

**SECTION 71: MONTHLY BUDGET STATEMENT: NATIONAL REPORTING STANDARD: MONTH TWO: 31 AUGUST 2018: (T 6/1/1-2018/2019): BUDGET AND TREASURY OFFICE**



**REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL**

File Reference:  
Report Number:

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Designation: Director: Budget and Financial Reporting

FOR CONSIDERATION

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

**SUBJECT: AUGUST 2018 MONTHLY SECTION71 REPORT**

**PURPOSE**

The purpose of this report is to apprise the Finance Portfolio Committee, Executive Committee and Council of the monthly financial performance of the municipality as required by Section 71 of the Municipal Finance Management Act 56 of 2003 (MFMA) which states that; the accounting officer of a municipality must by no later than 10 working days after the end of the month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget. This report is submitted to both the National and Provincial Treasuries in C Schedule format and through a series of MFMA returns that were designed for the purpose of uploading into the National Treasury database.

**1. ANNEXURES**

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

**2. ANALYSIS OF FINANCIAL RESULTS**

The financial analysis comprise of the operating budget performance, capital budget performance, analysis of financial position as well as the cash flows. Differences will be noted between the financial statement and the Section 71 tables due to the transitional period between the year-end and the new year. The figures reflected in the Section 71 report reflect more correct and realistic picture of the state of finances of the municipality for the reporting period. Major variances and those items with an impact on these categories are discussed in the analysis below.

**Table C1: Monthly budget statements summary**

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

**KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M02 August**

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	252,934	295,785	-	24,195	55,649	49,297	6,351	13%	295,785
Service charges	962,401	1,008,550	-	95,668	190,415	168,092	22,323	13%	1,008,550
Investment revenue	4,826	4,041	-	634	634	673	(40)	-6%	4,041
Transfers and subsidies	365,726	384,734	-	716	144,284	144,284	-	-	384,734
Other own revenue	40,372	75,611	-	3,915	6,867	12,602	(5,735)	-46%	75,611
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>125,128</b>	<b>397,848</b>	<b>374,948</b>	<b>22,900</b>	<b>6%</b>	<b>1,768,722</b>
Employee costs	538,871	537,171	-	47,182	93,708	89,528	4,179	5%	537,171
Remuneration of Councillors	21,527	24,119	-	2,103	4,178	4,020	158	4%	24,119
Depreciation & asset impairment	452,759	525,578	-	30,892	61,832	87,596	(25,764)	-29%	525,578
Finance charges	35,355	43,979	-	3,800	7,699	7,330	369	5%	43,979
Materials and bulk purchases	537,642	622,493	-	55,160	123,837	103,749	20,088	19%	622,493
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	511,520	483,668	-	30,869	50,242	80,611	(30,369)	-38%	483,668
<b>Total Expenditure</b>	<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>170,006</b>	<b>341,495</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>	<b>(471,415)</b>	<b>(468,287)</b>	<b>-</b>	<b>(44,878)</b>	<b>56,353</b>	<b>2,114</b>	<b>54,239</b>	<b>2566%</b>	<b>(468,287)</b>
Transfers and subsidies - capital (monetary allocation)	158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>10,348</b>	<b>13,783</b>	<b>34,263</b>	<b>(20,479)</b>	<b>-60%</b>	<b>205,576</b>
Capital transfers recognised	158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	21,412	38,840	-	65	67	6,473	(6,406)	-99%	38,840
<b>Total sources of capital funds</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>10,348</b>	<b>13,783</b>	<b>34,263</b>	<b>(20,479)</b>	<b>-60%</b>	<b>205,576</b>
<b>Financial position</b>									
Total current assets	794,427	366,049	-	-	817,024	-	-	-	366,049
Total non current assets	7,396,359	7,515,728	-	-	7,357,798	-	-	-	7,515,728
Total current liabilities	533,860	297,641	-	-	770,227	-	-	-	297,641
Total non current liabilities	597,335	534,920	-	-	579,618	-	-	-	534,920
<b>Community wealth/Equity</b>	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>-</b>	<b>6,824,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,049,216</b>
<b>Cash flows</b>									
Net cash from (used) operating	209,574	151,264	-	12,075	54,709	117,770	63,062	54%	151,264
Net cash from (used) investing	(155,174)	(151,250)	-	(10,348)	(13,783)	(34,263)	(20,479)	60%	(151,250)
Net cash from (used) financing	(47,889)	(32,000)	-	523	523	(5,333)	(5,856)	110%	(32,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>57,019</b>	<b>1,265</b>	<b>-</b>	<b>-</b>	<b>98,913</b>	<b>111,425</b>	<b>12,512</b>	<b>11%</b>	<b>25,479</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	133,107	37,053	53,030	26,629	24,382	22,728	121,407	810,949	1,229,285
<b>Creditors Age Analysis</b>									
Total Creditors	91,269	69,388	66,310	2,270	1,871	1,690	2,675	9,266	244,740

## 2.1 Operating budget performance-revenue

2.1.1 The municipality generated a total revenue of R397 848 000 of the original budget of R1 768 722 000, representing 22 percent. The variance between the year-to-date revenue budget and the actual revenue accrued for the same period amounts to R22 900 000, representing an over-performance of 6 percent during the period under review. Although the aggregate performance on revenue generated shows over performance of 6, it is however necessary to explain reasons which attributed to such variance.

2.1.2 The municipality generated R22 323 000 (13%) more revenue from service charges than a pro-rata budget of R168 092 000 for the period under review. The main service charge contributor to that variance is electricity having a variance of R13 409 000 for period under review, due to winter seasonal consumption. All other service charges collectively over-performed by R8 914 000.

2.1.3 The municipality generated R6 351 000 (13%) more revenue from property rates than the year-to-date budget of R49 297 000 for the period under review. This is due to government departments billed for the annual rates in July.

2.1.4 The municipality generated R40 000 (-6%) less revenue from interest on investments than the year-to-date budget of R673 000 for the period under review. This is due to withdrawals made by the municipality during the month of August 2018.

2.1.5 As per SC6 on the statement of transfers and grants as well as C7 the Cash Flow statement, the municipality recorded R183 753 000, R144 753 000 for operational grants and R39 000 000 for capital grants respectively. This is in line year-to-date budget as projected.

2.1.6 The municipality generated R5 735 000 (-46%) less revenue from sundry revenue than a pro-rata budget of R12 602 000 for the period under review. Most items on other revenue seem to be under-performing with high variances of more than 70%, this variance will reduce as the year progresses.

## **2.2 Operating performance – expenditure**

2.2.1 The summary of the operating expenditure is reflected in C1 and C4 tables of the Schedule C attached hereto. As at the end of August 2018, the municipality incurred the total expenditure of R341 495 000 of the original budget of R2 237 008 000, which represents 15 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R31 339 000, representing under-expenditure of 8 percent.

2.2.2 The main attributing factors to the under-expenditure are non-cash items, being debt impairment, depreciation and employee related costs. Debt impairment and depreciation are accounting items, which are required to reflect on capital charges that compensate for doubtful debtors and assets which deteriorate in value. Depreciation has under-performed by 29 percent (R25.7 million) in the second month of the financial year due to the very low capital expenditure resulting from SCM processes currently underway. Debt impairment under-performed by 13 percent (R3.6 million) due to the review of indigent register currently underway. Other expenditure has also under-performed by 48% (R23.0 million).

2.2.3 The municipality spent R20 480 000 (20%) more on the bulk purchases than a pro-rata budget of R103 122 000. This is due to the fluctuating electricity consumption which will be studied closely and will gradually decrease as the warmer season approaches.

2.2.4 The municipality spent R391 000 (-62%) less on materials than a pro-rata budget of R627 000. This is mainly due to the culture of cost containment which has been inculcated.

2.2.5 The municipality spent R3 760 000 (-65%) less on contracted services than a pro-rata budget of R5 824 000. Included in the budget for contracted services is the provision for some of the projects, which are due to be implemented later in the financial year.

2.2.6 The municipality spent R4 1790 000 (5%) more on employee related costs than a pro-rata budget of R89 528 000. This over performance is due to the appointment of employees which were not budgeted for amounting to R1.2 m as well as an escalation of overtime from mainly essential services. While the overtime budget was cut by about R20 million in the current year, measure to contain overtime within the budget have not yet fully been implemented.

### 2.3 Capital budget performance

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

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

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August										
Vote Description	Ref	2017/18		Budget Year 2018/19						
		Audited Outcomes	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		1,955	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		8,912	2,640	-	-	440	(440)	-100%	2,640	
Vote 3 - BUDGET AND TREASURY		-	1,000	-	67	67	167	(100)	-60%	1,000
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		36,701	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		130,826	197,436	-	10,281	13,716	32,906	(19,190)	-58%	197,436
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		1,499	4,500	-	-	-	750	(750)	-100%	4,500
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Total Capital Expenditure</b>		179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		1,955	1,000	-	67	67	167	(100)	-60%	1,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,955	1,000	-	67	67	167	(100)	-60%	1,000
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		9,455	2,640	-	-	-	440	(440)	-100%	2,640
Community and social services		8,048	990	-	-	-	165	(165)	-100%	990
Sport and recreation		766	1,650	-	-	-	275	(275)	-100%	1,650
Public safety		99	-	-	-	-	-	-	-	-
Housing		543	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		46,849	142,436	-	3,521	3,524	23,739	(20,216)	-85%	142,436
Planning and development		20,512	-	-	-	-	-	-	-	-
Road transport		26,337	142,436	-	3,521	3,524	23,739	(20,216)	-85%	142,436
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		105,987	59,500	-	6,759	10,193	9,917	276	3%	59,500
Energy sources		1,499	4,500	-	-	-	750	(750)	-100%	4,500
Water management		104,488	55,000	-	6,759	10,193	9,167	1,026	11%	55,000
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		15,646	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Funded by:</b>										
National Government		133,909	148,032	-	10,283	13,716	24,672	(10,956)	-44%	148,032
Provincial Government		8,926	18,704	-	-	-	3,117	(3,117)	-100%	18,704
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		15,646	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		21,412	38,840	-	65	67	6,473	(6,408)	-99%	38,840
<b>Total Capital Funding</b>		179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576

2.3.1 Capital expenditure for the second month of the financial year amounted to R13 783 000, which represents 6% of the approved capital budget of R205 576 000. Comparison between the pro rata budget of R34 263 000 and actual expenditure for the period reflects an under expenditure of (R20 479 000) which implies that the municipality spent 60 percent less than the budget for the same period. The municipality has just initiated the procurement processes for the most of the projects, which is expected to be finalised in the first quarter of the financial year. The spending of capital projects will steadily increase during the course of the year.

## 2.4 Financial position

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

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

**KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M02 August**

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9,612	1,265		5,634	1,265
Call investment deposits		47,407	10,951		93,279	10,951
Consumer debtors		673,840	305,160		614,222	305,160
Other debtors		51,145	33,098		92,589	33,098
Current portion of long-term receivables		4	–		3	–
Inventory		12,420	15,575		11,298	15,575
<b>Total current assets</b>		<b>794,427</b>	<b>366,049</b>	<b>–</b>	<b>817,024</b>	<b>366,049</b>
<b>Non current assets</b>						
Long-term receivables		–	–		–	–
Investments		–	–		–	–
Investment property		365,272	361,651		379,856	361,651
Investments in Associate		301,163	298,182		275,279	298,182
Property, plant and equipment		6,716,697	6,840,820		6,689,907	6,840,820
Agricultural		–	–		–	–
Biological assets		–	–		–	–
Intangible assets		5,758	7,650		5,287	7,650
Other non-current assets		7,469	7,425		7,469	7,425
<b>Total non current assets</b>		<b>7,396,359</b>	<b>7,515,728</b>	<b>–</b>	<b>7,357,798</b>	<b>7,515,728</b>
<b>TOTAL ASSETS</b>		<b>8,190,786</b>	<b>7,881,777</b>	<b>–</b>	<b>8,174,821</b>	<b>7,881,777</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–		–	–
Borrowing		–	33,987		29,685	33,987
Consumer deposits		18,965	16,867		19,787	16,867
Trade and other payables		514,895	240,096		712,758	240,096
Provisions		–	6,691		7,998	6,691
<b>Total current liabilities</b>		<b>533,860</b>	<b>297,641</b>	<b>–</b>	<b>770,227</b>	<b>297,641</b>
<b>Non current liabilities</b>						
Borrowing		431,733	373,941		403,118	373,941
Provisions		165,602	160,980		176,500	160,980
<b>Total non current liabilities</b>		<b>597,335</b>	<b>534,920</b>	<b>–</b>	<b>579,618</b>	<b>534,920</b>
<b>TOTAL LIABILITIES</b>		<b>1,131,195</b>	<b>832,561</b>	<b>–</b>	<b>1,349,845</b>	<b>832,561</b>
<b>NET ASSETS</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>–</b>	<b>6,824,976</b>	<b>7,049,216</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		7,032,915	7,046,945		6,798,291	7,046,945
Reserves		26,676	2,271		26,686	2,271
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>–</b>	<b>6,824,976</b>	<b>7,049,216</b>

2.4.1 As at end the end of the second month of the financial year, the municipality showed a favourable equity position, with a net asset effect of R6.8 billion. While this picture looks good, it is however important to point out major reasons to such a favourable equity position, being consumer debtors and the property plant and equipment (assets), which cannot instantly be converted into cash. The following provides a closer look on some of critical financial position items:

2.4.2 The municipality's debtors aging as reflected in table SC3 is a total of R1.2 billion as at the end of the second month. The bulk of this amount (R1 006 million) is debt owing for more than 90 days, while R898 million of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent. Debtors seem to be accumulating in each and every month, however the community outreach programme run by finance in urging the consumers to pay, has been evident.

2.4.3 Property Plant and Equipment (Assets) comprise of R6.7 billion of the total assets of R8.2 billion as reflected in table C6. These assets comprise of roads, community assets, water infrastructure, electricity infrastructure, other plants and equipment which the municipality has acquired for service delivery as well as for its own use. Service delivery of the municipal is majored by its ability to provide these services to communities. It is however important to note that the majority of these assets may not be easily converted to cash and cash equivalent.

2.4.4 The municipality closed with a balance of cash and cash equivalent of R98.9 million as at the end of the second month of the financial year. It must be noted that included in the investment is the housing development fund of R26.6 million which belongs to KZN Department of Human Settlements. The short-term obligations are sitting at R244.7 million as illustrated on SC4, while unspent conditional grants amount to R95 million, representing a cash short-fall of R268.3 million. Table SC4 reflects that the municipality was owing creditors to the tune of R244.7 million. This included Eskom for R130 million, Uthukela Water for R26.8 million, Dr Pixely KaSeme Municipality for R5.0 million, SARS for R9.0 million, Pension funds for R6.8 million and other trade creditors for R66.6 million.

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

## 2.5 Cash flow analysis

**Table C7: Monthly budget statements – Cash Flow**

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

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		180,280	233,985		16,203	30,816	38,998	(8,181)	-21%	233,985
Service charges		794,533	859,570		72,516	155,285	143,262	12,023	8%	859,570
Other revenue		43,610	37,516		6,523	13,163	6,253	6,910	111%	37,516
Government - operating		345,816	384,734		2,500	144,753	144,753	-		384,734
Government - capital		217,288	162,426		-	39,000	39,000	-		162,426
Interest		16,036	9,328		1,304	2,014	1,555	460	30%	9,328
Dividends		-	-		-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(1,355,861)	(1,492,315)		(83,153)	(322,624)	(248,719)	73,905	-30%	(1,492,315)
Finance charges		(32,127)	(43,979)		(3,818)	(7,699)	(7,330)	369	-5%	(43,979)
Transfers and Grants		-	-		-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>209,574</b>	<b>151,264</b>	<b>-</b>	<b>12,075</b>	<b>54,709</b>	<b>117,770</b>	<b>63,062</b>	<b>54%</b>	<b>151,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	21,200		-	-	-	-		21,200
Decrease (increase) in non-current debtors		-	-		-	-	-	-		-
Decrease (increase) other non-current receivables		-	33,125		-	-	-	-		33,125
Decrease (increase) in non-current investments		-	-		-	-	-	-		-
<b>Payments</b>										
Capital assets		(155,174)	(205,576)		(10,348)	(13,783)	(34,263)	(20,479)	60%	(205,576)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(155,174)</b>	<b>(151,250)</b>	<b>-</b>	<b>(10,348)</b>	<b>(13,783)</b>	<b>(34,263)</b>	<b>(20,479)</b>	<b>60%</b>	<b>(151,250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-		-	-	-	-		-
Borrowing long term/refinancing		-	-		-	-	-	-		-
Increase (decrease) in consumer deposits		-	-		-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(47,889)	(32,000)		523	523	(5,333)	(5,856)	110%	(32,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(47,889)</b>	<b>(32,000)</b>	<b>-</b>	<b>523</b>	<b>523</b>	<b>(5,333)</b>	<b>(5,856)</b>	<b>110%</b>	<b>(32,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		50,508	33,251			57,465	33,251			57,465
Cash/cash equivalents at month/year end:		57,019	1,265		2,251	98,913	111,425			25,479

2.5.1 The municipality opened with a cash and cash equivalent balance of R57.5 million at the beginning of the financial year and closed with a balance of R98.9 million as at the end of August 2018, which represents a cash increase of R41.4 million.

2.5.2 Cash flows from operating activities yielded a net cash inflow of R54.7 million as result of receipts from services charges, property rates, government grants as well as other sundry receipts. This net cash inflows was after the municipality paid its suppliers for services rendered, remunerated its employees and paid the portion of the outstanding interest on loans.

2.5.3 Cash flows from investing activities recorded cash outflows of R13.8 million due to capital expenditure.

2.5.4 Cash flows from financing activities recorded cash outflows of R522 thousand. This is due to repayment of loans by the municipality.

### 3. CONCLUSION

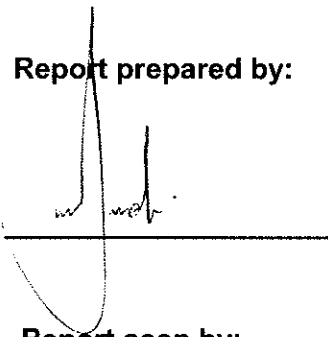
Cooperation within management and structures in council is required in order to curb expenditure on the budget throughout the course of the year. The issues that still reflect variances in the budget performance report must be monitored and managed to ensure that the municipality operates within the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

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

### 4. RECOMMENDED

(a) That the MFMA Section 71 report for the month ended 31 August 2018 be noted;

Report prepared by:



Report seen by:

ME NKOSI  
PORTFOLIO COUNCILLOR  
BUDGET AND TREASURY OFFICE

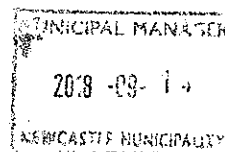


SM NKOSI  
ACTING STRATEGIC EXECUTIVE DIRECTOR:  
BUDGET AND TREASURY OFFICE

**NEWCASTLE  
MUNICIPALITY**

2018 -09- 14

**MAYOR'S OFFICE**





KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M02 August

Description	2017/18 Audited Outcome	Budget Year 2018/19							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	252,934	295,785	-	24,195	55,649	49,297	6,351	13%	295,785
Service charges	962,401	1,008,550	-	95,668	190,415	168,092	22,323	13%	1,008,550
Investment revenue	4,826	4,041	-	634	634	673	(40)	-6%	4,041
Transfers and subsidies	365,726	384,734	-	716	144,284	144,284	-		384,734
Other own revenue	40,372	75,611	-	3,915	6,867	12,602	(5,735)	-46%	75,611
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>125,128</b>	<b>397,848</b>	<b>374,948</b>	<b>22,900</b>	<b>6%</b>	<b>1,768,722</b>
Employee costs	538,871	537,171	-	47,182	93,708	89,528	4,179	5%	537,171
Remuneration of Councillors	21,527	24,119	-	2,103	4,178	4,020	158	4%	24,119
Depreciation & asset impairment	452,759	525,578	-	30,892	61,832	87,596	(25,764)	-29%	525,578
Finance charges	35,355	43,979	-	3,800	7,699	7,330	369	5%	43,979
Materials and bulk purchases	537,642	622,493	-	55,160	123,837	103,749	20,088	19%	622,493
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	511,520	483,668	-	30,869	50,242	80,611	(30,369)	-38%	483,668
<b>Total Expenditure</b>	<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>170,006</b>	<b>341,495</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>	<b>(471,415)</b>	<b>(468,287)</b>	<b>-</b>	<b>(44,878)</b>	<b>56,353</b>	<b>2,114</b>	<b>54,239</b>	<b>2566%</b>	<b>(468,287)</b>
Transfers and subsidies - capital (monetary allocations)	158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
Contributions & Contributed assets	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>10,348</b>	<b>13,783</b>	<b>34,263</b>	<b>(20,479)</b>	<b>-60%</b>	<b>205,576</b>
Capital transfers recognised	158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	21,412	38,840	-	65	67	6,473	(6,406)	-99%	38,840
<b>Total sources of capital funds</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>10,348</b>	<b>13,783</b>	<b>34,263</b>	<b>(20,479)</b>	<b>-60%</b>	<b>205,576</b>
<b>Financial position</b>									
Total current assets	794,427	366,049	-	-	817,024	-	-	-	366,049
Total non current assets	7,396,359	7,515,728	-	-	7,357,798	-	-	-	7,515,728
Total current liabilities	533,860	297,641	-	-	770,227	-	-	-	297,641
Total non current liabilities	597,335	534,920	-	-	579,618	-	-	-	534,920
<b>Community wealth/Equity</b>	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>-</b>	<b>6,824,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,049,216</b>
<b>Cash flows</b>									
Net cash from (used) operating	209,574	151,264	-	12,075	54,709	117,770	63,062	54%	151,264
Net cash from (used) investing	(155,174)	(151,250)	-	(10,348)	(13,783)	(34,263)	(20,479)	60%	(151,250)
Net cash from (used) financing	(47,889)	(32,000)	-	523	523	(5,333)	(5,856)	110%	(32,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>57,019</b>	<b>1,265</b>	<b>-</b>	<b>-</b>	<b>98,913</b>	<b>111,425</b>	<b>12,512</b>	<b>11%</b>	<b>25,479</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	133,107	37,053	53,030	26,629	24,382	22,728	121,407	810,949	1,229,285
<b>Creditors Age Analysis</b>									
Total Creditors	91,269	69,388	66,310	2,270	1,871	1,690	2,675	9,266	244,740

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		<b>360,307</b>	<b>412,281</b>	-	<b>26,951</b>	<b>94,374</b>	<b>68,713</b>	25,660	37%	<b>412,281</b>
Executive and council		11,473	8,717	-	614	2,274	1,453	821	57%	8,717
Finance and administration		348,834	403,564	-	26,337	92,100	67,261	24,839	37%	403,564
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		<b>32,639</b>	<b>55,083</b>	-	<b>2,055</b>	<b>3,253</b>	<b>9,181</b>	(5,927)	-65%	<b>55,083</b>
Community and social services		18,274	29,534	-	621	1,115	4,922	(3,807)	-77%	29,534
Sport and recreation		541	698	-	7	9	116	(108)	-93%	698
Public safety		6,942	11,450	-	946	1,079	1,908	(830)	-43%	11,450
Housing		6,836	13,331	-	480	1,033	2,222	(1,189)	-54%	13,331
Health		47	71	-	1	19	12	7	58%	71
<i>Economic and environmental services</i>		<b>109,277</b>	<b>87,648</b>	-	<b>564</b>	<b>677</b>	<b>14,608</b>	(13,931)	-95%	<b>87,648</b>
Planning and development		70,898	22,907	-	387	501	3,818	(3,317)	-87%	22,907
Road transport		38,379	64,741	-	177	177	10,790	(10,613)	-98%	64,741
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>1,282,385</b>	<b>1,380,276</b>	-	<b>105,829</b>	<b>313,237</b>	<b>310,207</b>	3,029	1%	<b>1,380,276</b>
Energy sources		718,633	770,528	-	63,784	155,070	157,818	(2,747)	-2%	770,528
Water management		290,791	316,642	-	25,923	73,202	77,801	(4,599)	-6%	316,642
Waste water management		176,687	195,371	-	9,325	57,369	58,300	(931)	-2%	195,371
Waste management		96,274	97,735	-	6,797	27,596	16,289	11,307	69%	97,735
<i>Other</i>	<b>4</b>	<b>132</b>	<b>169</b>	-	<b>12</b>	<b>23</b>	<b>28</b>	<b>(5)</b>	<b>-17%</b>	<b>169</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1,784,740</b>	<b>1,935,457</b>	-	<b>135,411</b>	<b>411,564</b>	<b>402,738</b>	<b>8,827</b>	<b>2%</b>	<b>1,935,457</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		<b>541,588</b>	<b>412,389</b>	-	<b>30,372</b>	<b>54,114</b>	<b>68,731</b>	(14,617)	-21%	<b>412,389</b>
Executive and council		190,702	81,497	-	8,540	15,306	13,583	1,723	13%	81,497
Finance and administration		350,886	330,892	-	21,832	38,808	55,149	(16,341)	-30%	330,892
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		<b>181,581</b>	<b>223,369</b>	-	<b>14,705</b>	<b>28,265</b>	<b>37,228</b>	(8,963)	-24%	<b>223,369</b>
Community and social services		26,192	29,016	-	2,041	4,385	4,836	(451)	-9%	29,016
Sport and recreation		68,213	76,393	-	6,106	11,454	12,732	(1,278)	-10%	76,393
Public safety		58,141	65,757	-	4,567	8,641	10,959	(2,319)	-21%	65,757
Housing		25,358	44,877	-	1,556	2,905	7,480	(4,575)	-61%	44,877
Health		3,678	7,327	-	436	881	1,221	(341)	-28%	7,327
<i>Economic and environmental services</i>		<b>250,510</b>	<b>264,341</b>	-	<b>23,692</b>	<b>52,047</b>	<b>44,057</b>	7,990	18%	<b>264,341</b>
Planning and development		24,167	27,477	-	1,669	3,307	4,579	(1,273)	-28%	27,477
Road transport		226,343	236,865	-	22,022	48,740	39,477	9,263	23%	236,865
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>1,123,847</b>	<b>1,335,639</b>	-	<b>101,232</b>	<b>207,059</b>	<b>222,606</b>	(15,547)	-7%	<b>1,335,639</b>
Energy sources		608,813	708,833	-	67,516	130,467	118,139	12,328	10%	708,833
Water management		383,390	493,851	-	22,596	57,214	82,309	(25,094)	-30%	493,851
Waste water management		60,109	65,969	-	4,295	8,184	10,995	(2,811)	-26%	65,969
Waste management		71,534	66,986	-	6,826	11,194	11,164	30	0%	66,986
<i>Other</i>		<b>148</b>	<b>1,270</b>	-	<b>5</b>	<b>10</b>	<b>212</b>	<b>(202)</b>	<b>-95%</b>	<b>1,270</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>2,097,674</b>	<b>2,237,008</b>	-	<b>170,006</b>	<b>341,495</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8%</b>	<b>2,237,008</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(312,934)</b>	<b>(301,551)</b>	-	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>

KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	66,746	68,030	-	665	26,909	11,338	15,571	137.3%	68,030
Vote 2 - COMMUNITY SERVICES		130,826	139,488	-	8,373	29,817	23,248	6,569	28.3%	139,488
Vote 3 - BUDGET AND TREASURY		293,561	344,251	-	26,286	67,464	57,375	10,089	17.6%	344,251
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		77,865	36,407	-	879	1,557	6,068	(4,511)	-74.3%	36,407
Vote 6 - TECHNICAL SERVICES		497,109	576,754	-	35,425	130,747	150,101	(19,354)	-12.9%	576,754
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		718,633	770,528	-	63,784	155,070	154,608	463	0.3%	770,528
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1,784,740</b>	<b>1,935,458</b>	<b>-</b>	<b>135,411</b>	<b>411,564</b>	<b>402,738</b>	<b>8,826</b>	<b>2.2%</b>	<b>1,935,457</b>
<b>Expenditure by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	239,523	146,473	-	11,034	19,351	24,412	(5,061)	-20.7%	146,473
Vote 2 - COMMUNITY SERVICES		284,594	291,202	-	24,207	42,275	48,534	(6,258)	-12.9%	291,202
Vote 3 - BUDGET AND TREASURY		162,888	152,792	-	9,523	19,162	25,465	(6,304)	-24.8%	152,792
Vote 4 - MUNICIPAL MANAGER		70,952	62,110	-	5,016	8,742	10,352	(1,610)	-15.6%	62,110
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		59,379	79,124	-	3,559	6,872	13,187	(6,315)	-47.9%	79,124
Vote 6 - TECHNICAL SERVICES		671,525	796,474	-	48,913	107,282	132,746	(25,464)	-19.2%	796,474
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		608,813	708,833	-	67,754	137,812	118,139	19,673	16.7%	708,833
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>170,006</b>	<b>341,496</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8.4%</b>	<b>2,237,008</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,585)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,165</b>	<b>134.3%</b>	<b>(301,551)</b>

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		252,934	295,785		24,195	55,649	49,297	6,351	13%	295,785
Service charges - electricity revenue		649,843	686,768		63,784	127,870	114,461	13,409	12%	686,768
Service charges - water revenue		156,568	161,896		15,773	29,883	26,983	2,900	11%	161,896
Service charges - sanitation revenue		90,849	95,532		9,323	18,955	15,922	3,033	19%	95,532
Service charges - refuse revenue		65,141	64,354		6,788	13,707	10,726	2,981	28%	64,354
Service charges - other		-	-		-	-	-	-	-	-
Rental of facilities and equipment		7,815	8,642		613	1,294	1,440	(147)	-10%	8,642
Interest earned - external investments		4,826	4,041		634	634	673	(40)	-6%	4,041
Interest earned - outstanding debtors		11,595	13,218		670	1,380	2,203	(822)	-37%	13,218
Dividends received		-	-		-	-	-	-	-	-
Fines, penalties and forfeits		6,103	8,710		915	1,005	1,452	(447)	-31%	8,710
Licences and permits		10	13		1	3	2	0	19%	13
Agency services		-	-		-	-	-	-	-	-
Transfers and subsidies		365,726	384,734		716	144,284	144,284	-	-	384,734
Other revenue		14,848	45,029		1,717	3,185	7,505	(4,320)	-58%	45,029
Gains on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>125,128</b>	<b>397,848</b>	<b>374,948</b>	<b>22,900</b>	<b>6%</b>	<b>1,768,722</b>
<b>Expenditure By Type</b>										
Employee related costs		538,871	537,171		47,182	93,708	89,528	4,179	5%	537,171
Remuneration of councillors		21,527	24,119		2,103	4,178	4,020	158	4%	24,119
Debt impairment		137,597	163,946		11,409	23,720	27,324	(3,605)	-13%	163,946
Depreciation & asset impairment		452,759	525,578		30,892	61,832	87,596	(25,764)	-29%	525,578
Finance charges		35,355	43,979		3,800	7,699	7,330	369	5%	43,979
Bulk purchases		530,968	618,730		55,018	123,601	103,122	20,480	20%	618,730
Other materials		6,673	3,763		141	236	627	(391)	-62%	3,763
Contracted services		53,171	34,945		2,064	2,064	5,824	(3,760)	-65%	34,945
Transfers and subsidies		-	-		-	-	-	-	-	-
Other expenditure		320,751	284,777		17,396	24,458	47,463	(23,005)	-48%	284,777
Loss on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>170,006</b>	<b>341,495</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(471,415)	(468,287)		(44,878)	56,353	2,114	54,239	0	(468,287)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		158,481	166,736		10,283	13,716	27,789	(14,073)	(0)	166,736
Transfers and subsidies - capital (in-kind - all)		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>			<b>(301,551)</b>
Taxation		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>			<b>(301,551)</b>
Attributable to minorities		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>			<b>(301,551)</b>
Share of surplus/ (deficit) of associate		-	-		-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>			<b>(301,551)</b>

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<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		1,955	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		8,912	2,640	-	-	-	440	(440)	-100%	2,640
Vote 3 - BUDGET AND TREASURY		-	1,000	-	67	67	167	(100)	-60%	1,000
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		36,701	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		130,826	197,436	-	10,281	13,716	32,906	(19,190)	-58%	197,436
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		1,499	4,500	-	-	-	750	(750)	-100%	4,500
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Total Capital Expenditure</b>		179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1,955	1,000	-	67	67	167	(100)	-60%	1,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,955	1,000	-	67	67	167	(100)	-60%	1,000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		9,455	2,640	-	-	-	440	(440)	-100%	2,640
Community and social services		8,048	990	-	-	-	165	(165)	-100%	990
Sport and recreation		766	1,650	-	-	-	275	(275)	-100%	1,650
Public safety		99	-	-	-	-	-	-	-	-
Housing		543	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46,849	142,436	-	3,521	3,524	23,739	(20,216)	-85%	142,436
Planning and development		20,512	-	-	-	-	-	-	-	-
Road transport		26,337	142,436	-	3,521	3,524	23,739	(20,216)	-85%	142,436
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		105,987	59,500	-	6,759	10,193	9,917	276	3%	59,500
Energy sources		1,499	4,500	-	-	-	750	(750)	-100%	4,500
Water management		104,489	55,000	-	6,759	10,193	9,167	1,026	11%	55,000
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		15,646	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576
<b>Funded by:</b>										
National Government		133,909	148,032	-	10,283	13,716	24,672	(10,956)	-44%	148,032
Provincial Government		8,926	18,704	-	-	-	3,117	(3,117)	-100%	18,704
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		15,646	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		158,481	166,736	-	10,283	13,716	27,789	(14,073)	-51%	166,736
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		21,412	38,840	-	65	67	6,473	(6,405)	-99%	38,840
<b>Total Capital Funding</b>		179,893	205,576	-	10,348	13,783	34,263	(20,479)	-60%	205,576

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		9,612	1,265		5,634	1,265
Call investment deposits		47,407	10,951		93,279	10,951
Consumer debtors		673,840	305,160		614,222	305,160
Other debtors		51,145	33,098		92,589	33,098
Current portion of long-term receivables		4	-		3	-
Inventory		12,420	15,575		11,298	15,575
<b>Total current assets</b>		<b>794,427</b>	<b>366,049</b>	<b>-</b>	<b>817,024</b>	<b>366,049</b>
<b>Non current assets</b>						
Long-term receivables		-	-		-	-
Investments		-	-		-	-
Investment property		365,272	361,651		379,856	361,651
Investments in Associate		301,163	298,182		275,279	298,182
Property, plant and equipment		6,716,697	6,840,820		6,689,907	6,840,820
Agricultural		-	-		-	-
Biological assets		-	-		-	-
Intangible assets		5,758	7,650		5,287	7,650
Other non-current assets		7,469	7,425		7,469	7,425
<b>Total non current assets</b>		<b>7,396,359</b>	<b>7,515,728</b>	<b>-</b>	<b>7,357,798</b>	<b>7,515,728</b>
<b>TOTAL ASSETS</b>		<b>8,190,786</b>	<b>7,881,777</b>	<b>-</b>	<b>8,174,821</b>	<b>7,881,777</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-		-	-
Borrowing		-	33,987		29,685	33,987
Consumer deposits		18,965	16,867		19,787	16,867
Trade and other payables		514,895	240,096		712,758	240,096
Provisions		-	6,691		7,998	6,691
<b>Total current liabilities</b>		<b>533,860</b>	<b>297,641</b>	<b>-</b>	<b>770,227</b>	<b>297,641</b>
<b>Non current liabilities</b>						
Borrowing		431,733	373,941		403,118	373,941
Provisions		165,602	160,980		176,500	160,980
<b>Total non current liabilities</b>		<b>597,335</b>	<b>534,920</b>	<b>-</b>	<b>579,618</b>	<b>534,920</b>
<b>TOTAL LIABILITIES</b>		<b>1,131,195</b>	<b>832,561</b>	<b>-</b>	<b>1,349,845</b>	<b>832,561</b>
<b>NET ASSETS</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,824,976</b>	<b>7,049,216</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		7,032,915	7,046,945		6,798,291	7,046,945
Reserves		26,676	2,271		26,686	2,271
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>7,059,591</b>	<b>7,049,216</b>	<b>-</b>	<b>6,824,976</b>	<b>7,049,216</b>

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		180,280	233,985		16,203	30,816	38,998	(8,181)	-21%	233,985
Service charges		794,533	859,570		72,516	155,285	143,262	12,023	8%	859,570
Other revenue		43,610	37,516		6,523	13,163	6,253	6,910	111%	37,516
Government - operating		345,816	384,734		2,500	144,753	144,753	-		384,734
Government - capital		217,288	162,426		-	39,000	39,000	-		162,426
Interest		16,036	9,328		1,304	2,014	1,555	460	30%	9,328
Dividends							-	-		
<b>Payments</b>										
Suppliers and employees		(1,355,861)	(1,492,315)		(83,153)	(322,624)	(248,719)	73,905	-30%	(1,492,315)
Finance charges		(32,127)	(43,979)		(3,818)	(7,699)	(7,330)	369	-5%	(43,979)
Transfers and Grants		-	-		-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>209,574</b>	<b>151,264</b>	<b>-</b>	<b>12,075</b>	<b>54,709</b>	<b>117,770</b>	<b>63,062</b>	<b>54%</b>	<b>151,264</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE			21,200					-		21,200
Decrease (Increase) in non-current debtors		-	-					-		-
Decrease (increase) other non-current receivables		-	33,125					-		33,125
Decrease (increase) in non-current investments		-	-					-		-
<b>Payments</b>										
Capital assets		(155,174)	(205,576)		(10,348)	(13,783)	(34,263)	(20,479)	60%	(205,576)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(155,174)</b>	<b>(151,250)</b>	<b>-</b>	<b>(10,348)</b>	<b>(13,783)</b>	<b>(34,263)</b>	<b>(20,479)</b>	<b>60%</b>	<b>(151,250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing		(47,889)	(32,000)		523	523	(5,333)	(5,856)	110%	(32,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(47,889)</b>	<b>(32,000)</b>	<b>-</b>	<b>523</b>	<b>523</b>	<b>(5,333)</b>	<b>(5,856)</b>	<b>110%</b>	<b>(32,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>6,512</b>	<b>(31,986)</b>	<b>-</b>	<b>2,251</b>	<b>41,448</b>	<b>78,175</b>			<b>(31,986)</b>
Cash/cash equivalents at beginning:		60,508	33,251			57,465	33,251			57,465
Cash/cash equivalents at month/year end:		57,019	1,265			98,913	111,425			25,479

KZN252 Newcastle - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<p><b>R thousands</b></p> <p><b>Revenue By Source</b></p> <p>Fines, penalties and forfeits</p> <p>Property rates</p> <p>Service charges - electricity revenue</p> <p>Service charges - water revenue</p> <p>Service charges - sanitation revenue</p> <p>Service charges - refuse revenue</p> <p>Interest earned - external investments</p> <p>Interest earned - outstanding debtors</p> <p>Other Revenue</p> <p>Licences and permits</p>	<p>-31%</p> <p>13%</p> <p>12%</p> <p>11%</p> <p>19%</p> <p>28%</p> <p>-100%</p> <p>-37%</p> <p>-58%</p> <p>19%</p>	<p>Fines are dependent on the public's reaction, it fluctuates every month.</p> <p>Governmental Department make payments in the first quarter.</p> <p>Governmental Department make payments in the first quarter.</p> <p>Governmental Department make payments in the first quarter.</p> <p>Governmental Department make payments in the first quarter.</p> <p>Governmental Department make payments in the first quarter.</p> <p>Due to an increase on our debtors book.</p> <p>Interest on outstanding debtors has decreased due to debtors write offs and arrangements made</p> <p>Other revenue is dependent on levels of consumption and therefore fluctuates every month.</p> <p>Licences are dependent on the public's reaction, it fluctuates every month.</p>	
2	<p><b>Expenditure By Type</b></p> <p>Depreciation &amp; asset impairment</p> <p>Bulk purchases</p> <p>Contracted Services</p> <p>Other Material</p> <p>Other expenditure</p>	<p>-29%</p> <p>20%</p> <p>-65%</p> <p>-62%</p> <p>-48%</p>	<p>Opening balance haven't been as we are awaiting finalization of AFS</p> <p>The variance is due to the winter months account being high, but will gradually decrease it</p> <p>Cost containment measures are being implemented</p> <p>Cross cut measures are implemented to reduce the expenditure for material</p> <p>Cross cut measures are implemented to reduce the expenditure for other expenditure</p>	
3	<p><b>Capital Expenditure</b></p> <p>Grant funded projects</p> <p>Internally funded projects</p> <p>Repairs and maintenance</p>	<p>-51%</p> <p>-99%</p> <p>54%</p>	<p>Delays in the SCM process, particularly on appointment consultants, incapacity of contractors</p> <p>Most of projects rolled over from 2016/17, with no need for new SCM processes</p> <p>Under-budgeting due to cash-flow challenges</p>	<p>Fast track SCM processes and management of contractors</p> <p>None</p> <p>None</p>
4	<p><b>Financial Position</b></p> <p>Property Plant and Equipment</p> <p>Investment property</p> <p>Investment in Associate</p> <p>Consumer Debtors</p> <p>Trade and other payables</p>		<p>Slow capital expenditure and depreciation</p> <p>Revaluation, which was finalised after financial budget was approved</p> <p>Decrease in Net Asset Value of the Entity, which was confirmed after annual budget was approved</p> <p>Change in bad debt provision due to cleaning up of debtors and indigent books</p> <p>Error during annual budgeting</p>	
5	<p><b>Cash Flow</b></p> <p>Net Cash from Operating Activities</p> <p>Net Cash Used from Investing Activities</p> <p>Net Cash Used from Financial Activities</p>	<p>54%</p> <p>60%</p> <p>110%</p>	<p>Equitable Share and other grants bulk of it received early in the financial year</p> <p>Slow capital expenditure</p> <p>Based on amortisation schedules</p>	None
6	<p><b>Measurable performance</b></p>			
7	<p><b>Municipal Entities</b></p>			



**KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August**

Description of financial indicator	Basis of calculation	Ref	2017/18	Budget Year 2018/19			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.6%	25.5%	0.0%	2.3%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		13.4%	9.2%	0.0%	16.8%	9.2%
Gearing	Long Term Borrowing/ Funds & Reserves		1618.4%	16463.8%	0.0%	1510.6%	16463.8%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	148.8%	123.0%	0.0%	106.1%	123.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		10.7%	4.1%	0.0%	12.8%	4.1%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		44.6%	19.1%	0.0%	177.7%	19.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	3.5%				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	44.0%				
Employee costs	Employee costs/Total Revenue - capital revenue		33.1%	30.4%	0.0%	23.6%	30.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		30.0%	32.2%	0.0%	1.9%	3.9%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN252 Newcastle - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2018/19										Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr							
<b>R.thousands</b>																
<b>Debtors Age Analysis By Income Source</b>																
Trade and Other Receivables from Exchange Transactions - Water	1200	22,564	7,978	9,055	8,250	7,384	7,315	37,538	200,585	300,669	261,072	4,123				
Trade and Other Receivables from Exchange Transactions - Electricity	1300	56,037	4,283	18,365	469	447	425	2,157	9,598	93,782	13,097	178				
Receivables from Non-exchange Transactions - Property Rates	1400	34,872	6,858	6,218	5,644	5,196	4,693	24,911	137,435	225,827	177,879	1,970				
Receivables from Exchange Transactions - Waste Water Management	1500	15,626	6,035	5,644	5,042	4,614	4,247	24,085	164,477	229,750	202,445	2,533				
Receivables from Exchange Transactions - Waste Management	1600	10,769	4,154	3,657	3,146	2,732	2,094	11,214	69,285	107,042	88,472	732				
Receivables from Exchange Transactions - Property Rental Debtors	1700	674	118	116	103	103	102	491	2,162	3,868	2,960	9				
Interest on Arrear Debtor Accounts	1810	1,329	768	797	782	806	955	5,694	43,815	54,945	51,952	162				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-				
Other	1900	(10,754)	6,860	9,177	3,192	3,099	2,897	15,438	183,592	213,502	208,218	1,623				
<b>Total By Income Source</b>	<b>2000</b>	<b>133,107</b>	<b>37,053</b>	<b>53,030</b>	<b>26,629</b>	<b>24,382</b>	<b>22,728</b>	<b>121,407</b>	<b>810,949</b>	<b>1,229,285</b>	<b>1,006,095</b>	<b>11,331</b>				
<b>2017/18 - totals only</b>																
<b>Debtors Age Analysis By Customer Group</b>																
Organs of State	2200	14,230	1,019	642	542	550	588	4,937	31,367	53,876	37,984	-				
Commercial	2300	41,430	6,071	24,799	1,708	1,816	1,712	7,903	45,902	131,341	59,041	31				
Households	2400	75,046	29,793	27,427	24,225	21,866	20,240	107,535	724,334	1,030,465	898,200	11,299				
Other	2500	2,401	171	161	154	150	188	1,032	9,346	13,604	10,871	-				
<b>Total By Customer Group</b>	<b>2600</b>	<b>133,107</b>	<b>37,053</b>	<b>53,030</b>	<b>26,629</b>	<b>24,382</b>	<b>22,728</b>	<b>121,407</b>	<b>810,949</b>	<b>1,229,285</b>	<b>1,006,095</b>	<b>11,331</b>				

KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

R thousands	Description	NT Code	Budget Year 2018/19										Total	Over 1 Year	181 Days - 1 Year	Prior year totals for chart (same period)	
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year								
	<b>Creditors Age Analysis By Customer Type</b>																
	Bulk Electricity	0100	55,018	54,750	20,544	-	-	-	-	-	-	-	-	-	-	-	130,312
	Bulk Water	0200	7,948	7,948	11,001	-	-	-	-	-	-	-	-	-	5,038	-	31,934
	PAYE deductions	0300	7,644	-	-	-	-	-	-	-	-	-	-	-	-	-	7,644
	VAT (output less input)	0400	1,388	-	-	-	-	-	-	-	-	-	-	-	-	-	1,388
	Pensions / Retirement deductions	0500	6,807	-	-	-	-	-	-	-	-	-	-	-	-	-	6,807
	Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trade Creditors	0700	12,464	6,691	34,765	2,270	1,871	1,690	2,675	4,228	-	-	-	-	-	-	66,655
	Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	0900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total By Customer Type</b>	<b>1000</b>	<b>91,269</b>	<b>69,388</b>	<b>66,310</b>	<b>2,270</b>	<b>1,871</b>	<b>1,690</b>	<b>2,675</b>	<b>9,266</b>	<b>2,675</b>	<b>2,675</b>	<b>2,675</b>	<b>9,266</b>	<b>244,740</b>	<b>-</b>	

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

R thousands	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
	<u>Municipality</u>									
	Nedbank		12 months	Call Account		0		0	0	0
	Standard Bank		12 months	Call Account		337		44,167	45,870	90,038
	ABSA		12 months	Call Account		17		2	3,240	3,241
	Sanlam		12 months	Call Account					-	
	<b>Municipality sub-total</b>					354		44,170	49,110	93,280
	<u>Entities</u>									
	<b>Entities sub-total</b>					-		-	-	-
	<b>TOTAL INVESTMENTS AND INTEREST</b>	2				354		44,170	49,110	93,280

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		353,098	368,807	-	2,500	144,753	144,753	-		368,807
Local Government Equitable Share		317,467	341,408			142,253	142,253	-		341,408
Water Services Operating Subsidy		-								
EPWP Incentive		4,166	3,199		800	800	800			3,199
Integrated National Electrification Programme		-								
Finance Management		1,700	1,700		1,700	1,700	1,700			1,700
Municipal Systems Improvement	3	-								
Water Services Infrastructure Grant (WSIG)		2,500	15,000							15,000
Municipal Infrastructure Grant (MIG)		18,265	7,500							7,500
Energy Efficiency and Demand side Management Grant		9,000								
Other transfers and grants [insert description]										
Provincial Government:		15,598	14,097	-	-	-	-	-		14,097
Provincialisation of Libraries		5,923	6,234							6,234
Level 2 accreditation		8,761	7,437							7,437
Museums Services		350	368							368
Community Library Services Grant	4	564								
Sport and Recreation		-	58							58
Health subsidy		-								
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		1,850	-	-	-	-	-	-		-
COGTA Grant		1,000								
Tirelo Boshia Grant		850								
<b>Total Operating Transfers and Grants</b>	5	370,546	382,904	-	2,500	144,753	144,753	-		382,904
<b>Capital Transfers and Grants</b>										
National Government:		173,606	142,732	-	-	39,000	39,000	-		142,732
Neighbourhood Development Partnership		34,767								
Municipal Infrastructure Grant (MIG)		96,339	102,732			39,000	39,000			102,732
Integrated National Electrification Programme		-								
Emergy efficiency & demand side management		-								
Municipal water infrastructure		-								
Water Services Infrastructure Grant (WSIG)		42,500	40,000							40,000
Other capital transfers [insert description]										
Provincial Government:		890	19,997	-	-	-	-	-		19,997
Level 2 accreditation		-								
Recapitalisation of Community Libraries		-								
Sport and Recreation		890	7,850							7,850
Community Library Service		-	12,147							12,147
Museum		-								
Corridor Development		-								
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		19,076	-	-	-	-	-	-		-
European Union		19,076								
<b>Total Capital Transfers and Grants</b>	5	193,571	162,729	-	-	39,000	39,000	-		162,729
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	564,117	545,633	-	2,500	183,753	183,753	-		545,633

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		353,549	368,807	-	678	142,931	146,820	(3,888)	-2.6%	368,807
Local Government Equitable Share		317,467	341,408			142,253	142,253	-		341,408
Water Services Operating Subsidy		-								
EPWP Incentive		4,166	3,199		620	620	533	87	16.4%	3,199
Integrated National Electrification Programme		-								
Finance Management		1,700	1,700		58	58	283	(225)	-79.5%	1,700
Water Services Infrastructure Grant (WSIG)		2,500								
Energy Efficiency and Demand side Management Grant		9,451	15,000				2,500	(2,500)	-100.0%	15,000
Municipal Infrastructure Grant (MIG)		18,265	7,500				1,250	(1,250)	-100.0%	7,500
<b>Provincial Government:</b>		11,989	14,097	-	661	1,109	2,340	(902)	-38.5%	14,097
Level 2 accreditation		5,196	7,437		216	399	1,240	(840)	-67.8%	7,437
Recapitalisation of Community Libraries		5,923	6,234		445	710	1,039			6,234
Museums Services		343	368				61	(61)	-100.0%	368
Community Library Services Grant		527								
Sport and Recreation			58							58
Health subsidy		-								
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		1,850	-	-	-	-	-	-	-	-
COGTA Grant		1,000								
Tirelo Boshia Grant		850								
<b>Total operating expenditure of Transfers and Grants:</b>		<b>367,388</b>	<b>382,904</b>	<b>-</b>	<b>1,340</b>	<b>144,040</b>	<b>149,159</b>	<b>(4,790)</b>	<b>-3.2%</b>	<b>382,904</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		161,487	142,732	-	203	243	23,789	(6,667)	-28.0%	142,732
Neighbourhood Development Partnership		22,648								
Municipal Infrastructure Grant (MIG)		96,339	102,732		203	243	17,122			102,732
Integrated National Electrification Programme		-								
Emergy efficiency & demand side management		-								
Water Services Infrastructure Grant (WSIG)		42,500	40,000				6,667	(6,667)	-100.0%	40,000
MWIG										
Other capital transfers [insert description]										
<b>Provincial Government:</b>		3,177	19,997	-	-	-	3,333	(3,333)	-100.0%	19,997
Level 2 accreditation		-								
Recapitalisation of Community Libraries		-								
Sport and Recreation		881	7,850				1,308			7,850
Community Library		2,297	12,147				2,025			12,147
Museum		-								
Corridor Development		-								
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		17,533	-	-	-	-	-	-	-	-
European Union		17,533								
<b>Total capital expenditure of Transfers and Grants</b>		<b>182,198</b>	<b>162,729</b>	<b>-</b>	<b>203</b>	<b>243</b>	<b>27,122</b>	<b>(10,000)</b>	<b>-36.9%</b>	<b>162,729</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>549,586</b>	<b>545,633</b>	<b>-</b>	<b>1,543</b>	<b>144,284</b>	<b>176,281</b>	<b>(14,789)</b>	<b>-8.4%</b>	<b>545,633</b>

KZN252 Newcastle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M02 August

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





Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		560,398	561,330	-	49,285	97,685	93,555	4,330	5%	561,330
<b>% increase</b>	4		0.2%							0.2%
<b>TOTAL MANAGERS AND STAFF</b>		538,871	537,171	-	47,182	93,708	89,528	4,179	5%	537,171

KZN252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>	1															
<b>Cash Receipts By Source</b>																
Property rates		14,613	16,203										205,063	219,417	234,776	
Service charges - electricity revenue		55,178	72,918										634,638	682,551	726,596	
Service charges - water revenue		7,612	7,614										125,947	134,763	144,196	
Service charges - sanitation revenue		3,529	4,306										80,241	85,858	91,868	
Service charges - refuse		3,438	3,559										65,068	69,623	74,497	
Service charges - other		-	-										-	-	-	
Rental of facilities and equipment		680	613										7,326	8,059	8,865	
Interest earned - external investments		-	634										4,001	10,337	11,370	
Interest earned - outstanding debts		711	670										3,525	6,897	7,587	
Dividends received		-	-										-	-	-	
Fines, penalties and forfeits		90	915										1,561	6,226	6,849	
Licences and permits		2	1										12	13	15	
Agency services		-	-										-	-	-	
Transfer receipts - operating		142,253	2,500										331,488	314,600	321,688	
Other revenue		5,888	1,717										28,321	20,944	23,003	
<b>Cash Receipts by Source</b>		<b>234,373</b>	<b>111,658</b>										<b>1,447,191</b>	<b>1,589,288</b>	<b>1,651,310</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital		39,660	-										176,686	184,662	222,540	
Contributions & Contributed assets		-	-										-	-	-	
Proceeds on disposal of PPE		-	-										-	-	-	
Short term loans		-	-										-	-	-	
Borrowing long term/refinancing		-	-										-	-	-	
Increase in consumer deposits		-	-										-	-	-	
Receipt of non-current debtors		-	-										-	-	-	
Receipt of non-current receivables		-	-										-	-	-	
Change in non-current investments		-	-										-	-	-	
<b>Total Cash Receipts by Source</b>		<b>273,373</b>	<b>111,658</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		37,532	45,071										470,815	466,484	499,225	
Remuneration of councillors		2,075	1,834										21,055	22,076	23,458	
Interest paid		3,881	3,818										50,312	56,347	53,785	
Bulk purchases - Electricity		11	-										484,938	589,715	633,450	
Bulk purchases - Water & Sewer		-	6,911										68,224	3,745	3,932	
Other materials		94	141										3,543	3,745	3,932	
Contracted services		-	-										38,832	53,355	55,313	
Grants and subsidies paid - other municipalities		-	-										-	-	-	
Grants and subsidies paid - other		-	-										-	-	-	
General expenses		7,105	16,349										335,804	322,720	333,292	
<b>Cash Payments by Type</b>		<b>50,697</b>	<b>74,124</b>										<b>1,473,524</b>	<b>1,598,863</b>	<b>1,602,455</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		3,436	10,348										219,112	184,662	222,540	
Repayment of borrowing		-	523										29,375	37,206	41,351	
Other Cash Flows/Payments		155,629	48,827										-	-	-	
<b>Total Cash Payments by Type</b>		<b>209,762</b>	<b>133,822</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>63,612</b>	<b>(22,164)</b>										<b>(15,417)</b>	<b>(74,112)</b>	<b>9,962</b>	
Cash/cash equivalents at the month/year beginning:		57,465	121,077										57,465	42,048	42,084	
Cash/cash equivalents at the month/year end:		121,077	98,913										42,048	(32,064)	(22,102)	

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M02 August

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		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		252,934	295,785		24,195	55,649	49,297	6,351	13%	295,785
Service charges - electricity revenue		649,843	686,768		63,784	127,870	114,461	13,409	12%	686,768
Service charges - water revenue		156,568	161,896		15,773	29,883	26,983	2,900	11%	161,896
Service charges - sanitation revenue		90,849	95,532		9,323	18,955	15,922	3,033	19%	95,532
Service charges - refuse revenue		65,141	64,354		6,788	13,707	10,726	2,981	28%	64,354
Service charges - other		-	-		-	-	-	-	-	-
Rental of facilities and equipment		7,815	8,642		613	1,294	1,440	(147)	-10%	8,642
Interest earned - external investments		4,826	4,041		634	634	673	(40)	-6%	4,041
Interest earned - outstanding debtors		11,595	13,218		670	1,380	2,203	(822)	-37%	13,218
Dividends received		-	-		-	-	-	-	-	-
Fines, penalties and forfeits		6,103	8,710		915	1,005	1,452	(447)	-31%	8,710
Licences and permits		10	13		1	3	2	0	19%	13
Agency services		-	-		-	-	-	-	-	-
Transfers and subsidies		365,726	384,734		716	144,284	144,284	-	-	384,734
Other revenue		14,848	45,029		1,717	3,185	7,505	(4,320)	-58%	45,029
Gains on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,626,259</b>	<b>1,768,722</b>	<b>-</b>	<b>125,128</b>	<b>397,848</b>	<b>374,948</b>	<b>22,900</b>	<b>6%</b>	<b>1,768,722</b>
<b>Expenditure By Type</b>										
Employee related costs		538,871	537,171		47,182	93,708	89,528	4,179	5%	537,171
Remuneration of councillors		21,527	24,119		2,103	4,178	4,020	158	4%	24,119
Debt impairment		137,597	163,946		11,409	23,720	27,324	(3,605)	-13%	163,946
Depreciation & asset impairment		452,759	525,578		30,892	61,832	87,596	(25,764)	-29%	525,578
Finance charges		35,355	43,979		3,800	7,699	7,330	369	5%	43,979
Bulk purchases		530,968	618,730		55,018	123,601	103,122	20,480	20%	618,730
Other materials		6,673	3,763		141	236	627	(391)	-62%	3,763
Contracted services		53,171	34,945		2,064	2,064	5,824	(3,760)	-65%	34,945
Transfers and subsidies		-	-		-	-	-	-	-	-
Other expenditure		320,751	284,777		17,396	24,458	47,463	(23,005)	-48%	284,777
Loss on disposal of PPE		-	-		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>2,097,674</b>	<b>2,237,008</b>	<b>-</b>	<b>170,006</b>	<b>341,495</b>	<b>372,835</b>	<b>(31,339)</b>	<b>-8%</b>	<b>2,237,008</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(471,415)	(468,287)		(44,878)	56,353	2,114	54,239	2566%	(468,287)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		158,481	166,736		10,283	13,716	27,789	(14,073)	-51%	166,736
Transfers and subsidies - capital (in-kind - all)		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>
Taxation		-	-		-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(312,934)</b>	<b>(301,551)</b>	<b>-</b>	<b>(34,595)</b>	<b>70,069</b>	<b>29,903</b>	<b>40,166</b>	<b>134%</b>	<b>(301,551)</b>

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M02 August

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Municipal Entity</b>										
Service charges - water revenue		78,793	82,934		6,911	13,822	13,822	-		82,934
Service charges - sanitation revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Agency services								-		
Transfers recognised - operational								-		
Other revenue								-		
Gains on disposal of PPE								-		
<b>Total Operating Revenue</b>	<b>1</b>	<b>78,793</b>	<b>82,934</b>	<b>-</b>	<b>6,911</b>	<b>13,822</b>	<b>13,822</b>	<b>-</b>		<b>82,934</b>
<b>Expenditure By Municipal Entity</b>										
Employee related costs		4,226	12,142		1,185	2,020	2,024	(4)	0%	12,142
Remuneration of Directors		-	-		-	-	-	-		-
Debt impairment		-	-		-	-	-	-		-
Depreciation & asset impairment		77,705	681		57	114	114	(0)	0%	681
Finance charges		-	-		-	-	-	-		-
Bulk purchases		14,944	25,512		2,126	4,252	4,252	(0)	0%	25,512
Other materials		5,781	5,108		482	705	851	(147)	-17%	5,108
Contracted services		-	-		-	-	-	-		-
Transfers and grants		-	-		-	-	-	-		-
Other expenditure		25,034	32,431		2,784	5,697	5,405			32,431
Loss on disposal of PPE		-	-		-	-	-	-		-
<b>Total Operating Expenditure</b>	<b>2</b>	<b>127,689</b>	<b>75,875</b>	<b>-</b>	<b>6,633</b>	<b>12,787</b>	<b>12,646</b>	<b>142</b>	<b>1%</b>	<b>75,875</b>
<b>Surplus/ (Deficit) for the yr/period</b>		<b>(48,896)</b>	<b>7,059</b>	<b>-</b>	<b>278</b>	<b>1,035</b>	<b>1,177</b>	<b>142</b>	<b>12%</b>	<b>7,059</b>
<b>Capital Expenditure By Municipal Entity</b>										
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Agency services								-		
Transfers recognised - operational								-		
Other revenue								-		
<b>Total Capital Expenditure</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

R thousands	Month	Budget Year 2018/19																		
		2017/18	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget									
	<b>Monthly expenditure performance trend</b>																			
	July	382	17,131	3,436	3,436	17,131	17,131	13,696	13,696	79.9%	2%									
	August	6,685	17,131	10,348	10,348	34,263	34,263	20,479	20,479	59.8%	7%									
	September	16,817	17,131			51,394	51,394	-	-											
	October	10,827	17,131			68,525	68,525	-	-											
	November	16,130	17,131			85,656	85,656	-	-											
	December	16,899	17,131			102,788	102,788	-	-											
	January	15,359	17,131			119,919	119,919	-	-											
	February	16,694	17,131			137,050	137,050	-	-											
	March	14,498	17,131			154,182	154,182	-	-											
	April	13,418	17,131			171,313	171,313	-	-											
	May	7,386	17,131			188,444	188,444	-	-											
	June	44,798	17,131			205,576	205,576	-	-											
	<b>Total Capital expenditure</b>	<b>179,893</b>	<b>205,576</b>	<b>-</b>	<b>13,783</b>	<b>13,783</b>	<b>13,783</b>	<b>-</b>	<b>-</b>											



Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	2,221	19,694	-	-	3,282	3,282	100.0%	19,694	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	1,650	-	-	275	275	100.0%	1,650	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	15,677	-	-	-	-	-	-	-	-
Operational Buildings	15,677	-	-	-	-	-	-	-	-
Municipal Offices	15,677	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plen Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	2,278	1,000	-	67	67	167	100	59.8%	1,000
Furniture and Office Equipment	2,278	1,000	-	67	67	167	100	59.8%	1,000
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>97,403</b>	<b>130,076</b>	<b>-</b>	<b>3,591</b>	<b>3,626</b>	<b>21,679</b>	<b>18,054</b>	<b>83.3%</b>	<b>130,076</b>







Machinery and Equipment										
<b>Transport Assets</b>										
Transport Assets										
<b>Libraries</b>										
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on renewal of existing assets</b>	1	56,746	58,000	-	6,757	10,158	9,667	(491)	-5.1%	58,000



Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure									
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	<b>2,520</b>	<b>13,239</b>	<b>-</b>	<b>45</b>	<b>77</b>	<b>2,207</b>	<b>2,130</b>	<b>96.5%</b>	<b>13,239</b>
Community Facilities	2,520	13,239	-	45	77	2,207	2,130	96.5%	13,239
Halls	322	400	-	27	59	67	8	11.6%	400
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	31	-	-	-	5	5	100.0%	31
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	50	-	-	-	8	8	100.0%	50
Galleries	-	36	-	-	-	6	6	100.0%	36
Theatres	-	-	-	-	-	-	-	-	-
Libraries	54	250	-	-	-	42	42	100.0%	250
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Purts	-	-	-	-	-	-	-	-	-
Public Open Space	1,054	2,054	-	-	-	342	342	100.0%	2,054
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	7,127	-	-	-	1,188	1,188	100.0%	7,127
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	100	-	-	-	17	17	100.0%	100
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	100	-	-	-	17	17	100.0%	100
Capital Spares	1,091	3,093	-	18	18	515	497	96.5%	3,093
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>130</b>	<b>2</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>(8)</b>	<b>-2396.9%</b>	<b>2</b>
Monuments	130	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	2	-	8	8	0	(8)	-2396.9%	2
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>341</b>	<b>4,885</b>	<b>-</b>	<b>223</b>	<b>387</b>	<b>814</b>	<b>428</b>	<b>52.5%</b>	<b>4,885</b>
Operational Buildings	41	3,894	-	223	387	649	262	40.4%	3,894
Municipal Offices	41	1,008	-	223	387	168	(219)	-130.0%	1,008
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	50	-	-	-	8	8	100.0%	50
Yards	-	-	-	-	-	-	-	-	-
Stores	-	143	-	-	-	24	24	100.0%	143
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	2,693	-	-	-	449	449	100.0%	2,693
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	300	991	-	-	-	165	165	100.0%	991

Staff Housing	300	486	-	-	-	81	81	100.0%	486
Social Housing	-	505	-	-	-	84	84	100.0%	505
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	2,940	4,925	-	520	520	821	301	36.6%	4,925
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	2,940	4,925	-	520	520	821	301	36.6%	4,925
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	2,940	4,925	-	520	520	821	301	36.6%	4,925
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	4,794	-	-	-	799	799	100.0%	4,794
Furniture and Office Equipment	-	4,794	-	-	-	799	799	100.0%	4,794
<b>Machinery and Equipment</b>	2,887	6,161	-	329	338	1,027	689	67.1%	6,161
Machinery and Equipment	2,887	6,161	-	329	338	1,027	689	67.1%	6,161
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	121,344	68,123	-	4,504	5,207	11,354	6,147	54.1%	68,123





Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	1,952	-	-	238	476	-	(476)	#DIV/0!	-	
Servitudes										
Licences and Rights	1,952	-	-	238	476	-	(476)	#DIV/0!	-	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	1,952	-	-	238	476	-	(476)	#DIV/0!	-	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	1,103	-	-	135	272	-	(272)	#DIV/0!	-	
Computer Equipment	1,103	-	-	135	272	-	(272)	#DIV/0!	-	
<b>Furniture and Office Equipment</b>	1,607	-	-	230	460	-	(460)	#DIV/0!	-	
Furniture and Office Equipment	1,607	-	-	230	460	-	(460)	#DIV/0!	-	
<b>Machinery and Equipment</b>	5,442	-	-	626	1,261	-	(1,261)	#DIV/0!	-	
Machinery and Equipment	5,442	-	-	626	1,261	-	(1,261)	#DIV/0!	-	
<b>Transport Assets</b>	6,113	-	-	643	1,286	-	(1,286)	#DIV/0!	-	
Transport Assets	6,113	-	-	643	1,286	-	(1,286)	#DIV/0!	-	
<b>Libraries</b>	-	-	-	-	-	-	-		-	
Libraries	-	-	-	-	-	-	-		-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-		-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-	
<b>Total Depreciation</b>	1	452,759	525,578	-	30,892	61,832	87,596	25,764	29.4%	525,578







<b>Transport Assets</b>		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1</b>	<b>25,744</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,917</b>	<b>2,917</b>	<b>100.0%</b>

- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 Aug 2018

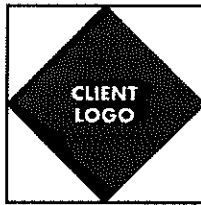
Description	NEWCASTLE MUNICIPALITY								
	2017/18	Current Year 2018/19							
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>Revenue By Source</b>									
Service charges - water revenue	78,793	82,934		6,911	13,822	13,822	-	0.0%	82,934
Service charges - other									
Rental of facilities and equipment									
Interest earned - external investments									
Interest earned - outstanding debtors									
Agency services									
Transfers recognised - operational									
Other revenue									
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	82,934	-	6,911	13,822	13,822	-	0.0%	82,934
<b>Expenditure By Type</b>									
Employee related costs	4,226	12,142		1,185	2,020	2,024	(4)	-0.2%	12,142
Remuneration of Directors	-	-		-	-	-	-		-
Debt impairment	-	-		-	-	-	-		-
Depreciation & asset impairment	77,705	681		57	114	114	(0)	0.0%	681
Finance charges	-	-		-	-	-	-		-
Bulk purchases	14,944	25,512		2,126	4,252	4,252	(0)	0.0%	25,512
Other materials	5,781	5,108		482	705	851	(147)	-17.2%	5,108
Contracted services	-	-		-	-	-	-		-
Transfers and grants	-	-		-	-	-	-		-
Other expenditure	25,034	32,431		2,784	5,697	5,405	292	5.4%	32,431
Loss on disposal of PPE	-	-		-	-	-	-		-
<b>Total Expenditure</b>	127,689	75,875	-	6,633	12,787	12,646	142	1.1%	75,875
<b>Recharge</b>									
Head Office Recharge		30,253		569	5,215	5,042	173	3.4%	30,253
<b>Surplus/(Deficit)</b>	(127,689)	(23,194)	-	(291)	(4,180)	(3,866)			(23,194)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									
Transfers and subsidies - capital (in-kind - all)									
<b>Surplus/(Deficit) for the year</b>		(23,194)	-	(291)	(4,180)	(3,866)			(23,194)

- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	2017/18	Current Year 2018/19							
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Service charges - water revenue	114,978	118,440	-	9,819	19,543	19,740	(197)	-1.0%	118,440
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	116	-	-	16	27	-	27	-	161
Interest earned - external investments	1,176	1,105	-	276	350	184	166	90.2%	1,105
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other revenue	1,323	795	-	-	-	132	(132)	-100.0%	795
Gains on disposal of PPE	439	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>118,033</b>	<b>120,339</b>	<b>-</b>	<b>10,110</b>	<b>19,920</b>	<b>20,057</b>	<b>(137)</b>	<b>-0.7%</b>	<b>120,500</b>
<b>Expenditure By Type</b>									
Employee related costs	41,145	44,298	-	4,760	8,000	7,383	617	8.4%	44,298
Remuneration of Directors	-	-	-	-	-	-	-	-	-
Debt impairment	326	-	-	-	-	-	-	-	-
Depreciation & asset impairment	106,093	1,561	-	142	260	260	(0)	0.0%	1,561
Finance charges	1,387	1,479	-	109	215	247	(32)	-12.8%	1,479
Bulk purchases	15,010	26,460	-	2,205	4,410	4,410	(0)	0.0%	26,460
Other materials	7,208	7,555	-	572	1,026	1,259	(233)	-18.5%	7,555
Contracted services	3,456	2,268	-	189	380	378	2	0.4%	2,268
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	38,284	55,574	-	3,680	8,248	9,262	(1,014)	-10.9%	55,574
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>212,910</b>	<b>139,196</b>	<b>-</b>	<b>11,658</b>	<b>22,540</b>	<b>23,199</b>	<b>(660)</b>	<b>-2.8%</b>	<b>139,196</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(94,877)	(18,857)	-	(1,548)	(2,620)	(3,143)	523	-16.6%	(18,696)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations,	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>(94,877)</b>	<b>(18,857)</b>	<b>-</b>	<b>(1,548)</b>	<b>(2,620)</b>	<b>(3,143)</b>	<b>523</b>	<b>-16.6%</b>	<b>(18,696)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(94,877)</b>	<b>(18,857)</b>	<b>-</b>	<b>(1,548)</b>	<b>(2,620)</b>	<b>(3,143)</b>	<b>523</b>		<b>(18,696)</b>

**References**

1. Revenue includes sales of: (insert description)
2. Bulk purchases - electricity
2. Bulk purchases - water
3. Expenditure includes repairs & maintenance of:
4. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
5. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.



**NEWCASTLE MUNICIPALITY**  
(Registration number KZ252)

**ANNUAL FINANCIAL STATEMENTS  
FOR THE 2 MONTHS ENDED 31 AUGUST 2018**

# Newcastle Municipality

Annual Financial Statements for the 2 Months ended 31 August 2018

## Statement of Financial Position as at 31 August 2018

Figures in Rand	Note(s)	31 August 2018	30 June 2018
<b>Assets</b>			
<b>Current Assets</b>			
Inventories		11 297 922	12 401 043
Other financial assets		3 307	3 621
Receivables from exchange transactions		70 781 248	67 255 709
Receivables from non-exchange transactions		14 101 371	13 287 220
VAT receivable		7 705 964	-
Consumer debtors from exchange transactions		614 221 518	562 837 762
Other asset 1		-	-
Cash and cash equivalents		98 913 635	57 464 870
		<u>817 024 965</u>	<u>713 250 225</u>
<b>Non-Current Assets</b>			
Investment property		379 856 000	379 856 000
Property, plant and equipment		6 689 907 373	6 737 474 644
Intangible assets		5 286 513	5 762 333
Heritage assets		7 468 510	7 468 510
Investments in associates		275 279 106	275 279 106
		<u>7 357 797 502</u>	<u>7 405 840 593</u>
<b>Total Assets</b>		<u>8 174 822 467</u>	<u>8 119 090 818</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities		29 483 981	29 483 981
Finance lease obligation		201 140	233 511
Payables from exchange transactions		616 971 382	661 060 991
VAT payable		-	1 775 605
Consumer deposits		19 787 059	18 966 524
Unspent conditional grants and receipts		95 786 133	56 316 815
Defined benefit plan		7 997 613	7 997 613
		<u>770 227 308</u>	<u>775 835 040</u>
<b>Non-Current Liabilities</b>			
Other financial liabilities		403 093 503	402 570 627
Finance lease obligation		24 309	24 309
Defined benefit plan		145 207 202	145 207 202
Provision for rehabilitation of landfill site		31 292 755	31 292 755
		<u>579 617 769</u>	<u>579 094 893</u>
<b>Total Liabilities</b>		<u>1 349 845 077</u>	<u>1 354 929 933</u>
<b>Net Assets</b>		<u>6 824 977 390</u>	<u>6 764 160 885</u>
<b>Reserves</b>			
Housing Development fund		26 209 765	26 076 953
Self insurance reserve		475 858	472 159
Accumulated surplus		6 798 291 770	6 737 611 756
<b>Total Net Assets</b>		<u>6 824 977 393</u>	<u>6 764 160 868</u>

# Newcastle Municipality

Annual Financial Statements for the 2 Months ended 31 August 2018

## Statement of Financial Performance

Figures in Rand	Note(s)	2 Months ended 31 August 2018	Year ended 30 June 2018
<b>Revenue</b>			
Service charges		190 414 930	959 908 806
Rental of facilities and equipment		1 293 806	7 814 644
Profit on sale of Assets		901 791	-
Sundry revenue		687 900	5 300 637
Other income		127 457	931 633
Fee income		1 470 199	11 118 686
Interest received		2 014 464	16 421 320
Property Rates		55 648 794	253 485 719
Government grants & subsidies		144 283 683	556 662 414
Fines		1 005 130	6 680 062
<b>Total revenue</b>		<b>397 848 154</b>	<b>1 818 323 921</b>
<b>Expenditure</b>			
Employee costs		83 999 527	564 523 295
Remuneration of councillors		2 511 043	23 149 262
Depreciation and amortisation		61 832 121	449 661 715
Impairment of assets		-	4 095 007
Finance costs		7 698 537	49 071 617
Lease rentals on operating lease		198 878	3 081 352
Debt impairment		23 719 620	137 597 437
Collection costs		54 875	1 657 929
Bulk purchases		130 512 417	541 002 620
Contracted services		1 744 219	90 574 430
General Expenses		24 760 392	315 804 274
<b>Total expenditure</b>		<b>337 031 629</b>	<b>2 180 218 938</b>
<b>Operating surplus (deficit)</b>		<b>60 816 525</b>	<b>(361 895 017)</b>
Share of deficit in investment in associates		-	(26 501 493)
Actuarial gains/losses		-	(5 793 705)
Fair value adjustments to investment property		-	14 584 000
		-	<b>(17 711 198)</b>
<b>Surplus (deficit) for the 2 Months</b>		<b>60 816 525</b>	<b>(379 606 215)</b>



# Newcastle Municipality

Annual Financial Statements for the 2 Months ended 31 August 2018

## Statement of Changes in Net Assets

Figures in Rand	Donations and public contributions	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 01 July 2017	25 071 001	530 020	25 601 021	7 118 223 757	7 143 824 778
Changes in net assets					
Deficit for the year	-	-	-	(379 606 215)	(379 606 215)
Transfer from Housing Development Fund	1 005 952	-	1 005 952	(1 005 952)	-
Transfer to Self Insurance Reserves	-	(57 861)	(57 861)	57 861	-
Other 1	-	-	-	(57 695)	(57 695)
Total changes	1 005 952	(57 861)	948 091	(380 612 001)	(379 663 910)
Balance at 01 July 2018	26 076 953	472 159	26 549 112	6 737 611 756	6 764 160 868
Deficit for the year	-	-	-	60 816 525	60 816 525
Transfer to Housing Reserves	132 812	-	132 812	(132 812)	-
Transfer from Insurance Reserves	-	3 699	3 699	(3 699)	-
Total changes	132 812	3 699	136 511	60 680 014	60 816 525
Balance at 31 August 2018	26 209 765	475 858	26 685 623	6 798 291 770	6 824 977 393

# Newcastle Municipality

Annual Financial Statements for the 2 Months ended 31 August 2018

## Cash Flow Statement

Figures in Rand	Note(s)	2 Months ended 31 August 2018	Year ended 30 June 2018
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		199 264 460	1 059 522 113
Grants		183 753 000	571 242 725
Interest income		2 014 464	16 421 320
		<u>385 031 924</u>	<u>1 647 186 158</u>
<b>Payments</b>			
Employee costs and Councillors remuneration		(86 510 570)	(587 672 557)
Suppliers		(236 113 596)	(777 802 620)
Finance costs		(7 698 537)	(49 071 617)
		<u>(330 322 703)</u>	<u>(1 414 546 794)</u>
<b>Net cash flows from operating activities</b>		<u>54 709 221</u>	<u>232 639 364</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(13 783 332)	(178 368 024)
Purchase of other intangible assets		-	(4 879)
<b>Net cash flows from investing activities</b>		<u>(13 783 332)</u>	<u>(178 372 903)</u>
<b>Cash flows from financing activities</b>			
Net movements in long term loans		522 876	(47 163 407)
Movement on finance lease		-	(145 942)
<b>Net cash flows from financing activities</b>		<u>522 876</u>	<u>(47 309 349)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>41 448 765</u>	<u>6 957 112</u>
Cash and cash equivalents at the beginning of the year		57 464 870	50 507 758
<b>Cash and cash equivalents at the end of the year</b>		<u>98 913 635</u>	<u>57 464 870</u>



EASTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630



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

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

TEL: 08600 37566  
SMS: 35328

NEWCASTLE MUNICIPALITY  
PRIVATE BAG X6621  
NEWCASTLE  
2940

YOUR ACCOUNT NO	5578885631
SECURITY HELD	1.23
BILLING DATE	2018-09-04
TAX INVOICE NO	557889625048
ACCOUNT MONTH	AUGUST 2018
CURRENT DUE DATE	2018-10-04
VAT REG NO	4000791824

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

EASTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630

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

## TAX INVOICE

E-MAIL: Mukelisiwe.Shabalala@newcastle.gov.za

### ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	3,695.20
TRANSMISSION NETWORK CAPACITY		R	1,175,000.00
URBAN LOW VOLTAGE SUBSIDY		R	1,673,750.00
ANCILLARY SERVICE (ALL)		R	174,092.48
ENERGY CHARGE (OFF)	24,216,081.00	R	10,742,253.53
ENERGY CHARGE (STD)	21,186,324.00	R	17,307,108.08
ENERGY CHARGE (PEAK)	7,352,892.00	R	19,827,808.57
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,914,443.04
REACTIVE ENERGY	631,608.00	R	84,635.47
SERVICE CHARGE		R	115,707.81

**TOTAL CHARGES FOR BILLING PERIOD** R **55,018,494.18**

### ACCOUNT SUMMARY FOR AUGUST 2018

BALANCE BROUGHT FORWARD	(Due Date 2018-09-03)	R	122,079,361.71
PAYMENT(S) RECEIVED	Direct Deposit - 2018-08-17	R	-32,712,232.63
TOTAL CHARGES FOR BILLING PERIOD		R	55,018,494.18
ADJUSTMENT	BALANCE TRANSFER - to/from account 5169328466	R	-27,326,621.03
PAYMENT ARRANGEMENT	5578885539 (Balance o/s R 88,446,711.11)	R	5,000,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	8,252,774.13

COPY ONLY

ACCOUNT NO / REFERENCE NO	5578885631
NAME	NEWCASTLE MUNICIPALITY
FAX NUMBER	0343129697

**0934 5578885631**

11341 5578885631

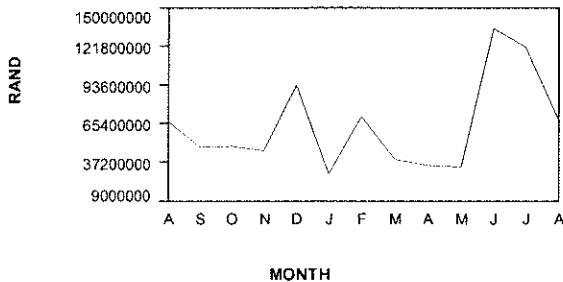
9207 0557 8885 6313

your payment partner

**TOTAL AMOUNT DUE**  
**130,311,776.35**

ARREARS				
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT
0.00	0.00	62,040,508.05	0.00	68,271,268.31
<b>TOTAL DUE</b>				<b>R 130,311,776.36</b>

Account OVERDUE - Subject to Disconnection



PAYMENT ARRANGEMENT	
INSTALMENT	5,000,000.00
ARREARS (Due Immediately)	62,040,508.05
DUE DATE (For Current Amount)	2018-10-04
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT

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



EASTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630

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

NEWCASTLE MUNICIPALITY  
PRIVATE BAG X6621  
NEWCASTLE  
2940

YOUR ACCOUNT NO	5578885631
BILLING DATE	2018-09-04
TAX INVOICE NO	557889625048
ACCOUNT MONTH	AUGUST 2018
CURRENT DUE DATE	2018-10-04
VAT REG NO	4000791824
NOTIFIED MAX DEMAND	125,000.00
UTILISED CAPACITY	125,000.00

**CONSUMPTION DETAILS (2018-08-01 - 2018-08-31)**

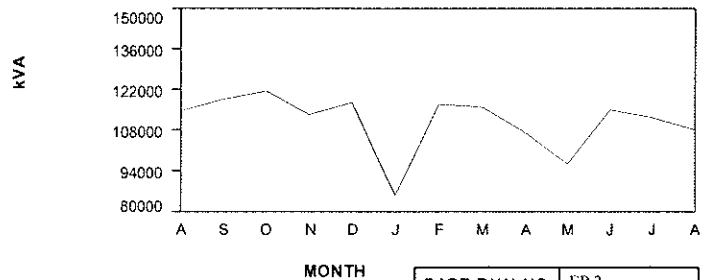
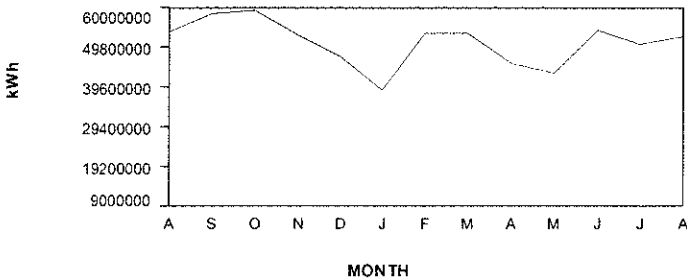
ENERGY CONSUMPTION OFF PEAK kWh	24,216,081.46
ENERGY CONSUMPTION STD kWh	21,186,324.16
ENERGY CONSUMPTION PEAK kWh	7,352,891.50
ENERGY CONSUMPTION ALL kWh	52,755,297.12
DEMAND CONSUMPTION - OFF PEAK	108,443.45
DEMAND CONSUMPTION - STD	108,126.87
DEMAND CONSUMPTION - PEAK	94,788.17
DEMAND READING - kW/kVA	108,443.45
REACTIVE ENERGY - OFF PEAK	6,787,604.90
REACTIVE ENERGY - STD	5,983,355.50
REACTIVE ENERGY - PEAK	2,119,461.50
EXCESS REACTIVE ENERGY	631,607.67
LOAD FACTOR	66.00

PREMISE ID NUMBER 5578885383 TARIFF NAME: Megaflex

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

Administration Charge @ R119.20 per day for 31 days	R	3,695.20
TX Network Capacity Charge 125,000 kVa @ R9.40 : = R9.40/kVA	R	1,175,000.00
Urban Low Voltage Subsidy 125,000 kVa @ R13.39 : = R13.39/kVA	R	1,673,750.00
Ancillary Service Charge 52,755,297 kWh @ R0.0033 /kWh	R	174,092.48
High Season Off Peak Energy Charge 24,216,081 kWh @ R0.4436 /kWh	R	10,742,253.53
High Season Standard Energy Charge 21,186,324 kWh @ R0.8169 /kWh	R	17,307,108.08
High Season Peak Energy Charge 7,352,892 kWh @ R2.6966 /kWh	R	19,827,808.57
Electrification and Rural Subsidy 52,755,297 kWh @ R0.0742 /kWh	R	3,914,443.04
High Season Reactive energy Charge 631,608 kvarh @ R0.134 /kvarh	R	84,635.47
SERVICE CHARGE	R	115,707.81

**TOTAL CHARGES** R **55,018,494.18**



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BILL GROUP	
BILL PAGE	2 OF 2

Newcastle Municipality Grant Register for August 2018											
Number	Vote number	Description	Opening balance	Receipts	Expenditure for AUG 2018	Adjustments	Total Expenditure before Vat	WAT FOR THE MONTH	Total Vat Amount	Total Expenditure after Vat	Closing balance
1	03095200101	Environmental Management Framework	(502,871.43)								(502,871.43)
2	03095200401	I-T-Tireo Bopha Project									
3	030952009701	Greenest town	(825,975.11)								(825,975.11)
4	030952014301	Electrification Grant									
5	030952001501	Newcastle library internet project									
6	030952002001	Expanded P-Works Incentive		(800,000.00)	818,467.34		618,467.34	1,006.96	1,006.96	620,474.30	(179,525.70)
7	030952004001	Municipal Systems Improvement Grant									
8	030952005001	Financial Management Grant (FMIG)		(1,780,000.00)	57,965.25		57,965.25			57,965.25	(1,842,034.75)
9	030952006501	Grant Skill Development	(3,074,880.48)								(3,074,880.48)
10	030952013501	Madaden library internet project									
11	030952021001	Incopo Fresh produce	(11,353.39)								(11,353.39)
12	030952023001	Osaweni library internet project									
13	030952024601	Repair construction storm damage HS									
14	030952031001	MUG	(38,920.00)		176,680.37		211,597.37	26,322.06	31,735.96	243,332.93	(38,920.00)
15	030952002601	Osaweni Arts Centre		(38,920.00)							(38,920.00)
16	030952005301	Community Development	(131,074.56)								(131,074.56)
17	030952010701	J&C Housing Project									
18	030952010801	Promotional - All Libraries									
19	030952010901	Carnegie Art Gallery	(13,642,785.04)		444,728.22		709,516.30			709,516.30	(12,932,848.74)
20	030952018901	Fort Arnel Museum	(278,870.94)								(278,870.94)
21	030952018901	Capacity Building Housing	(192,867.83)								(192,867.83)
22	030952019001	Newcastle Airport	(6,414,988.22)		218,423.71		399,046.21			399,046.21	(6,015,942.01)
23	030952024001	Neighbourhood Development Partnership Grant	(12,118,787.00)								(12,118,787.00)
24	030983024601	Municipal Water Infra Grant									
25	030983024601	Mansification	(11,000,000.00)								(11,000,000.00)
26	030952023601	All Housing Grants	(4,298,812.78)								(4,298,812.78)
27	030952002101	Sport and Recreation	(8,781.32)								(8,781.32)
		<b>TOTAL</b>	(56,316,871.43)	(41,530,000.00)	1,515,264.88		1,997,844.47	27,598.02	32,726.82	2,030,571.29	(97,780,131.46)

PREPARED BY:

C HARIPARSAD  
 ACCOUNTANT:  
 GENERAL  
 ACCOUNT &  
 ADMIN  
 SERVICES

REVIEWED BY:

SP HLATSHWAYO  
 ACTING MANAGER:  
 FINANCIAL  
 REPORTING

REVIEWED BY:

MS NDLOVU  
 DIRECTOR:  
 BUDGET &  
 FINANCIAL  
 REFORMS

AUTHORIZED BY:

BE HLONGWE  
 STRATEGIC  
 EXECUTIVE  
 DIRECTOR: BUDGET  
 & TREASURY  
 OFFICE