

**SECTION 52(d): QUARTERLY BUDGET STATEMENT: NATIONAL REPORTING STANDARD: SECOND QUARTER: 31 DECEMBER 2020: (T 6/1/1-2020/2021): BUDGET AND TREASURY OFFICE**



**REPORT TO THE NEWCASTLE MUNICIPAL COUNCIL**

File Reference:  
Report Number:

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Designation: Director: Budget and Financial Reporting

FOR CONSIDERATION

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

**SUBJECT: SECOND QUARTER SECTION52 (d) REPORT**

**PURPOSE**

The purpose of the report is to apprise the council of the Section 52(d) of the Municipal Finance Management Act 56 of 2003 (MFMA) which states that; the mayor must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality. This report is submitted to both the National and Provincial Treasuries through a series of MFMA returns that were designed by the National Treasury

**1. ANNEXURES**

- 1.1. uThukela Water Financial Performance report
- 1.2. Eskom invoice for bulk
- 1.3. uThukela invoice for bulk
- 1.4. Financial Statements as at 31 December 2020
- 1.5. Investment register
- 1.6. Loan register
- 1.7. Grant register
- 1.8. Quality Certificate

**2. ANALYSIS OF FINANCIAL RESULTS**

The financial analysis comprise of the operating budget performance, capital budget performance, analysis of financial position as well as the cash flows. Differences will be noted between the financial statement and the Section 52(d) tables due to the transitional period between the year-end. The figures reflected in the Section 52 (d) report reflect more realistic picture of the state of finances of the municipality for the reporting period. Major variances and those items with an impact on these categories are discussed in the analysis below.

## Table C1: Monthly budget statements summary

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

KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	319,656	396,522	396,522	27,916	174,406	198,261	(23,855)	-12%	396,522
Service charges	950,968	1,015,136	1,015,136	80,543	521,821	507,568	14,253	3%	1,015,136
Investment revenue	2,690	2,497	2,497	370	1,186	1,248	(62)	-5%	2,497
Transfers and subsidies	611,725	662,833	730,951	205,750	459,628	465,895	(6,267)	-1%	730,951
Other own revenue	53,667	43,701	43,701	8,609	23,265	21,850	1,415	6%	43,701
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,938,707</b>	<b>2,120,688</b>	<b>2,188,806</b>	<b>323,188</b>	<b>1,180,307</b>	<b>1,194,823</b>	<b>(14,517)</b>	<b>-1%</b>	<b>2,188,806</b>
Employee costs	540,376	594,312	596,287	45,341	270,202	298,143	(27,942)	-9%	596,287
Remuneration of Councillors	25,106	28,456	28,456	2,159	12,729	14,228	(1,499)	-11%	28,456
Depreciation & asset impairment	338,886	420,387	420,387	31,950	173,099	210,194	(37,095)	-18%	420,387
Finance charges	51,592	42,882	42,882	3,580	21,446	21,441	5	0%	42,882
Materials and bulk purchases	526,370	665,230	665,230	75,130	294,484	332,615	(38,131)	-11%	665,230
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	567,261	646,208	634,914	56,426	258,312	317,457	(59,146)	-19%	634,914
<b>Total Expenditure</b>	<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-14%</b>	<b>2,388,156</b>
<b>Surplus/(Deficit)</b>	<b>(110,884)</b>	<b>(276,785)</b>	<b>(199,349)</b>	<b>108,602</b>	<b>150,036</b>	<b>745</b>	<b>149,291</b>	<b>20028%</b>	<b>(199,349)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>105,605</b>	<b>125,548</b>	<b>139,479</b>	<b>10,537</b>	<b>33,757</b>	<b>69,740</b>	<b>(35,983)</b>	<b>-52%</b>	<b>139,479</b>
Capital transfers recognised	76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,029	35,000	48,931	3,194	11,495	24,466	(12,970)	-53%	48,931
<b>Total sources of capital funds</b>	<b>105,605</b>	<b>125,548</b>	<b>139,479</b>	<b>10,537</b>	<b>33,757</b>	<b>69,740</b>	<b>(35,983)</b>	<b>-52%</b>	<b>139,479</b>
<b>Financial position</b>									
Total current assets	908,359	499,966	708,718		903,713				708,718
Total non current assets	7,175,844	7,212,428	7,241,364		6,936,998				7,241,364
Total current liabilities	978,251	429,185	539,088		858,201				539,088
Total non current liabilities	566,829	583,382	791,498		541,520				791,498
Community wealth/Equity	<b>6,539,123</b>	<b>6,699,827</b>	<b>6,619,496</b>		<b>6,440,990</b>				<b>6,619,496</b>
<b>Cash flows</b>									
Net cash from (used) operating	152,459	150,288	115,865	120,390	160,684	173,308	12,624	7%	115,865
Net cash from (used) investing	(101,042)	(107,548)	(121,479)	(10,515)	(33,757)	(60,740)	(26,983)	44%	(121,479)
Net cash from (used) financing	(25,871)	(26,757)	(26,757)	(29,394)	(46,772)	(13,378)	33,393	-250%	(26,757)
<b>Cash/cash equivalents at the month/year end</b>	<b>35,546</b>	<b>44,043</b>	<b>3,873</b>	<b>-</b>	<b>116,424</b>	<b>135,434</b>	<b>19,010</b>	<b>14%</b>	<b>3,897</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	26,802	43,234	36,004	36,063	35,872	28,643	180,276	1,362,287	1,749,180
<b>Creditors Age Analysis</b>									
Total Creditors	65,659	45,838	13,952	13,579	19,537	14,382	80,603	207,305	460,855

### 2.1 Operating budget performance-revenue

2.1.1 The municipality generated a total revenue of R1.1 billion of the adjusted budget of R2.1 billion, representing 53.9 percent. The variance between the year-to-date revenue budget and the actual revenue accrued for the same period amounts to R14.5 million. Although the aggregate performance on revenue generated shows a variance of 1 percent, it is however necessary to explain reasons which attributed to the figurative variance.

2.1.2 The municipality generated R14.2 million (3%) more revenue from service charges than the year-to-date budget of R507.5 million for the period under review. Electricity over-performed by R21.2 million. Water, Sanitation and Refuse under-performed below target by R2.2 million, R3.2 million and R1.5 million respectively.

2.1.3 The municipality generated R23.8 million (-12%) less revenue from property rates than the year-to-date budget of R198.2 million during the period under review. The variance is attributable to the finalisation of objections on valuations of properties.

2.1.4 The municipality generated R358 thousand (-29%) less revenue from interest on investments than the year-to-date budget of R1.2 million for the period under review. This is due to the loss of funds invested from originally anticipated.

2.1.5 The municipality recorded R459.6 million for operational and R22.2 million for capital transfers and subsidies. It must be noted that the second trench for equitable share was reduced by R6.3 million for the electrification roll over not approved from 2019/20 to 2020/21.

2.1.6 The municipality generated R1.6 million (8%) more revenue from sundry revenue than a pro-rata budget of R21.8 million for the period under review.

## **2.2 Operating performance – expenditure**

2.2.1 The summary of the operating expenditure is reflected in C1 and C4 tables of the Schedule C attached hereto. As at the end of the second quarter, the municipality incurred the total expenditure of R1 billion of the adjusted budget of R2.3 billion, which represents 43.1 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R163.8 million, representing under-expenditure of 14 percent.

2.2.2 Depreciation has under-performed by R37 million (-18%) in the second quarter of the financial year due to the very low capital expenditure and projects still under work in progress (not yet capitalised). Debt impairment under-performed by R67.2million (-73%) due to the fact that the municipality is recognising debt impairment on indigents only during the year, all other impairments are done at year-end.

2.2.3 The municipality spent R37.8 million (-11%) less on the bulk purchases than the year-to-date budget of R330.3 million. This is due to the fact that warm spring months declined the consumption as a result of the less consumption.

2.2.4 The municipality spent R288 thousand (-13%) less on materials than the year-to-date budget of R1.8 million. This is mainly due to the cost containment measures in place.

2.2.5 The municipality spent R10.4 million (6%) more on contracted services than the year-to-date budget of R167.6 million. It must be noted that this category comprises of projects which are funded by grants. It must be further noted that the actual might seem too high due to mSCOA classification, previously the Repairs and Maintenance (R/M) were classified as other general expenditure in line with the mSCOA requirement all R/M which are outsources should be classified as contracted services.

2.2.6 The municipality spent R27.9 million (-9%) less on employee related costs than a pro-rata budget of R298.1 million, which is mainly due to certain positions budgeted for but not yet filled.

## 2.3 Capital budget performance

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

**KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter**

Vote Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		1,964	1,865	6,299	829	1,996	3,150	(1,153)	-37%	6,299
Vote 3 - BUDGET AND TREASURY		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		19,038	18,000	21,722	29	4,029	10,881	(6,832)	-63%	21,722
Vote 6 - TECHNICAL SERVICES		83,819	104,683	108,054	9,658	27,104	54,027	(26,924)	-50%	108,054
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		424	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Total Capital Expenditure</b>		105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,719	1,865	6,871	829	2,408	3,435	(1,027)	-30%	6,871
Community and social services		861	365	3,982	107	589	1,991	(1,402)	-70%	3,982
Sport and recreation		230	1,500	198	-	196	99	97	98%	198
Public safety		448	-	1,969	722	1,211	985	227	23%	1,969
Housing		180	-	722	-	412	361	51	14%	722
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		97,564	63,683	68,554	6,898	16,543	34,277	(17,734)	-52%	68,554
Planning and development		18,858	18,000	21,000	29	3,617	10,500	(6,883)	-66%	21,000
Road transport		78,706	45,683	47,554	6,869	12,926	23,777	(10,851)	-46%	47,554
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		5,962	59,000	60,850	2,788	14,177	30,325	(16,148)	-53%	60,650
Energy sources		424	-	-	-	-	-	-	-	-
Water management		5,113	43,000	43,000	3,130	9,444	21,500	(12,056)	-56%	43,000
Waste water management		425	16,000	17,500	(342)	4,733	8,750	(4,017)	-46%	17,500
Waste management		-	-	150	-	-	75	(75)	-100%	150
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Funded by:</b>										
National Government		76,576	90,183	90,183	7,246	22,010	45,091	(23,082)	-51%	90,183
Provincial Government		-	365	365	97	252	183	70	38%	365
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Entities, Public Entities, etc.)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		29,029	35,000	48,931	3,194	11,495	24,466	(12,970)	-53%	48,931
<b>Total Capital Funding</b>		105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479

2.3.1 Capital expenditure for the second quarter of the financial year was R33.7 million which represents 24.2% of the adjusted capital budget of R139.4 million. Comparison between the year-to-budget of R69.7 million and actual expenditure for the period reflects an under expenditure of (R35.9 million) which implies that the municipality spent 52% less than the year-to-date budget for the same period. This is due to SCM processes being at initial stages. It is further noted with concern that



capital grant expenditure is under-performing by 51%. The Strategic Executive Directors are advised to develop plans to deal with under spending to avoid grants being reverted to National Treasury.

## 2.4 Financial position

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

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

**KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter**

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		–	44,043	3,873	17,912	3,873
Call investment deposits		35,545	28,510	–	98,511	–
Consumer debtors		617,310	377,278	691,330	694,384	691,330
Other debtors		241,621	36,838	–	77,687	–
Current portion of long-term receivables		0	1	1	–	1
Inventory		13,883	13,296	13,514	15,218	13,514
<b>Total current assets</b>		<b>908,359</b>	<b>499,966</b>	<b>708,718</b>	<b>903,713</b>	<b>708,718</b>
<b>Non current assets</b>						
Long-term receivables		–	348	–	–	–
Investments		–	–	–	–	–
Investment property		355,564	355,564	355,564	257,160	355,564
Investments in Associate		234,928	204,693	234,928	217,333	234,928
Property, plant and equipment		6,573,347	6,638,512	6,638,512	6,449,288	6,638,512
Biological		–	–	–	–	–
Intangible		517	1,823	690	1,546	690
Other non-current assets		11,488	11,488	11,670	11,670	11,670
<b>Total non current assets</b>		<b>7,175,844</b>	<b>7,212,428</b>	<b>7,241,364</b>	<b>6,936,998</b>	<b>7,241,364</b>
<b>TOTAL ASSETS</b>		<b>8,084,203</b>	<b>7,712,393</b>	<b>7,950,082</b>	<b>7,840,711</b>	<b>7,950,082</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		12,149	28,757	28,757	15,349	28,757
Consumer deposits		24,493	24,738	24,914	27,011	24,914
Trade and other payables		932,941	367,022	475,665	806,089	475,665
Provisions		8,668	8,668	9,752	9,752	9,752
<b>Total current liabilities</b>		<b>978,251</b>	<b>429,185</b>	<b>539,088</b>	<b>858,201</b>	<b>539,088</b>
<b>Non current liabilities</b>						
Borrowing		389,630	375,896	584,012	339,056	584,012
Provisions		177,199	207,485	207,485	202,464	207,485
<b>Total non current liabilities</b>		<b>566,829</b>	<b>583,382</b>	<b>791,498</b>	<b>541,520</b>	<b>791,498</b>
<b>TOTAL LIABILITIES</b>		<b>1,545,080</b>	<b>1,012,567</b>	<b>1,330,585</b>	<b>1,399,721</b>	<b>1,330,585</b>
<b>NET ASSETS</b>	2	<b>6,539,123</b>	<b>6,699,827</b>	<b>6,619,496</b>	<b>6,440,990</b>	<b>6,619,496</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		6,510,091	6,671,317	6,590,056	6,411,176	6,590,056
Reserves		29,032	28,510	29,441	29,813	29,441
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>6,539,123</b>	<b>6,699,827</b>	<b>6,619,496</b>	<b>6,440,990</b>	<b>6,619,496</b>

2.4.1 As at end the end of the second quarter of the financial year, the municipality showed a favourable equity position, with a net asset effect of R6.4 billion. It must mentioned that financial statements were still in the process of being finalized which is why there has been a fluctuation under non-current assets in relation to last month's financial statement. While this picture looks good, it is however important to point out major reasons to such a favourable equity position, being consumer

debtors and the property plant and equipment (assets), which cannot instantly be converted into cash. The following provides a closer look on some of critical financial position items:

2.4.2 The municipality's debtors aging as reflected in table SC3 is a total of R1.7 billion as at the end of the second quarter. The bulk of this amount (R1.6 billion) is debt owing for more than 90 days, while R1.4 billion of the total debt is owed by households. When you drill into aged debtors less than 30 days there was a decrease of R23.8 million from R50.6 million in November to R26.8 million in December due to the easing of Covid 19 lockdown regulations. It must be noted that the total figure of debtors is inclusive of indigent

2.4.3 Property Plant and Equipment (Assets) comprise of R6.4 billion of the total assets of R7.8 billion as reflected in table C6. These assets comprise of roads, community assets, water infrastructure, electricity infrastructure, other plants and equipment which the municipality has acquired for service delivery as well as for its own use. Service delivery of the municipal is majored by its ability to provide these services to communities. It is however important to note that the majority of these assets may not be easily converted to cash and cash equivalent.

2.4.4 The municipality closed with a balance of cash and cash equivalent of R116.4 million as at the end of the second quarter of the financial year, of which R17.9 million was at the current account and R98.5 million was from was from the call investments. It must be noted that the municipality had an obligation of R28 million relating to the HDF. The short-term obligations are sitting at R460.8 million as illustrated on SC4, while unspent conditional grants amount to R83.7 million, representing a cash short-fall of R456.1 million. Table SC4 reflects that the municipality was owing creditors to the tune of R460.8 million. Included under creditors is Eskom for R283.6 million, uThukela Water for R121.4 million, SARS – PAYE for R15.8 million, pension and other employee benefits for R7.1 million and other trade creditors for R32.7 million.

It must be mentioned that the liquidity position of the municipality keeps not being favourable. Looking at the cash position as mentioned above the municipality is currently not in the position to cover its short-term obligations, including unspent conditional grants.

2.4.5 The net asset value (assets minus liabilities) of the municipality indicates that the municipality is still a going concern. The **going concern** principle seeks to establish whether an entity will be in existence over the next twelve months or whether it will be liquidated. In terms of table C6, the total net asset of the municipality is R6.4 billion, while the net current asset is R45.5 million. The net current ratio indicates that the municipality's current will be adequate to cover for the current liabilities over the next twelve months. Due to the standing of the municipality by virtue of being a government entity, the municipality is still regarded as a going concern since it is still expecting to receive rates and taxes and government grants over the next twelve months.

2.4.6 The **liquidity ratio** of the municipality is currently sitting at 13.6% as reflected in table SC2. As per paragraph 2.4.4 above, however, if one takes into account the impact of the HDF, conditional grants and creditors, the liquidity ratio is estimated at 0.25%, since the municipality needs R460.8 million in order to pay all its short term obligations. Again this is a bad reflecting on the state of

finances of the municipality. As with the going concern principle, the liquidity state of the municipality is more like to negatively impact the image of the municipality to public, business sector and other spheres of government.

## 2.5 Cash flow analysis

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

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2019/20		Budget Year 2020/21						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		247,108	318,058	277,259	27,916	199,049	138,630	60,419	44%	277,259
Service charges		1,096,265	832,349	839,506	150,505	384,072	419,753	(35,681)	-9%	839,506
Other revenue		84,390	27,620	27,771	6,496	14,497	13,885	612	4%	27,771
Transfers and Subsidies - Operational		535,551	662,833	730,951	184,855	433,493	439,760	(6,267)	-1%	730,951
Transfers and Subsidies - Capital		119,740	90,548	90,548	-	86,365	86,365	-	-	90,548
Interest		8,444	2,497	2,497	1,019	3,740	1,248	2,491	200%	2,497
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(1,887,448)	(1,740,736)	(1,809,786)	(246,820)	(939,086)	(904,893)	34,193	-4%	(1,809,786)
Finance charges		(51,592)	(42,882)	(42,882)	(3,580)	(21,446)	(21,441)	5	0%	(42,882)
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>152,459</b>	<b>150,288</b>	<b>115,865</b>	<b>120,390</b>	<b>160,684</b>	<b>173,308</b>	<b>12,624</b>	<b>7%</b>	<b>115,865</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	18,000	18,000	-	-	9,000	(9,000)	-100%	18,000
Decrease (increase) in non-current receivables		4,563	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(105,605)	(125,548)	(139,479)	(10,515)	(33,757)	(69,740)	(35,983)	52%	(139,479)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(101,042)</b>	<b>(107,548)</b>	<b>(121,479)</b>	<b>(10,515)</b>	<b>(33,757)</b>	<b>(60,740)</b>	<b>(26,983)</b>	<b>44%</b>	<b>(121,479)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
<b>Payments</b>										
Repayment of borrowing		(25,871)	(28,757)	(28,757)	(29,394)	(46,772)	(14,378)	32,393	-225%	(28,757)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(25,871)</b>	<b>(26,757)</b>	<b>(26,757)</b>	<b>(29,394)</b>	<b>(46,772)</b>	<b>(13,378)</b>	<b>33,393</b>	<b>-250%</b>	<b>(26,757)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		9,999	28,060	36,244		36,268	36,244			36,268
Cash/cash equivalents at month/year end:		35,546	44,043	3,873		116,424	135,434			3,897

- 2.5.1 The municipality opened with a cash and cash equivalent balance of R36.2 million at the beginning of the financial year and closed with a balance of R116.4 million as at the end of the second quarter which represents a cash increase of R80.1 million since the beginning of the financial year. This is due to receipt of Equitable Share.
- 2.5.2 Cash flows from operating activities yielded a net cash inflow of R160.6million as result of receipts from services charges, property rates, and government grants as well as other sundry receipts. This net cash inflows was after the municipality paid its suppliers for services rendered, remunerated its employees and councillors and paid the portion of the outstanding interest on loans.
- 2.5.3 Cash flows from investing activities recorded net cash outflows of R33.7 million due to capital expenditure not being incurred during the month.
- 2.5.4 Cash flows from financing activities recorded net cash outflows of R46.7 million. This was due to the capital repayment of loans by the municipality during the period.

### **3. CONCLUSION**

The under-expenditure on operational budget is acceptable if it is due to the introduction of cost-containment. However at this stage it is impossible to measure savings due to cost containment and those which are the result of delays in the procurement processes. It is advisor able that the Strategic Executive Directors set measures to contain cost within their respective departments and thus will enable the budget and treasury office to be able to track cost if savings are due to cost containment. Savings on the unnecessary expenditure may also be reprioritised to service delivery while ensuring that maintenance is not compromised as it seem to be under-performing by 81.3%. The grant spending seem to be underperforming it is also advisor able that all grant funded projects be treated as a standing item to EXCO, monthly, and to Council quarterly to fast track progress and to ensure that remedial steps are taken at early stage.

Furthermore the financial position of the municipality seem to be in stale. It is advisor able that MANCO come up with the consolidated recommendations and action plans to change this negative situation.

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

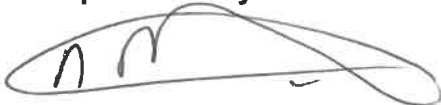
### **4. RECOMMENDED**

- 4.1 That the municipality implements the costs containment strategies in line with its regulations and the policies of Council;
- 4.2 That municipality prioritise the payment of Eskom, Uthukela Water, SARS and external loans in order reduce its debts and not incur fruitless and wasteful expenditure;
- 4.3 That the municipality prioritise the payment of grant related invoices in order not to revert funds to National Treasury;
- 4.3 That the municipality resuscitate its debt collection strategies in order to improve its collection rate;

**Report prepared by:**

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**Report seen by:**



**COUNICLLOR DR NNG MAHLABA**  
PORTFOLIO COUNCILLOR  
BUDGET AND TREASURY OFFICE



**SM NKOSI**  
STRATEGIC EXECUTIVE DIRECTOR:  
BUDGET AND TREASURY OFFICE



**KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	319,656	396,522	396,522	27,916	174,406	198,261	(23,855)	-12%	396,522
Service charges	950,968	1,015,136	1,015,136	80,543	521,821	507,568	14,253	3%	1,015,136
Investment revenue	2,690	2,497	2,497	370	1,186	1,248	(62)	-5%	2,497
Transfers and subsidies	611,725	662,833	730,951	205,750	459,628	465,895	(6,267)	-1%	730,951
Other own revenue	53,667	43,701	43,701	8,609	23,265	21,850	1,415	6%	43,701
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,938,707</b>	<b>2,120,688</b>	<b>2,188,806</b>	<b>323,188</b>	<b>1,180,307</b>	<b>1,194,823</b>	<b>(14,517)</b>	<b>-1%</b>	<b>2,188,806</b>
Employee costs	540,376	594,312	596,287	45,341	270,202	298,143	(27,942)	-9%	596,287
Remuneration of Councillors	25,106	28,456	28,456	2,159	12,729	14,228	(1,499)	-11%	28,456
Depreciation & asset impairment	338,886	420,387	420,387	31,950	173,099	210,194	(37,095)	-18%	420,387
Finance charges	51,592	42,882	42,882	3,580	21,446	21,441	5	0%	42,882
Materials and bulk purchases	526,370	665,230	665,230	75,130	294,484	332,615	(38,131)	-11%	665,230
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	567,261	646,208	634,914	56,426	258,312	317,457	(59,146)	-19%	634,914
<b>Total Expenditure</b>	<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-14%</b>	<b>2,388,156</b>
<b>Surplus/(Deficit)</b>	<b>(110,884)</b>	<b>(276,785)</b>	<b>(199,349)</b>	<b>108,602</b>	<b>150,036</b>	<b>745</b>	<b>149,291</b>	<b>20028%</b>	<b>(199,349)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>105,605</b>	<b>125,548</b>	<b>139,479</b>	<b>10,537</b>	<b>33,757</b>	<b>69,740</b>	<b>(35,983)</b>	<b>-52%</b>	<b>139,479</b>
Capital transfers recognised	76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,029	35,000	48,931	3,194	11,495	24,466	(12,970)	-53%	48,931
<b>Total sources of capital funds</b>	<b>105,605</b>	<b>125,548</b>	<b>139,479</b>	<b>10,537</b>	<b>33,757</b>	<b>69,740</b>	<b>(35,983)</b>	<b>-52%</b>	<b>139,479</b>
<b>Financial position</b>									
Total current assets	908,359	499,966	708,718		903,713				708,718
Total non current assets	7,175,844	7,212,428	7,241,364		6,936,998				7,241,364
Total current liabilities	978,251	429,185	539,088		858,201				539,088
Total non current liabilities	566,829	583,382	791,498		541,520				791,498
Community wealth/Equity	6,539,123	6,699,827	6,619,496		6,440,990				6,619,496
<b>Cash flows</b>									
Net cash from (used) operating	152,459	150,288	115,865	120,390	160,684	173,308	12,624	7%	115,865
Net cash from (used) investing	(101,042)	(107,548)	(121,479)	(10,515)	(33,757)	(60,740)	(26,983)	44%	(121,479)
Net cash from (used) financing	(25,871)	(26,757)	(26,757)	(29,394)	(46,772)	(13,378)	33,393	-250%	(26,757)
<b>Cash/cash equivalents at the month/year end</b>	<b>35,546</b>	<b>44,043</b>	<b>3,873</b>	<b>-</b>	<b>116,424</b>	<b>135,434</b>	<b>19,010</b>	<b>14%</b>	<b>3,897</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	26,802	43,234	36,004	36,063	35,872	28,643	180,276	1,362,287	1,749,180
<b>Creditors Age Analysis</b>									
Total Creditors	65,659	45,838	13,952	13,579	19,537	14,382	80,603	207,305	460,855

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		435,104	515,968	584,867	80,949	280,165	292,434	(12,269)	-4%	584,867
Executive and council		8,859	8,310	77,209	2,212	7,269	38,605	(31,336)	-81%	77,209
Finance and administration		426,246	507,658	507,658	78,737	272,896	253,829	19,067	8%	507,658
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		106,328	202,896	202,115	9,422	54,686	101,058	(46,371)	-46%	202,115
Community and social services		12,704	9,917	9,917	1,065	5,828	4,959	869	18%	9,917
Sport and recreation		410	697	697	5	22	348	(326)	-94%	697
Public safety		10,596	14,176	14,176	1,087	2,978	7,088	(4,111)	-58%	14,176
Housing		82,579	178,045	177,264	7,262	45,812	88,632	(42,820)	-48%	177,264
Health		39	61	61	3	47	30	17	55%	61
<i>Economic and environmental services</i>		180,902	73,475	73,475	13,035	50,052	36,738	13,314	36%	73,475
Planning and development		18,647	42,324	42,324	13,035	38,644	21,162	17,482	83%	42,324
Road transport		162,256	31,151	31,151	-	11,408	15,575	(4,168)	-27%	31,151
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,292,795	1,418,730	1,418,730	227,111	817,566	809,785	7,781	1%	1,418,730
Energy sources		655,124	698,157	698,157	84,032	396,462	387,884	8,578	2%	698,157
Water management		309,037	347,971	347,971	56,266	193,101	212,791	(19,690)	-9%	347,971
Waste water management		209,851	237,307	237,307	60,556	145,348	141,464	3,884	3%	237,307
Waste management		118,782	135,295	135,295	26,257	82,656	67,647	15,008	22%	135,295
<i>Other</i>	4	154	167	167	14	99	83	16	19%	167
<b>Total Revenue - Functional</b>	2	<b>2,015,283</b>	<b>2,211,236</b>	<b>2,279,354</b>	<b>330,531</b>	<b>1,202,568</b>	<b>1,240,097</b>	<b>(37,529)</b>	<b>-3%</b>	<b>2,279,354</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		392,249	472,252	472,338	29,780	198,207	236,169	(37,962)	-16%	472,338
Executive and council		65,659	70,540	70,540	6,138	43,413	35,270	8,143	23%	70,540
Finance and administration		325,857	393,755	393,842	23,546	154,566	196,921	(42,355)	-22%	393,842
Internal audit		733	7,956	7,956	96	228	3,978	(3,751)	-94%	7,956
<i>Community and public safety</i>		266,880	300,685	300,212	43,783	162,004	150,106	11,898	8%	300,212
Community and social services		27,069	38,388	38,388	2,593	14,907	19,194	(4,286)	-22%	38,388
Sport and recreation		67,072	73,485	73,485	6,289	35,082	36,742	(1,661)	-5%	73,485
Public safety		68,334	63,029	63,029	4,854	25,990	31,514	(5,525)	-18%	63,029
Housing		98,365	117,341	116,868	29,425	81,932	58,434	23,498	40%	116,868
Health		6,040	8,442	8,442	622	4,093	4,221	(128)	-3%	8,442
<i>Economic and environmental services</i>		304,847	342,130	343,665	43,690	202,917	171,832	31,084	18%	343,665
Planning and development		86,389	102,357	102,357	13,853	66,542	51,178	15,364	30%	102,357
Road transport		218,450	239,763	241,298	29,837	136,366	120,649	15,717	13%	241,298
Environmental protection		8	10	10	-	9	5	4	79%	10
<i>Trading services</i>		1,083,921	1,280,641	1,270,175	97,333	467,109	635,087	(167,978)	-26%	1,270,175
Energy sources		552,417	680,599	671,919	71,295	282,636	335,959	(53,324)	-16%	671,919
Water management		408,372	495,718	495,718	20,469	146,025	247,859	(101,834)	-41%	495,718
Waste water management		56,658	53,129	51,342	3,673	24,168	25,671	(1,503)	-6%	51,342
Waste management		66,474	51,196	51,196	1,895	14,280	25,598	(11,317)	-44%	51,196
<i>Other</i>		1,694	1,766	1,766	-	33	883	(850)	-96%	1,766
<b>Total Expenditure - Functional</b>	3	<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-14%</b>	<b>2,388,156</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>

**KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter**

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	73,749	78,201	147,100	35,042	70,213	73,550	(3,337)	-4.5%	147,100
Vote 2 - COMMUNITY SERVICES		142,531	160,511	160,511	28,417	91,530	80,255	11,275	14.0%	160,511
Vote 3 - BUDGET AND TREASURY		361,355	436,267	436,267	45,910	209,975	218,133	(8,159)	-3.7%	436,267
Vote 4 - MUNICIPAL MANAGER		-	1,500	1,500	-	-	750	(750)	-100.0%	1,500
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		101,380	187,341	186,560	7,367	47,050	93,280	(46,230)	-49.6%	186,560
Vote 6 - TECHNICAL SERVICES		681,144	649,259	649,259	129,762	387,339	386,245	1,094	0.3%	649,259
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		655,124	698,157	698,157	84,032	396,462	387,884	8,578	2.2%	698,157
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>2,015,283</b>	<b>2,211,236</b>	<b>2,279,354</b>	<b>330,531</b>	<b>1,202,568</b>	<b>1,240,097</b>	<b>(37,529)</b>	<b>-3.0%</b>	<b>2,279,354</b>
<b>Expenditure by Vote</b>										
Vote 1 - CORPORATE SERVICES	1	121,205	152,785	152,785	5,917	48,381	76,392	(28,012)	-36.7%	152,785
Vote 2 - COMMUNITY SERVICES		287,455	271,386	271,386	20,295	117,976	135,693	(17,717)	-13.1%	271,386
Vote 3 - BUDGET AND TREASURY		139,996	176,376	176,463	11,997	84,948	88,231	(3,283)	-3.7%	176,463
Vote 4 - MUNICIPAL MANAGER		78,740	82,435	82,435	7,333	37,398	41,218	(3,819)	-9.3%	82,435
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMEN		125,741	150,587	150,114	33,037	95,933	75,057	20,876	27.8%	150,114
Vote 6 - TECHNICAL SERVICES		744,037	859,324	859,072	64,196	359,046	429,536	(70,490)	-16.4%	859,072
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		552,417	704,582	695,902	71,811	286,589	347,951	(61,361)	-17.6%	695,902
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-13.7%</b>	<b>2,388,156</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274.4%</b>	<b>(108,801)</b>

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		319,656	396,522	396,522	27,916	174,406	198,261	(23,855)	-12%	396,522
Service charges - electricity revenue		581,207	609,866	609,866	48,077	326,151	304,933	21,218	7%	609,866
Service charges - water revenue		178,594	190,579	190,579	15,367	93,079	95,289	(2,210)	-2%	190,579
Service charges - sanitation revenue		108,915	118,793	118,793	9,359	56,180	59,396	(3,216)	-5%	118,793
Service charges - refuse revenue		82,251	95,898	95,898	7,740	46,410	47,949	(1,539)	-3%	95,898
Rental of facilities and equipment		7,817	8,495	8,495	643	3,671	4,248	(577)	-14%	8,495
Interest earned - external investments		2,690	2,497	2,497	370	1,186	1,248	(62)	-5%	2,497
Interest earned - outstanding debtors		5,754	6,325	6,325	444	2,553	3,162	(609)	-19%	6,325
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		9,054	13,114	13,114	1,023	3,612	6,557	(2,945)	-45%	13,114
Licences and permits		8	38	38	2	38	19	19	100%	38
Agency services		-	-	-	-	-	-	-	-	0.00%
Transfers and subsidies		611,725	662,833	730,951	205,750	459,628	465,895	(6,267)	-1%	730,951
Other revenue		31,034	15,729	15,729	6,496	13,344	7,864	5,480	70%	15,729
Gains		-	-	-	0	47	-	47	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,938,707</b>	<b>2,120,688</b>	<b>2,188,806</b>	<b>323,188</b>	<b>1,180,307</b>	<b>1,194,823</b>	<b>(14,517)</b>	<b>-1%</b>	<b>2,188,806</b>
<b>Expenditure By Type</b>										
Employee related costs		540,376	594,312	596,287	45,341	270,202	298,143	(27,942)	-9%	596,287
Generation of councillors		25,106	28,456	28,456	2,159	12,729	14,228	(1,499)	-11%	28,456
Debt impairment		137,893	184,700	184,700	1,586	25,118	92,350	(67,231)	-73%	184,700
Depreciation & asset impairment		338,886	420,387	420,387	31,950	173,099	210,194	(37,095)	-18%	420,387
Finance charges		51,592	42,882	42,882	3,580	21,446	21,441	5	0%	42,882
Bulk purchases		524,253	660,671	660,671	74,611	292,492	330,335	(37,843)	-11%	660,671
Other materials		2,117	4,559	4,559	519	1,992	2,279	(288)	-13%	4,559
Contracted services		215,154	337,719	335,209	50,561	178,080	167,604	10,475	6%	335,209
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		214,115	123,788	115,005	4,278	55,113	57,502	(2,389)	-4%	115,005
Losses		100	1	1	-	-	1	(1)	-100%	1
<b>Total Expenditure</b>		<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-14%</b>	<b>2,388,156</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(110,884)	(276,785)	(199,349)	108,602	150,036	745	149,291	0	(199,349)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	(0)	90,548
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>			<b>(108,801)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>			<b>(108,801)</b>
Share of surplus/ (deficit) of minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>			<b>(108,801)</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>			<b>(108,801)</b>

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2018/20		Budget Year 2020/21						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		1,964	1,865	6,299	629	1,996	3,150	(1,153)	-37%	6,299
Vote 3 - BUDGET AND TREASURY		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		19,038	18,000	21,722	29	4,029	10,861	(6,832)	-63%	21,722
Vote 6 - TECHNICAL SERVICES		83,819	104,683	108,054	9,658	27,104	54,027	(26,924)	-50%	108,054
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		424	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Total Capital Expenditure</b>		105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		360	1,000	3,404	22	629	1,702	(1,074)	-63%	3,404
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,719	1,865	6,871	829	2,408	3,435	(1,027)	-30%	6,871
Community and social services		861	365	3,982	107	589	1,991	(1,402)	-70%	3,982
Sport and recreation		230	1,500	198	-	196	99	97	98%	198
Public safety		448	-	1,969	722	1,211	986	227	23%	1,969
Housing		180	-	722	-	412	361	51	14%	722
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		87,584	63,683	68,554	6,898	16,543	34,277	(17,734)	-52%	68,554
Planning and development		18,858	18,000	21,000	29	3,617	10,500	(6,883)	-66%	21,000
Road transport		78,706	45,683	47,554	6,869	12,926	23,777	(10,851)	-46%	47,554
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		5,962	58,000	60,850	2,788	14,177	30,325	(16,148)	-53%	60,850
Energy sources		424	-	-	-	-	-	-	-	-
Water management		5,113	43,000	43,000	3,130	9,444	21,500	(12,056)	-56%	43,000
Waste water management		425	16,000	17,500	(342)	4,733	8,750	(4,017)	-46%	17,500
Waste management		-	-	150	-	-	75	(75)	-100%	150
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479
<b>Funded by:</b>										
National Government		76,576	90,183	90,183	7,246	22,010	45,091	(23,082)	-51%	90,183
Provincial Government		-	365	365	97	252	183	70	38%	365
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	6	29,029	35,000	48,931	3,194	11,495	24,466	(12,970)	-53%	48,931
<b>Total Capital Funding</b>		105,605	125,548	139,479	10,537	33,757	69,740	(35,983)	-52%	139,479

**References**

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment
- Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations
- Include expenditure on investment property, intangible and biological assets
- 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 - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		–	44,043	3,873	17,912	3,873
Call investment deposits		35,545	28,510	–	98,511	–
Consumer debtors		617,310	377,278	691,330	694,384	691,330
Other debtors		241,621	36,838	–	77,687	–
Current portion of long-term receivables		0	1	1	–	1
Inventory		13,883	13,296	13,514	15,218	13,514
<b>Total current assets</b>		<b>908,359</b>	<b>499,966</b>	<b>708,718</b>	<b>903,713</b>	<b>708,718</b>
<b>Non current assets</b>						
Long-term receivables		–	348	–	–	–
Investments		–	–	–	–	–
Investment property		355,564	355,564	355,564	257,160	355,564
Investments in Associate		234,928	204,693	234,928	217,333	234,928
Property, plant and equipment		6,573,347	6,638,512	6,638,512	6,449,288	6,638,512
Biological		–	–	–	–	–
Intangible		517	1,823	690	1,546	690
Other non-current assets		11,488	11,488	11,670	11,670	11,670
<b>Total non current assets</b>		<b>7,175,844</b>	<b>7,212,428</b>	<b>7,241,364</b>	<b>6,936,998</b>	<b>7,241,364</b>
<b>TOTAL ASSETS</b>		<b>8,084,203</b>	<b>7,712,393</b>	<b>7,950,082</b>	<b>7,840,711</b>	<b>7,950,082</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		12,149	28,757	28,757	15,349	28,757
Consumer deposits		24,493	24,738	24,914	27,011	24,914
Trade and other payables		932,941	367,022	475,665	806,089	475,665
Provisions		8,668	8,668	9,752	9,752	9,752
<b>Total current liabilities</b>		<b>978,251</b>	<b>429,185</b>	<b>539,088</b>	<b>858,201</b>	<b>539,088</b>
<b>Non current liabilities</b>						
Borrowing		389,630	375,896	584,012	339,056	584,012
Provisions		177,199	207,485	207,485	202,464	207,485
<b>Total non current liabilities</b>		<b>566,829</b>	<b>583,382</b>	<b>791,498</b>	<b>541,520</b>	<b>791,498</b>
<b>TOTAL LIABILITIES</b>		<b>1,545,080</b>	<b>1,012,567</b>	<b>1,330,585</b>	<b>1,399,721</b>	<b>1,330,585</b>
<b>NET ASSETS</b>	2	<b>6,539,123</b>	<b>6,699,827</b>	<b>6,619,496</b>	<b>6,440,990</b>	<b>6,619,496</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		6,510,091	6,671,317	6,590,056	6,411,176	6,590,056
Reserves		29,032	28,510	29,441	29,813	29,441
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>6,539,123</b>	<b>6,699,827</b>	<b>6,619,496</b>	<b>6,440,990</b>	<b>6,619,496</b>

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		247,108	318,058	277,259	27,916	199,049	138,630	60,419	44%	277,259
Service charges		1,096,265	832,349	839,506	150,505	384,072	419,753	(35,681)	-9%	839,506
Other revenue		84,390	27,620	27,771	6,496	14,497	13,885	612	4%	27,771
Transfers and Subsidies - Operational		535,551	662,833	730,951	184,855	433,493	439,760	(6,267)	-1%	730,951
Transfers and Subsidies - Capital		119,740	90,548	90,548	-	86,365	86,365	-		90,548
Interest		8,444	2,497	2,497	1,019	3,740	1,248	2,491	200%	2,497
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(1,887,448)	(1,740,736)	(1,809,786)	(246,820)	(939,086)	(904,893)	34,193	-4%	(1,809,786)
Finance charges		(51,592)	(42,882)	(42,882)	(3,580)	(21,446)	(21,441)	5	0%	(42,882)
Transfers and Grants		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>152,459</b>	<b>150,288</b>	<b>115,865</b>	<b>120,390</b>	<b>160,684</b>	<b>173,308</b>	<b>12,624</b>	<b>7%</b>	<b>115,865</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	18,000	18,000	-	-	9,000	(9,000)	-100%	18,000
Decrease (increase) in non-current receivables		4,563	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(105,605)	(125,548)	(139,479)	(10,515)	(33,757)	(69,740)	(35,983)	52%	(139,479)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(101,042)</b>	<b>(107,548)</b>	<b>(121,479)</b>	<b>(10,515)</b>	<b>(33,757)</b>	<b>(60,740)</b>	<b>(26,983)</b>	<b>44%</b>	<b>(121,479)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
<b>Payments</b>										
Repayment of borrowing		(25,871)	(28,757)	(28,757)	(29,394)	(46,772)	(14,378)	32,393	-225%	(28,757)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(25,871)</b>	<b>(26,757)</b>	<b>(26,757)</b>	<b>(29,394)</b>	<b>(46,772)</b>	<b>(13,378)</b>	<b>33,393</b>	<b>-250%</b>	<b>(26,757)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>25,547</b>	<b>15,983</b>	<b>(32,372)</b>	<b>80,481</b>	<b>80,156</b>	<b>99,190</b>			<b>(32,372)</b>
Cash/cash equivalents at beginning:		9,999	28,060	36,244		36,268	36,244			36,268
Cash/cash equivalents at month/year end:		35,546	44,043	3,873		116,424	135,434			3,897

KZN252 Newcastle - Supporting Table SC.1 Material variance explanations - Q2 Second Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<p><b>R thousands</b></p> <p><b>Revenue By Source</b></p> <p>Property rates</p> <p>Rental of facilities and equipment</p> <p>Interest earned - external investments</p> <p>Interest earned - outstanding debtors</p> <p>Fines, penalties and forfeits</p> <p>Licences and permits</p>	<p>-12%</p> <p>-14%</p> <p>-29%</p> <p>-19%</p> <p>-45%</p> <p>100%</p>	<p>The variance is due to there being vacant facilities, furthermore due to the lockdown restrictions certain municipal facilities aren't being utilized to generate revenue.</p> <p>Due to slow spending investments are accumulating more interest than anticipated</p> <p>Due to an increase on our debtors book.</p> <p>Dependent on the consumers reaction</p> <p>Dependent on the consumers reaction</p>	<p>This item will be monitored during the course of the year whether an adjustment would be required.</p> <p>This item will be monitored during the course of the year whether an adjustment would be required.</p> <p>This item will be monitored during the course of the year whether an adjustment would be required.</p> <p>This item will be monitored during the course of the year whether an adjustment would be required.</p>
2	<p><b>Expenditure By Type</b></p> <p>Remuneration of councillors</p> <p>Debt impairment</p> <p>Depreciation &amp; asset impairment</p> <p>Other materials</p>	<p>-11%</p> <p>-73%</p> <p>-18%</p> <p>-13%</p>	<p>Death and dismissal of two councillors respectively has resulted to this variance.</p> <p>Only debt impairment for indigents is calculated monthly all other debtors is Biannually</p> <p>This is due to the very low capital expenditure and projects still under work in progress (not yet capitalised)</p> <p>Cross cut measures are implemented to reduce the expenditure for material</p>	<p>This item will be monitored during the course of the year whether an adjustment would be required.</p> <p>This item will be monitored during the course of the year whether an adjustment would be required.</p>
3	<p><b>Capital Expenditure</b></p> <p>Grant funded projects</p> <p>Internally funded projects</p> <p>Repairs and maintenance</p>	<p>-51%</p> <p>-53%</p> <p>81%</p>	<p>Due to SCM processe being at initial stages</p> <p>Due to SCM processe being at initial stages</p> <p>Due to SCM processe being at initial stages</p>	<p>Fast track SCM processes and management of contractors</p> <p>Fast track SCM processes and management of contractors</p> <p>Fast track SCM processes and management of contractors</p>
4	<p><b>Financial Position</b></p>			
5	<p><b>Cash Flow</b></p> <p>Net Cash from Operating Activities</p> <p>Net Cash Used from Investing Activities</p> <p>Net Cash Used from Financial Activities</p>	<p>7%</p> <p>44%</p> <p>-250%</p>	<p>Equitable Share and other grants bulk of it received early in the financial year</p> <p>Slow capital expenditure</p> <p>Based on amortisation schedules</p>	<p>None</p> <p>None</p> <p>None</p>
6	<p><b>Measurable performance</b></p>			
7	<p><b>Municipal Entities</b></p>			

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q2 Second Quarter

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1.3%	19.3%	19.4%	2.1%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		20.4%	11.5%	16.4%	18.0%	16.4%
Gearing	Long Term Borrowing/ Funds & Reserves		1342.1%	1318.5%	1983.7%	1137.3%	1983.7%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	92.9%	116.5%	131.5%	105.3%	131.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		3.6%	16.9%	0.7%	13.6%	0.7%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		44.3%	19.5%	31.6%	65.4%	31.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Debtors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		27.9%	28.0%	27.2%	22.9%	27.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		20.1%	21.8%	21.2%	1.8%	3.3%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN252 Newcastle - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description		NT Code	Budget Year 2020/21										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.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 1Yr	Total					
<b>R thousands</b>																
<b>Debtors Age Analysis By Income Source</b>																
	Trade and Other Receivables from Exchange Transactions - Water	1200	24,605	10,799	9,033	9,945	7,534	7,252	48,792	366,579	484,538	440,101	418			
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	45,676	1,906	1,919	1,206	885	637	10,032	58,819	121,079	71,578	5			
	Receivables from Non-exchange Transactions - Property Rates	1400	34,402	9,921	9,129	9,256	13,768	7,913	42,043	216,768	343,199	289,747	186			
	Receivables from Exchange Transactions - Waste Water Management	1500	15,126	6,294	6,025	6,701	5,887	5,466	33,039	285,666	364,203	336,758	306			
	Receivables from Exchange Transactions - Waste Management	1600	11,738	4,760	4,522	4,604	4,287	4,138	24,422	149,211	207,682	186,662	125			
	Receivables from Exchange Transactions - Property Rental Debtors	1700	544	165	142	156	156	140	769	4,442	6,514	5,663	1			
	Interest on Arrear Debtor Accounts	1810	917	482	412	549	377	352	2,415	44,173	49,678	47,867	17			
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-			
	Other	1900	(106,207)	8,908	4,821	3,648	2,978	2,745	18,765	236,630	172,287	264,766	192			
	<b>Total By Income Source</b>	<b>2000</b>	<b>26,802</b>	<b>43,234</b>	<b>36,004</b>	<b>36,063</b>	<b>35,872</b>	<b>28,643</b>	<b>180,276</b>	<b>1,362,287</b>	<b>1,749,180</b>	<b>1,643,141</b>	<b>1,250</b>			
<b>2019/20 - totals only</b>																
<b>Debtors Age Analysis By Customer Group</b>																
	Organs of State	2200	(25,339)	6,649	2,089	759	5,763	450	2,816	18,562	11,759	28,350	-			
	Commercial	2300	(20,959)	4,830	4,510	3,158	3,220	2,719	20,883	129,198	148,458	159,177	-			
	Households	2400	72,331	31,719	29,363	32,088	26,864	25,461	156,462	1,212,180	1,586,468	1,453,055	1,250			
	Other	2500	(131)	36	32	58	24	14	116	2,347	2,495	2,559	0			
	<b>Total By Customer Group</b>	<b>2600</b>	<b>26,802</b>	<b>43,234</b>	<b>36,004</b>	<b>36,063</b>	<b>35,872</b>	<b>28,643</b>	<b>180,276</b>	<b>1,362,287</b>	<b>1,749,180</b>	<b>1,643,141</b>	<b>1,250</b>			



KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

R thousands	Description	NT Code	Budget Year 2020/21											Total	
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year					
	<b>Creditors Age Analysis By Customer Type</b>														
	Bulk Electricity	0100	30,881	24,291	-	-	-	-	-	-	-	30,000	198,526	283,697	
	Bulk Water	0200	9,138	20,756	11,671	11,351	12,350	12,868	43,654	(297)	-	-	-	121,492	
	PAYE deductions	0300	15,809	-	-	-	-	-	-	-	-	-	-	15,809	
	VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-	-	
	Pensions / Retirement deductions	0500	7,146	-	-	-	-	-	-	-	-	-	-	7,146	
	Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-	-	
	Trade Creditors	0700	2,685	791	2,281	2,228	7,187	1,514	6,949	9,076	-	-	32,711		
	Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-	-	
	Other	0900	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total By Customer Type</b>	<b>1000</b>	<b>65,659</b>	<b>45,838</b>	<b>13,952</b>	<b>13,579</b>	<b>19,537</b>	<b>14,382</b>	<b>80,603</b>	<b>207,305</b>	<b>460,855</b>				

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

R thousands	Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Yrs/Months	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	<u>Municipality:</u>															
	Nedbank		12 months		Call Account						Call account	1,332	471	(201,000)	260,000	60,803
	Standard Bank		12 months		Call Account						Call account	36,546	557	(51,000)	51,000	37,104
	ABSA		12 months		Call Account						Call account	595	10	-	-	605
	<b>Municipality sub-total</b>											<b>38,473</b>	<b>1,038</b>	<b>(252,000)</b>	<b>311,000</b>	<b>98,511</b>
	<u>Entities</u>															
	<b>Entities sub-total</b>															
	<b>TOTAL INVESTMENTS AND INTEREST</b>	2										<b>38,473</b>	<b>1,038</b>	<b>(252,000)</b>	<b>311,000</b>	<b>98,511</b>

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		463,996	477,793	546,692	184,855	380,657	386,924	(6,267)	-1.6%	546,692
Local Government Equitable Share		373,648	403,064	471,963	183,552	364,930	371,197	(6,267)	-1.7%	471,963
Energy Efficiency and Demand Management		6,000	-	-	-	-	-	-	-	-
Integrated National Electrification Programme		14,000	12,000	12,000	-	3,000	3,000	-	-	12,000
Finance Management		1,700	1,700	1,700	-	1,700	1,700	-	-	1,700
Municipal Systems Improvement		1,750	1,500	1,500	-	-	-	-	-	1,500
Water Services Infrastructure Grant (WSIG)		20,800	19,000	19,000	-	9,000	9,000	-	-	19,000
Municipal Infrastructure Grant (MIG)	3	23,000	37,634	37,634	-	-	-	-	-	37,634
Massification		20,000	-	-	-	-	-	-	-	-
EPWP Incentive		3,098	2,895	2,895	1,303	2,027	2,027	-	-	2,895
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		105,944	187,562	187,562	-	52,836	52,836	-	-	187,562
Health subsidy		-	-	-	-	-	-	-	-	-
Level 2 accreditation		7,620	-	-	-	-	-	-	-	-
Museums Services		386	42	42	-	42	42	-	-	42
Community Library Services Grant		-	2,312	2,312	-	2,312	2,312	-	-	2,312
Sport and Recreation		-	-	-	-	-	-	-	-	-
Spatial Development Framework Support		-	1,500	1,500	-	-	-	-	-	1,500
Housing		91,392	170,140	170,140	-	43,753	43,753	-	-	170,140
Title Deeds		-	3,000	3,000	-	-	-	-	-	3,000
COGTA Support Scheme		-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	4	6,546	6,729	6,729	-	6,729	6,729	-	-	6,729
Neighbourhood Development Partnership		-	-	-	-	-	-	-	-	-
Accredited municipalities		-	3,839	3,839	-	-	-	-	-	3,839
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Tirelo Boshia Grant		-	-	-	-	-	-	-	-	-
EED Housing Grant		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	569,940	665,355	734,254	184,855	433,493	439,760	(6,267)	-1.4%	734,254
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		139,039	90,183	90,183	-	86,000	86,000	-	-	90,183
Neighbourhood Development Partnership		30,259	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)		89,580	74,183	74,183	-	70,000	70,000	-	-	74,183
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Emergency efficiency & demand side management		-	-	-	-	-	-	-	-	-
Municipal water infrastructure		-	-	-	-	-	-	-	-	16,000
Water Services Infrastructure Grant (WSIG)		19,200	16,000	16,000	-	16,000	16,000	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		1,228	365	365	-	365	365	-	-	365
Level 2 accreditation		-	-	-	-	-	-	-	-	-
Recapitalisation of Community Libraries		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Museum		-	365	365	-	365	365	-	-	365
Community Library Service		1,228	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	140,267	90,548	90,548	-	86,365	86,365	-	-	90,548
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	710,207	755,903	824,802	184,855	519,858	526,125	(6,267)	-1.2%	824,802

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		463,996	477,793	546,692	132,973	331,437	402,334	(71,178)	-17.7%	546,692
Local Government Equitable Share		373,648	403,064	471,963	123,125	298,236	371,197	(72,961)	-19.7%	471,963
Integrated National Electrification Programme		14,000	12,000	12,000	2,449	2,449	5,000	(2,551)	-51.0%	12,000
Finance Management		1,700	1,700	1,700	45	261	708	(447)	-63.1%	1,700
Municipal Systems Improvement		1,750	1,500	1,500			625	(625)	-100.0%	1,500
Water Services Infrastructure Grant (WSIG)		20,800	19,000	19,000	531	2,330	7,917	(5,587)	-70.6%	19,000
Municipal Infrastructure Grant (MIG)		23,000	37,634	37,634	6,394	26,674	15,681	10,993	70.1%	37,634
Massification		20,000	-	-			-			-
EPWP Incentive		3,098	2,895	2,895	429	1,486	1,206			2,895
Energy Efficiency and Demand Management		6,000	-	-			-			-
<b>Provincial Government:</b>		105,944	184,562	187,562	882	48,287	78,151	(2,481)	-3.2%	187,562
Health subsidy		-	-	-			-			-
Housing		91,392	170,140	170,140	-	43,753	70,892			170,140
Spatial Development Framework Support		-	1,500	1,500			625	(625)	-100.0%	1,500
Title Deeds		-	-	3,000	19	313	1,250			3,000
Provincialisation of Libraries		6,546	6,729	6,729	607	2,548	2,804	(256)	-9.1%	6,729
Level 2 Accreditation		7,620	-	-			-			-
Museum Services		386	42	42			18			42
Community Services		-	2,312	2,312	256	1,674	963			2,312
Accredited municipalities		-	3,839	3,839			1,600	(1,600)	-100.0%	3,839
<b>District Municipality:</b>		-	62,699	-	-	-	10,450	(10,450)	-100.0%	-
			62,699				10,450	(10,450)	-100.0%	
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>Tirelo Boshia Grant</i>										
<b>Total operating expenditure of Transfers and Grants:</b>		569,940	725,054	734,254	133,856	379,724	490,935	(84,108)	-17.1%	734,254
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		139,039	90,183	90,183	8,331	28,841	37,576	(8,735)	-23.2%	90,183
Neighbourhood Development Partnership		30,259	-	-			-			-
Water Services Infrastructure Grant (WSIG)		19,200	-	-			-			-
Municipal Infrastructure Grant(MIG)		89,580	74,183	74,183	7,324	23,492	30,910	(7,417)	-24.0%	74,183
Municipal water infrastructure		-	16,000	16,000	1,007	5,349	6,667	(1,318)	-19.8%	16,000
Emergency efficiency & demand side management		-	-	-			-			-
Other capital transfers [insert description]		-	-	-			-			-
<b>Provincial Government:</b>		1,228	365	365	116	364	152	212	139.4%	365
Level 2 accreditation		-	-	-			-			-
Museums Services		-	365	365	116	364	152			365
Provincialisation of Libraries		-	-	-			-			-
Housing		-	-	-			-			-
TA Support Scheme		-	-	-			-			-
Sport and Recreation		-	-	-			-			-
Community Library Service		1,228	-	-			-			-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		140,267	90,548	90,548	8,446	29,205	37,728	(8,523)	-22.6%	90,548
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		710,207	815,602	824,802	142,302	408,929	528,663	(92,631)	-17.5%	824,802





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								-		
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	
<b>% Increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		565,482	622,772	624,743	47,500	282,931	312,371	(29,440)	-9%	622,772
<b>% Increase</b>	4		10.1%	10.5%						10.1%
<b>TOTAL MANAGERS AND STAFF</b>		540,376	594,316	596,287	45,341	270,202	298,143	(27,942)	-9%	594,316



**KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - Q2 Second Quarter**

Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue By Source</b>										
Property rates		319,656	396,522	396,522	27,916	174,406	198,261	(23,855)	-12%	396,522
Service charges - electricity revenue		581,207	609,866	609,866	48,077	326,151	304,933	21,218	7%	609,866
Service charges - water revenue		178,594	190,579	190,579	15,367	93,079	95,289	(2,210)	-2%	190,579
Service charges - sanitation revenue		108,915	118,793	118,793	9,359	56,180	59,396	(3,216)	-5%	118,793
Service charges - refuse revenue		82,251	95,898	95,898	7,740	46,410	47,949	(1,539)	-3%	95,898
Rental of facilities and equipment		7,817	8,495	8,495	643	3,671	4,248	(577)	-14%	8,495
Interest earned - external investments		2,690	2,497	2,497	370	1,186	1,248	(62)	-5%	2,497
Interest earned - outstanding debtors		5,754	6,325	6,325	444	2,553	3,162	(609)	-19%	6,325
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		9,054	13,114	13,114	1,023	3,612	6,557	(2,945)	-45%	13,114
Licences and permits		8	38	38	2	38	19	19	100%	38
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		611,725	662,833	730,951	205,750	459,628	465,895	(6,267)	-1%	730,951
Other revenue		31,034	15,729	15,729	6,496	13,344	7,864	5,480	70%	15,729
Gains		-	-	-	0	47	-	47	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,938,707</b>	<b>2,120,688</b>	<b>2,188,806</b>	<b>323,188</b>	<b>1,180,307</b>	<b>1,194,823</b>	<b>(14,517)</b>	<b>-1%</b>	<b>2,188,806</b>
<b>Expenditure By Type</b>										
Employee related costs		540,376	594,312	596,287	45,341	270,202	298,143	(27,942)	-9%	596,287
Remuneration of councillors		25,106	28,456	28,456	2,159	12,729	14,228	(1,499)	-11%	28,456
Debt impairment		137,893	184,700	184,700	1,586	25,118	92,350	(67,231)	-73%	184,700
Depreciation & asset impairment		338,886	420,387	420,387	31,950	173,099	210,194	(37,095)	-18%	420,387
Finance charges		51,592	42,882	42,882	3,580	21,446	21,441	5	0%	42,882
Bulk purchases		524,253	660,671	660,671	74,611	292,492	330,335	(37,843)	-11%	660,671
Other materials		2,117	4,559	4,559	519	1,992	2,279	(288)	-13%	4,559
Contracted services		215,154	337,719	335,209	50,561	178,080	167,604	10,475	6%	335,209
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		214,115	123,788	115,005	4,278	55,113	57,502	(2,389)	-4%	115,005
Losses		100	1	1	-	-	1	(1)	-100%	1
<b>Total Expenditure</b>		<b>2,049,591</b>	<b>2,397,474</b>	<b>2,388,156</b>	<b>214,586</b>	<b>1,030,270</b>	<b>1,194,078</b>	<b>(163,807)</b>	<b>-14%</b>	<b>2,388,156</b>
<b>Surplus/(Deficit)</b>		<b>(110,884)</b>	<b>(276,785)</b>	<b>(199,349)</b>	<b>108,602</b>	<b>150,036</b>	<b>745</b>	<b>149,291</b>	<b>20028%</b>	<b>(199,349)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		76,576	90,548	90,548	7,343	22,262	45,274	(23,012)	-51%	90,548
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>
<b>Surplus/(Deficit) after taxation</b>		<b>(34,308)</b>	<b>(186,237)</b>	<b>(108,801)</b>	<b>115,945</b>	<b>172,298</b>	<b>46,019</b>	<b>126,279</b>	<b>274%</b>	<b>(108,801)</b>



KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	3,493	10,462	10,462	0	0	10,462	10,462	100.0%	0%
August	12,343	10,462	10,462	948	948	20,925	19,977	95.5%	1%
September	6,817	10,462	11,855	5,971	6,919	32,780	25,861	78.9%	6%
October	9,161	10,462	11,855	2,042	8,960	44,636	35,675	79.9%	7%
November	9,742	10,462	11,855	14,281	23,242	56,491	33,249	58.9%	19%
December	7,532	10,462	11,855	10,515	33,757	68,346	34,590	50.6%	27%
January	3,516	10,462	11,855			80,202	-		
February	9,896	10,462	11,855			92,057	-		
March	5,713	10,462	11,855			103,913	-		
April	3,101	10,462	11,855			115,768	-		
May	7,252	10,462	11,855			127,624	-		
June	27,039	10,462	11,855			139,479	-		
<b>Total Capital expenditure</b>	<b>105,605</b>	<b>125,548</b>	<b>139,479</b>	<b>33,757</b>					





Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	861	-	5,430	107	538	2,715	2,177	80.2%	5,430	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Puris	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	198	-	196	99	(97)	-97.6%	198	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	350	500	-	-	250	250	100.0%	500	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	300	500	-	-	250	250	100.0%	500	
Works of Art	-	50	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	55	3,254	-	-	-	-	-	-	-	
Revenue Generating	-	3,254	-	-	-	-	-	-	-	
Improved Property	-	3,254	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	55	-	-	-	-	-	-	-	-	
Improved Property	55	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Lead Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	471	1,200	1,820	740	1,034	910	(124)	-13.6%	1,820	
Furniture and Office Equipment	471	1,200	1,820	740	1,034	910	(124)	-13.6%	1,820	
<b>Machinery and Equipment</b>	1,716	2,515	2,252	18	248	1,126	878	78.0%	2,252	
Machinery and Equipment	1,716	2,515	2,252	18	248	1,126	878	78.0%	2,252	
<b>Transport Assets</b>	-	-	3,250	-	490	1,625	1,135	69.9%	3,250	
Transport Assets	-	-	3,250	-	490	1,625	1,135	69.9%	3,250	
<b>Land</b>	1,302	-	-	-	500	-	(500)	#DIV/0!	-	
Land	1,302	-	-	-	500	-	(500)	#DIV/0!	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on new assets</b>	1	58,569	42,071	76,183	5,462	17,606	38,091	20,486	53.8%	76,183



Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	69	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	69	-	-	-	-	-	-	-	-	
Staff Housing	69	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	-	252	-	219	126	(93)	-73.9%	252	
Transport Assets	-	-	252	-	219	126	(93)	-73.9%	252	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on renewal of existing assets</b>	1	14,092	32,746	10,123	1,851	4,752	5,061	309	6.1%	10,123





Crèches	-	-	-	-	-	-	-	-	-	
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	106	106	-	-	53	53	100.0%	106	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	800	801	801	-	33	400	367	91.7%	801	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	30	48	48	5	25	24	(1)	-2.9%	48	
Sport and Recreation Facilities	166	298	298	-	62	148	87	58.6%	298	
Indoor Facilities	-	183	183	-	34	91	58	63.1%	183	
Outdoor Facilities	163	115	115	-	28	57	29	51.3%	115	
Capital Spares	2	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	177	233	233	42	59	117	58	49.6%	233	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	177	233	233	42	59	117	58	49.6%	233	
Staff Housing	177	233	233	42	59	117	58	49.6%	233	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	3,899	3,739	3,739	309	1,661	1,870	209	11.2%	3,739	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	3,899	3,739	3,739	309	1,661	1,870	209	11.2%	3,739	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licences	-	-	-	-	-	-	-	-	-	
Solid Waste Licences	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	3,899	3,739	3,739	309	1,661	1,870	209	11.2%	3,739	
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
<b>Machinery and Equipment</b>	5,728	10,001	10,001	530	2,295	5,001	2,706	54.1%	10,001	
Machinery and Equipment	5,728	10,001	10,001	530	2,295	5,001	2,706	54.1%	10,001	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Total Repairs and Maintenance Expenditure</b>	1	73,296	96,637	96,637	1,560	9,017	48,318	39,301	81.3%	96,637





Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	137	-	-	15	91	-	(91)	#DIV/0!	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	133	-	-	15	89	-	(89)	#DIV/0!	-	-
Cemeteries/Crematoria	3,278	-	-	364	2,186	-	(2,186)	#DIV/0!	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	1,400	-	-	156	934	-	(934)	#DIV/0!	-	-
Public Open Space	546	-	-	61	364	-	(364)	#DIV/0!	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	10,232	-	-	1,137	6,821	-	(6,821)	#DIV/0!	-	-
Operational Buildings	10,232	-	-	1,137	6,821	-	(6,821)	#DIV/0!	-	-
Municipal Offices	10,232	-	-	1,137	6,821	-	(6,821)	#DIV/0!	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	1,773	-	-	197	1,182	-	(1,182)	#DIV/0!	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	1,773	-	-	197	1,182	-	(1,182)	#DIV/0!	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	1,773	-	-	197	1,182	-	(1,182)	#DIV/0!	-	-
Lead Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	963	-	-	107	642	-	(642)	#DIV/0!	-	-
Computer Equipment	963	-	-	107	642	-	(642)	#DIV/0!	-	-
<b>Furniture and Office Equipment</b>	2,008	-	-	223	1,339	-	(1,339)	#DIV/0!	-	-
Furniture and Office Equipment	2,008	-	-	223	1,339	-	(1,339)	#DIV/0!	-	-
<b>Machinery and Equipment</b>	2,720	-	-	302	1,813	-	(1,813)	#DIV/0!	-	-
Machinery and Equipment	2,720	-	-	302	1,813	-	(1,813)	#DIV/0!	-	-
<b>Transport Assets</b>	4,657	-	-	517	3,104	-	(3,104)	#DIV/0!	-	-
Transport Assets	4,657	-	-	517	3,104	-	(3,104)	#DIV/0!	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	338,886	420,387	420,387	31,950	173,099	210,194	37,095	17.6%	420,387



Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
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			44		44	22	(22)	-97.9%		44
Indoor Facilities			44		44	22	(22)	-97.9%		44
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>			3,679	1	284	1,839	1,556	84.6%		3,679
Operational Buildings			3,679	1	284	1,839	1,556	84.6%		3,679
Municipal Offices			3,679	1	284	1,839	1,556	84.6%		3,679
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Lead Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>										
Computer Equipment										
<b>Furniture and Office Equipment</b>										
Furniture and Office Equipment										
<b>Machinery and Equipment</b>			150			75	75	100.0%		150
Machinery and Equipment			150			75	75	100.0%		150
<b>Transport Assets</b>										
Transport Assets										
<b>Land</b>										
Land										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	32,943	50,731	53,174	3,224	11,399	26,587	15,188	57.1%	53,174

## MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, **MJ Mayisela**, the Acting Municipal Manager of **Newcastle Municipality**, hereby certify that the quarterly report on the implementation of budget and financial state of affairs for the Second quarter of 2020/2021 have been prepared in accordance with Section 52(d) of the Municipal Finance Management Act, No56 of 2003; and Regulation 31-32 of the Municipal Budget and Reporting Regulations.

**Print Name** : **MUZI JUSTICE MAYISELA**

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

**Signature** : .....

**Date** : ..... 2021-01-28