

**11.4 SECTION 71: MONTHLY BUDGET STATEMENT: NATIONAL REPORTING STANDARD: MONTH SECTION:
28 FEBRUARY 2023**

Ref. No	: T 6/1/1 (2022/23)
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1 st Level	: Finance Portfolio Committee
2 nd Level	: Municipal Public Accounts Committee
3 rd Level	: Executive Committee
4 th Level	: Council
5 th Level	: KZN Provincial Treasury

1. PURPOSE

The purpose of this report is to appraise Council on the state of finances of the municipality for the period ended 28 February 2023. This report is prescribed in terms of section 71 of the Municipal Finance Management Act 56 of 2003 (MFMA), which requires the Accounting Officer to submit a report to the Mayor on a monthly basis on the state of municipality's actual performance against the approved budget. The report allows council to exercise its oversight on the implementation of the budget and also serves as a tool for future planning. The report is also be submitted to the Provincial Treasuries as required by the same section of the Act. In the main, the report seeks council to note the implementation of the budget, and the implementation of the measures which seek to ensure that the state of finance of the municipality improve continuously.

2. BACKGROUND

Prior to the enactment of the MFMA, municipalities used to prepare budgets in different formats. Once the budgets were approved, municipalities were also not prescribed by law to report regularly on the performance of their budget to councils. The promulgation of the MFMA prescribed a standardised system to modernise the of local government financial management as well as the reporting framework. National Treasury then prescribed the reporting format to all municipalities in the form of schedules.

National Treasury further introduced a reform (mSCOA) to assist with inconsistencies to ensure that reporting is in compliance with GRAP standards. As a result, municipalities are now required to report on schedule C, which is directly extracted from the financial system in version 6.5. This report, however, is presented on the manually captured schedule C, Version 6.4. It is important to appraise this council that there's still discrepancies between these two reports which are being challenged by the following:

- System closure before capturing of all transactions of that particular month
- Incorrect use of movements accounts
- Delayed response from phoenix to resolve problems encountered when reports are generated
- Pre-Audit actuals not pulling in most schedules
- No integration between other systems to phoenix system
- Budget module still incomplete, as a result some tables on version 6.5 are not populated

For the purpose of submission to the Finance Portfolio Committee, the MPAC and Council, a manual version of the report will be submitted until the discrepancies between the two reported have been addressed. This is even more so because the manual version presents a more realistic perspective of the finances of the municipality.

3. DISCUSSION

This section will provide details of the actual performance against the approved budget of the municipality for the reporting period. It will cover the operating performance (operating revenue and operating expenditure), capital expenditure, financial position and cash flow position of the municipality.

Newcastle Municipality approved a Special Adjustment Budget on the 8th of August 2022 and approved internal roll overs which have been considered in the Section 71 report (Schedule C). This month's financial analysis comprises of the Section 71 will be reflected version 6.4 which is manually captured.

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 - M08 February

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	352,585	363,413	363,413	30,559	254,007	242,275	11,732	5%	363,413
Service charges	1,110,882	1,176,842	1,176,842	91,477	788,393	784,562	3,832	0%	1,176,842
Investment revenue	4,445	3,131	3,131	280	3,941	2,088	1,853	89%	3,131
Transfers and subsidies	490,501	1,112,707	1,102,707	1,823	426,855	435,955	(9,100)	-2%	1,102,707
Other own revenue	45,199	37,169	37,169	1,839	20,574	24,779	(4,205)	-17%	37,169
Total Revenue (excluding capital transfers and contributions)	2,003,613	2,693,263	2,683,263	125,978	1,493,770	1,489,658	4,111	0%	2,683,263
Employee costs	585,366	601,653	567,833	54,633	430,444	378,555	51,888	14%	567,833
Remuneration of Councillors	23,742	29,060	25,710	2,085	18,525	17,140	1,384	8%	25,710
Depreciation & asset impairment	348,804	363,160	363,160	26,192	226,825	242,106	(15,281)	-6%	363,160
Finance charges	64,353	35,846	35,846	3	24,072	23,897	175	1%	35,846
Materials and bulk purchases	786,545	758,296	758,296	27,827	474,188	505,531	(31,342)	-6%	758,296
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	410,168	1,222,862	1,209,946	26,441	323,614	806,631	(483,016)	-60%	1,209,946
Total Expenditure	2,218,978	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/(Deficit)	(215,366)	(317,613)	(277,528)	(11,204)	(3,899)	(484,202)	480,303	-99%	(277,528)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(92,478)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)
Share of surplus/ (deficit) of associate	(45,141)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(137,618)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)
Capital expenditure & funds sources									
Capital expenditure	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Capital transfers recognised	122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	26,749	18,001	20,201	1,137	5,046	13,467	(8,421)	-63%	20,201
Total sources of capital funds	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Financial position									
Total current assets	1,003,641	676,443	726,529		1,092,592				726,529
Total non current assets	6,722,953	7,238,673	7,238,673		6,568,753				7,238,673
Total current liabilities	977,242	692,762	732,058		960,196				732,058
Total non current liabilities	545,070	351,099	351,099		543,365				351,099
Community wealth/Equity	6,204,281	6,871,255	6,882,045		6,157,784				6,882,045
Cash flows									
Net cash from (used) operating	236,944	164,505	226,791	(29,101)	86,376	(191,187)	(277,563)	145%	226,791
Net cash from (used) investing	(139,765)	(209,033)	(221,233)	(13,313)	(93,309)	(147,489)	(54,179)	37%	(221,233)
Net cash from (used) financing	(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
Cash/cash equivalents at the month/year end	76,168	(14,037)	36,049	-	37,272	(297,484)	(334,755)	113%	49,620
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	119,736	40,790	33,090	38,085	31,492	30,538	194,211	1,086,419	1,574,363
Creditors Age Analysis									
Total Creditors	86,504	929	5,217	-	-	10,857	219	213,548	317,275

Table C4: Monthly Budget Statement

The table below provides the municipality's Financial Performance reflecting the operating revenue and expenditure of the municipality.

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		352,585	363,413	363,413	30,559	254,007	242,275	11,732	5%	363,413
Service charges - electricity revenue		705,057	751,862	751,862	53,938	489,773	501,242	(11,469)	-2%	751,862
Service charges - water revenue		188,622	199,933	199,933	18,299	144,444	133,289	11,156	8%	199,933
Service charges - sanitation revenue		118,993	123,818	123,818	10,642	85,150	82,545	2,605	3%	123,818
Service charges - refuse revenue		98,211	101,229	101,229	8,598	69,025	67,486	1,539	2%	101,229
Rental of facilities and equipment		8,372	9,452	9,452	697	5,574	6,301	(728)	-12%	9,452
Interest earned - external investments		4,445	3,131	3,131	280	3,941	2,088	1,853	89%	3,131
Interest earned - outstanding debtors		3,792	4,001	4,001	604	4,236	2,668	1,568	59%	4,001
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,353	4,180	4,180	106	3,339	2,787	552	20%	4,180
Licences and permits		46	48	48	8	33	32	1	3%	48
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		490,501	1,112,707	1,102,707	1,823	426,855	435,955	(9,100)	-2%	1,102,707
Other revenue		15,939	19,487	19,487	428	6,355	12,992	(6,636)	-51%	19,487
Gains		11,698	-	-	(2)	1,037	-	1,037	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,003,613	2,693,263	2,683,263	125,978	1,493,770	1,489,658	4,111	0%	2,683,263
Expenditure By Type										
Employee related costs		585,366	601,653	567,833	54,633	430,444	378,555	51,888	14%	567,833
Remuneration of councillors		23,742	29,060	25,710	2,085	18,525	17,140	1,384	8%	25,710
Debt impairment		130,120	286,041	286,041	2,394	57,277	190,694	(133,417)	-70%	286,041
Depreciation & asset impairment		348,804	363,160	363,160	26,192	226,825	242,106	(15,281)	-6%	363,160
Finance charges		64,353	35,846	35,846	3	24,072	23,897	175	1%	35,846
Bulk purchases		649,750	605,107	605,107	32,984	389,778	403,405	(13,627)	-3%	605,107
Other materials		136,795	153,188	153,188	(5,157)	84,410	102,126	(17,716)	-17%	153,188
Contracted services		253,442	818,629	809,233	15,321	197,188	539,489	(342,301)	-63%	809,233
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		25,960	118,192	114,672	8,726	69,149	76,448	(7,299)	-10%	114,672
Losses		646	-	-	-	-	-	-	-	-
Total Expenditure		2,218,978	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	(0)	201,032
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Share of surplus/ (deficit) of associate		(45,141)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(137,618)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)

3.1. Operating budget performance-revenue

- The municipality generated a total revenue of R1.4 Billion of the adjusted budget of R2.6 billion, representing 55.6% percent. The variance between the year-to-date revenue budget and the actual revenue accrued for the same period amounts to R4.1 million. Although the aggregate performance on revenue generated shows a variance of positive 0.1 percent, it is however necessary to explain reasons which attributed to the variance.

- The municipality generated R3.8 million (0.1%) more revenue from service charges than the year-to-date budget of R784.5 million for the period under review. Water, sanitation and refuse all over-performed above target by R11.2 million, R2.6 million and R1.5 million respectively, whereas electricity underperformed by R11.4 million. Furthermore, it must be noted that the alignment of S71 report figures is net of indigents while the monthly collection rate report reflects gross amounts.
- The municipality generated revenue from property rates which is R11.7 million (5%) more than the year-to-date budget of R242.2 million during the period under review. It must be mentioned that government departments are billed a bulk amount for property rates in the first month of the financial year.
- The municipality generated R1.8 million (89%) more revenue from interest on investments than the year-to-date budget of R2 million for the period under review. This is due to additional investments made during the year.
- The municipality recorded R426.8 million for operational and R93.8 million for capital transfers and subsidies. This is due to the grants received in line with the grant's payment schedule. The second trench of the Equitable share grant was received in January however it was less by R9.1 million due to the grant roll overs which were declined and therefore reduced against it.
- The municipality generated R4.2 million (-17%) less revenue from sundry revenue than a pro-rata budget of R24.7 million for the period under review. The sundry items comprise of rental of facilities, interest earned from outstanding debtors, fines, licences and other revenue.

3.2. Operating performance – expenditure

- The summary of the operating expenditure is reflected in C1 and C4 tables of Schedule C attached hereto. As at the end of February 2023, the municipality incurred the total expenditure of R1.4 billion of the adjusted budget of R2.9 billion, which represents 50.5 percent. The variance between the pro-rata expenditure budget and the actual expenditure incurred for the same period amounts to R476.1 million, representing under-expenditure of 24 percent.
- The municipality spent R51.8 million (14%) more on employee-related costs than a year-to-date budget of R378.5 million. This is due to the compensation of backpay of the increment due to employees which was removed on special adjustments budget in July 2022 and the salary consideration in respect of the reinstated employees.
- Depreciation has under-performed by R15.2 million (-6%) in the eighth month of the financial year due to the very low capital expenditure and projects still under work in progress (not yet capitalized). Debt impairment under-performed by R133.4 million (-70%) since the municipality is recognizing debt impairment on indigents only during the year, all other impairments are done at the compilation of Annual Financial Statements at year-end.
- The municipality spent R13.6 million (-3%) less on the bulk purchases than the year-to-date budget of R403.4 million. This is due to colder month's season and performance is expected to stabilize gradually as it gets colder. The cost is generally averaging lower in the remaining months of the financial year.

The impact of load shedding is also expected to reduce the consumption of bulk purchases during the year.

- Included on the Material item is bulk water in line with Circular 98 of the MFMA. Material seems to be performing R17.7 million (-17%) less than the year-to-date budget of R102.1 million, this is due to the realignment of water purchases to be allocated under inventory in the Statement of Financial Position as required in circular 115.
- The municipality spent R342.3 million (-63%) less on contracted services than the year-to-date budget of R539.4 million. This is due to some of the housing projects being slower in implementation as the municipality is an agent. It must be mentioned that the housing grants have been reduced in adjusted Provincial gazette and will be impacted in the Mid-Year Adjustments Budget.

3.2.1 Operational expenditure by function

The table below reflects the municipality's operational expenditure of the municipality by standards function.

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Expenditure - Functional										
<i>Governance and administration</i>		466,817	469,276	445,688	32,685	318,844	297,125	21,719	7%	445,688
Executive and council		93,820	101,198	93,961	8,279	88,762	62,641	26,122	42%	93,961
Finance and administration		372,369	367,328	350,992	24,384	229,517	233,995	(4,478)	-2%	350,992
Internal audit		628	750	735	22	564	490	75	15%	735
<i>Community and public safety</i>		507,769	827,731	819,736	20,049	195,172	546,491	(351,319)	-64%	819,736
Community and social services		37,498	43,629	42,049	3,366	27,890	28,032	(143)	-1%	42,049
Sport and recreation		67,860	73,339	72,478	6,828	48,434	48,319	115	0%	72,478
Public safety		65,732	70,215	65,969	7,259	53,205	43,979	9,226	21%	65,969
Housing		327,112	630,591	629,783	1,797	59,283	419,855	(360,572)	-86%	629,783
Health		9,566	9,956	9,458	798	6,360	6,305	55	1%	9,458
<i>Economic and environmental services</i>		220,976	266,056	262,819	25,260	215,081	175,213	39,868	23%	262,819
Planning and development		78,093	85,041	81,804	6,531	56,437	54,536	1,900	3%	81,804
Road transport		142,876	181,008	181,008	18,729	158,638	120,672	37,967	31%	181,008
Environmental protection		7	7	7	-	6	5	1	21%	7
<i>Trading services</i>		1,065,293	1,444,445	1,429,179	58,975	766,676	952,786	(186,110)	-20%	1,429,179
Energy sources		619,934	742,466	740,865	41,774	461,803	493,910	(32,107)	-7%	740,865
Water management		350,885	597,907	586,801	8,975	224,756	391,201	(166,445)	-43%	586,801
Waste water management		53,873	60,542	60,542	471	32,235	40,361	(8,126)	-20%	60,542
Waste management		40,601	43,530	40,971	7,755	47,882	27,314	20,568	75%	40,971
<i>Other</i>		3,265	3,369	3,369	213	1,895	2,246	(350)	-16%	3,369
Total Expenditure - Functional	3	2,264,119	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/ (Deficit) for the year		(137,618)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)

- Presentation of the operating performance function is required by National Treasury (NT) to be done by all municipality to achieve standardization and uniformity. The functions are regulated by the constitution and in line with MSCOA requirements.
- The table above reflects that some of the functions have been over-spending when compared with the year-to-date budget. Governance and Administration is overspent by R21.7million (7%), Economic and Environmental Services is overspent by R39.8 million (23%). Whilst Community and Public Safety is underspent by R351.3 million (-64%), Trading services are underspent by R186.1 million (-20%) and Other Services are underspent by R350 thousand (-16%), mainly due to the cost containment measures put in place. Strategic Executive Directors of relevant functions must ensure that they operate within their approved budget to avoid unauthorized expenditure at year-end.

3.3. Capital expenditure

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) - M08 February										
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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN 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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		5,583	11,345	11,345	80	151	7,563	(7,412)	-98%	11,345
Vote 3 - BUDGET AND TREASURY		1,748	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Vote 4 - MUNICIPAL MANAGER		243	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENT		13,195	25,001	25,001	-	12,809	16,667	(3,858)	-23%	25,001
Vote 6 - TECHNICAL SERVICES		126,659	169,788	181,988	13,243	84,704	121,325	(36,621)	-30%	181,988
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		2,208	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Total Capital Expenditure		149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Capital Expenditure - Functional Classification										
Governance and administration		4,199	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Executive and council		243	-	-	-	-	-	-	-	-
Finance and administration		3,956	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,025	11,345	11,345	80	151	7,563	(7,412)	-98%	11,345
Community and social services		1,162	345	345	80	143	230	(87)	-38%	345
Sport and recreation		3,367	11,000	11,000	-	8	7,333	(7,326)	-100%	11,000
Public safety		-	-	-	-	-	-	-	-	-
Housing		496	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		41,959	118,141	130,341	2,577	36,198	86,894	(50,696)	-58%	130,341
Planning and development		12,778	25,101	25,101	48	12,859	16,734	(3,875)	-23%	25,101
Road transport		29,181	83,040	105,240	2,528	23,339	70,160	(46,821)	-67%	105,240
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		98,454	76,648	76,648	10,666	61,315	51,098	10,217	20%	76,648
Energy sources		-	-	-	-	-	-	-	-	-
Water management		60,525	49,648	49,648	7,852	43,500	33,098	10,402	31%	49,648
Waste water management		36,874	27,000	27,000	3,013	17,815	18,000	(185)	-1%	27,000
Waste management		1,054	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Funded by:										
National Government		112,998	174,688	184,688	12,105	93,710	123,125	(29,415)	-24%	184,688
Provincial Government		9,890	16,345	16,345	80	187	10,896	(10,710)	-98%	16,345
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		26,749	18,001	20,201	1,137	5,046	13,467	(8,421)	-63%	20,201
Total Capital Funding	0	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233

- Capital expenditure for the eighth month of the financial year was R98.9 million which represents 44.7% of the adjusted capital budget of R221.2 million. Comparison between the year-to-budget of R147.4 million and actual expenditure for the period reflects an under expenditure of R48.5million, which implies that the municipality spent 33% less than the year-to-date budget for the same period. The Strategic Executive Directors are advised to develop plans to deal with underspending to avoid grants being reverted to the National Treasury.

3.3.1 Capital and Operational Grant Reporting

The table below reflects the grant performance when the full year budget and actuals are compared. A further comparison is also displayed between the year-to-date actuals vs. allocations received. The grant expenditure reflects adequate spending in some grants on both operational and capital grants while others are delayed, fast tracking of the grants needs to be made to avoid withholding of unspent grants, over all expenditure of the grants is as follows. Furthermore, Treasury is assessing expenditure on a quarterly basis, therefore council and management were previously advised to ensure they have spent beyond 50% target as this report is on 8 months expenditure.

GRANT RECONCILIATION - FEBRUARY 2023							
GRANT NAME	TOTAL GRANT BUDGET	ALLOCATIONS RECEIVED	ROLL OVERS	TOTAL RECEIPTS	YEAR TO DATE EXPENDITURE (Incl VAT)	% SPENT ON ALLOCATIONS RECEIVED	% SPENT ON GRANT BUDGET
NATIONAL GRANTS							
Expanded Public Works Programme Integrated Grant	3,753,000.00	3,753,000.00		3,753,000.00	2,471,635.39	66%	66%
Financial Management Grant	1,850,000.00	1,850,000.00		1,850,000.00	619,230.05	33%	33%
Water Service Infrastructure Grant	48,000,000.00	28,800,000.00		28,800,000.00	26,927,445.19	93%	56%
Neighbourhood Development Partnership Grant	20,000,000.00	20,000,000.00		20,000,000.00	14,377,268.82	72%	72%
Municipal Infrastructure Grant	129,141,000.00	110,000,000.00		110,000,000.00	80,477,035.93	73%	62%
PROVINCIAL GRANTS							
Community Library Grant	2,595,000.00	2,595,000.00	18,925.00	2,613,925.00	1,794,448.90	69%	69%
Housing Accreditation Grant	8,439,000.00	3,509,961.59	15,939,707.46	19,449,669.05	7,698,787.50	40%	91%
Housing Grant	123,885,000.00	5,066,952.33		5,066,952.33	42,317,097.26	34%	34%
ISU Partnership Grant	478,733,000.00	-		-	-	0%	0%
Museum Art Gallery Grant	449,000.00	449,000.00	539,434.00	988,434.00	163,245.85	17%	36%
Provincialisation Grant	6,992,000.00	6,992,000.00	46,194.00	7,038,194.00	4,684,535.92	67%	67%
LGSETA	582,467.41	582,467.41	930,688.00	1,513,155.41	-	0%	0%
EDTEA : Airport Grant	3,000,000.00	3,000,000.00		3,000,000.00	-	0%	0%
EDTEA: Hawker Stalls Grant	2,000,000.00	-		-	50,000.00	0%	3%
Water Intervention Grant (Roll Over)			2,313,319.76	2,313,319.76		0%	
Title Deeds			2,000,000.00	2,000,000.00		0%	
Greenest Town			11,335.00	11,335.00		0%	
Sport, Recreation Grant	11,000,000.00	-		-	-	0%	0%

3.4. 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 - M08 February						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		29,936	(14,037)	36,049	(5,676)	36,049
Call investment deposits		46,232			42,947	
Consumer debtors		805,744	594,134	594,134	950,215	594,134
Other debtors		97,185	81,351	81,351	80,077	81,351
Current portion of long-term receivables						
Inventory		24,544	14,995	14,995	25,028	14,995
Total current assets		1,003,641	676,443	726,529	1,092,592	726,529
Non current assets						
Long-term receivables						
Investments						
Investment property		372,224	341,874	341,874	367,609	341,874
Investments in Associate		141,741	217,333	217,333	142,171	217,333
Property, plant and equipment		6,196,783	6,666,531	6,666,531	6,047,007	6,666,531
Biological						
Intangible		382	1,224	1,224	123	1,224
Other non-current assets		11,823	11,711	11,711	11,843	11,711
Total non current assets		6,722,953	7,238,673	7,238,673	6,568,753	7,238,673
TOTAL ASSETS		7,726,594	7,915,116	7,965,202	7,661,344	7,965,202
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		47,260	(32,106)	(32,106)	16,763	(32,106)
Consumer deposits		33,418	27,095	27,095	34,940	27,095
Trade and other payables		885,459	688,021	727,316	901,844	727,316
Provisions		11,105	9,752	9,752	6,648	9,752
Total current liabilities		977,242	692,762	732,058	960,196	732,058
Non current liabilities						
Borrowing		315,490	260,654	260,654	314,025	260,654
Provisions		229,580	90,445	90,445	229,340	90,445
Total non current liabilities		545,070	351,099	351,099	543,365	351,099
TOTAL LIABILITIES		1,522,312	1,043,861	1,083,156	1,503,560	1,083,156
NET ASSETS	2	6,204,281	6,871,255	6,882,045	6,157,784	6,882,045
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		6,203,958	6,841,013	6,851,803	6,126,109	6,851,803
Reserves		323	30,242	30,242	31,675	30,242
TOTAL COMMUNITY WEALTH/EQUITY	2	6,204,281	6,871,255	6,882,045	6,157,784	6,882,045

- As at end of the eighth month of the financial year, the municipality showed a favorable equity position, with a net asset effect of R6.1 billion.
- While this picture looks good, it is however important to point out major reasons to such a favorable 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:

- The municipality's debtors aging as reflected in table SC3 is a total of R1.5 billion as at the end of the eighth month. The bulk of the debtor's ageing amount (R1.3 billion) was for debt owing for more than 90 days, while R1.2 billion of the total debt is owed by households. It must be noted that the total figure of debtors is inclusive of indigent.
- Property Plant and Equipment (Assets) comprise of R6 billion of the total assets of R7.6 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 most of these assets may not be easily converted to cash and cash equivalent.
- The municipality closed with a balance of cash and cash equivalent of R37.2 million at the end of the eighth month of the financial year, with R42.9 million from call investments and -R5.6 million cash at the bank. It must be noted that the municipality had an obligation of R31.3 million relating to the HDF. The short-term obligations are sitting at R317.2 million as illustrated on SC4, while unspent conditional grants amount to R202.5 million, representing a cash shortfall of R513.8 million. Included under creditors is Eskom for R100.8 million, uThukela Water for R182.3 million, SARS – PAYE for R9.4 million, pension and other employee benefits for R4.6 million, and other trade creditors for R20 million. 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.
- 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 R6.1 billion. The net current ratio indicates that the municipality's current assets will be adequate to cover the current liabilities over the next twelve months. Due to the standing of the municipality by virtue of it 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.
- The **liquidity ratio** of the municipality is currently sitting at 3.9 % as reflected in table SC2. As per paragraph 2.4.4 above, however, if one considers the impact of the HDF, conditional grants and creditors, the liquidity ratio is estimated at 11.7%, since the municipality needs R317.2 million in order to pay all its short-term obligations. Again, this is a bad reflection on the state of finances of the municipality. As with the going concern principle, the liquidity state of the municipality is more likely to negatively impact the image of the municipality to public, business sector and other spheres of government.

3.5. Cash flow position

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 - M08 February

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		348,289	272,560	272,560	22,919	161,295	181,706	(20,412)	-11%	272,560
Service charges		870,208	989,000	989,000	70,056	665,272	659,334	5,938	1%	989,000
Other revenue		13,234	315,172	315,172	928	35,009	210,115	(175,106)	-83%	315,172
Transfers and Subsidies - Operational		628,249	1,112,707	1,102,707	3,621	355,534	364,634	(9,100)	-2%	1,102,707
Transfers and Subsidies - Capital		148,615	191,032	201,032	-	162,145	162,145	-	-	201,032
Interest		8,308	3,131	3,131	1,220	8,177	2,088	6,089	292%	3,131
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1,737,665)	(2,683,251)	(2,620,965)	(124,937)	(1,276,982)	(1,747,310)	(470,328)	27%	(2,620,965)
Finance charges		(42,293)	(35,846)	(35,846)	(2,908)	(24,072)	(23,897)	175	-1%	(35,846)
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		236,944	164,505	226,791	(29,101)	86,376	(191,187)	(277,563)	145%	226,791
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		9,872	-	-	-	5,653	-	5,653	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(149,637)	(209,033)	(221,233)	(13,313)	(98,962)	(147,489)	(48,527)	33%	(221,233)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(139,765)	(209,033)	(221,233)	(13,313)	(93,309)	(147,489)	(54,179)	37%	(221,233)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		0	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
NET INCREASE/ (DECREASE) IN CASH HELD		66,667	(76,633)	(26,547)	(44,215)	(38,896)	(360,080)			(26,547)
Cash/cash equivalents at beginning:		9,500	62,596	62,596		76,167	62,596			76,167
Cash/cash equivalents at month/year end:		76,168	(14,037)	36,049		37,272	(297,484)			49,620

- The municipality opened with a cash and cash equivalent balance of R76.1 million at the beginning of the financial year and closed with a balance of R37.2 million as at the end of February 2023 which represents a cash decrease of 38.8 million since the beginning of the financial year. This is due to the salary consideration in respect of the reinstated employees.
- Cash flows from operating activities yielded a net cash inflow of R86.3 million as a result of receipts from services charges, property rates, and government grants as well as other sundry receipts. This net cash inflow 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.

- Cash flows from investing activities recorded net cash outflows of R93.3 million this is due to the capital expenditure incurred.
- Cash flows from financing activities recorded net outflows of R31.9 million due to the repayment of borrowings.

4. LEGAL IMPLICATIONS

The submission of the S71 report is a requirement of the MFMA. Failure by the Accounting Officer to submit this report to the Mayor and to the National and Provincial Treasuries within 10 working days after the end of each month constitute non-compliance with the law. If such non-compliance is not rectified, National Treasury may invoke section 38(1)(a) of the MFMA which states that National Treasury may stop the transfer of funds due to a municipality as its share of local government's equitable share referred to in Section 214(1)(a) of the Constitution.

5. POLICY IMPLICATIONS

The submission of the S71 report is also a requirement and compliance with the approved Budget Policy of Council, which is reviewed annually as part of the budget-related policies.

6. FINANCIAL IMPLICATIONS

There are no financial implications associated with the approval of this report. The report is intended to appraise council of the budget implementation to allow the council to monitor and take remedial steps should there be any material variances.

7. RISKS

There are no risks appreciated with the submission and approval of this report. It is however important that the report is submitted within the legislated timeframes in order to ensure compliance. Risk of non-compliance with S71 of the MFMA, should the report not reach the Mayor, Provincial Treasury and National Treasury within 10 working days after the end of the month.

8. MANAGEMENT OF RISKS

All month-end processes must be done in time to allow the Budget and Treasury Office to prepare and submit report timeously.

9. RECOMMENDATIONS

9.1 That the Council notes the submission of S71 for the month ended 28 February 2023
(Annexure A);

9.2 That the management prioritize spending of grant funded projects in order to ensure that the municipality does not revert funds to National Treasury;

9.3 That the municipality continue to implement the incentive schemes in order improve its collection rate.

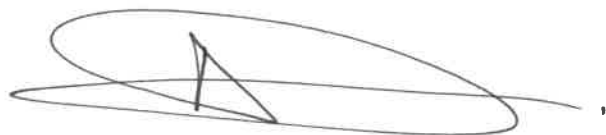
9.4 That municipality prioritises the payment of Eskom and uThukela Water.

9.5 That the Provincial Treasury's letter on early warning signals be noted (**Annexure B**)

Report prepared by:



Report seen by:



DX DUBE
PORTFOLIO COUNCILLOR
BUDGET AND TREASURY OFFICE



M.S NDLOVU
ACTING STRATEGIC EXECUTIVE DIRECTOR:
BUDGET AND TREASURY OFFICE

Annexure A

Section 71 Report for the month ended 28
February 2023

KZN252 Newcastle - Table C1 Monthly Budget Statement Summary - M08 February

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	352,585	363,413	363,413	30,559	254,007	242,275	11,732	5%	363,413
Service charges	1,110,882	1,176,842	1,176,842	91,477	788,393	784,562	3,832	0%	1,176,842
Investment revenue	4,445	3,131	3,131	280	3,941	2,088	1,853	89%	3,131
Transfers and subsidies	490,501	1,112,707	1,102,707	1,823	426,855	435,955	(9,100)	-2%	1,102,707
Other own revenue	45,199	37,169	37,169	1,839	20,574	24,779	(4,205)	-17%	37,169
Total Revenue (excluding capital transfers and contributions)	2,003,613	2,693,263	2,683,263	125,978	1,493,770	1,489,658	4,111	0%	2,683,263
Employee costs	585,366	601,653	567,833	54,633	430,444	378,555	51,888	14%	567,833
Remuneration of Councillors	23,742	29,060	25,710	2,085	18,525	17,140	1,384	8%	25,710
Depreciation & asset impairment	348,804	363,160	363,160	26,192	226,825	242,106	(15,281)	-6%	363,160
Finance charges	64,353	35,846	35,846	3	24,072	23,897	175	1%	35,846
Materials and bulk purchases	786,545	758,296	758,296	27,827	474,188	505,531	(31,342)	-6%	758,296
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	410,168	1,222,862	1,209,946	26,441	323,614	806,631	(483,016)	-60%	1,209,946
Total Expenditure	2,218,978	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/(Deficit)	(215,366)	(317,613)	(277,528)	(11,204)	(3,899)	(484,202)	480,303	-99%	(277,528)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(92,478)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)
Share of surplus/ (deficit) of associate	(45,141)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(137,618)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)
Capital expenditure & funds sources									
Capital expenditure	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Capital transfers recognised	122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	26,749	18,001	20,201	1,137	5,046	13,467	(8,421)	-63%	20,201
Total sources of capital funds	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Financial position									
Total current assets	1,003,641	676,443	726,529		1,092,592				726,529
Total non current assets	6,722,953	7,238,673	7,238,673		6,568,753				7,238,673
Total current liabilities	977,242	692,762	732,058		960,196				732,058
Total non current liabilities	545,070	351,099	351,099		543,365				351,099
Community wealth/Equity	6,204,281	6,871,255	6,882,045		6,157,784				6,882,045
Cash flows									
Net cash from (used) operating	236,944	164,505	226,791	(29,101)	86,376	(191,187)	(277,563)	145%	226,791
Net cash from (used) investing	(139,765)	(209,033)	(221,233)	(13,313)	(93,309)	(147,489)	(54,179)	37%	(221,233)
Net cash from (used) financing	(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
Cash/cash equivalents at the month/year end	76,168	(14,037)	36,049	-	37,272	(297,484)	(334,755)	113%	49,620
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	119,736	40,790	33,090	38,085	31,492	30,538	194,211	1,086,419	1,574,363
Creditors Age Analysis									
Total Creditors	86,504	929	5,217	-	-	10,857	219	213,548	317,275

KZN252 Newcastle - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	Ref	2021/22			Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		469,582	514,453	514,453	31,914	358,797	342,969	15,828	5%	514,453
Executive and council		8,676	12,367	12,367	640	10,017	8,245	1,772	21%	12,367
Finance and administration		460,906	502,086	502,086	31,275	348,781	334,724	14,056	4%	502,086
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		300,140	640,739	640,739	2,376	65,103	127,976	(62,873)	-49%	640,739
Community and social services		14,854	13,877	13,877	1,039	8,321	9,252	(931)	-10%	13,877
Sport and recreation		4,711	11,139	11,139	179	270	7,426	(7,156)	-96%	11,139
Public safety		5,164	4,138	4,138	147	3,735	2,758	977	35%	4,138
Housing		275,319	611,581	611,581	1,011	52,768	108,537	(55,769)	-51%	611,581
Health		91	4	4	1	9	3	6	230%	4
<i>Economic and environmental services</i>		141,205	168,208	168,208	11,058	98,042	112,138	(14,097)	-13%	168,208
Planning and development		102,901	39,067	39,067	94	16,783	26,044	(9,261)	-36%	39,067
Road transport		38,305	129,141	129,141	10,964	81,258	86,094	(4,836)	-6%	129,141
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,215,404	1,560,710	1,560,710	92,799	1,065,608	1,040,473	25,135	2%	1,560,710
Energy sources		698,454	835,626	835,626	53,938	551,920	557,084	(5,164)	-1%	835,626
Water management		225,940	337,581	337,581	19,620	237,408	225,054	12,354	5%	337,581
Waste water management		151,972	243,101	243,101	10,638	175,200	162,068	13,133	8%	243,101
Waste management		139,038	144,402	144,402	8,603	101,080	96,268	4,812	5%	144,402
<i>Other</i>	4	169	184	184	16	116	123	(7)	-6%	184
Total Revenue - Functional	2	2,126,501	2,884,295	2,884,295	138,163	1,587,666	1,623,680	(36,014)	-2%	2,884,295
Expenditure - Functional										
<i>Governance and administration</i>		466,817	469,276	445,688	32,685	318,844	297,125	21,719	7%	445,688
Executive and council		93,820	101,198	93,961	8,279	88,762	62,641	26,122	42%	93,961
Finance and administration		372,369	367,328	350,992	24,384	229,517	233,995	(4,478)	-2%	350,992
Internal audit		628	750	735	22	564	490	75	15%	735
<i>Community and public safety</i>		507,769	827,731	819,736	20,049	195,172	546,491	(351,319)	-64%	819,736
Community and social services		37,498	43,629	42,049	3,366	27,890	28,032	(143)	-1%	42,049
Sport and recreation		67,860	73,339	72,478	6,828	48,434	48,319	115	0%	72,478
Public safety		65,732	70,215	65,969	7,259	53,205	43,979	9,226	21%	65,969
Housing		327,112	630,591	629,783	1,797	59,283	419,855	(360,572)	-86%	629,783
Health		9,566	9,956	9,458	798	6,360	6,305	55	1%	9,458
<i>Economic and environmental services</i>		220,976	266,056	262,819	25,260	215,081	175,213	39,868	23%	262,819
Planning and development		78,093	85,041	81,804	6,531	56,437	54,536	1,900	3%	81,804
Road transport		142,876	181,008	181,008	18,729	158,638	120,672	37,967	31%	181,008
Environmental protection		7	7	7	-	6	5	1	21%	7
<i>Trading services</i>		1,065,293	1,444,445	1,429,179	58,975	766,676	952,786	(186,110)	-20%	1,429,179
Energy sources		619,934	742,466	740,865	41,774	461,803	493,910	(32,107)	-7%	740,865
Water management		350,885	597,907	586,801	8,975	224,756	391,201	(166,445)	-43%	586,801
Waste water management		53,873	60,542	60,542	471	32,235	40,361	(8,126)	-20%	60,542
Waste management		40,601	43,530	40,971	7,755	47,882	27,314	20,568	75%	40,971
<i>Other</i>		3,265	3,369	3,369	213	1,895	2,246	(350)	-16%	3,369
Total Expenditure - Functional	3	2,264,119	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/ (Deficit) for the year		(137,618)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)

KZN252 Newcastle - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - CORPORATE SERVICES	1	88,576	113,447	113,447	758	76,553	75,632	921	1.2%	113,447
Vote 2 - COMMUNITY SERVICES		163,905	173,608	173,608	9,976	113,417	115,739	(2,322)	-2.0%	173,608
Vote 3 - BUDGET AND TREASURY		391,006	401,006	401,006	31,156	282,245	267,337	14,907	5.6%	401,006
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		281,341	647,031	647,031	1,113	68,121	132,170	(64,050)	-48.5%	647,031
Vote 6 - TECHNICAL SERVICES		503,219	713,576	713,576	41,222	495,410	475,718	19,693	4.1%	713,576
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		698,454	835,626	835,626	53,938	551,920	557,084	(5,164)	-0.9%	835,626
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,126,501	2,884,295	2,884,295	138,163	1,587,666	1,623,680	(36,014)	-2.2%	2,884,295
Expenditure by Vote										
Vote 1 - CORPORATE SERVICES	1	98,250	106,832	99,563	7,573	88,503	66,375	22,127	33.3%	99,563
Vote 2 - COMMUNITY SERVICES		289,990	306,664	291,670	30,921	236,371	194,447	41,924	21.6%	291,670
Vote 3 - BUDGET AND TREASURY		194,969	192,074	188,502	10,591	112,298	125,668	(13,369)	-10.6%	188,502
Vote 4 - MUNICIPAL MANAGER		90,316	89,335	81,903	8,006	53,027	54,602	(1,575)	-2.9%	81,903
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		357,987	662,848	661,139	4,058	82,197	440,759	(358,562)	-81.4%	661,139
Vote 6 - TECHNICAL SERVICES		607,199	895,267	881,845	32,635	450,838	587,897	(137,059)	-23.3%	881,845
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		625,388	757,837	756,169	43,396	474,434	504,113	(29,679)	-5.9%	756,169
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,264,119	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24.1%	2,960,790
Surplus/ (Deficit) for the year	2	(137,618)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-125.7%	(76,496)

KZN252 Newcastle - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		352,585	363,413	363,413	30,559	254,007	242,275	11,732	5%	363,413
Service charges - electricity revenue		705,057	751,862	751,862	53,938	489,773	501,242	(11,469)	-2%	751,862
Service charges - water revenue		188,622	199,933	199,933	18,299	144,444	133,289	11,156	8%	199,933
Service charges - sanitation revenue		118,993	123,818	123,818	10,642	85,150	82,545	2,605	3%	123,818
Service charges - refuse revenue		98,211	101,229	101,229	8,598	68,025	67,486	1,539	2%	101,229
Rental of facilities and equipment		8,372	9,452	9,452	697	5,574	6,301	(728)	-12%	9,452
Interest earned - external investments		4,445	3,131	3,131	280	3,941	2,088	1,853	89%	3,131
Interest earned - outstanding debtors		3,792	4,001	4,001	604	4,236	2,668	1,568	69%	4,001
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,353	4,180	4,180	106	3,339	2,787	552	20%	4,180
Licenses and permits		46	48	48	8	33	32	1	3%	48
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		490,501	1,112,707	1,102,707	1,823	426,855	435,955	(9,100)	-2%	1,102,707
Other revenue		15,939	19,487	19,487	428	6,355	12,982	(6,636)	-51%	19,487
Gains		11,698	-	-	(2)	1,037	-	1,037	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,003,613	2,683,263	2,683,263	125,978	1,493,770	1,489,658	4,111	0%	2,683,263
Expenditure By Type										
Employee related costs		685,366	601,653	567,833	54,833	430,444	378,555	51,888	14%	567,833
Remuneration of councillors		23,742	29,060	25,710	2,085	18,525	17,140	1,384	8%	25,710
Debt impairment		130,120	286,041	286,041	2,394	57,277	190,694	(133,417)	-70%	286,041
Depreciation & asset impairment		348,804	363,160	363,160	26,192	226,825	242,106	(15,281)	-6%	363,160
Finance charges		64,353	35,846	35,846	3	24,072	23,897	175	1%	35,846
Bulk purchases		649,750	605,107	605,107	32,984	389,778	403,405	(13,627)	-3%	605,107
Other materials		136,795	153,188	153,188	(5,157)	84,410	102,126	(17,716)	-17%	153,188
Contracted services		253,442	818,629	809,233	15,321	197,188	539,489	(342,301)	-63%	809,233
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		25,960	118,192	114,672	8,726	69,149	76,448	(7,299)	-10%	114,672
Losses		646	-	-	-	-	-	-	-	-
Total Expenditure		2,218,978	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(215,366)	(317,613)	(277,528)	(11,204)	(3,899)	(484,202)	480,303	(0)	(277,528)
Transfers and subsidies - capital (in-kind - all) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	(0)	201,032
Surplus/(Deficit) after capital transfers & contributions		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)
Share of surplus/ (deficit) of associate		(45,141)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(137,618)	(126,581)	(76,496)	981	89,998	(350,180)			(76,496)

KZN252 Newcastle - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN 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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		5,583	11,345	11,345	80	151	7,563	(7,412)	-98%	11,345
Vote 3 - BUDGET AND TREASURY		1,748	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Vote 4 - MUNICIPAL MANAGER		243	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		13,195	25,001	25,001	-	12,809	16,667	(3,858)	-23%	25,001
Vote 6 - TECHNICAL SERVICES		126,659	189,788	181,988	13,243	84,704	121,325	(36,621)	-30%	181,988
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		2,208	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Total Capital Expenditure		149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Capital Expenditure - Functional Classification										
Governance and administration		4,199	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Executive and council		243	-	-	-	-	-	-	-	-
Finance and administration		3,956	2,900	2,900	-	1,278	1,933	(655)	-34%	2,900
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,025	11,345	11,345	80	151	7,563	(7,412)	-98%	11,345
Community and social services		1,162	345	345	80	143	230	(87)	-38%	345
Sport and recreation		3,367	11,000	11,000	-	8	7,333	(7,326)	-100%	11,000
Public safety		-	-	-	-	-	-	-	-	-
Housing		496	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		41,959	118,141	130,341	2,577	36,198	86,894	(50,696)	-58%	130,341
Planning and development		12,778	25,101	25,101	49	12,859	16,734	(3,875)	-23%	25,101
Road transport		29,181	93,040	105,240	2,528	23,339	70,160	(46,821)	-67%	105,240
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		98,454	76,648	76,648	10,666	61,315	51,098	10,217	20%	76,648
Energy sources		-	-	-	-	-	-	-	-	-
Water management		60,525	49,648	49,648	7,652	43,500	33,098	10,402	31%	49,648
Waste water management		36,874	27,000	27,000	3,013	17,815	18,000	(185)	-1%	27,000
Waste management		1,054	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233
Funded by:										
National Government		112,998	174,688	184,688	12,105	93,710	123,125	(29,415)	-24%	184,688
Provincial Government		9,890	16,345	16,345	80	187	10,896	(10,710)	-98%	16,345
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	201,032
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		26,749	18,001	20,201	1,137	5,046	13,467	(8,421)	-63%	20,201
Total Capital Funding	0	149,637	209,033	221,233	13,323	98,942	147,489	(48,547)	-33%	221,233

KZN252 Newcastle - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		29,936	(14,037)	36,049	(5,676)	36,049
Call investment deposits		46,232			42,947	
Consumer debtors		805,744	594,134	594,134	950,215	594,134
Other debtors		97,185	81,351	81,351	80,077	81,351
Current portion of long-term receivables						
Inventory		24,544	14,995	14,995	25,028	14,995
Total current assets		1,003,641	676,443	726,529	1,092,592	726,529
Non current assets						
Long-term receivables						
Investments						
Investment property		372,224	341,874	341,874	367,609	341,874
Investments in Associate		141,741	217,333	217,333	142,171	217,333
Property, plant and equipment		6,196,783	6,666,531	6,666,531	6,047,007	6,666,531
Biological						
Intangible		382	1,224	1,224	123	1,224
Other non-current assets		11,823	11,711	11,711	11,843	11,711
Total non current assets		6,722,953	7,238,673	7,238,673	6,568,753	7,238,673
TOTAL ASSETS		7,726,594	7,915,116	7,965,202	7,661,344	7,965,202
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		47,260	(32,106)	(32,106)	16,763	(32,106)
Consumer deposits		33,418	27,095	27,095	34,940	27,095
Trade and other payables		885,459	688,021	727,316	901,844	727,316
Provisions		11,105	9,752	9,752	6,648	9,752
Total current liabilities		977,242	692,762	732,058	960,196	732,058
Non current liabilities						
Borrowing		315,490	260,654	260,654	314,025	260,654
Provisions		229,580	90,445	90,445	229,340	90,445
Total non current liabilities		545,070	351,099	351,099	543,365	351,099
TOTAL LIABILITIES		1,522,312	1,043,861	1,083,156	1,503,560	1,083,156
NET ASSETS	2	6,204,281	6,871,255	6,882,045	6,157,784	6,882,045
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		6,203,958	6,841,013	6,851,803	6,126,109	6,851,803
Reserves		323	30,242	30,242	31,675	30,242
TOTAL COMMUNITY WEALTH/EQUITY	2	6,204,281	6,871,255	6,882,045	6,157,784	6,882,045

KZN252 Newcastle - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		348,289	272,560	272,560	22,919	161,295	181,706	(20,412)	-11%	272,560
Service charges		870,208	989,000	989,000	70,056	665,272	659,334	5,938	1%	989,000
Other revenue		13,234	315,172	315,172	928	35,009	210,115	(175,106)	-83%	315,172
Transfers and Subsidies - Operational		628,249	1,112,707	1,102,707	3,621	355,534	364,634	(9,100)	-2%	1,102,707
Transfers and Subsidies - Capital		148,615	191,032	201,032	-	162,145	162,145	-	-	201,032
Interest		8,308	3,131	3,131	1,220	8,177	2,088	6,089	292%	3,131
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1,737,665)	(2,683,251)	(2,620,965)	(124,937)	(1,276,982)	(1,747,310)	(470,328)	27%	(2,620,965)
Finance charges		(42,293)	(35,846)	(35,846)	(2,908)	(24,072)	(23,897)	175	-1%	(35,846)
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		236,944	164,505	226,791	(29,101)	86,376	(191,187)	(277,583)	145%	226,791
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		9,872	-	-	-	5,653	-	5,653	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(149,637)	(209,033)	(221,233)	(13,313)	(98,962)	(147,489)	(48,527)	33%	(221,233)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(139,765)	(209,033)	(221,233)	(13,313)	(93,309)	(147,489)	(54,179)	37%	(221,233)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		0	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(30,512)	(32,106)	(32,106)	(1,802)	(31,962)	(21,404)	10,559	-49%	(32,106)
NET INCREASE/ (DECREASE) IN CASH HELD		66,667	(76,633)	(26,547)	(44,215)	(38,896)	(360,080)			(26,547)
Cash/cash equivalents at beginning:		9,500	62,596	62,596		76,167	62,596			76,167
Cash/cash equivalents at month/year end:		76,168	(14,037)	36,049		37,272	(297,484)			49,620

KZN252 Newcastle - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	R thousands Revenue By Source Fines, penalties and forfeits Other revenue Rental of facilities and equipment Interest earned - external investments Interest earned - outstanding debtors Licenses and permits	20% -51% -12% 69% 59% -42%	Dependent on the consumer's reaction Consumer reaction due to the increased number of death. Increase in the rental of council facilities due to the easing of lockdown restrictions Interest received from the increase in investments made during the year Interest is impacted by the business accounts which are in arrears Dependent on the consumer's reaction	Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance
2	Expenditure By Type Debt impairment Employee related costs Other materials Contracted services	-70% 14% -17% 63%	Only debt impairment for indigents is calculated monthly all other debtors is Biannually This is due to the integration of the reinstated employees and the payment of salary increments Cost containment measures are being implemented Delays in the appointment of service providers	Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance Item will be adjusted during Mid Year Adjustment Budget in relation to performance
3	Capital Expenditure Grant funded projects Internally funded projects Repairs and maintenance	-30% 63% 29%	Due to SCM processes being at initial stages Due to SCM processes being at initial stages Due to SCM processes being at initial stages	Fast track SCM processes and management of contractors Fast track SCM processes and management of contractors Fast track SCM processes and management of contractors
4	Financial Position			
5	Cash Flow Net Cash from Operating Activities Net Cash Used from Investing Activities Net Cash Used from Financial Activities	145% 37% -49%	Main attributor is property rates due to increased number of new properties & conversion of household to business category Slow capital expenditure Based on amortisation schedules	None None None
6	Measurable performance			
7	Municipal Entities			

KZN252 Newcastle - Supporting Table SC2 Monthly Budget Statement - performance indicators - M08 February

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1.5%	13.3%	13.5%	1.6%	2.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		20.1%	13.3%	13.9%	20.0%	13.9%
Gearing	Long Term Borrowing/ Funds & Reserves		97691.6%	861.9%	861.9%	991.4%	861.9%
Liquidity							
Current Ratio	Current assets/current liabilities	1	102.7%	97.6%	99.2%	113.8%	99.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		7.8%	-2.0%	4.9%	3.9%	4.9%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.1%	25.1%	25.2%	69.0%	25.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
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		29.2%	22.3%	21.2%	28.8%	21.2%
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		20.6%	14.8%	14.9%	1.6%	2.3%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

KZN252 Newcastle - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description		Budget Year 2022/23											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debtors i.t.o Council Policy
NT Code		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
1200	Trade and Other Receivables from Exchange Transactions - Water	29,536	14,533	8,748	9,026	8,292	7,174	42,552	341,851	462,112	468,894	1,031		
1300	Trade and Other Receivables from Exchange Transactions - Electricity	34,897	1,349	852	711	635	763	3,800	13,118	55,126	19,028	147		
1400	Receivables from Non-exchange Transactions - Property Rates	37,841	8,469	8,233	8,441	7,478	8,210	38,650	101,563	216,386	164,343	384		
1500	Receivables from Exchange Transactions - Waste Water Management	17,160	5,563	6,444	7,343	6,278	6,270	35,055	332,601	417,715	387,546	635		
1600	Receivables from Exchange Transactions - Waste Management	13,131	4,889	4,857	5,447	4,620	4,353	25,708	136,430	199,654	176,767	236		
1700	Receivables from Exchange Transactions - Property Rental Debtors	625	165	173	137	111	110	632	3,458	5,411	4,448	5		
1810	Interest on Arrear Debtor Accounts	1,238	564	501	484	437	401	1,850	13,773	19,256	16,954	12		
1820	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-		
1900	Other	(15,090)	4,148	3,282	6,485	3,641	3,046	45,955	143,626	195,104	202,764	361		
2000	Total By Income Source	119,736	40,790	33,090	38,085	31,482	30,538	194,211	1,086,419	1,574,363	1,380,746	2,831		
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
2200	Organs of State	3,387	722	520	348	283	251	4,525	6,753	16,800	12,171	24		
2300	Commercial	39,519	3,144	2,514	2,548	2,256	3,385	12,416	56,559	122,421	77,143	49		
2400	Households	81,539	36,719	29,757	32,151	28,197	26,808	175,216	1,019,096	1,433,483	1,275,469	2,666		
2500	Other	(14,709)	204	200	3,038	746	115	2,054	10,011	1,659	15,963	91		
2600	Total By Customer Group	119,736	40,790	33,090	38,085	31,482	30,538	194,211	1,086,419	1,574,363	1,380,746	2,831		

KZN252 Newcastle - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

R thousands	Description	NT Code	Budget Year 2022/23										Total	Prior year totals for chart (same period)	
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year					
	Creditors Age Analysis By Customer Type														
	Bulk Electricity	0100	38,019	-	5,217	-	-	-	-	10,857	219	46,540	-	100,852	
	Bulk Water	0200	15,320	-	-	-	-	-	-	-	-	166,998	-	182,317	
	PAYE deductions	0300	9,462	-	-	-	-	-	-	-	-	-	-	9,462	
	VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-	-	
	Pensions / Retirement deductions	0500	4,617	-	-	-	-	-	-	-	-	-	-	4,617	
	Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-	-	
	Trade Creditors	0700	19,086	929	-	-	-	-	-	-	-	11	-	20,026	
	Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-	-	
	Other	0900	-	-	-	-	-	-	-	-	-	-	-	-	
	Total By Customer Type	1000	86,504	929	5,217	-	-	-	-	10,857	219	213,548	-	317,275	-

KZN252 Newcastle - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

R thousands	Investments by maturity Name of institution & investment ID	Ref	Period of Investment		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
			Yrs	Months												
	Municipality															
	Nextbank				Call Account						Call account	656	1,281	(195,145)	193,500	482
	Standard Bank				Call Account						Call account	44,815	1,784	(36,835)	32,112	41,876
	ABSA				Call Account						Call account	561	19	-	-	580
	Municipality sub-total											46,232	3,084	(231,980)	225,612	42,947
	Entities															
	Entities sub-total											-	-	-	-	-
	TOTAL INVESTMENTS AND INTEREST	2										46,232	3,084	(231,980)	225,612	42,947

KZN252 Newcastle - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		448,972	494,958	484,958	1,125	334,187	343,287	(9,100)	-2.7%	494,958
Local Government Equitable Share		403,334	466,902	466,902	-	328,584	337,684	(9,100)	-2.7%	466,902
Energy Efficiency and Demand Management		4,000	-	-	-	-	-	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Finance Management		1,650	1,850	1,850	-	1,850	1,850	-	-	1,850
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)		29,000	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	3	8,040	22,453	12,453	-	-	-	-	-	22,453
Massification		-	-	-	-	-	-	-	-	-
EPWP Incentive		2,948	3,753	3,753	1,125	3,753	3,753	-	-	3,753
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		439,867	617,749	617,749	2,496	20,764	20,764	-	-	617,749
Health subsidy		-	-	-	-	-	-	-	-	-
Level 2 accreditation		-	5,439	5,439	2,496	6,006	6,006	-	-	5,439
Museums Services		429	105	105	-	105	105	-	-	105
Community Library Services Grant		2,475	2,595	2,595	-	2,595	2,595	-	-	2,595
Sport and Recreation		-	-	-	-	-	-	-	-	-
Spatial Development Framework Support		-	-	-	-	-	-	-	-	-
Housing		411,185	123,885	123,885	-	5,067	5,067	-	-	123,885
Title Deeds		-	-	-	-	-	-	-	-	-
COGTA Support Scheme		-	-	-	-	-	-	-	-	-
Provincialisation of Libraries	4	6,757	6,992	6,992	-	6,992	6,992	-	-	6,992
ISU Partnership Grant		-	478,733	478,733	-	-	-	-	-	478,733
Accredited municipalities		19,021	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		377	-	931	-	582	582	-	-	-
LGSETA GRANT		377	-	931	-	582	582	-	-	-
EED Housing Grant		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	889,216	1,112,707	1,103,638	3,621	355,534	364,634	(9,100)	-2.5%	1,112,707
Capital Transfers and Grants										
National Government:		138,282	174,688	184,688	-	158,800	158,800	-	-	184,688
Neighbourhood Development Partnership		7,440	20,000	20,000	-	20,000	20,000	-	-	20,000
Municipal Infrastructure Grant (MIG)		111,142	106,688	116,688	-	110,000	110,000	-	-	116,688
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Energy efficiency & demand side management		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)		11,000	48,000	48,000	-	28,800	28,800	-	-	48,000
Neighbourhood Development Partnership		-	-	-	-	-	-	-	-	-
Water Intervention Project		8,700	-	-	-	-	-	-	-	-
Provincial Government:		7,333	11,345	11,345	-	345	345	-	-	11,345
Housing		-	-	-	-	-	-	-	-	-
Greenest Town		-	-	-	-	-	-	-	-	-
Sport and Recreation		7,333	11,000	11,000	-	-	-	-	-	11,000
Museum		-	345	345	-	345	345	-	-	345
Community Library Service		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		3,000	5,000	5,000	-	3,000	3,000	-	-	5,000
EDTEA Grant(AIRPORT UPGRADE)		2,000	2,000	2,000	-	-	-	-	-	2,000
EDTEA Grant(TRADE STALLS)		1,000	3,000	3,000	-	3,000	3,000	-	-	3,000
Total Capital Transfers and Grants	5	148,615	191,032	201,032	-	162,145	162,145	-	-	201,032
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1,037,831	1,303,739	1,304,670	3,621	517,678	526,778	(9,100)	-1.7%	1,313,739

KZN252 Newcastle - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	Budget Year 2022/23								
		2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		437,303	494,958	494,958	1,139	342,806	356,388	(13,583)	-3.8%	494,958
Local Government Equitable Share		403,334	466,902	466,902	-	328,584	337,684	(9,100)	-2.7%	466,902
Water Services Infrastructure Grant (WSIG)		21,948	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)		7,420	22,453	22,453	177	11,167	14,969	(3,802)	-25.4%	22,453
Energy Efficiency and Demand Management		299	-	-	-	-	-	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Finance Management Grant		1,453	1,850	1,850	34	584	1,233	(650)	-52.7%	1,850
Massification		-	-	-	-	-	-	-	-	-
EPWP Incentive		2,848	3,753	3,753	928	2,471	2,502	(31)	-1.2%	3,753
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
Provincial Government:		281,209	617,749	617,749	1,428	56,289	411,832	(355,543)	-86.3%	617,749
Health subsidy		-	-	-	-	-	-	-	-	-
Housing		265,898	123,885	123,885	-	42,317	82,590	(40,273)	-48.8%	123,885
ISU Partnership Grant		-	478,733	478,733	-	-	319,155	(319,155)	-100.0%	478,733
Title Deeds		-	-	-	-	-	-	-	-	-
Provincialisation of Libraries		6,698	6,992	6,992	584	4,683	4,661	22	0.5%	6,992
Level 2 Accreditation		-	5,439	5,439	642	7,495	3,626	3,869	106.7%	5,439
Museum Services		86	105	105	-	-	70	(70)	-100.0%	105
Community Library Services Grant		2,466	2,595	2,595	202	1,794	1,730	64	3.7%	2,595
Accredited municipalities		5,961	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		1,381	-	-	-	-	-	-	-	-
LGSETA GRANT		1,381	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		719,893	1,112,707	1,112,707	2,566	399,095	768,221	(369,126)	-48.0%	1,112,707
Capital expenditure of Transfers and Grants										
National Government:		118,473	174,688	184,688	12,105	93,710	123,125	(29,415)	-23.9%	184,688
Neighbourhood Development Partnership		2,610	20,000	20,000	(1,137)	11,365	13,333	(1,969)	-14.8%	20,000
Municipal Infrastructure Grant(MIG)		97,473	106,688	116,688	9,621	58,930	77,792	(18,862)	-24.2%	116,688
Water Services Infrastructure Grant (WSIG)		12,835	48,000	48,000	3,621	23,415	32,000	(8,585)	-26.8%	48,000
Emergy efficiency & demand side management		-	-	-	-	-	-	-	-	-
Water Intervention Project		5,554	-	-	-	-	-	-	-	-
Provincial Government:		3,116	11,345	11,345	-	63	7,563	(7,500)	-99.2%	11,345
Level 2 accreditation		-	-	-	-	-	-	-	-	-
Museums Services		-	345	345	-	63	230	-	-	345
Provincialisation of Libraries		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Greenest Town		-	-	-	-	-	-	-	-	-
Sport and Recreation		3,116	11,000	11,000	-	-	7,333	(7,333)	-100.0%	11,000
Community Library Service		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		-	5,000	5,000	-	43	3,333	(3,290)	-98.7%	5,000
EDTEA Grant(AIRPORT UPGRADE)		-	2,000	2,000	-	43	1,333	(1,290)	-96.7%	2,000
EDTEA Grant(TRADE STALLS)		-	3,000	3,000	-	-	2,000	(2,000)	-100.0%	3,000
Total capital expenditure of Transfers and Grants		121,589	191,032	201,032	12,105	93,816	134,021	(40,205)	-30.0%	201,032
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		841,482	1,303,739	1,313,739	14,672	492,911	902,242	(409,331)	-45.4%	1,313,739

KZN252 Newcastle - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M08 February

Description	Ref	Budget Year 2022/23				
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Integrated National Electrification Programme					-	
Finance Management					-	
Municipal Systems Improvement					-	
Water Services Infrastructure Grant (WSIG)					-	
Municipal Infrastructure Grant (MIG)					-	
Other transfers and grants [insert description]					-	
Provincial Government:		539	80	98	442	81.8%
Museums Services		539	80	98	442	81.8%
Spatial Development Framework Support					-	
Provincialisation of Libraries		-	-	-	-	
ISU Partnership Grant					-	
Accredited municipalities					-	
District Municipality:		-	-	-	-	
0					-	
Other grant providers:		931	103	151	780	83.8%
LGSETA GRANT		931	103	151	780	83.8%
Total operating expenditure of Approved Roll-overs		1,470	183	249	1,221	83.1%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Neighbourhood Development Partnership					-	
Water Services Infrastructure Grant (WSIG)					-	
					-	
					-	
Water Intervention Project					-	
Provincial Government:		-	-	-	-	
Provincialisation of Libraries					-	
Community Library Service					-	
Museums Services					-	
District Municipality:		-	-	-	-	
0					-	
Other grant providers:		-	-	-	-	
0					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1,470	183	249	1,221	83.1%

% increase	4									
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		609,108	630,713	593,543	56,719	448,968	395,695	53,273	13%	593,543
% increase	4		3.5%	-2.6%						-2.6%
TOTAL MANAGERS AND STAFF		585,366	601,653	567,833	54,633	430,444	378,555	51,888	14%	567,833

KZN252 Newcastle - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

R thousands	Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework											
			Budget Year 2022/23												2022/23				+1 2023/24				+2 2024/25			
			July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget				
	Cash Receipts By Source	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	2022/23	2023/24	2024/25	2024/25						
	Property rates		26,791	26,389	25,637	30,142	25,612	26,030	19,351	22,919						69,700	272,560	300,807	308,487	308,487						
	Service charges - electricity revenue		45,718	91,971	59,196	56,610	47,584	55,730	27,958	40,453						301,772	727,051	822,647	904,912	904,912						
	Service charges - water revenue		12,401	13,635	15,098	18,434	15,419	16,320	11,037	13,724						5,482	121,559	130,432	128,810	128,810						
	Service charges - sanitation revenue		7,614	8,731	8,940	10,602	9,080	10,067	5,834	7,982						1,784	69,833	81,016	84,561	84,561						
	Service charges - refuse		5,894	7,494	7,304	8,564	7,314	8,221	4,516	6,449						14,811	70,557	66,842	69,850	69,850						
	Rental of facilities and equipment		679	680	672	723	708	733	684	697						3,878	9,452	9,868	10,312	10,312						
	Interest earned - external investments		235	653	653	742	483	292	257	280						(473)	3,131	2,510	2,623	2,623						
	Interest earned - outstanding debtors															-	-	-	-	-						
	Dividends received		47	376	539	438	487	703	401	106						(2,261)	856	873	1,266	1,266						
	Fines, penalties and forfeits		2	-	1	1	4	2	11	8						15	48	46	48	48						
	Licences and permits															-	-	-	-	-						
	Agency services		162,091	2,789	3,366	-	12,747	1,794	148,812	3,621						757,487	1,112,707	869,077	945,028	945,028						
	Transfers and Subsidies - Operational		820	838	825	847	4,545	592	791	428						256,149	304,836	265,231	263,943	263,943						
	Other revenue		282,281	153,550	122,230	127,104	123,993	120,542	219,451	95,664						1,446,754	2,682,570	2,549,347	2,720,939	2,720,939						
	Cash Receipts by Source																									
	Other Cash Flows by Source																									
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		83,600	-	41,000	19,587	19,545	25,345	3,000							18,956	191,032	157,183	104,950	104,950						
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)															-	-	-	-	-						
	Proceeds on Disposal of Fixed and Intangible Assets								5,662							(5,662)	-	-	-	-						
	Short term loans															-	-	-	-	-						
	Borrowing long term/financing															-	-	-	-	-						
	Increase (decrease) in consumer deposits															-	-	-	-	-						
	Decrease (increase) in non-current receivables															-	-	-	-	-						
	Decrease (increase) in non-current investments															-	-	-	-	-						
	Total Cash Receipts by Source		345,881	153,550	163,230	146,691	143,538	145,887	228,113	96,664						1,460,048	2,883,602	2,706,530	2,825,689	2,825,689						
	Cash Payments by Type																									
	Employee related costs		44,068	48,672	54,414	57,389	57,996	59,258	53,820	54,633						171,402	601,653	628,125	666,538	666,538						
	Remuneration of councillors		1,929	1,929	4,083	2,143	2,127	2,113	2,115	2,095						10,536	29,060	30,339	31,704	31,704						
	Interest paid		3,043	3,038	657	(206)	13	(206)	2,163	3						27,135	35,846	37,423	39,107	39,107						
	Bulk purchases - Electricity		83,487	83,487	85,591	51,709	52,740	53,332	49,900	47,818						180,620	856,107	631,732	660,160	660,160						
	Bulk purchases - Water & Sewer															-	-	-	-	-						
	Other materials		1,271	13,162	13,550	24,893	14,593	13,563	6,901	7,642						57,493	153,188	159,886	167,079	167,079						
	Contracted services		15,043	21,153	26,652	9,323	37,992	28,757	28,840	4,886						611,052	783,629	513,023	538,055	538,055						
	Grants and subsidies paid - other municipalities															-	-	-	-	-						
	Grants and subsidies paid - other															-	-	-	-	-						
	General expenses		69,215	1,288	1,998	9,018	5,805	3,656	14,883	8,726						3,603	118,192	122,885	128,437	128,437						
	Cash Payments by Type		134,569	172,760	186,876	154,368	171,267	160,678	158,521	125,795						1,064,341	2,326,675	2,123,414	2,221,078	2,221,078						
	Other Cash Flows/Payments by Type																									
	Capital assets		11,469	13,007	13,619	15,292	12,896	7,048	12,298	13,253						122,291	221,233	170,083	117,850	117,850						
	Repayment of borrowing															143	32,106	34,082	35,166	35,166						
	Other Cash Flows/Payments		53,140	26,743	(956)	(3,200)	(3,070)	(2,546)	13,190	1,802						276,986	330,136	322,277	426,642	426,642						
	Total Cash Payments by Type		199,198	212,509	199,539	166,460	181,093	165,181	184,009	140,889						1,461,271	2,910,150	2,549,656	2,800,727	2,800,727						
	NET INCREASE/(DECREASE) IN CASH HELD		146,684	(58,960)	(36,308)	(19,770)	(37,556)	(19,294)	44,104	(44,225)						(1,223)	(28,547)	56,674	25,162	25,162						
	Cash/cash equivalents at the month/year beginning:		62,696	209,280	150,320	114,011	94,242	56,686	37,392	81,497						37,272	62,596	36,049	92,723	92,723						
	Cash/cash equivalents at the month/year end:		209,280	150,320	114,011	94,242	56,686	37,392	81,497	37,272						36,049	36,049	92,723	117,885	117,885						

KZN252 Newcastle - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates		352,585	363,413	363,413	30,559	254,007	242,275	11,732	5%	363,413
Service charges - electricity revenue		705,057	751,862	751,862	53,938	489,773	501,242	(11,469)	-2%	751,862
Service charges - water revenue		188,622	199,933	199,933	18,299	144,444	133,289	11,156	8%	199,933
Service charges - sanitation revenue		118,993	123,818	123,818	10,642	85,150	82,545	2,605	3%	123,818
Service charges - refuse revenue		98,211	101,229	101,229	8,598	69,025	67,486	1,539	2%	101,229
Rental of facilities and equipment		8,372	9,452	9,452	697	5,574	6,301	(728)	-12%	9,452
Interest earned - external investments		4,445	3,131	3,131	280	3,941	2,088	1,853	89%	3,131
Interest earned - outstanding debtors		3,792	4,001	4,001	604	4,236	2,668	1,568	59%	4,001
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5,353	4,180	4,180	106	3,339	2,787	552	20%	4,180
Licences and permits		46	48	48	8	33	32	1	3%	48
Agency services		-	-	-	-	-	-	-	-	0.00%
Transfers and subsidies		490,501	1,112,707	1,102,707	1,823	426,855	435,955	(9,100)	-2%	1,112,707
Other revenue		15,939	19,487	19,487	428	6,355	12,992	(6,636)	-51%	19,487
Gains		11,698	-	-	(2)	1,037	-	1,037	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		2,003,613	2,693,263	2,683,263	125,978	1,493,770	1,489,658	4,111	0%	2,693,263
Expenditure By Type										
Employee related costs		585,366	601,653	567,833	54,633	430,444	378,555	51,888	14%	567,833
Remuneration of councillors		23,742	29,060	25,710	2,085	18,525	17,140	1,384	8%	25,710
Debt impairment		130,120	286,041	286,041	2,394	57,277	190,694	(133,417)	-70%	286,041
Depreciation & asset impairment		348,804	363,160	363,160	26,192	226,825	242,106	(15,281)	-6%	363,160
Finance charges		64,353	35,846	35,846	3	24,072	23,897	175	1%	35,846
Bulk purchases		649,750	605,107	605,107	32,984	389,778	403,405	(13,627)	-3%	605,107
Other materials		136,795	153,188	153,188	(5,157)	84,410	102,126	(17,716)	-17%	153,188
Contracted services		253,442	818,629	809,233	15,321	197,188	539,489	(342,301)	-63%	809,233
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		25,960	118,192	114,672	8,726	69,149	76,448	(7,299)	-10%	114,672
Losses		646	-	-	-	-	-	-	-	-
Total Expenditure		2,218,978	3,010,876	2,960,790	137,182	1,497,668	1,973,860	(476,192)	-24%	2,960,790
Surplus/(Deficit)		(215,366)	(317,613)	(277,528)	(11,204)	(3,899)	(484,202)	480,303	-99%	(267,528)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		122,888	191,032	201,032	12,185	93,896	134,021	(40,125)	-30%	191,032
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(92,478)	(126,581)	(76,496)	981	89,998	(350,180)	440,178	-126%	(76,496)

KZN252 Newcastle - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	2021/22		Budget Year 2022/23						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	2,565	17,419	17,419	11,445	11,445	17,419	5,974	34.3%	5%
August	5,241	17,419	18,529	13,050	24,496	35,948	11,452	31.9%	12%
September	12,777	17,419	18,529	13,612	38,108	54,476	16,368	30.0%	18%
October	15,392	17,419	18,529	15,299	53,407	73,005	19,598	26.8%	26%
November	16,790	17,419	18,529	11,422	64,829	91,533	26,704	29.2%	31%
December	10,488	17,419	18,529	8,522	73,351	110,062	36,711	33.4%	35%
January	4,340	17,419	18,529	12,269	85,620	128,590	42,971	33.4%	41%
February	6,521	17,419	18,529	13,323	98,942	147,119	48,177	32.7%	47%
March	19,569	17,419	18,529	-	-	165,648	-	-	-
April	18,810	17,419	18,529	-	-	184,176	-	-	-
May	16,552	17,419	18,529	-	-	202,705	-	-	-
June	20,580	17,419	18,529	-	-	221,233	-	-	-
Total Capital expenditure	149,637	209,033	221,233	98,942					

<i>Theatres</i>	-	-	-	-	-	-	-	-	-	-
<i>Libraries</i>	2,075	345	345	80	572	230	(342)	-149.0%	345	
<i>Cemeteries/Crematoria</i>	-	-	-	-	-	-	-	-	-	
<i>Police</i>	-	-	-	-	-	-	-	-	-	
<i>Parks</i>	-	-	-	-	-	-	-	-	-	
<i>Public Open Space</i>	-	-	-	-	-	-	-	-	-	
<i>Nature Reserves</i>	-	-	-	-	-	-	-	-	-	
<i>Public Ablution Facilities</i>	-	-	-	-	-	-	-	-	-	
<i>Markets</i>	-	-	-	-	-	-	-	-	-	
<i>Stalls</i>	54	-	-	-	8	-	(8)	#DIV/0!	-	
<i>Abattoirs</i>	-	-	-	-	-	-	-	-	-	
<i>Airports</i>	-	-	-	-	-	-	-	-	-	
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-	-	
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
<i>Monuments</i>	-	-	-	-	-	-	-	-	-	
<i>Historic Buildings</i>	-	-	-	-	-	-	-	-	-	
<i>Works of Art</i>	-	-	-	-	-	-	-	-	-	
<i>Conservation Areas</i>	-	-	-	-	-	-	-	-	-	
<i>Other Heritage</i>	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	
<i>Operational Buildings</i>	-	-	-	-	-	-	-	-	-	
<i>Municipal Offices</i>	-	-	-	-	-	-	-	-	-	
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-	
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-	
<i>Workshops</i>	-	-	-	-	-	-	-	-	-	
<i>Yards</i>	-	-	-	-	-	-	-	-	-	
<i>Stores</i>	-	-	-	-	-	-	-	-	-	
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-	
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-	
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-	
<i>Depots</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
<i>Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-	
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-	
<i>Water Rights</i>	-	-	-	-	-	-	-	-	-	
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-	
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-	
<i>Leasehold Software Applications</i>	-	-	-	-	-	-	-	-	-	
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<i>Computer Equipment</i>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	813	2,900	2,900	49	210	1,933	1,724	89.2%	2,900	
<i>Furniture and Office Equipment</i>	813	2,900	2,900	49	210	1,933	1,724	89.2%	2,900	
Machinery and Equipment	2,711	5,200	7,400	-	1,118	4,933	3,815	77.3%	7,400	
<i>Machinery and Equipment</i>	2,711	5,200	7,400	-	1,118	4,933	3,815	77.3%	7,400	
Transport Assets	243	-	-	-	-	-	-	-	-	
<i>Transport Assets</i>	243	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<i>Land</i>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	61,569	106,386	108,586	5,812	44,686	72,390	27,705	38.3%	108,586

<i>Theatres</i>	-	-	-	-	-	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	-	-	-	-	-	-	-	-	-	-
<i>Police</i>	-	-	-	-	-	-	-	-	-	-
<i>Parks</i>	-	-	-	-	-	-	-	-	-	-
<i>Public Open Space</i>	-	-	-	-	-	-	-	-	-	-
<i>Nature Reserves</i>	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>	-	-	-	-	-	-	-	-	-	-
<i>Stalls</i>	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>	-	-	-	-	-	-	-	-	-	-
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>	-	-	-	-	-	-	-	-	-	-
Transport Assets	2,208	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>	2,208	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
<i>Land</i>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	9,794	10,000	10,000	906	7,215	6,667	(549)	-8.2%	10,000

KZN252 Newcastle - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		57,955	58,677	58,677	4,054	26,700	39,118	12,418	31.7%	58,677
Roads Infrastructure		4,266	4,697	4,697	558	3,349	3,131	(218)	-7.0%	4,697
Roads		4,266	4,697	4,697	558	3,349	3,131	(218)	-7.0%	4,697
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		19,349	16,786	16,786	2,061	12,582	11,191	(1,391)	-12.4%	16,786
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		19,349	16,786	16,786	2,061	12,582	11,191	(1,391)	-12.4%	16,786
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7,615	9,433	9,433	488	6,020	6,289	268	4.3%	9,433
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		7,615	9,433	9,433	-	528	6,289	5,761	91.6%	9,433
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	77	796	-	(796)	#DIV/0!	-
MV Networks		-	-	-	69	1,919	-	(1,919)	#DIV/0!	-
LV Networks		-	-	-	341	2,778	-	(2,778)	#DIV/0!	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		7,898	4,750	4,750	946	2,764	3,166	403	12.7%	4,750
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		2,914	3,675	3,675	946	2,692	2,450	(242)	-9.9%	3,675
Water Treatment Works		4,292	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		692	1,075	1,075	-	71	717	645	90.0%	1,075
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		18,828	23,011	23,011	-	1,984	15,341	13,356	87.1%	23,011
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		1,704	2,561	2,561	-	1,984	1,707	(277)	-16.2%	2,561
Waste Water Treatment Works		5,048	10,000	10,000	-	-	6,667	6,667	100.0%	10,000
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		12,077	10,450	10,450	-	-	6,967	6,967	100.0%	10,450
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1,804	1,733	1,733	86	713	1,155	442	38.3%	1,733
Community Facilities		1,649	1,465	1,465	86	685	977	292	29.9%	1,465

Halls	203	171	171	4	212	114	(98)	-85.9%	171
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	103	7	7	-	0	5	4	94.6%	7
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	112	117	117	6	44	78	34	43.1%	117
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	517	457	457	75	322	304	(17)	-5.7%	457
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	88	72	72	-	71	48	(24)	-49.6%	72
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	293	361	361	1	35	240	205	85.4%	361
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	333	282	282	-	-	188	188	100.0%	282
Sport and Recreation Facilities	155	268	268	-	28	179	150	84.1%	268
Indoor Facilities	128	166	166	-	2	111	109	98.0%	166
Outdoor Facilities	28	102	102	-	26	68	42	61.3%	102
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	3,355	4,057	4,057	233	2,293	2,705	411	15.2%	4,057
Operational Buildings	2,366	3,378	3,378	200	1,724	2,252	528	23.5%	3,378
Municipal Offices	2,249	3,281	3,281	167	1,658	2,187	529	24.2%	3,281
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	42	39	39	23	26	26	(0)	-1.4%	39
Yards	-	-	-	-	-	-	-	-	-
Stores	75	59	59	9	24	39	15	38.0%	59
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	16	-	(16)	#DIV/0!	-
Housing	989	679	679	33	570	453	(117)	-25.8%	679
Staff Housing	563	291	291	21	391	194	(198)	-102.0%	291
Social Housing	426	388	388	13	178	259	81	31.2%	388
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	3,737	3,784	1,784	70	1,728	1,189	(539)	-45.3%	1,784
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	3,737	3,784	1,784	70	1,728	1,189	(539)	-45.3%	1,784
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	3,737	3,784	1,784	70	1,728	1,189	(539)	-45.3%	1,784
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	2,262	2,300	2,300	-	-	1,533	1,533	100.0%	2,300
Computer Equipment	2,262	2,300	2,300	-	-	1,533	1,533	100.0%	2,300
Furniture and Office Equipment	14	33	33	-	6	22	16	71.8%	33
Furniture and Office Equipment	14	33	33	-	6	22	16	71.8%	33
Machinery and Equipment	6,927	6,122	6,122	350	4,072	4,081	9	0.2%	6,122
Machinery and Equipment	6,927	6,122	6,122	350	4,072	4,081	9	0.2%	6,122

Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	76,056	76,707	74,707	4,793	35,513	49,805	14,292	28.7%	74,707

KZN252 Newcastle - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		323,975	305,403	305,403	22,579	205,374	203,602	(1,772)	-0.9%	305,403
Roads Infrastructure		213,478	158,307	158,307	8,758	95,766	105,538	9,772	9.3%	158,307
Roads		213,478	25,953	25,953	8,758	67,185	17,302	(49,883)	-288.3%	25,953
Road Structures		-	132,354	132,354	-	28,581	88,236	59,655	67.6%	132,354
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		15,961	-	-	1,922	11,530	-	(11,530)	#DIV/0!	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		15,961	-	-	1,922	11,530	-	(11,530)	#DIV/0!	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		41,246	57,403	57,403	3,973	23,836	38,269	14,433	37.7%	57,403
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	48,747	48,747	3,973	23,836	32,498	8,662	26.7%	48,747
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		41,246	1,311	1,311	-	-	874	874	100.0%	1,311
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	7,345	7,345	-	-	4,897	4,897	100.0%	7,345
Water Supply Infrastructure		23,119	47,698	47,698	4,103	51,304	31,799	(19,505)	-61.3%	47,698
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	4,909	4,909	-	-	3,273	3,273	100.0%	4,909
Water Treatment Works		23,119	-	-	-	-	-	-	-	-
Bulk Mains		-	42,789	42,789	4,103	51,304	28,526	(22,778)	-79.8%	42,789
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		30,171	39,766	39,766	3,464	20,781	26,510	5,729	21.6%	39,766
Pump Station		-	3,038	3,038	-	-	2,025	2,025	100.0%	3,038
Reticulation		30,171	15,333	15,333	3,464	20,781	10,222	(10,559)	-103.3%	15,333
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	21,395	21,395	-	-	14,263	14,263	100.0%	21,395
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	2,229	2,229	359	2,157	1,486	(671)	-45.2%	2,229
Landfill Sites		-	2,229	2,229	359	2,157	1,486	(671)	-45.2%	2,229
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		4,960	15,998	15,998	984	5,902	10,665	4,763	44.7%	15,998
Community Facilities		4,960	10,937	10,937	652	3,913	7,291	3,378	46.3%	10,937

Halls	76	2,273	2,273	99	596	1,515	920	60.7%	2,273
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	122	725	725	50	303	484	181	37.4%	725
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	118	977	977	185	1,109	651	(458)	-70.3%	977
Cemeteries/Crematoria	2,914	1,920	1,920	76	453	1,280	827	64.6%	1,920
Police	-	-	-	-	-	-	-	-	-
Parks	1,245	-	-	-	-	-	-	-	1,623
Public Open Space	485	1,623	1,623	7	42	1,082	1,040	96.1%	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	120	120	-	-	80	80	100.0%	120
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	375	375	-	-	250	250	100.0%	375
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	2,922	2,922	-	-	1,948	1,948	100.0%	2,922
Taxi Ranks/Bus Terminals	-	2	2	-	-	1	1	100.0%	2
Capital Spares	-	-	-	235	1,410	-	(1,410)	#DIV/0!	-
Sport and Recreation Facilities	-	5,061	5,061	331	1,989	3,374	1,385	41.1%	5,061
Indoor Facilities	-	2,728	2,728	28	170	1,819	1,648	90.6%	2,728
Outdoor Facilities	-	2,333	2,333	303	1,819	1,556	(263)	-16.9%	2,333
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	9,095	16,724	16,724	1,269	7,614	11,149	3,535	31.7%	16,724
Operational Buildings	9,095	16,724	16,724	1,269	7,614	11,149	3,535	31.7%	16,724
Municipal Offices	9,095	16,724	16,724	1,269	7,614	11,149	3,535	31.7%	16,724
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	1,576	-	-	78	469	-	(469)	#DIV/0!	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	1,576	-	-	78	469	-	(469)	#DIV/0!	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	1,576	-	-	78	469	-	(469)	#DIV/0!	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	856	2,366	2,366	304	1,601	1,577	(24)	-1.5%	2,366
Computer Equipment	856	2,366	2,366	304	1,601	1,577	(24)	-1.5%	2,366
Furniture and Office Equipment	1,785	2,422	2,422	194	1,165	1,614	450	27.8%	2,422
Furniture and Office Equipment	1,785	2,422	2,422	194	1,165	1,614	450	27.8%	2,422
Machinery and Equipment	2,418	15,095	15,095	275	1,652	10,063	8,411	83.6%	15,095
Machinery and Equipment	2,418	15,095	15,095	275	1,652	10,063	8,411	83.6%	15,095

Transport Assets		4,139	5,111	5,111	508	3,049	3,407	358	10.5%	5,111
Transport Assets		4,139	5,111	5,111	508	3,049	3,407	358	10.5%	5,111
Land		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	42	42	-	-	28	28	100.0%	42
Zoo's, Marine and Non-biological Animals		-	42	42	-	-	28	28	100.0%	42
Total Depreciation	1	348,804	363,160	363,160	26,192	226,825	242,106	15,281	6.3%	363,160

<i>Theatres</i>	-	-	-	-	-	-	-	-	-	
<i>Libraries</i>	-	-	-	-	-	-	-	-	-	
<i>Cemeteries/Crematoria</i>	-	-	-	-	-	-	-	-	-	
<i>Police</i>	-	-	-	-	-	-	-	-	-	
<i>Purfs</i>	-	-	-	-	-	-	-	-	-	
<i>Public Open Space</i>	-	-	-	-	-	-	-	-	-	
<i>Nature Reserves</i>	-	-	-	-	-	-	-	-	-	
<i>Public Ablution Facilities</i>	-	-	-	-	-	-	-	-	-	
<i>Markets</i>	-	-	-	-	-	-	-	-	-	
<i>Stalls</i>	-	3,000	3,000	-	43	2,000	1,957	97.8%	3,000	
<i>Abattoirs</i>	-	-	-	-	-	-	-	-	-	
<i>Airports</i>	-	2,000	2,000	-	-	1,333	1,333	100.0%	2,000	
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	3,116	11,000	11,000	466	3,621	7,333	3,712	50.6%	11,000	
<i>Indoor Facilities</i>	3,116	-	-	466	3,621	-	(3,621)	#DIV/0!	-	
<i>Outdoor Facilities</i>	-	11,000	11,000	-	-	7,333	7,333	100.0%	11,000	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
<i>Monuments</i>	-	-	-	-	-	-	-	-	-	
<i>Historic Buildings</i>	-	-	-	-	-	-	-	-	-	
<i>Works of Art</i>	-	-	-	-	-	-	-	-	-	
<i>Conservation Areas</i>	-	-	-	-	-	-	-	-	-	
<i>Other Heritage</i>	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-	
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	
Other assets	4,327	-	-	-	-	-	-	-	-	
<i>Operational Buildings</i>	4,327	-	-	-	-	-	-	-	-	
<i>Municipal Offices</i>	4,327	-	-	-	-	-	-	-	-	
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-	-	
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-	-	
<i>Workshops</i>	-	-	-	-	-	-	-	-	-	
<i>Yards</i>	-	-	-	-	-	-	-	-	-	
<i>Stores</i>	-	-	-	-	-	-	-	-	-	
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-	
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-	
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-	
<i>Depots</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
<i>Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Social Housing</i>	-	-	-	-	-	-	-	-	-	
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-	
<i>Licences and Rights</i>	-	-	-	-	-	-	-	-	-	
<i>Water Rights</i>	-	-	-	-	-	-	-	-	-	
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-	-	
<i>Computer Software and Applications</i>	-	-	-	-	-	-	-	-	-	
<i>Load Settlement Software Applications</i>	-	-	-	-	-	-	-	-	-	
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<i>Computer Equipment</i>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
<i>Furniture and Office Equipment</i>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
<i>Machinery and Equipment</i>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
<i>Transport Assets</i>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<i>Land</i>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on upgrading of existing assets	1	78,274	92,648	102,648	6,604	47,041	68,432	21,391	31.3%	102,648



NEWCASTLE MUNICIPALITY
(Registration number KZN252)

**ANNUAL FINANCIAL STATEMENTS
FOR THE 8 MONTHS ENDED 28 FEBRUARY 2023**

Newcastle Municipality

Annual Financial Statements for the 8 Months ended 28 February 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	28 February 2023	30 June 2022
Assets			
Current Assets			
Inventories		25 027 645	24 543 871
Receivables from exchange transactions		60 657 097	85 289 596
Receivables from non-exchange transactions		19 420 243	16 630 103
Consumer debtors from exchange transactions		814 735 181	666 712 885
Consumer debtors from non-exchange transactions		135 479 852	120 735 153
Cash and cash equivalents		37 271 710	76 167 306
		1 092 591 728	990 078 914
Non-Current Assets			
Investment property		367 608 690	372 224 056
Property, plant and equipment		6 047 007 270	6 174 453 795
Intangible assets		123 035	382 212
Heritage assets		11 842 732	11 822 732
Investments in associates		142 171 037	142 171 037
		6 568 752 764	6 701 053 832
		7 661 344 492	7 691 132 746
Total Assets			
Liabilities			
Current Liabilities			
Financial liabilities		16 519 867	46 652 953
Finance lease obligation		243 080	606 923
Payables from exchange transactions		684 744 944	778 043 952
VAT payable		14 516 579	3 037 875
Consumer deposits		34 940 398	33 418 184
Unspent conditional grants and receipts		202 582 864	206 298 387
Defined Benefit Plan		6 647 903	11 105 000
		960 195 635	1 079 163 274
Non-Current Liabilities			
Financial liabilities		312 684 932	314 367 835
Finance lease obligation		1 339 703	1 122 219
Defined Benefit Plan		164 128 001	164 128 001
Provision for rehabilitation of landfill site		65 212 118	65 212 118
		543 364 754	544 830 173
		1 503 560 389	1 623 993 447
Total Liabilities			
Net Assets			
Reserves			
Housing Development fund		31 366 870	30 563 967
Self-insurance reserve		308 514	322 945
Accumulated surplus		6 126 108 725	6 036 252 387
		6 157 784 109	6 067 139 299
Total Net Assets			

Newcastle Municipality

Annual Financial Statements for the 8 Months ended 28 February 2023

Statement of Financial Performance

Figures in Rand	Note(s)	28 February 2023	30 June 2022
Revenue			
Revenue from exchange transactions			
Service charges		788 576 511	1 128 488 051
Rental of facilities and equipment		5 573 579	8 372 974
Other Revenue		6 726 672	12 064 156
Interest received		8 177 032	8 308 003
Total revenue from exchange transactions		809 053 794	1 157 233 184
Revenue from non-exchange transactions			
Taxation revenue			
Property rates		254 006 858	353 326 627
Licences and Permits		32 764	45 824
Transfer revenue			
Government grants & subsidies		521 393 600	611 797 759
Fines, Penalties and Forfeits		3 338 759	5 352 730
Total revenue from non-exchange transactions		778 771 981	970 522 940
Total revenue		1 587 825 775	2 127 756 124
Expenditure			
Employee related costs		430 443 561	665 630 377
Remuneration of councillors		18 524 550	23 742 260
Depreciation and amortisation		226 825 361	348 817 502
Finance costs		24 072 121	64 412 397
Bad debts written off		57 277 413	148 416 740
Bulk purchases		389 778 196	649 750 143
Contracted services		181 607 307	240 901 289
General Expenses		169 139 543	143 927 248
Total expenditure		1 497 668 052	2 285 597 956
Operating surplus (deficit)		90 157 723	(157 841 832)
Share of deficit in investment in associates		-	(31 756 845)
Actuarial gains/losses		-	3 450 182
Fair value adjustments to investment property		-	49 372 929
Impairment loss		-	(109 689 804)
Inventories losses/write-downs		(732 071)	(645 854)
Profit/(Loss) on Sale of Assets		1 037 340	3 113 641
Public contributions and donations		177 471	-
		482 740	(86 155 751)
Surplus (Deficit)		90 640 463	(243 997 583)

Newcastle Municipality

Annual Financial Statements for the 8 Months ended 28 February 2023

Statement of Changes in Net Assets

Figures in Rand	Housing Development Fund	Insurance reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 01 July 2021	29 806 660	435 241	30 241 901	6 280 894 981	6 311 136 882
Changes in net assets					
Deficit for the year	-	-	-	(243 997 583)	(243 997 583)
Transfer to housing Development fund	757 307	-	757 307	(757 307)	-
Transfer from insurance reserve	-	(112 296)	(112 296)	112 296	-
Total changes	757 307	(112 296)	645 011	(244 642 594)	(243 997 583)
Balance at 01 July 2022	30 563 967	322 945	30 886 912	6 036 256 734	6 067 143 646
Profit for the year	-	-	-	90 640 463	90 640 463
Transfers to Housing Development fund	802 903	-	802 903	(802 903)	-
Transfers from Insurance Reserves	-	(14 431)	(14 431)	14 431	-
Total changes	802 903	(14 431)	788 472	89 851 991	90 640 463
Balance at 28 February 2023	31 366 870	308 514	31 675 384	6 126 108 725	6 157 784 109

Newcastle Municipality

Annual Financial Statements for the 8 Months ended 28 February 2023

Cash Flow Statement

Figures in Rand	Note(s)	28 February 2023	30 June 2022
Cash flows from operating activities			
Receipts			
Sale of goods and services		861 575 308	1 229 841 918
Grants		517 678 077	779 965 988
Interest income		8 177 032	8 308 003
		<u>1 387 430 417</u>	<u>2 018 115 909</u>
Payments			
Employee costs and Councillors remuneration		(368 350 217)	(589 991 308)
Suppliers		(908 631 839)	(1 148 046 837)
Finance costs		(24 072 121)	(43 350 276)
		<u>(1 301 054 177)</u>	<u>(1 781 388 421)</u>
Net cash flows from operating activities		<u>86 376 240</u>	<u>236 727 488</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(98 942 188)	(149 372 864)
Proceeds from sale of property, plant and equipment		-	251 860
Proceeds from sale of Investment property		5 652 706	9 679 964
Purchase of other intangible assets		-	(42 244)
Purchases of Heritage Assets		(20 000)	(64 800)
Net cash flows from investing activities		<u>(93 309 482)</u>	<u>(139 548 084)</u>
Cash flows from financing activities			
Net movements in long term loans		(31 815 989)	(31 977 999)
Movement on finance lease		(146 359)	1 465 602
Net cash flows from financing activities		<u>(31 962 348)</u>	<u>(30 512 397)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(38 895 590)</u>	<u>66 667 007</u>
Cash and cash equivalents at the beginning of the year		<u>76 167 306</u>	<u>9 500 299</u>
Cash and cash equivalents at the end of the year		<u>37 271 716</u>	<u>76 167 306</u>

SUMMARY OF LOAN REGISTER FOR FEBRUARY 2023

Account number	Interest Rate	LOAN AMOUNT	Opening balance as at 01.07.2022	Total Capital Payments to Date	Interest Capitalised to Date	Interest on Overdue accounts Paid	Total Interest Payments	Balance
Loan Account: 61000536	9.37%	24,285,550.00	1,593,511.36	1,522,756.58		1,985.56	70,754.78	(0.00)
Loan Account: 61000654	9.10%	25,993,166.00	4,675,435.26	1,456,058.99	222,155.06		208,582.87	3,232,948.46
Loan Account: 61000826	11.29%	12,750,000.00	3,106,754.34	539,364.16	201,929.96		171,042.32	2,598,277.82
Loan Account: 61000827	11.25%	1,975,000.00	1,292,075.60	55,387.26	91,554.93		70,890.05	1,257,353.22
Loan Account: 61000920	10.69%	7,000,000.00	4,517,762.43	487,797.86	283,970.20	6,169.79	444,583.12	3,869,351.65
Loan Account: 61000921	10.83%	1,850,000.00	1,210,377.78	54,431.82	80,395.86	1,120.13	122,605.30	1,113,736.52
Loan Account: 61007325	5.00%	11,980,174.80	5,481,026.13	967,396.46	158,091.45	4,218.73	254,694.46	4,417,026.66
Loan Account: 61007195	10.40%	122,185,000.00	92,356,911.01	7,520,567.11	5,760,095.31	100,514.81	8,916,666.87	81,679,772.34
Loan Account: 3042598105	11.44%	284,839,959.00	246,786,934.17	8,591,470.39	17,009,500.72		24,168,631.96	231,036,332.54

329,204,799

329,204,799

CLOSING BALANCE AS PER LOAN REGISTER

CLOSING BALANCE PER GENERAL LEDGER

DIFF - STATEMENT VS GEN LED

PREPARED BY:

REVIEWED BY:

AUTHORIZED BY:

N SILUMA

BN KHUMALO

MS NDLOVU

ACCOUNTANT: FINANCIAL REPORTING

(ACTING)
DIRECTOR: BUDGET & FINANCIAL REFORMS

(ACTING)
STRATEGIC EXECUTIVE DIRECTOR: BUDGET & TREASURY OFFICE

DATE:

DATE:

DATE:

NEWCASTLE MUNICIPALITY GRANT REGISTER FOR FEBRUARY 2023

Number	Description	Opening balance	Receipts	Adjustments	Expenditure for FEB	Total Expenditure before VAT	VAT FOR THE MONTH	Total VAT Amount	Total Expenditure after VAT	Closing balance
1	Environmental Management Framework	(502,871.43)								(502,871.43)
2	Cleanest Town	(833,575.21)								(833,575.21)
3	Electrification Grant									
4	Title Deeds Restoration Grant	(2,270,487.58)			43,614.01	315,574.96	1,826.09	15,083.59	330,658.55	(1,939,829.03)
5	Expanded P/Works Incentive Financial Management Grant (FMG)		(3,753,000.00)		927,583.32	2,471,251.91		383.48	2,471,635.39	(1,281,364.61)
6	Grant Skill Development	(930,687.71)	(1,850,000.00)		34,043.16	617,610.05		1,620.00	619,230.05	(1,230,769.95)
7	Community Library Services		(582,467.41)		103,351.15	150,851.15	15,428.17	15,428.17	166,280.32	(1,346,871.80)
8	Grant	(18,925.11)	(2,595,000.00)		201,898.39	1,794,448.90			1,794,448.90	(819,476.21)
9	IngoGo Fresh Produce Sports Maintenance Facilities Grant	(11,353.39)								(11,353.39)
10	MIG	(10,220.00)								(10,220.00)
11	Oshwezi Arts Centre	(36,920.00)	(110,000,000.00)		9,798,203.28	70,085,714.84	1,573,641.89	10,391,321.09	80,477,035.93	(29,522,964.07)
12	Corridor Development	(131,074.64)								(131,074.64)
13	Provincialisation	(46,194.19)	(6,992,000.00)		584,103.95	4,683,000.86		1,445.06	4,684,535.92	(2,353,658.27)
14	Fort Amiel Museum	(539,434.05)	(448,000.00)		80,000.00	156,783.10		6,462.75	163,245.85	(825,186.20)
15	Capacity Building Housing	(15,939,707.46)	(6,005,656.94)		641,592.10	7,494,569.06	25,100.22	204,218.44	7,698,787.50	(14,246,576.90)
16	Newcastle Airport	(1,815,281.36)								(1,815,281.36)
17	Hawker Stalls	(1,000,000.00)								(1,000,000.00)
18	Newcastle Airport	(2,000,000.00)	(3,000,000.00)			43,478.26		6,521.74	50,000.00	(5,000,000.00)
19	Neighbouring Development Partnership Grant	(2,738,677.78)	(20,000,000.00)	2,738,033.00		12,501,972.89		1,875,285.93	14,377,268.82	(5,623,375.96)
20	Water Services Infrastructure Grant	(2,746,627.76)	(28,800,000.00)	2,746,627.66	3,621,524.78	23,415,173.64	543,224.23	3,512,271.55	26,927,445.19	(1,872,554.91)
21	All Housing Grants	(152,572,537.34)	(5,066,952.33)			42,317,097.26			42,317,097.26	(115,322,392.41)
22	Sport and Recreation	(9,396,908.29)								(9,396,908.29)
23	Title Deeds Restoration Grant									
24	- Post Energy Efficiency and Demand Side Management Grant	(5,196,326.30)								(5,196,326.30)
25	Water Intervention Grant	(3,904,250.45)		3,656,339.34						
26	TOTAL	(206,298,399.39)	(189,094,076.68)	9,141,000.00	16,035,914.14	167,431,034.48	2,159,221.60	16,237,565.44	183,668,599.92	(202,582,876.15)

PREPARED BY:

.....

C HARIPARSAD

ACCOUNTANT

DATE:

.....

AUTHORIZED BY:

.....

M.S NDLOVU
ACTING STRATEGIC
EXECUTIVE DIRECTOR:
BUDGET & TREASURY
OFFICE

DATE:

.....

Tax Invoice

Page 1 of 1

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



**uthukela
water**

Tax Registration	4270212725
Telephone	034 328 5000
Invoice No	INV00002829
Date	2023/02/01

Bill to:

N003 Newcastle Municipality - WSA Private Bag X 6621 Newcastle 2940	VAT No: 4000791824
---	---------------------------

<u>Item Description</u>	<u>Quantity</u>	<u>Price (Ex)</u>	<u>Tax</u>
FEBRUARY 2023 BULK WATER	2 993 623.00	4.45	1 998 243.35

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

Total (Excl)	13 321 622.35
Tax	1 998 243.35
Total	15 319 865.70

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

uThukela Water (Pty) Ltd Reg No. 2003/0299/16/07 Shareholders: Amajuba, Newcastle and Umzinyathi Municipalities

UTHUKELA WATER REPORT FOR THE FINANCIAL YEAR 2022/2023


REPORT ON OUTSTANDING DEBT FOR UTHUKELA WATER AS AT 28 FEBRUARY 2023


Date	Details	AMOUNT EXCL. VAT	VAT AMOUNT	INTEREST ON OVERDUE ACCOUNT	BALANCES
1/Jul/2022	Opening Balance	132,826,889.67	19,924,033.45	3,886,186.19	156,637,109.31
	Invoices raised previous months	92,716,567.83	13,907,485.18	7,061,920.32	113,618,146.11
	Invoice raised during the month	13,321,622.35	1,998,243.35	1,084,690.00	16,404,555.70
	Total invoices for the year	106,038,190.18	15,905,728.53	8,146,610.32	130,022,701.81
	Payments made previous months	(84,095,393.40)	(12,604,772.86)		(96,700,166.26)
15/Feb/2023	Payment made during the month	(6,645,374.77)	(996,806.22)		(7,642,180.99)
	Total payments for the year	(90,740,768.18)	(13,601,579.07)		(104,342,347.25)
28/Feb/2023	Closing Balance	148,124,311.67	22,228,182.90	12,032,796.51	182,317,463.89


JUNE RECON


(B)

(C)

Preparer: Ikho  Junior Accountant: Creditors
 Date: 03/03/2023

Reviewer: CN Kubheka  Manager: Expenditure
 Date: 03/03/2023

Reviewer: S T Biyela  Director: Expenditure and Revenue Enhancement
 Date: 6/3/2023

Reviewer: M. S. Ndlovu  STRATEGIC EXECUTIVE DIRECTOR: BTO
 Date: 6/03/2023

JUNE RECON

UTHUKELA WATER 30 JUNE 2022 RECON

Date	Details	AMOUNT EXCL VAT	VAT AMOUNT	CURRENT BILLING MOVEMENT	INTEREST ON OVERDUE ACCOUNT	BALANCES
1/Jul/2021	Opening Balance	101,450,355.92	15,217,553.38	116,667,909.30	-	116,667,909.30
	Invoices raised previous months	119,828,461.08	17,974,269.17	137,802,730.26	2,913,537.73	140,716,267.99
2/Jun/2022	Invoice raised during the month	11,067,913.10	1,660,186.97	12,728,100.07	972,648.46	13,700,748.53
	Total Invoices for the year	130,896,374.19	19,634,456.14	150,530,830.33	3,886,186.19	154,417,016.52
	Payments made previous months	(87,982,050.83)	(13,265,006.84)	(101,179,358.45)		(101,179,358.45)
15/Jun/2022	Payment made during the month	(11,586,113.72)	(1,737,917.06)	(13,324,030.78)		(13,324,030.78)
	Total payments for the year	(99,568,164.55)	(15,002,923.89)	(114,503,389.23)		(114,503,389.23)
30/06/2022	Closing Balance	132,778,565.56	19,849,085.62	152,695,350.39	3,886,186.19	156,581,536.57

INVOICES PREVIOUSLY RAISED (B)

DATE	DETAILS		AMOUNT EXCL VAT	VAT AMOUNT	AMOUNT INCL VAT
	INVOICES				
1/7/2022	INV0002686		14,012,378.05	2,101,856.71	16,114,234.76
31/07			994,571.67	-	994,571.67
1/8/2022	INV00002709		13,123,094.50	1,968,464.18	15,091,558.68
31/08			988,135.42		988,135.42
1-Sep	INV00002725		12,355,410.78	1,853,311.62	14,208,722.40
Sep-31			981,674.87		981,674.87
1-Oct	INV00002727		13,625,099.00	2,043,764.85	15,668,863.85
31-Oct			990,543.72		990,543.72
1/11/2023	INV00002782		13,167,113.90	1,975,067.09	15,142,180.99
12/31/2022			987,188.82		987,188.82
1/12/2022	INV00002798		13,218,880.75	1,982,832.11	15,201,712.86
1/31/2023			1,084,021.65		1,084,021.65
2/1/2023	INV00002814		13,155,610.65	1,973,341.60	15,128,952.25
31/01/2023			1,035,784.20		1,035,784.20
	TOTALS		99,719,507.99	9,942,464.44	113,618,146.14

TOTAL INVOICES	106,556,225.79
TOTAL INTEREST	7,061,920.35

Statement

uThukela Water (Pty) Ltd
79 Harding Street
Newcastle
2940



uthukela
water

Telephone	034 328 5000
Fax	034 326 3388
Date	2023/02/28
Amount Due	182 317 463.89

N003
Newcastle Municipality - WSA
Private Bag X 6621
Newcastle
2940

<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Allocated To</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
2022/07/01		Balance Brought Forward		156 637 109.31		156 637 109.31
2022/07/01	INV00002686	Invoice		16 114 234.76		172 751 344.07
2022/07/15	Newcastle Munic	Newcastle Municipality - WSA			12 728 100.07	160 023 244.00
2022/07/31	July 2022 Interes	Interest		994 571.67		161 017 815
2022/08/01	INV00002709	Invoice		15 159 385.91		176 177 201.58
2022/08/15	Newcastle Munic	Newcastle Municipality - WSA			16 169 807.48	160 007 394.10
2022/08/31	Interest	Interest		988 135.42		160 995 529.52
2022/09/01	INV00002725	Invoice		14 208 722.40		175 204 251.92
2022/09/15	Newcastle Munic	Newcastle Municipality - WSA			15 159 385.91	160 044 866.01
2022/09/30	CRN0090	Credit Note			14 208 722.40	145 836 143.61
2022/09/30	CRN0091	Credit Note			15 159 385.91	130 676 757.70
2022/09/30	INV00002726	Invoice		15 091 558.68		145 768 316.38
2022/10/03	INV00002727	Invoice		14 145 148.70		159 913 465.08
2022/10/03	CRN0092	Invoice			14 145 148.70	145 768 316.38
2022/09/30	INV00002728	Invoice		14 145 148.70		159 913 465.08

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89

Deposit Banking Details

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

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89

Statement

uThukela Water (Pty) Ltd
79 Harding Street
Newcastle
2940



**uthukela
water**

Telephone	034 328 5000
Fax	034 326 3388
Date	2023/02/28
Amount Due	182 317 463.89

N003
Newcastle Municipality - WSA
Private Bag X 6621
Newcastle
2940

<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Allocated To</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
		Brought forward from previous page				159 913 465.08
2022/09/30	September 2022	Interest		981 674.87		160 895 139.95
2022/10/03	INV00002759	Invoice		15 668 863.85		176 564 003.80
2022/10/14	Newcastle Munic	Newcastle Municipality - WSA			14 208 722.40	162 355 281
2022/10/31	October 2022 Int	Interest		990 543.72		163 345 825.12
2022/11/01	INV00002782	Invoice		15 142 180.99		178 488 006.11
2022/11/15	Newcastle Munic	Newcastle Municipality - WSA			15 668 863.85	162 819 142.26
2022/11/30	November 2022 I	Interest		987 188.82		163 806 331.08
2022/12/01	INV00002798	Invoice		15 201 712.86		179 008 043.94
2022/12/31	Interest Decembe	Interest		1 084 021.65		180 092 065.59
2023/01/02	INV00002814	Invoice		15 128 952.25		195 221 017.84
2023/01/13	Newcastle Munic	Newcastle Municipality - WSA			7 500 000.00	187 721 017.84
2023/01/25	Newcastle Munic	Newcastle Municipality - WSA			15 201 712.86	172 519 304.98
2023/01/31	January 2023 Int	Interest		1 035 784.20		173 555 089.18
2023/02/01	INV00002829	Invoice		15 319 865.70		188 874 954.88

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89

Deposit Banking Details

uThukela Water (Pty) Ltd
Account Number: 61938939

Bank Name: Standard Bank
Branch Code: 057724

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89

PAYMENT MADE PREVIOUS MONTHS (C)

DATE	DETAILS	AMOUNT EXCL VAT	VAT AMOUNT	AMOUNT INCL VAT
7/15/2022	EFT U005/220715	(11,067,913.10)	(1,660,186.97)	(12,728,100.07)
8/15/2022	EFT U005/220816	(14,060,702.16)	(2,109,105.23)	(16,169,807.39)
9/15/2022	EFT U005/220915	(13,245,648.48)	(1,977,311.21)	(15,222,959.69)
10/15/2022	EFT U005/221015	(12,355,410.78)	(1,853,311.62)	(14,208,722.40)
11/16/2022	EFT U005/221116	(13,625,099.00)	(2,043,764.85)	(15,668,863.85)
13/01/2023	EFT U005/230113	(6,521,739.14)	(978,260.86)	(7,500,000.00)
26/01/2023	EFT U005/230126	(13,218,880.75)	(1,982,832.75)	(15,201,713.50)
TOTALS		(84,095,393.41)	(12,604,773.49)	96,700,166.89

Statement

uThukela Water (Pty) Ltd
79 Harding Street
Newcastle
2940



**uthukela
water**

Telephone	034 328 5000
Fax	034 326 3388
Date	2023/02/28
Amount Due	182 317 463.89

N003
Newcastle Municipality - WSA
Private Bag X 6621
Newcastle
2940

<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Allocated To</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
		Brought forward from previous page				188 874 954.88
2023/02/17	Newcastle Munic	Newcastle Municipality - WSA			7 642 180.99	181 232 773.89
2023/02/28	February 2023	In Interest		1 084 690.00		182 317 463.89

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89

Deposit Banking Details

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

180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Amount Due
145 704 742.68	981 674.87	990 543.72	987 188.82	1 084 021.65	16 164 736.45	16 404 555.70	182 317 463.89



EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630



TEL: 08600 37566
SMS: 35328

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

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

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

NEWCASTLE LOCAL MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

YOUR ACCOUNT NO	5578885631
SECURITY HELD	1.54
BILLING DATE	2023-03-02
TAX INVOICE NO	557137264328
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4000791824

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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

TAX INVOICE

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

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	5,278.28
TRANSMISSION NETWORK CAPACITY		R	1,858,750.00
URBAN LOW VOLTAGE SUBSIDY		R	2,647,500.00
ANCILLARY SERVICE (ALL)		R	147,637.49
ENERGY CHARGE (STD)	11,175,980.00	R	10,699,883.25
ENERGY CHARGE (PEAK)	4,767,842.00	R	6,632,545.01
ENERGY CHARGE (OFF)	12,448,003.00	R	7,559,672.22
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,330,361.07
SERVICE CHARGE		R	165,280.64

TOTAL CHARGES FOR BILLING PERIOD R **33,046,907.96**

ACCOUNT SUMMARY FOR FEBRUARY 2023

BALANCE BROUGHT FORWARD	(Due Date 2023-03-04)	R	110,739,445.59
PAYMENT(S) RECEIVED	Cash - 2023-02-13	R	-47,818,430.06
TOTAL CHARGES FOR BILLING PERIOD		R	33,046,907.96
ADJUSTMENT	WHEELING/3RD PARTY WHEELING CHARGES	R	-63,069.30
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	4,947,575.80

COPY ONLY

ACCOUNT NO / REFERENCE NO

5578885631

NAME

NEWCASTLE LOCAL MUNICIPALITY

FAX NUMBER

0343129697

0934 5578885631



TOTAL AMOUNT DUE

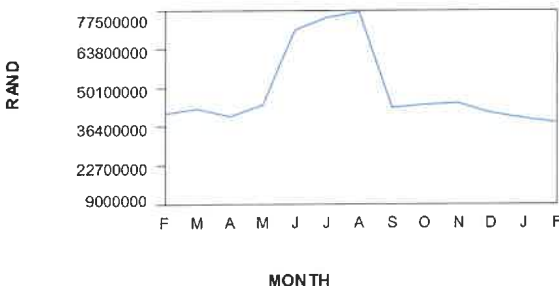
100,852,429.95

PAYMENT ARRANGEMENT

INSTALMENT	0.00
ARREARS (Due immediately)	62,833,154.13
DUE DATE (For Current Amount)	2023-04-01
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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BILL GROUP	
BILL PAGE	1 OF 2



RAND

MONTH

Account OVERDUE - Subject to Disconnection

ARREARS				
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS	CURRENT
0.00	0.00	23,250,662.32	39,582,491.81	38,019,275.86
TOTAL DUE				R 100,852,429.99



EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566

FAX NO: 0862 437 566

E-MAIL: customerservices@eskom.co.za

WEB: WWW.ESKOM.CO.ZA

NEWCASTLE LOCAL MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940

YOUR ACCOUNT NO	5578885631
BILLING DATE	2023-03-02
TAX INVOICE NO	557137264328
ACCOUNT MONTH	FEBRUARY 2023
CURRENT DUE DATE	2023-04-01
VAT REG NO	4000791824
NOTIFIED MAX DEMAND	125,000.00
UTILISED CAPACITY	125,000.00

CONSUMPTION DETAILS (2023-02-01 - 2023-02-28)

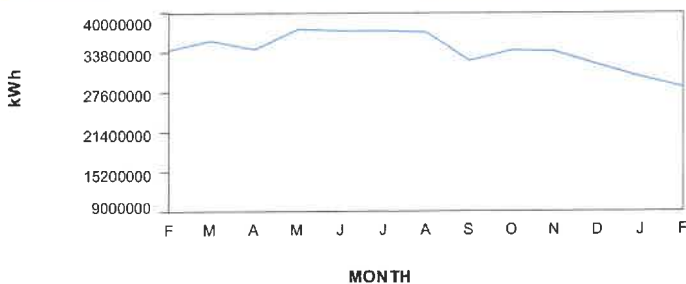
ENERGY CONSUMPTION OFF PEAK kWh	12,448,003.06
ENERGY CONSUMPTION STD kWh	11,175,980.16
ENERGY CONSUMPTION PEAK kWh	4,767,841.58
ENERGY CONSUMPTION ALL kWh	28,391,824.80
DEMAND CONSUMPTION - OFF PEAK	60,941.66
DEMAND CONSUMPTION - STD	68,312.97
DEMAND CONSUMPTION - PEAK	67,330.48
DEMAND READING - KW/KVA	68,312.97
REACTIVE ENERGY - OFF PEAK	4,569,089.28
REACTIVE ENERGY - STD	3,907,497.28
REACTIVE ENERGY - PEAK	1,610,635.28
LOAD FACTOR	65.00

PREMISE ID NUMBER TARIFF NAME: Megaflex

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

Administration Charge @ R188.51 per day for 28 days	R	5,278.28
TX Network Capacity Charge 125,000 kVa @ R14.87 : = R14.87/kVa	R	1,858,750.00
Urban Low Voltage Subsidy 125,000 kVa @ R21.18 : = R21.18/kVa	R	2,647,500.00
Ancillary Service Charge 28,391,825 kWh @ R0.0052 /kWh	R	147,637.49
Low Season Standard Energy Charge 11,175,980 kWh @ R0.9574 /kWh	R	10,699,883.25
Low Season Peak Energy Charge 4,767,842 kWh @ R1.3911 /kWh	R	6,632,545.01
Low Season Off Peak Energy Charge 12,448,003 kWh @ R0.6073 /kWh	R	7,559,672.22
Electrification and Rural Subsidy 28,391,825 kWh @ R0.1173 /kWh	R	3,330,361.07
SERVICE CHARGE	R	165,280.64

TOTAL CHARGES R **33,046,907.96**



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BILL PAGE	2 OF 2



Month Recon

Feb-23

Investments Reconciliation Statement as at 28 February 2023

Closing Balance as per GL as at 28 February 2023	42,610,880.55
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Closing Balance as per Investment Register 015	309,662.59
Closing Balance as per investment Register 016	31,821,251.95
Closing Balance as per investment Register 036	111,620.25
Closing Balance as per investment Register 040	8,388,754.17
Closing Balance as per investment Register 041	1,001,506.85
Closing Balance as per investment Register ABSA 428	577,195.97
Closing Balance as per investment Register NEDBANK 052	1,067.38
Closing Balance as per investment Register NEDBANK 058	399,821.39

Closing Balance as per Bank Statement at 28 February 2023	42,947,473.86
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STD 068450354/015	311,065.66
STD 068450354/016	31,994,568.80
STD 068450354/036	129,326.55
STD 068450354/040	8,434,444.15
STD 068450354/041	1,006,151.26
ABSA 9300506428	579,874.79
NEDBANK 03/7648555441/052	92,221.26
NEDBANK 03/7648555441/058	399,821.39

Reconciling Items	336,593.31
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JV41293	1,403.07
JV41292	173,316.85
JV41291	17,706.30
JV41290	45,689.98
JV41289	4,644.41
JV41288	2,678.82
JV41287	91,153.88

0.00

Prepared by: S Langa
FMG Intern
Budget & Treasury Office

Checked by: SE SIBIYA
Accountant: Financial Reporting
Budget & Treasury Office

Reviewed by: B N KHUMALO
Acting Director: Budget and Financial Reforms
Budget & Treasury Office

Approved by: M S NDLOVU
Acting Strategic Executive Director:
Budget & Treasury Office

INVESTMENT REGISTER FOR THE YEAR 2022/2023

NEWCASTLE LOCAL MUNICIPALITY

INVESTMENTS REGISTER FOR FEB 2023

Name Of Investment	Account Number	Opening Balance	Investment Made	Investment Matured	Withdrawals Made	Accrued Interest	Interest Capitalized	Balance
Self Insurance Reserve Fund	Standard Bank 068450354/015	R 1,168,669.39	R 112,123.09		R 1,000,000.00		R 30,273.18	R 311,065.66
Housing Development Fund	Standard Bank 068450354/016	R 30,725,304.02	R 0.00		R 0.00		R 1,269,264.78	R 31,994,568.80
Provincialisation	Standard Bank 068450354/035	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
MIG	Standard Bank 068450354/036	R 4,007,289.86	R 31,000,000.00		R 35,000,000.00		R 122,036.69	R 129,326.55
NDPG	Standard Bank 068450354/037	R 0.00	R 0.00		R 0.00	R 0.00	R 0.00	R 0.00
Electrification Grant	Standard Bank 068450354/038	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
FGM	Standard Bank 068450354/039	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Titel deed low cost housing	Standard Bank 068450354/040	R 8,913,659.72	R 0.00		R 835,442.31		R 356,226.74	R 8,434,444.15
Housing JBC	Standard Bank 068450354/041	R 0.00	R 1,000,000.00		R 0.00		R 6,151.26	R 1,006,151.26
Capacity Building	Absa: 9288456248	R 0.00	R 0.00		R 0.00	R 0.00	R 0.00	R 0.00
Council Funds	Absa Bank : 9956019602	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
VAT Refund	Absa Bank : 9300506428	R 560,758.77	R 0.00		R 0.00		R 19,116.02	R 579,874.79
Council Funds	Nedbank 037648555441 46	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Council Funds	Nedbank 037648555441 47	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Council Funds	Nedbank 037648555441 48	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Council Funds	Nedbank 037648555441 49	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Council Funds	Nedbank 037648555441 52	R 456,212.56	R 193,500,000.00		R 195,145,000.00		R 1,281,008.70	R 92,221.26
Council Funds	Nedbank 037648555441 53	R 0.00	R 0.00		R 0.00	R 0.00	R 0.00	R 0.00
Post Office Guarantee	Nedbank 037648555441 56	R 0.00	R 0.00	R 0.00	R 0.00		R 0.00	R 0.00
Council Funds	Nedbank 037648555441 57	R 0.00	R 0.00		R 0.00		R 0.00	R 0.00
Post Office Guarantee	Nedbank 037648555441 58	R 399,821.39	R 0.00		R 0.00	R 19,010.66	R 0.00	R 399,821.39
Total		R 46,231,715.71	R 225,612,123.09	R 0.00	R 231,980,442.31	R 19,010.66	R 3,084,077.37	R 42,947,473.86

Balance as per Bank Statements as at 28 FEB 2023
(not added to capital)

R 42,947,473.86

**Newcastle Local
Municipality**

37 Murchison Street Newcastle 2940



Bank Reconciliation Statement

Month Recon

Feb 2023

Bank Reconciliation Statement as at 28 February 2023

Closing Bank Balance as per Cash book at 28 February 2023	(5,285,033.41)
Vote no:030996099911	(50,952,983.24)
Vote no:030996099912	1,707,515,522.08
Vote no:030996099913	(1,765,956,019.84)
Vote no:030996099914	964,688.71
Vote no:030996099915	(907,386.04)
Vote no:030996099921	50,647,055.11
Vote no:030996099922	23,584,493.19
Vote no:030996099924	(353.63)
Vote no:030996099901	918,725.75
Vote no:030993000101	31,120,200.31
Vote no:030992099301	691,584.49
Vote no:030996199901	(2,910,560.30)
Closing Bank Balance as per Nedbank at 28 February 2023	(5,690,548.75)
Account No: 1162667338	(5,690,548.75)
Account No: 1162660066	-

Reconciling Amount **(405,515.34)**

Reconciling Items	
Direct Deposit not Recorded on Cashbook as at 28 Feb 2023	462,088.35
Bank Charges not Recorded on Cashbook as at 28 Feb 2023	(1,089,017.34)
EasyPay for March 2023 was Recorded in Feb 2023	(1,065,800.51)
Outstanding Deposit made by Cashiers as at 28 Feb 2023	(546,240.63)
Shortage made by cashiers as at 28 Feb 2023	(420.80)
Payment was made on the system but not at the Bank	1,833,875.59
	(405,515.34)

Prepared by: S E SIBIYA
Accountant: Financial Reporting
Budget & Treasury Office

Reviewed by: B N KHUMALO
Acting Director: Budget and Financial Reforms
Budget & Treasury Office

Approved by: M S NDLOVU
Acting Strategic Executive Director:
Budget & Treasury Office



THE FINANCIAL MANAGER
 *NEWCASTLE LOCAL MUNICIPALITY
 COLLECTION ACCOUNT
 X6621
 NEWCASTLE
 2940

135 Rivonia Road, Sandown, 2196
 P O Box 1144, Johannesburg, 2000, South Africa

Bank VAT Reg No 4320116074
 Lost cards 0800 110 929
 Client Solution Desk 0860 555 333
 nedbank.co.za

Computer-generated tax invoice

Some of our fees will change on 1 January 2023.
 For more information go to nedbank.co.za or consult your business manager.

Please examine this statement soonest. If no error is reported within 30 days after receipt, the statement will be considered as being correct.

Account summary

Account type	Account number
Current account	1162660066

Statement date:	28/02/2023	Envelope:	1 of 1
Statement period:	31/01/2023 – 28/02/2023	Total pages:	187
Statement frequency:	Month-end	Client VAT number:	

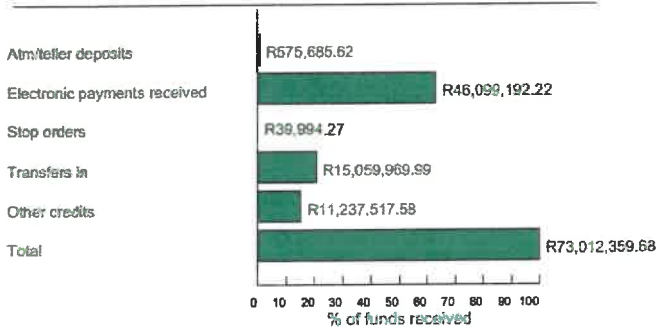
Bank charges summary

Other charges	R0.00
Bank charge(s) (total)	R0.00
*VAT inclusive @	15.000%
VAT calculated monthly	

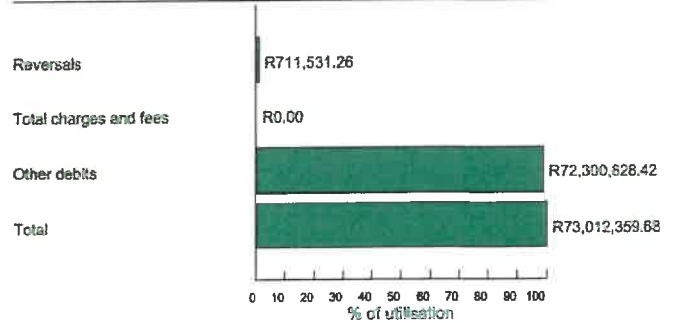
Cashflow

Opening balance	R0.00
Funds received/Credits	R73,012,359.68
Funds used/Debits	R73,012,359.68
Closing balance	R0.00
Annual credit interest rate	0.000%

Total funds received/credits **R73,012,359.68**



Total funds used/debits **R73,012,359.68**



see money differently

NEDBANK

We subscribe to the Code of Banking Practice of The Banking Association South Africa and, for unresolved disputes, support resolution through the Ombudsman for Banking Services. Authorised financial services and registered credit provider (NCRCP16). Nedbank Ltd Reg No 1951/00/0009/06. Page 1 of 187



THE FINANCIAL MANAGER
 *NEWCASTLE LOCAL MUNICIPALITY
 PRIMARY BANK ACCOUNT
 X6621
 NEWCASTLE
 2940

135 Rivonia Road, Sandown, 2196
 P O Box 1144, Johannesburg, 2000, South Africa

Bank VAT Reg No 4320116074
 Lost cards 0800 110 929
 Client Solution Desk 0860 555 333
 nedbank.co.za

Computer-generated tax invoice

Some of our fees will change on 1 January 2023.
 For more information, go to nedbank.co.za or consult your business manager.

Please examine this statement soonest. If no error is reported within 30 days after receipt, the statement will be considered as being correct.

Account summary

Account type	Account number
Current account	1162667338

Statement date:	28/02/2023	Envelope:	1 of 1
Statement period:	31/01/2023 – 28/02/2023	Total pages:	22
Statement frequency:	Month-end	Client VAT number:	

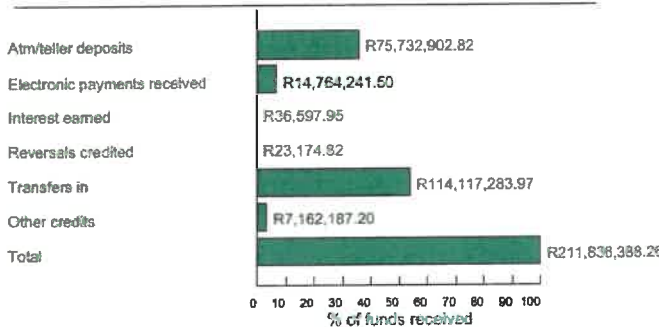
Bank charges summary

Other charges	R0.00
Bank charge(s) (total)	R0.00
*VAT inclusive @	15.000%
VAT calculated monthly	

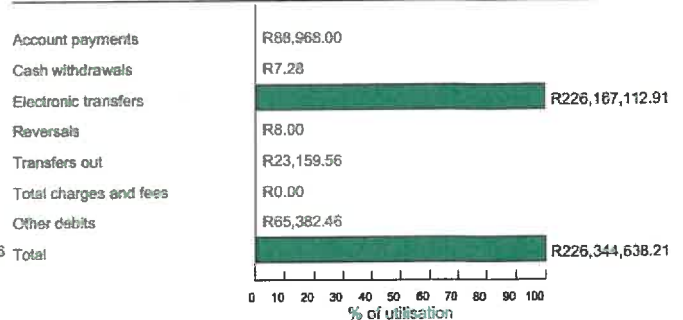
Cashflow

Opening balance	R8,817,701.20
Funds received/Credits	R211,836,388.26
Funds used/Debits	R226,344,638.21
Closing balance	-R5,690,548.75
Annual credit interest rate	0.000%

Total funds received/credits R211,836,388.26



Total funds used/debits R226,344,638.21



see money differently

NEDBANK

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Annexure B

Provincial Treasury's letter on early warning signals



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

DIRECTORATE: HEAD OF DEPARTMENT

P. O. Box 3613, Pietermaritzburg, 3200
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg, 3201
Tel: 033 897 4307/4583 Fax: 033 342 2486
Website: www.kzntreasury.gov.za
E-mail address: carol.coetzee@kzntreasury.gov.za

Reference: 11/6/13/1(KZN252)-2023
Enquiries: Mr. F. Cassimjee
Date: 26 January 2023

**THE MUNICIPAL MANAGER
NEWCASTLE LOCAL MUNICIPALITY
PRIVATE BAG X6621
NEWCASTLE
2940**

Fax No: 034 312 7089

Dear Mr. Z.W. Mcineka

EARLY WARNING SIGNALS FOR THE MUNICIPALITIES MEETING THE CRITERIA OF FINANCIAL PROBLEMS

Section 71(1) of the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA) requires that *the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.*

The purpose of the MFMA Section 71 report is amongst others, to serve as an early warning system to identify and assist municipalities facing financial problems, including any emerging or impending financial problems.

Section 138 of the MFMA specifies criteria for determining serious financial problems at municipalities. As per Section 138 of the MFMA, the following factors, singly or in combination, may indicate a serious financial problem:

- (a) *The municipality has failed to make payments as and when due;*
- (b) *the municipality has defaulted on financial obligations for financial reasons;*
- (c) *the actual current expenditure of the municipality has exceeded the sum of its actual current revenue plus available surpluses for at least two consecutive financial years;*
- (d) *the municipality had an operating deficit in excess of five per cent of revenue in the most recent financial year for which financial information is available;*
- (e) *the municipality is more than 60 days late in submitting its annual financial statements to the Auditor-General in accordance with Section 126 [of the MFMA];*
- (f) *the Auditor-General has withheld an opinion or issued a disclaimer due to inadequacies in the financial statements or records of the municipality, or has issued an opinion which identifies a serious financial problem in the municipality;*



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

- (g) any of the above conditions exists in a municipal entity under the municipality's sole control, or in a municipal entity for whose debts the municipality may be responsible, and the municipality has failed to intervene effectively; or
- (h) any other material condition exists which indicates that the municipality, or a municipal entity under the municipality's sole control, is likely to be unable for financial reasons to meet its obligations.

Additionally, Section 140 of the MFMA specifies criteria for determining serious or persistent breach of financial commitments. As per Section 140(2) of the MFMA, the following factors, singly or in combination, may indicate that a municipality is in serious material breach of its obligations to meet its financial commitments:

- (a) The municipality has failed to make any payment to a lender or investor as and when due;
- (b) the municipality has failed to meet a contractual obligation which provides security in terms of Section 48 [of the MFMA];
- (c) the municipality has failed to make any other payment as and when due, which individually or in the aggregate is more than an amount as may be prescribed or, if none is prescribed, more than two per cent of the municipality's budgeted operating expenditure; or
- (d) the municipality's failure to meet its financial commitments has impacted, or is likely to impact, on the availability or price of credit to other municipalities.

In this regard, the National and Provincial Treasuries are utilizing the criteria as per Sections 138 and 140 of the MFMA to identify and monitor municipalities that display **one or more** of the indicators of serious financial problems on a quarterly basis based on the MFMA Section 71 (data string) reports.

Based on the MFMA Section 71 reports as at 19 January 2023, your municipality has met the criteria listed below in terms of Sections 138 and 140 of the MFMA which could indicate that your municipality may be facing serious financial problems. **It should be noted that in instances of inaccurate and incomplete MFMA Section 71 reporting by municipalities, other relevant criteria for financial problems may not have been triggered and met.**

- **Section 138(a) of the MFMA - Failure to make payments for amounts in excess of R1 million which are outstanding for longer than 90 days**

The municipality has amounts in excess of R1 million that are outstanding for longer than 90 days as reflected in Table 1. The municipality has thus failed to make payments as and when due as per Section 138(a) of the MFMA. Furthermore, Section 65(2)(e) of the MFMA requires that the Accounting Officer of the municipality take all reasonable steps to ensure *that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.*

Table 1: Failure to make payments for amounts in excess of R1 million which are outstanding for longer than 90 days

Name of municipality R'000	Total creditors owed > 90 days	Indicator
Newcastle	177 886	TRUE

Source: KZN Provincial Treasury

The municipality indicated that the bulk of the Creditors outstanding as at 31 December 2022 in the over 90 days' category is attributable to amounts owing to Eskom and uThukela Water as the municipality is currently facing cash flow challenges. The municipality further indicated that it has a signed payment agreement with Eskom to pay the arrear amount over a period of time with the final instalment being due in August 2023.

The municipality has further confirmed that even though they owe uThukela Water for bulk water supply, there is however no payment arrangement in place to settle this debt. The municipality has indicated that the discussions between the Newcastle Local Municipality and uThukela Water



regarding the payment agreement with respect to the arrear debt are still underway and have not been finalised.

The municipality has understated their total Trade creditors as their MFMA Section 71 Creditors Quarter two data string does not include the aged Bulk electricity debt owed to Eskom and the aged Bulk water owed to uThukela Water as at 31 December 2022. The municipality further approved an unfunded Budget for the 2022/23 financial year together with an updated Budget funding plan which was assessed as being credible by Provincial Treasury in January 2023.

• **Section 138(d) of the MFMA - Operating deficit in excess of five percent of Revenue**

The municipality has Operating deficits in excess of five percent of Revenue as per Section 138(d) of the MFMA as reflected in Table 2.

Table 2: Operating deficit in excess of five percent of total direct Revenue

Name of municipality	Operating Surplus/(Deficit)	Direct revenue	Percentage	Indicator
R'000				
Newcastle	(69 753)	1 057 759	(6.6)	TRUE

Source: KZN Provincial Treasury

The municipality stated that the deficit is due to the main to the non-receipt of the Equitable Share in December 2022.

• **Section 140(2)(c) of the MFMA - Failure to make any other payment as and when due, which individually or in the aggregate is more than an amount as may be prescribed or, if none is prescribed (40 percent as prescribed by National Treasury), more than two per cent of the municipality's budgeted operating expenditure**

As per Table 3, the municipality has failed to make payments as and when due, which individually or in the aggregate is more than more than two per cent and 40 percent of the municipality's budgeted Operating expenditure as per Section 140(2)(c) of the MFMA.

Table 3: Failure to make any other payment as and when due

Name of Municipality	Bulk electricity				Bulk water				Total creditors					
	Operating expenditure Budget	Bulk electricity creditors > 90 days	Bulk electricity creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)	Operating expenditure Budget	Bulk water creditors > 90 days	Bulk water creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)	Total creditors > 90 days	Total creditors > 90 days as % Opex Budget	Indicator (> 2%)	Indicator (> 40%)
R'000														
Newcastle	3 010 876	-	-	-	-	3 010 876	-	-	-	-	177 886	5.9	TRUE	-

Source: KZN Provincial Treasury

The municipality indicated that the bulk of the Creditors outstanding as at 31 December 2022 in the over 90 days' category is attributable to amounts owing to Eskom and uThukela Water as the municipality is currently facing cash flow challenges.

The municipality further indicated that it has a signed payment agreement with Eskom to pay the arrear amount over a period of time with the final instalment being due in August 2023. The municipality has further confirmed that even though they owe uThukela Water for bulk water supply, there is however no payment arrangement in place to settle this debt. The municipality has indicated that the discussions between the Newcastle Local Municipality and uThukela Water regarding the payment agreement with respect to the arrear debt are still underway and have not been finalised.

The municipality has understated their Trade creditors total as their MFMA Section 71 Creditors Quarter two data string does not include the aged Bulk electricity debt owed to Eskom and the aged Bulk water owed to uThukela Water as at 31 December 2022. The municipality further approved an



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

unfunded Budget for the 2022/23 financial year together with an updated Budget funding plan which was assessed as being credible by Provincial Treasury in January 2023.

Provincial Treasury is alerting you to the above findings and the municipality is required to take the necessary steps to rectify the situation. It should be noted that your municipality also met some of the triggers in the previous quarter ended 30 September 2022 of the 2022/23 financial year as listed below:

- Section 138(a) of the MFMA - Failure to make payments for amounts in excess of R1 million which are outstanding for longer than 90 days.
- Section 140(2)(c) of the MFMA - Failure to make any other payment as and when due, which individually or in the aggregate is more than an amount as may be prescribed or, if none is prescribed (40 percent as prescribed by National Treasury), more than two per cent of the municipality's budgeted operating expenditure.

The municipality should note that according to Section 62(1)(b) of the MFMA, *the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.* Furthermore, Section 135(1) of the MFMA clearly states that *the primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.* However, as part of Provincial Treasury's oversight responsibilities, the municipality is hereby notified that the conditions for serious financial problems have been triggered as at the end of Quarter 2 of the 2022/23 financial year.

In addition, the municipality is reminded that in terms of Section 135(3) of the MFMA, if a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately:

- seek solutions for the problem;
- notify the MEC for Local Government and the MEC for Finance in the province; and
- notify organised local government.

The findings above are based on the MFMA Section 71 reports submitted by the municipality, therefore, it is paramount that each Municipal Manager and Chief Financial Officer verify the accuracy of the MFMA Section 71 reports prior to their submission to the National Treasury GoMuni Upload Portal. Therefore, any queries on the figures reflected in this correspondence must be referred to your Chief Financial Officer.

Please note that your municipality's performance will be monitored over the next quarter. The municipality is notified that all municipalities that meet the criteria of Sections 138 and 140 of the MFMA with the relevant reasons and explanations are reported to the Provincial Legislature for their attention on a quarterly basis as part of the MFMA Section 71(7) report.

The municipality is therefore required to investigate the reported performance as at the end of Quarter 2 of the 2022/23 financial year and take the necessary steps to rectify the situation.



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

The municipality is also required to table this letter at the next Council meeting together with remedial actions taken by the municipality to address the matters raised above. The municipality must thereafter forward a copy of the signed Council resolution to Provincial Treasury, as well as the remedial actions taken and implemented by the municipality.

Yours faithfully

A handwritten signature in black ink, appearing to read 'C. Coetzee', written over a horizontal line.

Ms. C. Coetzee
Head of Department – KZN Provincial Treasury

CC: Mayor
Acting Chief Financial Officer
Audit Committee Chairperson
Mr. J. Hattingh – National Treasury