Те	Image: National Treasury MFMA Circular No 71 Municipal Finance Management Act No. 56 of Template for Calculation of Uniform Financial Ratios and Norms				Anexure 2 Interpretation of results The green colour indicates that the result is within the norm and is acceptable The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results. Data should be captured in the blue colour cell to calculate a ratio. # In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced				
	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)	
_		Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and	10% - 20%	Total Operating Expenditure Taxation Expense	-	Please refer to page 2 of MFMA Circular No.71		
2	Intangible assets (Carrying	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	AR Statement of Financial Position, Notes to the AFS and AR	0%	Total Capital Expenditure PPE, Investment Property and Intangible Impairment PPE at carrying value Intangible Assets at carrying value	236 170 0% - 7 687 877 87 661 144 482	Please refer to page 3 of MFMA Circular No. 71		
3	a % of Property, Plant and Equipment and Investment	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	6% 462 198 7 687 877 87 661	Please refer to page 4 of		

_							
7			Statement of Financial Position.			98%	
ļ		(Gross Debtors Opening Balance +	Statement of Financial Position,		Gross Debtors closing balance	894 885	
1	Collection Rate	Billed Revenue - Gross Debtors	Performance. Notes to the AFS.	95%	Gross Debtors opening balance	846 732	Please refer to page 5 of
·	Concolion rate	Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	Budget , In-Year Reports, IDP	0070	Bad debts written Off	4 468	MFMA Circular No. 71
ļ		Off)/Billed Revenue x 100	and AR		Billed Revenue	3 459 415	
_					Dilida (Keveride	3 409 4 10	
-				1		2%	
			Statement of Financial Position,		Consumer Debtors Bad debts written		
	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Performance, Notes to the AFS.	100%	off	4 468	Please refer to page 5 of MFMA Circular No. 71
	or Provision for Bad Debt	Bad debts x 100	Budget and AR		Consumer Debtors Current bad debt	257 932	MEMA CIrcular No. 71
		Budger and Art		Provision	257 932		
_							
Ţ			Statement of Financial Position,			67 days	
<u>,</u>	Net Debtors Days	((Gross Debtors - Bad debt Provision)/	Statement of Financial Performance. Notes to the AFS.	30 days	Gross debtors	894 885	Please refer to page 6 of
٦	INEL DEDIOIS Days	Actual Billed Revenue)) × 365	Budget and AR	30 uays	Bad debts Provision	257 932	MFMA Circular No. 71
ļ				Billed Revenue	3 459 415		
. Li	quidity Management					1 Month	
). Li	quidity Management	((Cash and Cash Equivalents -			Cosh and each equivalents	1 Month	
		Unspent Conditional Grants -	Statement of Financial Position,		Cash and cash equivalents Unspent Conditional Grants	459 343	
	Cash / Cost Coverage Ratio	Unspent Conditional Grants - Overdraft) + Short Term Investment) /	Statement of Financial	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft		Please refer to page 7 of
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional	Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure	Statement of Financial Performance, Notes to the AFS,	1 - 3 Months	Unspent Conditional Grants	459 343	Please refer to page 7 of MFMA Circular No. 71
1	Cash / Cost Coverage Ratio	Unspent Conditional Grants - Overdraft) + Short Term Investment) /	Statement of Financial	1 - 3 Months	Unspent Conditional Grants Overdraft	459 343	
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional	Ünspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment	Statement of Financial Performance, Notes to the AFS,	1 - 3 Months	Unspent Conditional Grants Overdraft Short Term Investments	459 343 32 036 - -	
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional	Ünspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment	Statement of Financial Performance, Notes to the AFS,	1 - 3 Months	Unspent Conditional Grants Overdraft Short Term Investments	459 343 32 036 - -	MFMA Circular No. 71
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional	Ünspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment	Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months 1.5 - 2:1	Unspent Conditional Grants Overdraft Short Term Investments	459 343 32 036 - -	

					Taxation Expense			
_			1					
		(Overdraft + Current Finance Lease				43%		
		Obligation + Non current Einance	Statement of Financial Position,		Total Debt	1 862 708		
	Debt (Total Borrowings) /		Statement of Financial		Total Operating Revenue	4 620 332	Please refer to page 9 of	
	Revenue	Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Performance, Budget, IDP and AR		Operational Conditional Grants	247 014	MFMA Circular No. 71	

						2125%		
					Cash and cash Equivalents	459 343		
		(Cash and Cash Equivalents - Bank			Bank Overdraft	-		
		overdraft + Short Term Investment +			Short Term Investment	-		
		Long Term Investment Linepent	ated st - Fair		Long Term Investment	-		
	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus) (Net Assets - A Surplus - Non Controlling Share Premium - Share	grants) / (Net Assets - Accumulated		100%	Unspent Grants	32 036	Please refer to page 9 of MFMA Circular No. 71	
		Surplus - Non Controlling Interest			Net Assets	6 304 638		
		Share Premium - Share Capital - Fair			Share Premium	-		
		Value Adjustment - Revaluation Reserve) x 100			Share Capital	-		
		Reserve) x 100		1	Revaluation Reserve	-		
					Fair Value Adjustment Reserve	-		
					Accumulated Surplus	6 284 527	7	

A. E	Efficiency									
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is Total Operating Expenditure Taxation Expense	-6% 2 287 227 - 2 418 728 -	Please refer to page 10 of MFMA Circular No. 71			
	Net Surplus /Deficit Electricity Electrici	Statement of Financial Performance, Notes to AFS,			-1%	Please refer to page 10 of				
2		Revenue × 100	Budget, IDP, In-Year reports and	0% - 15%	Total Electricity Revenue	1 039 186	MFMA Circular No. 71			
			AR		Total Electricity Expenditure	1 050 756				
		Total Water Revenue less Total Water	Statement of Financial			-4%				
3	Net Surplus /Deficit Water	Expenditure/Total Water Revenue ×	Performance, Budget, IDP, In-	= or > 0%	Total Water Revenue	568 756	Please refer to page 11 of MFMA Circular No. 71			
		100	Year reports and AR		Total Water Expenditure	593 177	INFINA CITCUIAI NO. 71			
		Total Refuse Revenue less Total	Statement of Financial Performance, Budget, IDP, In-			16%	Please refer to page 12 of			
4	Net Surplus /Deficit Refuse	Refuse Expenditure/Total Refuse	Year reports and AR	= or > 0%	Total Refuse Revenue	97 726	MFMA Circular No. 71			
		Revenue × 100			Total Refuse Expenditure	81 720				

Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100		= or > 0%	Total Sanitation and Water Waste Revenue Total Sanitation and Water Waste Expenditure		MFMA Circular No. 71	
stribution Losses							
Electricity Distribution		Annual Report, Audit Report and	7% - 10%	Number of units purchased and/or generated	<u>8%</u> 927 720	Please refer to page 13 of	
Losses (Percentage) sold) / Nu	sold) / Number of Electricity Units Purchased and/or generated) × 100	Statements		Number of units sold		MFMA Circular No. 71	
					55%		
	or Purified - Number of Kilolitres Water	Annual Report, Audit Report and	15% - 30%	Number of kilolitres purchased and/or purified	60 112	Please refer to page 13 of	
	Sold) / Number of Kilolitres Water Purchased or Purified x 100	Statements	1370 * 3076	Number of kilolitres sold		MFMA Circular No. 71	
	Sanitation and Waste Water stribution Losses Electricity Distribution Losses (Percentage)	Net Surplis /Dericit Sanitation and Waste Water x 100 stribution Losses Electricity Distribution Losses (Percentage) Water Distribution Losses (Number of Electricity Units Purchased and/or Generated - Number of units Purchased and/or generated) x 100 (Number of Kilolitres Water Purchased or Purfied - Number of Kilolitres Water Purchased or Purfied - Number of Kilolitres Water Stol / Number of Kilolitres Water Purchased or Purfied - Number of Kilolitres Water	Net Surplis / Deficit Waste Water Expenditure/Total Budget, IDP, In-Year reports and AR Sanitation and Waste Water Sanitation and Waste Water Revenue x 100 Budget, IDP, In-Year reports and AR stribution Losses Interview of Electricity Units Purchased and/or Generated - Number of units Purchased and/or generated - Number of units Purchased and/or generated > 100 Annual Report, Audit Report and Notes to Annual Financial Statements Water Distribution Losses (Number of Kilolitres Water Purchased or Purlied - Number of Kilolitres Water Purchased or Purlied - Number of Kilolitres Water Purchased or Purlied - Number of Kilolitres Water Statements Annual Report, Audit Report and Notes to Annual Financial Statements	Net Surplis / Deficit Waste Water Expenditure/Total Sanitation and Waste Water Revenue Budget, IDP, In-Year reports and AR = or > 0% stribution Losses (Number of Electricity Units Purchased and/or Generated - Number of units Surchased and/or generated - Number of units Purchased and/or generated > 100 Annual Report, Audit Report and Notes to Annual Financial Statements 7% - 10% Water Distribution Losses (Number of Kiloitres Water Purchased and/or generated) × 100 Annual Report, Audit Report and Notes to Annual Financial Statements 7% - 10% Water Distribution Losses (Number of Kiloitres Water Purchased or Purified - Number of Kiloitres Water Sto Annual Financial Statements 15% - 30%	Net Supplie / Deficit Sanitation and Waste Water Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100 Budget, IDP, In-Year reports and AR = or > 0% Revenue Revenue Total Sanitation and Water Waste Expenditure stribution Losses (Number of Electricity Units Purchased and/or Generated - Number of units purchased and/or generated - Number of Units Statements 7% - 10% Number of units purchased and/or generated Number of units sold Water Distribution Losses (Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Purchased Procentage) Annual Report, Audit Report, Audit Report, and Notes to Annual Financial Statements 15% - 30% Number of kilolitres purchased and/or <u>purfied</u>	Net Supplie / Ueficit Sanitation and Waste Water Waste Water Expenditure/Total Sanitation and Waste Water Texpenditure/Total AR Budget, IDP, In-Year reports and AR = or > 0% Revenue Total Sanitation and Water Water 110.014 Total Sanitation and Waste Water Number of Lectricity Units and/or Generated - Number of units and/or Generated - Number of units purchased and/or generated > 100 Annual Report, Audit Report and Notes to Annual Financial Statements 7% - 10% Number of units purchased and/or generated 89% Water Distribution Losses (Number of Kiloitres Water Purchased or Purlied - Number of Kiloitres Water Purchased Number of Kiloitres Purchased and/or purlied - Number of Kiloitres Water Purchased	Net Supplie / Deficit Sanitation and Waste Water Waste Water Expenditure/Total Sanitation and Waste Water Budget, IDP, in-Year reports and AR = or > 0% Revenue 110 414 Please refer to page 12 of MFMA Circular No. 71 stribution Losses Number of Electricity Units Purchased and/or Generated - Number of units purchased and/or generated > 100 Annual Report, Audit Report and Number of units purchased and/or 927 720 927 720 Please refer to page 13 of MFMA Circular No. 71 Water Distribution Losses (Number of Kibitires Water Purchased or Purified - Number of Kibitires Water Purchased Statements Annual Report, Audit Report and Number of kibitires purchased and/or generated 10% Mumber of kibitires purchased and/or generated 927 720 Number of units sold Please refer to page 13 of Number of units sold Water Distribution Losses (Number of Kibitires Water Purchased or Purified - Number of Kibitires Water Purchased or Purified - Number of Kibitires Water Annual Report, Audit Report and Number of kibitires purchased and/or of Durified 15% - 30% Number of kibitires purchased and/or generated 10%

D. E	D. Expenditure Management											
	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x	Statement of Financial Performance, Notes to AFS,		Trade Creditors Contracted Services Repairs and Maintenance General expenses	311 865	328 741					
		365	Budget, In-Year reports and AR		Bulk Purchases Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)	490 751	INFINA GIGUIALINO, FI					

					20%		
Remuneration as % of Total	Remuneration (Employee Related	Statement of Financial		Employee/personnel related cost	468 820		
Operating Expenditure	Costs and Councillors' Remuneration)		25% - 40%	Councillors Remuneration	14 159	Please refer to page 17 of MFMA Circular No. 71	
/Total Operating I	/Total Operating Expenditure x100	Expenditure x100 Year reports and AR		Total Operating Expenditure	2 418 728		
				Taxation Expense			

4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating	Statement of Financial Performance, Budget, IDP, In- Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense		Please refer to page 17 of MFMA Circular No. 71				
E. (E. Grant Dependency										
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In- Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure		Please refer to page 18 of MFMA Circular No. 71				

	Own funded Capital Expenditure (Internally	Own funded Capital Expenditure	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial		Internally generated funds	0%	Please refer to page 18 of
2	Generated Funds) to Total Capital Expenditure	(Internally Generated Funds) / Total Capital Expenditure x 100	Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None	Total Capital Expenditure	236 170	MFMA Circular No. 71
_							
		Own Source Revenue (Total revenue -				94%	
	Own Source Revenue to Total Operating	Government grants and Subsidies -	Statement Financial Performance, Budget, IDP, In-Year reports and		Total Revenue	2 287 227	Please refer to page 18 of
3	Revenue(Including Agency	Public Contributions and Donations)/	AR	None	Government grant and subsidies	247 014	MFMA Circular No. 71
	Revenue)	Total Operating Revenue (including			Public contributions and Donations	-	
	,	agency services) x 100			Capital Grants	110 254	
3. 1	BUDGET IMPLEMENTATION						
	0.015 0.014		Statement of Financial Position,			82%	
1	Capital Expenditure Budget Implementation Indicator		Budget, AFS Appendices, In-Year	95% - 100%	Actual Capital Expenditure	236 170	Please refer to page 19 of MFMA Circular No. 71
	inipioni on anon in diodioi	oupital Experiators 700	reports and AR		Budget Capital Expenditure	289 751	
	Operating Expenditure	Actual Operating Expenditure /	Statement of Financial Position,			117%	Please refer to page 20 of
2		Budgeted Operating Expenditure x 100	Budget, AFS Appendices, IDP, In-	95% - 100%	Actual Operating Expenditure	2 418 728	MFMA Circular No. 71
	Indicator	Dudgeted Operating Experiatore x 100	Year reports and AR		Budget Operating Expenditure	2 065 714	
	On exercision Designation Developed	Astual Operation Developer (Dedect	Statement of Financial Position,			95%	Disease sefera to serve 0.0 of
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Budget, AFS Appendices, IDP, In-	95% - 100%	Actual Operating Revenue	2 287 227	Please refer to page 20 of MFMA Circular No. 71
	implementation indicator	Operating revenue x 100	Year reports and AR		Budget Operating Revenue	2 413 382	
	Service Charges and	Actual Service Charges and Property				93%	
Ι.	Property Rates Revenue	Rates Revenue / Budget Service	Statement of Financial Position,		Actual Service Charges and Property	1 702 236	Please refer to page 21 of
4	Budget Implementation	Charges and Property Rates Revenue	Budget, AFS Appendices, IDP, In- Year reports and AR	95% - 100%	Rates Revenue	1702 200	MFMA Circular No. 71
	Indicator	x 100	real reports and AR		Budget Service Charges and Property Rates Revenue	1 828 584	