

**UTHUKELA DISTRICT MUNICIPALITY FINANCIAL RATIOS FOR  
2014/2015 AND 2016/2017 FINANCIAL YEAR**

RATIO	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
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" R 000 "

## 1. FINANCIAL POSITION

### A. Asset Management/Utilisation

1	Capital Expenditure to Total Expenditure	10% - 20%		38%	Restated	
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		
			Total Capital Expenditure	343,549,323		

2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%		0%	Restated	
			PPE, Investment Property and Intangible Impairment	-		
			PPE at carrying value	1,785,634,547		
			Investment at carrying value	103,386,459		
			Intangible Assets at carrying value	238,202		

3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%		2%	Restated	
			Total Repairs and Maintenance Expenditure	34,497,407		
			PPE at carrying value	1,785,634,547		
			Investment Property at Carrying value	103,386,459		

## B. Debtors Management

1	Collection Rate	95%		28%	Restated	
			Gross Debtors closing balance	496,900,363		
			Gross Debtors opening balance	567,238,845		
			Bad debts written Off	161,257,979		
			Billed Revenue	126,440,171		

2	Bad Debts Written-off as % of Provision for Bad Debt	100%		43%	Restated	
			Consumer Debtors Bad debts written off	161,257,979		
			Consumer Debtors Current bad debt Provision	372,374,278		

3	Net Debtors Days	30 days		359 days	Restated	
			Gross debtors	496,900,363		
			Bad debts Provision	372,374,278		
			Billed Revenue	126,440,171		

### C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months		5 Month	Restated	
			Cash and cash equivalents	145,087,575		
			Unspent Conditional Grants	6,999,029		
			Overdraft	-		
			Short Term Investments	103,386,459		
			Total Annual Operational Expenditure	564,038,549		

2	Current Ratio	1.5 - 2:1		1.16	Restated	
			Current Assets	285,385,869		
			Current Liabilities	246,118,894		

### D. Liability Management

1	Capital Cost(Interest Paid and Redemption)	6% - 8%		0%	Restated	
			Interest Paid	2,465,418		

	as a % of Total Operating Expenditure		Redemption	-		
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		

2	Debt (Total Borrowings) / Revenue	45%		67%	Restated	
			Total Debt	496,900,363		
			Total Operating Revenue	772,217,262		
			Operational Conditional Grants	25,015,828		

## E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	100%		-51909%	Restated	
			Cash and cash Equivalents	145,087,575		
			Bank Overdraft	-		
			Short Term Investment	103,386,459		
			Long Term Investment	-		
			Unspent Grants	6,999,029		
			Net Assets	1,812,645,479		
			Share Premium	-		
			Share Capital	-		
			Revaluation Reserve	-		
			Fair Value Adjustment Reserve	-		

			Accumulated Surplus	1,813,110,669		
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## 2. FINANCIAL PERFORMANCE

### A. Efficiency

1	Net Operating Surplus Margin	= or > 0%		33%	Restated	
			Total Operating Revenue	772,217,262		
			Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	45,537,144		
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		

2	Net Surplus /Deficit Electricity	0% - 15%		#DIV/0!	Restated	
			Total Electricity Revenue	-		
			Total Electricity Expenditure	-		

3	Net Surplus /Deficit Water	= or > 0%	Total Water Revenue	100%	Restated	
				110,520,518		

			Total Water Expenditure			
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4	Net Surplus /Deficit Refuse	= or > 0%		#DIV/0!	Restated	
			Total Refuse Revenue	-		
			Total Refuse Expenditure	-		

5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%		100%	Restated	
			Total Sanitation and Water Waste Revenue	15,701,225		
			Total Sanitation and Water Waste Expenditure			

## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	7% - 10%		#DIV/0!	Restated	
			Number of units purchased and/or generated			
			Number of units sold			

2	Water Distribution Losses (Percentage)	15% - 30%		73%	Restated	
			Number of kilolitres purchased and/or purified	33,296,760		

			Number of kilolitres sold	9,013,875		
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### C. Revenue Management

1	Growth in Number of Active Consumer Accounts	None		1%	Restated	
			Number of Active Debtors Accounts (Previous)	17,254		
			Number of Active Debtors Accounts (Current)	17,423		

2	Revenue Growth (%)	= CPI		-3%	Restated	
			CPI			
			Total Revenue (Previous)	798,124,311		
			Total Revenue (Current)	771,998,832		

3	Revenue Growth (%) - Excluding capital grants	= CPI		-8%	Restated	
			CPI			
			Total Revenue Exl.Capital (Previous)	178,734,630		
			Total Revenue Exl.Capital (Current)	164,003,938		



## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	30 days		103 days	Restated	
			Trade Creditors	161,444,815		
			Contracted Services	39,498,939		
			Repairs and Maintenance	34,497,407		
			General expenses	180,784,122		
			Bulk Purchases	6,169,480		
			Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	312,499,613		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%		48%	Restated	
			Irregular, Fruitless and Wasteful and Unauthorised Expenditure	268,013,410		
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		

3	Remuneration as % of Total Operating Expenditure	25% - 40%		28%	Restated	
			Employee/personnel related cost	152,520,450		
			Councillors Remuneration	5,841,687		
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		

4	Contracted Services % of Total Operating Expenditure	2% - 5%		7%	Restated	
			Contracted Services	39,498,939		
			Total Operating Expenditure	564,038,549		
			Taxation Expense	-		

#### E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None		48%	Restated	
			Internally generated funds	164,222,367		
			Borrowings	-		
			Total Capital Expenditure	343,549,323		

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None		48%	Restated	
			Internally generated funds	164,222,367		
			Total Capital Expenditure	343,549,323		

3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None		33%	Restated	
			Total Revenue	772,217,262		
			Government grant and subsidies	607,994,895		
			Public contributions and Donations	6,438,651		
			Capital Grants	296,017,066		

### 3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	95% - 100%		92%	Restated	
			Actual Capital Expenditure	343,549,323		
			Budget Capital Expenditure	373,774,908		

2	Operating Expenditure Budget Implementation Indicator	95% - 100%		117%	Restated	
			Actual Operating Expenditure	557,737,530		

			Budget Operating Expenditure	478,710,000		
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3	Operating Revenue Budget Implementation Indicator	95% - 100%		117%	<i>Restated</i>	
			Actual Operating Revenue	557,737,530		
			Budget Operating Revenue	478,710,000		

4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%		83%	<i>Restated</i>	
			Actual Service Charges and Property Rates Revenue	126,221,743		
			Budget Service Charges and Property Rates Revenue	151,506,000		

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" R 000 "

## 1. FINANCIAL POSITION

### A. Asset Management/Utilisation

1	Capital Expenditure to Total Expenditure	10% - 20%		21%	Audited	
			Total Operating Expenditure	668,955,510		
			Taxation Expense	-		
			Total Capital Expenditure	174,584,919		

2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%		0%	Audited	
			PPE, Investment Property and Intangible Impairment	-		
			PPE at carrying value	1,913,594,549		
			Investment at carrying value	-		
			Intangible Assets at carrying value	653,374		

3		8%		2%	Audited	
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	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)		Total Repairs and Maintenance Expenditure	28,822,389		
			PPE at carrying value	1,913,594,549		
			Investment Property at Carrying value	-		

## B. Debtors Management

1	Collection Rate	95%		27%	Audited	
			Gross Debtors closing balance	574,090,484		
			Gross Debtors opening balance	496,900,363		
			Bad debts written Off	34,811,417		
			Billed Revenue	153,121,673		

2	Bad Debts Written-off as % of Provision for Bad Debt	100%		8%	Audited	
			Consumer Debtors Bad debts written off	34,811,417		
			Consumer Debtors Current bad debt Provision	430,417,314		

3	Net Debtors Days	30 days		342 days	Audited	
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			Gross debtors	574,090,484		
			Bad debts Provision	430,417,314		
			Billed Revenue	153,121,673		

### C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months		1 Month	Audited	
			Cash and cash equivalents	36,715,409		
			Unspent Conditional Grants	467,541		
			Overdraft	-		
			Short Term Investments	35,195,503		
			Total Annual Operational Expenditure	668,955,510		

2	Current Ratio	1.5 - 2:1		1.00	Audited	
			Current Assets	196,498,459		
			Current Liabilities	196,080,781		

### D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%		0%	Audited	
			Interest Paid	1,125,317		
			Redemption			
			Total Operating Expenditure	668,955,510		

			Taxation Expense	-		
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2	Debt (Total Borrowings) / Revenue	45%		0%	Audited	
			Total Debt	-		
			Total Operating Revenue	757,225,842		
			Operational Conditional Grants	13,259,343		

## E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	100%		#DIV/0!	Audited	
			Cash and cash Equivalents	1,519,906		
			Bank Overdraft	-		
			Short Term Investment	35,195,503		
			Long Term Investment	-		
			Unspent Grants	467,541		
			Net Assets	1,888,226,981		
			Share Premium	-		
			Share Capital	-		
			Revaluation Reserve	-		
			Fair Value Adjustment Reserve	-		
			Accumulated Surplus	1,888,226,981		



## 2. FINANCIAL PERFORMANCE

### A. Efficiency

1	Net Operating Surplus Margin	= or > 0%		18%	Audited	
			Total Operating Revenue	757,225,842		
			Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)	49,197,065		
			Total Operating Expenditure	668,955,510		
			Taxation Expense	-		
2	Net Surplus /Deficit Electricity	0% - 15%		#DIV/0!	Audited	
			Total Electricity Revenue			
			Total Electricity Expenditure			
3	Net Surplus /Deficit Water	= or > 0%		-58%	Audited	
			Total Water Revenue	191,107,759		
			Total Water Expenditure	302,892,031		

4	Net Surplus /Deficit Refuse	= or > 0%		#DIV/0!	Audited	
			Total Refuse Revenue			
			Total Refuse Expenditure			

5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%		#DIV/0!	Audited	
			Total Sanitation and Water Waste Revenue			
			Total Sanitation and Water Waste Expenditure			

## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	7% - 10%		#DIV/0!	Audited	
			Number of units purchased and/or generated			
			Number of units sold			

2	Water Distribution Losses (Percentage)	15% - 30%		79%	Audited	
			Number of kilolitres purchased and/or purified	33,387,984		
			Number of kilolitres sold	7,018,183		

### C. Revenue Management

1	Growth in Number of Active Consumer Accounts	None		3%	Audited	
			Number of Active Debtors Accounts (Previous)	17,423		
			Number of Active Debtors Accounts (Current)	17,961		
2	Revenue Growth (%)	= CPI		21%	Audited	
			CPI			
			Total Revenue (Previous)	126,440,171		
			Total Revenue (Current)	153,121,673		
3	Revenue Growth (%) - Excluding capital grants	= CPI		7%	Audited	
			CPI			
			Total Revenue Exl.Capital (Previous)	476,200,196		
			Total Revenue Exl.Capital (Current)	511,883,929		

## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	30 days		76 days	Audited	
			Trade Creditors	104,239,183		
			Contracted Services	65,268,423		
			Repairs and Maintenance	28,822,389		
			General expenses	218,314,407		
			Bulk Purchases	7,691,917		
			Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	178,260,347		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%		49%	Audited	
			Irregular, Fruitless and Wasteful and Unauthorised Expenditure	328,314,939		
			Total Operating Expenditure	668,955,510		
			Taxation Expense	-		
3	Remuneration as % of Total Operating Expenditure	25% - 40%		31%	Audited	
			Employee/personnel related cost	198,647,228		

			Councilors Remuneration	6,381,097		
			Total Operating Expenditure	668,955,510		
			Taxation Expense	-		

4	Contracted Services % of Total Operating Expenditure	2% - 5%		10%	Audited	
			Contracted Services	65,268,423		
			Total Operating Expenditure	668,955,510		
			Taxation Expense	-		

#### E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None		106%	Audited	
			Internally generated funds	188,894,586		
			Borrowings	-		
			Total Capital Expenditure	178,260,347		

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None		106%	Audited	
			Internally generated funds	188,894,586		
			Total Capital Expenditure	178,260,347		

3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None		37%	Audited	
			Total Revenue	757,225,842		
			Government grant and subsidies	568,331,256		
			Public contributions and Donations	-		
			Capital Grants	245,341,913		

### 3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	95% - 100%		67%	Audited	
			Actual Capital Expenditure	174,584,919		
			Budget Capital Expenditure	260,904,000		

2	Operating Expenditure Budget Implementation Indicator	95% - 100%		117%	Audited	
			Actual Operating Expenditure	668,955,510		
			Budget Operating Expenditure	570,910,000		

3	Operating Revenue Budget Implementation Indicator	95% - 100%		100%	Audited	
			Actual Operating Revenue	757,225,842		
			Budget Operating Revenue	754,609,000		

4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%		93%	Audited	
			Actual Service Charges and Property Rates Revenue	153,121,673		
			Budget Service Charges and Property Rates Revenue	165,107,000		