

SECTION 72 : MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT : 23 JANUARY 2020: (T 6/1/1-2019/2020): BUDGET AND TREASURY OFFICE



REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL

File Reference:
Report Number:

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FOR CONSIDERATION

1st Level: EXECUTIVE COMMITTEE
2nd Level: COUNCIL
3rd Level: PROVINCIAL AND NATIONAL TREASURY

**SUBJECT: MID-YEAR BUDGET REVIEW IN TERMS OF SECTION 72 OF THE MFMA
DATE: 23 JANUARY 2020**

1. PURPOSE

The purpose of this report is to comply with Section 72 of the Municipal Finance Management Act (MFMA) and section 33 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No.32141 dated 17 April 2009. This legislative framework requires that specific information be reported on and in the formats prescribed. In compliance with the same legislation, this report will be submitted to both National and KZN Provincial Treasuries for assessment. The report should be able to provide Council will adequate analysis in order to determine if the adjustments budget will be necessary and areas on which it shall focus.

2. ANNEXURES

The following annexures are attached in support of the Schedule C budget review tables:

- 2.1 uThukela Water Financial Performance report
- 2.2 Financial Reports as at 31 December 2019
 - 2.2.1 Monthly Financial Statements
 - 2.2.2 Employee Costs Reconciliation
 - 2.2.3 Grant register
 - 2.2.4 Investment register
 - 2.2.5 Eskom bulk electricity account
 - 2.2.6 Bank Statements

3. BACKGROUND

Section 72 of the Municipal Finance Management Act, No. 56 of 2003, read together with regulation 33 of the Municipal Budget and Reporting Regulations require, inter alia, that the Accounting Officer submit a report to the Mayor, Provincial and National Treasury by 25 January of each year. The report must as far as possible assess the performance and financial status of the municipality in relation to the approved budget at the end of the first half of the financial year. The same report must further be submitted by the Mayor to Council by 31 January each year. This report is therefore submitted in compliance with the above provisions.

It is imperative to remind Council that the 2019/20 annual budget of the municipality was approved, however concerns were raised by both National and Provincial Treasuries that the budget was not funded. The council was advised by Provincial and National Treasury to adjust the budget and the council has already adjusted the budget thrice in the first six months of the financial year. Despite all effort from the municipal administrative, COGTA, Provincial and National Treasuries, the budget still appears to be unfunded.

Furthermore, the monthly financial performance report (Section 71 reports) indicated challenges of cash flow very early in the financial year. This state of affairs is therefore challenging both political and administrative wings to use this opportunity to carefully analyse the financial performance report and address any such matters through an adjustments budget. The municipality has also submitted a plan as to how we can improve from unfunded budget, which plan was adopted by Council in November 2019.

This report shall seek to exhaustively analyse the actual financial performance of the municipality for first six months of the financial year against the approved special adjusted budget, provide reasons for major variances, where applicable, and provide guidance on areas that will need attention during the adjustments budget.

4. ASSESSMENT OF FINANCIAL RESULTS

The mid-year budget review report provides analysis of the operating budget performance, capital budget performance, position as well as the cash flows. Major variance and those items with an impact in each of these categories are discussed in the analysis below.

4.1 Operating budget performance revenue

The operating budget performance focuses on the assessment of the operating revenue, operating expenditure as well as the net effect of the two, being surplus or the deficit. These are comprehensively discussed below. The summary of operating performance is shown in the tables C1 and C4 of the Schedule C and is summarised in Table 1 below:

4.1.1 Operating revenue

The summary of the operating revenue is reflected in Table 1 below and has been extracted from C4 table of the Schedule C attached. During the first half of the financial year, the municipality generated a total revenue of R954 927 000 of the approved special adjusted budget of R1 914 407 000, which represents 49.8 percent. The variance between the year-

to-date revenue budget and the actual revenue accrued for the same period amounts to R120 879 000. The variances and reasons thereof are discussed below.

Table 1: Operating Revenue by Revenue Source

Description	2018/19 Audited Outcome	Budget Year 2019/20						
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Revenue By Source								
Property rates	287,110	313,499	308,338	27,122	160,408	154,169	6,239	4%
Service charges - electricity revenue	630,194	811,903	623,784	46,612	322,935	311,892	11,043	4%
Service charges - water revenue	176,507	186,097	158,182	14,808	89,090	79,091	9,999	13%
Service charges - sanitation revenue	108,864	110,794	124,838	8,931	56,166	62,419	6,253	-10%
Service charges - refuse revenue	88,291	83,960	97,127	6,549	39,858	48,564	-8,705	-18%
Service charges - other	-	-	-	-	-	-	-	-
Rentals of facilities and equipment	8,141	8,661	8,661	696	3,976	4,331	(354)	-8%
Interest earned - external investments	4,961	4,041	4,041	141	869	2,020	1,152	-57%
Interest earned - outstanding debtors	8,015	9,780	9,780	513	4,165	4,890	(725)	-15%
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	8,589	8,117	8,117	1,287	7,082	4,059	3,024	75%
Licences and permits	12	14	14	1	5	7	(2)	-32%
Agency services	-	-	-	-	-	-	-	-
Transfers and subsidies	498,547	431,718	533,109	799	260,608	385,157	(124,549)	-32%
Other revenue	23,627	31,810	36,084	727	5,051	18,042	(12,991)	-72%
Gains on disposals of FPE	-	2,332	2,332	-	4,714	1,166	3,548	304%
Total Revenue (excluding capital transfers and contributions)	1,842,887	2,002,724	1,914,407	188,188	954,927	1,075,806	(120,879)	-11%

Property rates

The municipality generated R6 239 000 (4%) more revenue from property rates than the year-to-date budget of R154 169 000 during the period under review. The variance is attributable to government departments billed for the property rates in July for the entire year. This variance is expected to reduce gradually up to the end of the financial year. The variance is considered to be within acceptable level. There is no need to review this item significantly during the adjustments budget.

Service charges - electricity

The municipality generated R11 043 000 (4%) more revenue from electricity than the year-to-date budget of R311 892 000 for the period under review. The variance is attributable to the seasonal consumption which is fluctuating during the year, the variance is expected to reduce as the financial year progresses. There is a need to relook and correct the budget for this item in the adjustment budget, however the variance of 4% is within the acceptable level.

Service charges – water

The municipality generated R9 999 000 (13%) more revenue from water than the year-to-date budget of R79 091 000 for the period under review. The hot summer season, coupled with lower rain levels have resulted in more demand for water consumption. There is a need to relook and correct the budget for this item in line with realistic consumption and trends during the adjustments budget.

Service charges – sanitation

The municipality generated R6 253 000 (-10%) less revenue from sanitation than a pro-rata budget of R62 419 000 for the period under review. Business sewer is levied in accordance with water consumption. The additional demand for water consumption as explained above has directly resulted in additional revenue for sanitation. There is need to review this item during the adjustments budget.

Service charges – refuse

The municipality generated R8 705 000 (-18%) less revenue from refuse removal than the year-to-date budget of R48 564 000 during the period under review. Challenges with regards to staff and delays in the waste management has resulted in the lower adjustment in the refuse being levied in order to deal with consumer service dissatisfaction. There is a need to adjustment the budget for this item downwards during the adjustments budget.

Rental of facilities

The municipality generated R354 000 (-8%) less revenue from rental of facilities than the year-to-date budget of R4 331 000 during the period under review. The municipality took a resolution to dispose all municipal-owned houses, from which rental income was previously generated. The impact of this decision has resulted in less revenue rental generated during the first half of the year. This item will be adjusted downwards during the adjustments budget.

Interest earned – external investments

The municipality generated R1 152 000 (-57%) more revenue from interest on investments than a year-to-date budget of R2 020 000 for the period under review. The municipality has been struggling to make additional investments due to its cash-flow challenges. The delays in receiving some of the grants as projected by government departments, also resulted in less funds available for operations. This item be will be adjusted downwards during the adjustments budget based on the performance.

Interest earned – outstanding debtors

The municipality generated R725 000 (-15%) less revenue from interest on outstanding debtors than the year-to-date budget of R4 890 000 during the period under review. This charge is only applicable to business accounts which are in arrears. This variance is attributable to the effective incentive scheme which was implemented by the municipality over the past twelve months. This item be will be adjusted downwards during the adjustments budget based on the performance.

Fines

The municipality generated R3 024 000 (75%) more revenue from fines than the year-to-date budget of R4 059 000 during the period under review. Fines are dependent on law enforcement and compliance of motorists thereto. Based on the current performance, this might be adjusted downwards during the adjustments budget.

Transfers recognised – operational

The municipality generated R124 549 000 less revenue from government grants than the year-to-date budget of R385 157 000. The variance is attributable to the 2nd trench of the equitable share that the municipality expected to receive in December 2019, but was not received due to the fact that the municipal budget was not fully funded. After adopting a special adjustments budget, the municipality only received its 2nd trench in January 2020. A need make any adjustments on grants and subsidies during the adjustments budget will be dependent on any DORA and provincial allocations to the municipality.

Other revenue

The municipality generated R 12 991 000 (-72%) less revenue from sundry revenue than the year-to-date budget of R18 042 000 during the period under review. This is due to the incorrect classification of revenue, which was re-classified in line with mSCOA during the year. The budget for this item will be corrected during the adjustments budget.

4.1.2 Operating expenditure

The summary of the operating expenditure is reflected in Table 2 below and has been extracted from C4 table of the Schedule C attached. The municipality incurred the total expenditure of R1 047 548 000 of the approved budget of R2 365 915 000, which represents 44 percent. The variance between the year-to-date expenditure budget and the actual expenditure incurred for the same period amounts to R135 410 000, representing under-expenditure of 11 percent during the period under review. Variances and reasons which attributed to over/under expenditure in each item of expenditure are explain below.

Table 2: Operating Expenditure by Expenditure Type

Description	2018/19 Audited Outcome	Budget Year 2019/20						
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Expenditure By Type								
Employee related costs	557,861	591,321	562,321	39,619	289,468	281,161	8,307	3%
Remuneration of councillors	24,657	26,845	26,845	2,185	12,837	13,422	(586)	-4%
Debt impairment	89,608	174,245	174,245	1,036	58,865	87,123	(28,257)	-32%
Depreciation & asset impairment	361,880	491,982	491,982	31,126	184,768	245,991	(61,222)	-25%
Finance charges	61,665	45,042	45,042	3,836	26,677	22,521	4,156	18%
Built purchases	524,211	684,074	631,074	41,288	283,030	315,537	(32,507)	-10%
Other materials	5,975	4,310	3,319	153	742	1,659	(918)	-55%
Contracted services	74,012	54,249	143,756	29,317	102,077	71,878	30,199	42%
Transfers and subsidies	-	-	-	-	-	-	-	-
Other expenditure	306,101	332,640	287,331	19,712	89,084	143,666	(54,582)	-38%
Loss on disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11%

Employee related costs

The municipality spent R8 307 000 (3%) more on employee related costs than the year-to-date budget of R281 161 000 during the period under review. The variance is attributable mainly to overtime and the night shift allowance. The provision for employee costs needs to be adjusted upwards during the adjustments budget.

Remuneration of councillors

The municipality spent R586 000 (-4%) less on the remuneration of Councillors than the year-to-date budget of R13 422 000 during the period under review. The variance is attributed to EXCO members who resigned during the first half of the financial year, however those positions have been filled. The variance are savings that accumulated during the time the positions were still vacant. The variance is considered to be within the acceptable level.

Debt impairment

The municipality incurred R28 257 000 (-32%) less on debt impairment than the year-to-date budget of R87 123 000 during the period under review. This due to the fact that the full impact of debt impairment will be effected at the end of the financial year. Based on the current

collection trends and the 2019 audited financial statements, this item will still be looked at during the adjustments budget.

Depreciation and asset impairment

The municipality incurred R61 222 000 (-25%) less on depreciation and asset impairment than the year-to-date budget of R245 991 000 during the period under review. The variance is attributable to the slow capital expenditure as well as the infrastructure projects still under construction. There is however a need to adjust this item downwards during the adjustments budget.

Finance charges

The municipality spent R4 156 000 (18%) more on finance charges than the year-to-date budget of R22 521 000 during the period under review. The variance is attributable to interest and penalties on overdue accounts for loans and SARS. The cash-flow challenges faced by the municipality has resulted in late payments.

Bulk purchases

The municipality spent R32 507 000 (-10%) less on bulk purchases than the year-to-date budget of R315 537 000 during the period under review. The variance is attributable to lower demand for consumption for electricity since most businesses in the jurisdiction are struggling economically. The effect of load shedding has also resulted in lower demand for electricity. This item will be assessed based on the expected demand during the remainder of the financial year, and where necessary, be adjusted accordingly.

Contracted services

The adjusted budget for contracted services seem to be very high when compared to the original budget. The council is reminded of the R91 million for the housing projects that was appropriated into the budget early in the financial year.

The municipality spent R30 199 000 (42%) more on contracted services than the year-to-date budget of R71 878 000. This over expenditure is due to external security services as well as the finance consultant fees. Taking into consideration the year-to-date expenditure on security services, the full year forecast projection indicates that the municipality will require additional R7 million to accommodate this line item if no action is taken to curb it. Finance consultant fees were necessary for the compilation of a GRAP compliance AFS and the asset register, which will not be necessary for the remainder of the financial year. The municipality is urged to implement strict budget control measure in order to remain within the budget.

Other general expenditure

The municipality spent R54 582 000 (-38%) less on other general expenses than the year-to-date budget of R143 666 000 during the period under review. Stringent budget monitoring and expenditure curbing have been applied in order to deal with the current cash flow situation. When full forecast is projected the following items needs attention during adjustments budget. These include, but not limited to, the departmental charges rates, training, legal expense, interest expense, machinery hire, VIP toilets, telephone and SALGA membership fees. It is recommended that cost containment and budget control measures are exercised under this expenditure item. Adjustments may only be done through movement of funds within items in order to ensure that funding is available in items that are very key for service delivery. Otherwise, it is recommended that this item be reduced further during the adjustments budget.

3.1.3 Net operating results (surplus)

The summary of the net operating results for the half of the financial year is reflected in Table 3 below.

Table 3: Summary statement of Financial Performance

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Total Operating Revenue (excluding capital transfers and contributions)	1,842,867	2,002,724	1,914,407	100,108	954,927	1,075,806	(120,879)	-11%	1,914,407
Total Operating Expenditure	2,005,871	2,484,708	2,365,915	168,272	1,047,548	1,192,957	(135,410)	-11%	2,365,915
Surplus/(Deficit)	(163,004)	(481,983)	(451,508)	(68,164)	(92,620)	(107,152)	14,531	(8)	(451,508)

As at 31 December 2019, the municipality recorded a deficit of R92 620 000, while it had initially expected a deficit of R107 152 000. This is after year-to-date revenue of R954 927 000 and expenditure of R1 047 548 000. Cognisance must be taken that, included in the total revenue is the revenue from transfers recognised – capital in the amount of R45 233 000. The variance in actual performance and the budget is mainly due the equitable share of R124 million not received during the first half of the year as projected.

4.2 Capital budget performance

The capital budget of the municipality seem to be performing very slowly. The capital expenditure for the first half of the financial year amounted to R49 087 000, which represents 26.5% of the special approved adjusted budget of R184 869 000. Comparison between the pro rata budget of R92 434 000 and actual expenditure for the period reflects an under expenditure of R43 347 000, which implies that the municipality spent 47% less than the budget during the same period. The under expenditure is mainly attributed to delay in the supply chain process as well as the cash-flow situation. Departments are encouraged to spend more on grants to avoid the reverting of conditional grants to the National Revenue Fund.

4.2.1 Capital expenditure by municipal vote

Table 4 below reflects the high-level summary of capital expenditure by municipal vote or department. Table clearly indicates that there is relatively low expenditure in Technical Services. This department is carrying about 80 percent of the capital budget of the entire municipality.

Table 4: Capital Expenditure by Municipal Vote

Description	2018/19	Budget Year 2019/20						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Municipal Vote								
CORPORATE SERVICES	-	-	-	-	-	-	-	-
COMMUNITY SERVICES	8,858	10,243	9,943	-	-	4,972	(4,972)	-100%
BUDGET AND TREASURY	1,329	2,730	2,730	3	126	1,385	(1,239)	-81%
MUNICIPAL MANAGER	-	-	-	-	-	-	-	-
DEVELOPMENT PLANNING AND HUMAH SETTLEMENTS	19,923	32,059	28,809	3,064	6,537	14,405	(7,867)	-65%
TECHNICAL SERVICES	127,158	182,087	143,387	4,172	42,130	71,693	(29,563)	-41%
ELECTRICAL AND MECHANICAL SERVICES	3,626	-	-	294	294	-	294	#DIV/0!
Total Capital Expenditure	160,593	207,119	184,869	7,632	49,087	92,434	(43,347)	-47%

4.2.2 Capital expenditure by funding source

Table 5 below reflects the high-level summary of capital expenditure by funding sources.

Table 5: Capital Expenditure by Funding Source

Vote Description	2018/19	Budget Year 2019/20						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Funded by:								
National Government	108,854	164,946	154,946	6,127	45,233	77,473	(32,240)	-42%
Provincial Government	18,785	8,243	8,243	-	-	4,122	(4,122)	-100%
Internally generated funds	31,254	33,930	21,680	1,405	3,855	10,840	(6,985)	-64%
Total Capital Funding	158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%

Internally funded projects

Approximately R21 680 000 of the capital projects are funded from internal reserves. As at the end of the first half of the financial year, the municipality had spent R3 855 000 (18%) of the internally funded projects. During the same period, the municipality spent R6 985 000 less on such funded projects than a pro-rata budget of R10 840 000, which represents under-performance of 64%. Only three projects that are spending, that is furniture & equipment (83%) Land development Lenville sites (87%) and Resealing of road Newcastle West (25%). Council is also reminded of R7 774 936 that was rolled over from 2018/19 to 2019/20 of which only R2 937 639 has been spent. Furthermore, council is advised to relook on such projects in the adjustments budget if they are necessary taking into consideration the financial situation of the municipality.

Grant funded projects

Approximately R163 189 000 of the capital projects are funded from grants, with R154 946 000 and R8 243 000 from national and provincial governments respectively. Most of the funding for these grants have already been received by the municipality. As at the end of the first half of the financial year, the municipality had spent R45 233 000 (27%) of the grant funded projects. During the same period, the municipality spent R36 362 000 less on such funded projects than a pro-rata budget of R81 594 000, which represents under-performance of 45%. This was due project and procurement plans as prepared by departments, slow SCM processes as well as the cash flow challenges faced by the municipality. It is imperative that expenditure on these projects is fast-tracked in order to avoid funds being reverted to the National Revenue Fund at the end of the year.

4.3 Financial position

As at end the sixth month of the financial year, the municipality seemed to be showing a favourable equity position, with a net effect of R6.6 billion. While this picture looks good, it is however important to point out major contributors to such a favourable equity position being assets consumer debtors and the property plant and equipment, investment in associate as well as the liabilities such as long term loans, consumer deposits, trade and payables (inclusive of unspent conditional grants) and other provisions. The analysis of these financial position items will be discussed in comparison with the available cash and cash equivalent

at the end of the review period. Table 6 below reflects the summary of financial position of the municipality as at 31 December 2019 as per C6 table:

Table 6: Statement of Financial Position

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	4,688	8,389	1,462	37,421	1,462
Call investment deposits	5,036	24,025	9,440	9,590	9,440
Consumer debtors	660,674	463,909	337,909	666,342	337,909
Other debtors	99,348	35,084	35,084	101,319	35,084
Current portion of long-term receivables	2	2	2	1	2
Inventory	14,264	13,756	13,756	14,020	13,756
Total current assets	804,211	545,166	397,653	848,693	397,653
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	281,223	379,606	379,606	357,116	379,606
Investments in Associate	275,279	262,171	262,171	234,928	262,171
Property, plant and equipment	6,615,669	6,580,590	6,580,590	6,652,169	6,580,590
Agricultural	-	-	-	-	-
Biological	-	-	-	-	-
Intangible	3,003	3,773	3,773	1,724	3,773
Other non-current assets	11,488	7,726	7,726	11,488	7,726
Total non current assets	7,186,662	7,233,866	7,233,866	7,257,424	7,233,866
TOTAL ASSETS	7,990,873	7,779,031	7,631,519	8,106,117	7,631,519
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	25,598	25,598	25,598	48,532	25,598
Consumer deposits	23,567	22,863	22,863	24,465	22,863
Trade and other payables	780,456	363,564	363,459	886,234	363,459
Provisions	28,844	39,290	39,290	17,335	39,290
Total current liabilities	858,485	471,356	451,231	976,567	451,231
Non current liabilities					
Borrowing	401,232	348,739	555,739	366,466	555,739
Provisions	158,382	145,207	145,207	166,531	145,207
Total non current liabilities	559,614	493,946	700,946	534,998	700,946
TOTAL LIABILITIES	1,418,099	965,302	1,152,177	1,511,564	1,152,177
NET ASSETS	6,572,774	6,813,729	6,479,342	6,594,553	6,479,342
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	6,544,255	6,808,289	6,450,641	6,565,711	6,450,641
Reserves	28,519	5,440	28,501	28,842	28,501
TOTAL COMMUNITY WEALTH/EQUITY	6,572,774	6,813,729	6,479,342	6,594,553	6,479,342

4.3.1 Assets

Variances were noted between the budgeted values of assets and the actuals recorded at the end of the review period. As at the end of December 2019, the municipality recorded total assets of R8.1 billion, made up of R848.6 million and R7.2 billion for current assets and non-current assets respectively. Current assets are those assets that are likely to be converted into cash within twelve months, which non-current assets are likely to be received as cash over a long-term. The following asset items were noted to require attention during the adjustments budget.

Cash and investments

As at the end of December 2019, the municipality recorded cash and investments of R47.0 million at the end of the first half of the year. The projected cash and investments for year amounts to R9.6 million, a difference of R37.4 million. This is due to additional grants that the municipality has received and invested during first half of the financial year. These investments are expected to be utilised during the last half of the financial year. Based on the current payment factor and expenditure levels, the budget for cash and cash equivalents will still be looked at during the adjustments budget.

Consumer debtors

As at the end of December 2019, the municipality recorded consumer debtors of R686.3 million, representing about 9% of the total assets. Table SC3 of Schedule C reflects that gross consumer debtors amounted to R1.5 billion at the end of December. Looking at the annual budgeted consumer debtors of R337.9 million, consumer debtors appear to be understated by almost R348.4 million. This is due to the fact that the impact of debt impairment will be fully effected at the end of the financial year. This is also an indication of the rate at which consumer debtors are escalating. It will be important that council fast-track implementation of its credit control and debt collection strategies in order to collect the outstanding debtors. The municipality will need to estimate the projected annual debtors and the provision for debt impairment in order to accurately budget for the consumer debtors projected at the end of the financial year.

Inventory

As at the end of December 2019, the municipality recorded inventory to the value of R14.0 million. This is R264 thousands more the amount of R13.7 million projected for at the end of the financial year. This is due to the stock that the municipality has purchased during the first six months of the financial, which stock will be utilised during the remainder of the financial year for service delivery. However, the budget for inventory will be reviewed in line with the expected demand and requirements during the adjustments budget.

Investment Property

As at the end of December 2019, the municipality recorded investment properties to the value of R357.1 million, representing 4% of the total assets. This is R22 million less than the amount of R379.6 million projected for at the end of the financial year. The variance is attributable to the fair value conducted by the municipality in June 2019. Correction will be made in the adjustments budget in line with the recent valuation.

Investment in Associate

As at the end of December 2019, the municipality recorded Investment in uThukela Water to the value of R234.9 million, representing 3% of the total assets. This is R27.2 million less than the amount of R262.1 million projected for at the end of the financial year. The budget for this item was based on the Entity's 2017/18 audited financial statements. Corrections will be made in the adjustments budget based on the Entity's recent net asset value as reported in the 2018/19 audited annual financial statements.

Property Plant and Equipment (PPE)

Property Plant and Equipment comprised of R6.6 billion of the total assets of R8.1 billion, which represents 82% of the total assets. These assets comprise of roads and storm water, water and infrastructure, electricity infrastructure, community assets, and other plants and equipment which the municipality has acquired mainly for service delivery and for its own

use. Service delivery of the municipal is majored by its ability to provide these services to communities.

As at the end of December 2019, the municipality recorded PPE to the value of R6.6 billion. This is R102.5 million more than the amount of R6.5 billion projected for at the end of the financial year. This is mainly due to additions to on capital projects, which will result in additional infrastructure. PPE need to be relooked in line with the projected CAPEX and depreciation during the adjustments budget.

Intangible Assets

As at the end of December 2019, the municipality recorded intangible assets to the value of R1.7 million. This is R2.0 million less than the amount of R3.7 million projected for at the end of the financial year. This is due to the depreciation of assets and some of the assets reaching its useful lives. The projection for the intangible assets will need to be adjusted downwards in line with the updated asset register during the adjustments budget.

4.3.2 Liabilities

Variances were noted between the budgeted values of liabilities and the actuals recorded at the end of the review period. As at the end of December 2019, the municipality recorded total liabilities of R1.5 billion, made up of R976.5 million and R534.9 million for current liabilities and non-current liabilities respectively. Current liabilities are those liabilities that are payable by the municipality within the twelve months, while non-current liabilities are those liabilities that are payable over a period beyond twelve months. The following liability items were noted to require attention during the adjustments budget.

Borrowings

As at the end of December 2019, the municipality recorded total borrowings of R414.9 million, while the municipality had budgeted that borrowings will be standing at R581.3 million at the end financial year. It is therefore clear that the projection of R581.3 million is overstated since the balance all loans is already below this figure. Based on the updated amortisation schedules, the projection for borrowings will be corrected during the adjustments budget.

Consumer deposits

As at the end of December 2019, the municipality recorded consumer deposits of R24.5 million. This figure is R1.6 million more that the budget of R22.9 million projected for at the end of the financial year. This is due to a resolution taken by council to increase deposits for new and defaulting consumers. The budget for consumer deposits will be corrected in line with the updated deposit register during the adjustments budget.

Trade and other payables

As at the end of December 2019, the municipality recorded trade and other payables amounting to R886.2 million. This amount includes, but limited to, trade creditors of R504.9 million, unspent conditional grants of R92.3 million, retentions of R40.5 million, leave provision of R29 million, bonus provision of R12.5 million, and vat levied of R186 million. Important to note is the fact that cash and cash equivalents of R47.0 million as discussed in assets above was not adequate to honour these obligations. Taking into account trade creditors of R504.9 million, Housing Development Fund (HDF) of R28.8 million and unspent

conditional grants of R92.3 million, this means that municipality is operating at a cash deficit of R577.2 million.

The municipality has projected trade and other payable of R363 million at the end of the financial year. The current balance of R683.9 million for trade and other payables indicates that the budget of R363 million is understated. This is due to cash flow challenges faced by the municipality, which results in invoices not being paid on time. The municipality must make use of the adjustments budget to correctly project for trade and other payables at the end of the year. But also, it must use the same opportunity to ensure that budget is limited to realistic receipts. Measures must be implemented to ensure that purchase orders are only generated for goods and services for which cash will be available to honour.

Unspent conditional grants

As at the end of December 2019, the municipality had unspent conditional grants amounting to R92.3 million. It will be important that expenditure on conditional grants is fast-tracked in line with their conditions of grants so that the municipality does not lose such grants to National Treasury at the end of the financial year. As indicated above, the balance of cash and cash equivalent of R47.0 million indicates that conditional grants are not fully cash-backed, taking into account the HDF and trade creditors.

Provisions

As at the end of December 2019, the municipality recorded total provisions amounting to R185.8 million. This is R1.4 million less than the budget of R184.4 million projected for provisions at the end of the financial year. This includes provisions for landfill site and defined benefit plan. The variance between the budget and the actual is attributable to valuations that have been performed by the municipality at the end of the 2018/19 financial, however this variance is considered to be minimal and within the acceptable level

4.3.3 Net current assets

The municipality recorded an unfavourable net current position at the end of December 2019, with current assets (R848.6 million) not below current liabilities (R975.9 million) by R12.7 million. This represents a current ratio of 0.87, which is however below the National Treasury recommended norm of 1.5. This picture however indicates that, when converted into cash, the current assets of the municipality will not be adequate to cover its short-term obligations. It is also noted that consumer debtors represents about 81% of the current assets. This therefore implies that the municipality will need to focus on the collection of its consumer debtors in order to ensure that adequate cash is collected in order to pay its current liabilities over the next six months.

4.4 Cash flow analysis

Table 7 below reflects the summary of cash flow movements for the past six months as extracted from table C7 of the Schedule C.

Table 7: Cash Flow Statement

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	216,436	261,530	267,560	23,364	139,051	128,790	10,241	8%	267,560
Service charges	789,214	1,040,261	858,966	68,747	404,629	429,483	(24,854)	-6%	858,966
Other revenue	114,567	49,183	46,724	-	50,012	23,362	26,650	114%	46,724
Government - operating	395,172	431,719	533,109	51,118	238,280	320,038	(81,758)	-26%	533,109
Government - capital	93,964	173,189	163,189	2,160	81,192	126,182	(45,000)	-36%	163,189
Interest	12,938	8,831	4,465	665	5,034	2,233	2,801	125%	4,465
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Supplies and employees	(1,458,480)	(1,764,617)	(1,685,845)	(113,406)	(793,723)	(842,922)	(49,202)	6%	(1,685,845)
Finance charges	(43,682)	(45,042)	(45,042)	(3,937)	(26,677)	(22,621)	4,156	-18%	(45,042)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	120,217	155,153	133,147	28,692	97,781	164,655	66,873	41%	133,147
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	2,332	2,332	-	-	1,166	(1,166)	-100%	2,332
Decrease (increase) in non-current debtors	-	66,420	30,000	-	-	15,000	(15,000)	-100%	30,000
Decrease (increase) other non-current receivables	-	31,068	31,068	-	-	15,534	(15,534)	-100%	31,068
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(158,893)	(207,119)	(184,869)	(11,129)	(49,087)	(92,434)	(43,348)	47%	(184,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(158,893)	(107,299)	(121,469)	(11,129)	(49,087)	(60,734)	(11,648)	19%	(121,469)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	366	5,382	-	-	2,691	(2,691)	-100%	5,382
Payments									
Repayment of borrowing	(9,064)	(25,598)	(25,598)	8,554	(11,683)	(12,796)	(1,115)	9%	(25,598)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,064)	(25,242)	(20,216)	8,554	(11,683)	(10,108)	1,574	-16%	(20,216)
NET INCREASE/(DECREASE) IN CASH HELD	(47,741)	22,612	(8,538)	26,117	37,012	93,812			(8,538)
Cash/cash equivalents at beginning	57,465	9,802	9,999		9,999	9,999			9,999
Cash/cash equivalents at month/year end	9,724	32,414	1,462		47,011	103,811			1,461

The municipality opened with a cash and cash equivalent balance of R9.9 million at the beginning of the financial year. As at the end of sixth month of the financial year, the municipality had recorded cash balance of R47.0 million, representing a cash increase of R37.1 million.

4.4.1 Cash flows from operating activities

Operating activities are those receipts and payments that are received and paid by the municipality in the normal operations of the municipality. These include receipts from property rates, service charges, grants, all sundry revenue and payments of employees, service charges and finance charges. As at the end of the sixth month, the municipality recorded receipts and payments of R875 387 million and payments of R777 606 million from operating activities respectively. Cash flows from operating activities yielded a net cash inflow of R97.7

million. This is R66.8 million less than the year-to-date budget of R164.6. This mainly due to the equitable share not received as expected.

4.4.2 Cash flows from investing activities

Investing activities are those receipts and payments that are received and paid by the municipality as a result of disposal or acquisition of its assets, collection or payments on non-current debtors and withdrawal or advancing of investments. As at the end of the sixth month, the municipality recorded payments of R49.1 million from investing activities for the acquisition of assets in terms of the approved capital budget. No receipts were recorded for this purpose. This is R11.6 million lower than the year-to-date budget of R60.7, mainly due to low capital expenditure. There is a need look into the cash flow budget for investing activities in line with CAPEX during the adjustments budget.

4.4.3 Cash flows from financing activities

Financing activities are those receipts and payments that are received and paid by the municipality to acquire external loans and the repayment of such external loans. As at the end of the sixth month, the municipality recorded payments of R11.7 million from financing activities for the repayment. No receipts of external loans were recorded for this purpose. This is R1.5 million more than the year-to-date budget of R10.1 million, mainly due to incorrect budgeting. The budget for the cash flows from financing activities will be corrected during the adjustments budget.

5. CONCLUSION

Operating revenue seem to be performing slightly above the budget, with the exception of the delays encountered to receive all grants in time. This has resulted in the municipality recording a deficit in first half of the year. Sundry revenue is performing poorly, which triggers the need for adjust downwards during the adjustments budget.

Overall, operating expenditure and capital expenditure are under-performing, mainly due to cash-flow challenges faced by the municipality. There is a need to consider adjusting most of the operating expenditure items downwards during the adjustments budget, particularly the depreciation, debt impairment, general expenditure and bulk purchases. While capital expenditure is severely underspending, the municipality is advised to implement measures to fast-track expenditure, as the bulk of the capital budget is funded from grants.

The solvency position of the municipality looks favourable, the municipality however recorded an unfavourable liquidity position. Its cash reserves and current assets are inadequate to cover for its short term obligations. This indicates a dire state of affairs which must be attended to urgently. Furthermore, the municipality will need to ensure that its balance sheet and cash flow budgets are reviewed during the adjustments budget, in order to ensure that it reflects the realistic projected picture at the end of the financial year.

6. RECOMMENDATIONS

It is recommended:

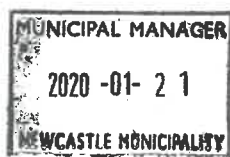
- (a) that the mid-year budget review for the period ended 31 December 2019 be noted and approved;
- (b) that, based on the variances presented between the approved budget and actuals for the first half of the year, an adjustment budget is necessary;
- (c) that the Accounting Officer be mandated to submit the mid-year assessment report to National and Provincial Treasuries as required by S72(1)(b) of the Municipal Finance Management Act No.56 of 2003;
- (d) that, subject to approval of recommendation of (b) above, that the Accounting Officer be mandated to submit an adjustments budget in terms of section 28 of the MFMA;
- (e) that departmental budgetary requirements be dealt with administratively and addressed in terms of the approved virement policy pending approval of the adjustments budget;



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KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	287,110	313,499	308,338	27,122	160,408	154,169	6,239	4%	308,338
Service charges	1,003,885	1,192,753	1,003,931	76,901	508,050	501,966	6,084	1%	1,003,931
Investment revenue	4,961	4,041	4,041	141	869	2,020	(1,152)	-57%	4,041
Transfers and subsidies	498,547	431,718	533,109	799	260,608	385,157	(124,549)	-32%	533,109
Other own revenue	48,384	60,714	64,988	3,225	24,993	32,494	(7,501)	-23%	64,988
Total Revenue (excluding capital transfers and contributions)	1,842,887	2,002,724	1,914,407	108,188	954,927	1,075,806	(120,879)	-11%	1,914,407
Employee costs	557,861	591,321	562,321	39,619	289,468	281,161	8,307	3%	562,321
Remuneration of Councillors	24,657	26,845	26,845	2,185	12,837	13,422	(586)	-4%	26,845
Depreciation & asset impairment	361,880	491,982	491,982	31,126	184,768	245,991	(61,222)	-25%	491,982
Finance charges	61,665	45,042	45,042	3,836	26,677	22,521	4,156	18%	45,042
Materials and bulk purchases	530,186	688,384	634,393	41,441	283,772	317,196	(33,425)	-11%	634,393
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	469,721	561,134	605,332	50,065	250,026	302,666	(52,640)	-17%	605,332
Total Expenditure	2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11%	2,365,915
Surplus/(Deficit)	(163,084)	(401,983)	(451,508)	(60,083)	(92,620)	(107,152)	14,531	-14%	(451,508)
Transfers and subsidies - capital (monetary allocations)	127,639	173,189	163,189	6,127	45,233	90,233	(45,000)	-50%	163,189
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)	(30,469)	180%	(288,319)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)	(30,469)	180%	(288,319)
Capital expenditure & funds sources									
Capital expenditure	158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869
Capital transfers recognised	127,639	173,189	163,189	6,127	45,233	81,594	(36,362)	-45%	163,189
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	31,254	33,930	21,680	1,405	3,855	10,840	(6,985)	-64%	21,680
Total sources of capital funds	158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869
Financial position									
Total current assets	804,211	545,166	397,653		848,693				397,653
Total non current assets	7,186,662	7,233,866	7,233,866		7,257,424				7,233,866
Total current liabilities	858,485	471,356	451,231		976,567				451,231
Total non current liabilities	559,614	493,946	700,946		534,998				700,946
Community wealth/Equity	6,572,774	6,813,729	6,479,342		6,594,553				6,479,342
Cash flows									
Net cash from (used) operating	120,217	155,153	133,147	28,692	97,781	164,655	66,873	41%	133,147
Net cash from (used) investing	(158,893)	(107,299)	(121,469)	(11,129)	(49,087)	(60,734)	(11,648)	19%	(121,469)
Net cash from (used) financing	(9,064)	(25,242)	(20,216)	8,554	(11,683)	(10,108)	1,574	-16%	(20,216)
Cash/cash equivalents at the month/year end	9,724	32,414	1,462	-	47,011	103,811	56,800	55%	1,461
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	113,717	38,697	30,770	31,944	34,143	29,229	207,328	967,969	1,453,797
Creditors Age Analysis									
Total Creditors	104,838	90,975	55,985	41,811	51,566	60,647	92,249	6,896	504,967

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		409,524	437,202	433,866	28,467	205,338	244,067	(38,728)	-16%	433,866
Executive and council		14,638	10,474	10,474	304	3,540	5,237	(1,697)	-32%	10,474
Finance and administration		394,886	426,728	423,392	28,163	201,798	238,830	(37,031)	-16%	423,392
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		56,195	43,430	134,822	2,703	39,082	49,697	(10,615)	-21%	134,822
Community and social services		35,506	8,418	8,418	577	4,037	4,209	(172)	-4%	8,418
Sport and recreation		1,127	8,991	8,991	39	229	4,495	(4,267)	-95%	8,991
Public safety		8,524	11,103	11,103	1,369	7,009	5,551	1,457	26%	11,103
Housing		11,011	14,917	106,309	617	27,776	35,441	(7,665)	-22%	106,309
Health		27	1	1	1	31	1	31	5123%	1
<i>Economic and environmental services</i>		145,344	198,402	198,402	5,931	98,951	149,820	(50,869)	-34%	198,402
Planning and development		26,161	78,352	78,352	1,859	14,351	39,176	(24,825)	-63%	78,352
Road transport		119,183	120,050	120,050	4,072	84,600	110,644	(26,044)	-24%	120,050
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,359,319	1,496,704	1,310,332	77,201	656,709	722,367	(65,658)	-9%	1,310,332
Energy sources		708,486	886,803	702,933	46,909	359,127	375,735	(16,609)	-4%	702,933
Water management		328,148	370,423	352,509	14,809	144,326	176,255	(31,929)	-18%	352,509
Waste water management		200,996	119,010	133,054	8,931	98,161	88,701	9,460	11%	133,054
Waste management		121,688	120,468	121,836	6,551	55,096	81,676	(26,581)	-33%	121,836
<i>Other</i>	4	144	174	174	14	79	87	(8)	-9%	174
Total Revenue - Functional	2	1,970,526	2,175,913	2,077,596	114,316	1,000,160	1,166,038	(165,879)	-14%	2,077,596
Expenditure - Functional										
<i>Governance and administration</i>		430,746	422,161	372,939	57,120	209,812	186,469	23,343	13%	372,939
Executive and council		80,413	103,238	82,708	6,872	37,467	41,354	(3,887)	-9%	82,708
Finance and administration		350,334	317,102	288,416	50,240	172,177	144,208	27,969	19%	288,416
Internal audit		-	1,820	1,814	8	168	907	(739)	-81%	1,814
<i>Community and public safety</i>		226,089	262,541	345,423	36,802	147,644	172,711	(25,067)	-15%	345,423
Community and social services		29,949	85,903	80,767	2,631	14,193	40,383	(26,190)	-65%	80,767
Sport and recreation		74,762	76,224	72,537	5,894	34,698	36,268	(1,571)	-4%	72,537
Public safety		64,540	77,067	74,131	5,445	34,051	37,065	(3,015)	-8%	74,131
Housing		48,638	17,341	111,851	22,238	61,275	55,926	5,350	10%	111,851
Health		8,201	6,007	6,137	595	3,428	3,069	359	12%	6,137
<i>Economic and environmental services</i>		267,781	256,388	244,431	9,667	121,422	122,216	(794)	-1%	244,431
Planning and development		25,563	88,677	90,229	7,041	40,101	45,115	(5,013)	-11%	90,229
Road transport		242,218	167,701	154,192	2,626	81,316	77,096	4,220	5%	154,192
Environmental protection		-	10	10	-	5	5	(0)	-8%	10
<i>Trading services</i>		1,079,524	1,462,293	1,401,897	64,226	567,791	700,949	(133,157)	-19%	1,401,897
Energy sources		610,157	796,534	704,392	34,019	344,374	352,196	(7,822)	-2%	704,392
Water management		381,588	531,942	558,650	13,629	176,349	279,325	(102,976)	-37%	558,650
Waste water management		14,306	60,573	69,763	13,866	15,866	34,882	(19,016)	-55%	69,763
Waste management		73,473	73,244	69,093	2,711	31,202	34,546	(3,344)	-10%	69,093
<i>Other</i>		1,831	1,325	1,225	456	878	613	265	43%	1,225
Total Expenditure - Functional	3	2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11%	2,365,915
Surplus/ (Deficit) for the year		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)	(30,469)	180%	(288,319)

KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - CORPORATE SERVICES	1	76,913	75,376	75,376	329	49,257	37,688	11,569	30.7%	75,376
Vote 2 - COMMUNITY SERVICES		167,803	140,760	142,128	8,638	66,402	91,822	(25,420)	-27.7%	142,128
Vote 3 - BUDGET AND TREASURY		331,560	360,076	356,740	28,138	174,632	205,504	(30,872)	-15.0%	356,740
Vote 4 - MUNICIPAL MANAGER		1,050	1,750	1,750	-	100	875	(775)	-88.6%	1,750
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		37,316	59,946	151,338	2,489	36,971	57,956	(20,985)	-36.2%	151,338
Vote 6 - TECHNICAL SERVICES		647,397	573,873	570,002	27,812	313,672	357,794	(44,122)	-12.3%	570,002
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		708,485	964,132	780,262	46,909	359,127	414,400	(55,272)	-13.3%	780,262
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,970,526	2,175,913	2,077,596	114,316	1,000,160	1,166,038	(165,878)	-14.2%	2,077,596
Expenditure by Vote										
Vote 1 - CORPORATE SERVICES	1	133,300	158,067	152,240	6,289	61,279	76,120	(14,841)	-19.5%	152,240
Vote 2 - COMMUNITY SERVICES		306,831	318,672	302,891	23,291	141,285	151,445	(10,161)	-6.7%	302,891
Vote 3 - BUDGET AND TREASURY		163,707	168,129	147,499	14,459	86,875	73,750	13,125	17.8%	147,499
Vote 4 - MUNICIPAL MANAGER		77,983	95,890	73,158	5,325	37,989	36,579	1,411	3.9%	73,158
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		76,031	51,450	144,633	26,400	79,679	72,317	7,362	10.2%	144,633
Vote 6 - TECHNICAL SERVICES		637,961	815,966	841,102	70,284	313,026	420,551	(107,525)	-25.6%	841,102
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		610,157	796,534	704,392	22,224	327,414	352,196	(24,782)	-7.0%	704,392
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11.4%	2,365,915
Surplus/ (Deficit) for the year	2	(35,445)	(228,795)	(288,319)	(53,956)	(47,387)	(16,919)	(30,468)	180.1%	(288,319)

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		287,110	313,499	308,338	27,122	160,408	154,169	6,239	4%	308,338
Service charges - electricity revenue		630,194	811,903	623,784	46,612	322,935	311,892	11,043	4%	623,784
Service charges - water revenue		176,507	186,097	158,182	14,808	89,090	79,091	9,999	13%	158,182
Service charges - sanitation revenue		108,894	110,794	124,838	8,931	56,166	62,419	(6,253)	-10%	124,838
Service charges - refuse revenue		88,291	83,960	97,127	6,549	39,858	48,564	(8,705)	-18%	97,127
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8,141	8,661	8,661	696	3,976	4,331	(354)	-8%	8,661
Interest earned - external investments		4,961	4,041	4,041	141	869	2,020	(1,152)	-57%	4,041
Interest earned - outstanding debtors		8,015	9,780	9,780	513	4,165	4,890	(725)	-15%	9,780
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		8,589	8,117	8,117	1,287	7,082	4,059	3,024	75%	8,117
Licences and permits		12	14	14	1	5	7	(2)	-32%	14
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		498,547	431,718	533,109	799	260,608	385,157	(124,549)	-32%	533,109
Other revenue		23,627	31,810	36,084	727	5,051	18,042	(12,991)	-72%	36,084
Gains on disposal of PPE		-	2,332	2,332	-	4,714	1,166	3,548	304%	2,332
Total Revenue (excluding capital transfers and contributions)		1,842,887	2,002,724	1,914,407	108,188	954,927	1,075,806	(120,879)	-11%	1,914,407
Expenditure By Type										
Employee related costs		557,861	591,321	562,321	39,619	289,468	281,161	8,307	3%	562,321
Remuneration of councillors		24,657	26,845	26,845	2,185	12,837	13,422	(586)	-4%	26,845
Debt impairment		89,608	174,245	174,245	1,036	58,865	87,123	(28,257)	-32%	174,245
Depreciation & asset impairment		361,880	491,982	491,982	31,126	184,768	245,991	(61,222)	-25%	491,982
Finance charges		61,665	45,042	45,042	3,836	26,677	22,521	4,156	18%	45,042
Bulk purchases		524,211	684,074	631,074	41,288	283,030	315,537	(32,507)	-10%	631,074
Other materials		5,975	4,310	3,319	153	742	1,659	(918)	-55%	3,319
Contracted services		74,012	54,249	143,756	29,317	102,077	71,878	30,199	42%	143,756
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		306,101	332,640	287,331	19,712	89,084	143,666	(54,582)	-38%	287,331
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11%	2,365,915
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(163,084)	(401,983)	(451,508)	(60,083)	(92,620)	(107,152)	14,531	(0)	(451,508)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		127,639	173,189	163,189	6,127	45,233	90,233	(45,000)	(0)	163,189
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)			(288,319)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)			(288,319)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)			(288,319)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)			(288,319)

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2018/19	Budget Year 2019/20								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Multi-Year expenditure appropriation	2										
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2										
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		6,858	10,243	9,943	-	-	4,972	(4,972)	-100%	9,943	
Vote 3 - BUDGET AND TREASURY		1,329	2,730	2,730	3	126	1,365	(1,239)	-91%	2,730	
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		19,923	32,059	28,509	3,064	6,537	14,405	(7,867)	-55%	28,509	
Vote 6 - TECHNICAL SERVICES		127,158	162,087	143,387	4,172	42,130	71,693	(29,563)	-41%	143,387	
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		3,625	-	-	294	294	-	294	#DIV/0!	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	
Total Capital single-year expenditure	4	158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869	
Total Capital Expenditure		158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869	
Capital Expenditure - Functional Classification											
Governance and administration		1,329	2,730	2,730	3	126	1,365	(1,239)	-91%	2,730	
Executive and council		-	-	-	-	-	-	-	-	-	
Finance and administration		1,329	2,730	2,730	3	126	1,365	(1,239)	-91%	2,730	
Internal audit		-	-	-	-	-	-	-	-	-	
Community and public safety		6,902	8,743	9,443	-	-	4,722	(4,722)	-100%	9,443	
Community and social services		4,147	300	-	-	-	-	-	-	-	
Sport and recreation		2,711	8,243	8,243	-	-	4,122	(4,122)	-100%	8,243	
Public safety		-	1,200	1,200	-	-	600	(600)	-100%	1,200	
Housing		44	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		113,238	136,608	133,358	7,236	46,885	66,679	(19,814)	-30%	133,358	
Planning and development		19,979	39,559	36,309	3,064	6,537	18,155	(11,617)	-64%	36,309	
Road transport		93,360	97,049	97,049	4,172	40,328	48,525	(8,197)	-17%	97,049	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		37,424	58,038	39,338	294	2,096	19,669	(17,573)	-89%	39,338	
Energy sources		3,625	-	-	294	294	-	294	#DIV/0!	-	
Water management		33,799	57,538	38,838	-	1,802	19,419	(17,617)	-91%	38,838	
Waste water management		-	500	500	-	-	250	(250)	-100%	500	
Waste management		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869	
Funded by:											
National Government		108,654	154,946	154,946	6,127	45,233	77,473	(32,240)	-42%	154,946	
Provincial Government		18,785	8,243	8,243	-	-	4,122	(4,122)	-100%	8,243	
District Municipality		-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital		127,639	173,189	163,189	6,127	45,233	81,594	(38,362)	-45%	163,189	
Public contributions & donations		-	-	-	-	-	-	-	-	-	
Borrowing	5	-	-	-	-	-	-	-	-	-	
Internally generated funds	6	31,254	33,930	21,680	1,405	3,655	10,840	(6,985)	-64%	21,680	
Total Capital Funding		158,893	207,119	184,869	7,532	49,087	92,434	(43,347)	-47%	184,869	

References

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

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		4,688	8,389	1,462	37,421	1,462
Call investment deposits		5,036	24,025	9,440	9,590	9,440
Consumer debtors		680,874	463,909	337,909	686,342	337,909
Other debtors		99,348	35,084	35,084	101,319	35,084
Current portion of long-term receivables		2	2	2	1	2
Inventory		14,264	13,756	13,756	14,020	13,756
Total current assets		804,211	545,166	397,653	848,693	397,653
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		281,223	379,606	379,606	357,116	379,606
Investments in Associate		275,279	262,171	262,171	234,928	262,171
Property, plant and equipment		6,615,669	6,580,590	6,580,590	6,652,169	6,580,590
Agricultural		-	-	-	-	-
Biological		-	-	-	-	-
Intangible		3,003	3,773	3,773	1,724	3,773
Other non-current assets		11,488	7,726	7,726	11,488	7,726
Total non current assets		7,186,662	7,233,866	7,233,866	7,257,424	7,233,866
TOTAL ASSETS		7,990,873	7,779,031	7,631,519	8,106,117	7,631,519
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		25,598	25,598	25,598	48,532	25,598
Consumer deposits		23,587	22,883	22,883	24,465	22,883
Trade and other payables		780,456	383,584	363,459	886,234	363,459
Provisions		28,844	39,290	39,290	17,335	39,290
Total current liabilities		858,485	471,356	451,231	976,567	451,231
Non current liabilities						
Borrowing		401,232	348,739	555,739	366,466	555,739
Provisions		158,382	145,207	145,207	168,531	145,207
Total non current liabilities		559,614	493,946	700,946	534,998	700,946
TOTAL LIABILITIES		1,418,099	965,302	1,152,177	1,511,564	1,152,177
NET ASSETS	2	6,572,774	6,813,729	6,479,342	6,594,553	6,479,342
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		6,544,255	6,808,289	6,450,841	6,565,711	6,450,841
Reserves		28,519	5,440	28,501	28,842	28,501
TOTAL COMMUNITY WEALTH/EQUITY	2	6,572,774	6,813,729	6,479,342	6,594,553	6,479,342

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		216,435	261,530	257,580	23,354	139,031	128,790	10,241	8%	257,580
Service charges		789,214	1,040,261	858,966	68,747	404,629	429,483	(24,854)	-6%	858,966
Other revenue		114,557	49,183	46,724	-	50,012	23,362	26,650	114%	46,724
Government - operating		395,172	431,718	533,109	51,118	238,280	320,038	(81,758)	-26%	533,109
Government - capital		93,964	173,189	163,189	2,160	81,192	126,192	(45,000)	-36%	163,189
Interest		12,938	8,931	4,465	655	5,034	2,233	2,801	125%	4,465
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1,458,480)	(1,764,617)	(1,685,845)	(113,406)	(793,720)	(842,922)	(49,202)	6%	(1,685,845)
Finance charges		(43,582)	(45,042)	(45,042)	(3,937)	(26,677)	(22,521)	4,156	-18%	(45,042)
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		120,217	155,153	133,147	28,692	97,781	164,655	66,873	41%	133,147
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	2,332	2,332	-	-	1,166	(1,166)	-100%	2,332
Decrease (increase) in non-current debtors		-	66,420	30,000	-	-	15,000	(15,000)	-100%	30,000
Decrease (increase) other non-current receivables		-	31,068	31,068	-	-	15,534	(15,534)	-100%	31,068
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(158,893)	(207,119)	(184,869)	(11,129)	(49,087)	(92,434)	(43,346)	47%	(184,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(158,893)	(107,299)	(121,469)	(11,129)	(49,087)	(60,734)	(11,646)	19%	(121,469)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	356	5,382	-	-	2,691	(2,691)	-100%	5,382
Payments										
Repayment of borrowing		(9,064)	(25,598)	(25,598)	8,554	(11,683)	(12,799)	(1,116)	9%	(25,598)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(9,064)	(25,242)	(20,216)	8,554	(11,683)	(10,108)	1,574	-16%	(20,216)
NET INCREASE/ (DECREASE) IN CASH HELD		(47,741)	22,612	(8,538)	26,117	37,012	93,812			(8,538)
Cash/cash equivalents at beginning:		57,465	9,802	9,999		9,999	9,999			9,999
Cash/cash equivalents at month/year end:		9,724	32,414	1,462		47,011	103,811			1,461

References

1. Material variances to be explained in Table SC1

KZN252 Newcastle - Supporting Table SC.1 Material variance explanations - Mid-Year Assessment

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	R thousands Revenue By Source Service charges - water revenue Rental of facilities and equipment Service charges - refuse revenue Interest earned - external investments Interest earned - outstanding debtors Fines, penalties and forfeits Licences and permits Other Revenue	13% -9% -18% -57% -16% 75% -32% -72%	The hot summer season, coupled with lower rain levels have resulted in more demand for water consumption This is due to a time lag when one tenant vacates the property and the time when the new tenant takes occupation of the property Challenges in the waste water management has led to this variance, consumers are being reluctant to pay for this service due to none collection of refuse on weekly basis Due to an increase on our debtors book. This variance is attributable to the effective incentive scheme which was implemented by the municipality over the past twelve months. Fines are dependent on law enforcement and compliance of motorists thereto. Dependent on the consumers reaction Other revenue is dependent on levels of consumption and therefore fluctuates every month.	There is a need to rebok and correct the budget for this item in line with realistic consumption and trends during the adjustments budget. The variance seem very minimal there is no need to adjust this item. There is a need to rebok at this item during the adjustments budget. There is no need for this item to be adjusted There is a need to adjust this item downwards during the adjustments budget. There is a need to adjust this item downwards during the adjustments budget. There is a need to adjust this item downwards during the adjustments budget. This item will be adjusted downward during the adjustments budget.
2	Expenditure By Type Debt Impairment Depreciation & asset impairment Finance charges Contracted Services Other Material Other expenditure	-32% -25% 19% 42% -55% -39%	Bulk of the Debt Impairment is calculated bi-annually The variance is attributable to the slow capital expenditure as well as over-budgeting for depreciation of assets have already reached its useful life The variance is attributable to overdue payments of bins with both ABSA and DBSA. Invoice from service providers haven't yet received Cross cut measures are implemented to reduce the expenditure for material Cross cut measures are implemented to reduce the expenditure for other expenditure	Based on the current collection trends and audit of indigents, this item will still be booked at during the adjustments budget. This item will be adjusted downwards during the adjustments budget. Through the new amortisation schedules, this will be corrected during the adjustments budget The municipality is urged to implement strict budget control measure in order to remain within the budget Adjustment will be necessary for department to use savings to votes which are more critical Adjustment will be necessary for department to use savings to votes which are more critical
3	Capital Expenditure Grant funded projects Internally funded projects Repairs and maintenance	-45% -64% 38%	Delays in the SCM process, particularly on appointment consultants, incapacity of contractors Most of projects rolled over from 2016/17, with no need for new SCM processes Under-budgeting due to cash-flow challenges	Fast track SCM processes and management of contractors None None
4	Financial Position Property Plant and Equipment Investment property Investment in Associate Consumer Debtors Trade and other payables		Slow capital expenditure and depreciation Revaluation, which was finalised after financial budget was approved Decreases in Net Asset Value of the Entity, which was confirmed after annual budget was approved Change in bad debt provision due to cleaning up of debtors and indigent books Error during annual budgeting	
5	Cash Flow Net Cash from Operating Activities Net Cash Used from Investing Activities Net Cash Used from Financial Activities	41% 19% -16%	Equitable Share and other grants bulk of it received early in the financial year Slow capital expenditure Based on amortisation schedules	None
6	Measurable performance			
7	Municipal Entities			

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - Mid-Year Assessment

Description of financial indicator	Basis of calculation	Ref	2018/19	Budget Year 2019/20			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.6%	22.3%	22.7%	2.5%	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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		18.4%	11.1%	14.6%	19.7%	14.6%
Gearing	Long Term Borrowing/ Funds & Reserves		1406.9%	6410.8%	1949.9%	1270.6%	1949.9%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	93.7%	115.7%	88.1%	86.9%	88.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		1.1%	6.9%	2.4%	4.8%	2.4%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		42.3%	24.9%	19.5%	82.5%	19.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	4.2%	3.3%	3.3%		
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	44.2%	50.0%	50.0%		
Employee costs	Employee costs/Total Revenue - capital revenue		30.3%	29.5%	29.4%	30.3%	29.4%
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		23.0%	26.8%	28.1%	2.8%	3.8%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN252 Newcastle - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2019/20										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 Dye-1 Yr	Over Yr	Total					
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	24,202	7,844	7,831	8,034	7,419	7,524	42,840	266,169	371,864	331,986	279			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	31,722	1,035	889	1,108	1,781	528	39,855	10,972	86,889	53,244	1			
Receivables from Non-exchange Transactions - Property Rates	1400	36,794	9,271	8,118	7,638	10,808	5,933	36,843	152,584	267,988	213,806	222			
Receivables from Exchange Transactions - Waste Water Management	1500	15,514	6,333	5,746	6,207	5,697	5,543	31,392	208,191	284,622	257,030	277			
Receivables from Exchange Transactions - Waste Management	1600	12,006	4,599	4,287	4,400	4,048	3,807	21,664	95,628	150,639	129,747	101			
Receivables from Exchange Transactions - Property Rental Debtors	1700	670	163	126	115	120	136	652	2,573	4,554	3,595	-			
Interest on Arrear Debtor Accounts	1810	1,151	488	510	470	438	419	2,884	35,034	41,394	39,246	15			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-			
Other	1900	(8,342)	8,964	3,264	3,972	3,830	5,340	32,198	195,618	245,046	241,969	179			
Total By Income Source	2000	113,717	38,697	30,770	31,944	34,143	29,229	207,328	967,969	1,453,797	1,270,613	1,074			
2018/19 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	4,716	6,728	744	1,413	4,985	2,645	11,747	12,922	45,899	33,711	-			
Commercial	2300	37,451	3,578	3,032	2,435	3,592	1,625	53,243	62,461	167,416	123,355	-			
Households	2400	80,845	28,369	26,977	28,076	25,542	24,850	142,193	892,026	1,248,978	1,112,688	-			
Other	2500	(9,294)	22	17	21	24	109	146	560	(8,395)	860	1,074			
Total By Customer Group	2600	113,718	38,697	30,770	31,944	34,143	29,229	207,328	967,969	1,453,798	1,270,613	1,074			

KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

R thousands	Description	NT Code	Budget Year 2019/20										Total
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type													
	Bulk Electricity	0100	28,777	70,557	44,031	29,319	37,078	29,120	71,127	6,896	316,905		
	Bulk Water	0200	10,735	10,347	9,889	10,368	12,384	10,027	10,334	-	74,085		
	PAYE deductions	0300	8,439	-	-	-	-	-	-	-	8,439		
	VAT (output less input)	0400	5,045	-	-	-	-	-	-	-	5,045		
	Pensions / Retirement deductions	0500	14,310	-	-	-	-	-	-	-	14,310		
	Loan repayments	0600	32,866	-	-	-	-	-	-	-	32,866		
	Trade Creditors	0700	4,675	10,070	2,065	2,124	2,104	21,501	10,787	-	53,326		
	Auditor General	0800	-	-	-	-	-	-	-	-	-		
	Other	0900	-	-	-	-	-	-	-	-	-		
	Total By Customer Type	1000	104,838	90,975	55,985	41,811	51,566	60,647	92,249	6,896	504,967		

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year Assessment

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Nedbank		12 months	Call Account	Call account	30	1	368	15	383
Standard Bank		12 months	Call Account	Call account	524	1	4,101	4,524	8,626
ABSA		12 months	Call Account	Call account	17	3	567	15	581
							-		
Municipality sub-total					572		5,036	4,554	9,590
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				572		5,036	4,554	9,590

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2018/19			Budget Year 2019/20			YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		378,539	427,986	437,996	12,119	208,890	208,890	-		437,996
Local Government Equitable Share		341,408	373,648	373,648	-	155,687	155,687	-		373,648
Water Services Operating Subsidy		-	-	-	-	-	-	-		-
EPWP Incentive		3,199	3,098	3,098	1,395	2,170	2,170	-		3,098
Integrated National Electrification Programme		-	14,000	14,000	-	10,000	10,000	-		14,000
Finance Management		1,700	1,700	1,700	1,390	1,700	1,700	-		1,700
Municipal Systems Improvement		-	1,750	1,750	-	-	-	-		1,750
Water Services Infrastructure Grant (WSIG)		-	10,800	20,800	-	10,000	10,000	-		20,800
Municipal Infrastructure Grant (MIG)		17,232	23,000	23,000	9,333	9,333	9,333	-		23,000
Energy Efficiency and Demand Management		15,000	-	-	-	-	-	-		-
Massification		-	-	-	-	20,000	20,000	-		-
Provincial Government:		3,757	99,379	106,194	49,723	49,723	49,723	-		106,194
Level 2 accreditation		3,539	7,620	7,620	-	-	-	-		7,620
Museums Services		218	386	386	386	386	386	-		386
Community Library Services Grant		-	-	-	-	-	-	-		-
Sport and Recreation		-	-	-	-	-	-	-		-
Housing		-	84,577	91,392	42,791	42,791	42,791	-		91,392
COGTA Support Scheme		-	250	250	-	-	-	-		250
Provincialisation of Libraries		-	6,546	6,546	6,546	6,546	6,546	-		6,546
Health subsidy		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		6,343	-	-	-	-	-	-		-
COGTA Grant		-	-	-	-	-	-	-		-
Tirelo Boshu Grant		1,150	-	-	-	-	-	-		-
EED Housing Grant		5,193	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	388,639	527,375	544,190	61,842	258,614	258,614	-		544,190
Capital Transfers and Grants										
National Government:		79,000	149,039	139,039	40,699	58,699	58,699	-		139,039
Neighbourhood Development Partnership		-	30,259	30,259	-	8,000	8,000	-		30,259
Municipal Infrastructure Grant (MIG)		39,000	89,580	89,580	40,699	40,699	40,699	-		89,580
Integrated National Electrification Programme		-	-	-	-	-	-	-		-
Energy efficiency & demand side management		-	-	-	-	-	-	-		-
Municipal water infrastructure		-	-	-	-	-	-	-		-
Water Services Infrastructure Grant (WSIG)		40,000	29,200	19,200	-	10,000	10,000	-		19,200
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		14,964	9,471	9,471	2,160	2,160	2,160	-		9,471
Level 2 accreditation		-	-	-	-	-	-	-		-
Recapitalisation of Community Libraries		-	-	-	-	-	-	-		-
Sport and Recreation		2,667	8,243	8,243	-	-	-	-		8,243
Community Library Service		12,297	1,228	1,228	2,160	2,160	2,160	-		1,228
Museum		-	-	-	-	-	-	-		-
Corridor Development		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
European Union		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	93,964	158,510	148,510	42,859	60,859	60,859	-		148,510
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	482,602	685,885	692,700	104,701	319,472	319,472	-		692,700

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		376,793	427,996	437,996	2,419	169,771	187,861	(19,712)	-10.5%	437,996
Local Government Equitable Share		341,408	373,648	373,648		155,687	155,687	-		373,648
Water Services Operating Subsidy		-	-	-		-	-	-		-
EPWP Incentive		3,127	3,098	3,098	748	2,350	1,549	801	51.7%	3,098
Integrated National Electrification Programme		-	14,000	14,000		420	7,000	(6,580)	-94.0%	-
Finance Management		1,700	1,700	1,700	48	358	850	(492)	-57.9%	1,700
Water Services Infrastructure Grant (WSIG)		-	10,800	20,800		-	10,400	(10,400)	-100.0%	20,800
Energy Efficiency and Demand side Management Grant		15,000	-	-		-	-	-		14,000
Municipal Systems Improvement		-	1,750	1,750		-	875	(875)	-100.0%	1,750
Massification		-	-	-	1,622	1,622	-	-		-
Municipal Infrastructure Grant (MIG)		15,557	23,000	23,000		9,333	11,500	(2,167)	-18.8%	23,000
Provincial Government:		13,316	99,379	106,194	44,719	48,135	53,097	(4,962)	-9.3%	106,194
Level 2 accreditation		7,073	7,620	7,620	1,189	3,299	3,810	(511)	-13.4%	7,620
Recapitalisation of Community Libraries		6,234	-	-		-	-	-		-
Museums Services		-	386	386		14	193	(179)	-92.9%	386
Community Library Services Grant		-	-	-		-	-	-		-
Sport and Recreation		9	-	-		-	-	-		-
Housing		-	84,577	91,392	42,791	42,791	45,696	(2,904)	-6.4%	91,392
COGTA Support Scheme		-	250	250		-	126	(126)	-100.0%	250
Provincialisation of Libraries		-	6,546	6,546	739	2,031	3,273	(1,242)	-37.9%	6,546
Health subsidy		-	-	-		-	-	-		-
District Municipality:		-	-	-		-	-	-		-
<i>[insert description]</i>		-	-	-		-	-	-		-
Other grant providers:		1,050	-	-		-	-	-		-
COGTA Grant		-	-	-		-	-	-		-
Tirelo Boshu Grant		1,050	-	-		-	-	-		-
EED Housing Grant		27,393	-	-		-	-	-		-
Total operating expenditure of Transfers and Grants:		391,158	527,375	544,190	47,137	217,906	240,958	(24,674)	-10.2%	544,190
Capital expenditure of Transfers and Grants										
National Government:		88,878	149,039	139,039	5,944	44,123	69,520	(25,397)	-36.5%	139,039
Neighbourhood Development Partnership		-	30,259	30,259	2,026	6,021	15,130	(9,109)	-60.2%	30,259
Municipal Infrastructure Grant (MIG)		53,648	89,580	89,580	3,580	35,692	44,790	(9,098)	-20.3%	89,580
Integrated National Electrification Programme		-	-	-		-	-	-		-
Energy efficiency & demand side management		-	-	-		-	-	-		-
Water Services Infrastructure Grant (WSIG)		35,230	29,200	19,200	338	2,410	9,600	(7,190)	-74.9%	19,200
MWIG		-	-	-		-	-	-		-
Provincial Government:		12,138	9,471	9,471	163	1,110	4,736	(3,626)	-76.6%	9,471
Level 2 accreditation		-	-	-		-	-	-		-
Recapitalisation of Community Libraries		-	-	-		-	-	-		-
Sport and Recreation		636	8,243	8,243		-	4,122	-		8,243
Community Library		11,502	1,228	1,228	163	1,110	614	-		1,228
Museum		-	-	-		-	-	-		-
Sport and Recreation		-	-	-		-	-	-		-
District Municipality:		-	-	-		-	-	-		-
<i>[insert description]</i>		-	-	-		-	-	-		-
Other grant providers:		-	-	-		-	-	-		-
European Union		-	-	-		-	-	-		-
Total capital expenditure of Transfers and Grants		101,016	158,510	148,510	6,107	45,233	74,255	(29,022)	-39.1%	148,510
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		492,174	685,885	692,700	53,244	263,138	315,213	(53,696)	-17.0%	692,700

KZN252 Newcastle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Mid-Year Assessment

Description	Ref	Budget Year 2019/20				
		Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		2,772	2,226	2,226	546	19.7%
Local Government Equitable Share					-	
Water Services Operating Subsidy					-	
EPWP Incentive					-	
Integrated National Electrification Programme					-	
Finance Management					-	
Museums Services					-	
Massification		2,772	2,226	2,226	546	19.7%
Provincial Government:		3,524	-	-	3,524	100.0%
Provincialisation of Libraries		2,181	-	-	2,181	100.0%
Museums Services		-	-	-	-	
Community Library Services Grant		1,344	-	-	1,344	100.0%
Sport and Recreation					-	
Health subsidy					-	
District Municipality:		-	-	-	-	
<i>[insert description]</i>					-	
Other grant providers:		-	-	-	-	
Grant skill development		-	-	-	-	
COGTA Grant					-	
Total operating expenditure of Approved Roll-overs		6,296	2,226	2,226	4,071	64.7%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Neighbourhood Development Partnership					-	
Water Services Infrastructure Grant (WSIG)					-	
Massification					-	
Other capital transfers <i>[insert description]</i>					-	
Provincial Government:		-	-	-	-	
Corridor Development					-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		6,296	2,226	2,226	4,071	64.7%

Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Staff of Entities										
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		562,519	618,166	602,166	41,804	302,305	301,083	1,222	0%	602,166
% increase	4		6.1%	3.4%						3.4%
TOTAL MANAGERS AND STAFF		557,861	591,321	575,321	39,619	289,469	287,661	1,807	1%	575,321

KZN252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Mid-Year Assessment

Ref	Description	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
1	Cash Receipts By Source																
	Property rates	17,776	22,304	22,617	26,490	26,490	23,354							261,530	277,623	288,728	
	Service charges - electricity revenue	49,316	52,844	69,379	61,864	49,334	56,636							790,177	817,730	834,085	
	Service charges - water revenue	8,956	8,648	8,921	10,374	15,683	9,490							127,342	132,034	138,636	
	Service charges - sanitation revenue	5,702	5,650	5,626	5,917	8,984	5,651							62,486	64,206	67,416	
	Service charges - refuse	5,099	5,511	5,492	5,681	2,680	3,804							60,256	62,624	65,965	
	Service charges - other																
	Rental of facilities and equipment	677	651	580	679	685	686							8,661	9,094	9,549	
	Interest earned - external investments	84	207	257	129	218	141							4,041	4,243	4,455	
	Interest earned - outstanding debtors	929	1,338	378	507	326	513							4,880	10,269	10,782	
	Dividends received																
	Fines, penalties and forfeits	717	776	529	1,873	1,866	1,287							4,383	4,602	4,833	
	Licences and permits	1	0	0	1	1	1							14	15	16	
	Agency services																
	Transfer receipts - operating		165,162		2,000	19,594	8,327							431,718	453,304	477,846	
	Other revenue	5,057	1,325	1,621	17,507	315	7,000							36,124	37,498	38,954	
	Cash Receipts by Source	94,313	264,415	115,401	133,002	126,185	117,100							1,791,623	1,873,442	1,941,264	
	Other Cash Flows by Source																
	Transfer receipts - capital		64,000				2,160							173,189	5,431		
	Contributions & Contributed assets																
	Proceeds on disposal of PPE																
	Short term loans																
	Borrowing long term/financing																
	Increase in consumer deposits																
	Receipt of non-current debtors																
	Receipt of non-current receivables																
	Change in non-current investments																
	Total Cash Receipts by Source	94,313	328,415	115,401	133,002	126,185	119,260							2,064,988	1,954,026	2,016,296	
	Cash Payments by Type																
	Employee related costs	50,648	53,544	46,861	44,269	53,857	39,407							591,321	639,687	697,259	
	Remuneration of councillors	1,992	2,021	2,179	2,188	2,185	1,991							26,845	28,453	30,161	
	Interest paid		9,891	3,802	3,843	5,405	3,836							45,042	47,474	50,038	
	Bulk purchases - Electricity		64,958		41,500	40,631								596,993	638,782	683,487	
	Bulk purchases - Water & Sewer													87,081	92,306	98,768	
	Other materials	42	167	141	150	89	153							4,310	4,470	4,783	
	Contracted services	1,508	15,546	6,723	16,511	13,811	29,317							102,838	46,163	49,394	
	Grants and subsidies paid - other municipalities																
	Grants and subsidies paid - other																
	General expenses	1,549	35,193	49,346	14,947	1,015	15,864							263,229	334,676	364,969	
	Cash Payments by Type	55,739	181,122	109,042	123,408	116,992	90,568							1,717,659	1,832,211	1,966,868	
	Other Cash Flows/Payments by Type																
	Capital assets																
	Repayment of borrowing	3,493	14,718	7,840	5,798	6,110	11,128							207,119	6,831	31,884	
	Other Cash Flows/Payments		10,821	10,689	(1,273)	(3,371)	(5,183)							25,598	28,757		
	Total Cash Payments by Type	59,231	348,583	127,572	127,933	119,731	95,514							2,042,376	1,959,900	2,000,752	
	NET INCREASE/(DECREASE) IN CASH HELD	35,081	(20,168)	(12,171)	5,070	6,454	22,746							22,612	3,127	15,544	
	Cash/cash equivalents at the monthly/year beginning:	9,999	46,081	24,913	12,742	17,811	24,265							9,999	32,611	35,738	
	Cash/cash equivalents at the monthly/year end:	45,081	24,913	12,742	17,811	24,265	47,011							32,611	35,738	51,282	

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Mid-Year Assessment

Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates		287,110	313,499	308,338	27,122	160,408	154,169	6,239	4%	308,338
Service charges - electricity revenue		630,194	811,903	623,784	46,612	322,935	311,892	11,043	4%	623,784
Service charges - water revenue		176,507	186,097	158,182	14,808	89,090	79,091	9,999	13%	158,182
Service charges - sanitation revenue		108,894	110,794	124,838	8,931	56,166	62,419	(6,253)	-10%	124,838
Service charges - refuse revenue		88,291	83,960	97,127	6,549	39,858	48,564	(8,705)	-18%	97,127
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8,141	8,661	8,661	696	3,976	4,331	(354)	-8%	8,661
Interest earned - external investments		4,961	4,041	4,041	141	869	2,020	(1,152)	-57%	4,041
Interest earned - outstanding debtors		8,015	9,780	9,780	513	4,165	4,890	(725)	-15%	9,780
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		8,589	8,117	8,117	1,287	7,082	4,059	3,024	75%	8,117
Licences and permits		12	14	14	1	5	7	(2)	-32%	14
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		498,547	431,718	533,109	799	260,608	385,157	(124,549)	-32%	533,109
Other revenue		23,627	31,810	36,084	727	5,051	18,042	(12,991)	-72%	36,084
Gains on disposal of PPE		-	2,332	2,332	-	4,714	1,166	3,548	304%	2,332
Total Revenue (excluding capital transfers and contributions)		1,842,887	2,002,724	1,914,407	108,188	954,927	1,075,806	(120,879)	-11%	1,914,407
Expenditure By Type										
Employee related costs		557,861	591,321	562,321	39,619	289,468	281,161	8,307	3%	562,321
Remuneration of councillors		24,657	26,845	26,845	2,185	12,837	13,422	(586)	-4%	26,845
Debt impairment		89,608	174,245	174,245	1,036	58,865	87,123	(28,257)	-32%	174,245
Depreciation & asset impairment		361,880	491,982	491,982	31,126	184,768	245,991	(61,222)	-25%	491,982
Finance charges		61,665	45,042	45,042	3,636	26,677	22,521	4,156	18%	45,042
Bulk purchases		524,211	684,074	631,074	41,288	283,030	315,537	(32,507)	-10%	631,074
Other materials		5,975	4,310	3,319	153	742	1,659	(918)	-55%	3,319
Contracted services		74,012	54,249	143,756	29,317	102,077	71,878	30,199	42%	143,756
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		306,101	332,640	287,331	19,712	89,084	143,666	(54,582)	-38%	287,331
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		2,005,971	2,404,708	2,365,915	168,272	1,047,548	1,182,957	(135,410)	-11%	2,365,915
Surplus/(Deficit)		(163,084)	(401,983)	(451,508)	(60,083)	(92,620)	(107,152)	14,531	-14%	(451,508)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		127,639	173,189	163,189	6,127	45,233	90,233	(45,000)	-50%	163,189
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)	(30,469)	180%	(288,319)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(35,445)	(228,795)	(288,319)	(53,956)	(47,388)	(16,919)	(30,469)	180%	(288,319)

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Mid-Year Assessment

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
Service charges - water revenue		95,286	114,940	119,081	8,998	8,335	57,470	(48,135)	-84%	119,081
Service charges - sanitation revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Agency services								-		
Transfers recognised - operational								-		
Other revenue								-		
Gains on disposal of PPE								-		
Total Operating Revenue	1	95,286	114,940	119,081	8,998	8,335	57,470	(48,135)	-84%	119,081
Expenditure By Municipal Entity										
Employee Related Cost		12,269	12,907		1,574	7,251	6,454	797	12%	12,907
Debt Impairment		-	-		-	-	-	-		-
Collection Costs		-	-		-	-	-	-		-
Depreciation		681	896		61	365	448	(83)	-19%	896
Finance Charges		-	-		-	-	-	-		-
Bulk Purchases		24,261	24,557		3,495	13,555	12,278	1,276	10%	24,557
Other Material		5,550	5,465		148	2,769	2,733			5,465
Contracted services		3,628	9,849		112	963	4,925			9,849
Repairs & Maintenance		-	-		-	-	-	-		-
Other Expenditure		30,760	28,552		3,195	19,204	14,276	4,928	35%	28,552
Total Operating Expenditure	2	77,149	82,227	-	8,585	44,106	41,113	2,992	7%	82,227
Surplus/ (Deficit) for the yr/period		18,137	32,713	119,081	413	(34,771)	16,357	(45,142)	-276%	36,854
Capital Expenditure By Municipal Entity										
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments								-		
Interest earned - outstanding debtors								-		
Other revenue								-		
Gains on disposal of PPE								-		
#REF!								-		
Total Capital Expenditure	3	-	-	-	-	-	-	-		-

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	3,436	17,260	15,677	3,493	3,493	15,677	12,184	77.7%	2%
August	10,348	17,260	15,677	12,343	15,835	31,353	15,518	49.5%	8%
September	2,174	17,260	15,677	6,817	22,652	47,030	24,378	51.8%	11%
October	12,590	17,260	15,677	9,161	31,813	62,706	30,893	49.3%	15%
November	15,784	17,260	15,677	9,742	41,555	78,383	36,828	47.0%	20%
December	18,715	17,260	15,677	7,532	49,087	94,059	44,972	47.8%	24%
January	13,575	17,260	15,677			109,736	-		
February	5,177	17,260	15,677	-		125,412	-		
March	14,177	17,260	15,677			141,089	-		
April	7,248	17,260	15,677			156,766	-		
May	14,835	17,260	15,677			172,442	-		
June	40,833	17,260	12,427			184,869	-		
Total Capital expenditure	158,893	207,119	184,869	49,087					

KZN252 Newcastle - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

Description	Ref	2018/19		Budget Year 2019/20			YTD variance	YTD variance %	Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual				YearTD budget
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		60,975	137,886	120,186	3,120	31,606	60,093	28,487	47.4%	120,186
Roads Infrastructure		37,699	115,966	108,266	3,120	31,606	54,133	22,527	41.6%	108,266
Roads		37,699	115,966	108,266	3,120	31,606	54,133	22,527	41.6%	108,266
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,625	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		3,625	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		13,707	21,420	11,420	-	-	5,710	5,710	100.0%	11,420
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		13,707	5,420	5,420	-	-	2,710	2,710	100.0%	5,420
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	16,000	6,000	-	-	3,000	3,000	100.0%	6,000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		5,943	500	500	-	-	250	250	100.0%	500
Pump Station		-	-	-	-	-	-	-	-	-
Retiulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		5,943	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	500	500	-	-	250	250	100.0%	500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		23,948	11,442	11,442	-	-	5,721	5,721	100.0%	11,442
Community Facilities		23,948	11,442	11,442	-	-	5,721	5,721	100.0%	11,442
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		52	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		17,040	11,442	11,442	-	-	5,721	5,721	100.0%	11,442

Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	6,855	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	4,500	1,250	-	-	625	625	100.0%	1,250	
Revenue Generating	-	4,500	1,250	-	-	625	625	100.0%	1,250	
Improved Property	-	4,500	1,250	-	-	625	625	100.0%	1,250	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	-	500	500	-	-	250	250	100.0%	500	
Operational Buildings	-	500	500	-	-	250	250	100.0%	500	
Municipal Offices	-	500	500	-	-	250	250	100.0%	500	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	1,256	2,280	1,980	3	161	990	829	83.7%	1,980	
Furniture and Office Equipment	1,256	2,280	1,980	3	161	990	829	83.7%	1,980	
Machinery and Equipment	132	5,450	5,450	-	-	2,725	2,725	100.0%	5,450	
Machinery and Equipment	132	5,450	5,450	-	-	2,725	2,725	100.0%	5,450	
Transport Assets	-	700	700	-	-	350	350	100.0%	700	
Transport Assets	-	700	700	-	-	350	350	100.0%	700	
Land	-	2,000	2,000	1,302	1,302	1,000	(302)	-30.2%	2,000	
Land	-	2,000	2,000	1,302	1,302	1,000	(302)	-30.2%	2,000	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	86,310	164,788	143,508	4,425	33,069	71,754	38,685	53.9%	143,508

<i>Fire/Ambulance Stations</i>	-	-	-	-	-	-	-	-	-	-
<i>Testing Stations</i>	-	-	-	-	-	-	-	-	-	-
<i>Museums</i>	-	-	-	-	-	-	-	-	-	-
<i>Galleries</i>	-	-	-	-	-	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	-	-	-	-	-	-	-	-	-	-
<i>Police</i>	-	-	-	-	-	-	-	-	-	-
<i>Parks</i>	-	-	-	-	-	-	-	-	-	-
<i>Public Open Space</i>	-	-	-	-	-	-	-	-	-	-
<i>Nature Reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>	-	-	-	-	-	-	-	-	-	-
<i>Stalls</i>	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
<i>Monuments</i>	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	-	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>	-	-	-	-	-	-	-	-	-	-
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-	-
<i>Local Settlement Software Applications</i>	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
<i>Land</i>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	46,912	21,400	20,400	652	6,544	10,200	3,656	35.8%	20,400

Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	1	85,873	118,817	118,817	9,252	37,924	55,408	21,484	36.2%	118,817

Zoo's Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
Total Depreciation	1	361,880	491,982	491,982	31,126	164,768	245,991	61,222	24.9%	491,982

Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	3,335	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	561	8,243	8,243	-	-	4,122	4,122	100.0%	8,243	-
Indoor Facilities	561	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	8,243	8,243	-	-	4,122	4,122	100.0%	8,243	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	27	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	27	-	-	-	-	-	-	-	-	-
Staff Housing	27	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sevitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Lead Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	25,674	20,961	20,961	2,156	9,475	10,481	1,006	9.6%	20,961

References

1. Total Capital Expenditure on new assets (SC13a) plus Total Capital Expenditure on renewal of existing assets (SC13b) plus Total Capital Expenditure on upgrading of existing assets (SC13c) must reconcile to total capital exp

check balance

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- Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 Dec 2019

Description	NEWCASTLE MUNICIPALITY								
	2018/19	Current Year 2019/20							
	Unaudited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue By Source									
Service charges - water revenue	95,286	114,940		8,998	9,335	57,470	(48,135)	-83.8%	114,940
Service charges - other									
Rental of facilities and equipment									
Interest earned - external investments									
Interest earned - outstanding debtors									
Agency services									
Transfers recognised - operational									
Other revenue									
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	95,286	114,940	-	8,998	9,335	57,470	(48,135)	-83.8%	114,940
Expenditure By Type									
Employee related costs	12,269	12,907		1,574	7,251	6,454	797	12.4%	12,907
Remuneration of Directors	-	-		-	-	-	-		-
Debt impairment	-	-		-	-	-	-		-
Depreciation & asset impairment	681	896		61	365	448	(83)	-18.6%	896
Finance charges	-	-		-	-	-	-		-
Bulk purchases	24,261	24,557		3,495	13,555	12,278	1,276	10.4%	24,557
Materials and Supplies	5,550	5,465		148	2,769	2,733	36	1.3%	5,465
Contracted services	3,628	9,849		112	963	4,925	(3,962)	-80.5%	9,849
Transfers and grants	-	-		-	-	-	-		-
Other expenditure	30,760	28,552		3,195	19,204	14,276	4,928	34.5%	28,552
Loss on disposal of PPE	-	-		-	-	-	-		-
Total Expenditure	77,149	82,227	-	8,585	44,106	41,113	2,992	7.3%	82,227
Recharge									
Head Office Recharge	30,337	46,840		3,363	17,100	23,420	(6,320)	-27.0%	46,840
Surplus/(Deficit)	(12,200)	(14,126)	-	(2,950)	(51,870)	(7,063)			(14,126)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									
Transfers and subsidies - capital (in-kind - all)									
Surplus/(Deficit) for the year	(12,200)	(14,126)	-	(2,950)	(51,870)	(7,063)			(14,126)



NEWCASTLE MUNICIPALITY
(Registration number KZ252)

**INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2019**

Newcastle Municipality

Interim Financial Statements for the 6 Months ended 31 December 2019

Statement of Financial Position as at 31 December 2019

	Note(s)	31 December 2019	June 2019
Assets			
Current Assets			
Inventories	10	14 020 271	14 040 157
Other financial assets	8	739	1 646
Receivables from exchange transactions	11	80 456 760	81 187 338
Receivables from non-exchange transactions	12	20 862 166	14 335 398
Consumer debtors from exchange transactions	13	574 110 040	487 636 133
Consumer debtors from non-exchange	13	112 231 628	103 098 282
Cash and cash equivalents	14	47 010 938	9 999 201
		848 692 542	710 298 155
Non-Current Assets			
Investment property	3	357 115 585	355 813 618
Property, plant and equipment	4	6 652 168 734	6 787 874 567
Intangible assets	5	1 724 020	3 001 185
Heritage assets	6	11 488 232	11 488 232
Investments in associates	7	234 927 851	234 927 851
		7 257 424 422	7 393 105 453
Total Assets		8 106 116 964	8 103 403 608
Liabilities			
Current Liabilities			
Other financial liabilities	17	48 130 878	25 598 172
Finance lease obligation	15	401 398	852 924
Payables from exchange transactions	20	783 264 795	735 890 349
VAT payable	21	10 664 937	9 783 001
Consumer deposits	22	24 465 201	23 497 275
Unspent conditional grants and receipts	16	92 303 851	33 439 273
Defined benefit plan	18	17 335 470	8 667 735
		976 566 530	837 728 729
Non-Current Liabilities			
Other financial liabilities	17	365 918 244	400 805 603
Finance lease obligation	15	548 101	392 517
Defined benefit plan	18	139 687 517	148 355 252
Provision for rehabilitation of landfill site	19	28 843 889	28 843 889
		534 997 751	578 397 261
Total Liabilities		1 511 564 281	1 416 125 990
Net Assets		6 594 552 683	6 687 277 618
Reserves			
Housing Development fund		28 338 234	28 021 720
Self insurance reserve		503 886	497 014
Accumulated surplus		6 565 710 563	6 658 758 884
Total Net Assets		6 594 552 683	6 687 277 618

Newcastle Municipality

Interim Financial Statements for the 6 Months ended 31 December 2019

Statement of Financial Performance

	Note(s)	6 Months ended 31 December 2019	Year ended June 2019
Revenue			
Service charges	24	508 049 664	996 977 844
Rental of facilities and equipment	25	3 976 490	11 803 212
Sundry revenue	27	983 796	2 915 580
Other income	27	328 884	766 901
Fee income	27	3 742 744	9 151 834
Interest received	28	5 033 673	12 907 083
Property Rates	29	160 407 760	287 110 172
Government grants & subsidies	30	260 607 807	509 802 892
Fines		7 082 391	8 650 101
Total revenue		950 213 209	1 840 085 619
Expenditure			
Employee costs	31	289 468 095	567 840 894
Remuneration of councillors	32	12 836 718	24 481 651
Depreciation and amortisation	33	184 768 471	369 427 699
Finance costs	35	26 676 746	79 777 180
Debt Impairment	36	58 865 142	179 747 429
Collection costs		687 674	778 122
Bulk purchases	37	283 030 192	521 388 272
Contracted services	38	102 077 001	116 099 751
General Expenses	39	89 137 496	269 242 169
Total expenditure		1 047 547 535	2 128 783 167
Operating deficit		(97 334 326)	(288 697 548)
Share of deficit in investment in associates		-	(35 071 678)
Actuarial gains/losses	9	-	10 765 537
Fair value adjustments to investment property	40	-	15 370 000
Impairment loss	34	-	(16 205 077)
Profit/(Loss) on Sale of Assets		4 713 957	3 382 489
		4 713 957	(21 758 729)
Deficit for the 6 Months		(92 620 369)	(310 456 277)

Newcastle Municipality

Interim Financial Statements for the 6 Months ended 31 December 2019

Statement of Changes in Net Assets

	Housing Development Fund	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 01 July 2018	26 076 953	472 159	26 549 112	6 971 119 275	6 997 668 387
Changes in net assets					
Deficit for the year	-	-	-	(310 456 277)	(310 456 277)
Transfer of income surplus to trust capital	1 944 767	-	1 944 767	(1 944 767)	-
Transfer of capital surplus to trust capital	-	24 855	24 855	(24 855)	-
Prior Year Adjustment - Heritage Asset	-	-	-	65 508	65 508
Total changes	1 944 767	24 855	1 969 622	(312 360 391)	(310 390 769)
Balance at 01 July 2019	28 021 720	497 014	28 518 734	6 658 758 884	6 687 277 618
Deficit for the year	-	-	-	(92 620 369)	(92 620 369)
Transfer of income surplus to trust capital	316 514	-	316 514	(316 514)	-
Transfer of capital surplus to trust capital	-	6 872	6 872	(6 872)	-
Transfer to Equity	-	-	-	(104 566)	(104 566)
Total changes	316 514	6 872	323 386	(93 048 321)	(92 724 935)
Balance at 31 December 2019	28 338 234	503 886	28 842 120	6 565 710 563	6 594 552 683

Newcastle Municipality

Interim Financial Statements for the 6 Months ended 31 December 2019

Cash Flow Statement

	Note(s)	6 Months ended 31 December 2019	Year ended June 2019
Cash flows from operating activities			
Receipts			
Sale of goods and services		593 671 906	1 095 714 453
Grants		319 472 387	529 560 695
Interest income		5 033 673	12 907 083
		<u>918 177 966</u>	<u>1 638 182 231</u>
Payments			
Employee costs and Councillors remuneration		(302 304 813)	(592 322 545)
Suppliers		(491 415 467)	(876 408 367)
Finance costs		(26 676 746)	(79 777 180)
		<u>(820 397 026)</u>	<u>(1 548 508 092)</u>
Net cash flows from operating activities	42	<u>97 780 940</u>	<u>89 674 139</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(49 087 441)	(146 656 618)
Proceeds from sale of property, plant and equipment	4	-	4 426 740
Proceeds from sale of Investment property	3	-	5 374 382
Purchase of other intangible assets	5	-	(120 650)
Purchases of Heritage Assets	6	-	(31 200)
Proceeds from sale of financial assets		907	-
Net cash flows from investing activities		<u>(49 086 534)</u>	<u>(137 007 346)</u>
Cash flows from financing activities			
Net movements in long term loans		(12 354 653)	(5 650 833)
Movement in Consumer Deposits		967 926	4 530 750
Movement on finance lease		(295 942)	987 621
Net cash flows from financing activities		<u>(11 682 669)</u>	<u>(132 462)</u>
Net increase/(decrease) in cash and cash equivalents		37 011 737	(47 465 669)
Cash and cash equivalents at the beginning of the year		9 999 201	57 464 870
Cash and cash equivalents at the end of the year	14	<u>47 010 938</u>	<u>9 999 201</u>



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

NEWCASTLE MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

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



TEL: 08600 37566
SMS: 35328

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: 5085014329

YOUR ACCOUNT NO	5578885631
SECURITY HELD	1.30
BILLING DATE	2020-01-02
TAX INVOICE NO	557188120711
ACCOUNT MONTH	DECEMBER 2019
CURRENT DUE DATE	2020-02-01
VAT REG NO	4000791824

TAX INVOICE

E-MAIL: amanda.ngcobo@newcastle.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	4,272.73
TRANSMISSION NETWORK CAPACITY		R	1,358,750.00
URBAN LOW VOLTAGE SUBSIDY		R	1,935,000.00
ANCILLARY SERVICE (ALL)		R	135,715.62
ENERGY CHARGE (STD)	13,088,144.00	R	9,161,700.80
ENERGY CHARGE (PEAK)	5,122,109.00	R	5,209,697.06
ENERGY CHARGE (OFF)	17,504,385.00	R	7,773,697.38
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,064,315.94
SERVICE CHARGE		R	133,792.59

TOTAL CHARGES FOR BILLING PERIOD R **28,776,942.12**

ACCOUNT SUMMARY FOR DECEMBER 2019

BALANCE BROUGHT FORWARD	(Due Date 2020-01-02)	R	285,191,297.53
TOTAL CHARGES FOR BILLING PERIOD		R	28,776,942.12
ADJUSTMENT	Interest on overdue account	R	3,303.75
ADJUSTMENT	Interest on overdue account	R	2,933,933.32
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	4,316,541.32

COPY ONLY

ACCOUNT NO / REFERENCE NO

5578885631
NAME
NEWCASTLE MUNICIPALITY
FAX NUMBER
0343129697

0934 5578885631

11341 5578885631



9207 0557 8885 6313



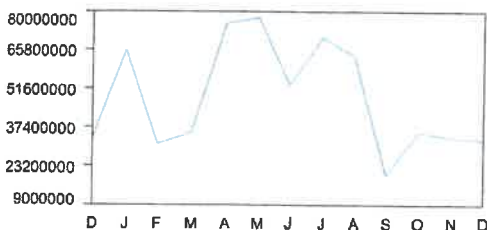
TOTAL AMOUNT DUE

321,222,018.00

ARREARS				
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT
120,033,002.	0.00	165,158,295.33	0.00	36,030,720.51
TOTAL DUE R				321,222,018.04

Account OVERDUE - Subject to Disconnection

RAND



MONTH

Message
Eskom can assist you to optimise your electrical load to free up energy you could use to expand your business. Eskom can introduce you to agencies that offer funding for your expansion. Contact your energy advisor on advisoryservice@eskom.co.za

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

PAYMENT ARRANGEMENT

INSTALMENT	0.00
ARREARS (Due Immediately)	285,191,297.5
DUE DATE (For Current Amount)	2020-02-01
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

NEWCASTLE MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

YOUR ACCOUNT NO	5578885631
BILLING DATE	2020-01-02
TAX INVOICE NO	557188120711
ACCOUNT MONTH	DECEMBER 2019
CURRENT DUE DATE	2020-02-01
VAT REG NO	4000791824
NOTIFIED MAX DEMAND	125,000.00
UTILISED CAPACITY	125,000.00

CONSUMPTION DETAILS (2019-12-01 - 2019-12-31)

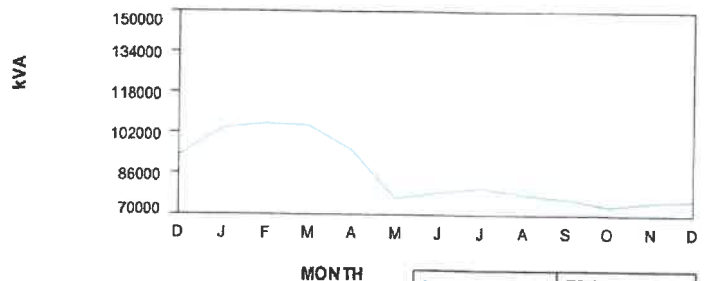
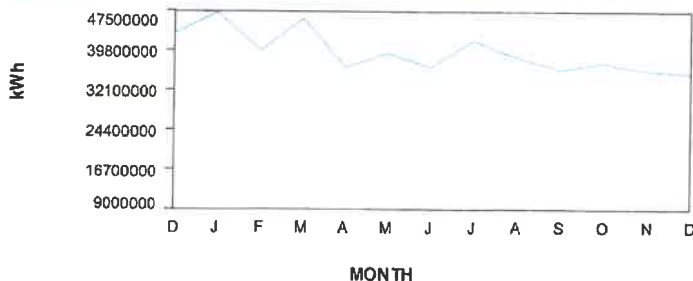
ENERGY CONSUMPTION OFF PEAK kWh	17,504,384.54
ENERGY CONSUMPTION STD kWh	13,088,144.14
ENERGY CONSUMPTION PEAK kWh	5,122,109.42
ENERGY CONSUMPTION ALL kWh	35,714,638.10
DEMAND CONSUMPTION - OFF PEAK	62,203.37
DEMAND CONSUMPTION - STD	76,251.18
DEMAND CONSUMPTION - PEAK	72,655.36
DEMAND READING - kW/KVA	76,251.18
REACTIVE ENERGY - OFF PEAK	6,228,629.12
REACTIVE ENERGY - STD	4,555,181.08
REACTIVE ENERGY - PEAK	1,716,241.16
LOAD FACTOR	67.00

PREMISE ID NUMBER 5578885383 TARIFF NAME: Megaflex

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

Administration Charge @ R137.83 per day for 31 days	R	4,272.73
TX Network Capacity Charge 125,000 kVa @ R10.87 : = R10.87/kVA	R	1,358,750.00
Urban Low Voltage Subsidy 125,000 kVa @ R15.48 : = R15.48/kVA	R	1,935,000.00
Ancillary Service Charge 35,714,638 kWh @ R0.0038 /kWh	R	135,715.62
Low Season Standard Energy Charge 13,088,144 kWh @ R0.70 /kWh	R	9,161,700.80
Low Season Peak Energy Charge 5,122,109 kWh @ R1.0171 /kWh	R	5,209,697.06
Low Season Off Peak Energy Charge 17,504,385 kWh @ R0.4441 /kWh	R	7,773,697.38
Electrification and Rural Subsidy 35,714,638 kWh @ R0.0858 /kWh	R	3,064,315.94
SERVICE CHARGE	R	133,792.59

TOTAL CHARGES R **28,776,942.12**



Tax Invoice

uThukela Water (Pty) Ltd
79 Harding Street
Newcastle
2940
Email: debtors@uthukelawater.co.za



uthukela
water

Tax Registration	4270212725
Telephone	034 328 5000
Invoice No	INV00002391
Date	02/12/2019

Bill to:

N003 **VAT No: 4000791824**
Newcastle Municipality - WSA
Private Bag X 6621
Newcastle

<u>Item Description</u>	<u>Quantity</u>	<u>Price (Ex)</u>	<u>Tax</u>
DECEMBER 2019 BULK INVOICE	2,682,523.00	3.48	1,400,277.01

Deposit Banking Details
uThukela Water (Pty) Ltd
Acc No: 061938939 Standard Bank Newcastle
Branch Code: 057724
Terms strictly 30 days from date of invoice

Total (Excl)	9,335,180.04
Tax	1,400,277.01
Total	10,735,457.05

F. MOOLA
ACT. CHIEF FINANCIAL OFFICER
for and on behalf of uThukela Water (Pty) Ltd

Directors: P.S. Naidoo (Chairperson); B. Ndlovu; A. Evetts; M.Msiwa
uThukela Water (Pty) Ltd Reg No. 2003/0299/16/07 Shareholders: Amajuba, Newcastle and Umzinyathi Municipalities

Statement

uThukela Water (Pty) Ltd
79 Harding Street
Newcastle
2940



uthukela
water

Telephone	034 328 5000
Fax	034 326 3388
Date	10/12/2019
Amount Due	74,084,972.28

N003
Newcastle Municipality - WSA
Private Bag X 6621
Newcastle
2940

Date	Reference	Description	Allocated To	Debit	Credit	Balance
01/05/2017	IVC00001935			1,251.63		1,251.63
07/06/2017	IVC00001980			1,627.78		2,879.41
30/06/2017	IVC00002017			1,924.05		4,803.46
02/07/2018	INV00002255	Invoice		8,858,738.42		8,863,541.88
01/08/2018	INV00002259	Invoice		8,459,732.24		17,323,274.12
01/10/2018	INV00002262	Invoice		9,284,356.01		26,607,630.13
01/11/2018	INV00002280	Invoice		9,513,963.97		36,121,594.10
09/11/2018	Newcastle Munic	Newcastle Municipality - WSA			7,947,858.15	28,173,735.95
01/12/2018	INV00002281	Invoice		9,564,847.28		37,738,583.23
03/12/2018	Newcastle Munic	Newcastle Municipality - WSA			7,947,858.15	29,790,725.08
02/01/2019	INV00002290	Invoice		9,454,178.64		39,244,903.72
07/01/2019	Newcastle Munic	Newcastle Municipality - WSA			7,947,858.15	31,297,045.57
28/02/2019	Newcastle Munic	Newcastle Municipality - WSA			7,947,858.15	23,349,187.42
10/03/2019	INV00002301	Invoice		9,979,858.18		33,329,045.60
29/03/2019	INV00002304	Invoice		9,093,446.29		42,422,491.89

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
10,334,040.74	12,384,333.07	10,026,522.76	10,367,809.31	9,889,318.19	10,347,491.16	10,735,457.05	74,084,972.28

Deposit Banking Details

uThukela Water (Pty) Ltd
Account Number: 61938939
Bank Name: Standard Bank
Branch Code: 057724

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
10,334,040.74	12,384,333.07	10,026,522.76	10,367,809.31	9,889,318.19	10,347,491.16	10,735,457.05	74,084,972.28

SUMMARY OF INVESTMENTS FOR NEWCASTLE FOR DECEMBER 2019

Name Of Investment	Account Number	Opening Balance	Investment Made	Investment Matured	Withdrawals Made	Interest Received	Interest Capitalized	Bank Charges Vat & Other	Balance
Self Insurance Reserve Fund	Standard Bank 068450354/015	R 1,028,806.91					R 33,321.93		R 1,062,128.84
Housing Development Fund	Standard Bank 068450354/016	R 811,947.99	R 27,000,000.00		R 27,000,000.00		R 244,665.36		R 1,056,613.35
Provincialisation	Standard Bank 068450354/035	R 41,066.22	R 0.00				R 1,340.20		R 42,406.42
MIG	Standard Bank 068450354/036	R 448,925.98	R 47,000,000.00		R 47,000,000.00		R 53,868.30		R 500,794.28
NDPG	Standard Bank 068450354/037	R 387,723.63	R 8,000,000.00		R 8,000,000.00		R 24,047.89		R 411,771.62
Electrification Grant	Standard Bank 068450354/038	R 57,157.79	R 0.00				R 1,865.35		R 59,023.14
FEM	Standard Bank 068450354/039	R 76,423.25	R 0.00				R 1,205.07		R 77,628.32
Title deed low cost housing	Standard Bank 068450354/040	R 1,251,397.91	R 4,000,000.00		R 4,000,000.00		R 164,145.02		R 5,415,542.93
Capacity Building	Absa: 9288456248	R 65,728.53						R 585.00	R 65,143.53
VAT Refund	Absa 9300806428	R 500,843.34	R 0.00						R 500,843.34
Council Funds	Nedbank 037648555441 46	R 106.84	R 0.00				R 15,148.94		R 515,992.28
Council Funds	Nedbank 037648555441 47	R 106.84	R 0.00				R 3.70		R 110.54
Council Funds	Nedbank 037648555441 48	R 106.84	R 0.00				R 3.70		R 110.54
Council Funds	Nedbank 037648555441 49	R 106.84	R 0.00				R 3.70		R 110.54
.	Nedbank 037648555441 51	R 387,924.31					R 3.70		R 110.54
Total as '2019/12/31		R 5,036,373.22	R 86,000,000.00	R 0.00	R 82,000,000.00	R 1,971.10	R 15,023.24	R 585.00	R 382,947.55
									R 9,580,434.42

(not audited capital)

C MOORE
CHIEF CLARK: FINANCIAL ACCOUNTING

N KHUMALO
ACTING MANAGER: FINANCIAL REPORTING

MS NDLOVU
DIRECTOR: BUDGET & FINANCIAL REFORMS

S M NKOSI
SED: BUDGET & TREASURY OFFICE

BALANCE PER GENERAL LEDGER '2019/10/31 (0308970100001)

Interest capitalised	2019/11/07	JV30615	Standard Bank	0684503540/015	9,439,556.82
Interest capitalised	2019/11/07	JV30614	Standard Bank	0684503540/016	5,637.51
Interest capitalised	2019/11/07	JV30613	Standard Bank	0684503540/035	5,608.23
Interest capitalised	2019/11/07	JV30612	Standard Bank	0684503540/036	225.08
					2,658.09

Interest capitalised	2019/11/07	JV30611	Standard Bank	0684503540/037	2,185.58
Interest capitalised	2019/11/07	JV30610	Standard Bank	0684503540/038	313.28
Interest capitalised	2019/11/07	JV30609	Standard Bank	0684503540/039	202.80
Interest capitalised	2019/11/07	JV30608	Standard Bank	0684503540/040	28,744.31
Interest capitalised	2019/11/07	JV30605	Nedbank	37648555411.46	0.62
Interest capitalised	2019/11/07	JV30604	Nedbank	37648555411.47	0.62
Interest capitalised	2019/11/07	JV30603	Nedbank	37648555411.48	0.62
Interest capitalised	2019/11/07	JV30606	Nedbank	37648555411.49	0.62
Interest capitalised	2019/11/07	JV30602	Nedbank	37648555411.51	2,531.09
Bank charges	2019/11/07	JV30601	ABSA	9288456248	(125.00)
Interest capitalised	2019/11/07	JV30607	ABSA	9300506428	2,547.54
BALANCE PER GENERAL LEDGER 2019/10/31 (020101000064)					9,490,087.81
Interest received	2019/11/07	JV30616	ABSA	9288456248	(996.40)
Correction jv30451	2019/11/07	JV30617	ABSA	9288456248	(330.13)
					0.17
					(1,326.36)

BALANCE PER GENERAL LEDGER 2019/10/31 (020101000075)					(403,553.60)
Interest Capitalised	2019/11/07	JV30615	Standard Bank	068450351/015	(5,637.51)
Interest Capitalised	2019/11/07	JV30614	Standard Bank	068450351/016	(5,606.23)
Interest Capitalised	2019/11/07	JV30613	Standard Bank	068450351/035	(225.08)
Interest Capitalised	2019/11/07	JV30612	Standard Bank	068450351/036	(2,658.09)
Interest Capitalised	2019/11/07	JV30611	Standard Bank	068450351/037	(2,185.58)
Interest Capitalised	2019/11/07	JV30610	Standard Bank	068450351/038	(313.28)
Interest Capitalised	2019/11/07	JV30609	Standard Bank	068450351/039	(202.80)
Interest Capitalised	2019/11/07	JV30608	Standard Bank	068450351/040	(28,744.31)
Interest Capitalised	2019/11/07	JV30607	ABSA	9300506428	(2,547.54)
Interest Capitalised	2019/11/07	JV30605	Nedbank	37648555411.46	(0.62)
Interest Capitalised	2019/11/07	JV30604	Nedbank	37648555411.47	(0.62)
Interest Capitalised	2019/11/07	JV30603	Nedbank	37648555411.48	(0.62)
Interest Capitalised	2019/11/07	JV30606	Nedbank	37648555411.49	(0.62)
Interest Capitalised	2019/11/07	JV30602	Nedbank	37648555411.51	(0.62)
					(2,531.09)
					(464,209.59)



VALUE-ADDED TAX

VATSA

Statement of Account

Enquiries should be addressed to SARS.

**NEWCASTLE MUNICIPALITY
TREASURY DEPARTMENT
PRIVATE BAG X6621
NEWCASTLE
2940**

Contact Detail

SARS
DURBAN
4000

Tel 0800 00 7277

Website: www.sars.gov.za

Details

Registration Number: **4000791824**
Date: **2019/12/17**
Statement period: **2019/03/01** to **2019/12/31**

Always quote this reference number when contacting SARS

Summary Information

TRANSACTION YEAR 2020	5 045 279.73
UNALLOCATED PAYMENTS	0.00
CLOSING BALANCE	5 045 279.73

Trading Name: NEWCASTLE MUNICIPALITY

Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				Tax	Penalty	Interest	
2019/04/12	4000791824VC2019038	RETURN	-4 158 869.05	-4 158 869.05	0.00	0.00	-4 158 869.05
2019/04/17	1D24068C	REFUND	4 158 869.05	4 158 869.05	0.00	0.00	0.00
		VAT BALANCE: TAX PERIOD 201903		0.00	0.00	0.00	0.00
2019/05/15	4000791824VC2019040	RETURN	4 224 237.39	4 224 237.39	0.00	0.00	4 224 237.39
2019/05/25		PENALTY	422 423.74	0.00	422 423.74	0.00	4 646 661.13
2019/07/01		INTEREST @ 10.25 %(20190601-20190701)	72 149.98	0.00	0.00	72 149.98	4 718 811.11
2019/07/17	4000791824VC2019040	PAYMENT	-458 498.73	0.00	-422 423.74	-36 074.99	4 260 312.38
2019/07/17	4000791824VC2019040	PAYMENT	-4 224 237.39	-4 188 162.40	0.00	-36 074.99	36 074.99
2019/07/17	4000791824VC2019040	PAYMENT	-36 074.99	-36 074.99	0.00	0.00	0.00
		VAT BALANCE: TAX PERIOD 201904		0.00	0.00	0.00	0.00
2019/06/12	4000791824VC2019052	RETURN	495 146.98	495 146.98	0.00	0.00	495 146.98
2019/06/26		PENALTY	49 514.70	0.00	49 514.70	0.00	544 661.68
2019/07/01		INTEREST @ 10.25 %	4 228.56	0.00	0.00	4 228.56	548 890.24
2019/07/17	4000791824VC2019052	PAYMENT	-495 146.98	-441 403.72	-49 514.70	-4 228.56	53 743.26
2019/07/17	4000791824VC2019052	PAYMENT	-53 743.26	-53 743.26	0.00	0.00	0.00
		VAT BALANCE: TAX PERIOD 201905		0.00	0.00	0.00	0.00
2019/07/08	4000791824VC2019064	RETURN	4 515 301.17	4 515 301.17	0.00	0.00	4 515 301.17
2019/07/26		PENALTY	451 530.12	0.00	451 530.12	0.00	4 966 831.29
2019/09/01		INTEREST @ 10.25 %(20190801-20190901)	77 121.34	0.00	0.00	77 121.34	5 043 952.63
2019/09/01	1DA17F25	JOURNAL	-5 043 952.63	-4 515 301.17	-451 530.12	-77 121.34	0.00
		VAT BALANCE: TAX PERIOD 201906		0.00	0.00	0.00	0.00
2019/09/19	4000791824VC2019076	RETURN	-10 260 075.07	-10 260 075.07	0.00	0.00	-10 260 075.07
2019/09/01	1DA17F26	JOURNAL	5 043 952.63	5 043 952.63	0.00	0.00	-5 216 122.44
2019/09/05	4000791824VC2019076	JOURNAL DEBT EQUALISATION AUTOMATED PROC	5 216 122.44	5 216 122.44	0.00	0.00	0.00
		VAT BALANCE: TAX PERIOD 201907		0.00	0.00	0.00	0.00
2019/09/26	4000791824VC2019088	RETURN	-2 407 198.53	-2 407 198.53	0.00	0.00	-2 407 198.53
2019/12/10	1E046F06	JOURNAL	2 221 898.60	2 221 898.60	0.00	0.00	-185 299.93
2019/12/16	1E046F08	JOURNAL	185 299.93	185 299.93	0.00	0.00	0.00
		VAT BALANCE: TAX PERIOD 201908		0.00	0.00	0.00	0.00
2019/10/14	4000791824VC2019090	RETURN	4 976 147.47	4 976 147.47	0.00	0.00	4 976 147.47
2019/10/26		PENALTY	497 614.75	0.00	497 614.75	0.00	5 473 762.22
2019/12/01		INTEREST @ 10 %(20191101-20191201)	82 902.62	0.00	0.00	82 902.62	5 556 664.84
2019/12/10	1E046F05	JOURNAL	-2 221 898.60	-1 641 381.23	-497 614.75	-82 902.62	3 334 766.24
		VAT BALANCE: TAX PERIOD 201909		3 334 766.24	0.00	0.00	3 334 766.24
2019/11/16	4000791824VC2019103	RETURN	1 710 513.49	1 710 513.49	0.00	0.00	1 710 513.49
2019/11/26		PENALTY	171 051.35	0.00	171 051.35	0.00	1 881 564.84
2019/12/01		INTEREST @ 10 %	14 248.58	0.00	0.00	14 248.58	1 895 813.42
2019/12/10	1E046F07	JOURNAL	185 299.93	0.00	-171 051.35	-14 248.58	1 710 513.49
		VAT BALANCE: TAX PERIOD 201910		1 710 513.49	0.00	0.00	1 710 513.49
		CUMULATIVE BALANCE		5 045 279.73	0.00	0.00	5 045 279.73

Unallocated payments excluded from the closing balance

Outstanding - Transactions are aged according to original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120+ Days	Total
1 710 513.49	3 334 766.24	0.00	0.00	0.00	5 045 279.73

Compliance Information

Diesel Concession	NONE	Selected for Audit	
Outstanding Returns			

THIS STATEMENT REFLECTS ONLY THE LATEST PERIODS. PLEASE ACCESS YOUR COMPLIANCE STATUS ON YOUR COMPLIANCE DASHBOARD TO VIEW YOUR OVERALL COMPLIANCE STATUS.

FINANCIAL REPORTING
DECEMBER 2019

Monthly Bank Reconciliation as at 2019/12/31

Cashbook balance as at 2019/12/31	-39,074,578.36
ADD	
Cheque and EFT payments not cashed by 2019/12/31	41,155,380.83
Bank deposits not receipted by 2019/12/31	2,791,020.00
Bank deposits receipted after 2019/12/31	22,739,613.84
Correction of journals not done by 2019/12/31	12,074,189.41
Cashiers over banked as at 2019/12/31	128,096.26
Easypay not on cashbook by 2019/12/31	1,839,801.41
ACB received not on system by 2019/12/31	6,681,312.09
	<u>87,409,413.84</u>
LESS	
Cashier receipts banked after 2019/12/31	-33,942.60
Bank charges done after 2019/12/31	-76,714.60
Dishonoured cheques not journalised by 2019/12/31	-129,109.27
EFT not banked by 2019/12/31	-10,689,250.37
Subtotal	<u>-10,929,016.84</u>
Total	<u><u>37,405,818.64</u></u>
Bank statement balance as at 2019/12/31 cheque account NEDBANK	28,279,618.92
Bank statement balance as at 2019/12/31 collection account NEDBANK	9,126,199.72
	<u><u>37,405,818.64</u></u>

Prepared by: C MOORE
Chief Accounting Clerk

Reviewed by: N KHUMALO
Acting Manager: Financial reporting

M S NDLOVU
Director:
Budget and Financial Reforms

S M NKOSI
Strategic Executive Director:
Budget & Treasury Office



Statement Enquiry

Date: 14/01/2020 Time: 12:43:37 PM

Account description: *NEWCASTLE LOCAL MUNICIPALITY
 Account number: 1162660066
 Statement: 8002

Date	Transactions	Debit	Credit	Balance	VAT # ENC *
31/12/2019	BROUGHT FORWARD			9,125,950.72	
31/12/2019	210002702141		567.00	9,126,517.72	
31/12/2019	210002702141		567.00	9,127,084.72	
31/12/2019	180010007902		515.00	9,127,599.72	
31/12/2019	0000000005691797 30	-1,000.00		9,126,599.72	
31/12/2019	0000000010000254 30	-400.00		9,126,199.72	
31/12/2019	CM SWP TO-1162667338	-9,126,199.72		0.00	
31/12/2019	CARRIED FORWARD			0.00	

Notice

Whilst every effort has been made to ensure that the information on this statement is accurate, Nedbank Limited takes no responsibility for any loss or damage suffered by any person as a result of their reliance upon the information contained in this statement and the contents should be verified against the final statement to be provided by Nedbank to the client.

- VAT is applicable for this transaction

* - Uncleared Effect (ENC) is applicable for this transaction

Profile name:NEWCASTLE LOCAL MUNICIPALITY
 Profile number:4000449203

User name:CHRISTA MOORE
 User ID:18



Statement Enquiry

Date: 14/01/2020 Time: 12:49:29 PM

Account description: *NEWCASTLE LOCAL MUNICIPALITY

Account number: 1162667338

Statement: 1058

Date	Transactions	Debit	Credit	Balance	VAT # ENC *
31/12/2019	BROUGHT FORWARD			28,279,618.92	
31/12/2019	CM SWP FROM-1162660066		9,126,199.72	37,405,818.64	
31/12/2019	TRANSFER TO 1180366085	-121.30		37,405,697.34	
31/12/2019	CARRIED FORWARD			37,405,697.34	

Notice

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- VAT is applicable for this transaction

* - Uncleared Effect (ENC) is applicable for this transaction

Profile name:NEWCASTLE LOCAL MUNICIPALITY
Profile number:4000449203

User name:CHRISTA MOORE
User ID:18