

## Appendices

### Appendix A: Literature review checklist

The literature review was formulated and guided based on the following best practice checklist. This literature review methodology was adapted from Leedy and Ormrod (2005):

- Based on a 'plan', classifying the search structured on the research sub-problems.
- Avoided using only a chain of isolated summaries of various writers and papers.
- Ensured that all papers were retained either electronically or in paper form and that credit was given where credit is due (the Endnote program was used to collect references as they were read and the 'cite while write' facility was used to ensure that immediate recognition of the original author was recorded in drafts and the final manuscript).
- The objective was to achieve a smooth flowing and easy to read Literature Review (LR).
- There were multiple drafts that left spaces for gaps that were filled by further reading.
- A key aim was to have minimal use of long quotes.
- The intention was to evaluate, organise and synthesise what others had previously achieved.
- The LR summarised and condensed what has been said in the review itself.
- The aim was to critically evaluate the methods and conclusions of others.
- Where available the review firstly considered 'classical' material.
- The review was based on a theoretical framework (although it is worth noting that there is a paradox that a final framework couldn't be developed until the literature survey has started, but reviews should not be started without a framework!). In other words there needed to be structure to the search, which included a focus on developing countries both in Africa and Europe that were or had pursued local government financial management reform.
- The LR was developed based on a series of headings of 'main themes', which related to the research sub-problems.
- The headings followed a logical progression, working through the sub-program structure.

- The LR used a universal approach to public sector reform, then more specific relating to reform in developing countries, and finally more specifically in the target countries.
- The LR examines whether the findings could be 'generalised' to other situations.
- The LR elucidates on any differences that various writers may have, judges the quality, and clarifies the types of studies used.
- The LR gave an opinion on the differences that various writers may have, and
- The basis of a study is the aspects that have been chosen from the theoretical framework desired to study, the conceptual framework.

## **Appendix B: Journal paper and financial information references**

### **Appendix B1: Journal papers references**

There was certain literature that were not directly referenced in this thesis, but were referred to earlier in two journal papers which were written during a preliminary phase of the research (Dollery and Graves, 2009), (Graves and Dollery, 2009). The literature referenced in these two journal papers was: (Bremer, 1984), (Buthelezi and Dollery, 2004), (Department of Local Government, 2008), (Dollery and Wallis, 2001), (Emakhazeni Local Municipality, 2007b), (Huther et al., 1997), (National Treasury 7, 2007) and (Mikesell, 2007).

### **Appendix B2: Financial information references**

The following references refer to municipal reporting information used to compile key financial data to derive the MTREF information in the required National Treasury format, mainly where the municipality had not provided the information to their Council, constituents or National Government in the required format. The information was mainly used to compile the historical financial information. The documents used were:

- Buffalo City Local Municipality financial statements (Buffalo City Local Municipality, Financial years 2003/04, 2004/05, 2005/06 and 2006/07 2005/06 and 2006/07 #115)
- Buffalo City Local Municipality MTREF: (Buffalo City Local Municipality, 2007/08)
- City of eThekweni Metropolitan Municipality annual financial statements (City of eThekweni Metropolitan Municipality, Financial years 2001/02, 2002/03, 2003/04, 2004/05 and 2005/06 2003/04, 2004/05 and 2005/06 #117)
- City of eThekweni Metropolitan Municipality MTREF (City of eThekweni Metropolitan Municipality, 2006/07)
- City of eThekweni Metropolitan Municipality MTREFs (City of eThekweni Metropolitan Municipality, 3 year period 2007/08 to 2009/10)
- Emakhazeni Local Municipality annual financial statements (Emakhazeni Local Municipality, Financial years 2003/04, 2004/05, 2005/06 and 2006/07 2005/06 and 2006/07 #121)
- Emakhazeni Local Municipality 2007/08MTREF (Emakhazeni Local Municipality, 2007a)

- 2007 Municipal MTREF information (National Treasury 7, 2007)
- 2008 Local Government Budgets and Expenditure Review (National Treasury 12, 2008)
- MFMA (background and aims) (National Treasury 19, 2012)
- Steve Tshwete Local Municipality annual financial statements (Steve Tshwete Local Municipality, Financial years 2003/04, 2004/05, 2005/06 and 2006/07 2005/06 and 2006/07 #123)
- Steve Tshwete Local Municipality 2007/08 MTREF (Steve Tshwete Local Municipality, 2007/08)
- Swartland Local Municipality annual financial statements (Swartland Local Municipality, Financial years 2002/03, 2003/04, 2004/05, 2005/06 and 2006/07 2004/05, 2005/06 and 2006/07 #125)
- Swartland Local Municipality, 2007/08 MTREF (Swartland Local Municipality, 2007/08)

## Appendix C: Advisory technical assistance

MFMTAP ALLOCATION OF ADVISORS SORTED BY MUNICIPALITY NAME					
Municipality	Commenced	Employer	End of Work at muni / or Contract End	Years advisor	Years muni
Amatole DM	July 2003	GTZ	December 2004	1.4	1.4
Ba-Phalaborwa	July 2004	Cowater	Sept 2005	1.2	1.2
Buffalo City	Jan2003	GRM	July 2005	2.5	2.5
Cacadu DM	July 2004	GRM	11 July 2006	2.0	2.0
Cape Town	Jan 2003	GRM	Sept 2003	0.7	
Cape Town	Sept 2003	GRM	June 2004	0.8	1.5
Drakenstein	Sep 2003	Cowater	Sept 2005	2.0	2.0
Ehlanzeni	Jan 2003	GRM	Dec 2006	3.9	3.9
Ehlanzeni DM	March 2007	Cowater	30 May 2008	1.2	1.2
Ekurhuleni	Feb2004	Cowater	Jan 2006	1.9	
Ekurhuleni	Feb 2006	Cowater	Nov 2006	0.7	2.6
Emalahleni	Feb 2003	GRM	Jan 2005	1.9	1.9
Emfuleni	April 2006	GRM	30 May 2008	2.2	
Emfuleni	Feb2004	Cowater	Jan 2006	1.9	4.1
Ernambethi	July 2004	GRM	June 2007	2.9	2.9
Ethekwini	Nov 2003	Cowater	Sept 2006	2.8	2.8
Frances Baard DM	Feb 2006	GRM	30 May 2008	2.3	
Frances Baard DM	Feb2004	Cowater	Sept 2004	0.6	
Frances Baard DM	Sept 2004	Cowater	Dec 2005	1.2	4.1
George	Feb 2004	Cowater	Feb 2007	3.0	3.0
Govan Mbeki	Feb2004	GRM	June 2005	1.3	1.3
Greater Sekhukhune	July 2004	GRM	June 2006	1.9	1.9
Ilembe DM	July 2004	Cowater	August 2005	1.1	
Ilembe DM	Oct 2005	Cowater	Feb 2007	1.3	2.4
Johannesburg	Feb2004	Cowater	30 May 2008	4.3	4.3
King Sabatha	Jan 2006	GRM	30 May 2008	2.4	2.4
Klerksdorp	Feb2004	Cowater	Dec 2006	2.8	2.8
Knysna	Feb 2004	Cowater	Feb 2007	3.0	3.0
Lukhanji	July 2004	Cowater	30 May 2008	3.9	3.9
Mafikeng	Feb2004	GRM	Feb 2006	2.0	2.0
Maluti-a-Phofung	Feb2004	GRM	Dec 2005	1.8	1.8
Mangaung	Sep2003	Cowater	Aug 2005	1.9	
Mangaung	Aug 2005	Cowater	Mar 2007	1.6	3.5
Matjhabeng	Sep2003	Cowater	April 2004	0.6	
Matjhabeng	May 2004	Cowater	Sept 2005	1.3	1.9
Mbombela	March 2007	Cowater	30 May 2008	1.2	
Mbombela	Jan2003	GRM	Dec 2006	3.9	5.1
Mogale City	Feb 2006	GRM	30 May 2008	2.3	
Mogale City	Feb2004	Cowater	Jan 2006	1.9	4.2
Msunduzi	Jan2003	GRM	Nov 2005	2.8	
Msunduzi	March 2007	GRM	30 May 2008	1.2	4.0
Nelson Mandela	September	GRM	April 2004	0.6	
Nelson Mandela	October 2005	GRM	March 2007	1.4	
Nelson Mandela	March 2007	Cowater	30 May 2008	1.2	
Nelson Mandela	Jan 2003	GRM	September 2003	0.7	3.9
Newcastle	Feb2004	Cowater	Dec 2006	2.8	2.8
OR Tambo DM	Jan2003	GRM	Dec 2006	3.9	3.9
Overstrand	Feb 2004	GRM	Feb 2006	2.0	2.0
Polokwane	Jan2003	GRM	December 2005	2.9	2.9
Randfontein	Feb 2004	Cowater	Sept 2006	2.6	2.6
Rustenburg	Feb 2004	Cowater	Sept 2005	1.6	
Rustenburg	Sept 2003	Cowater	Jan 2004	0.3	
Rustenburg	Jul 2007	GRM	30 May 2008	0.9	2.8
Sol Plaatje	Feb 2006	GRM	30 May 2008	2.3	
Sol Plaatje	Feb2004	Cowater	Sept 2004	0.6	
Sol Plaatje	Sept 2004	Cowater	Dec 2005	1.2	4.1
Steve Tshwete	July 2003	GTZ	June 2005	1.9	1.9
Tshwane	Jan2003	GRM	Dec 2007	4.9	
Tshwane	Feb 2007	GRM	30 May 2008	1.3	6.2
Umgungundlovu DM	Jan2004	GRM	Nov 2005	1.8	1.8
Uthungulu DM	July 2004	Cowater	May 2006	1.8	
Uthungulu DM	Feb 2004	Cowater	March 2004	0.1	1.9

Table A1: Advisory Technical Assistance to Municipalities (National Treasury 11, 2008)

## Appendix D: MFMA ‘funding’ legal requirements

### Funding of expenditure (section 18)

(1) An annual budget may **only** be funded from –

(a) realistically anticipated revenues to be collected;

(b) **cash-backed accumulated funds** from previous years’ surpluses **not committed** for other purposes;

and

(c) **borrowed funds, but only** for the capital budget referred to in section 17(2).

(2) Revenue projections in the budget **must be realistic**, taking into account -

(a) projected revenue for the current year based on collection levels to date;

and

(b) actual revenue collected in previous financial years.

### Capital projects (section 19)

(1) A municipality may spend money on a capital project only if -

(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, **has been appropriated in the capital budget** referred to in section 17(2);

(b) the project, including the total cost, **has been approved** by the council;

(c) section 33 has been complied with, to the extent that section may be applicable to the project;

and

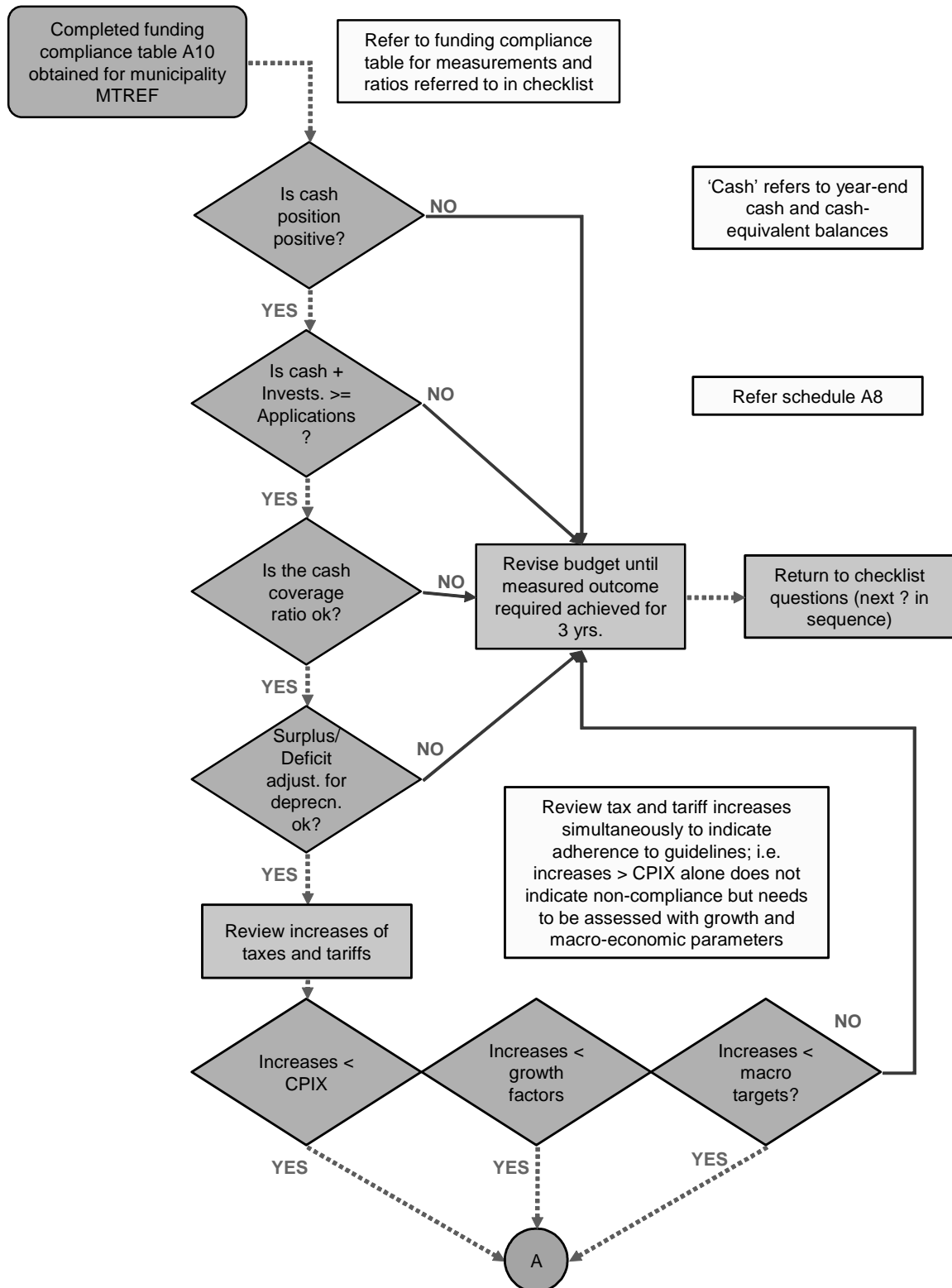
(d) the **sources of funding** have been considered, **are available and have not been committed** for other purposes” (MFMA, 56 of 2003) (emphasis added).

## **Appendix E: Data provided on CDROM**

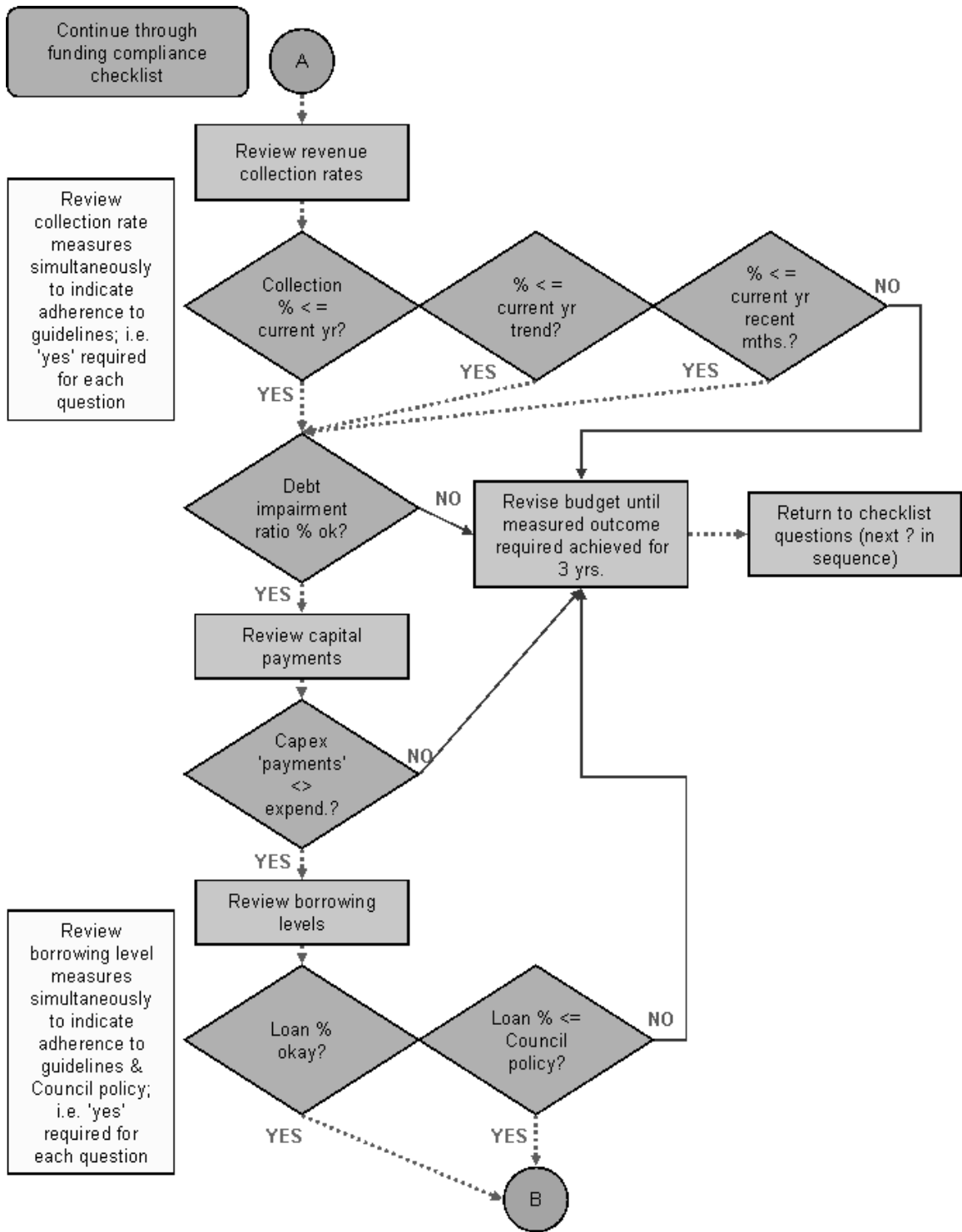
The following data that was the basis of the quantitative analysis is provided on the separate CDROM [note: all files are Microsoft Excel].

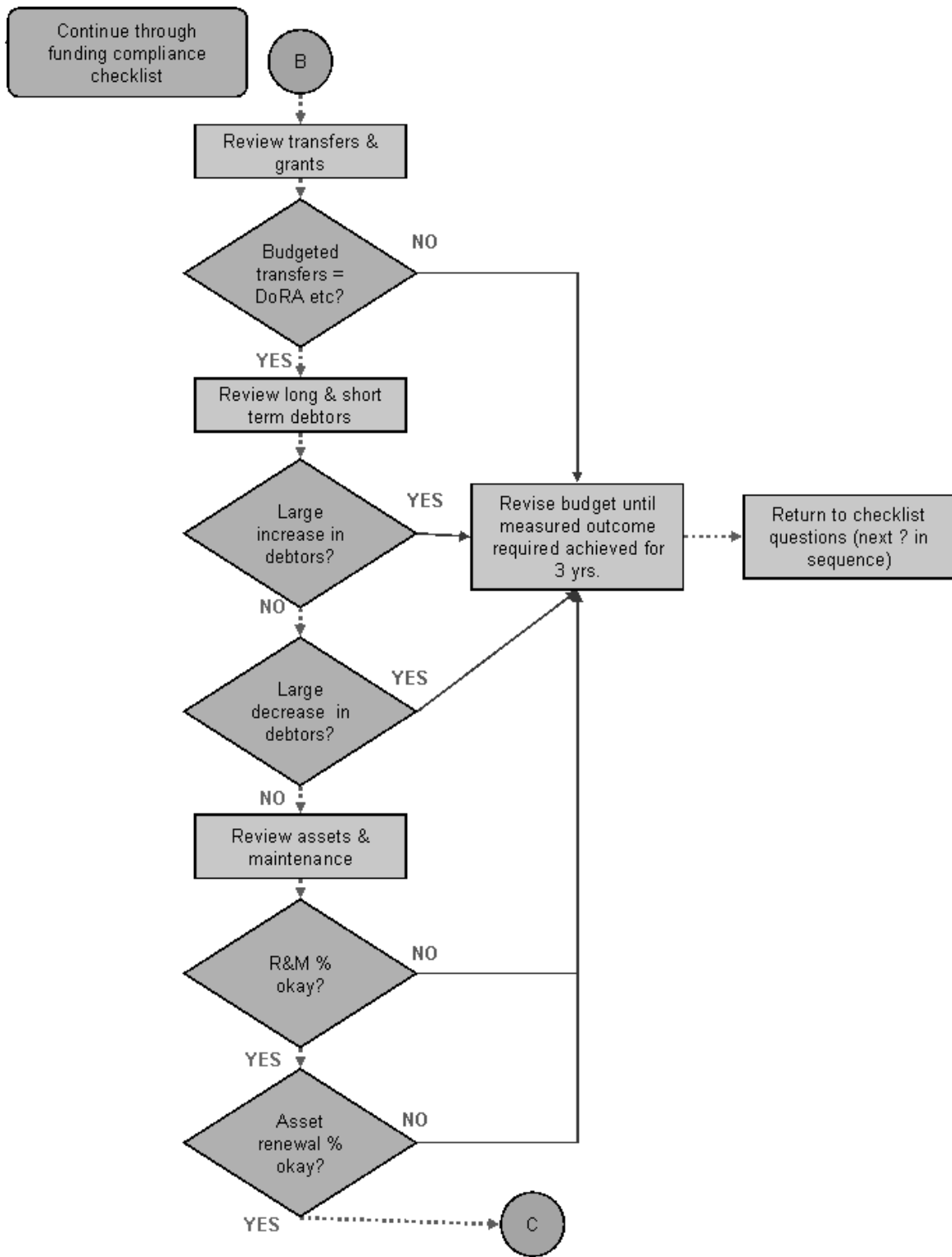
1. Financial Health Checklist South Africa Australia Assessments V2.xls: This file contains the master financial health checklist format, the checklist completed for the South African metropolitan municipalities sample (including a summary of the results for the 2004/05 and 2008/09 financial years, and the checklist completed for the Australian sample (Brisbane City Council and Sydney City Council).
2. Funding Compliance Sample Summation Analysis.xls: This file contains the data used in the analysis for Section 6.6.3.
3. Performance Rating Scale Scores.xls: this file contains the performance rating 'Likert-like' scale applied to the South African and Australian samples, as well as the data for the statistical factoring and various data summaries and charts.

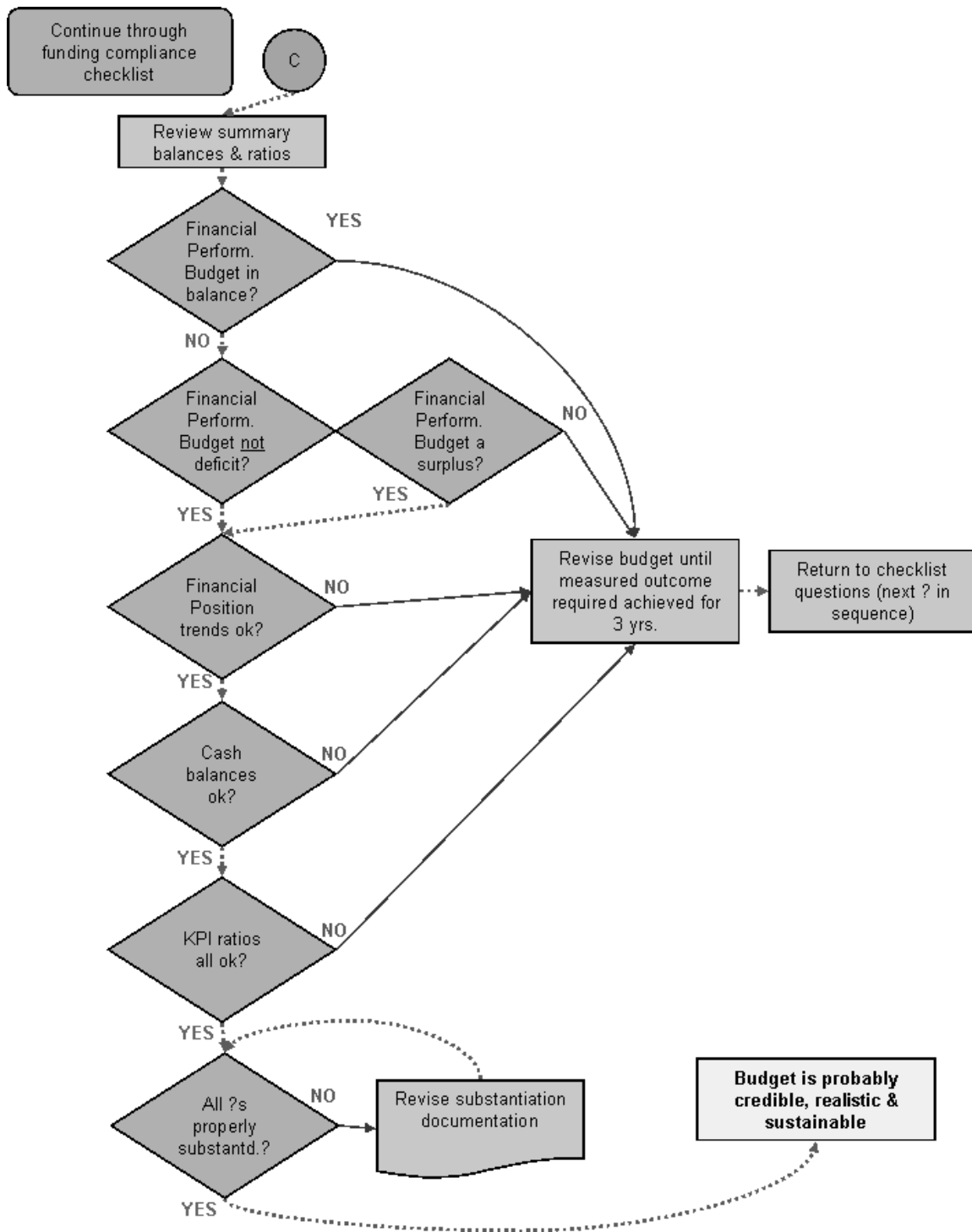
## Appendix F: MFMA 'funding' compliance











Source: MFMA Funding Compliance Guideline (2008)

## **Appendix G: Funding compliance measures**

NT's funding compliance measurement (National Treasury 13, 2008) procedure includes the following measures:

1. Cash/cash equivalents at the year end
2. Cash equivalents plus investments less applications
3. Cash at the year end - per cent of monthly employee/supplier payments
4. Financial Performance (operating) Surplus/Deficit excluding depreciation 'offsets'
5. Service charge revenue per cent change, macro-economic inflation target exclusive (how much the service charge revenue increase exceeded the macro-economic inflation target)
6. Cash receipts as a percentage of Ratepayer & Other Revenue (imputed collection rate)
7. Debt impairment (doubtful debts) expense as a percentage of total billable revenue
8. Capital payments as a percentage of capital expenditure (cash versus accrual)
9. Borrowing receipts as a percentage of capital expenditure (excluding grants) (MFMA section 19 borrowing compliance)
10. Grants/transfers as a percentage of government-legislated/gazetted transfers (indicating whether all transfers had been budgeted)
11. Current consumer debtors percentage change (i.e. collection or otherwise of last year's outstanding debtors)
12. Long-term receivables percentage change (i.e. collection or otherwise of long-term arrear debtors)
13. Repairs and maintenance as a percentage of Property Plant & Equipment asset value
14. Asset renewal as a percentage of the capital budget (i.e. amount spent on renewal)
15. Financial Performance result/budget change
16. Financial Position/budget change
17. Cash Flow result/budget change
18. Overall conclusions made about the budgeted financial statements, other key performance indicators and related trends

## Appendix H: Initial draft proposed funding compliance Likert scales

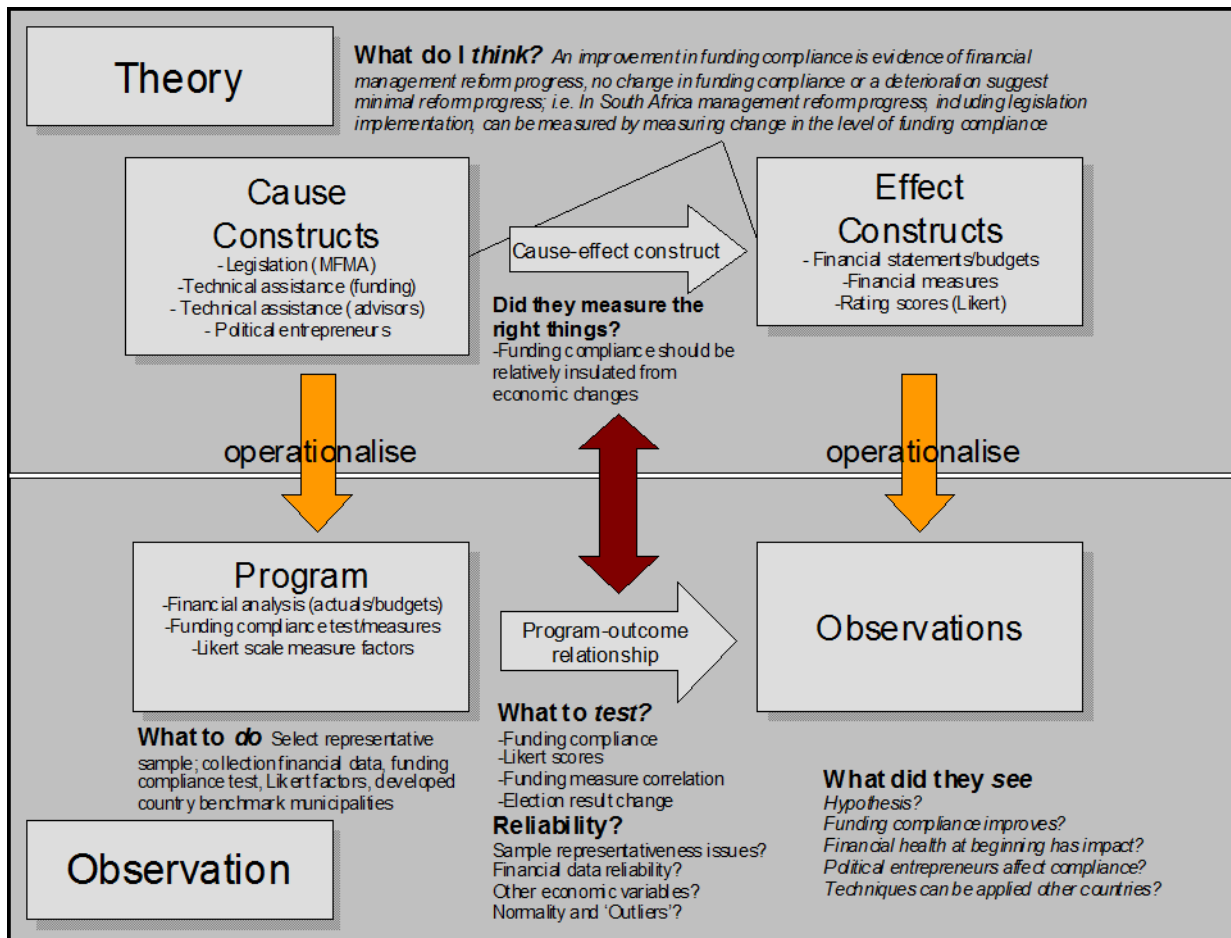
Funding measures title	Measure Number	Scale				
Cash/cash equivalents at the year end	1	Positive improving	Positive stable	Positive decline	Negative stable	Negative decline
		2	1	0	-1	-2
		A positive cash balance, either improving or stable is evidence of s18 MFMA compliance. A positive, but declining balance (compared to previous year) could indicate a trend away from compliance, and negative balances would indicate non-compliance.				
Cash equivalents + investments less applications	2	Positive improving	Positive stable	Positive decline	Negative stable	Negative decline
		2	1	0	-1	-2
		A positive cash & investments, balance less committed applications of those funds, either improving or stable is evidence of s18 MFMA compliance. A positive, but declining balance (compared to previous year) could indicate a trend away from compliance, and negative balances would indicate non-compliance.				
Cash at the year end:% of monthly employee/supplier payments	3	Ratio > 4	Ratio > 2	Ratio = 1	Ratio < 1	Ratio < -1
		2	1	0	-1	-2
		A ratio of 4 indicates an ability to meet monthly fixed payment commitments for 4 months without cash inflows (i.e. in the case of a disaster that prevented billing); a ratio of 2 refers to 2 months, a ratio of 1 is for 1 month. A ratio of less than 0 or less than -1 would indicate different degrees of risk in a situation that would require a municipality to rely on short term borrowing.				
Surplus/(Deficit) excluding depreciation offsets	4	Positive improving	Positive stable	Positive decline	Negative stable	Negative decline
		2	1	0	-1	-2
		A positive and improving surplus indicates that revenue is more than sufficient to meet the economic benefits provided to the community, a 'stable' surplus indicates that revenue is sufficient to meet the economic benefits provided to the community, a declining surplus indicates that there may not be sufficient revenue to cover the cost of economic benefits provided in the future, and deficit results (stable or declining) indicate insufficient revenue is being generated.				
Service charge revenue % change - macro CPIX target exclusive	5	% result < 1%	% result < 2%	% result = 0	% result > 0%	% result 'negative' or > 2%
		2	1	0	-1	-2
		The variation to the macro CPIX target is being used as a proxy for real growth in revenues, although in periods where inflation exceed the target rate this may be an inappropriate proxy. Negative % results indicate that revenues are declining in real terms. Positive % increases can indicate (unless proven to be real growth and consumption) price increases greater than National Government macro policy.				
Cash receipts % of Ratepayer & Other revenue	6	> 95% & improving	> 95% stable	> 95% decline	> 90% stable	Other lower collection rate %
		2	1	0	-1	-2
		The % measure is the imputed collection rate by comparing cash collections to revenue billed. In the South African context a rate greater than 95% would generally be accepted as 'good', rates less than 90% would not be uncommon, but indicate a risk of expenditure greater than will be supported by cash collection.				
Debt impairment expense as a % of total billable revenue	7	< 10% & improving	< 10% & stable	< 10% & declining	> 10% and stable	Other higher %
		2	1	0	-1	-2
		There is a correlation between debt impairment (provision for doubtful debts change) and the collection rate, but over medium term averages. Individual financial years can display the result of the sum of the collection rate and debt impairment % exceeding 100% as indicative of collection of 'arrear' debt. A sum of <100% would indicate that the provision was previously over-provided possibly because				
Capital payments % of capital expenditure	8	Capital payments % > 110% or <90%	Capital payments % > 105% or <95%	Capital payments % > 100%	Capital payments % < 100%	Capital payments % = 100%
		2	1	0	-1	-2
		It would generally be extremely rare that the capital cash outflows are exactly equal to capital expenditure (100%), simply because of payment timing. However, it is apparent that many municipalities the amounts are equal, indicating that they have not considered timing issues. More serious is that they have not considered the impact on cash management, which can be significant. This situation would mean their treasuries are managing cash by the 'seat of the pants' on a daily basis without any recognition of the medium term budget. Capital payments greater than expenditure in a financial year could indicate the capital program is slowing, with a lower level of risk. Variations from 100% at least partially indicate that the municipality recognises and possibly manages cash timing issues. Capital payments less than expenditure could indicate that the capital program is growing, with a greater level of risk on cash management activities.				
Borrowing receipts % of capital expenditure (excl grants)	9	< 50% stable or improving	< 50% deteriorating	< 60% = 0	> 60% stable	> 60% deteriorating
		2	1	0	-1	-2
		A generally accepted norm is that borrowing should be limited to 50% of 'own-funded' capital expenditure. Analysis of one metropolitan municipality suggested that this was the approximate % that could be sustained in the long term (loans repaid without extraordinary price increases for services).				
Transfers/Grants % of Govt. legislated/gazetted allocations	10	= 100% exactly	< 100%	< 95%	> 100%	>105%
		2	1	0	-1	-2
		Allocations to municipalities are included in legislation (National Government - Division of Revenue Act) or gazetted by Provincial Governments. If the % = 100% this indicates that the municipality has exactly included all allocations in its medium term budget, or spent the allocations provided. Other %s indicate either allocations have not been fully budgeted, or budgets higher than allocations and over-expenditure has occurred; or more commonly that budgets include unspent conditional allocations that in theory may not be available to them.				

(Appendix H continued overleaf)

Current consumer debtors % change - incr(decr)	11a	Negative < 5%	Negative % (0-5%)	< 5% improving	< 5% stable	> 5%
		2	1	0	-1	-2
		A 'negative; % indicates that debtors balances are reducing, either by improved collection or write-offs. Increasing balances indicate deteriorating collection. This factor relates to only current debtors (billed within the last 12 months).				
Long term receivables % change - incr(decr)	11b	Negative < 5%	Negative % (0-5%)	< 5% improving	< 5% stable	> 5%
		2	1	0	-1	-2
		A 'negative; % indicates that debtors balances are reducing, either by improved collection or write-offs. Increasing balances indicate deteriorating collection. This factor relates to only non-current debtors (billed before the last 12 months).				
Repairs & Maintenance % of Property Plant & Equipment	12	> 5% & improving	> 5% & stable	> 5% & declining	< 5% & stable	<5% decline & Other lower %
		2	1	0	-1	-2
		A reasonable norm appears to be around the range of 6% to 8%. National Treasury has recommended 7 to 15% for infrastructure such as water and sanitation assets (NT(4), 2008). Higher levels of expenditure could be caused by maintenance backlogs and threatening revenue protection. Similarly low levels of expenditure could be causing maintenance backlogs, also a risk to future revenue.				
Asset renewal % of capital budget	13	> 50% & improving	> 50% & stable	> 50% & declining	< 50% & stable	Other lower %
		2	1	0	-1	-2
		A norm has not been established. A 2005 National Treasury circular requested that municipalities include this information in their budgets, but few appear to do so. It is assumed that higher levels of expenditure could be caused by backlogs and threatening revenue protection. Similarly low levels of expenditure could be causing backlogs, also a risk to future revenue.				
Financial Performance Budget result (surplus/deficit) (refer measure 14 Annexure C for a description of the measurement)	14	Surplus & improving	Surplus & stable/deteriorating	Balance	Deficit & stable	Deficit & deteriorating
		2	1	0	-1	-2
		Overall assessment of magnitude and direction of the overall financial performance result (surplus/deficit)				
Financial Position Budget (refer measure 15 Annexure C for a description of the measurement)	15	Substantial improvement	Minor improvement	Stable	Minor deterioration	Substantial deterioration
		2	1	0	-1	-2
		Overall assessment of the financial position				
Cash flow budget (refer measure 16 Annexure C for a description of the measurement)	16	Positive & improving	Positive & stable/decline	Neutral cash movement	Negative & stable	Negative & deteriorating
		2	1	0	-1	-2
		Overall assessment of the cash flow budget				
Other key performance measures (refer measure 17 Annexure C for a description of the measurement)	17	Substantial improvement	Minor improvement	Stable	Minor deterioration	Substantial deterioration
		2	1	0	-1	-2
		Overall assessment of key performance measures				

**Source: own compilation based on South African National Treasury funding compliance tests (National Treasury 10, 2007, National Treasury 14, 2008)**

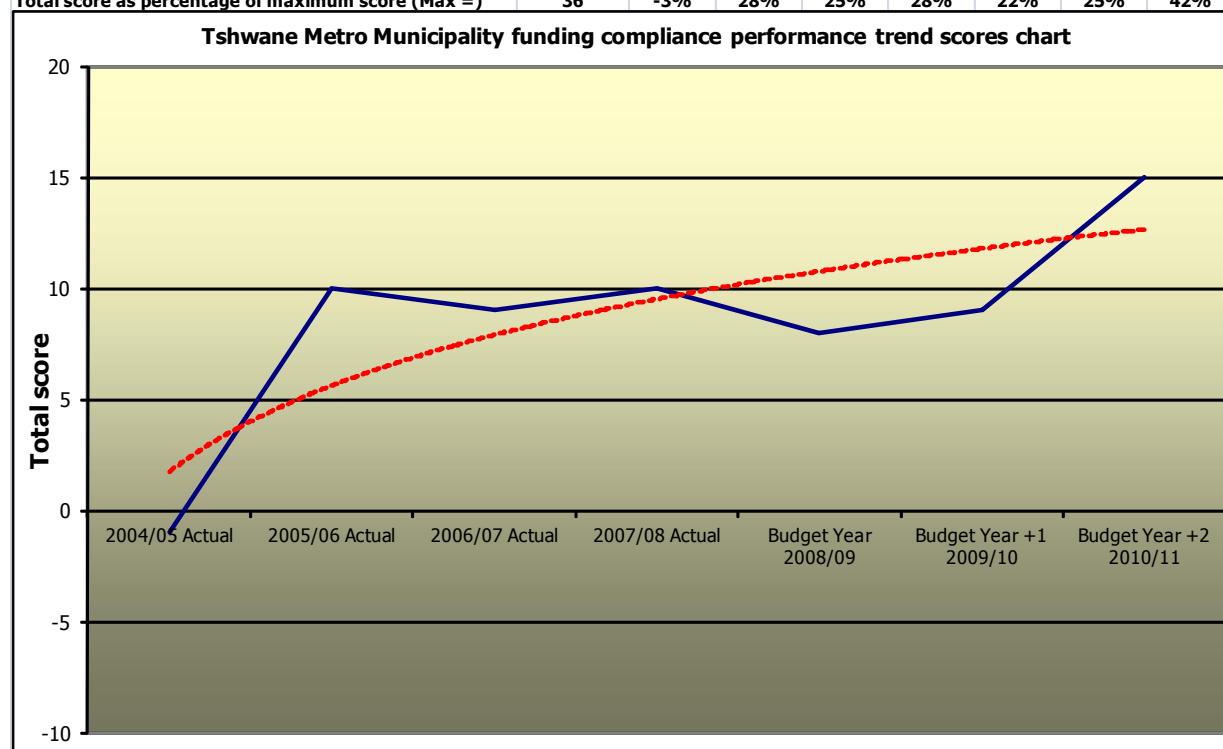
## Appendix I: Trochim validity model adapted



Source: own compilation based on Trochim Validity Model (Trochim, 2002)

## Appendix J: Funding compliance assessment of South African ‘metros’

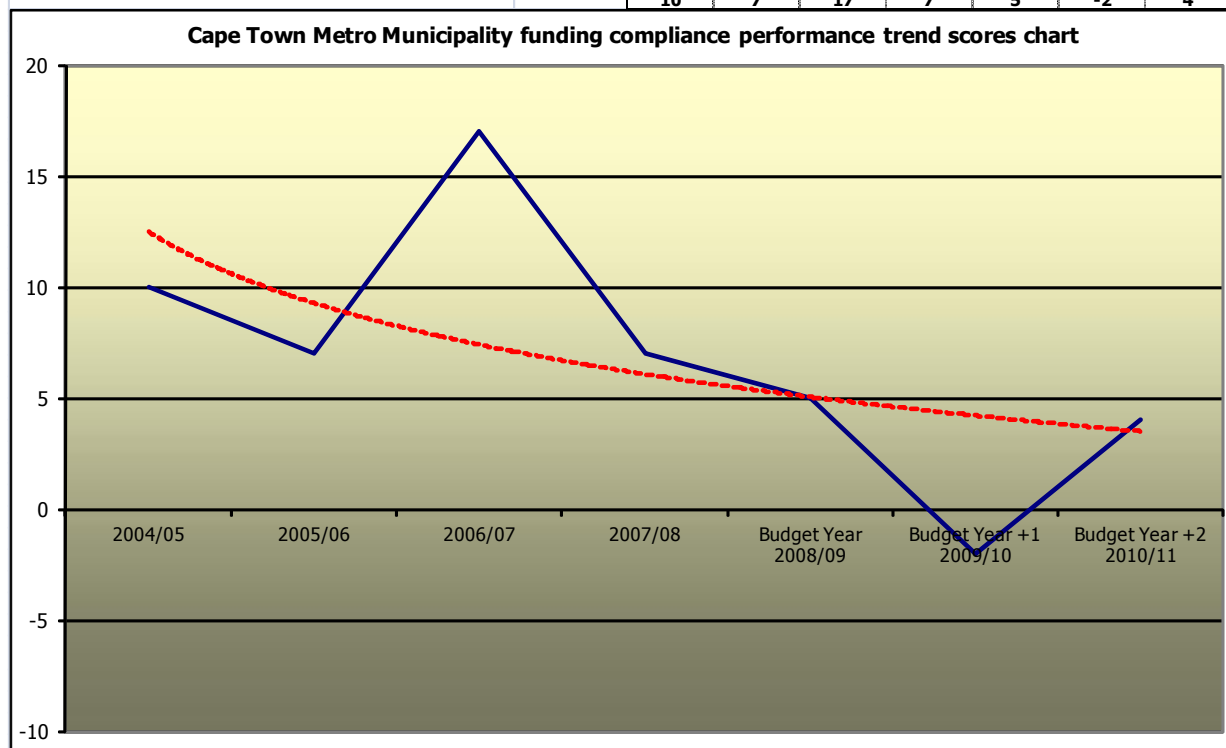
Tshwane Metro Municipality funding performance trend scales								
Financial Year:	Measure Number	2004/05 Audited Outcome	2005/06 Audited Outcome	2006/07 Audited Outcome	2007/08 Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	2	0	2	0	2	2	2
Cash equivalents + investments less applications	2	-1	2	2	0	-2	-2	2
Cash at the year end:% of monthly employee/supplier payments	3	0	0	0	-1	0	0	1
Surplus/(Deficit) excluding depreciation offsets	4	1	1	0	2	2	2	2
Service charge revenue % change - macro CPIX target exclusive	5	-2	-2	-2	-2	-2	1	1
Cash receipts % of Ratepayer & Other revenue	6	-2	2	2	0	2	2	2
Debt impairment expense as a % of total billable revenue	7	1	1	2	2	2	1	1
Capital payments % of capital expenditure	8	-2	0	1	1	1	1	1
Borrowing receipts % of capital expenditure (excl grants)	9	0	2	-2	2	1	2	2
Transfers/Grants % of Govt. legislated/gazetted allocations	10	2	2	2	2	-2	-2	-2
Current consumer debtors % change - incr(decr)	11a	-2	-2	1	-2	2	1	1
Long term receivables % change - incr(decr)	11b	-2	2	-2	2	-2	-2	-2
Repairs & Maintenance % of Property Plant & Equipment	12	1	0	1	2	0	0	0
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	2	1	1	2	2	1	2
Financial Position Budget	15	1	2	2	2	2	2	2
Cash flow budget	16	2	1	2	1	2	2	2
Other key performance measures	17	0	0	-1	-1	0	0	0
<b>Total score</b>		<b>-1</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>15</b>
<b>Total score as percentage of maximum score (Max =)</b>	<b>36</b>	<b>-3%</b>	<b>28%</b>	<b>25%</b>	<b>28%</b>	<b>22%</b>	<b>25%</b>	<b>42%</b>



Source: own compilation compiled from City of Tshwane financial information (City of Tshwane Metropolitan Municipality, 2005, City of Tshwane Metropolitan Municipality, 2010)

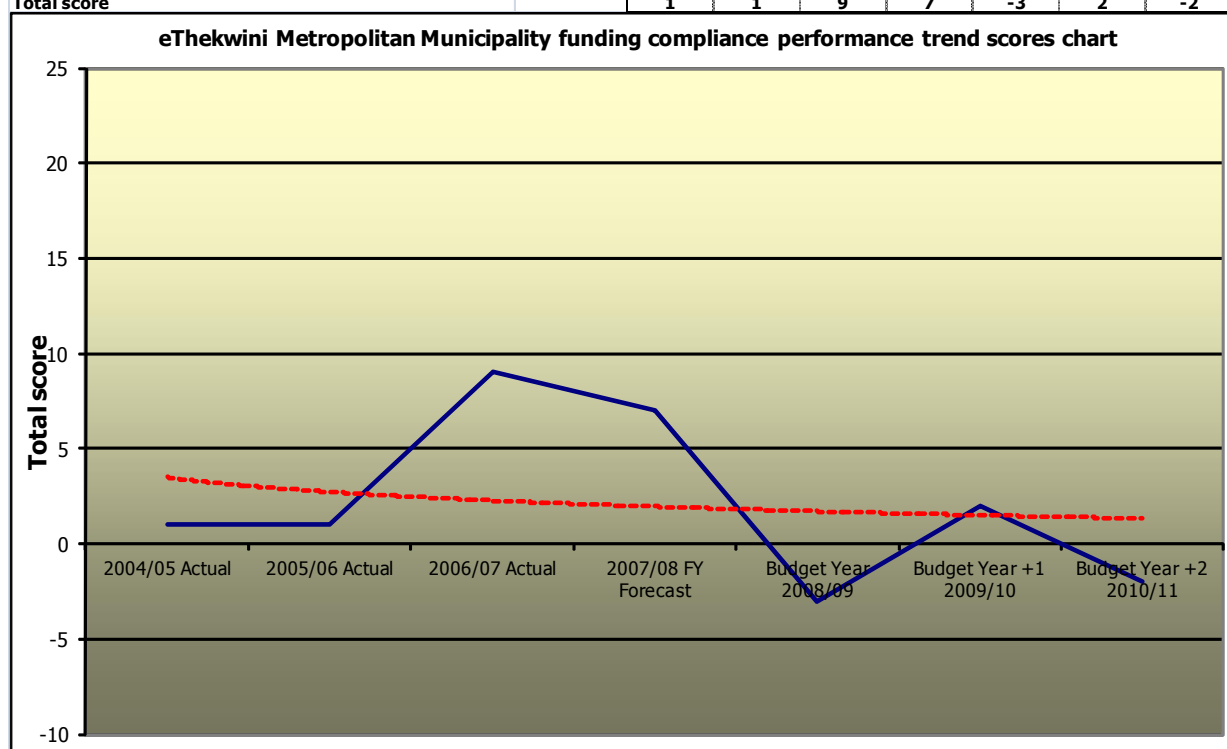


Cape Town Metro Municipality funding compliance performance trend scales								
Financial Year:	Measure Number	2004/05	2005/06	2006/07	2007/08	Budget Year	Budget Year +1	Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	2008/09	2009/10	2010/11
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	2	2	2	2	0	2	1
Cash equivalents + investments less applications	2	1	-2	-2	-1	-2	-2	-1
Cash at the year end:% of monthly employee/supplier payments	3	1	1	1	2	1	1	1
Surplus/(Deficit) excluding depreciation offsets	4	1	-2	2	2	1	1	0
Service charge revenue % change - macro CPIX target exclusive	5	-2	1	-2	-2	-2	-2	-2
Cash receipts % of Ratepayer & Other revenue	6	1	2	2	0	2	-2	2
Debt impairment expense as a % of total billable revenue	7	1	0	2	0	2	2	1
Capital payments % of capital expenditure	8	-2	-2	0	0	0	-2	-2
Borrowing receipts % of capital expenditure (excl grants)	9	1	1	2	-2	0	-2	-1
Transfers/Grants % of Govt. legislated/gazetted allocations	10	2	2	2	2	0	0	0
Current consumer debtors % change - incr(decr)	11a	-2	2	1	-2	1	2	2
Long term receivables % change - incr(decr)	11b	2	2	2	2	1	-2	1
Repairs & Maintenance % of Property Plant & Equipment	12	1	2	2	1	0	1	1
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	2	-2	2	2	1	1	1
Financial Position Budget	15	1	0	1	1	1	0	1
Cash flow budget	16	2	2	2	2	1	2	1
Other key performance measures	17	0	0	0	0	0	0	0
		<b>10</b>	<b>7</b>	<b>17</b>	<b>7</b>	<b>5</b>	<b>-2</b>	<b>4</b>



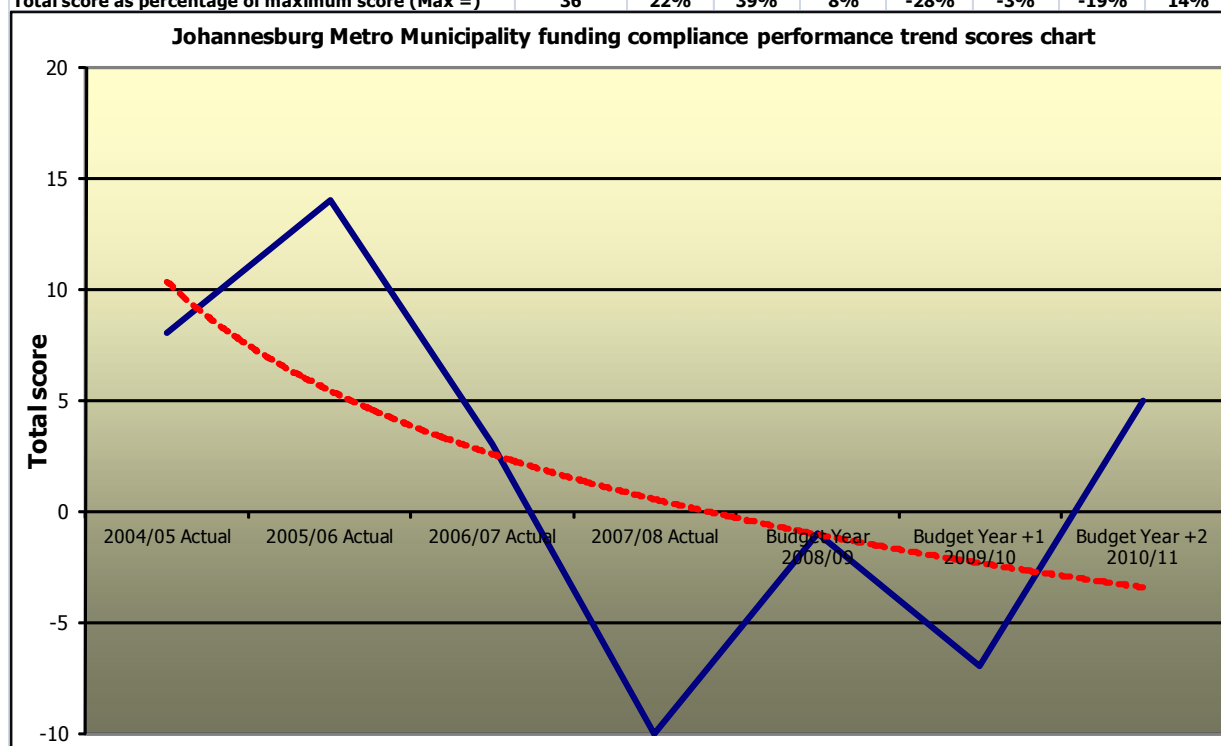
Source: own compilation compiled from City of Cape Town financial information (City of Cape Town Metropolitan Municipality, 2009b, City of Cape Town Metropolitan Municipality, 2009a, City of Cape Town Metropolitan Municipality, 2009c)

eThekweni Metropolitan Municipality funding performance trend scales								
Financial Year:	Measure Number	2004/05	2005/06	2006/07	2007/08	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
		Audited Outcome	Audited Outcome	Audited Outcome	Full year forecast			
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	0	2	2	2	0	2	1
Cash equivalents + investments less applications	2	0	0	0	0	0	0	0
Cash at the year end:% of monthly employee/supplier payments	3	1	2	2	2	1	1	1
Surplus/(Deficit) excluding depreciation offsets	4	2	2	2	2	2	0	1
Service charge revenue % change - macro CPIX target exclusive	5	-2	-2	-2	-2	-2	-2	-2
Cash receipts % of Ratepayer & Other revenue	6	-2	-2	2	0	0	2	0
Debt impairment expense as a % of total billable revenue	7	0	2	2	0	2	1	1
Capital payments % of capital expenditure	8	-2	1	2	-2	-2	-2	-2
Borrowing receipts % of capital expenditure (excl grants)	9	2	-2	-2	2	-2	2	1
Transfers/Grants % of Govt. legislated/gazetted allocations	10	-1	-2	-1	-1	-1	-1	-1
Current consumer debtors % change - incr(decr)	11a	1	-2	0	-2	-2	-2	-2
Long term receivables % change - incr(decr)	11b	-2	-2	-2	0	-2	-2	-2
Repairs & Maintenance % of Property Plant & Equipment	12	0	1	0	2	0	0	0
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	2	2	2	2	2	1	1
Financial Position Budget	15	2	2	2	2	2	2	2
Cash flow budget	16	1	2	2	2	1	2	1
Other key performance measures	17	1	-1	0	0	0	0	0
<b>Total score</b>		<b>1</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>-3</b>	<b>2</b>	<b>-2</b>



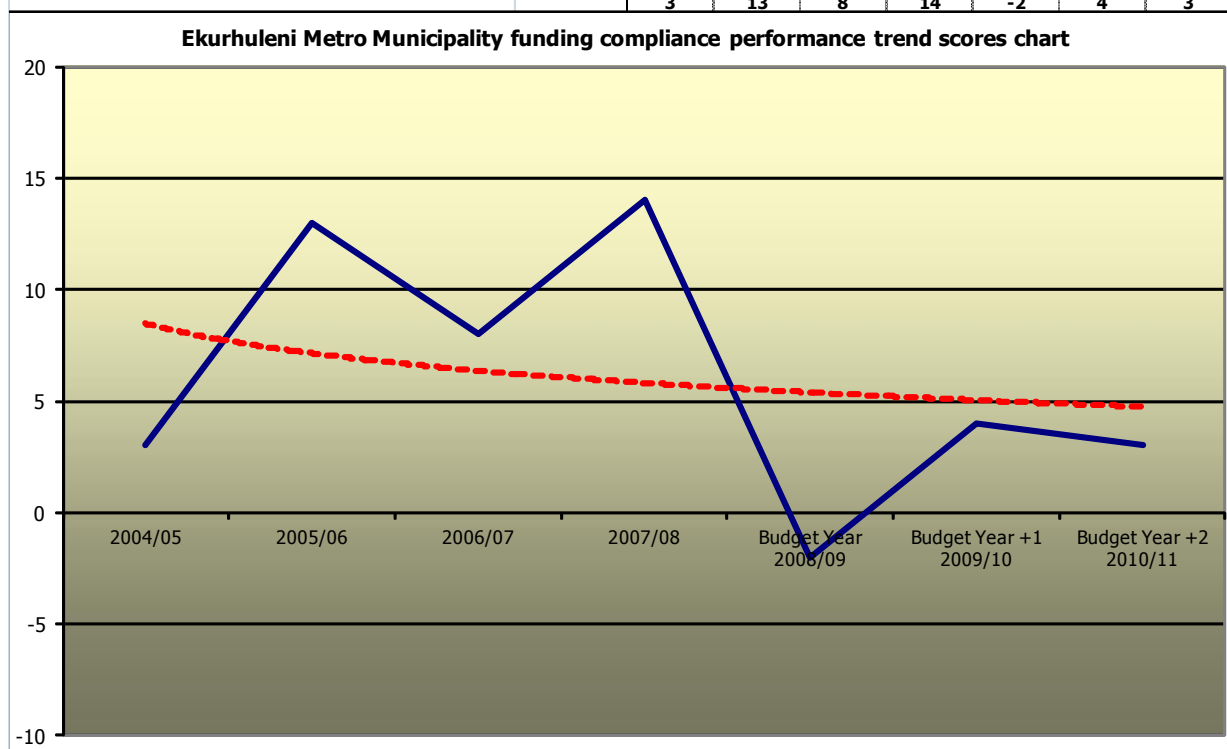
Source: own compilation compiled from City of eThekweni financial information (City of eThekweni Metropolitan Municipality, 3 year period 2007/08 to 2009/10, City of eThekweni Metropolitan Municipality, 2006/07, City of eThekweni Metropolitan Municipality, Financial years 2001/02, 2002/03, 2003/04, 2004/05 and 2005/06 2003/04, 2004/05 and 2005/06 #117)

Johannesburg Metro Municipality funding performance trend scales								
Financial Year:	Measure Number	2004/05	2005/06	2006/07	2007/08	Budget Year	Budget Year +1	Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	2008/09	2009/10	2010/11
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	2	1	0	0	2	0	2
Cash equivalents + investments less applications	2	-1	2	-2	-2	2	2	2
Cash at the year end:% of monthly employee/supplier payments	3	1	1	0	0	0	0	0
Surplus/(Deficit) excluding depreciation offsets	4	2	2	1	0	2	1	2
Service charge revenue % change - macro CPIX target exclusive	5	-2	2	-2	-2	-2	-2	-2
Cash receipts % of Ratepayer & Other revenue	6	1	2	0	-1	-2	-2	-1
Debt impairment expense as a % of total billable revenue	7	-1	2	2	2	0	2	1
Capital payments % of capital expenditure	8	-2	-2	0	-2	-2	-2	-2
Borrowing receipts % of capital expenditure (excl grants)	9	0	0	2	0	-2	-1	2
Transfers/Grants % of Govt. legislated/gazetted allocations	10	2	2	2	2	0	0	1
Current consumer debtors % change - incr(decr)	11a	2	-1	-2	-2	-2	-2	-2
Long term receivables % change - incr(decr)	11b	2	2	2	-2	2	0	0
Repairs & Maintenance % of Property Plant & Equipment	12	-2	-2	-2	-2	-2	-2	-2
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	2	2	2	1	2	1	2
Financial Position Budget	15	2	2	2	2	2	1	2
Cash flow budget	16	2	1	-1	-1	2	-1	2
Other key performance measures	17	0	0	1	-1	-1	0	0
<b>Total score</b>		<b>8</b>	<b>14</b>	<b>3</b>	<b>-10</b>	<b>-1</b>	<b>-7</b>	<b>5</b>
<b>Total score as percentage of maximum score (Max =)</b>	<b>36</b>	<b>22%</b>	<b>39%</b>	<b>8%</b>	<b>-28%</b>	<b>-3%</b>	<b>-19%</b>	<b>14%</b>



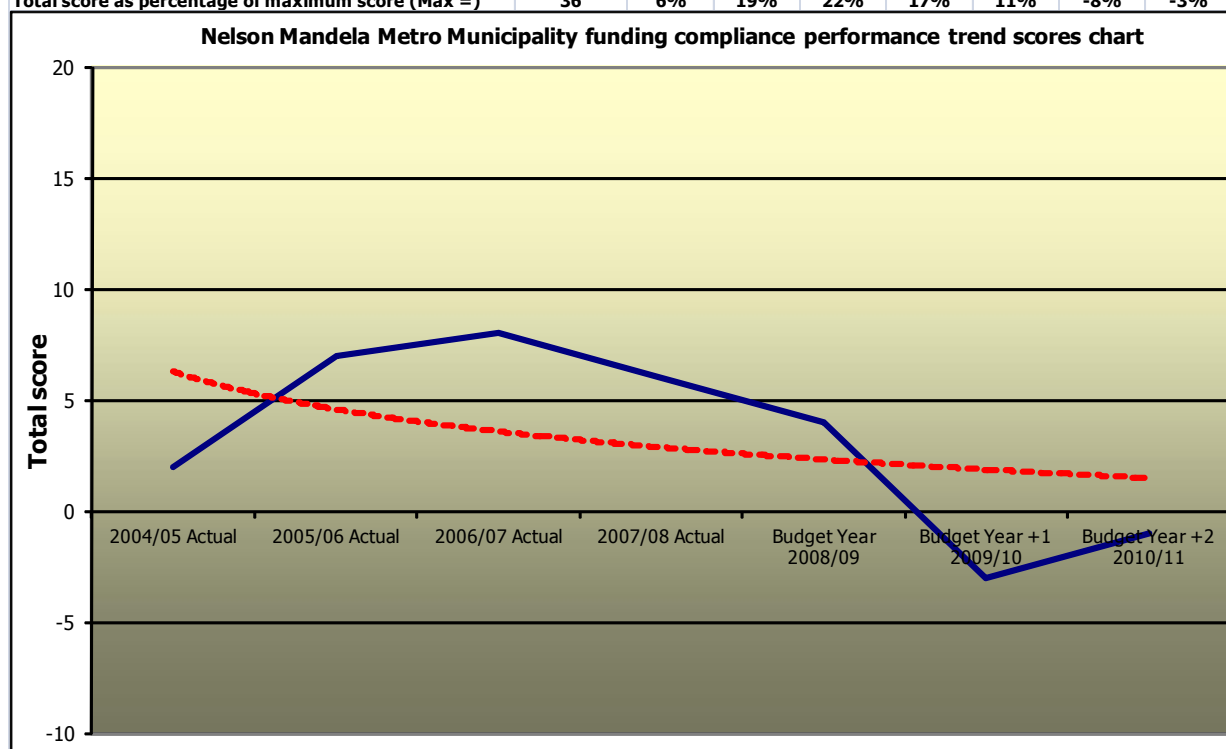
Source: own compilation compiled from City of Johannesburg financial information (City of Johannesburg Metropolitan Municipality, 2005, City of Johannesburg Metropolitan Municipality, 2009, City of Johannesburg Metropolitan Municipality, 2008a, City of Johannesburg Metropolitan Municipality, 2008b)

Ekurhuleni Metro Municipality funding compliance performance trend scales								
Financial Year:	Measure Number	2004/05	2005/06	2006/07	2007/08	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
		Audited Outcome	Audited Outcome	Audited Outcome	Full year forecast			
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	2	2	2	2	0	0	0
Cash equivalents + investments less applications	2	2	0	2	2	0	0	0
Cash at the year end:% of monthly employee/supplier payments	3	2	2	2	2	1	1	0
Surplus/(Deficit) excluding depreciation offsets	4	0	2	0	2	0	2	1
Service charge revenue % change - macro CPIX target exclusive	5	-2	2	-2	-2	-2	-2	-2
Cash receipts % of Ratepayer & Other revenue	6	-2	-1	-1	-1	-1	-1	-1
Debt impairment expense as a % of total billable revenue	7	-1	-1	-1	-1	-1	-1	2
Capital payments % of capital expenditure	8	-1	-2	-2	-1	-2	-2	-2
Borrowing receipts % of capital expenditure (excl grants)	9	-2	2	2	1	1	2	2
Transfers/Grants % of Govt. legislated/gazetted allocations	10	2	2	2	2	0	0	0
Current consumer debtors % change - incr(decr)	11a	-2	-2	-2	1	1	1	1
Long term receivables % change - incr(decr)	11b	2	2	2	1	1	1	1
Repairs & Maintenance % of Property Plant & Equipment	12	1	1	1	2	0	0	0
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	1	2	1	2	1	2	1
Financial Position Budget	15	1	2	2	2	1	2	2
Cash flow budget	16	2	2	2	2	1	1	1
Other key performance measures	17	0	0	0	0	-1	0	-1
		<b>3</b>	<b>13</b>	<b>8</b>	<b>14</b>	<b>-2</b>	<b>4</b>	<b>3</b>



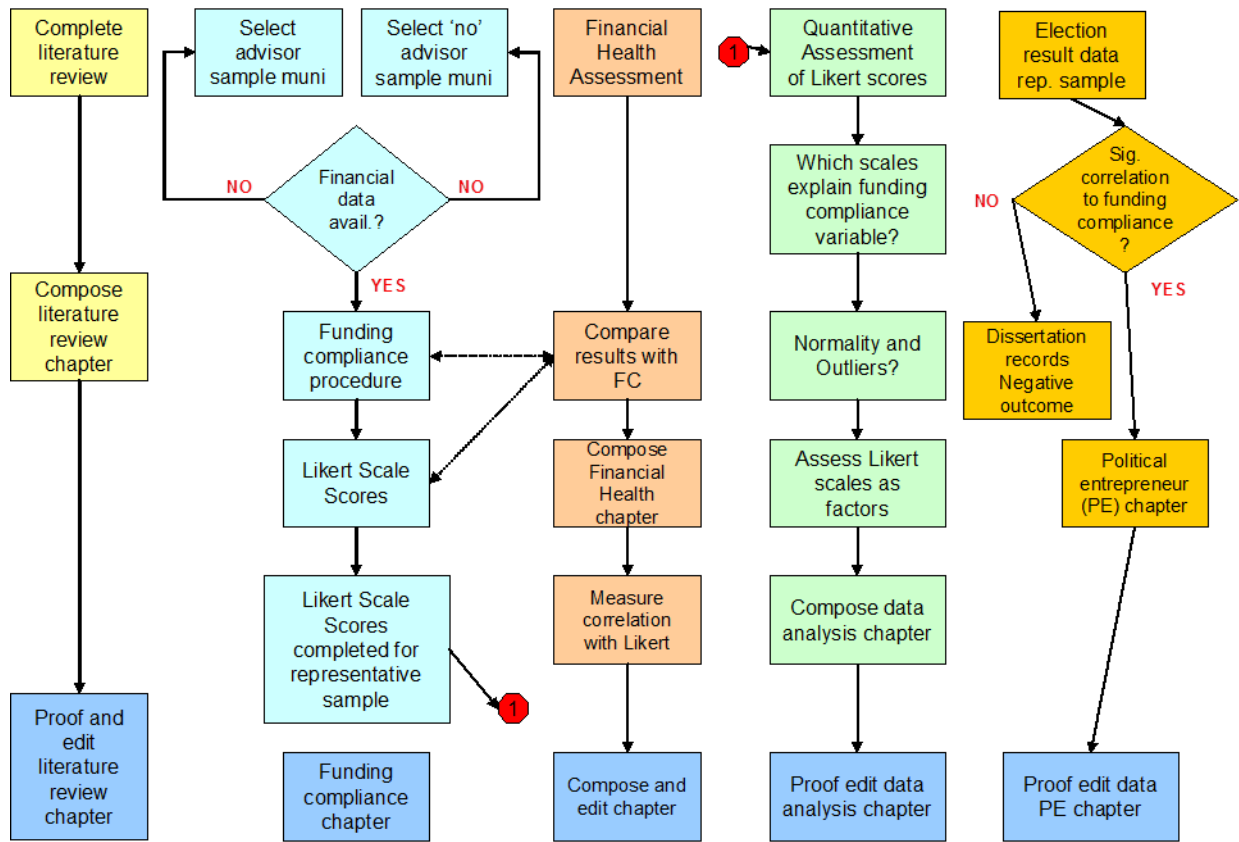
Source: own compilation compiled from City of Ekurhuleni financial information (City of Ekurhuleni Metropolitan Municipality, 2005, City of Ekurhuleni Metropolitan Municipality, 2008, City of Ekurhuleni Metropolitan Municipality, 2009)

Nelson Mandela Metro Municipality funding performance trend scales								
Financial Year:	Measure Number	2004/05	2005/06	2006/07	2007/08	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
		Audited Outcome	Audited Outcome	Audited Outcome	Full year forecast			
<b>Funding measures title</b>								
Cash/cash equivalents at the year end	1	0	0	2	2	1	0	0
Cash equivalents + investments less applications	2	1	0	0	-2	-2	-1	-1
Cash at the year end:% of monthly employee/supplier payments	3	-1	-1	0	0	0	-1	-1
Surplus/(Deficit) excluding depreciation offsets	4	-1	2	1	2	0	0	1
Service charge revenue % change - macro CPIX target exclusive	5	-2	-1	-2	-2	-2	-2	-2
Cash receipts % of Ratepayer & Other revenue	6	1	0	2	-1	2	1	1
Debt impairment expense as a % of total billable revenue	7	1	2	0	0	1	1	1
Capital payments % of capital expenditure	8	-2	2	-2	2	1	2	1
Borrowing receipts % of capital expenditure (excl grants)	9	2	2	2	0	2	-2	-1
Transfers/Grants % of Govt. legislated/gazetted allocations	10	2	2	2	2	-2	0	0
Current consumer debtors % change - incr(decr)	11a	-2	-2	0	1	-1	-1	-1
Long term receivables % change - incr(decr)	11b	2	2	-2	1	1	1	1
Repairs & Maintenance % of Property Plant & Equipment	12	1	1	2	0	0	-2	-1
Asset renewal % of capital budget	13	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	14	-1	-1	2	1	2	1	1
Financial Position Budget	15	1	0	1	2	2	2	1
Cash flow budget	16	1	1	2	1	1	1	1
Other key performance measures	17	1	0	0	-1	0	-1	0
<b>Total score</b>		<b>2</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>-3</b>	<b>-1</b>
<b>Total score as percentage of maximum score (Max =)</b>	<b>36</b>	<b>6%</b>	<b>19%</b>	<b>22%</b>	<b>17%</b>	<b>11%</b>	<b>-8%</b>	<b>-3%</b>



Source: own compilation compiled from City of Nelson Mandela Bay financial information (City of Nelson Mandela Bay Local Municipality, 2005, City of Nelson Mandela Bay Local Municipality, 2008, City of Nelson Mandela Bay Local Municipality, 2009)

## Appendix K: Key research activities flowchart



Source: own compilation

## Appendix L: Financial health instrument measurement items

No	Factor in instrument	R
1	Extent of the Municipal Manager's (CEO) experience in Local Government/Public Sector	US
2	Rating of the municipality's focus on Economic Development, Governance, Financial strength, Poverty alleviation, Empowerment and Infrastructure	US
3	Extent of the Chief Financial Officer's qualifications and experience	US
4	Last annual financial statements audit result (Unqualified, Qualified, Unable to form opinion)	US
5	Most critical issues highlighted in the Audit Report	US
6	Rating of adopted Financial Management Policy	S
7	Rating of Financial Management application to the Budget/Estimates for the medium term budget	S
8	Net Result in the Statement of Financial Performance or budget	*
9	Net Result in the Operating Budget and Estimates for the MTREF 3 years	*
10	Projected Balance Sheets prepared for the Budget/Estimates for 3 years in GRAP format	*
11	Projected Cash Flow Statements prepared for the Budget/Estimates for 3 years in GRAP format	*
12	Capital Expenditure Program exist for the 3 years covered by the Budget/Estimates	*
13	Capital Expenditure program impact recognised in the Operating Budget and Estimates	*
14	External Borrowing requirements over the 3 years covered by the Budget and Estimates	*
15	Impact of external borrowings recognised in the Budget & Estimates (Years 1 to 3)	S
16	Impact of external borrowings	**
17	List all items of Operating Income, Operating Expenditure and Cash Inflows & Outflows of a one off nature included in the Budgets and Estimates for the 3 years	S
18	Most frequent method of financial monitoring/reporting (none, monthly, quarterly, annual)	US
19	Operating and Capital Budget /Estimates linked to the Integrated Development Plan	US
20	Financial Risk Management Program exists	US
21	Current Ratio for each of the 3 years	*
22	Acid Ratio for each of the 3 years	*
23	Revenue sources	US
24	Proportion of Salaries, Allowances and Employee Related Costs to Total Expenditure	US
24a	Average cost per Employee	US
24b	Number of Employees per Capita	US
25	Proportion of Repairs & Maintenance costs to Written Down Value of assets	*
26	External Debt Service Ratio	*
27	Cash is generated from Operations	*
28	Cash Balance at year end	*
29	Days of Rates, Fees & Charges debtors outstanding	US
30	Days of Electricity Charges debtors outstanding	US
31	Days of Water Charges debtors outstanding	US
32	Collection rate	*
33	Gearing ratio	**
34	Debt per capita	U

\* Included directly in the funding compliance analysis

\*\* Available indirectly from the funding compliance analysis

U Unique measure

S Subjective assessment required

US Unique but qualitative/subjective measure

Source: (National Treasury 23, 2008)

## Appendix M: Example financial health instrument

MUNICIPALITY FINANCIAL HEALTH EVALUATION							SCORING SYSTEM	SCORE
Municipality	Tshwane Metro 2008/09 actual		Name of Person conducting Assessment		Nigel Graves			
Province	Gauteng		Contact Telephone		0434 017 915			
			Contact email		<a href="mailto:nigelgraves@senet.com.au">nigelgraves@senet.com.au</a>			
<b>1 What is the extent of the Municipal Manager's experience in Local Government/Public Sector?</b>								
		1	Nil			2		
		2	0-5 years		X	6		
		3	6-10 years			8		
		4	over 10 years			10		
		5	Position Vacant			0	<b>6</b>	
							( 'X' one of the boxes above)	MPS 10
<p><i>While Council sets the direction of the organisation, the Municipal Manager (Chief Executive Officer) has to execute the Plan. If the Manager is not experienced enough to recognise the need for the organisation to be financially strong, the agenda may be directed towards spending programs which are inadequately funded. This can mean short term popularity with stakeholders but influencing the longer term financial health of the organisation.</i></p>								
<b>2 How would you rate the focus of Council on:</b>								
		1	Economic Development			6	3.6	
		2	Governance			7	3.5	
		3	Financial strength of Municipality			6	4.2	
		4	Poverty alleviation			9	2.7	
		5	Empowerment			2	0.8	
		6	Infrastructure			8	1.2	
						(Score each on a scale of 1-10, with a "1" depicting no particular focus and a "10" depicting a predominant emphasis. A "10" cannot apply to more than <u>one</u> of the above factors)	Proportionate score. E.g. If Governance is rated 4, then score is (4/10)x4 = 1.6	<b>16</b>
							MPS 27	
<p><i>The focus of the Council may be predominantly on those factors (above) other than the financial strength of the organisation. Each of those factors requires substantial expenditure to be incurred. If insufficient emphasis is placed on sound financial management, the future operations of the organisation could be compromised.</i></p>								
<b>3 What is the extent of the Chief Financial Officer's qualifications and experience?</b>								
		1	Unqualified & No financial management experience			0		
		2	Unqualified & up to 5 yrs financial mgt. experience			2		
		3	Unqualified & up to 10 yrs financial mgt. experience			4		
		4	Unqualified & over 10 yrs financial mgt. experience			6		
		5	Qualified & No financial mgt. experience			4		
		6	Qualified & up to 5 yrs financial mgt. experience			7		
		7	Qualified & up to 10 yrs financial mgt. experience		X	10		
		8	Qualified & over 10 yrs financial mgt. experience			15		
		9	Position Vacant			0	<b>10</b>	
							( 'X' one of the boxes above)	MPS 15
<p><i>The Chief Financial Officer's qualifications, ( membership of a professional institute of accountants ), experience and commitment are essential in ensuring the organisation not only gains financial strength but also continues to safeguard and prosper its interests. The CFO must champion sound financial management and this is more likely to be heeded if he/she is qualified and experienced.</i></p>								
<b>4 What was the result of the last audit of the annual financial statements</b>								
		1	Unqualified			15		
		2	Qualified		X	2		
		3	Auditor was unable to form an opinion			0	<b>2</b>	
							( 'X' one of the boxes above)	MPS 15
<p><i>This is an independent opinion on the financial management and reporting process. Assists in giving some background to the operation.</i></p>								

(Appendix M continued overleaf)



<b>5 Number of critical issues emphasised in the Audit Report:</b>									
			No	critical issues				10	
			1	critical issue				5	
			2	critical issues			X	2	
			3 or more	critical issues				1	2
								(X' one of the boxes above)	MPS 10
<i>This will highlight if the Municipality has any fundamental problems which have been identified by the auditors</i>									
<b>6 Does the Municipality have an adopted Financial Management Policy (ie. principals of Financial Management and Medium/Long Term Financial Strategy)</b>									
			1	No Policy, No principals adopted				0	
			2	No formal Policy, follow some guidelines/principals				8	
			3	Policy (incl. principals) adopted			X	20	
			4	Policies (incl. principals) being developed				4	20
								(X' one of the boxes & state Financial Management followed principals [Appendix A] if 2, 3 or 4 is selected)	MPS 20
<i>An absence of policy and principals is tantamount to a 'rudderless ship'. The results will depend more on good fortune and the sustained financial viability of the organisation will not be assured.</i>									
<b>7 Are the above principals of Financial Management applied to the Budget and Estimates for the medium term budget</b>									
			1	Yes			X	10	
			2	No				0	10
								(X' one of the boxes above and if "Yes" is selected, show evidence of their application in the Budget and Estimates. This may also be shown in Appendix A)	MPS 10
<i>If the municipality has adopted financial management principals and these are not applied in the budget, it will be of no practical value.</i>									
<b>8 State the Net Result in the Statement of Financial Performance or budget for:</b>									
						<b>R</b>	<b>Score</b>	<b>Max</b>	
	<b>Trend</b>								
	Base -2	0.30	1	Current Year -2 Actual		611,558,417	Positive	10	7.7
	Base -1	0.15	2	Current Year -1 Actual		316,320,247	Breakeven	6	8.7
	Base	0.05	3	Current Year Budget		1,160,568,000	Negative	-2	9.5
									26
								(X' one of the boxes above and if "Yes" is selected, show evidence of their application in the Budget and Estimates. This may also be shown in Appendix A)	MPS 26
<i>These figures will provide a sanity check on future year budgets quoted in response to next question</i>									
<b>9 What is the Operating Budget &amp; Estimates "Net Result" for the 3 years (effective 1 July 2004 in GRAP format)</b>									
						<b>R</b>	<b>Score</b>	<b>Max</b>	
	<b>Trend</b>								
	Base	0.05	1	Budget (Yr.1)		1,305,176,000	Positive	10	9.5
	Base +1	0.15	2	Estimate (Yr.2)		1,313,517,000	Breakeven	6	8.7
	Base +2	0.30	3	Estimate (Yr.3)		1,671,595,000	Negative	-2	7.7
								(show losses in brackets)	26
								MPS	26
<i>Positive (or Break Even) Net Results are essential to ensure that capital employed is not depleted. A common misconception is that as long as there are positive cash flows, the organisation will prosper. In the short term, yes. In the medium to longer term the drawing down of capital employed (through continuing losses) will inevitably result in its insolvency.</i>									
<b>10 Have projected Balance Sheets been prepared in respect of the Budget and Estimates for the 3 years (in GRAP format)</b>									
			1	Yes			X	15	
			2	No				0	15
								(if "Yes", attach copies of the Balance Sheets)	MPS 15
<i>It has not been common practice to prepare Balance Sheets in respect of future years. Projections of operating results have been considered adequate for monitoring budgets. However in establishing the future viability of the organisation, it is essential to focus on the "state of affairs of the organisation" in the years ahead. Knowledge of future liquidity, ability to complete capital works programs, replacement of assets, management of debtors and creditors, funding requirements are all factors which need to be considered in assessing financial viability.</i>									
<b>11 Have projected Cash Flow Statements been prepared for the Budget and Estimates for the 3 years (in GRAP format)</b>									
			1	Yes			X	15	
			2	No				0	15
								(if "Yes", attach copies of the Cash Flow Statements)	MPS 15
<i>A "must have" as part of the budgeting process. An authentic cash flow statement cannot be prepared without a related Balance Sheet. Another reason for projected Balance Sheets.</i>									

(Appendix M continued overleaf)

<b>12 Does the Municipality have a Capital Expenditure Program for the 3 years covered by the Budget and Estimates</b>								
		1	Yes			<input checked="" type="checkbox"/>	15	
		2	No				0	
(if "Yes", attach copies of the Capital Expenditure Program)							MPS	15
<i>[Check Cash Flow Statement to confirm that the Capital Expenditure Program is fully funded]</i>								
<i>A Capital Expenditure Program which covers more than one year is essential in implementing meaningful projects. This enables Council to recognise and provide for the requirements of its ratepayers, plan and execute projects while, at the same time, balancing needs and resources.</i>								
<b>13 Has the impact of the Capital Expenditure program been recognised in the Operating Budget and Estimates?</b>								
		1	Yes			<input checked="" type="checkbox"/>	15	
		2	No				0	
(if "Yes", show evidence of their impact in the Operating Budget, as Appendix B)							MPS	15
<i>Too often, capital works are undertaken without due consideration being given to the future impact on the operating costs of the organisation. If these costs are not known and/or not recognised in the Estimates, the effect on future viability could be substantial.</i>								
<b>14 What are the External Borrowing requirements of Municipality over the 3 years covered by the Budget and Estimates?</b>								
					<b>R</b>	<b>Rm</b>		
			Budget (Yr.1)		822,000,000	822		
			Estimate (Yr.2)		450,000,000	450		
			Estimate (Yr.3)		400,000,000	400		
							see 26 for scores on Debt Service Ratio as the borrowing consequence is debt servicing	
<i>An indication of planned borrowings will reflect the needs of the organisation and its ability to fund the demands placed on it. A growing borrowing program must raise questions as to its ability to service the debt and whether it is functioning beyond its means</i>								
<b>15 Has the impact of above external borrowings (if any), been recognised in the Budget &amp; Estimates (Years 1 to 3)?</b>								
		1	Yes			<input checked="" type="checkbox"/>	10	
		2	No				0	
							MPS	10
<i>The cost of servicing debt may prove to be too burdensome for some municipalities</i>								
<b>16 Is "Yes" to above question, show amounts in;</b>								
					<b>R</b>	<b>Rm</b>		
			Budget (Yr.1)		448,000,000	-448		
			Estimate (Yr.2)		556,000,000	-556		
			Estimate (Yr.3)		662,000,000	-662		
<i>Evidence of any assertion that the impact has been provided for.</i>								
<b>17 List all items of Operating Income, Operating Expenditure and Cash Inflows &amp; Outflows (ie. Capital Grants etc., not reflected in the Operating Statements), of a one off nature included in the Budgets and Estimates for the 3 years.</b>								
Use Appendix B to record this information								
<i>To highlight the effect of windfalls on the results and get a clearer idea of recurrent income, expenditure &amp; cash flows.</i>								
<b>18 What is the Municipality's most frequent method of financial monitoring and reporting?</b>								
		1	No Reports				-2	
		2	Monthly Operating Statements compared to Budget			<input checked="" type="checkbox"/>	10	
		3	Quarterly Operating Statements compared to Budget				8	
		4	Annual Operating Statements compared to Budget				2	
		5	Other				0	
(if "Other" is selected, specify type and purpose of Report - see Appendix B)							MPS	10
<i>Budgets and Estimates are valueless if actual performance is not monitored against these projections. Importantly, the reporting process must involve evaluations of whether the organisation is achieving its objectives within the adopted framework (budget).</i>								
<b>19 Is the Municipality's (Operating and Capital) Budget and Estimates linked to the IDP?</b>								
		1	Yes			<input checked="" type="checkbox"/>	6	
		2	No				0	
(if "Yes" is selected, describe the links below)							MPS	6
Strong link for capital								
Capital submission requests must identify operational implications								
Operational linkage needs improvement								
<i>If this link is not established, the organisation could be pulling in different directions. The impact on service delivery and consequently, finances, could be substantial</i>								

(Appendix M continued overleaf)

<b>20 Does the Municipality operate a Financial Risk Management Program?</b>								
	1	Yes				X	10	
	2	No					0	
(if "Yes" is selected, attach a copy of the Program)							MPS	10
<i>While this is not considered an "essential" indicator of financial health, continued financial stability will only be achieved if risks to the organisation's operations are identified and addressed expeditiously</i>								
<b>21 What is the Municipality's Current Ratio for each of the 3 years of the MTREF?</b>								
				<b>Current Year Budget</b>	<b>Current Year +1 Estimate</b>	<b>Current Year +2 Estimate</b>		
		Current Assets		2,936,163,000	3,178,758,000	4,424,922,000	> 1:1	
		Current Liabilities		2,972,505,000	3,241,188,000	3,511,499,000	= 1:1	
							< 1:1	
		<b>CURRENT RATIO</b>		0.99	0.98	1.26		
			Score:	-1.9	-1.7	7.7	4	
			Trend:	0.05	0.15	0.30	MPS 26	
<i>Shows the capacity of the organisation to meet its current liabilities. A ratio greater than 1:1 is desirable</i>								
<b>22 What is the Municipality's Acid Ratio for each of the 3 years of the MTREF?</b>								
				<b>Current Year Budget</b>	<b>Current Year +1 Estimate</b>	<b>Current Year +2 Estimate</b>		
		Cash & Accounts Receivable		2,780,079,601	3,054,010,543	4,215,184,219	> 1:1	
		Current Liabilities		2,972,505,000	3,241,188,000	3,511,499,000	= 1:1	
							< 1:1	
		<b>ACID RATIO</b>		0.94	0.94	1.20		
			Score:	-1.9	-1.7	7.7	4	
			Trend:	0.05	0.15	0.30	MPS 26	
<i>Shows the capacity of the organisation's liquid resources to meet its current liabilities. A ratio greater than 1:1 is desirable</i>								
<b>23 What is the Municipality's Revenue made up of?</b>								
				<b>Current Year Budget</b>	<b>Current Year -1 Actual</b>	<b>Current Year -2 Actual</b>	<b>Grant reliance</b>	
		Rates		3,246,000,000	2,180,952,393	1,719,224,465	0% - 25%	
		Levies & Taxes		-	-	-	26% - 50%	
		Fees & Charges		5,734,395,000	4,934,897,667	4,201,485,187	51% - 75%	
		Rentals		68,452,000	90,860,818	70,027,787	> 75%	
		Penalties & Fines		242,205,000	232,654,819	180,905,834		
		Grants & Subsidies		2,734,333,000	1,919,501,081	1,566,093,641		
		Interest Income		139,631,000	157,084,053	134,186,955		
		Other		1,048,837,000	908,685,634	817,817,071		
		<b>TOTAL</b>		<b>13,213,853,000</b>	<b>10,424,636,465</b>	<b>8,689,740,940</b>		
		<b>% Grants &amp; Subsidies to Total</b>		<b>20.7%</b>	<b>18.4%</b>	<b>18.0%</b>		
			Score:	9.5	8.7	7.7	26	
			Trend:	0.05	0.15	0.30	MPS 26	
<i>This is to give an indication of the reliance of the organisation on income from Rates and taxes and whether it is in a position to generate income from other sources and thereby enhance its service delivery capabilities.</i>								
<b>24 What is the proportion of Salaries, Allowances and Employee Related Costs to Total Expenditure; Average cost per Employee and Number of Employees per Capita?</b>								
				<b>Current Year Budget</b>	<b>Current Year -1 Actual</b>	<b>Current Year -2 Actual</b>		
		Salaries, Allowances & Related Costs		3,284,581,000	2,665,393,656	2,412,004,372	0% - 30%	
		Total Expenditure		11,908,677,000	9,696,405,069	8,288,134,708	31% - 40%	
		Total No. of Employees		12,500	12,500	12,500	41% - 60%	
		Population		2,200,000	2,250,000	2,300,000	> 60%	
		<b>Employee Costs to TOTAL EXPEND. - %</b>		<b>27.6%</b>	<b>27.5%</b>	<b>29.1%</b>		
			Score:	6.7	6.1	5.4	18	
			Trend:	0.05	0.15	0.30	MPS 18	
		<b>AVE. COST per EMPLOYEE</b>		<b>262,766,480</b>	<b>213,231,492</b>	<b>192,960,350</b>	* Benchmarking	
		<b>NO. of EMPLOYEES per CAPITA</b>		<b>0.57%</b>	<b>0.56%</b>	<b>0.54%</b>	* purposes	
<i>Indication of the proportion of a fixed and by far the largest single element of cost (Salaries) to Total Expenditure. The Average Rate of Pay can give some guidance on relativity to market rates and whether the organisation is over extending itself or not paying sufficiently to retain its better staff. The number of employees per capita is a comparable indicator and enables the organisation to measure itself against other similar municipalities in the use of resources and the delivery of services.</i>								

(Appendix M continued overleaf)

24 What is the proportion of Salaries, Allowances and Employee Related Costs to Total Expenditure; Average cost per Employee and Number of Employees per Capita?									
				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual			
				Salaries, Allowances & Related Costs	3,284,581,000	2,665,393,656	2,412,004,372	0% - 30%	7
				Total Expenditure	11,908,677,000	9,696,405,069	8,288,134,708	31% - 40%	5
				Total No. of Employees	12,500	12,500	12,500	41% - 60%	1
				Population	2,200,000	2,250,000	2,300,000	> 60%	0
				<b>Employee Costs to TOTAL EXPEND. - %</b>	<b>27.6%</b>	<b>27.5%</b>	<b>29.1%</b>		
				Score:	6.7	6.1	5.4		<b>18</b>
				Trend:	0.05	0.15	0.30	MPS	18
				AVE. COST per EMPLOYEE	262,766.480	213,231.492	192,960.350	* Benchmarking	
				NO. of EMPLOYEES per CAPITA	0.57%	0.56%	0.54%	* purposes	
<p><i>Indication of the proportion of a fixed and by far the largest single element of cost (Salaries) to Total Expenditure. The Average Rate of Pay can give some guidance on relativity to market rates and whether the organisation is over extending itself or not paying sufficiently to retain its better staff. The number of employees per capita is a comparable indicator and enables the organisation to measure itself against other similar municipalities in the use of resources and the delivery of services.</i></p>									
25 What is the proportion of Repairs & Maintenance costs to WDV (Written Down Value) of assets?									
				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual			
				Total Repairs & Maintenance Expenditure	949,131,000	891,500,930	727,352,320	< 2%	-5
				WDV of Assets (excl. Land)	12,906,052,000	9,566,311,689	8,548,290,030	2% - 3%	5
								3.1% - 5%	3
				<b>R&amp;M to ASSET VALUE (GAMAP/GRAP) - %</b>	<b>7.4%</b>	<b>9.3%</b>	<b>8.5%</b>	> 5%	-5
				Score:	-4.8	-4.3	-3.8		<b>-13</b>
				Trend:	0.05	0.15	0.30	MPS	15
<p><i>Indication of the level of expenditure on the maintenance of assets. A generally accepted benchmark for annual R&amp;M is 2% to 3% of the value of assets. Too high a level of expenditure may reflect adversely on the condition of the assets, while too low a level may indicate insufficient maintenance being conducted leading to early deterioration of assets.</i></p>									
26 What is the Municipality's External Debt Service Ratio?									
				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual			
				External Debt Service Cost (incl Principal)	447,861,000	785,899,729	475,209,232	0% - 10%	10
				Total Revenue	13,213,853,000	10,424,636,465	8,689,740,940	11% - 30%	7
								31% - 60%	-2
				<b>DEBT SERVICE RATIO</b>	<b>3.4%</b>	<b>7.5%</b>	<b>5.5%</b>	> 60%	-4
				Score:	9.5	8.7	7.7		<b>26</b>
				Trend:	0.05	0.15	0.30	MPS	26
<p><i>Shows the proportion of revenue used to service debt and therefore the capacity of the organisation to continue to meet its obligations. This is normally expressed as a % and the lower the percentage the more favourable the outlook.</i></p>									
27 How much Cash is generated from Operations? (ie. Additional cash generated as a result of operating during the period [year] other than through the sale of assets, financing activities and prior to capital expenditure. The GAMAP format of the Cash Flow Statement identifies this figure separately)									
				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual			
				CASH FROM OPERATIONS	2,016,974,000	1,338,802,482	879,966,574	> 60%	10
				TOTAL CASH FLOW	3,231,596,000	3,231,596,000	3,231,596,000	30% - 60%	5
				% of Total Cash Flow	62.4%	41.4%	27.2%	0% - 29%	2
				Score:	9.5	4.3	1.5	< 0%	-2
				Trend:	0.05	0.15	0.30		<b>15</b>
								MPS	26
<p><i>Indicates whether the operation is cash positive. A negative cash figure could mean a build up of debtors or other current assets, thereby tying up the organisation's cash resources or a diminution of liabilities consequent to pressure from creditors.</i></p>									

(Appendix M continued overleaf)

<b>28 What is the Municipality's Cash Balance at year end (sum of Cash in Hand and Investments - as in Balance Sheet)?</b>									
					Current Year Budget	Current Year -1 Actual	Current Year -2 Actual		
								> 75% of C/Assets	10
								51% - 75% of C/Assets	8
				CASH & INVESTMENT BAL.	1,08,952,000	380,317,794	830,041,664	26% - 50% of C/Assets	4
				% of Current Assets	37.8%	12.0%	18.8%	0% - 25% of C/Assets	1
				Score:	3.8	0.9	0.8	< 0% (O/D) of C/Assets	6
				Trend:	0.05	0.15	0.30		26
								MPS	
<i>One factor that may, subject to trends, signify the strength of an organisation but should not be viewed in isolation of its current assets and liabilities</i>									
<b>29 How many days of Rates, Fees &amp; Charges does the Municipality have outstanding (incl Elec + Water)?</b>									
					Current Year Budget	Current Year -1 Actual	Current Year -2 Actual		
				Income from Rates etc	3,246,000,000	2,480,952,393	1,719,224,465	> 120 days	-2
				Total Income per Day (-: 365) (a)	8,893,151	5,975,212	4,710,204	60 - 120 days	0
								< 60 days	4
				RATES, FEES & CHARGES outstanding (b)	645,083,761	871,860,270	735,036,886		
				NO. of DAYS OUTSTANDING (b)-:(a)	73	146	156		
				Score:	0	-1.7	-1.5		-3
				Trend:	0.05	0.15	0.30		10
								MPS	
<i>Status of collection of Rates, Fees and Charges.</i>									
<b>30 How many days of Charges from the Electricity operation does the Municipality have outstanding?</b>									
					Current Year Budget	Current Year -1 Actual	Current Year -2 Actual		
				Income from Electricity operations	3,385,621,000	2,971,816,667	2,489,215,187	> 120 days	-2
				Total Income per Day (-: 365) (a)	9,275,674	8,141,963	6,819,768	60 - 120 days	0
								< 60 days	4
				Chgs from Electricity Op. outstanding (b)	672,830,909	1,188,017,166	1,064,238,566		
				NO. of DAYS OUTSTANDING (b)-:(a)	73	146	156		
				Score:	0	-1.7	-1.5		-3
				Trend:	0.05	0.15	0.30		10
								MPS	
<i>Status of collection of Charges from the Electricity operations</i>									
<b>31 How many days of Charges from the Water operation does the Municipality have outstanding?</b>									
					Current Year Budget	Current Year -1 Actual	Current Year -2 Actual		
				Income from Water operations	1,785,032,000	1,488,731,000	1,286,268,000	> 120 days	-2
				Total Income per Day (-: 365) (a)	4,890,499	4,078,715	3,524,022	60 - 120 days	0
								< 60 days	4
				Chgs from Water Op. outstanding (b)	431,376,348	655,687,034	628,000,060		
				NO. of DAYS OUTSTANDING (b)-:(a)	88	161	178		
				Score:	0	-1.7	-1.5		-3
				Trend:	0.05	0.15	0.30		10
								MPS	
<i>Status of collection of Charges from the Water operations</i>									
<b>32 What was Municipality's Collection Rate (Collections vs Billings, as per funding compliance procedure)?</b>									
					Current Year Budget	Current Year -1 Actual	Current Year -2 Actual		
					118.3%	103.4%	111.7%	> 99%	10
				Score:	9.5	8.7	7.7	95% - 99%	8
				Trend:	0.05	0.15	0.30	90% - 95%	4
								< 90%	0
									26
								MPS	26
<i>Debt collections are often shown as equaling amounts billed. This is often not reality.</i>									

(Appendix M continued overleaf)

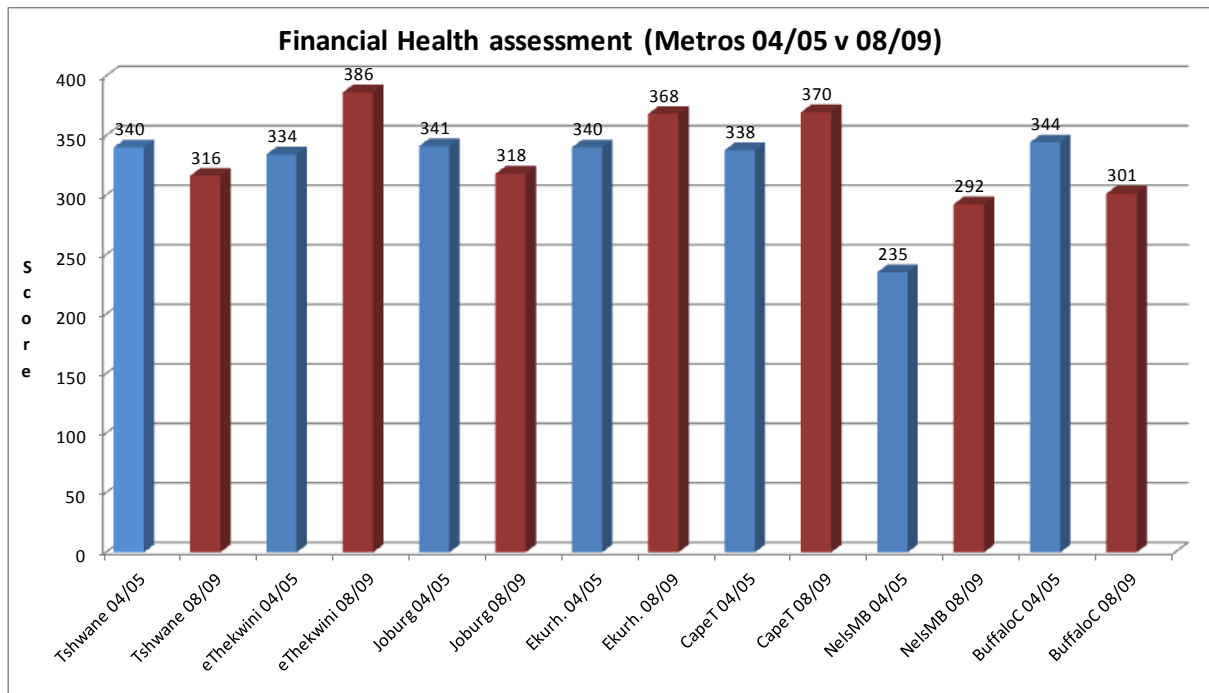
33 What is Municipality's Gearing Ratio?				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual	Not scored as high correlation to Q26
	Equity			10,255,754,000	7,872,607,131	7,142,430,727	
	Long Term Debt			3,720,390,000	3,425,512,887	3,142,755,344	
	GEARING RATIO			36.3%	43.5%	44.0%	
Shows the indebtedness of the organisation in relation to its equity. The higher the % of debt, the more exposed the organisation is to foreclosures or repayments proving to be a drain on cashflow							
34 What is Municipality's Debt per Capita				Current Year Budget	Current Year -1 Actual	Current Year -2 Actual	Not scored as high correlation to Q26
	Long Term Debt			3,720,390,000	3,425,512,887	3,142,755,344	
	Total Population (serviced)			2,200,000	2,250,000	2,300,000	
	DEBT per CAPITA (R)			1,691	1,522	1,366	
A useful comparative measure to indicate whether the level of debt is too high							
<b>TOTAL SCORE</b>							<b>316</b>
<b>MAXIMUM SCORE</b>							<b>500</b>
<b>% of Maximum Potential Score</b>							<b>63.2%</b>
<b>GRADING (based on % of Maximum Potential Score)</b>							<b>◆◆</b>
	> 75%			EXCELLENT	◆◆◆		
	60% less than = 75%			GOOD	◆◆		
	50% less than = 60%			MARGINAL	◆		
	< 50%			POOR			

Source: own compilation based on (National Treasury 23, 2008), (Scott, 2002)

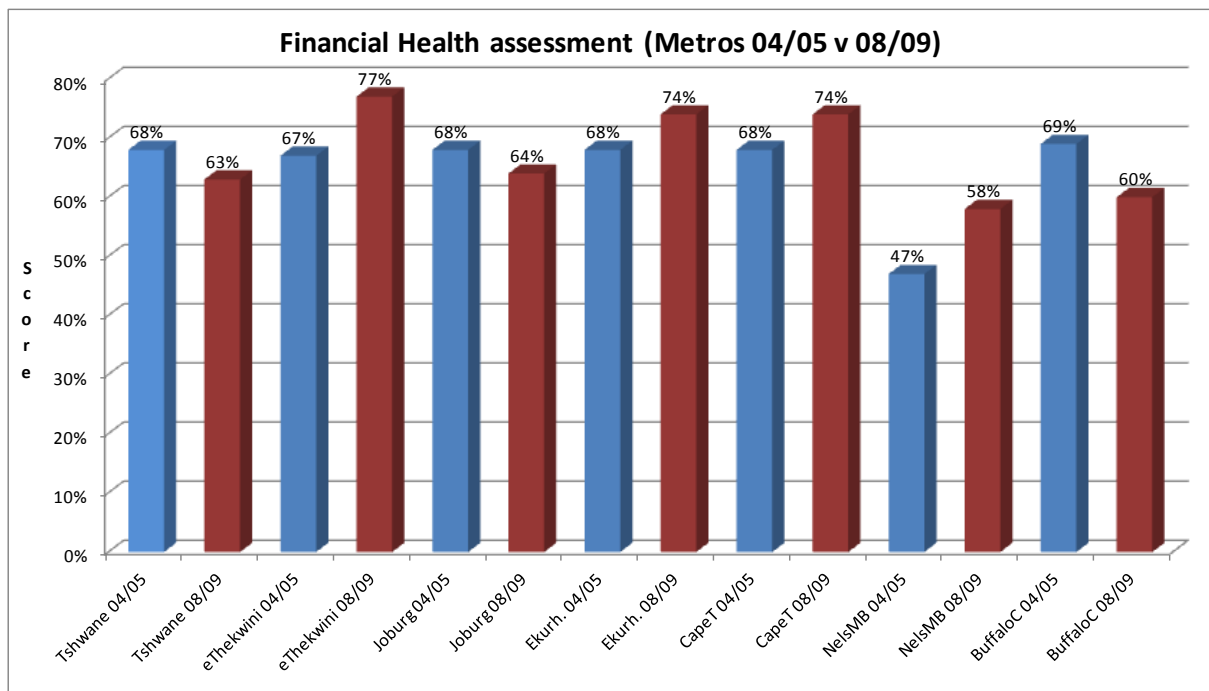
## Appendix N: Financial health instrument applied - South African 'metros'/Buffalo City sample

Question No.	Question	Category	Total score (MPS)	Tshwane 04/05	Tshwane 08/09	eThekweni 04/05	eThekweni 08/09	Joburg 04/05	Joburg 08/09	Ekurh. 04/05	Ekurh. 08/09	CapeT 04/05	CapeT 08/09	NelsMB 04/05	NelsMB 08/09	BuffaloC 04/05	BuffaloC 08/09
	<b>Total % score</b>		<b>100%</b>	<b>68%</b>	<b>63%</b>	<b>67%</b>	<b>77%</b>	<b>68%</b>	<b>64%</b>	<b>68%</b>	<b>74%</b>	<b>68%</b>	<b>74%</b>	<b>47%</b>	<b>58%</b>	<b>69%</b>	<b>60%</b>
1	Municipal Manager's experience in Local Government/Public Sector	Institutional	10	8	6	10	10	6	6	6	6	6	6	0	6	6	0
2	Strategic Priorities focus	Institutional/Environmental	27	16	16	17	18	18	18	16	13	18	19	15	19	13	17
3	Chief Financial Officer's qualifications and experience	Institutional	15	15	10	15	15	15	15	7	0	2	10	15	7	15	0
4	Last audit of the annual financial statements	Institutional	15	2	2	15	15	2	15	2	15	15	15	2	15	2	2
5	Critical issues emphasised in the Audit Report	Institutional	10	1	2	1	2	1	1	1	2	1	2	1	10	1	1
6	Does the Municipality have an adopted Financial Management Policy (ie. principals of Financial Management and Medium/Long Term Financial Strategy)	Institutional	20	20	20	20	20	20	20	20	20	8	20	20	0	20	8
7	Principals of Financial Management applied to the Budget and Estimates for the medium term budget	Institutional	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
8	Result (Statement/Budget) of Financial Performance	Financial	26	26	26	16	26	6	26	26	26	26	26	-5	26	26	26
9	Operating Budget & Estimates "Net Result" for the 3 years (effective 1 July 2004 in GRAP format)	Financial	26	26	26	26	26	26	26	26	26	16	26	15	26	26	26
10	Balance Sheets been prepared in respect of the Budget and Estimates for the 3 years (in GRAP format)	Institutional	15	15	15	15	15	15	15	15	15	15	15	0	15	15	15
11	Projected Cash Flow Statements been prepared for the Budget and Estimates for the 3 years (in GRAP format)	Institutional	15	15	15	15	15	15	15	15	15	15	15	0	15	15	15
12	Capital Expenditure Program Budget for the 3 years	Trend	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
13	Impact of the Capital Expenditure program been recognised in the Operating Budget and Estimates	Institutional	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
15	Impact of above external borrowings (if any), recognised in the Budget & Estimates (Years 1 to 3)	Trend	10	10	10	10	10	10	10	10	0	10	10	10	10	10	0
18	Most frequent method of financial monitoring and reporting	Institutional	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
19	(Operating/Capital) Budget and Estimates linked to the IDP	Institutional	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
20	Operates a Financial Risk Management Program	Institutional	10	10	10	10	10	10	10	10	10	10	10	0	10	10	0
21	Current Ratio for each of the 3 years of the MTREF	Financial/Trend	26	26	4	26	26	17	4	26	26	26	17	6	-5	26	26
22	Acid Ratio for each of the 3 years of the MTREF	Financial/Trend	26	26	4	26	26	17	4	26	26	26	6	6	-5	26	26
23	Revenue composition/grants reliance	Financial/Trend	26	26	26	26	19	26	22	26	26	26	22	26	19	22	23
24	Proportion of Salaries, Allowances and Employee Related Costs to Total Expenditure; Average cost per Employee and Number of Employees per Capita	Financial/Trend	18	16	18	15	18	18	18	18	18	13	13	18	15	13	13
25	Proportion of Repairs & Maintenance costs to WDV (Written Down Value) of assets	Financial/Trend	15	-13	-13	-13	-13	2	-13	-13	-13	-13	-13	-13	-13	-13	-13
26	External Debt Service Ratio	Financial/Trend	26	26	26	18	26	26	26	26	26	26	26	26	26	18	26
27	Cash generated from Operations	Financial/Trend	26	26	15	10	26	18	22	17	21	18	26	26	26	26	13
28	Cash/Investment balance at year end	Financial/Trend	26	3	6	6	10	8	8	14	24	10	19	3	10	6	17
29	Days of Rates, Fees & Charges outstanding	Financial/Trend	10	-5	-3	-2	-5	-4	-5	-3	0	-5	0	-2	-5	-5	-3
30	Days of Electricity Charges outstanding	Financial/Trend	10	-5	-3.2	-2	-5	-4	-5	-3	0	-5	0	-2	-5	-5	-3
31	Days of Water Charges outstanding	Financial/Trend	10	-5	-3	-2	-5	-5	-5	-3	0	-5	0	-2	-5	-5	-3
32	Collection Rate (Collections vs Billings, as per funding compliance procedure)	Financial/Trend	26	0	26	0	26	23	10	0	10	24	24	13	21	21	15
			<b>500</b>	<b>340</b>	<b>316</b>	<b>334</b>	<b>386</b>	<b>341</b>	<b>318</b>	<b>340</b>	<b>368</b>	<b>338</b>	<b>370</b>	<b>235</b>	<b>292</b>	<b>344</b>	<b>301</b>

## Appendix O: Financial health assessment charts (metropolitan munis.)

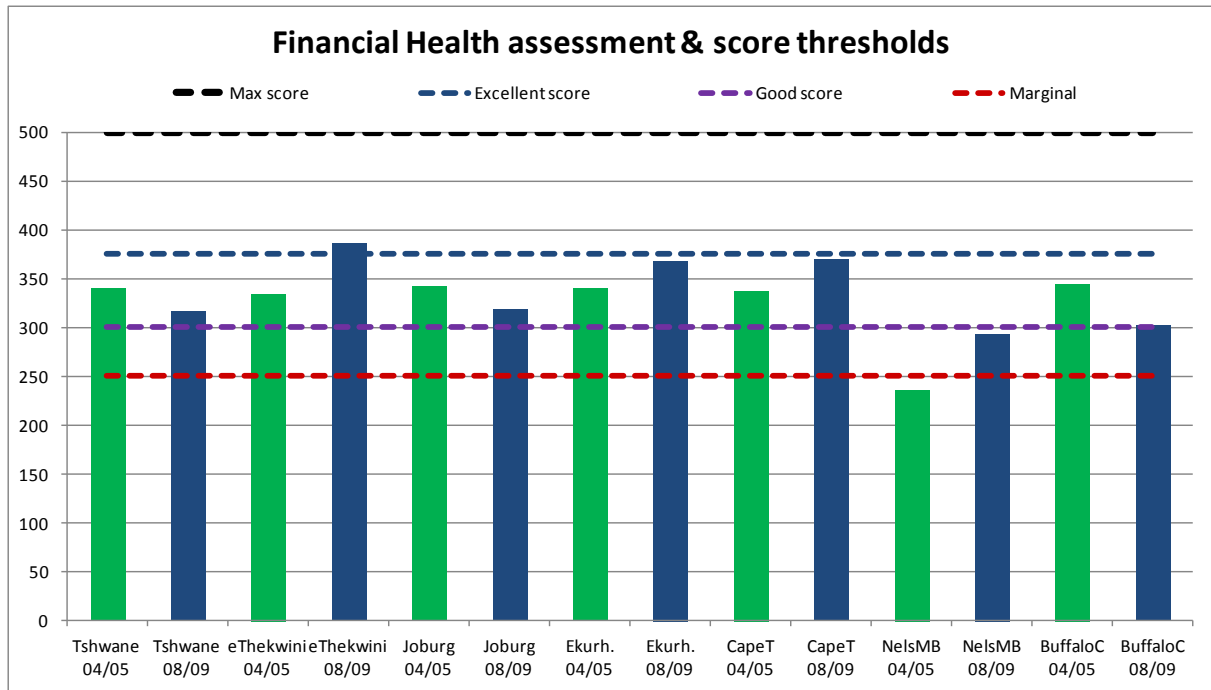


Source: own compilation



Source: own compilation





Source: own compilation

## Appendix P: Funding compliance instrument – Total raw score

Municipality by capacity category	Sample No.	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	?	
<b>High capacity (with advisor) - total score</b>										
Tshwane Metro Municipality	1	1 1	-1	10	9	10	8	9	15	60
Buffalo City Local Municipality	2	1 2	9	16	14	17	0	0	7	63
Cape Town Metro Municipality	3	1 3	10	7	17	7	5	-2	4	48
eThekweni Metropolitan Municipality	4	1 4	7	10	11	13	15	7	4	67
Johannesburg Metro Municipality	5	1 5	8	14	3	-10	-1	-7	5	12
Ekurhuleni Metro Municipality	6	1 6	3	13	8	14	-2	4	3	43
Nelson Mandela Metro Municipality	7	1 7	2	7	8	6	4	-3	-1	23
Steve Tshwete Local Municipality	8	1 8	12	12	13	8	9	11	8	73
Mangaung Municipality	9	1 9	16	-6	0	4	5	-1	-3	15
Emfuleni Local Municipality	10	1 10	2	3	12	1	-7	5	8	24
Emnambethi LadySmith Local Municipality	11	1 11	7	7	5	6	8	-13	-11	9
George Local Municipality	12	1 12	10	9	11	-2	5	6	12	51
Govan Mbeki Local Municipality	13	1 13	3	0	-15	-1	-11	0	-2	-26
KSD Local Municipality	14	1 14	2	-21	-3	3	-7	-1	4	-23
Maluti-a-Phofung Local Municipality	15	1 16	-4	-9	-3	-11	12	6	4	-5
Mbombela Local Municipality	16	1 19	9	28	13	20	2	12	10	94
Msunduzi Local Municipality	17	1 21	5	1	5	4	-6	3	3	15
Newcastle Local Municipality	18	1 22	12	12	9	4	7	-2	4	46
Polokwane Local Municipality	19	1 24	13	12	15	1	1	4	6	52
Rustenburg Local Municipality	20	1 26	5	14	8	13	4	7	2	53
Sol Plaatje Local Municipality	21	1 27	6	2	2	0	-4	0	7	13
OR Tambo District Municipality	22	1 29	11	3	-7	4	0	7	-3	15
<b>Average high capacity advisor</b>			<b>7</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>33</b>
<b>Medium and Low capacity (with advisor) - total score</b>										
Knysna Local Municipality	23	2 1	4	-2	7	7	1	3	5	25
Lukhanji Local Municipality	24	2 2	14	12	4	2	3	6	5	46
Mafikeng Local Municipality	25	3 1	9	-8	14	12	-4	11	12	46
<b>Average medium/low capacity with advisor</b>			<b>9</b>	<b>1</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>39</b>
<b>High capacity (no advisor) - total score</b>										
Breedee Valley Local Municipality	1	4 1	12	8	15	3	3	0	-11	30
Hibiscus Coast	2	4 4	9	7	3	9	8	3	9	48
KwaDukuza Local Municipality	3	4 5	12	5	22	11	10	14	1	75
Madibeng Local Municipality	4	4 6	-2	0	-4	5	8	6	3	16
Metsimaholo Local Municipality	5	4 8	1	-2	-2	5	-1	-10	-2	-11
Moghaka Local Municipality	6	4 9	-2	-2	0	1	12	-3	5	11
Mossel Bay Local Municipality	7	4 10	14	16	17	14	10	13	10	94
Tlokwe Local Municipality	8	4 11	1	11	5	13	5	3	19	57
Saldanha Bay Local Municipality	9	4 12	18	10	13	12	9	6	11	79
uMhlatuze Local Municipality	10	4 14	4	-1	7	8	-9	-2	-6	1
<b>Average high capacity 'no' advisor</b>			<b>7</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>40</b>
<b>Medium capacity (no advisor) - total score</b>										
Sundays River Valley Local Municipality	11	5 1	3	11	-18	0	-1	-4	-7	-16
Beaufort West Local Municipality	12	5 2	12	-1	7	12	9	4	2	45
Bela Bela Local Municipality	13	5 3	-9	-6	3	6	-3	-3	-1	-13
Kareeberg Local Municipality	14	5 4	5	-1	-1	2	-8	-9	-12	-24
Midvaal Local Municipality	15	5 5	2	7	-7	-12	-10	3	-5	-22
Mookgophong Local Municipality	16	5 6	1	1	7	3	-3	6	0	15
Senqu Local Municipality	17	5 7	20	21	11	3	7	7	9	78
Swartland Local Municipality	18	5 8	7	11	14	18	3	0	-2	51
Richtersveld Local Municipality	19	5 9	1	2	-4	10	2	1	-2	10
Lesedi Local Municipality	20	5 10	14	6	-6	3	-3	-3	-5	6
Makana Local Municipality	21	5 11	16	15	17	6	-1	3	-5	51
<b>Average medium capacity 'no' advisor</b>			<b>7</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>-1</b>	<b>0</b>	<b>-3</b>	<b>16</b>
<b>Low capacity (no advisor) - total score</b>										
Emakhazeni Local Municipality	22	6 1	3	15	2	-1	-11	-1	-9	-2
Greater Letaba Local Municipality	23	6 2	8	10	6	12	-2	6	5	45
Greater Kokstad Local Municipality	24	6 3	8	12	4	3	6	8	7	48
Mogalakwena Local Municipality	25	6 4	5	7	8	8	10	9	7	54
<b>Average low capacity 'no' advisor</b>			<b>6</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>36</b>
<b>Average total sample</b>			<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>3</b>	
<b>Benchmark funding compliant</b>			<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	
<b>Economic (NAT) situation rating</b>			<b>10.0</b>	<b>13.0</b>	<b>18.0</b>	<b>13.0</b>	<b>0.0</b>	<b>-10.0</b>	<b>3.0</b>	

Source: own compilation

## Appendix Q: Funding compliance (Raw score v Factor dimensions)

Technical Assistance	% of variance explained by factor	Tshwane Metro Municipality		Buffalo City Local Municipality		Cape Town Metro Municipality		eThekweni Metropolitan		Johannesburg Metro Municipality		Ekurhuleni Metro Municipality		Nelson Mandela Metro Municipality	
		HCA1 1		HCA1 2		HCA1 3		HCA1 4		HCA1 5		HCA1 6		HCA1 7	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	1.23	1.23	1.48	0.87	1.48	0.57	0.57	0.57	1.48	1.23	1.74	0.57	0.05	0.61
Factor/Dimension 2	10.51	1.39	1.85	1.39	0.46	1.39	0.93	1.85	1.85	1.85	1.85	0.46	0.46	-0.93	0.93
Factor/Dimension 3	8.71	-1.08	-0.70	-1.08	-1.08	-1.08	-0.70	-0.70	-0.70	0.05	0.05	-1.08	-0.70	-1.08	-0.70
Factor/Dimension 4	7.74	-0.42	0.44	0.62	-0.82	0.62	0.44	-0.43	0.41	-0.19	-0.03	-0.24	-0.42	0.62	0.24
Factor/Dimension 5	7.38	0.06	-1.02	1.38	-1.05	1.38	0.33	0.06	0.06	1.38	1.38	1.02	1.05	1.38	-0.03
Factor/Dimension 6	7.11	-1.36	-0.10	-1.04	-1.36	-1.36	-0.41	-0.41	-1.36	-0.10	-1.36	-1.36	-0.41	-1.36	-1.04
Factor/Dimension 7	6.54	0.00	0.85	-0.85	1.70	0.85	0.00	1.70	-1.70	0.00	-1.70	-1.70	0.85	1.70	1.70
check	66.13	-0.18	2.55	1.90	-1.28	3.28	1.16	2.64	-0.88	4.47	1.42	-1.16	1.40	0.38	1.71
<b>Total weighted factor score:</b>		<b>0.23</b>	<b>0.55</b>	<b>0.52</b>	<b>-0.02</b>	<b>0.65</b>	<b>0.25</b>	<b>0.44</b>	<b>0.10</b>	<b>0.83</b>	<b>0.47</b>	<b>0.18</b>	<b>0.24</b>	<b>-0.03</b>	<b>0.30</b>
<b>FC RAW TOTAL SCORE</b>		<b>-1</b>	<b>8</b>	<b>9</b>	<b>0</b>	<b>10</b>	<b>5</b>	<b>7</b>	<b>15</b>	<b>8</b>	<b>-1</b>	<b>3</b>	<b>-2</b>	<b>2</b>	<b>4</b>
Same performance trend		YES		YES		YES		NO		YES		NO		YES	
Technical Assistance	% of variance explained by factor	Steve Tshwete Local Municipality		Mangaung Municipality		Emfuleni Local Municipality		Emnambethi LadySmith Local		George Local Municipality		Govan Mbeki Local Municipality		KSD Local Municipality	
		HCA1 8		HCA1 9		HCA1 10		HCA1 11		HCA1 12		HCA1 13		HCA1 14	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	1.48	0.82	1.74	0.31	0.61	0.31	0.87	1.74	1.74	1.74	-1.48	-1.48	-1.13	0.05
Factor/Dimension 2	10.51	1.85	0.46	0.93	1.39	0.93	0.00	0.93	-0.46	0.93	1.85	1.39	0.46	-0.93	1.85
Factor/Dimension 3	8.71	0.05	0.05	1.11	0.05	-1.08	-1.08	1.46	0.05	-1.08	-0.70	0.05	0.05	1.11	0.05
Factor/Dimension 4	7.74	0.83	1.03	0.83	1.23	-1.04	-1.23	-0.02	0.64	1.02	-0.03	0.62	-1.04	0.64	-0.43
Factor/Dimension 5	7.38	1.38	-0.03	0.33	1.38	-0.69	0.39	0.66	-0.06	0.72	0.66	1.38	1.02	1.38	-1.02
Factor/Dimension 6	7.11	-0.10	-0.10	-0.41	-0.41	-0.73	-0.10	-1.36	-1.36	-1.36	-1.36	-0.10	-0.10	-0.10	-1.36
Factor/Dimension 7	6.54	-1.70	1.70	0.85	0.85	1.70	1.70	1.70	1.70	1.70	0.00	1.70	0.00	1.70	0.85
check	66.13	3.79	3.93	5.38	4.80	-0.30	-0.01	4.24	2.25	3.67	2.16	3.56	-1.09	2.67	-0.01
<b>Total weighted factor score:</b>		<b>0.78</b>	<b>0.58</b>	<b>0.94</b>	<b>0.65</b>	<b>0.06</b>	<b>0.00</b>	<b>0.67</b>	<b>0.50</b>	<b>0.70</b>	<b>0.60</b>	<b>0.20</b>	<b>-0.34</b>	<b>0.08</b>	<b>0.09</b>
<b>FC RAW TOTAL SCORE</b>		<b>12</b>	<b>9</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>-11</b>	<b>2</b>	<b>-7</b>
Same performance trend		YES		YES		YES		NO		YES		YES		NO	
Technical Assistance	% of variance explained by factor	Maluti-a-Phofung Local Municipality		Mbombela Local Municipality		Msunduzi Local Municipality		Newcastle Local Municipality		Polokwane Local Municipality		Rustenburg Local Municipality		Sol Plaatje Local Municipality	
		HCA1 16		HCA1 19		HCA1 21		HCA1 22		HCA1 24		HCA1 26		HCA1 27	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	-1.17	1.48	1.74	1.74	1.23	1.48	1.74	1.74	1.74	0.57	0.82	1.43	1.23	1.23
Factor/Dimension 2	10.51	0.93	1.85	0.93	1.85	1.85	0.46	0.93	0.46	0.93	1.39	1.39	0.46	0.93	0.00
Factor/Dimension 3	8.71	0.38	-1.46	0.33	-1.46	0.75	0.05	-1.46	-1.46	-1.11	0.05	0.73	-0.70	-0.38	0.05
Factor/Dimension 4	7.74	-0.64	0.38	-0.62	-1.02	0.22	1.03	1.04	-0.44	0.39	-0.82	-0.22	-0.01	-0.02	-0.44
Factor/Dimension 5	7.38	0.72	0.72	1.38	-0.30	0.72	0.06	-1.38	1.38	1.38	-0.06	0.72	-1.38	0.72	1.38
Factor/Dimension 6	7.11	-0.73	-0.10	-0.10	0.63	-0.73	-1.36	-1.36	-0.10	-1.36	-0.10	-0.73	-0.41	-0.73	-0.41
Factor/Dimension 7	6.54	1.70	1.70	-1.70	-1.70	-0.85	-1.70	0.85	1.70	1.70	0.85	1.70	1.70	0.00	-1.70
check	66.13	1.19	4.57	1.96	-0.26	3.19	0.02	0.36	3.28	3.67	1.88	4.41	1.09	1.75	0.11
<b>Total weighted factor score:</b>		<b>-0.03</b>	<b>0.79</b>	<b>0.57</b>	<b>0.33</b>	<b>0.67</b>	<b>0.30</b>	<b>0.34</b>	<b>0.62</b>	<b>0.70</b>	<b>0.35</b>	<b>0.69</b>	<b>0.34</b>	<b>0.43</b>	<b>0.23</b>
<b>FC RAW TOTAL SCORE</b>		<b>-4</b>	<b>12</b>	<b>9</b>	<b>2</b>	<b>5</b>	<b>-6</b>	<b>12</b>	<b>7</b>	<b>13</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>-4</b>
Same performance trend		YES		YES		YES		NO		YES		YES		YES	
Technical Assistance	% of variance explained by factor	OR Tambo District Municipality		Knysna Local Municipality		Lukhanji Local Municipality		Mafikeng Local Municipality						Total	
		HCA1 29		MCA2 1		MCA2 2		LCA3 1						ALL SAMPLE (25)	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	1.13	1.74	0.92	1.48	1.48	0.05	0.97	0.05					23.68	22.11
Factor/Dimension 2	10.51	0.93	0.00	0.93	0.93	0.93	1.85	0.93	0.46					25.04	23.59
Factor/Dimension 3	8.71	-0.38	0.05	-0.33	-1.46	-1.46	-1.46	-0.75	-1.46					-8.11	-15.32
Factor/Dimension 4	7.74	0.43	-1.04	-0.22	-0.62	1.03	0.41	-0.42	-0.22					4.43	-2.36
Factor/Dimension 5	7.38	0.36	-0.36	1.38	1.38	1.38	1.05	1.05	0.39					20.25	7.32
Factor/Dimension 6	7.11	-0.73	-0.73	-0.10	-0.10	-0.10	-0.10	-0.41	-1.36					-18.23	-14.97
Factor/Dimension 7	6.54	1.70	1.70	1.70	-1.70	1.70	1.70	1.70	1.70					19.55	12.75
check	66.13	3.44	1.36	4.28	-0.09	4.96	3.50	3.07	-0.44	0.00	0.00	0.00	0.00	66.61	33.12
<b>Total weighted factor score:</b>		<b>0.58</b>	<b>0.41</b>	<b>0.64</b>	<b>0.27</b>	<b>0.79</b>	<b>0.44</b>	<b>0.51</b>	<b>-0.07</b>					<b>12.13</b>	<b>7.96</b>
<b>FC RAW TOTAL SCORE</b>		<b>11</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>3</b>	<b>9</b>	<b>-4</b>					<b>174</b>	<b>55</b>
Same performance trend		YES		YES		YES		YES						-34%	-68%

(Appendix Q continued overleaf)

No Technical Assistance	% of variance explained by factor	Breede Valley Local Municipality		Hibiscus Coast		KwaDukuza Local Municipality		Madibeng Local Municipality		Metsimaholo Local Municipality		Moghaka Local Municipality		Mossel Bay Local Municipality	
		HCNA 4 1		HCNA 4 4		HCNA 4 5		HCNA 4 6		HCNA 4 8		HCNA 4 9		HCNA 4 10	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	0.87	1.43	0.87	1.18	0.61	0.57	0.57	0.61	0.97	1.23	-0.87	0.97	1.74	1.74
Factor/Dimension 2	10.51	0.93	1.85	0.93	1.85	0.93	0.93	1.85	1.85	1.39	0.46	0.46	0.46	0.93	0.46
Factor/Dimension 3	8.71	-1.08	0.05	-0.38	-0.33	0.73	0.05	-1.08	-0.70	0.05	-1.46	0.05	1.11	1.46	-0.05
Factor/Dimension 4	7.74	0.22	0.38	-0.02	0.84	0.19	1.23	-0.02	0.41	0.18	-0.41	-0.22	-0.01	0.81	0.82
Factor/Dimension 5	7.38	-0.06	1.38	0.00	-1.05	-0.39	-1.38	0.39	1.38	0.06	0.06	-0.06	0.30	1.38	1.38
Factor/Dimension 6	7.11	-0.10	-1.36	-0.73	-0.73	-0.41	-0.10	-1.36	-0.10	-1.36	-0.10	-1.36	-0.10	-1.36	-1.36
Factor/Dimension 7	6.54	-0.85	1.70	1.70	-0.85	1.70	1.70	-0.85	1.70	1.70	1.70	1.70	1.70	1.70	1.70
check	66.13	-0.07	5.43	2.37	0.91	3.36	3.00	-0.51	5.15	2.99	1.48	-0.30	4.43	6.66	4.69
<b>Total weighted factor score:</b>		<b>0.17</b>	<b>0.91</b>	<b>0.42</b>	<b>0.39</b>	<b>0.51</b>	<b>0.45</b>	<b>0.12</b>	<b>0.73</b>	<b>0.54</b>	<b>0.33</b>	<b>-0.17</b>	<b>0.67</b>	<b>1.09</b>	<b>0.81</b>
<b>FC RAW TOTAL SCORE</b>		<b>12</b>	<b>3</b>	<b>9</b>	<b>8</b>	<b>12</b>	<b>10</b>	<b>-2</b>	<b>8</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>12</b>	<b>14</b>	<b>10</b>
Same performance trend			NO		YES		YES		YES		YES		YES		YES
No Technical Assistance	% of variance explained by factor	Tlokweng Local Municipality		Saldanha Bay Local Municipality		uMhlatuze Local Municipality		Sundays River Valley Local Municipality		Beaufort West Local Municipality		Bela Bela Local Municipality		Kareeberg Local Municipality	
		MCNA 4 11		MCNA 4 12		MCNA 4 14		MCNA 5 1		MCNA 5 2		MCNA 5 3		MCNA 5 4	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	0.31	1.17	1.74	1.74	0.61	1.17	-1.13	0.71	1.17	1.74	-1.13	0.05	1.13	-1.74
Factor/Dimension 2	10.51	0.46	0.46	1.85	1.85	0.93	-1.85	-1.85	1.85	1.39	0.46	-0.93	0.46	0.46	-1.85
Factor/Dimension 3	8.71	-1.08	0.33	-0.38	-0.33	0.75	-1.46	0.05	-0.33	-1.46	-0.03	-1.08	-0.70	-1.46	-1.46
Factor/Dimension 4	7.74	0.42	-0.03	0.62	-0.01	0.22	1.23	1.02	-0.41	0.81	-0.43	-0.83	-0.41	-0.02	0.00
Factor/Dimension 5	7.38	1.38	0.72	0.30	-0.06	1.05	0.06	-0.06	-0.06	-1.38	-1.38	1.05	1.38	1.38	1.38
Factor/Dimension 6	7.11	-1.36	-1.36	-1.36	-1.36	-0.41	-1.36	-0.10	-1.36	-1.36	-1.36	-0.41	-0.73	-0.10	-0.10
Factor/Dimension 7	6.54	1.70	0.00	0.85	1.70	0.00	-1.70	1.70	1.70	1.70	1.70	1.70	1.70	-1.70	1.70
check	66.13	1.83	1.29	3.62	3.53	3.15	-3.91	-0.37	2.10	0.87	0.70	-1.63	1.75	-0.31	-2.07
<b>Total weighted factor score:</b>		<b>0.24</b>	<b>0.37</b>	<b>0.76</b>	<b>0.74</b>	<b>0.51</b>	<b>-0.33</b>	<b>-0.33</b>	<b>0.41</b>	<b>0.31</b>	<b>0.36</b>	<b>-0.46</b>	<b>0.19</b>	<b>0.16</b>	<b>-0.65</b>
<b>FC RAW TOTAL SCORE</b>		<b>1</b>	<b>5</b>	<b>18</b>	<b>9</b>	<b>4</b>	<b>-9</b>	<b>3</b>	<b>-1</b>	<b>12</b>	<b>9</b>	<b>-9</b>	<b>-3</b>	<b>5</b>	<b>-8</b>
Same performance trend			YES		YES		YES		NO		NO		YES		YES
No Technical Assistance	% of variance explained by factor	Midvaal Local Municipality		Mookgophong Local Municipality		Senqu Local Municipality		Swartland Local Municipality		Richtersveld Local Municipality		Lesedi Local Municipality		Makana Local Municipality	
		MCNA 5 5		MCNA 5 6		MCNA 5 7		MCNA 5 8		MCNA 5 9		MCNA 5 10		MCNA 5 11	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	0.05	0.05	1.44	0.82	1.74	1.74	0.61	1.74	1.48	1.18	1.13	0.26	1.43	1.74
Factor/Dimension 2	10.51	0.46	-1.85	1.39	0.46	0.93	0.46	0.46	0.46	0.93	0.46	1.85	1.85	0.93	0.00
Factor/Dimension 3	8.71	-1.46	-0.33	0.05	0.05	-1.46	0.05	0.05	0.05	-1.46	-0.33	-1.46	-0.33	-1.08	-0.33
Factor/Dimension 4	7.74	0.62	-0.62	-0.02	-0.03	1.23	-0.21	0.41	0.59	-0.62	-0.41	0.62	-0.41	1.03	-1.23
Factor/Dimension 5	7.38	1.38	-1.05	0.06	1.38	1.38	-0.06	1.38	1.38	1.38	-0.06	0.66	-0.36	1.38	1.38
Factor/Dimension 6	7.11	-1.36	-1.36	-1.36	-1.36	-0.10	-1.36	-0.10	-1.36	-1.36	-1.36	-1.36	-1.36	-0.10	-0.10
Factor/Dimension 7	6.54	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-1.70	1.70	1.70	1.70	1.70	1.70
check	66.13	1.39	-3.46	3.26	3.02	5.42	2.32	4.51	1.16	-1.35	1.18	3.14	1.35	5.29	3.16
<b>Total weighted factor score:</b>		<b>0.14</b>	<b>-0.49</b>	<b>0.64</b>	<b>0.48</b>	<b>0.89</b>	<b>0.54</b>	<b>0.61</b>	<b>0.47</b>	<b>0.13</b>	<b>0.32</b>	<b>0.58</b>	<b>0.25</b>	<b>0.83</b>	<b>0.60</b>
<b>FC RAW TOTAL SCORE</b>		<b>2</b>	<b>-10</b>	<b>1</b>	<b>-3</b>	<b>20</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>14</b>	<b>-3</b>	<b>16</b>	<b>-1</b>
Same performance trend			YES		YES		YES		YES		YES		YES		YES
No Technical Assistance	% of variance explained by factor	Emakhazeni Local Municipality		Greater Letaba Local Municipality		Greater Kokstad Local Municipality		Mogalakwena Local Municipality						Total	
		LCNA 6 1		LCNA 6 2		LCNA 6 3		LCNA 6 4						ALL SAMPLE (25)	
		2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09	2004/05	2008/09
<b>FUNDING COMPLIANCE (FC)</b>															
Factor/Dimension 1	18.14	0.36	-1.74	0.82	0.61	0.87	0.05	1.13	1.13					18.52	20.15
Factor/Dimension 2	10.51	0.46	1.39	0.93	-1.85	1.85	1.85	1.85	0.46					21.77	12.93
Factor/Dimension 3	8.71	-1.46	-0.40	-1.46	-1.46	-0.33	0.05	-1.46	-0.70					-16.44	-8.99
Factor/Dimension 4	7.74	-0.64	-0.22	-0.22	0.18	-0.41	0.84	-0.64	-0.44					4.74	1.24
Factor/Dimension 5	7.38	-0.72	0.72	1.05	-0.03	-0.03	-0.72	0.39	0.30					13.35	6.99
Factor/Dimension 6	7.11	-0.73	-1.36	-0.10	-1.36	-0.41	-0.73	-1.04	-0.10					-19.80	-23.29
Factor/Dimension 7	6.54	1.70	-1.70	1.70	1.70	1.70	1.70	1.70	1.70					28.05	28.05
check	66.13	-1.03	-3.31	2.72	-2.21	3.24	3.04	1.93	2.35	0.00	0.00	0.00	0.00	50.19	37.08
<b>Total weighted factor score:</b>		<b>-0.09</b>	<b>-0.57</b>	<b>0.43</b>	<b>-0.28</b>	<b>0.56</b>	<b>0.42</b>	<b>0.43</b>	<b>0.43</b>					<b>9.03</b>	<b>7.55</b>
<b>FC RAW TOTAL SCORE</b>		<b>3</b>	<b>-11</b>	<b>8</b>	<b>-2</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>10</b>					<b>163</b>	<b>50</b>
Same performance trend			YES		YES		YES		NO					<b>-16%</b>	<b>-69%</b>

Source: own compilation

## Appendix R: Funding compliance - weighted average financial results

	2004/05	2005/06	2006/07	2007/08	Budget	Budget	Budget	Revenue	Weighting
	Audited	Audited	Audited	Audited	Year	Year +1	Year +2	2008/09	
	Outcome	Outcome	Outcome	Outcome	2008/09	2009/10	2010/11		
<b>Cash/cash equivalents at the year end</b>									
Tshwane Metro Municipality	668,995	586,210	830,042	380,318	1,108,952	1,266,625	2,549,650	13,213,853	0.127
Buffalo City Local Municipality	225,541	491,831	632,185	470,799	468,629	483,226	525,158	2,010,214	0.019
Cape Town Metro Municipality	1,711,792	2,054,467	2,539,772	4,380,730	2,670,397	2,899,671	3,094,559	15,398,274	0.147
eThekweni Metropolitan Municipality	2,474,429	2,691,011	3,675,453	3,755,774	3,168,310	3,731,040	3,637,964	17,470,224	0.167
Johannesburg Metro Municipality	2,480,822	2,297,344	1,731,923	1,338,460	2,350,985	1,724,301	2,634,701	20,931,355	0.200
Ekurhuleni Metro Municipality	2,375,893	2,737,940	2,881,439	3,225,196	2,502,849	1,923,678	1,651,616	12,173,583	0.116
Nelson Mandela Metro Municipality	136,898	108,201	270,988	292,254	290,023	179,409	163,195	5,240,379	0.050
Steve Tshwete Local Municipality	62,648	257,633	362,251	370,783	254,887	194,463	130,107	523,623	0.005
Mangaung Municipality	400,933	114,198	54,210	227,959	179,852	172,393	165,485	2,520,178	0.024
Ermfuleni Local Municipality	(80,825)	96,013	260,613	273,902	250,537	239,765	241,953	2,172,353	0.021
Emnambethi LadySmith Local Municipality	57,609	47,184	42,042	85,883	101,424	(39,028)	(143,721)	277,607	0.003
George Local Municipality	196,425	264,537	301,724	276,157	364,586	706,512	948,200	850,439	0.008
Govan Mbeki Local Municipality	(7,277)	3,219	(10,437)	5,449	(12,307)	(75,005)	(123,625)	735,250	0.007
KSD Local Municipality	(5,891)	(11,346)	(2,784)	70,934	2,664	-	8,000	570,936	0.005
Maluti-a-Phofung Local Municipality	(2,811)	(13,586)	(4,800)	44,258	56,228	61,971	65,069	536,475	0.005
Mbombela Local Municipality	162,026	217,617	251,357	426,796	573,200	513,995	617,589	1,370,725	0.013
Msunduzi Local Municipality	159,513	238,134	220,951	263,846	368,903	480,988	700,006	2,051,980	0.020
Newcastle Local Municipality	117,862	93,197	155,618	246,101	284,695	241,779	269,925	780,759	0.007
Polokwane Local Municipality	235,560	337,555	437,431	653,094	217,852	144,816	165,907	1,684,213	0.016
Rustenburg Local Municipality	366,297	390,514	479,603	603,063	608,105	468,512	328,512	1,628,175	0.016
Sol Plaatje Local Municipality	51,437	53,992	49,398	48,981	57,480	65,247	71,420	728,933	0.007
OR Tambo District Municipality	145,069	217,572	237,344	176,000	307,646	427,448	484,957	852,728	0.008
Krystna Local Municipality	12,004	14,342	26,743	23,570	36,422	41,326	49,751	344,290	0.003
Lukhanji Local Municipality	22,822	26,380	37,209	47,832	7,146	18,220	39,283	325,688	0.003
Mafikeng Local Municipality	9,415	(5,340)	15,505	40,824	16,114	53,050	107,397	294,851	0.003
25	1,560,016	1,647,998	1,835,700	2,035,746	1,893,787	1,843,841	2,176,067	104,687,084	1.000
	1	2	2	2	0	1	2		

**Table R1: R'000 BPTA munis./all capacity - cash/cash equivalents rating of weighted average**  
**Source: own compilation using financial information derived from each sample**

	2004/05	2005/06	2006/07	2007/08	Budget	Budget	Budget	Revenue	Weighting
	Audited	Audited	Audited	Audited	Year	Year +1	Year +2	2008/09	
	Outcome	Outcome	Outcome	Outcome	2008/09	2009/10	2010/11		
<b>Cash/cash equivalents at the year end</b>									
Breede Valley Local Municipality	37,292	46,435	96,683	117,508	111,234	189,439	76,204	384,638	0.052
Hibiscus Coast	51,286	102,809	127,406	156,623	-	-	-	407,050	0.053
KwaDukuza Local Municipality	21,526	57,052	93,860	125,658	103,695	114,836	115,162	635,729	0.082
Madibeng Local Municipality	63,915	40,922	28,884	57,440	57,440	57,440	57,440	719,796	0.093
Metsimaholo Local Municipality	10,122	2,864	(9,553)	4,574	14,201	14,911	15,656	404,390	0.052
Moghaka Local Municipality	(36,298)	7,085	1,789	(2,575)	1,500	2,500	2,500	298,675	0.039
Mossel Bay Local Municipality	106,733	143,464	185,883	203,556	212,266	212,266	212,266	470,368	0.061
Tlokwe Local Municipality	34,885	34,217	(9,069)	82,944	89,148	57,196	63,350	475,072	0.062
Saldanha Bay Local Municipality	127,362	187,308	217,210	295,751	343,691	387,724	368,681	449,577	0.058
uMhlatuze Local Municipality	51,571	42,360	235,905	96,392	187,837	120,399	65,524	1,042,386	0.135
Sundays River Valley Local Municipality	(2,370)	1,028	(3,638)	5,130	12,286	16,944	24,996	79,086	0.010
Beaufort West Local Municipality	6,030	9,438	16,953	14,943	27,214	16,959	10,112	113,840	0.015
Bela Bela Local Municipality	6,827	(7,401)	24,805	9,534	5,850	6,577	6,906	130,637	0.017
Kareeberg Local Municipality	17,981	18,798	19,222	49,831	(1,989)	(3,485)	(2,065)	25,203	0.003
Midvaal Local Municipality	1,216	5,829	45,721	26,769	2,030	11,510	14,500	307,239	0.040
Mookgophong Local Municipality	47,762	53,737	50,471	52,735	39,169	23,300	18,675	76,097	0.010
Senqu Local Municipality	40,247	44,682	42,730	63,313	69,107	44,254	65,008	114,588	0.015
Swartland Local Municipality	12,688	104,659	100,931	134,364	197,766	176,048	149,604	277,725	0.036
Richtersveld Local Municipality	3,012	3,755	5,129	6,574	6,742	6,742	6,742	40,544	0.005
Lesedi Local Municipality	74,449	72,384	51,928	75,310	39,182	29,139	29,654	264,322	0.034
Makana Local Municipality	37,212	45,606	46,449	62,404	77,285	116,469	116,469	201,533	0.026
Emakhazeni Local Municipality	45	9,999	560	(2,771)	(8,798)	(4,284)	(7,359)	82,755	0.011
Greater Letaba Local Municipality	15,331	6,113	6,581	9,706	8,841	9,767	9,898	99,866	0.013
Greater Kokstad Local Municipality	11,745	30,712	26,020	18,969	5,630	5,630	5,630	162,848	0.021
Mogalakwena Local Municipality	73,693	110,536	150,995	138,362	137,350	117,000	75,000	442,279	0.057
25	44,484	60,320	96,507	98,489	104,788	99,858	82,916	7,706,240	1.000
	1	2	2	1	2	1	0		

**Table R2: R'000 No BPTA munis./all capacity - cash/cash equivalents rating of weighted average**  
Source: own compilation using financial information derived from each sample

<b>Total: BPTA municipalities/all capacity - rating of weighted average result</b>								
Financial Year:	2004/05	2005/06	2006/07	2007/08	Budget	Budget	Budget	
Funding measures title	Audited	Audited	Audited	Audited	Year	Year +1	Year +2	
	Outcome	Outcome	Outcome	Outcome	2008/09	2009/10	2010/11	
Cash/cash equivalents at the year end	1	2	2	2	0	1	2	
Cash equivalents + investments less applications	1	0	0	-2	2	0	2	
Cash at the year end: % of monthly employee/supplier payments	1	1	1	1	1	1	1	
Surplus/(Deficit) excluding depreciation offsets	1	2	2	2	2	1	2	
Service charge revenue % change - macro CPI-X target exclusive	1	0	-2	-2	-2	-2	-2	
Cash receipts % of Ratepayer & Other revenue	-1	1	2	-2	0	0	2	
Debt impairment expense as a % of total billable revenue	1	2	2	2	1	2	1	
Capital payments % of capital expenditure	-1	-1	0	0	-1	-1	-1	
Borrowing receipts % of capital expenditure (excl grants)	2	1	2	1	1	2	2	
Transfers/Grants % of Govt. legislated/gazetted allocations	-1	-1	-1	-1	-1	0	0	
Current consumer debtors % change - incr(decr)	-2	-2	-2	-2	1	2	2	
Long term receivables % change - incr(decr)	2	-2	2	1	1	-2	2	
Repairs & Maintenance % of Property Plant & Equipment	1	0	1	1	0	0	1	
Asset renewal % of capital budget	-2	-2	-2	-2	-2	-2	-2	
Financial Performance Budget result (surplus/deficit)	1	2	2	2	2	1	2	
Financial Position Budget	1	2	2	2	2	2	2	
Cash flow budget	1	2	2	1	-2	2	2	
Other key performance measures	0	0	0	0	0	0	0	
<b>Total score</b>	<b>7</b>	<b>7</b>	<b>13</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>18</b>	
Total score as funding compliance ongoing rating (FC rating =)	39%	39%	72%	22%	28%	39%	100%	
Total score as percentage of maximum score (Max =)	19%	19%	36%	11%	14%	19%	50%	

**Table R3: BPTA munis./all capacity - rating of weighted average result**  
Source: own compilation using financial information derived from each sample

Total: No BPTA municipalities/all capacity - rating of weighted average result							
Financial Year:	2004/05	2005/06	2006/07	2007/08	Budget	Budget	Budget
	Audited	Audited	Audited	Audited	Year	Year +1	Year +2
Funding measures title	Outcome	Outcome	Outcome	Outcome	2008/09	2009/10	2010/11
Cash/cash equivalents at the year end	1	2	2	1	2	1	0
Cash equivalents + investments less applications	1	0	2	0	2	2	0
Cash at the year end:% of monthly employee/supplier payments	1	2	2	2	1	1	1
Surplus/(Deficit) excluding depreciation offsets	1	2	2	2	0	2	1
Service charge revenue % change - macro CPIX target exclusive	-2	1	-2	-2	-2	-2	1
Cash receipts % of Ratepayer & Other revenue	-1	2	2	-1	-2	2	0
Debt impairment expense as a % of total billable revenue	1	2	0	0	2	1	1
Capital payments % of capital expenditure	-1	1	-1	2	1	1	1
Borrowing receipts % of capital expenditure (excl grants)	2	-2	2	2	2	2	2
Transfers/Grants % of Govt. legislated/gazetted allocations	2	2	2	2	-2	-2	-2
Current consumer debtors % change - incr(decr)	-2	0	-2	-2	-2	1	-2
Long term receivables % change - incr(decr)	2	2	2	2	-2	2	2
Repairs & Maintenance % of Property Plant & Equipment	1	0	0	0	2	0	1
Asset renewal % of capital budget	-2	-2	-2	-2	-2	-2	-2
Financial Performance Budget result (surplus/deficit)	1	2	2	2	1	2	2
Financial Position Budget	1	1	2	2	0	2	1
Cash flow budget	1	2	2	-2	2	-2	-2
Other key performance measures	0	0	0	0	-1	0	0
<b>Total score</b>	<b>7</b>	<b>17</b>	<b>15</b>	<b>8</b>	<b>2</b>	<b>11</b>	<b>5</b>
Total score as funding compliance ongoing rating (FC rating =)	39%	94%	83%	44%	11%	61%	28%
Total score as percentage of maximum score (Max =)	19%	47%	42%	22%	6%	31%	14%

**Table R4: No BPTA munis./all capacity - rating of weighted average result**

Source: own compilation using financial information derived from each sample

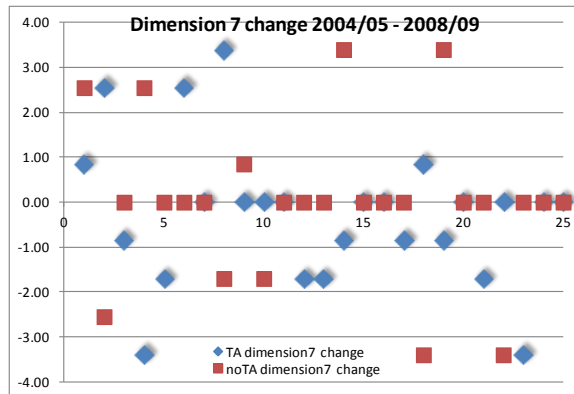
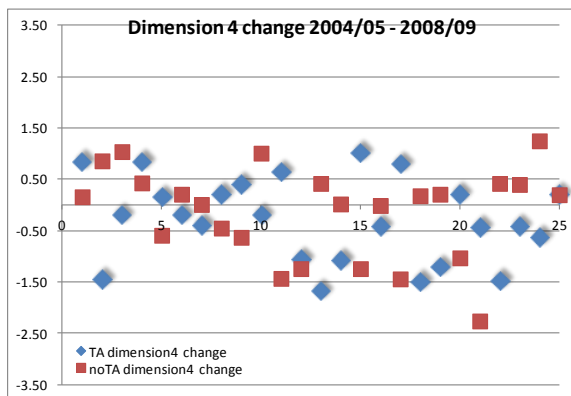
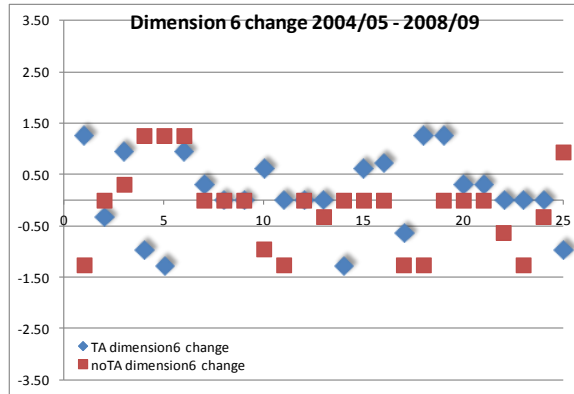
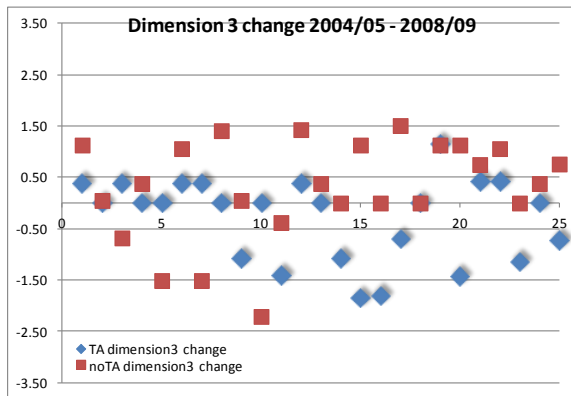
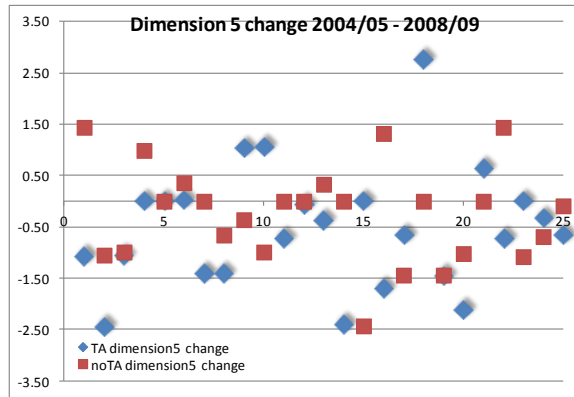
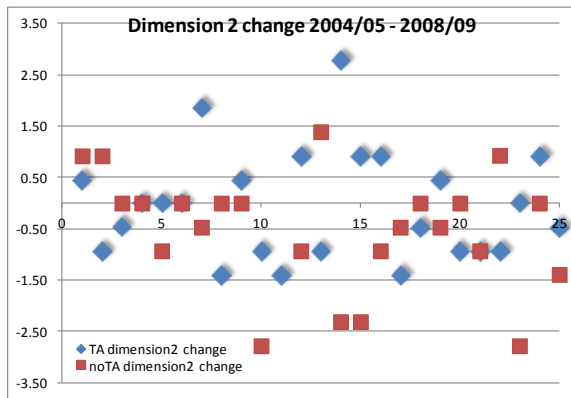
## Appendix S: Funding compliance Likert Scale items

Funding measures title	Measure Number	Scale				
		Positive improving	Positive stable	Positive decline	Negative improve/stable	Negative decline
Cash/cash equivalents at the year end	1	2	1	0	-1	-2
		A positive cash balance, either improving or stable is evidence of s18 MFMA compliance. A positive, but declining balance (compared to previous year) could indicate a trend away from compliance, and negative balances would indicate MFMA funding non-compliance.				
Cash equivalents + investments less applications	2	2	1	0	-1	-2
		A positive cash & investments balance, less committed applications of those funds, either improving or stable is evidence of s18 MFMA compliance. A positive, but declining balance (compared to previous year) could indicate a trend away from compliance, and negative balances would indicate MFMA funding non-compliance.				
Cash at the year end:% of monthly employee/supplier payments	3	Ratio > 4	Ratio > 2	Ratio = 1	Ratio < 1	Ratio < -1
		2	1	0	-1	-2
		A ratio of 4 indicates an ability of the municipality to meet monthly fixed payment commitments for 4 months without cash inflows (i.e. in the case of a disaster that prevented billing); a ratio of 2 refers to 2 months, a ratio of 1 is for 1 month. A ratio of less than 0 or less than -1 would indicate different degrees of risk in a situation that would require a municipality to rely on short term borrowing.				
Surplus/(Deficit) excluding depreciation offsets	4	Positive improving	Positive stable	Positive decline	Negative stable	Negative decline
		2	1	0	-1	-2
		A positive and improving surplus indicates that revenue is more than sufficient to meet the economic benefits provided to the community, a 'stable' surplus indicates that revenue is sufficient to meet the economic benefits provided to the community, a declining surplus indicates that there may be insufficient revenue to cover the cost of economic benefits to be provided in the future, and deficit result (stable or declining) indicate insufficient revenue is being generated.				
Service charge revenue % change - macro CPIX target exclusive	5	% result < 1%	% result < 2%	% result = 0	% result > 0%	% result 'negative' or > 2%
		2	1	0	-1	-2
		The variation to the macro CPIX target is being used as a proxy for real growth in revenues, although in periods where inflation exceed the target rate this may be an inappropriate proxy. Negative % results indicate that revenues are declining in real terms. Positive % increases can indicate (unless proven to be real growth and consumption) price increases greater than National Government macro policy.				
Cash receipts % of Ratepayer & Other revenue	6	> 95% & improving	> 95% stable	> 95% deteriorating	> 90% stable	Other lower collection rate %
		2	1	0	-1	-2
		This % measure is the imputed collection rate by comparing cash collections to revenue billed. In the South African context a rate greater than 95% would generally be accepted as 'good', rates less than 90% would not be uncommon, but indicate a risk of expenditure greater than will be supported by cash collection.				
Debt impairment expense as a % of total billable revenue	7	< 10% & improving	< 10% & stable	< 10% & deteriorating	> 10% and stable	Other higher %
		2	1	0	-1	-2
		There is a correlation between debt impairment (provision for doubtful debts change) and the collection rate, but over medium term averages. Individual financial years can display the result of the sum of the collection rate and debt impairment % exceeding 100% as indicative of collection of 'arrear' debt. A sum of <100% would indicate that the provision was previously over-provided possibly because collection performance has recently improved.				
Capital payments % of capital expenditure	8	Capital payments % > 110% or <90%	Capital payments % > 105% or <95%	Capital payments % > 100%	Capital payments % < 100%	Capital payments % = 100%
		2	1	0	-1	-2
		It would generally be extremely rare that the capital cash outflows are exactly equal to capital expenditure (100%), simply because of payment timing. However, it is apparent that many municipalities the amounts are equal, indicating that they have not considered timing issues. More serious is that they have not considered the impact on cash management, which can be significant. This situation would mean their treasuries are managing cash by the 'seat of the pants' on a daily basis without any recognition of the medium term budget. Capital payments greater than expenditure in an financial year could indicate the capital program expenditure is slowing, with a lower level of risk. Variations from 100% at least partially indicate that the municipality recognises and possibly manages cash timing issues. Capital payments less than expenditure could indicate that the capital program is growing, with a greater level of risk on cash management activities.				
Borrowing receipts % of capital expenditure (excl grants)	9	< 50% stable or improving	< 50% deteriorating	<= 60% = 0	> 60% stable	> 60% deteriorating
		2	1	0	-1	-2
		A generally accepted South African norm is that borrowing should be limited to 50% of 'own-funded' capital expenditure. Analysis of one metropolitan municipality suggested that this was the approximate % that could be sustained in the long term (loans repaid without extraordinary price increases for services).				
Transfers/Grants % of Govt. legislated/gazetted allocations	10	= 100% exactly	< 100%	< 95%	> 100%	>105%
		2	1	0	-1	-2
		Allocations to municipalities are included in legislation (National Government - Division of Revenue Act) or gazetted by Provincial Governments. If the % = 100% this indicates that the municipality has exactly included all allocations in its medium term budget, or previously spent the allocations provided. Other %s indicate either allocations have not been fully budgeted, or budgets higher than allocations and over-expenditure has occurred; or more commonly that budgets include unspent conditional allocations that in theory may not be available to				
Current consumer debtors % change - incr(decr)	11a	Negative < 5%	Negative % (0-5%)	< 5% improving	<= 5% and stable	> 5%
		2	1	0	-1	-2
		A 'negative' % indicates that debtors balances are improving, either by improved collection or write-offs. Increasing balances indicate deteriorating collection. This factor relates to only current debtors (billed within the last 12 months).				
Long term receivables % change - incr(decr)	11b	Negative < 5%	Negative % (0-5%)	< 5% improving	<= 5% and stable	> 5%
		2	1	0	-1	-2
		A 'negative' % indicates that debtors balances are reducing, either by improved collection or write-offs. Increasing balances indicate deteriorating collection. This factor relates to only non-current debtors (billed before the last 12 months).				
Repairs & Maintenance % of Property Plant & Equipment	12	> 5% & improving	> 5% & stable	> 5% & declining	<= 5% and stable	<5% decline & Other lower %
		2	1	0	-1	-2
		A reasonable South African norm appears to be around the range of 6% to 8%. National Treasury has recommended 7% to 15% for infrastructure such as water and sanitation assets (NT(4), 2008). Higher levels of expenditure could be caused by maintenance backlogs and this threatens revenue protection. Similarly low levels of expenditure could be causing maintenance backlogs, also a risk to future revenue.				
Asset renewal % of capital budget	13	> 50% & improving	> 50% & stable	> 50% & declining	< 50% & stable	Other lower %
		2	1	0	-1	-2
		A norm has not been established. A 2005 National Treasury circular requested that municipalities include this information in their budgets, but few appear to do so. It is assumed that higher levels of expenditure could be caused by backlogs and threatening revenue protection. Similarly low levels of expenditure could be causing backlogs, also a risk to future revenue.				
Financial Performance Budget result (surplus/deficit) (refer measure 14 Annexure C for a description of the measurement)	14	Surplus & improving	Surplus & stable/deteriorating	Balance	Deficit & stable	Deficit & deteriorating
		2	1	0	-1	-2
		Overall assessment of magnitude and direction of the overall financial performance result (surplus/deficit)				
Financial Position Budget (refer measure 15 Annexure C for a description of the measurement)	15	Substantial improvement	Minor improvement	Stable	Minor deterioration	Substantial deterioration
		2	1	0	-1	-2
		Overall assessment of the financial position (increase in the value of net assets)				
Cash flow budget (refer measure 16 Annexure C for a description of the measurement)	16	Positive & improving	Positive & stable/decline	Neutral cash movement	Negative & stable	Negative & deteriorating
		2	1	0	-1	-2
		Overall assessment of the cash flow budget (annual net cash flow change)				
Other key performance measures (refer measure 17 Annexure C for a description of the measurement)	17	Substantial improvement	Minor improvement	Stable	Minor deterioration	Substantial deterioration
		2	1	0	-1	-2
		Overall assessment rating of key performance measures				

Source: own compilation based on (National Treasury 13, 2008, National Treasury 14, 2008)



# Appendix T: Factor dimensions scatter plots



Source: own compilation

## Appendix U: Australian sample funding measurement

### Appendix U1 - City of Brisbane funding measurement

Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b>Funding measures</b>									
Cash/cash equivalents at the year end - \$'000	114,932	126,540	102,940	101,601	101,601	82,417	305,019	341,177	281,277
Cash + investments at the yr end less applications - \$'000	147,695	192,756	225,114	258,039	198,039	289,710	323,284	413,425	435,054
Cash year end/monthly employee/supplier payments	2.0	2.4	2.7	3.1	2.4	3.1	3.6	4.0	4.1
Surplus/(Deficit) excluding depreciation offsets: \$'000	122,759	118,815	196,961	133,989	133,989	170,557	209,218	274,624	118,263
Service charge rev % change - macro CPI target exclusive	5.2%	1.3%	5.6%	(1.2%)	(1.2%)	4.8%	17.5%	6.5%	(30.7%)
Cash receipts % of Ratepayer & Other revenue	104%	108%	109%	107%	107%	106%	103%	104%	110.4%
Debt impairment expense as a % of total billable revenue	0.4%	0.3%	0.2%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	84%	83%	87%	100%	100%	87%	100%	96%	100%
Borrowing receipts % of capital expenditure (excl. transfers)	14%	14%	17%	20%	20%	16%	23%	62%	30%
Grants % of Govt. legislated/gazetted allocations	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Current consumer debtors % change - incr(decr)	24.7%	16.8%	(8.8%)	(8.7%)	0.0%	10.4%	(13.3%)	22.7%	(36.1%)
Long term receivables % change - incr(decr)	3.8%	1.3%	0.3%	(0.9%)	0.0%	(69.5%)	5.4%	(100.0%)	0.0%
R&M % of Property Plant & Equipment	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Asset renewal % of capital budget	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: own compilation

**Appendix U2 - City of Sydney funding measurement**

Description	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>Funding measures</b>									
Cash/cash equivalents at the year end - \$'000	342,109	375,804	307,450	294,757	294,757	178,187	141,784	79,855	88,267
Cash + investments at the yr end less applications - \$'000	285,609	358,496	344,283	321,286	321,286	323,198	285,712	321,439	335,723
Cash year end/monthly employee/supplier payments	21.6	20.9	16.0	14.4	14.4	9.0	6.7	3.5	3.4
Surplus/(Deficit) excluding depreciation offsets: \$'000	121,750	86,418	103,209	50,463	50,463	82,565	104,052	50,279	54,410
Service charge rev % change - macro CPIX target exclusive	4.4%	0.7%	2.4%	1.3%	1.3%	3.2%	3.8%	3.2%	4.2%
Cash receipts % of Ratepayer & Other revenue	96.4%	101.4%	102.8%	98.7%	98.7%	105.6%	105.9%	98.7%	97.5%
Debt impairment expense as a % of total billable revenue	(0.0%)	0.1%	(0.0%)	0.0%	0.0%	0.0%	0.0%	(0.0%)	0.0%
Capital payments % of capital expenditure	103.7%	95.1%	96.6%	113.1%	113.1%	88.1%	80.5%	100.0%	110.7%
Borrowing receipts % of capital expenditure (excl. transfers)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	6.5%	9.1%	(6.0%)	11.8%	11.8%	11.8%	(1.9%)	17.7%	19.4%
Long term receivables % change - incr(decr)	(1.9%)	(5.5%)	1040.6%	69.3%	69.3%	69.3%	(67.0%)	(2.4%)	(4.3%)
R&M % of Property Plant & Equipment	0.0%	0.7%	0.8%	0.7%	0.7%	0.7%	0.7%	1.0%	N.A.
Asset renewal % of capital budget	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: own compilation

## Appendix V: Australian sample financial performance tables

### Appendix V1 - City of Brisbane financial performance

Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b>\$ thousand</b>									
<b>Revenue By Source</b>									
Property rates	392,092	423,248	487,271	469,792	469,792	518,552	581,503	631,078	755,154
Service charges - public transport revenue	108,348	124,491	136,834	148,656	148,656	154,538	182,139	221,193	235,371
Service charges - water revenue	219,546	195,263	200,988	202,918	202,918	227,088	226,280	238,924	-
Service charges - sanitation revenue	201,164	215,618	219,471	241,702	241,702	228,257	228,257	241,012	-
Service charges - refuse	81,629	85,462	89,467	94,118	94,118	94,118	86,445	92,531	-
Service charges - other	42,240	45,940	49,876	47,879	47,879	53,861	146,928	164,194	158,744
Interest earned - external investments	9,070	11,552	17,819	11,561	11,561	12,620	17,724	17,894	101,185
Interest earned - outstanding debtors	1,195	1,269	1,314			1,451			
Dividends received	4,050	6,160	2,208			729			
Licences and permits	71,808	70,419	71,923	79,629	79,629	79,629			
Transfers recognised	46,093	52,194	40,619	87,267	87,267	47,272	71,110	54,768	126,647
Other revenue	99,343	128,244	88,902	134,885	134,885	130,746	167,407	194,139	266,623
Gains on disposal of PPE/Investments						88,015	-		
<b>Total Revenue</b>	<b>1,276,578</b>	<b>1,359,860</b>	<b>1,406,692</b>	<b>1,518,407</b>	<b>1,518,407</b>	<b>1,636,876</b>	<b>1,707,793</b>	<b>1,855,733</b>	<b>1,643,724</b>
<b>Expenditure By Type</b>									
Employee related costs	515,218	544,563	585,502	626,292	626,292	659,236	671,671	738,817	778,129
Remuneration of councillors	3,906	4,000	4,400			4,700			
Debt impairment	4,402	3,190	1,923			3,831			
Depreciation & asset impairment	267,545	315,990	329,982	376,895	376,895	340,250	346,365	339,392	276,281
Finance charges	66,004	64,101	60,104	62,585	62,585	55,612	13,055	40,777	68,227
Bulk purchases	-	-	-	-	-	-	-	-	-
Other materials	755,482	829,927	964,945	1,183,084	1,183,084	1,011,235	1,505,059	2,244,983	1,468,744
Contracted services	108,799	122,598	114,973			109,975			
Other expenditure	(419,914)	(447,114)	(578,937)	(659,505)	(659,505)	(502,783)	(845,100)	(1,465,273)	(776,497)
Loss on disposal of PPE	29,931	52,568	28,660	28,200	28,200	30,804	49,800	21,590	32,931
<b>Total Expenditure</b>	<b>1,331,373</b>	<b>1,489,823</b>	<b>1,511,552</b>	<b>1,617,551</b>	<b>1,617,551</b>	<b>1,712,860</b>	<b>1,740,850</b>	<b>1,920,286</b>	<b>1,847,815</b>
<b>Surplus/(Deficit)</b>	<b>(54,795)</b>	<b>(129,963)</b>	<b>(104,860)</b>	<b>(99,144)</b>	<b>(99,144)</b>	<b>(75,984)</b>	<b>(33,057)</b>	<b>(64,553)</b>	<b>(204,091)</b>
Transfers recognised - capital	46,782	55,212	99,021	19,846	19,846	44,662	17,148	91,833	85,956
Contributions	62,542	111,108	118,025	136,037	136,037	125,161	141,627	181,344	184,578
Contributed assets	68,230	82,458	84,775	77,250	77,250	76,718	83,500	66,000	51,820
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>122,759</b>	<b>118,815</b>	<b>196,961</b>	<b>133,989</b>	<b>133,989</b>	<b>170,557</b>	<b>209,218</b>	<b>274,624</b>	<b>118,263</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>122,759</b>	<b>118,815</b>	<b>196,961</b>	<b>133,989</b>	<b>133,989</b>	<b>170,557</b>	<b>209,218</b>	<b>274,624</b>	<b>118,263</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to City of Brisbane</b>	<b>122,759</b>	<b>118,815</b>	<b>196,961</b>	<b>133,989</b>	<b>133,989</b>	<b>170,557</b>	<b>209,218</b>	<b>274,624</b>	<b>118,263</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>122,759</b>	<b>118,815</b>	<b>196,961</b>	<b>133,989</b>	<b>133,989</b>	<b>170,557</b>	<b>209,218</b>	<b>274,624</b>	<b>118,263</b>

Source: own compilation

**Appendix V2 - City of Sydney financial performance**

Description	2004/05	2005/06	2006/07	Current Year 2007/08		2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>\$ thousand</b>								
<b>Revenue By Source</b>								
Property rates	173,200	179,118	186,559	194,745	194,332	204,278	211,826	218,733
Property rates - penalties & collection charges	621	297	126	626	626	305	372	
Service charges - refuse	18,829	18,989	19,310	20,631	20,631	23,412	26,089	26,240
Service charges - other	49,452	52,594	58,564	59,942	65,444	66,655	74,694	90,457
Rental of facilities and equipment	33,817	35,473	35,641	32,795	32,795	32,670	41,515	
Interest earned - external investments	19,333	22,806	27,236	21,349	18,685	17,337	13,552	22,430
Fines	29,049	32,116	33,389	36,702	36,702	38,696	38,850	
Licences and permits	10,220	8,877	9,463	9,879	9,879	9,329	10,128	
Transfers recognised	7,707	7,920	10,696	9,560	10,522	12,681	12,665	13,062
Other revenue	12,963	16,480	7,624	2,018	2,402	2,274	(2,549)	86,048
Gains on disposal of PPE	8,710	1,629	-	-	-	-	541	-
<b>Total Revenue</b>	<b>363,901</b>	<b>376,299</b>	<b>388,608</b>	<b>388,247</b>	<b>392,018</b>	<b>407,637</b>	<b>427,683</b>	<b>456,970</b>
<b>Expenditure By Type</b>								
Employee related costs	104,923	110,832	121,798	129,264	126,120	142,434	152,934	163,907
Remuneration of councillors	401	416	422	459	459	460	480	
Debt impairment	(136)	171	(43)	-	78	-	(76)	0
Depreciation & asset impairment	38,031	44,139	43,165	47,087	47,507	60,746	66,600	72,990
Finance charges	-	147	186	156	207	192	192	50
Other materials	19,155	40,550	13,832	12,607	12,607	56,298	5,063	-
Contracted services	41,814	32,019	44,314	40,043	40,043	34,907	39,327	91,748
Other expenditure	52,139	79,882	92,150	114,162	105,232	69,061	125,384	88,865
Loss on disposal of PPE	-	-	3,065	8,976	8,976	2,437	-	-
<b>Total Expenditure</b>	<b>256,327</b>	<b>308,156</b>	<b>318,889</b>	<b>352,754</b>	<b>341,229</b>	<b>366,535</b>	<b>389,904</b>	<b>417,560</b>
<b>Surplus/(Deficit)</b>	<b>107,574</b>	<b>68,143</b>	<b>69,719</b>	<b>35,493</b>	<b>50,789</b>	<b>41,102</b>	<b>37,779</b>	<b>39,410</b>
Transfers recognised - capital	1,151	1,774	1,259	970	411	2,444	2,134	15,000
Contributions	13,025	16,501	32,231	14,000	31,365	15,572	10,366	-
Contributed assets	-	-	-	-	-	44,934	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>121,750</b>	<b>86,418</b>	<b>103,209</b>	<b>50,463</b>	<b>82,565</b>	<b>104,052</b>	<b>50,279</b>	<b>54,410</b>
Taxation	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>121,750</b>	<b>86,418</b>	<b>103,209</b>	<b>50,463</b>	<b>82,565</b>	<b>104,052</b>	<b>50,279</b>	<b>54,410</b>
Attributable to minorities	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to City of Sydney</b>	<b>121,750</b>	<b>86,418</b>	<b>103,209</b>	<b>50,463</b>	<b>82,565</b>	<b>104,052</b>	<b>50,279</b>	<b>54,410</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>121,750</b>	<b>86,418</b>	<b>103,209</b>	<b>50,463</b>	<b>82,565</b>	<b>104,052</b>	<b>50,279</b>	<b>54,410</b>

Source: own compilation

## Appendix W: Australian sample capital expenditure budget tables

Appendix W1 - City of Brisbane capital expenditure/revenue

Vote Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
\$ thousand									
<b>Capital expenditure - Municipal Vote</b>									
<b>Multi-Year expenditure to be appropriated</b>									
<b>Total Capital Expenditure:</b>	<b>474,960</b>	<b>497,533</b>	<b>633,923</b>	<b>639,663</b>	<b>639,663</b>	<b>594,806</b>	<b>833,957</b>	<b>1,531,325</b>	<b>849,573</b>
<b>Funded by:</b>									
Other Grants & Subsidies	46,782	55,212	99,021	19,846	19,846	44,662	17,148	91,833	85,956
<b>Total Capital transfers recognised</b>	<b>46,782</b>	<b>55,212</b>	<b>99,021</b>	<b>19,846</b>	<b>19,846</b>	<b>44,662</b>	<b>17,148</b>	<b>91,833</b>	<b>85,956</b>
<b>Public contributions &amp; donations</b>	<b>62,542</b>	<b>111,108</b>	<b>118,025</b>	<b>136,037</b>	<b>136,037</b>	<b>125,161</b>	<b>141,627</b>	<b>181,344</b>	<b>184,578</b>
<b>Borrowing</b>	<b>60,000</b>	<b>60,000</b>	<b>88,992</b>	<b>122,159</b>	<b>122,159</b>	<b>88,169</b>	<b>184,139</b>	<b>897,027</b>	<b>232,472</b>
<b>Sale of assets</b>	<b>43,796</b>	<b>64,883</b>	<b>90,432</b>	<b>113,117</b>	<b>113,117</b>	<b>223,084</b>	<b>265,746</b>	<b>141,971</b>	<b>115,810</b>
<b>Internally generated funds</b>	<b>261,840</b>	<b>206,330</b>	<b>237,453</b>	<b>248,504</b>	<b>248,504</b>	<b>113,730</b>	<b>225,297</b>	<b>219,150</b>	<b>230,757</b>
<b>Total Capital Funding</b>	<b>474,960</b>	<b>497,533</b>	<b>633,923</b>	<b>639,663</b>	<b>639,663</b>	<b>594,806</b>	<b>833,957</b>	<b>1,531,325</b>	<b>849,573</b>

Source: own compilation

Appendix W2 - City of Sydney capital expenditure/revenue

Vote Description	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
R thousand									
<b>Total Capital Expenditure:</b>	<b>94,559</b>	<b>102,924</b>	<b>108,080</b>	<b>154,249</b>	<b>154,249</b>	<b>154,249</b>	<b>221,340</b>	<b>175,900</b>	<b>156,672</b>
<b>Funded by:</b>									
Federal Government	1,151	1,684	1,229	411	411	411	2,444	2,005	15,000
State Government	-	90	30	-	-	-	-	129	-
<b>Total Capital transfers recognised</b>	<b>1,151</b>	<b>1,774</b>	<b>1,259</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>2,444</b>	<b>2,134</b>	<b>15,000</b>
<b>Public contributions &amp; donations</b>	<b>13,025</b>	<b>16,501</b>	<b>32,231</b>	<b>31,365</b>	<b>31,365</b>	<b>31,365</b>	<b>60,506</b>	<b>10,366</b>	<b>-</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>80,383</b>	<b>84,649</b>	<b>74,590</b>	<b>122,473</b>	<b>122,473</b>	<b>122,473</b>	<b>158,390</b>	<b>163,400</b>	<b>141,672</b>
<b>Total Capital Funding</b>	<b>94,559</b>	<b>102,924</b>	<b>108,080</b>	<b>154,249</b>	<b>154,249</b>	<b>154,249</b>	<b>221,340</b>	<b>175,900</b>	<b>156,672</b>

Source: own compilation

## Appendix X: Australian sample financial position tables

### Appendix X1 - City of Brisbane - Budgeted Financial Position

Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b>\$ thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	-	-	2,872	-	-	-	-	-	-
Call investment deposits	116,350	127,108	100,068	101,601	101,601	82,417	305,019	341,177	281,281
Consumer debtors	49,732	76,207	61,550	81,009	81,009	97,867	67,256	105,340	46,850
Other debtors	63,272	61,945	98,221	64,824	64,824	78,566	85,637	82,245	73,018
Property held for sale	37,000	37,000	-	-	-	-	-	-	-
Inventory	13,940	15,513	15,783	16,282	16,282	16,930	16,600	17,724	16,934
<b>Total current assets</b>	<b>280,294</b>	<b>317,773</b>	<b>278,494</b>	<b>263,716</b>	<b>263,716</b>	<b>275,780</b>	<b>474,512</b>	<b>546,486</b>	<b>418,083</b>
<b>Non current assets</b>									
Long-term receivables	128,669	130,378	130,716	129,488	129,488	39,892	42,066	-	-
Property, plant and equipment	14,188,699	14,519,198	16,131,560	16,462,607	16,462,607	17,589,175	15,919,434	19,136,097	17,524,073
Intangible	26,733	36,968	434,928	18,748	18,748	459,404	419,574	12,510	9,846
Other non-current assets	-	6,505	12,788	6,505	6,505	3,918	12,788	162,896	3,743,113
<b>Total non current assets</b>	<b>14,344,101</b>	<b>14,693,049</b>	<b>16,709,992</b>	<b>16,617,348</b>	<b>16,617,348</b>	<b>18,092,389</b>	<b>16,393,862</b>	<b>19,311,503</b>	<b>21,277,032</b>
<b>TOTAL ASSETS</b>	<b>14,624,395</b>	<b>15,010,822</b>	<b>16,988,486</b>	<b>16,881,064</b>	<b>16,881,064</b>	<b>18,368,169</b>	<b>16,868,374</b>	<b>19,857,989</b>	<b>21,695,115</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	1,418	568	-	-	-	-	-	-	-
Borrowing	9,300	11,677	7,742	11,677	11,677	658,706	-	-	79,807
Trade and other payables	272,884	349,315	401,981	393,067	393,067	372,310	473,145	456,275	452,315
Provisions	56,460	66,355	69,209	69,349	69,349	77,706	73,611	81,290	110,060
<b>Total current liabilities</b>	<b>340,062</b>	<b>427,915</b>	<b>478,932</b>	<b>474,093</b>	<b>474,093</b>	<b>1,108,722</b>	<b>546,756</b>	<b>537,565</b>	<b>642,182</b>
<b>Non current liabilities</b>									
Borrowing	896,924	858,222	1,232,343	1,001,426	1,001,426	485,027	638,342	1,137,094	1,088,122
Provisions	35,244	28,385	28,465	32,546	32,546	27,233	30,191	50,488	30,438
<b>Total non current liabilities</b>	<b>932,168</b>	<b>886,607</b>	<b>1,260,808</b>	<b>1,033,972</b>	<b>1,033,972</b>	<b>512,260</b>	<b>668,533</b>	<b>1,187,582</b>	<b>1,118,560</b>
<b>TOTAL LIABILITIES</b>	<b>1,272,230</b>	<b>1,314,522</b>	<b>1,739,740</b>	<b>1,508,065</b>	<b>1,508,065</b>	<b>1,620,982</b>	<b>1,215,289</b>	<b>1,725,147</b>	<b>1,760,742</b>
<b>NET ASSETS</b>	<b>13,352,165</b>	<b>13,696,300</b>	<b>15,248,746</b>	<b>15,372,999</b>	<b>15,372,999</b>	<b>16,747,187</b>	<b>15,653,085</b>	<b>18,132,842</b>	<b>19,934,373</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	70,147	113,781	140,945	693	693	92,469	684	498	469
Reserves	13,282,018	13,582,519	15,107,801	15,372,306	15,372,306	16,654,718	15,652,401	18,132,344	19,933,904
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>13,352,165</b>	<b>13,696,300</b>	<b>15,248,746</b>	<b>15,372,999</b>	<b>15,372,999</b>	<b>16,747,187</b>	<b>15,653,085</b>	<b>18,132,842</b>	<b>19,934,373</b>

Source: own compilation

Appendix X2 - City of Sydney - Budgeted Financial Position

Description	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	12,740	2,788	4,544	4,153	4,153	4,153	2,374	1,611	4,303
Call investment deposits	329,369	373,016	348,906	226,144	226,144	226,144	183,670	277,344	273,550
Consumer debtors	23,330	24,834	24,145	27,580	27,580	27,580	25,886	32,163	38,204
Other debtors	3,378	4,300	3,232	3,016	3,016	3,016	4,138	3,189	4,018
Inventory	676	692	3,842	544	544	544	542	545	731
<b>Total current assets</b>	<b>369,493</b>	<b>405,630</b>	<b>384,669</b>	<b>261,437</b>	<b>261,437</b>	<b>261,437</b>	<b>216,610</b>	<b>314,852</b>	<b>320,806</b>
<b>Non current assets</b>									
Long-term receivables	253	239	2,726	4,614	4,614	4,614	1,522	1,486	1,422
Investments	-	-	66,510	202,407	202,407	202,407	208,397	145,478	167,369
Investment property	125,940	143,225	143,960	139,820	139,820	139,820	130,760	133,430	211,287
Property, plant and equipment	3,057,243	3,109,898	3,054,798	3,658,377	3,658,377	3,658,377	3,813,596	3,892,742	6,105,715
<b>Total non current assets</b>	<b>3,183,436</b>	<b>3,253,362</b>	<b>3,267,994</b>	<b>4,005,218</b>	<b>4,005,218</b>	<b>4,005,218</b>	<b>4,154,561</b>	<b>4,173,408</b>	<b>6,485,793</b>
<b>TOTAL ASSETS</b>	<b>3,552,929</b>	<b>3,658,992</b>	<b>3,652,663</b>	<b>4,266,655</b>	<b>4,266,655</b>	<b>4,266,655</b>	<b>4,371,171</b>	<b>4,488,260</b>	<b>6,806,599</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Consumer deposits	12,639	13,024	15,006	13,976	13,976	13,976	13,685	13,430	15,165
Trade and other payables	41,489	36,775	35,432	60,816	60,816	60,816	55,697	54,884	54,363
Provisions	28,664	28,572	32,601	31,239	31,239	31,239	33,275	40,416	43,050
<b>Total current liabilities</b>	<b>82,792</b>	<b>78,371</b>	<b>83,039</b>	<b>106,031</b>	<b>106,031</b>	<b>106,031</b>	<b>102,657</b>	<b>108,730</b>	<b>112,578</b>
<b>Non current liabilities</b>									
Borrowing	-	-	-	2,483	2,483	2,483	5,386	-	8,250
Provisions	21,341	23,801	24,945	23,855	23,855	23,855	24,751	28,169	23,101
<b>Total non current liabilities</b>	<b>21,341</b>	<b>23,801</b>	<b>24,945</b>	<b>26,338</b>	<b>26,338</b>	<b>26,338</b>	<b>30,137</b>	<b>28,169</b>	<b>31,351</b>
<b>TOTAL LIABILITIES</b>	<b>104,133</b>	<b>102,172</b>	<b>107,984</b>	<b>132,369</b>	<b>132,369</b>	<b>132,369</b>	<b>132,794</b>	<b>136,899</b>	<b>143,929</b>
<b>NET ASSETS</b>	<b>3,448,796</b>	<b>3,556,820</b>	<b>3,544,679</b>	<b>4,134,286</b>	<b>4,134,286</b>	<b>4,134,286</b>	<b>4,238,377</b>	<b>4,351,361</b>	<b>6,662,670</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	2,118,436	2,226,460	2,224,712	2,376,150	2,376,150	2,376,150	2,480,202	2,578,898	2,676,276
Reserves	1,330,360	1,330,360	1,319,967	1,758,136	1,758,136	1,758,136	1,758,175	1,772,463	3,986,394
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3,448,796</b>	<b>3,556,820</b>	<b>3,544,679</b>	<b>4,134,286</b>	<b>4,134,286</b>	<b>4,134,286</b>	<b>4,238,377</b>	<b>4,351,361</b>	<b>6,662,670</b>

Source: own compilation



## Appendix Y: Australian sample cash flow tables

### Appendix Y1 - City of Brisbane - Budgeted Cash Flows

Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b>\$ thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	1,306,618	1,419,883	1,475,630	1,540,114	1,540,114	1,655,109	1,745,028	1,860,698	1,630,807
Government - operating	40,446	45,490	40,619	87,267	87,267	41,792	71,110	146,601	126,647
Government - capital	46,782	55,212	99,021	19,846	19,846	44,662	17,148	91,833	85,956
Interest	10,273	12,362	19,481	11,561	11,561	14,032	17,724	17,894	101,185
Dividends	4,050	6,151	2,208	13,000	13,000	819	11,110	11,000	60,719
<b>Payments</b>									
Suppliers and employees	(942,721)	(1,025,487)	(1,077,737)	(1,138,324)	(1,138,324)	(1,327,364)	(1,320,023)	(1,476,515)	(1,534,565)
Finance charges	(66,003)	(64,102)	(60,104)	(62,565)	(62,565)	(55,612)	(13,055)	(40,777)	(58,699)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>399,445</b>	<b>449,509</b>	<b>499,118</b>	<b>470,899</b>	<b>470,899</b>	<b>373,438</b>	<b>529,042</b>	<b>610,734</b>	<b>412,050</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13,865	12,903	61,943	113,117	113,117	280,295	924,600	120,381	115,810
Decrease (increase) in non-current investments	(945)	2,172	2,194						
<b>Payments</b>									
Capital assets	(399,625)	(415,073)	(549,148)	(639,663)	(639,663)	(518,088)	(833,957)	(1,465,391)	(849,573)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(386,705)</b>	<b>(399,998)</b>	<b>(485,011)</b>	<b>(526,546)</b>	<b>(526,546)</b>	<b>(237,793)</b>	<b>90,643</b>	<b>(1,345,010)</b>	<b>(733,763)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	60,000	60,000	88,992	122,159	122,159	88,169	184,139	897,027	232,472
<b>Payments</b>									
Repayment of borrowing	(86,709)	(97,903)	(126,699)	(36,885)	(36,885)	(244,337)	(658,854)	(6,851)	(20,844)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(26,709)</b>	<b>(37,903)</b>	<b>(37,707)</b>	<b>85,274</b>	<b>85,274</b>	<b>(156,168)</b>	<b>(474,715)</b>	<b>890,176</b>	<b>211,628</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(13,969)</b>	<b>11,608</b>	<b>(23,600)</b>	<b>29,627</b>	<b>29,627</b>	<b>(20,523)</b>	<b>144,970</b>	<b>155,900</b>	<b>(110,085)</b>
Cash/cash equivalents at the year begin:	128,901	114,932	126,540	71,974	71,974	102,940	160,049	185,277	391,362
Cash/cash equivalents at the year end:	114,932	126,540	102,940	101,601	101,601	82,417	305,019	341,177	281,277

Source: own compilation

Appendix Y2 - City of Sydney - Budgeted Cash Flows

Description	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	323,321	351,063	361,413	357,742	357,742	388,648	403,733	400,949	417,543
Government - operating	21,401	21,974	37,650	24,119	24,119	42,003	32,387	23,031	13,062
Government - capital	1,151	1,774	1,259	411	411	411	2,444	2,134	15,000
Interest	17,865	23,278	23,232	21,975	21,975	28,727	27,141	13,924	22,430
Dividends									
<b>Payments</b>									
Suppliers and employees	(217,401)	(262,199)	(278,599)	(294,290)	(294,290)	(309,246)	(322,065)	(325,620)	(344,520)
Finance charges	-	(147)	(186)	(156)	(156)	(207)	(192)	(192)	(50)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>146,337</b>	<b>135,743</b>	<b>144,769</b>	<b>109,801</b>	<b>109,801</b>	<b>150,336</b>	<b>143,448</b>	<b>114,226</b>	<b>123,465</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	2,590	3,982	1,601	3	3	6,554	1,778		2,200
Decrease (increase) other non-current receivables	-	-	-	-	-	-	3,070		
Decrease (increase) in non-current investments	31,000	(3,662)	(76,113)	1,000	1,000	(149,253)	(6,165)		(78,400)
<b>Payments</b>									
Capital assets	(98,071)	(97,870)	(104,433)	(174,417)	(174,417)	(135,870)	(178,243)	(175,900)	(173,381)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(64,481)</b>	<b>(97,550)</b>	<b>(178,945)</b>	<b>(173,414)</b>	<b>(173,414)</b>	<b>(278,569)</b>	<b>(179,560)</b>	<b>(175,900)</b>	<b>(249,581)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing									
Increase in consumer deposits	346	385	1,982	(1,030)	(1,030)	(1,030)	(291)	(255)	1,735
<b>Payments</b>									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>346</b>	<b>385</b>	<b>1,982</b>	<b>(1,030)</b>	<b>(1,030)</b>	<b>(1,030)</b>	<b>(291)</b>	<b>(255)</b>	<b>1,735</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>82,202</b>	<b>38,578</b>	<b>(32,194)</b>	<b>(64,643)</b>	<b>(64,643)</b>	<b>(129,263)</b>	<b>(36,403)</b>	<b>(61,929)</b>	<b>(124,381)</b>
Cash/cash equivalents at the year begin:	259,907	337,226	339,644	359,400	359,400	307,450	178,187	141,784	212,648
Cash/cash equivalents at the year end:	342,109	375,804	307,450	294,757	294,757	178,187	141,784	79,855	88,267

Source: own compilation

## Appendix Z: Australian sample cash commitments reconciliation tables

### Appendix Z1 - City of Brisbane - Cash backed reserves/accumulated surplus reconciliation

Description	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b>\$ thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	113,514	125,972	102,940	101,601	101,601	82,417	305,019	341,177	281,277
Call investment deposits - >90 days	30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	200,004
Non current assets - Investments	165,000	225,000	313,992	350,900	290,900	350,900	290,900	290,900	285,000
<b>Cash and investments available:</b>	<b>308,514</b>	<b>400,972</b>	<b>466,932</b>	<b>502,501</b>	<b>442,501</b>	<b>483,317</b>	<b>645,919</b>	<b>682,077</b>	<b>766,281</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	-	-	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	160,819	208,216	241,818	244,462	244,462	193,607	322,635	268,652	331,227
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>160,819</b>	<b>208,216</b>	<b>241,818</b>	<b>244,462</b>	<b>244,462</b>	<b>193,607</b>	<b>322,635</b>	<b>268,652</b>	<b>331,227</b>
<b>Surplus(shortfall)</b>	<b>147,695</b>	<b>192,756</b>	<b>225,114</b>	<b>258,039</b>	<b>198,039</b>	<b>289,710</b>	<b>323,284</b>	<b>413,425</b>	<b>435,054</b>

Source: own compilation

### Appendix Z2 - City of Sydney - Cash backed reserves/accumulated surplus reconciliation

Description	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>\$ thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	342,109	375,804	307,450	294,757	294,757	178,187	141,784	79,855	88,267
Call investment deposits - >90 days	-	-	46,000	(64,460)	(64,460)	52,110	44,260	199,100	189,586
Non current assets - Investments	-	-	66,510	202,407	202,407	202,407	208,397	145,478	167,369
<b>Cash and investments available:</b>	<b>342,109</b>	<b>375,804</b>	<b>419,960</b>	<b>432,704</b>	<b>432,704</b>	<b>432,704</b>	<b>394,441</b>	<b>424,433</b>	<b>445,222</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	28,069	(1,404)	5,706	34,253	-	34,253	43,702	50,456	45,033
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	15,792	7,519	7,529	30,729	30,729	28,817	24,341	20,108	13,300
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	12,639	11,193	62,442	46,436	-	46,436	40,685	32,430	51,165
Reserves to be backed by cash/investments	-	-	-	-	-	-	1	-	1
<b>Total Application of cash and investments:</b>	<b>56,500</b>	<b>17,308</b>	<b>75,677</b>	<b>111,418</b>	<b>30,729</b>	<b>109,506</b>	<b>108,729</b>	<b>102,994</b>	<b>109,499</b>
<b>Surplus(shortfall)</b>	<b>285,609</b>	<b>358,496</b>	<b>344,283</b>	<b>321,286</b>	<b>401,975</b>	<b>323,198</b>	<b>285,712</b>	<b>321,439</b>	<b>335,723</b>

Source: own compilation

## Appendix Za: Australian sample key financial indicators tables

Appendix Za1 - City of Brisbane key financial indicators

Description of financial indicator	Basis of calculation	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Audited Outcome	Budget	Budget	Budget
<b><u>Borrowing Management</u></b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	6.1%	5.7%	7.3%	5.9%	5.9%	2.6%	3.8%	5.7%	5.0%
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-1.6%	-2.3%	-4.4%	1.6%	1.6%	-11.0%	-37.1%	1.8%	2.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. grants & contributions	16.4%	18.1%	21.3%	25.3%	25.3%	20.7%	27.3%	71.3%	40.1%
<b><u>Safety of Capital</u></b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	9.5%	9.6%	11.4%	9.8%	9.8%	9.7%	7.8%	9.5%	8.8%
Gearing	Long Term Borrowing/ Funds & Reserves	6.8%	6.3%	8.2%	6.5%	6.5%	2.9%	4.1%	6.3%	5.5%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	0.8	0.7	0.6	0.6	0.6	0.2	0.9	1.0	0.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	0.7	0.6	0.6	0.6	0.2	0.9	1.0	0.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.3	0.2	0.2	0.2	0.1	0.6	0.6	0.4
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	106.2%	107.4%	110.2%	109.7%	109.7%	109.7%	111.3%	107.8%	102.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.8%	22.5%	20.7%	18.1%	18.1%	13.2%	11.4%	10.1%	7.3%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100%	100%	100%	100%	100%	100%	100%	100%	200%
<b><u>Funding of Provisions</u></b>										
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.4%	40.0%	41.6%	41.2%	41.2%	40.3%	39.3%	39.8%	47.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.4%	40.0%	41.6%	41.2%	41.2%	40.3%	39.3%	39.8%	47.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	26.1%	28.0%	27.7%	28.9%	28.9%	24.2%	21.0%	20.5%	21.0%
<b><u>Financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	11.2	8.9	28.2	29.5	29.5	2.3	66.1	14.8	12.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	14.4%	16.1%	13.5%	12.1%	12.1%	13.8%	10.5%	11.8%	10.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.0	2.4	2.7	3.1	2.4	3.1	3.6	4.0	4.1

Source: own compilation

**Appendix Za2 - City of Sydney key financial indicators**

Description of financial indicator	Basis of calculation	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<b>Borrowing Management</b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. grants & contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	3.0%	2.9%	3.0%	3.2%	3.2%	3.2%	3.1%	3.1%	2.2%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%	0.0%	0.0%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	4.5	5.2	4.6	2.5	2.5	2.5	2.1	2.9	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.5	5.2	4.6	2.5	2.5	2.5	2.1	2.9	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	4.1	4.8	4.3	2.2	2.2	2.2	1.8	2.6	2.6
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		98.5%	102.1%	103.1%	103.1%	103.1%	107.1%	107.7%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.4%	7.8%	7.7%	9.1%	9.1%	9.0%	7.7%	8.6%	9.6%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.8%	29.5%	31.3%	33.3%	33.3%	32.2%	34.9%	35.8%	35.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.8%	29.5%	31.3%	33.3%	33.3%	32.2%	34.9%	35.8%	35.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	5.7%	6.1%	7.0%	7.0%	6.9%	6.7%	9.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.5%	11.8%	11.2%	12.2%	12.2%	12.2%	14.9%	15.6%	16.0%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15.3	15.9	17.2	13.2	13.2	13.2	28.4	29.8	29.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	9.7%	10.2%	9.1%	9.9%	9.9%	9.7%	9.2%	10.0%	12.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	21.6	20.9	16.0	14.4	14.4	9.0	6.7	3.5	3.4

Source: own compilation

## Appendix Zb: Australian samples financial health assessment

Question No.	Question	Category	Brisbane 08/09	Sydney 08/09
	<b>Total % score</b>		<b>69%</b>	<b>87%</b>
	<b>Rating:</b>		<b>Good</b>	<b>Excellent</b>
1	CEO's experience in Local Government/Public Sector	Institutional	10	6
2	Strategic Priorities focus	Institutional/Environmental	17	16
3	Chief Financial Officer's qualifications and experience	Institutional	15	15
4	Last audit of the annual financial statements	Institutional	15	15
5	Critical issues emphasised in the Audit Report	Institutional	10	10
6	Does the local authority have an adopted Financial Management Policy (ie. principals of Financial Management and Medium/Long Term Financial Strategy)	Institutional	8	20
7	Principals of Financial Management applied to the Budget and Estimates for the medium term budget	Institutional	10	0
8	Result (Statement/Budget) of Financial Performance	Financial	26	26
9	Operating Budget & Estimates "Net Result" for the 3 years (effective 1 July 2004 in GRAP format)	Financial	23	26
10	Balance Sheets been prepared in respect of the Budget and Estimates for the 3 years (in GRAP format)	Institutional	15	15
11	Projected Cash Flow Statements been prepared for the Budget and Estimates for the 3 years (in GRAP format)	Institutional	15	15
12	Capital Expenditure Program Budget for the 3 years	Trend	15	15
13	Impact of the Capital Expenditure program been recognised in the Operating Budget and Estimates	Institutional	15	15
15	Impact of above external borrowings (if any), recognised in the Budget & Estimates (Years 1 to 3)	Trend	10	10
18	Most frequent method of financial monitoring and reporting	Institutional	10	10
19	(Operating/Capital) Budget and Estimates linked to the IDP	Institutional	6	6
20	Operates a Financial Risk Management Program	Institutional	10	10
21	Current Ratio for each of the 3 years of the MTREF	Financial/Trend	5	26
22	Acid Ratio for each of the 3 years of the MTREF	Financial/Trend	-5	26
23	Revenue composition/grants reliance	Financial/Trend	26	26
24	Proportion of Salaries, Allowances and Employee Related Costs to Total Expenditure; Average cost per Employee and Number of Employees per Capita	Financial/Trend	13	13
25	Proportion of Repairs & Maintenance costs to WDV (Written Down Value) of assets	Financial/Trend	-13	-13
26	External Debt Service Ratio	Financial/Trend	12	26
27	Cash generated from Operations	Financial/Trend	17	26
28	Cash/investment balance at year end	Financial/Trend	9	22
29	Days of Rates, Fees & Charges outstanding	Financial/Trend	7	7
30	Days of Electricity Charges outstanding	Financial/Trend	10	10
31	Days of Water Charges outstanding	Financial/Trend	7	10
32	Collection Rate (Collections vs Billings, as per funding compliance procedure)	Financial/Trend	26	26
			<b>345</b>	<b>435</b>

Source: own compilation based on (National Treasury 23, 2008)

## **Appendix Zc: Maps of South African sample municipalities by province**

The maps (Municipal Demarcation Broad (South Africa), 2012) on the following pages depict the location and dispersion of the municipalities included in the South Africa municipal samples analysed in this thesis. The municipal areas shaded in 'green' represent those municipalities that were provided with an international technical assistance advisor under the MFMTAP. Those municipalities shaded in 'red' were not provided with advisory technical assistance.

South Africa is divided into nine (9) provinces. Each province has its own provincial government which shares local government oversight with the national government. A separate map is provided for each province, being:

1. Eastern Cape
2. Free State
3. Gauteng
4. Kwa Zulu Natal
5. Limpopo
6. Mpumalanga
7. Northern Cape
8. North-West
9. Western Cape





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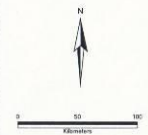
### Municipalities of the Eastern Cape

As at Local Government Elections 24 May 2011

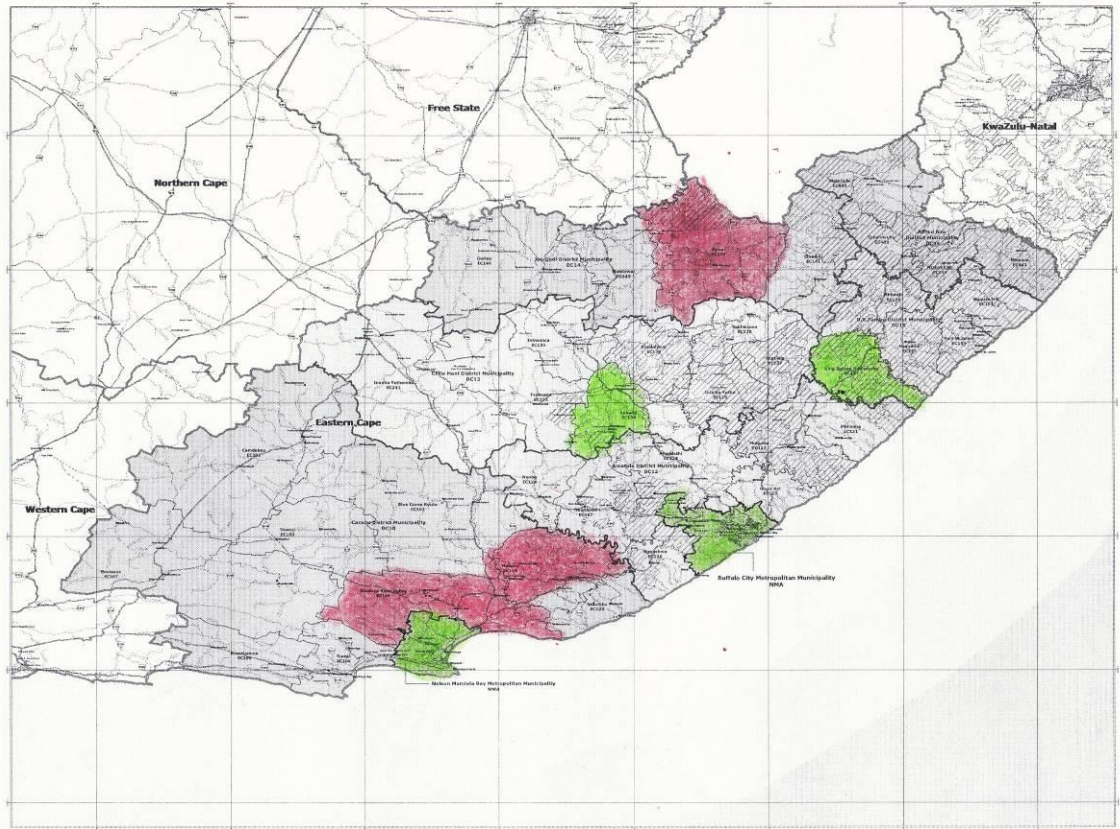
- 2 Metropolitan Municipalities (Category A)
- 37 Local Municipalities (Category B)
- 6 District Municipalities (Category C)

#### Legend

- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



## Municipalities of the Eastern Cape Province



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### Municipalities of the Free State

As at Local Government Elections 24 May 2011

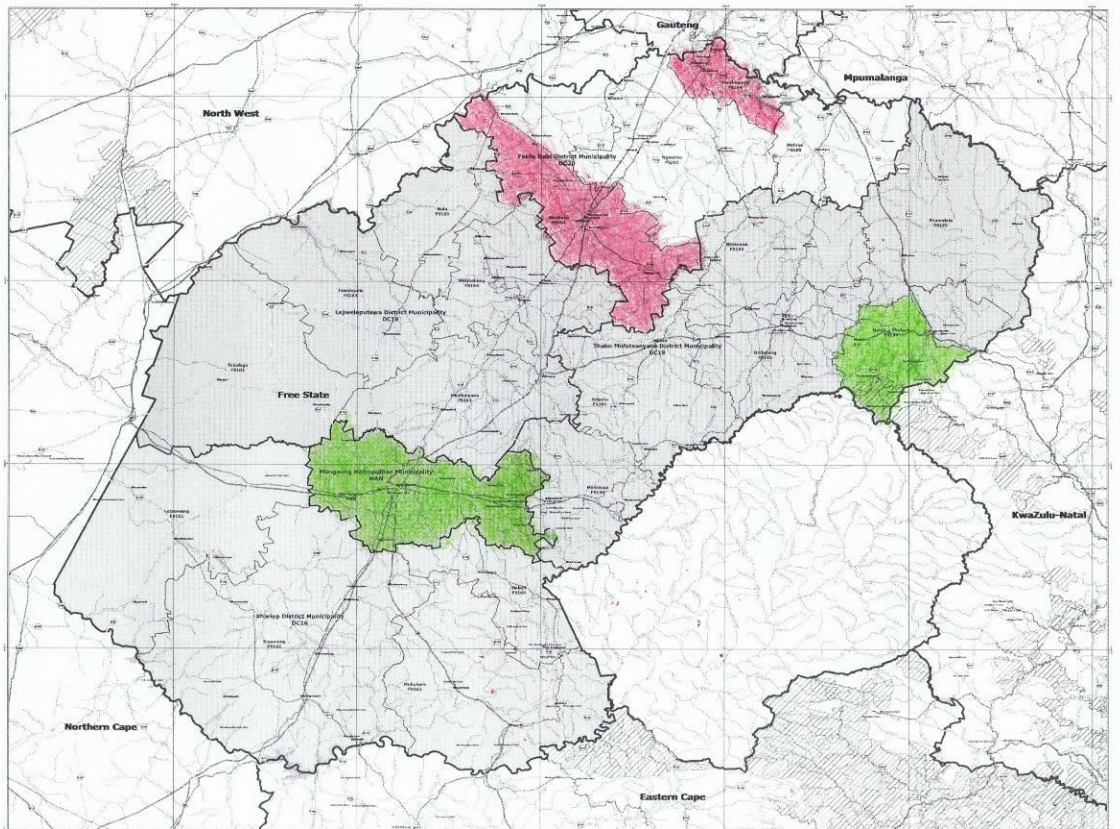
- 1 Metropolitan Municipality (Category A)
- 19 Local Municipalities (Category B)
- 4 District Municipalities (Category C)

#### Legend

- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



## Municipalities of the Free State Province







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### Municipalities of Gauteng

As at Local Government Elections 18 June 2013

- 3 Metropolitan Municipalities (Category A)
- 7 Local Municipalities (Category B)
- 2 District Municipalities (Category C)

#### Legend

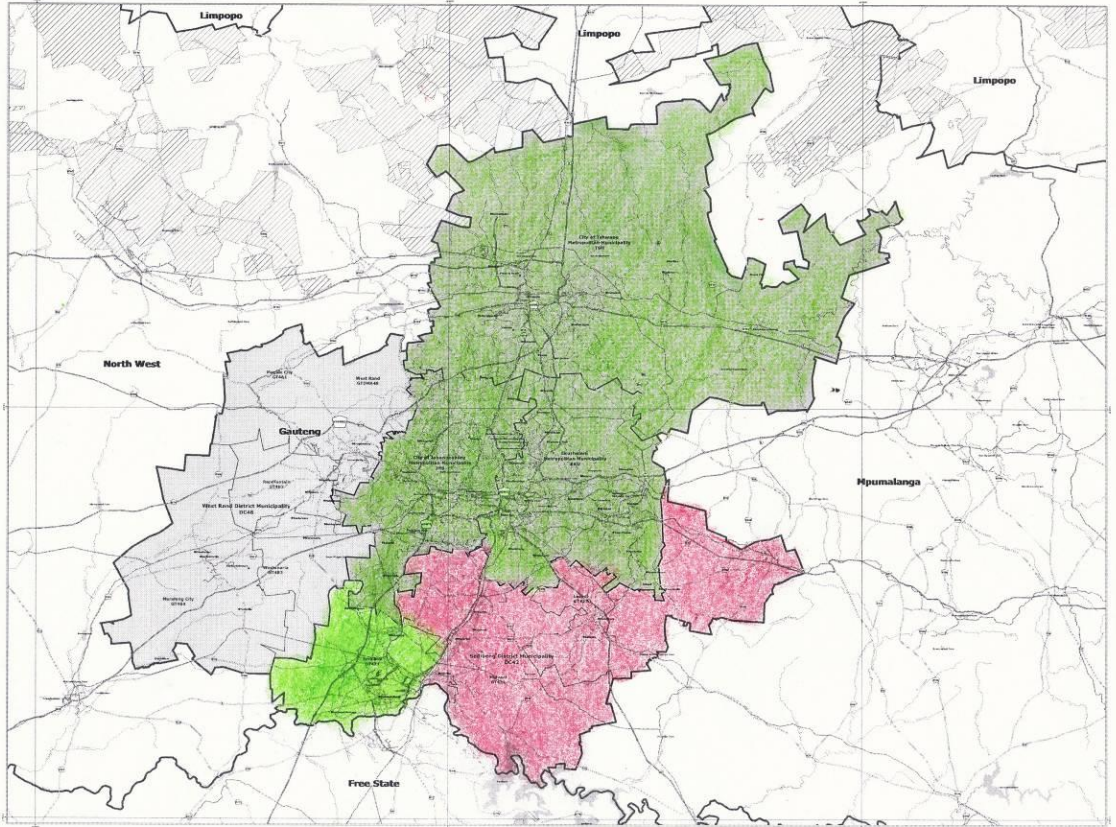
- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



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Kilometres



## Municipalities of the Gauteng Province



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#### Legend

- Main Towns
- Provinces
- District Municipalities
- Local Municipalities
- Traditional Authority Areas
- District Management Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers

Data supplied by:

Statistics South Africa  
Department: Water Affairs & Forestry  
Department: Provincial & Local Government  
Department: Transport

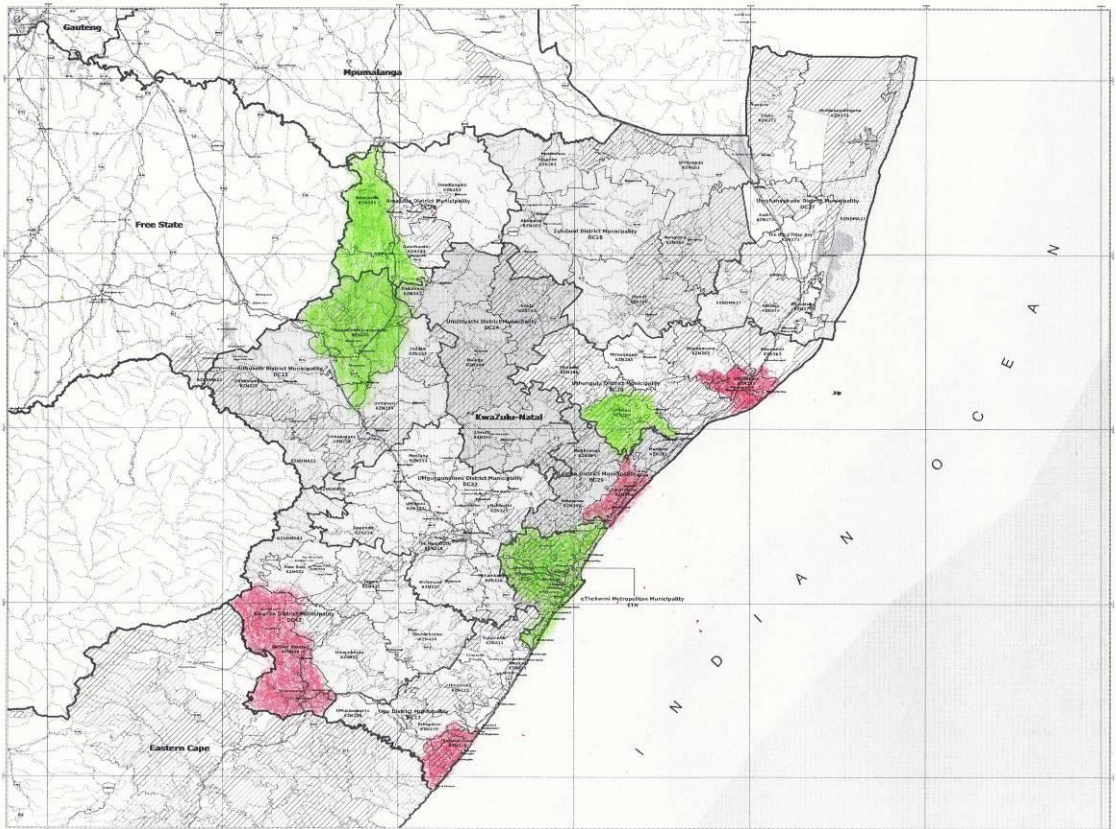


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Kilometres

July 2009



## KwaZulu-Natal







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### Municipalities of Limpopo

As at Local Government Elections 18 May 2011

- 0 Metropolitan Municipalities (Category A)
- 25 Local Municipalities (Category B)
- 5 District Municipalities (Category C)

#### Legend

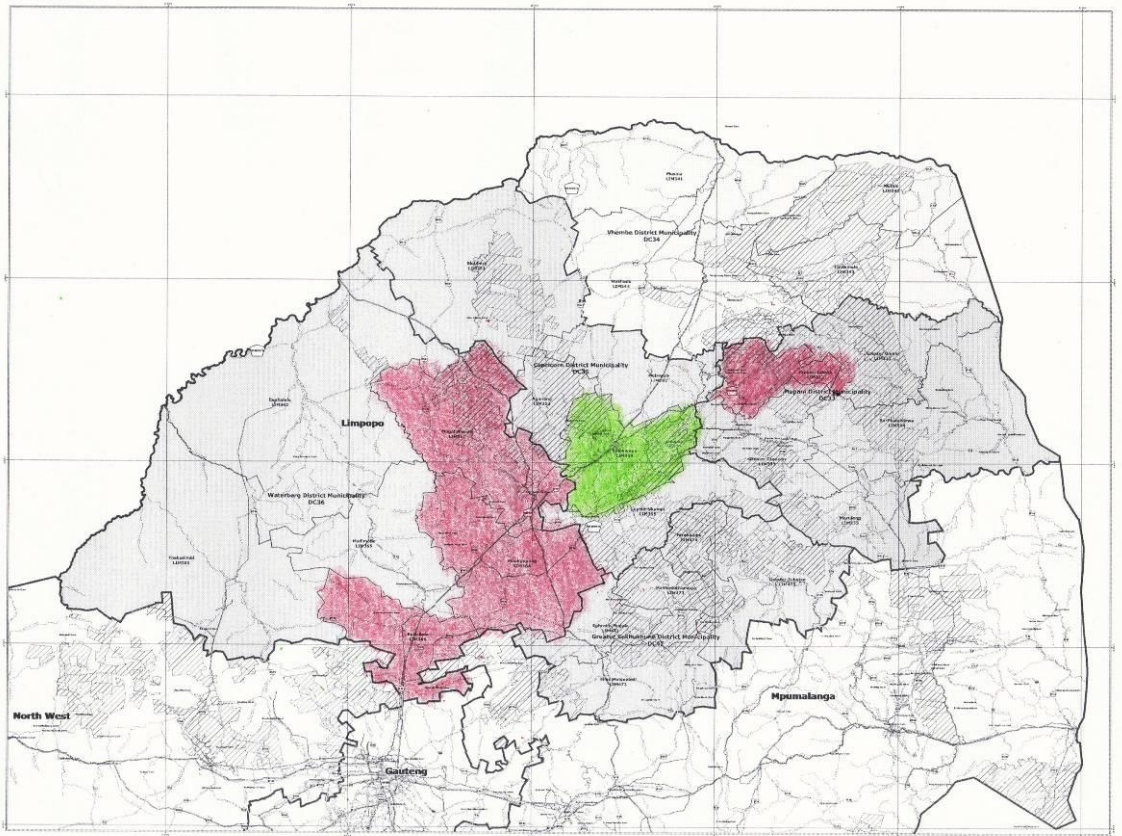
- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- ▨ Traditional Council Areas
- ▨ Dams
- ▨ National Roads
- ▨ Main Roads
- ▨ Railways
- ▨ Rivers



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Kilometers



## Municipalities of the Limpopo Province



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### Municipalities of Mpumalanga

As at Local Government Elections 18 May 2011

- 0 Metropolitan Municipality (Category A)
- 18 Local Municipalities (Category B)
- 3 District Municipalities (Category C)

#### Legend

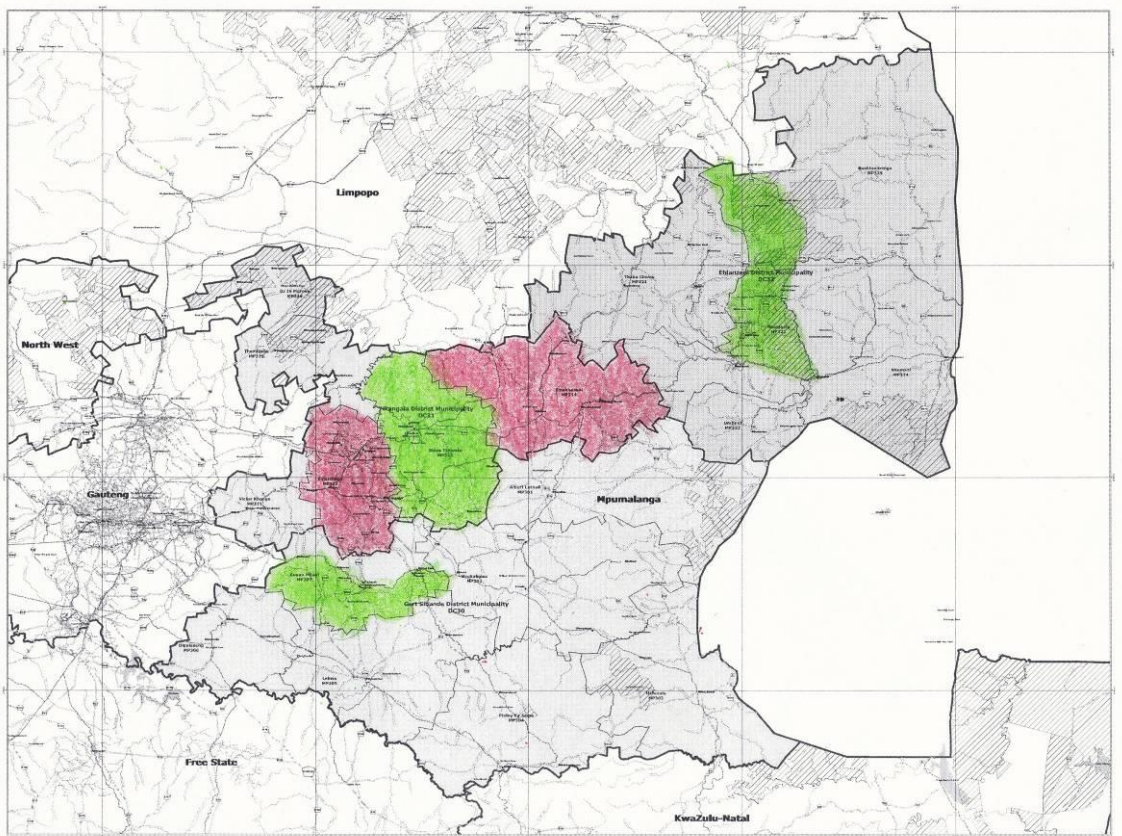
- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- ▨ Traditional Council Areas
- ▨ Dams
- ▨ National Roads
- ▨ Main Roads
- ▨ Railways
- ▨ Rivers



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## Municipalities of the Mpumalanga Province







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### Municipalities of the Northern Cape

As at Local Government Elections  
29 May 2015

- 0 Metropolitan Municipality (Category A)
- 27 Local Municipalities (Category B)
- 5 District Municipalities (Category C)

#### Legend

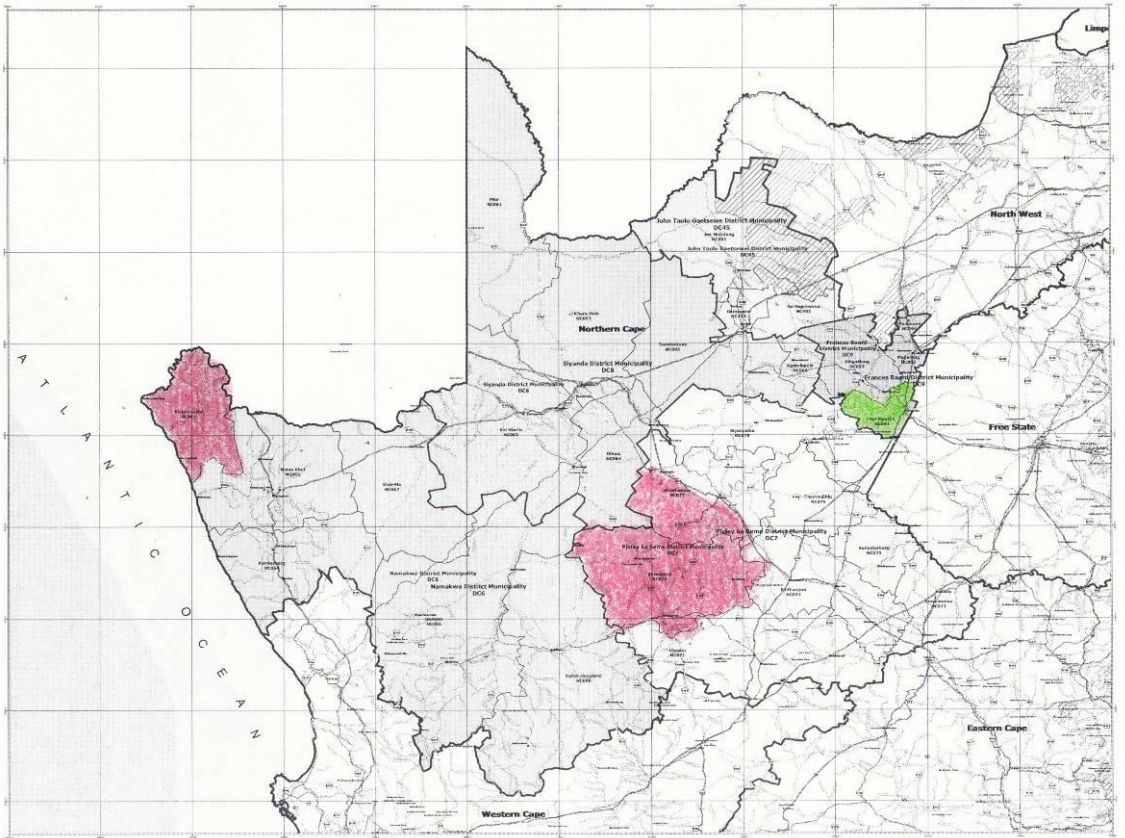
- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



0 50 100  
Kilometers



## Municipalities of the Northern Cape Province



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### Municipalities of the North West

As at Local Government Elections  
29 May 2015

- 0 Metropolitan Municipality (Category A)
- 19 Local Municipalities (Category B)
- 4 District Municipalities (Category C)

#### Legend

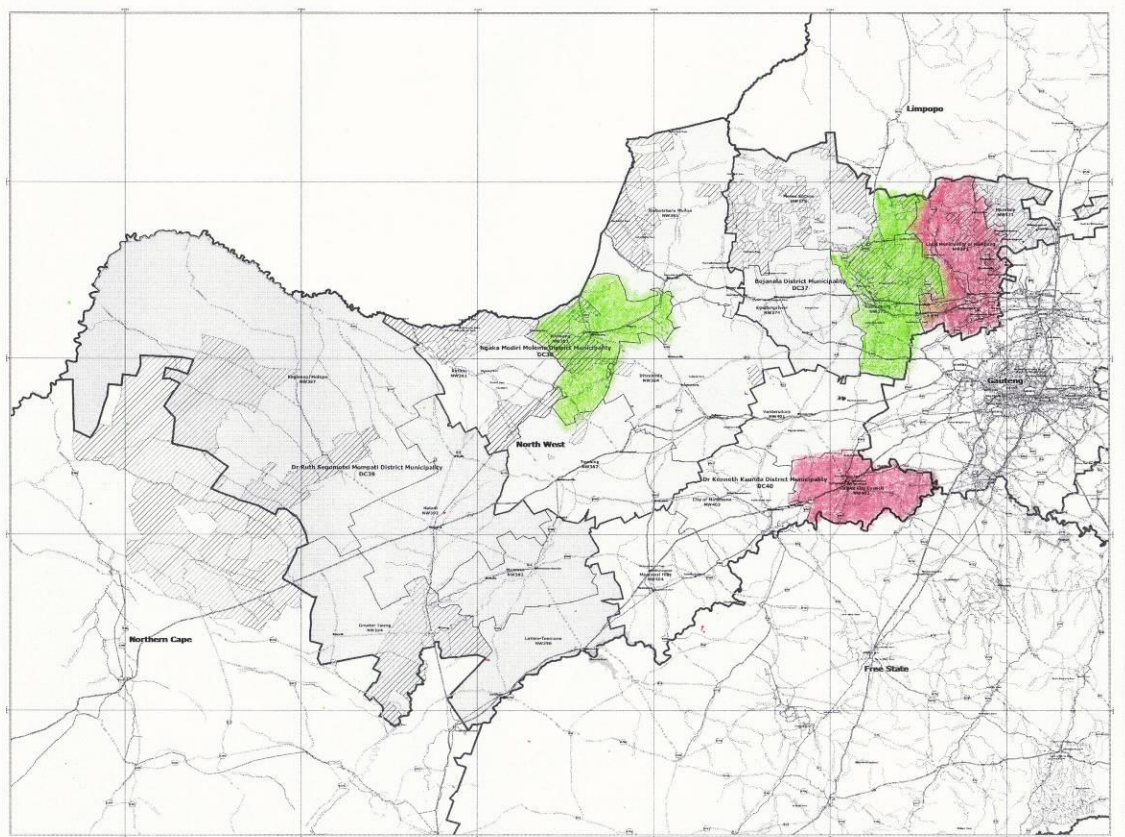
- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



0 25 50  
Kilometers



## Municipalities of the North West Province







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### Municipalities of the Western Cape

As of Local Government Elections  
16 May 2011

- 1 Metropolitan Municipality (Category A)
- 24 Local Municipalities (Category B)
- 5 District Municipalities (Category C)

#### Legend

- Main Towns
- Provinces
- District Municipalities
- Metropolitan Municipalities
- Local Municipalities
- Traditional Council Areas
- Dams
- National Roads
- Main Roads
- Railways
- Rivers



0 25 50  
kilometers



## Municipalities of the Western Cape Province

