing		32,406															29,375	37,206	41,351
Other Cash Flows/Payments		-															-	-	-
<b>Total Cash Payments by Type</b>		<b>248,131</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>37,107</b>															<b>(15,417)</b>	<b>(74,112)</b>	<b>9,962</b>
Cash/cash equivalents at the month/year beginning:		43,835															43,835	28,418	(45,694)
Cash/cash equivalents at the month/year end:		80,942															28,418	(45,694)	(35,731)

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

Description	Ref	Budget Year 2017/18						Full Year Forecast		
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget		YTD variance	YTD variance %
<b>R thousands</b>	1									
<b>Revenue By Source</b>										
Property rates			266,182		32,128	32,128	22,182	9,947	45%	385,542
Property rates - penalties & collection charges										
Service charges - electricity revenue			690,521		66,240	66,240	57,543	8,696	15%	794,878
Service charges - water revenue			151,001		12,346	12,346	12,583	(238)	-2%	148,150
Service charges - sanitation revenue			85,212		9,341	9,341	7,101	2,240	32%	112,096
Service charges - refuse revenue			63,475		7,304	7,304	5,290	2,014	38%	87,645
Service charges - other										
Rental of facilities and equipment			8,059		668	668	672	(3)	0%	8,019
Interest earned - external investments			4,801				363	(363)	-100%	
Interest earned - outstanding debtors			12,573		897	897	1,048	(151)	-14%	10,761
Dividends received										
Fines			5,203		78	78	434	(356)	-82%	933
Licences and permits			12		1	1		0	6%	13
Agency services										
Transfers recognised - operational			345,790		133,797	133,797	133,797			345,790
Other revenue			17,735		700	700	1,478	(778)	-53%	8,397
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>1,850,366</b>		<b>263,500</b>	<b>263,500</b>	<b>242,511</b>	<b>20,988</b>	<b>9%</b>	<b>1,902,225</b>
<b>Expenditure By Type</b>										
Employee related costs			514,737		42,692	42,692	42,895	(202)	0%	512,308
Remuneration of councillors			23,219		1,563	1,563	1,935	(372)	-19%	18,757
Debt impairment			101,807		6,978	6,978	8,484	(1,505)	-18%	83,742
Depreciation & asset impairment			247,895				20,658	(20,658)	-100%	
Finance charges			47,135		4,079	4,079	3,928	151	4%	48,944
Bulk purchases			579,385		54,924	54,924	48,282	6,642	14%	659,087
Other materials			3,913		151	151	326	(175)	-54%	1,814
Contracted services			22,203		765	765	1,850	(1,085)	-59%	9,183
Transfers and grants					8,977	8,977		8,977	#DIV/0!	107,728
Other expenditure			191,787		6,642	6,642	15,982	(9,340)	-58%	79,706
Loss on disposal of PPE										
<b>Total Expenditure</b>			<b>1,732,882</b>		<b>126,772</b>	<b>126,772</b>	<b>144,340</b>	<b>(17,568)</b>	<b>-12%</b>	<b>1,521,267</b>
<b>Surplus/(Deficit)</b>			<b>(81,716)</b>				<b>96,171</b>	<b>38,556</b>	<b>39%</b>	<b>380,957</b>
Transfers recognised - capital										
Contributions recognised - capital										
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>(81,716)</b>				<b>96,171</b>	<b>38,556</b>	<b>39%</b>	<b>380,957</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>			<b>(81,716)</b>		<b>136,727</b>	<b>136,727</b>	<b>98,171</b>	<b>38,556</b>	<b>39%</b>	<b>380,957</b>





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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	224,836	-	-	-	18,736	18,736	100.0%	-
Infrastructure - Road transport		-	98,873	-	-	-	8,239	8,239	100.0%	-
Roads, Pavements & Bridges			98,873				8,239	8,239	100.0%	-
Storm water										
Infrastructure - Electricity		-	9,000	-	-	-	750	750	100.0%	-
Generation										
Transmission & Reticulation			9,000				750	750	100.0%	-
Street Lighting										
Infrastructure - Water		-	116,963	-	-	-	9,747	9,747	100.0%	-
Dams & Reservoirs										
Water purification										
Reticulation			116,963				9,747	9,747	100.0%	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
<b>Community</b>		-	10,368	-	-	-	864	864	100.0%	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls			10,368				864	864	100.0%	-
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	3,950	-	-	-	329	329	100.0%	-
General vehicles										
Specialised vehicles										
Plant & equipment			1,250				104	104	100.0%	-
Computers - hardware/equipment			2,700				225	225	100.0%	-
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
<b>Total Capital Expenditure on new assets</b>	1	-	239,154	-	-	-	19,929	19,929	100.0%	-



KZN252 Newcastle - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	14,286	-	525	525	1,050	525	50.0%	2,326
Infrastructure - Road transport		-	550	-	7	7	46	38	83.9%	89
Roads, Pavements & Bridges		-	550	-	7	7	46	38	83.9%	89
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	5,146	-	12	12	429	417	97.2%	145
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	5,146	-	12	12	429	417	97.2%	145
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	6,800	-	141	141	575	434	75.4%	1,686
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	6,800	-	141	141	575	434	75.4%	1,686
Infrastructure - Sanitation		-	1,700	-	364	364	-	(364)	#DIV/0!	397
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	1,700	-	364	364	-	(364)	#DIV/0!	397
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	2,810	-	3	3	234	231	98.8%	34
Parks & gardens		-	1,130	-	-	-	94	94	100.0%	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	1,000	-	-	-	83	83	100.0%	-
Community halls		-	420	-	2	2	35	33	94.2%	24
Libraries		-	280	-	1	1	22	21	96.2%	10
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	120	-	-	-	10	10	100.0%	-
Buildings		-	120	-	-	-	10	10	100.0%	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	25,339	-	891	891	2,112	1,220	57.8%	10,696
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	7,130	-	755	755	594	(161)	-27.0%	9,056
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	17,875	-	137	137	1,473	1,336	90.7%	1,640
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or inventory)		-	-	-	-	-	-	-	-	-
Other		-	535	-	-	-	45	45	100.0%	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
Heritage		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	2,600	-	42	42	217	174	80.5%	507



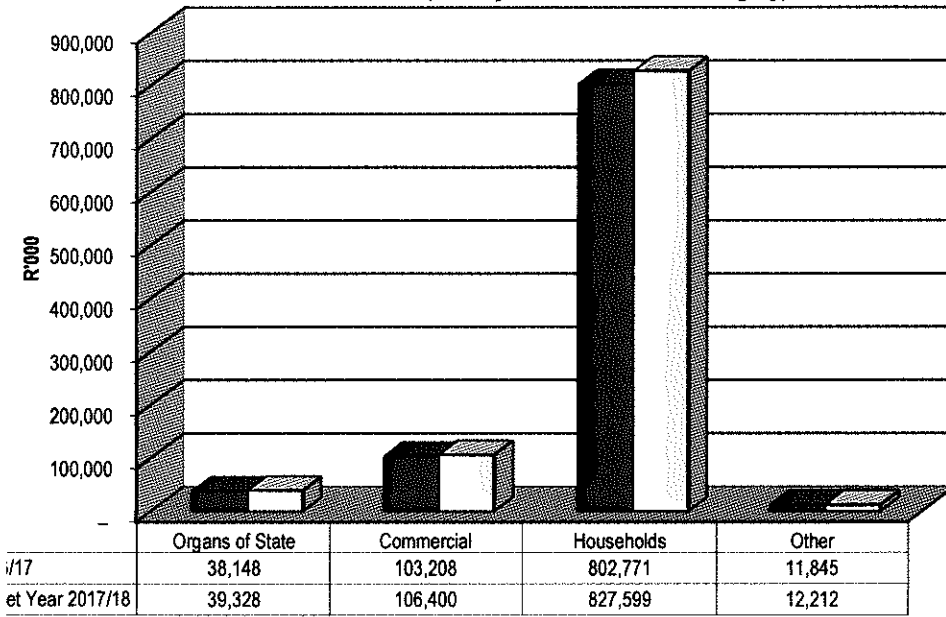




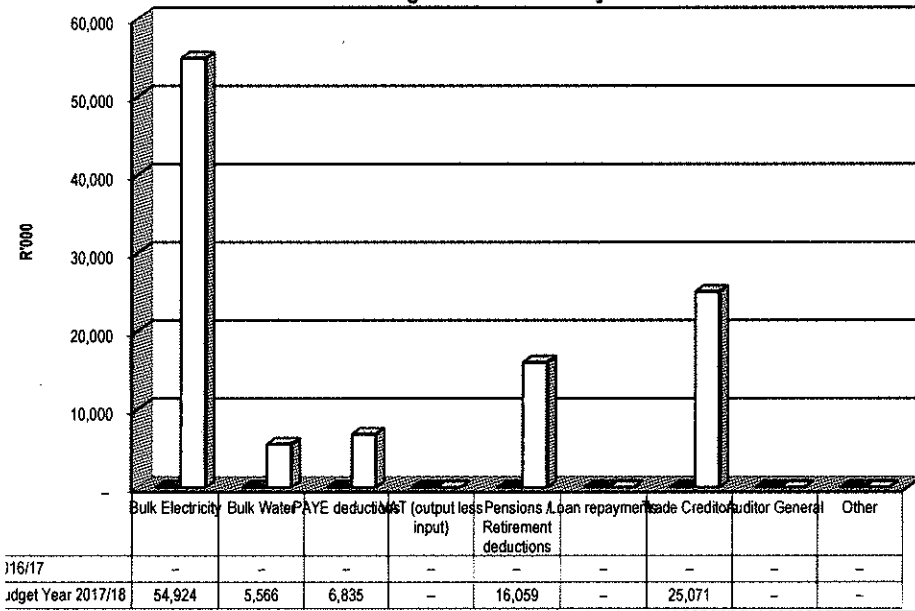


	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2017/18	46,288	26,283	22,549	22,341	20,368	19,507	113,868	714,336
2016/17	-	-	-	-	-	-	-	-

**Chart C4 Consumer Debtors (total by Debtor Customer Category)**



**Chart C5 Aged Creditors Analysis**



- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 Jul 2017

Description	HEAD OFFICE								
	2016/17	Current Year 2017/18							
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>								%	
<b>Revenue By Source</b>									
Service charges - water revenue		18 585		1 714	1 714	1 549	165	-10,6%	18 585
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>	-	18 585	-	1 714	1 714	1 549	165		18 585
<b>Expenditure By Type</b>									
Employee related costs	18 728	21 901		1 658	1 658	1 825	(167)	-9,2%	21 901
Remuneration of Directors	-	-		-	-	-	-		-
Debt impairment	-	-		-	-	-	-		-
Collection costs	-	-		-	-	-	-		-
Depreciation & asset impairment	387	410		-	-	34	(34)	-100,0%	410
Finance charges	1 359	1 681		117	117	140	(23)	-16,5%	1 681
Bulk purchases	-	-		-	-	-	-		-
Other materials	68	842		29	29	70	(41)	-58,4%	842
Contracted services	-	-		-	-	-	-		-
Transfers and grants	-	-		-	-	-	-		-
Repairs and maintenance	8 555	6 695		245	245	558	(313)	-56,1%	6 695
Other expenditure	2 867	3 230		221	221	269	(48)	-17,8%	3 230
Loss on disposal of PPE	-	-		-	-	-	-		-
<b>Total Expenditure</b>	<b>31 963</b>	<b>34 759</b>	<b>-</b>	<b>2 270</b>	<b>2 270</b>	<b>2 897</b>	<b>(626)</b>	<b>-3,7%</b>	<b>34 759</b>
<b>Surplus(Deficit)</b>	<b>(31 963)</b>	<b>(16 174)</b>	<b>-</b>	<b>(557)</b>	<b>(557)</b>	<b>(1 348)</b>	<b>791</b>	<b>-1,3%</b>	<b>(16 174)</b>
Transfers recognised - capital	-						-		
Contributions of PPE	-						-		
<b>Recharge</b>									
Head Office Recharge	(31 963)	(34 759)	-	(2 270)	(2 270)	(2 897)	(626)		34 759
<b>Surplus(Deficit) for the year</b>				<b>(2 827)</b>	<b>(2 827)</b>	<b>(4 244)</b>	<b>165</b>		<b>18 585</b>



**NEWCASTLE MUNICIPALITY**

**DRAFT ANNUAL FINANCIAL STATEMENTS  
FOR THE 1 MONTH ENDED JULY 31, 2017**

# Newcastle Municipality

Draft Annual Financial Statements for the 1 month ended July 31, 2017

## Statement of Financial Position as at July 31, 2017

Figures in Rand	Note(s)	31 July 2017	30 June 2017
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	11	14,872,121	15,602,639
Other financial assets	8	5,603	5,791
Receivables from exchange transactions	12	54,746,092	93,981,140
Receivables from non-exchange transactions	13	12,116,267	12,329,065
Consumer debtors from exchange transactions	15	443,114,605	492,998,357
Other asset 1	10	-	-
Cash and cash equivalents	16	80,942,023	43,835,136
		<b>605,796,711</b>	<b>658,752,128</b>
<b>Non-Current Assets</b>			
Investment property	3	275,974,000	275,974,000
Property, plant and equipment	4	7,031,074,660	7,065,407,697
Intangible assets	5	6,307,314	6,492,979
Heritage assets	6	6,331,670	6,326,820
Investments in associates	7	342,383,219	342,383,219
		<b>7,662,070,863</b>	<b>7,696,584,715</b>
Non-Current Assets		7,662,070,863	7,696,584,715
Current Assets		605,796,711	658,752,128
<b>Total Assets</b>		<b>8,267,867,574</b>	<b>8,355,336,843</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial liabilities	22	-	32,002,485
Finance lease obligation	20	-	5,253
Payables from exchange transactions	25	311,653,184	370,503,050
VAT payable	26	800,062	2,390,525
Consumer deposits	27	14,616,846	14,334,239
Unspent conditional grants and receipts	21	113,578,490	101,013,661
Defined benefits costs	23	-	5,775,189
		<b>440,648,582</b>	<b>526,024,402</b>
<b>Non-Current Liabilities</b>			
Financial liabilities	22	446,439,921	447,215,530
Finance lease obligation	20	403,763	25,920
Defined benefit costs	23	134,384,562	120,075,542
Provision for rehabilitation costs of landfill site	24	30,831,859	26,814,753
		<b>612,060,105</b>	<b>594,131,745</b>
Non-Current Liabilities		612,060,105	594,131,745
Current Liabilities		440,648,582	526,024,402
<b>Total Liabilities</b>		<b>1,052,708,687</b>	<b>1,120,156,147</b>
Assets		8,267,867,574	8,355,336,843
Liabilities		(1,052,708,687)	(1,120,156,147)
<b>Net Assets</b>		<b>7,215,158,887</b>	<b>7,235,180,696</b>

# Newcastle Municipality

Draft Annual Financial Statements for the 1 month ended July 31, 2017

## Statement of Financial Position as at July 31, 2017

Figures in Rand	Note(s)	31 July 2017	30 June 2017
Reserves			
Housing Development fund	17	25,066,264	25,038,966
Self insurance reserve	18	530,443	520,194
Accumulated surplus	19	7,189,562,184	7,209,621,536
<b>Total Net Assets</b>		<b><u>7,215,158,891</u></b>	<b><u>7,235,180,696</u></b>



# Newcastle Municipality

Draft Annual Financial Statements for the 1 month ended July 31, 2017

## Statement of Financial Performance

Figures in Rand	Note(s)	1 month ended 31 July 2017	12 months ended 30 June 2017
<b>Revenue</b>			
Service charges	29	89,179,895	950,246,928
Rental of facilities and equipment	30	669,522	7,274,159
Sundry revenue		104,181	3,575,285
Other income		73,661	1,303,488
Fee income		521,490	7,854,510
Interest received		1,070,207	14,574,730
Property Rates	33	29,202,105	232,309,719
Government grants & subsidies	34	133,796,671	460,922,305
Fines		77,754	3,218,856
<b>Total revenue</b>		<b>254,695,486</b>	<b>1,681,279,980</b>
<b>Expenditure</b>			
Employee costs	35	44,255,351	459,787,374
Depreciation and amortisation	37	-	414,508,428
Impairment of assets	38	-	327,157
Finance costs	39	4,078,665	50,675,056
Debt Impairment	40	6,978,494	29,318,059
Collection costs		-	8,802,170
Repairs and maintenance		639,407	52,299,790
Bulk purchases	41	55,561,956	560,009,760
Contracted services	42	765,232	44,398,139
General Expenses	43	6,153,915	192,887,157
Loss on actuarial valuation		-	3,472,031
<b>Total expenditure</b>		<b>118,433,020</b>	<b>1,816,485,121</b>
Total revenue		254,695,486	1,681,279,980
Total expenditure		(118,433,020)	(1,816,485,121)
<b>Operating surplus (deficit)</b>		<b>136,262,466</b>	<b>(135,205,141)</b>
Operating surplus/deficit		-	-
Surplus (deficit) before taxation		136,262,466	(135,205,141)
Taxation		-	-
<b>Surplus (deficit) for the 1 month</b>		<b>136,262,466</b>	<b>(135,205,141)</b>

# Newcastle Municipality

Draft Annual Financial Statements for the 1 month ended July 31, 2017

## Statement of Changes in Net Assets

Figures in Rand	Housing Development Fund	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
<b>Balance at July 1, 2016</b>	<b>26,037,234</b>	<b>708,555</b>	<b>26,745,789</b>	<b>7,343,264,874</b>	<b>7,370,010,663</b>
Changes in net assets					
Deficit for the year	-	-	-	(135,205,141)	(135,205,141)
Transfer to housing development fund	(998,268)	-	(998,268)	998,268	-
Transfer to self insurance reserves	-	(188,361)	(188,361)	188,361	-
Movent in current year	-	-	-	375,174	375,174
<b>Total changes</b>	<b>(998,268)</b>	<b>(188,361)</b>	<b>(1,186,629)</b>	<b>(133,643,338)</b>	<b>(134,829,967)</b>
<b>Restated Balance at July 1, 2016</b>	<b>25,038,966</b>	<b>520,194</b>	<b>25,559,160</b>	<b>7,053,299,718</b>	<b>7,078,858,878</b>
Deficit for the year	-	-	-	136,262,466	136,262,466
Transfer to housing development fund	27,298	-	27,298	-	27,298
Transfer to self insurance reserves	-	10,249	10,249	-	10,249
<b>Total changes</b>	<b>27,298</b>	<b>10,249</b>	<b>37,547</b>	<b>136,262,466</b>	<b>136,300,013</b>
<b>Balance at July 31, 2017</b>	<b>25,066,264</b>	<b>530,443</b>	<b>25,596,707</b>	<b>7,189,562,184</b>	<b>7,215,158,891</b>

# Newcastle Municipality

Draft Annual Financial Statements for the 1 month ended July 31, 2017

## Cash Flow Statement

Figures in Rand	Note(s)	1 month ended 31 July 2017	12 months ended 30 June 2017
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		100,194,770	1,107,881,449
Grants		183,974,000	529,689,485
Interest income		1,070,207	14,574,730
		<u>285,238,977</u>	<u>1,652,145,664</u>
<b>Payments</b>			
Employee costs		(44,255,351)	(459,787,374)
Suppliers		(167,011,046)	(930,882,444)
Finance costs		(4,078,665)	(50,675,056)
		<u>(215,345,062)</u>	<u>(1,441,344,874)</u>
Total receipts		285,238,977	1,652,145,664
Total payments		(215,345,062)	(1,441,344,874)
<b>Net cash flows from operating activities</b>	47	<u><b>69,893,915</b></u>	<u><b>210,800,790</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(381,524)	(202,791,881)
Purchase of other intangible assets	5	-	(26,590)
<b>Net cash flows from investing activities</b>		<u><b>(381,524)</b></u>	<u><b>(202,818,471)</b></u>
<b>Cash flows from financing activities</b>			
Net movements in long term loans		(32,778,094)	(8,659,637)
Movement on finance lease		372,590	(60,441)
<b>Net cash flows from financing activities</b>		<u><b>(32,405,504)</b></u>	<u><b>(8,720,078)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>37,106,887</b>	<b>(737,759)</b>
Cash and cash equivalents at the beginning of the year		43,835,136	44,572,895
<b>Cash and cash equivalents at the end of the year</b>	16	<u><b>80,942,023</b></u>	<u><b>43,835,136</b></u>



YOUR ACCOUNT NO  
 SECURITY HELD  
 BILLING DATE  
 TAX INVOICE NO  
 ACCOUNT MONTH  
 CURRENT DUE DATE 2017 08 31  
 VAT REG NO 4000791824

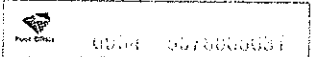
**DIRECT DEPOSIT DETAIL**  
 BANK: First National Bank  
 BRANCH CODE: 223626  
 BANK ACC NO: 50850143295

# TAX INVOICE

FORM 111 - 1 (10/12/16) - Approved by the Board

ACCOUNT NO / REFERENCE NO

NAME  
 FAX NUMBER



ACCOUNT TRANSACTION SUMMARY			
ENERGY CHARGE (STP)		R	15,328,059.56
ENERGY CHARGE (PEAK)	0,355,672.00	R	17,478,019.57
TELEPHONE CHARGE		R	107,936.80
<b>TOTAL CHARGES FOR BILLING PERIOD</b>		<b>R</b>	<b>17,941,628.16</b>

ACCOUNT SUMMARY FOR JULY 2017			
BALANCE BROUGHT FORWARD (Due Date 26/07/16)		R	63,479,117.06
PAYMENTS MADE (Direct Debit 2017 07 16)		R	70,309,524.84
STANDARD RATES (Balance of R 13,677,760.03)		R	7,300,833.56
VAT RAISED ON ITEMS AT 14%		R	7,778,673.88

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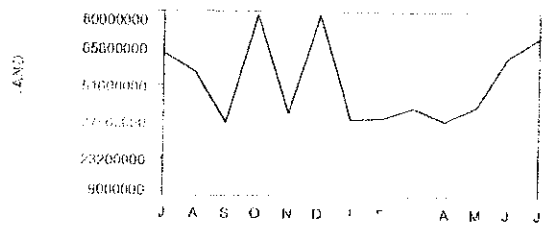
ARREARS					CURRENT	TOTAL DUE R	63,865,056.76
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS				
0.00	0.00	0.00	0.00	63,865,056.76			

44788888831

XXXXXXXXXXXX 0557 6885 6319



**TOTAL AMOUNT DUE**  
**63,865,056.75**



**PAYMENT ARRANGEMENT**

INSTALMENT	7,350,833.56
ARREARS	0.00
DUE DATE	2017 08 31
AMOUNT PAID	

PAGE RUN NO	EP1
BILL GROUP	
BILL PAGE	1 OF 2

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

paying current bill -  
 vat charges  
 R 633 406 30.10

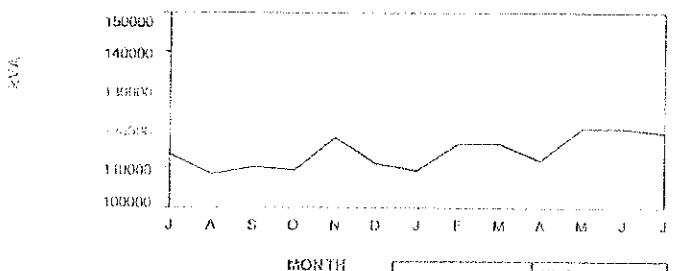
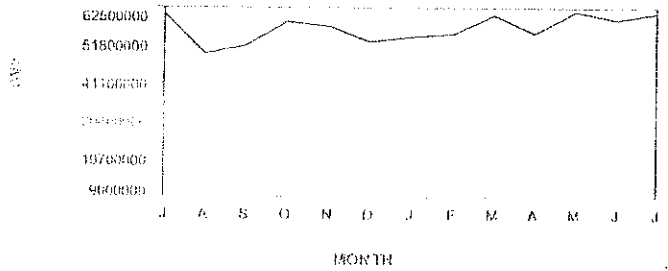
**YOUR ACCOUNT NO**  
**BILLING DATE**  
**TAX INVOICE NO**  
**ACCOUNT MONTH**  
**CURRENT DUE DATE**  
**VAT REG NO** 30007918-1  
**NOTIFIED MAX DEMAND** 125 000,00  
**UTILISED CAPACITY**

**CONSUMPTION DETAILS (2017-07-01 - 2017-07-31)**

DEMAND CONSUMPTION - STD	119,444.69
EXCESS REACTIVE ENERGY - YEAR	1,085,302.79
EXCESS REACTIVE ENERGY - MONTH	1,085,302.79

Administration Charge @ R111.07 per day for 31 days	R	3,443.17
TX Network Capacity Charge 125,000 kVa @ R8.76 : = R8.76/kVA	R	1,095,000.00
Urban Low Voltage Subsidy 125,000 kVa @ R12.48 : = R12.48/kVA	R	1,560,000.00
Facility Service Charge 61,066,634 kWh @ R0.0031 /kWh	R	189,303.57
High Season Off Peak Energy Charge 29,939,636 kWh @ R0.433 /kWh	R	12,974,652.80
High Season On Peak Energy Charge 24,171,124 kWh @ R0.7612 /kWh	R	18,399,069.68
Off-Season and Rural Subsidy 61,066,634 kWh @ R0.0691 /kWh	R	4,219,704.41
High Season Reactive energy Charge 1,085,303 kvarh @ R0.1249 /kvarh	R	135,654.36
<b>SERVICE CHARGE</b>	R	107,011.42

**TOTAL CHARGES** R **55,561,956.28**



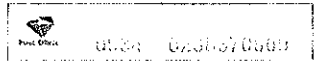
**YOUR ACCOUNT NO**  
**SECURITY HELD**  
**BILLING DATE**  
**TAX INVOICE NO**  
**ACCOUNT MONTH**  
**CURRENT DUE DATE** 30/08/17  
**VAT REG NO** 4000791874

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

# TAX INVOICE

ACCOUNT TRANSACTION SUMMARY																									
TOTAL CHARGES FOR BILLING PERIOD																									
<b>ACCOUNT SUMMARY FOR JULY 2017</b>																									
ADJUSTMENT	BALANCE TRANSFER - TO/FROM DEBITED	R	3,132.42																						
	9545281276																								
	Interest on overdue amount	R	15.70																						
		R	0.00																						
<table border="1"> <thead> <tr> <th colspan="5">ARREARS</th> </tr> <tr> <th>&gt;90 DAYS</th> <th>61-90 DAYS</th> <th>31-60 DAYS</th> <th>16-30 DAYS</th> <th>CURRENT</th> </tr> </thead> <tbody> <tr> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>36.90</td> </tr> <tr> <td colspan="4"></td> <td><b>TOTAL DUE R</b></td> <td><b>36.90</b></td> </tr> </tbody> </table>					ARREARS					>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT	0.00	0.00	0.00	0.00	36.90					<b>TOTAL DUE R</b>	<b>36.90</b>
ARREARS																									
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT																					
0.00	0.00	0.00	0.00	36.90																					
				<b>TOTAL DUE R</b>	<b>36.90</b>																				

**ACCOUNT NO / REFERENCE NO**  
**NAME**  
**FAX NUMBER**



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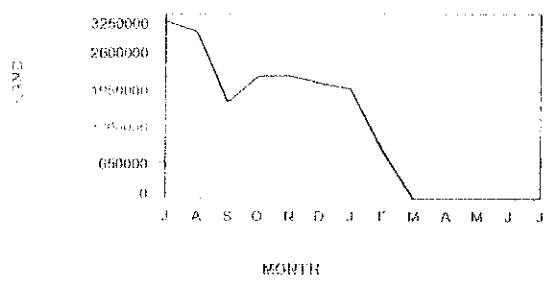
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6238370809

**TOTAL AMOUNT DUE**  
**36.90**

**PAYMENT ARRANGEMENT**  
**INSTALMENT** 0.00  
**ARREARS** 0.00  
**DUE DATE** 2017-08-15  
**AMOUNT PAID**

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



**PAGE RUN NO** EP 1  
**BILL GROUP**  
**BILL PAGE** 1 OF 2

YOUR ACCOUNT NO

BILLING DATE

TAX INVOICE NO

ACCOUNT MONTH

CURRENT DUE DATE

VAT REG NO

NOTIFIED MAX DEMAND

UTILISED CAPACITY

800000000

0.00

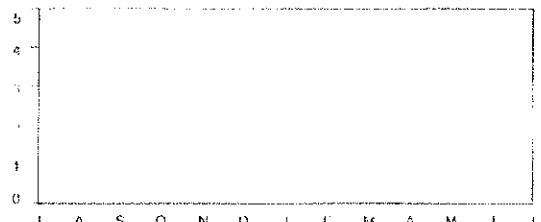
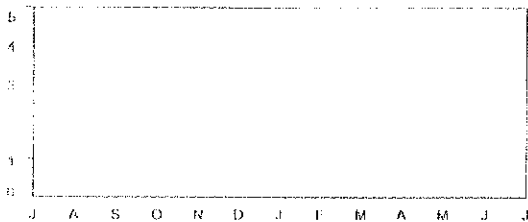
**CONSUMPTION DETAILS (2017-07-01 - 2017-07-31)**

**TOTAL CHARGES**

R

**0.00**

COPY ONLY



PAGE RUN NO	1 OF 2
BILL GROUP	
BILL PAGE	2 OF 2

SUMMARY OF INVESTMENTS FOR NEWCASTLE FOR JULY 2017

Account Number	Opening balance	Investment made	Investment Matures	Withdrawals made	Interest Received	Interest Capitalized	Bank Charges Vat & Other	Balance
Standard Bank 068450354/015	R 903,090.28					R 5,192.15		R 908,282.43
Standard Bank 068450354/016	R 15,409,490.38	R 0.00		R 0.00		R 88,594.02		R 15,498,084.40
Standard Bank 068450354/035	R 5,726,142.46	R 0.00		R 0.00		R 32,921.40		R 5,759,063.86
Standard Bank 068450354/036	R 972,373.67	R 17,000,000.00		R 0.00		R 42,711.03		R 18,015,084.70
Standard Bank 068450354/037	R 0.00	R 1,200,000.00		R 0.00		R 1,543.56		R 1,201,543.56
Absa: 9288456248	R 6,366,719.28			R 0.00	R 36,290.05		R 50.00	R 6,366,669.28
Absa 9300506428	R 312,151.42	R 0.00		R 0.00		R 1,675.36		R 313,826.78
Glacier/Santam: 001246115	R 95,315.79					R 586.98	R 0.00	R 95,902.77
<b>Total as '2017/07/31</b>	<b>R 29,785,283.28</b>	<b>R 18,200,000.00</b>	<b>R 0.00</b>	<b>R 0.00</b>	<b>R 36,290.05</b>	<b>R 173,224.50</b>	<b>R 50.00</b>	<b>R 48,158,457.78</b>

R 48,158,457.78

C MOORE

CHIEF CLARK: FINANCIAL ACCOUNTING

SP HLATSHWAYO

ACTING MANAGER: FINANCIAL REPORTING

MS NDLOVU

DIRECTOR: BUDGET & FINANCIAL REFORMS

SM NKOSI

ACTING SED: BUDGET & TREASURY OFFICE

/BALANCE PER GENERAL LEDGER '2017/07/31 (030997010001)

Interest capitalised	2017/08/08	JV23087	Glacier	1246115	47,985,283.28
Interest capitalised	2017/08/08	JV23083	Standardbai	0684503540/015	586.98
Interest capitalised	2017/08/08	JV23082	Standardbai	0684503540/016	5,192.15
Interest capitalised	2017/08/10	JV23097	Standardbai	0684503540/035	88,594.02
Interest capitalised	2017/08/08	JV23088	Standardbai	0684503540/036	32,921.40
Interest capitalised	2017/08/08	JV23089	Standardbai	0684503540/037	42,711.03
Bank charges	2017/08/10	JV23096	ABSA	9288456248	1,543.56
Interest capitalised	2017/08/08	JV22086	ABSA	9300506428	(50.00)
					<b>1,675.36</b>
					<b>48,158,457.78</b>



BALANCE PER GENERAL LEDGER '2017/07/31 (020101000064)

Interest received 2017/08/10 JV23094

ABSA

9288456248

36,290.05

**36,290.05**

BALANCE PER GENERAL LEDGER '2017/07/31 (020101000075)

Interest Capitalised 2017/08/08 JV23087  
Interest Capitalised 2017/08/08 JV23083  
Interest Capitalised 2017/08/08 JV23082  
Interest Capitalised 2017/08/10 JV23097  
Interest Capitalised 2017/08/08 JV23088  
Interest Capitalised 2017/08/08 JV23088  
Interest Capitalised 2017/08/08 JV23089

Glacier 1246115  
Standard Bani 068450351/015  
Standard Bani 068450351/016  
Standard Bani 068450351/035  
Standard Bani 068450351/036  
Standard Bani 068450351/037  
ABSA 9300506428

586.98

5,192.15

88,594.02

32,921.40

42,711.03

1,543.56

1,675.36

**173,224.50**



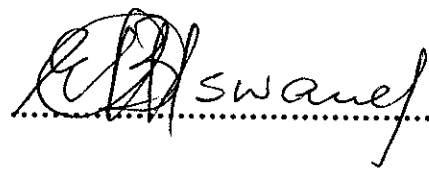
# MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **BE Mswane**, the Municipal Manager of **Newcastle Municipality**, hereby certify that the monthly budget statement on the state of the municipality's budget, for the month ended July 2017 have been prepared in accordance with Section 71 of the Municipal Finance Management Act, No56 of 2003; and Regulation 28-30 of the Municipal Budget and Reporting Regulations.

**Print Name** : **BHEKANI ERROL MSWANE**

**Municipal Manager** : **NEWCASTLE MUNICIPALITY**

**Signature** : .....

**Date** : **15/08/17**.....