

**MP307 Govan Mbeki Supporting Table SA10 Funding measurement**

| Description   | MFMA section | Ref | 2005/06         | 2006/07         | 2007/08         | Current Year 2008/09 |                 |                    | 2009/10 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |              |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2009/10                                 | Budget Year +1 2010/11 | Budget Year +2 2011/12 |
| <b>Funding measures</b>                                       |              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cash/cash equivalents at the year end - R'000                 | 18(1)b       | 1   | 3,211           | (7,706)         | 8,154           | (12,287)             | (29,531)        | (64,264)           | (76,715)  | (123,091)              | (171,802)              |
| Cash + investments at the yr end less applications - R'000    | 18(1)b       | 2   | (94,174)        | (75,340)        | (78,545)        | (78,836)             | (97,922)        | (129,232)          | (147,680)   | (204,790)              | (267,355)              |
| Cash year end/monthly employee/supplier payments              | 18(1)b       | 3   | 0.1             | (0.2)           | 0.2             | (0.3)                | (0.6)           | (1.4)              | (1.4)   | (2.0)                  | (2.6)                  |
| Surplus/(Deficit) excluding depreciation offsets: R'000       | 18(1)        | 4   | (10,759)        | (83,418)        | (25,753)        | (68,447)             | (54,388)        | (122,921)          | (45,174)  | (57,579)               | (50,870)               |
| Service charge rev % change - macro CPIX target exclusive     | 18(1)a,(2)   | 5   | N.A.            | 5.6%            | (2.0%)          | 9.1%                 | 0.6%            | (11.5%)            | 12.6%   | 12.3%                  | 10.9%                  |
| Cash receipts % of Ratepayer & Other revenue                  | 18(1)a,(2)   | 6   | 83.0%           | 93.4%           | 80.0%           | 76.9%                | 80.7%           | 94.2%              | 84.6%   | 90.1%                  | 92.6%                  |
| Debt impairment expense as a % of total billable revenue      | 18(1)a,(2)   | 7   | 18.5%           | 14.7%           | 5.5%            | 13.8%                | 10.3%           | 10.2%              | 9.4%  | 6.9%                   | 4.6%                   |
| Capital payments % of capital expenditure                     | 18(1)c;19    | 8   | 209.6%          | 1438.9%         | 386.4%          | 378.6%               | 510.9%          | 383.1%             | 1500.7%   | 782.9%                 | 795.7%                 |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c       | 9   | (34.5%)         | 0.0%            | 0.0%            | (34.7%)              | (23.1%)         | (42.0%)            | 0.0%  | 0.0%                   | 0.0%                   |
| Grants % of Govt. legislated/gazetted allocations             | 18(1)a       | 10  | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%  | 0.0%                   | 0.0%                   |
| Current consumer debtors % change - inor(decr)                | 18(1)a       | 11  | N.A.            | 19.1%           | 23.6%           | (2.4%)               | 0.0%            | 0.0%               | (5.5%)  | (9.2%)                 | (13.3%)                |
| Long term receivables % change - inor(decr)                   | 18(1)a       | 12  | N.A.            | (33.9%)         | (24.1%)         | (16.7%)              | 0.0%            | 0.0%               | (17.5%)   | (18.2%)                | (19.0%)                |
| R&M % of Property Plant & Equipment                           | 20(1)(vi)    | 13  | 2.7%            | #NAME?          | 3.2%            | 4.3%                 | 4.6%            | 4.7%               | 0.0%  | 0.0%                   | 0.0%                   |
| Asset renewal % of capital budget                             | 20(1)(vi)    | 14  | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%  | 0.0%                   | 0.0%                   |

**References**

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection