

**REPORT TO COUNCIL: 28 APRIL 2009**  
**OFFICE OF THE EXECUTIVE MAYOR**

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE**  
**2008/09 BUDGET FOR THE THIRD QUARTER ENDING 31 MARCH 2009**

**1. BACKGROUND**

In terms of Section 52 (d) of the Municipal Finance Management Act No 56, 2003 Chapter 7, the Mayor must within 30 (thirty) days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality.

**Compliance**

The March 2009 Monthly Statement of Financial Performance in terms of section 71 (1) of the MFMA was submitted to the Executive Mayor on 16 April 2009.

**The current report approaches the Review in the following order:**

- 2. Overview of Financial Performance**
- 3. Statement of Financial Performance**
- 4. Capital Expenditure**
- 5. Restructuring Grant**
- 6. Recommendation**

**Annexure**

- A Statement of Financial Position**
- B Financial Ratios and benchmarks**
- C.1 Revenue Projected by Source**
- C.2 Quarterly Summary of Projections of Revenue and Expenditure by Function**
- D Cash Flow statement**
- E Schedule of Investments**
- F Schedule of Borrowings**
- G List of Operating Projects**
- H List of Capital Projects**
- I Schedule of Restructuring Grant funded Projects**
- J Schedule of MIG funded Projects**

## 2. OVERVIEW OF FINANCIAL PERFORMANCE

The period being assessed is for the nine months ending 31 March 2009.

**Table 1: Performance Summary**

|  |                 |  |               |
|--|-----------------|--|---------------|
| <b><u>Financial</u></b>                    |                 | <b><u>Cash Management</u></b>                      |               |
| Estimated Operating surplus for the period | R 219,472,649   | Cash on hand                                       | R 115,356,476 |
| Debtors collection ratio %                 | 93.08%          | Total value of investments                         | R 856,557,220 |
| YTD all grants and subsidies               | R 356,705,721   | Total ceded investments                            | R 2,339,497   |
| Creditors days                             | 29              | Total investments - own funds                      | R 411,045,342 |
| Current ratio                              | 2.30:1          | Total conditional grants                           | R 443,172,380 |
|  |                 | Total Loans  | R 586,486,131 |
| <b><u>Overall Operating results</u></b>    |                 | <b><u>Surplus per Service</u></b>                  |               |
| Income                                     | R 1,680,303,176 | Water  | (R10,000,639) |
| Expenditure                                | R 1,456,200,161 | Electricity  | R67,693,535   |
| Transfer to & from Reserves                | (R4,630,366)    | Refuse   | R17,356,444   |
| Estimated Surplus                          | R 219,472,649   | Sewerage   | R18,976,676   |
|  |                 | Rates  | R258,252,601  |
| <b><u>Debtors</u></b>                      |                 | <b><u>Operating Projects Expenditure 08/09</u></b> |               |
| Total debtors book                         | R 383,640,956   | Operating Expenditure as a % of                    |               |
| Total debt written off                     | R 15,541,108    | total approved adjusted budget                     | 32%           |
| Year to date collection                    | R 951,646,631   |  |               |
| <b><u>Capital Expenditure 08/09</u></b>    |                 | <b><u>Capital Expenditure 07/08</u></b>            |               |
| Capital Expenditure as a % of total        |                 | Capital Expenditure as a % of                      |               |
| approved adjusted budget                   | 22%             | total approved adjusted budget                     | 35%           |
| <b><u>Human Resources</u></b>              |                 | <b><u>Human Resources</u></b>                      |               |
| Staff appointments                         | 515             | Number of funded vacant posts                      | 540           |
| Staff terminations                         | 280             | Salary bill - Councilors                           | R 14,904,223  |
| Total staff complement                     | 4,368           | Salary bill - Officials                            | R 477,518,908 |
| Total overtime paid                        | R 4,936,052     | Workforce costs as a % of income                   | 28.4%         |

## Comments on the Overall Performance

- The estimated overall operating results as at 31 March 2009 indicate an estimated surplus of R219.5 million.
- The debtors collection ratio for the period ending 31 March 2009 is 93.08% (07/08: 93.25%). It appears that the current economic climate has adversely affected payment of municipal accounts. The current period collection ratio has decreased slightly when compared to the same period in the last financial year.
- Actual personnel costs expressed, as a percentage of actual operating income for the period is 28.4%. The total staff complement is 4,368. There were 515 new appointments made and 280 terminations.
- Creditor's payment days stands at 29 days. The current ratio is 2.30:1.
- As at 31 March 2009 the cash flow of the City reflects a favourable net primary bank balance of R115.36 million and own investments of R409.7 million. (**Refer annexure E**).
- Total debtors outstanding as at 31 March 2009 amounts to R383.64 million. Debt written-off during the period amounted to R15,541. This is debt older than 3 years that is irrecoverable.
- The total accumulative amount borrowed by Council as at 31 March 2009 amounts to R586.49 million (**Refer Annexure F**).

**3. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED  
31 MARCH 2009**

The Statement of Financial Performance is presented on the **accrual basis**, which identifies budgeted expenditure to actual expenditure and the corresponding surplus/deficit for the period.

**Table 2: Statement of Financial Performance for the period ended 31 March 2009**

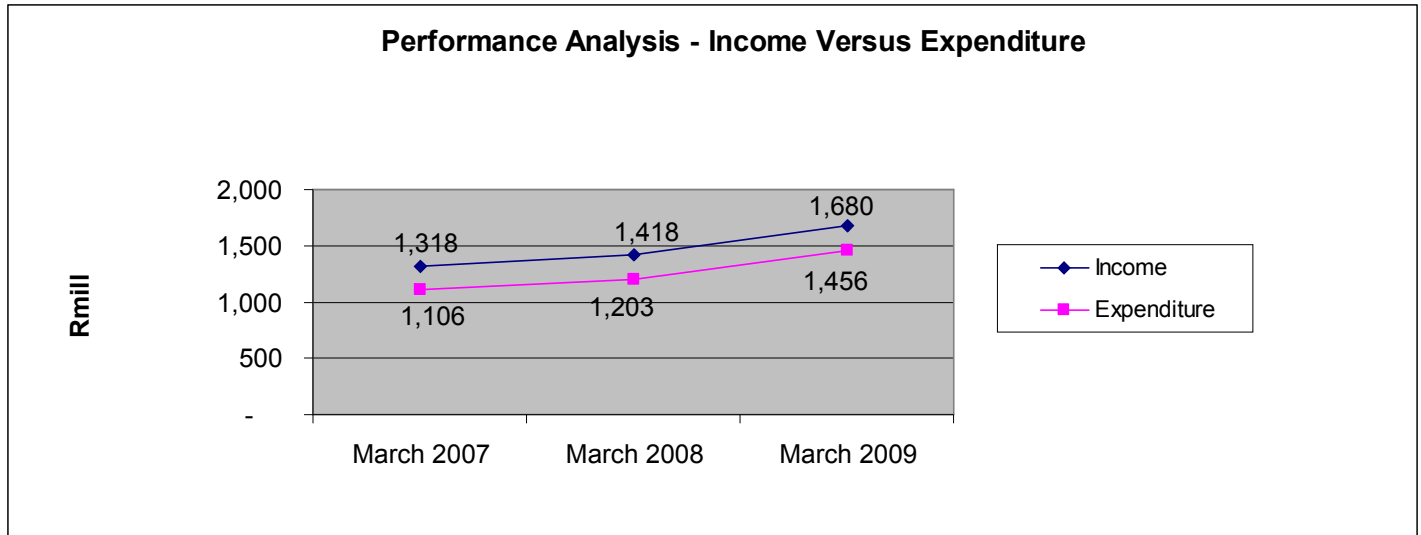
| BUFFALO CITY MUNICIPALITY              |      |                             |                          |                                     |                               |
|--|------|-----------------------------|--------------------------|-------------------------------------|-------------------------------|
| STATEMENT OF FINANCIAL PERFORMANCE     |      |                             |                          |                                     |                               |
|  |      | 2008/09<br>ANNUAL<br>BUDGET | 2008/09<br>YTD<br>BUDGET | 2008/09<br>YTD ACCRUED<br>INC / EXP | 2008/09<br>YTD EXP/<br>BUDGET |
| STATEMENT OF FINANCIAL PERFORMANCE     | Note | R                           | R                        | R                                   | %                             |
| <b>OPERATING INCOME</b>                |      |                             |                          |                                     |                               |
| Property Rates                         | 1    | 359,453,670                 | 287,252,219              | 290,288,367                         | 81%                           |
| Service Charges                        | 2    | 1,039,739,193               | 769,259,384              | 770,733,319                         | 74%                           |
| Rental of Facilities and Equipment     |      | 9,604,292                   | 7,203,219                | 5,927,261                           | 62%                           |
| Interest Earned - External Investments |      | 18,318,834                  | 13,739,126               | 58,792,213                          | 321%                          |
| Interest Earned - Outstanding Debtors  |      | 33,878,313                  | 25,408,735               | 27,282,171                          | 81%                           |
| Dividends Received                     |      | 49,867                      | 37,400                   | 33,328                              | 67%                           |
| Fines                                  |      | 8,021,879                   | 6,016,409                | 5,285,081                           | 66%                           |
| Licences and Permits                   |      | 11,785,172                  | 8,838,879                | 9,176,529                           | 78%                           |
| Government Grants and Subsidies        | 3    | 372,013,633                 | 359,557,858              | 356,705,721                         | 96%                           |
| Other Income                           | 4    | 130,130,615                 | 97,597,961               | 89,317,388                          | 69%                           |
| Operating Project Grants               |      | 210,233,712                 | 157,675,284              | 66,781,798                          | 32%                           |
| <b>Total Operating Revenue</b>         |      | <b>2,193,229,180</b>        | <b>1,732,586,474</b>     | <b>1,680,303,176</b>                | <b>77%</b>                    |
| <b>OPERATING EXPENDITURE</b>           |      |                             |                          |                                     |                               |
| Employee Related Costs                 | 5    | 681,184,722                 | 510,888,542              | 492,423,131                         | 72%                           |
| Bad Debts                              |      | 42,283,339                  | 31,712,504               | 42,747,403                          | 101%                          |
| Collection Costs                       |      | 11,239,890                  | 8,429,918                | 7,728,977                           | 69%                           |
| Depreciation                           |      | 186,058,475                 | 139,543,856              | 143,997,925                         | 77%                           |
| Repairs and Maintenance                | 9    | 149,850,627                 | 112,387,970              | 73,441,250                          | 49%                           |
| Bulk Purchases                         | 6    | 479,448,490                 | 350,766,747              | 350,008,589                         | 73%                           |
| Contracted Services                    |      | 6,346,154                   | 4,759,616                | 2,460,766                           | 39%                           |
| Grants and Subsidies Paid              |      | 4,857,652                   | 3,643,239                | 745,498                             | 15%                           |
| General Expenses - Other               | 7    | 408,503,604                 | 306,377,703              | 275,864,824                         | 68%                           |
| Operating Projects                     | 8    | 210,233,712                 | 157,675,284              | 66,781,798                          | 32%                           |
| <b>Total Operating Expenditure</b>     |      | <b>2,180,006,665</b>        | <b>1,626,185,378</b>     | <b>1,456,200,161</b>                | <b>67%</b>                    |
| <b>Transfer to/from Leave Reserves</b> |      | <b>(12,790,189)</b>         | <b>(9,592,642)</b>       | <b>(4,630,366)</b>                  |                               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>     |      | <b>432,326</b>              | <b>96,808,454</b>        | <b>219,472,649</b>                  |                               |

The method of estimating the Year-to-Date (YTD) Budgets is:

- Grants, rates and service charges – historical income trends
- Other Income – three quarters of the Annual Budget
- Electricity and Water bulk purchase – seasonal trends
- Expenditure (excluding Electricity and Water Bulk purchases) – three quarters of the Annual Budget.

Figure 1 shows Operating Income and Expenditure pattern for the period ending 31 March 2009 compared to the same period in the two previous financial years.

**Figure 1**



**Notes to the Statement of Financial Performance 31 March 2009**

**Note 1: Assessment Rates Services**

| Assessment Rates     | 2007/2008          | 2007/2008             | YTD                      | 2008/2009          | 2008/2009          | 2008/2009             | 2008/2009            | YTD                      |
|----------------------|--------------------|-----------------------|--------------------------|--------------------|--------------------|-----------------------|----------------------|--------------------------|
|                      | YTD Budget R       | YTD Accrual Inc/Exp R | Variance fav./(unfav.) % | Annual Budget R    | YTD Budget R       | YTD Accrual Inc/Exp R | YTD Actual Inc/Exp R | Variance fav./(unfav.) % |
| Billing Income       | 259,105,405        | 256,825,277           | (0.88)                   | 359,453,670        | 287,252,219        | 290,268,367           | 252,764,360          | 1.05                     |
| Equitable Share      | 26,667,606         | 26,667,606            | 0.00                     | 29,637,280         | 29,637,280         | 32,340,812            | 32,340,812           | 9.12                     |
| Other Income         | 51,088,421         | 43,573,344            | (14.71)                  | 37,059,090         | 27,794,318         | 1,173,830             | 1,173,830            | (95.78)                  |
| <b>Total Revenue</b> | <b>336,861,432</b> | <b>327,066,228</b>    | <b>(2.91)</b>            | <b>426,150,040</b> | <b>344,683,817</b> | <b>323,783,009</b>    | <b>286,279,001</b>   | <b>(6.06)</b>            |

The annual YTD assessment rates accrual reflects a positive variance of 1.05% (3.02 million) as compared to the year-to-date budget.

**Note 2: Service Charges**

The total YTD service charges billing income indicates a positive variance of 0.19% (R1.47 million) for the period ending 31 March 2009.

## Electricity Services

| Electricity Service        | 2007/2008          | 2007/2008                      | YTD                            | 2008/2009             | 2008/2009          | 2008/2009                      | 2008/2009                  | YTD                            |
|----------------------------|--------------------|--------------------------------|--------------------------------|-----------------------|--------------------|--------------------------------|----------------------------|--------------------------------|
|                            | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | Variance<br>fav./(unfav.)<br>% | Annual<br>Budget<br>R | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | YTD Actual<br>Inc/Exp<br>R | Variance<br>fav./(unfav.)<br>% |
| <b>Billing Income</b>      | 328,741,920        | 345,417,468                    | 5.07                           | 604,173,373           | 445,768,177        | 442,413,364                    | 388,621,963                | (0.75)                         |
| <b>Equitable Share</b>     | 17,354,420         | 17,354,420                     | 0.00                           | 19,685,199            | 19,685,199         | 21,480,895                     | 21,480,895                 | 9.12                           |
| <b>Other Income</b>        | 150,378,386        | 107,626,451                    | (28.43)                        | 199,084,915           | 149,313,686        | 135,251,644                    | 135,251,644                | (9.42)                         |
| <b>Expenditure</b>         | 496,474,726        | 470,398,339                    | (5.25)                         | 822,943,487           | 614,767,062        | 599,145,903                    | 545,354,502                | (2.54)                         |
|                            | 457,741,203        | 416,169,559                    | 9.08                           | 795,101,946           | 596,326,460        | 531,452,368                    | 531,452,368                | (10.88)                        |
| <b>Surplus / (Deficit)</b> | 38,733,523         | 54,228,780                     |                                | 27,841,541            | 18,440,603         | 67,693,535                     | 13,902,134                 |                                |

Electricity YTD billing reflects a negative variance of 0.75% (R3.4 million) against budget. Overall the year-to-date performance reflects a surplus of R67.7 million.

Other income includes availability charges, cable connections, new connections, and meter test fees, private jobbing, reconnections, sundry income & internal recoveries.

## Water Services

| Water Service              | 2007/2008          | 2007/2008                      | YTD                            | 2008/2009             | 2008/2009          | 2008/2009                      | 2008/2009                  | YTD                            |
|----------------------------|--------------------|--------------------------------|--------------------------------|-----------------------|--------------------|--------------------------------|----------------------------|--------------------------------|
|                            | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | Variance<br>fav./(unfav.)<br>% | Annual<br>Budget<br>R | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | YTD Actual<br>Inc/Exp<br>R | Variance<br>fav./(unfav.)<br>% |
| <b>Billing Income</b>      | 114,091,128        | 127,488,013                    | 11.74                          | 183,634,963           | 133,673,197        | 135,491,271                    | 105,372,059                | 1.36                           |
| <b>Equitable Share</b>     | 29,397,071         | 29,397,071                     | (0.00)                         | 31,923,006            | 31,923,006         | 34,835,043                     | 34,835,043                 | 9.12                           |
| <b>Other Income</b>        | 109,828,698        | 86,283,160                     | (21.44)                        | 146,389,531           | 109,792,148        | 99,944,620                     | 99,944,620                 | (8.97)                         |
| <b>Expenditure</b>         | 253,316,897        | 243,168,243                    | (4.01)                         | 361,947,500           | 275,388,351        | 270,270,933                    | 240,151,722                | (1.86)                         |
|                            | 250,885,182        | 231,804,735                    | 7.61                           | 411,020,296           | 308,265,222        | 280,271,572                    | 280,271,572                | (9.08)                         |
| <b>Surplus / (Deficit)</b> | 2,431,715          | 11,363,508                     |                                | (49,072,796)          | (32,876,871)       | (10,000,639)                   | (40,119,851)               |                                |

The Water YTD billing income indicates that there is a positive variance of 1.36% (R1.8 million). The overall year-to-date performance reflects a deficit of R10 million.

Other income includes availability charges, new water connections, meter test fees, PSW accounts profit, reconnection fees and sundry income.

## Refuse Services

| Refuse Service             | 2007/2008          | 2007/2008                      | YTD                             | 2008/2009             | 2008/2009          | 2008/2009                      | 2008/2009                  | YTD                             |
|----------------------------|--------------------|--------------------------------|---------------------------------|-----------------------|--------------------|--------------------------------|----------------------------|---------------------------------|
|                            | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | Variance<br>fav./((unfav.)<br>% | Annual<br>Budget<br>R | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | YTD Actual<br>Inc/Exp<br>R | Variance<br>fav./((unfav.)<br>% |
| <b>Billing Income</b>      | 76,763,473         | 81,960,347                     | 6.77                            | 119,414,425           | 87,468,896         | 93,529,574                     | 55,759,779                 | 6.93                            |
| <b>Equitable Share</b>     | 38,318,520         | 38,318,520                     | 0.00                            | 41,920,352            | 41,920,352         | 45,744,353                     | 45,744,353                 | 9.12                            |
| <b>Other Income</b>        | 25,238,409         | 9,900,006                      | (60.77)                         | 25,309,741            | 18,982,306         | 11,089,840                     | 11,089,840                 | (41.58)                         |
| <b>Expenditure</b>         | 140,320,402        | 130,178,873                    | (7.23)                          | 186,644,518           | 148,371,554        | 150,363,767                    | 112,593,972                | 1.34                            |
|                            | 140,990,951        | 131,560,296                    | (6.69)                          | 202,244,572           | 151,683,429        | 133,007,323                    | 133,007,323                | (12.31)                         |
| <b>Surplus / (Deficit)</b> | (670,549)          | (1,381,423)                    |                                 | (15,600,054)          | (3,311,875)        | 17,356,444                     | (20,413,351)               |                                 |

Refuse YTD billing indicates a positive variance of 6.93% (R6.1 million). Overall the year-to-date performance reflects a surplus of R17.4 million.

Other income includes sundry income, Scrap, internal recoveries & littering fines.

## Sewerage Services

| Sewerage Service           | 2007/2008          | 2007/2008                      | YTD                             | 2008/2009             | 2008/2009          | 2008/2009                      | 2008/2009                  | YTD                             |
|----------------------------|--------------------|--------------------------------|---------------------------------|-----------------------|--------------------|--------------------------------|----------------------------|---------------------------------|
|                            | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | Variance<br>fav./((unfav.)<br>% | Annual<br>Budget<br>R | YTD<br>Budget<br>R | YTD<br>Accrual<br>Inc/Exp<br>R | YTD Actual<br>Inc/Exp<br>R | Variance<br>fav./((unfav.)<br>% |
| <b>Billing Income</b>      | 90,651,295         | 91,222,398                     | 0.63                            | 132,516,432           | 102,349,114        | 99,299,110                     | 77,709,752                 | (2.98)                          |
| <b>Equitable Share</b>     | 31,139,720         | 31,139,720                     | 0.00                            | 38,801,600            | 38,801,600         | 42,341,107                     | 42,341,107                 | 9.12                            |
| <b>Other Income</b>        | 21,338,116         | 17,503,749                     | (17.97)                         | 31,187,380            | 23,390,535         | 18,404,519                     | 18,404,519                 | (21.32)                         |
| <b>Expenditure</b>         | 143,129,131        | 139,865,867                    | (2.28)                          | 202,505,412           | 164,541,249        | 160,044,736                    | 138,455,377                | (2.73)                          |
|                            | 114,675,934        | 110,532,163                    | (3.61)                          | 220,540,926           | 165,405,695        | 141,068,059                    | 141,068,059                | (14.71)                         |
| <b>Surplus / (Deficit)</b> | 28,453,197         | 29,333,704                     |                                 | (18,035,514)          | (864,446)          | 18,976,676                     | (2,612,682)                |                                 |

Sewerage YTD billing indicates a negative variance of 2.98% (R3.1 million). The overall annual performance reflects a surplus of R19 million.

Other income includes sundry income, new connections, availability charges, septic tank drainage and trade effluent.

## Note 3: Grants

The Grant Income received as at 31 March 2009 includes the equitable share grant allocation of R 322.19 million.

#### **Note 4: Other income**

Other income which is made up of numerous miscellaneous items reflects a cash inflow of R89.32 million as against an estimated budget of R97.60.

#### **Note 5: Salaries Wages and Allowances**

Salaries, Wages and Allowances reflect under expenditure of 3.57% (R17.65 million) due to vacant funded posts that are not yet filled by the various Directorates and are well within the norm. The savings will be utilised to fund the Job evaluation/new tasks grading to be implemented in the second half of the current financial year.

#### **Staff Salaries and Benefits**

| <b><u>Staff Salaries and Benefits</u></b> | <b>2008/2009<br/>Annual<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Expenditure<br/>R</b> | <b>2008/2009<br/>Variance<br/>R</b> | <b>2008/2009<br/>Variance<br/>%</b> |
|---|--|---|--|-------------------------------------|-------------------------------------|
| <b>Staff Salaries and Benefits</b>        | <b>546,922,110</b>                           | <b>410,127,849</b>                        | <b>397,744,449</b>                             | <b>12,383,400</b>                   | <b>3.02</b>                         |
|   |  |   |  |                                     |                                     |
| <b>Company Contributions</b>              | <b>113,394,585</b>                           | <b>85,045,939</b>                         | <b>79,774,459</b>                              | <b>5,271,479</b>                    | <b>6.20</b>                         |
| <b>Total</b>                              | <b>660,316,695</b>                           | <b>495,173,788</b>                        | <b>477,518,908</b>                             | <b>17,654,880</b>                   | <b>3.57</b>                         |

#### **Councillor's Allowances and Benefits**

| <b>Councillors Allowances<br/>And Benefits</b> | <b>2008/2009<br/>Annual<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Expenditure<br/>R</b> | <b>2008/2009<br/>Variance<br/>R</b> | <b>2008/2009<br/>Variance<br/>%</b> |
|--|--|---|--|-------------------------------------|-------------------------------------|
|  |  |   |  |                                     |                                     |
| <b>Total</b>                                   | <b>20,868,027</b>                            | <b>15,639,778</b>                         | <b>14,904,223</b>                              | <b>735,555</b>                      | <b>4.70</b>                         |

#### **Analysis of Overtime**

| <b>Overtime</b>                           | <b>2008/2009<br/>Annual<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Expenditure<br/>R</b> | <b>2008/2009<br/>Variance<br/>R</b> | <b>2008/2009<br/>Variance<br/>%</b> |
|---|--|---|--|-------------------------------------|-------------------------------------|
| Directorate of Executive Support Services | 114,292                                      | 85,719                                    | 307,206  | (221,487)                           | (258.39)                            |
| Directorate of The Municipal Manager      | 15,666                                       | 11,750                                    | 2,305  | 9,444                               | 80.38                               |
| Directorate of Chief Operations Officer   | 18,952                                       | 14,214                                    | 62,655   | (48,441)                            | (340.80)                            |
| Directorate of Finance                    | 1,133,739                                    | 850,304                                   | 767,149  | 83,155                              | 9.78                                |
| Directorate of Corporate Services         | 333,029                                      | 249,772                                   | 138,259  | 111,513                             | 44.65                               |
| Directorate of Engineering Services       | 5,606,551                                    | 4,204,913                                 | 7,944,883                                      | (3,739,970)                         | (88.94)                             |
| Directorate of Development Planning       | 537,094                                      | 402,821                                   | 337,070  | 65,751                              | 16.32                               |
| Directorate of Community Services         | 11,494,787                                   | 8,621,090                                 | 15,526,055                                     | (6,904,964)                         | (80.09)                             |
| Directorate of Health and Public Safety   | 4,628,235                                    | 3,471,176                                 | 4,273,316                                      | (802,140)                           | (23.11)                             |
| <b>Total</b>                              | <b>23,882,345</b>                            | <b>17,911,759</b>                         | <b>29,358,898</b>                              | <b>(11,447,139)</b>                 | <b>(63.91)</b>                      |

## **COMMENTS FROM DIRECTORATES ON OVER/UNDER EXPENDITURE ON OVERTIME**

### **(a) DIRECTORATE OF ENGINEERING SERVICES**

Emergency work carried out due to storms, vandalism and standby repairs. Callouts whilst on standby to attend to bursts, serious leaks and pump/motor failures as well as staff shortages in the division.

### **(b) DIRECTORATE OF COMMUNITY SERVICES**

#### **Arts and Cultural Services**

Essential repairs & maintenance work undertaken at various ACS facilities by the Development Section during the weekend and after-hours  
Most hall bookings are after hours/over weekends resulting in excessive overtime. It is essential that the overtime is worked as this is a service to the public.

#### **Amenities**

The over-expenditure of overtime in the Amenities Department is as a result of all Sections having to work excessively seven days a week, as an operational requirement of the Department in order to produce effective service delivery.

#### **Environmental Services**

The start of a cleanup campaign throughout the city i.e. Settlersway, North East Expressway, Southernwood etc.

#### **Solid Waste Management Services**

The department of Solid Waste is forced to engage staff in order to catch up with the backlog. Also as a result of a need by Councilors to improve service delivery an intervention by the Councilors was implemented which involves the employment of 90 Nightshift workers which are rotated on a 2 month basis, because this intervention was never budgeted for the overtime of these employees also impacts on the overtime votes of the department.

### **(c) DIRECTORATE OF HEALTH & PUBLIC SAFETY**

#### **Health**

Staff has to visit initiates after hours and on week-ends to ensure compliance with the application of Health Standards in the Traditional Circumcision Act, 6 of 2001 (Eastern Cape), seasonally, being Winter and Summer season.

Nursing staff assist Traffic Department on weekends with their "DIC" campaigns. Traffic Department processes a credit to Nursing cost centre.

#### **Public Safety**

Public Safety's overtime is overspent due to the fact that there have been many additional events taking place in the City over the past few months. The Fire Dept also needs to maintain a minimum staffing level to provide an efficient service when staff is on leave and sick leave.

## Note 6: Bulk Purchases

| Bulk Purchases             | 2008/2009<br>Annual<br>Budget<br>R | 2008/2009<br>YTD<br>Budget<br>R | 2008/2009<br>YTD<br>Expenditure<br>R | 2008/2009<br>Variance<br>fav./ (unfav.)<br>R | YTD<br>Variance<br>unfav./ (fav.)<br>% |
|----------------------------|------------------------------------|---------------------------------|--------------------------------------|--|--|
| Electricity Bulk Purchases | 366,774,586                        | 269,035,347                     | 270,529,699                          | (1,494,353)                                  | 0.56                                   |
| Water Bulk Purchases       | 112,673,904                        | 81,731,400                      | 79,478,889                           | 2,252,511                                    | (2.76)                                 |
| <b>TOTAL</b>               | <b>479,448,490</b>                 | <b>350,766,747</b>              | <b>350,008,589</b>                   | <b>758,158</b>                               | <b>(0.22)</b>                          |

The bulk purchases indicate an under expenditure of 0.22% (R0.76 million) and is expected to be within the budget at the end of the financial year when taking the trends into consideration.

## Note 7: General Expenses

| General Expenses                          | 2008/2009<br>Annual<br>Budget<br>R | 2008/2009<br>YTD<br>Budget<br>R | 2008/2009<br>YTD<br>InclExp<br>R | 2008/2009<br>Variance<br>R | 2008/2009<br>% of the<br>YTD<br>budget<br>% |
|---|------------------------------------|---------------------------------|----------------------------------|----------------------------|---|
| Directorate of Executive Support Services | 28,508,545                         | 21,381,409                      | 16,892,785                       | 4,488,624                  | 79.01                                       |
| Directorate of The Municipal Manager      | 6,341,494                          | 4,756,121                       | 4,646,278                        | 109,842                    | 97.69                                       |
| Directorate of Chief Operations Officer   | 5,572,286                          | 4,179,215                       | 2,986,318                        | 1,192,896                  | 71.46                                       |
| Directorate of Finance                    | 64,713,421                         | 48,535,066                      | 43,429,471                       | 5,105,594                  | 89.48                                       |
| Directorate of Corporate Services         | 26,207,313                         | 19,655,485                      | 18,776,746                       | 878,739                    | 95.53                                       |
| Directorate of Engineering Services       | 116,120,427                        | 87,090,320                      | 89,464,057                       | (2,373,737)                | 102.73                                      |
| Directorate of Development Planning       | 28,178,946                         | 21,134,210                      | 17,049,429                       | 4,084,781                  | 80.67                                       |
| Directorate of Community Services         | 103,736,100                        | 77,802,075                      | 63,685,926                       | 14,116,149                 | 81.86                                       |
| Directorate of Health and Public Safety   | 29,125,072                         | 21,843,804                      | 18,933,814                       | 2,909,990                  | 86.68                                       |
| <b>TOTAL</b>                              | <b>408,503,604</b>                 | <b>306,377,703</b>              | <b>275,864,824</b>               | <b>30,512,879</b>          | <b>90.04</b>                                |

General expenditure efficiency ratio for the period ending 31 March 2009 is 90.04% (R275.86 million). The general expenses indicate an increase in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 89.79%).

## Note 8: Operational Projects

| PROJECTS                                  | 2008/2009<br>Annual<br>Budget<br>R | 2008/2009<br>YTD<br>Budget<br>R | 2008/2009<br>YTD<br>Exp<br>R | 2008/2009<br>Variance<br>R | 2008/2009<br>% Annual<br>Budget |
|---|------------------------------------|---------------------------------|------------------------------|----------------------------|---------------------------------|
| Directorate of Executive Support Services | 26,220,200                         | 19,665,150                      | 2,488,376                    | 17,176,774                 | 9.49                            |
| Directorate of The Municipal Manager      | 90,000                             | 67,500                          | 0                            | 67,500                     | 0.00                            |
| Directorate of Chief Operations Officer   | 6,614,494                          | 4,960,871                       | 1,668,858                    | 3,292,013                  | 25.23                           |
| Directorate of Finance                    | 41,517,847                         | 31,138,385                      | 24,379,952                   | 6,758,433                  | 58.72                           |
| Directorate of Corporate Services         | 2,755,056                          | 2,066,292                       | 2,303,931                    | -237,639                   | 83.63                           |
| Directorate of Engineering Services       | 8,865,492                          | 6,649,119                       | 1,353,214                    | 5,295,905                  | 15.26                           |
| Directorate of Development Planning       | 12,655,475                         | 9,491,606                       | 3,324,627                    | 6,166,979                  | 26.27                           |
| Housing Projects                          | 92,362,366                         | 69,271,775                      | 26,477,080                   | 42,794,694                 | 28.67                           |
| Directorate of Community Services         | 16,102,752                         | 12,077,064                      | 3,813,275                    | 8,263,789                  | 23.68                           |
| Directorate of Health and Public Safety   | 3,050,030                          | 2,287,523                       | 972,486                      | 1,315,037                  | 31.88                           |
| <b>TOTAL</b>                              | <b>210,233,712</b>                 | <b>157,675,284</b>              | <b>66,781,798</b>            | <b>90,893,486</b>          | <b>31.77</b>                    |

Operating Projects expenditure for the period ending 31 March 2009 is R66.78 million which is 31.77% of the 2<sup>nd</sup> adjustment budget. The current year's expenditure has decreased when compared to the same period in the previous financial year (2007/2008: 38.31%). The under-expenditure of the various directorates is attached as an annexure (**Refer to Annexure G**)

**Note 9: Repairs and Maintenance**

| <b>Repairs &amp; Maintenance</b>        | <b>2008/2009<br/>Annual<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Budget<br/>R</b> | <b>2008/2009<br/>YTD<br/>Expenditure<br/>R</b> | <b>2008/2009<br/>Variance<br/>R</b> | <b>2008/2009<br/>% of the<br/>YTD<br/>Budget</b> |
|---|--|---|--|-------------------------------------|--|
| Directorate of Executive Support        | 721,989                                      | 541,492                                   | 103,415  | 438,076                             | 19.10  |
| Directorate of The Municipal Manager    | 37,295                                       | 27,971                                    | 0  | 27,971                              | 0.00   |
| Directorate of Chief Operations Officer | 11,567                                       | 8,675                                     | 6,644  | 2,031                               | 76.59  |
| Directorate of Finance                  | 1,076,719                                    | 807,539                                   | 425,928  | 381,611                             | 52.74  |
| Directorate of Corporate Services       | 3,511,541                                    | 2,633,656                                 | 1,647,643                                      | 986,013                             | 62.56  |
| Directorate of Engineering Services     | 120,070,351                                  | 90,052,763                                | 57,427,732                                     | 32,625,031                          | 63.77  |
| Directorate of Development Planning     | 9,548,056                                    | 7,161,042                                 | 6,018,248                                      | 1,142,794                           | 84.04  |
| Directorate of Community Services       | 11,179,994                                   | 8,384,996                                 | 5,994,414                                      | 2,390,582                           | 71.49  |
| Directorate of Health and Public Safety | 3,693,115                                    | 2,769,836                                 | 1,817,226                                      | 952,610                             | 65.61  |
| <b>TOTAL</b>                            | <b>149,850,627</b>                           | <b>112,387,970</b>                        | <b>73,441,250</b>                              | <b>38,946,720</b>                   | <b>65.35</b>                                     |

**Comments from Directorates on over/under expenditure on Repairs and Maintenance**

**(a) DIRECTORATE OF FINANCE**

Expenditure incurred as and when required.

**(b) DIRECTORATE OF CORPORATE SERVICES**

Expenditure incurred as and when required.

**(c) DIRECTORATE OF ENGINEERING SERVICES**

**ELECTRICAL OPERATIONS**

**Buildings**

Budget R104 478

Actual R 64 468

Variance R 40 010

Repairs carried out on depot buildings (coastal & inland) which are carried out as and when required.

**Consumer Services**

Budget R1 621 231

Actual R 914 191

Variance R 707 040

Installations, Services and Meter Testing – Repairs and Maintenance carried out as and when required to meters, kiosks, ground maintenance, cable testing, load control, etc.

**Deferred Maintenance**

Budget R20 229 594

Actual R 8 844 971

Variance R11 384 623

Essential repairs and maintenance carried out by Contractors on Annual Contracts. Entire budget committed.

**Distribution Network**

Budget R300 091  
Actual R160 017 Variance R140 074  
Notification of emergency and maintenance shutdowns.

**Electrical Equipment**

Budget R12 720 000  
Actual R 644 715 Variance R12 075 285  
Electrical equipment damaged by 3<sup>rd</sup> parties. Cost recovered. Ex suspense vote with contra income vote 535 005 2 60 7525.

**Electrical Repairs**

Budget R742 000  
Actual R237 322 Variance R504 678  
Temporary supply, banners, moving of electrical equipment on request of consumer, etc – consumer demand. Ex Suspense vote with contra income Vote 535 005 2 60 7329.

**Equipment & Small Plant**

Budget R2 155 618  
Actual R 487 958 Variance R1 667 660  
Major equipment and small plant repaired – transformers, etc.

**Minor Improvements & Alterations**

Budget R5 936  
Actual R Nil Variance R5 936  
Funds allocated for alterations not completed.

**Network**

Budget R926 633  
Actual R532 983 Variance R393 650  
Emergency cable repair carried out as and when required.

**Storm Damage**

Budget R254 824  
Actual R 72 183 Variance R182 641  
Storm damage emergency repair carried out as and when required.

**Overhead Mains**

Budget R3 917 722  
Actual R2 562 418 Variance R1 355 304  
Maintenance and repair to overhead mains carried out. Emergency shutdowns.

**Street Lighting**

Budget R2 171 984  
Actual R1 621 414 Variance R550 570  
Materials for the maintenance and repair of existing street lighting in the coastal and inland areas as well as materials supplied to the contractor for annual contracts.

**Substations**

Budget R3 531 241  
Actual R2 148 969 Variance R1 382 272

Materials for the maintenance and repair of equipment in major substations in the coastal and inland areas. Weekly shutdowns carried out for the replacement of transformer oil.

## **Underground Mains**

Budget R2 087 531

Actual R1 370 158

Variance R 717 373

Materials for the maintenance and repair of hv and lv underground cables in the coastal and inland areas.

## **SANITATION DIVISION**

### **Buildings**

Budget R137,161 (51 % spent)

Awaiting quotations.

### **Deferred Maintenance**

Budget R5,760,023 (15 % spent)

Projects underway. Awaiting invoices.

### **Clear Sewer Tracks**

Budget R151,116 (8 % spent)

Projects underway.

### **Electrical Repairs**

Budget R170,578 (48 % spent)

Carried out as and when required.

### **Major Equipment**

Budget R300,530 (42 % spent)

Items purchased as and when required.

### **Manhole Replacement**

Budget R45,174 (33 % spent)

Projects underway.

### **Sewer Network**

Budget R596,390 (23 % spent)

Projects underway.

## **WATER SUPPLY SERVICES DIVISION**

### **Deferred Maintenance**

Budget R 3,138,619 (47% Spent)

### **Mains and Leadings**

Budget R 5,183,713 (85% Spent)

On-going maintenance of the water infrastructure.

### **Water Network**

Budget R 837,841 (69% Spent)

### **Water Meters**

Budget R 1,937,552 (93% Spent)

Dependent on number of new buildings being built.

### **Buildings**

Budget R 286,849 (40% Spent)

Maintenance of buildings as and when required.

**Plant Repairs**

Budget R 746,635 (47% Spent)

Utilised as and when required.

**Road Maintenance: General**

Budget R 105,880 (21% Spent)

Repairs undertaken to access roads to dams and pump stations as and when required.

**Electrical Equipment**

Budget R 286,041 (46% Spent)

Routine maintenance and repairs to plant.

**Sludge Dams**

Budget R 119,496 (76% Spent)

Clearing of sludge dams to comply with National Regulations.

**Booster Pumps**

Budget R 211,190 (57% Spent)

Maintenance undertaken as and when required.

**New Leadings**

Budget R 916,387 (50% Spent)

For new leadings to developments – demand driven.

**Radio Equipment**

Budget R 101,873 (33% Spent)

Used to maintain the vehicle radios in the fleet when required.

**Reinstate Trenches**

Budget R 611,240 (30% Spent)

Used to reinstate trenches after repairs to pipes, etc.

**Service Reservoirs**

Budget R 696,416 (38% Spent)

Maintenance of reservoirs, grass cutting and grounds.

**Surface Boxes**

Budget R 565,008 (45% Spent)

Maintenance of installations for valves, hydrants, meters, etc.

The overall expenditure for repairs and maintenance for the water supply services division is 70%.

**ROADS DIVISION****Footpaths Improved**

Budget R423,847 (65% Spent)

Costs continuous

**Roads Maintenance General**

Budget R12,280,126 (81% Spent)

Costs continuous

**Roads Maintenance Rural**

Budget R2,493,221 (100% Spent)

Costs continuous

**Sidings**

Budget R237,450 (70% Spent)  
Emergency work

**Stormwater Control**

Budget R4,487,797 (85% Spent)  
Costs continuous

**Street Name Signs**

Budget R35,617 (60% Spent)  
Continuous replacing signs

**Traffic Signs**

Budget R59,362 (65% Spent)  
Continuous replacing signs

**(d) DIRECTORATE OF DEVELOPMENT PLANNING****Cleaning; Equipment; Furniture; Housing Scheme Maintenance; Maintenance Contracts; Minor Improvements & Alterations; Motor Vehicles; Office Machines & Equipment; Radio Equipment; Repairs – Estate; Tools & Equipment; Traffic Signs**

Expenditure is on track. Repairs are undertaken as and when breakages occur, and in some cases there are invoices that have not yet been processed by the Supply Chain Management Department.

**Buildings; Bus Refurbishment; Electrical Equipment; Lift Maintenance; Plant Equipment; Repairs – Flat**

The Year-to-date Expenditure has exceeded the Year-to-date Budget due to the fact that Maintenance Work is not proportional throughout the year.

The over-expenditure on the YTD budget in the Lift Maintenance was due to the yearly and quarterly maintenance fees of the Market Sales System.

**(e) DIRECTORATE OF COMMUNITY SERVICES****ARTS AND CULTURAL SERVICES****Library Books**

The vote is under-spent on a month-to-month basis. Book purchases and purchase of essential book processing materials i.e. book covers have been requisitioned.

**AMENITIES****Electrical Equipment**

The Departments are using this vote to respond to Departmental maintenance and repair needs

**Grounds**

Funds have to be used by the Sportsfields in preparation for the activities planned for the year

**Minor Improvements and alterations**

This vote has a minimal budget and has to be used for all the minimal improvements at the Pools during the year

### **Equipment and small plant**

This vote also has a minimal budget and is used to buy and fix equipment in the Department all year round.

## **ENVIRONMENTAL SERVICES**

### **Buildings**

Requisitions not reflected – order for gates, extend electricity supply at Duncan Village Nursery.

### **Buildings Depo**

Requisitions not reflected – order for metal lockers, repair ceiling at Gompo and repair gate at commercial road.

### **Fences**

Order sent through for the installation of 30m of palisade fencing for marina glen

### **Grounds**

Orders placed for 2 x 6m containers, installation of rondavel at James Pearce park nursery.

### **Mains and Leadings**

Job masters are not reflected

### **Notice boards and seats**

Order placed for 2 x signs for Gompo and Commercial road.

### **Plant Repairs**

Bulk orders are not reflected

### **Playground equipment**

Req for materials is not reflected

### **Radio equipment**

Purchase and installation of two way radio not reflected

### **Road Maintenance: General**

Job masters are not reflected

### **Tools and Equipment**

Orders have been placed for garden tools

## **SOLID WASTE MANAGEMENT SERVICES**

### **Buildings**

Orders are already sent to stores, waiting for them to commit and give order number.

### **Deferred Maintenance**

Orders done when need arises

### **Electrical Equipment, Equipment, Extinguishers, Grounds, Plant repairs, Radio Equipment and Tools and equipment**

Orders have been sent to stores

### **Motor vehicles**

Vote used directly by engineers department

**Waste Disposal**

Vote used when need arises at the Waste Site.

**(f) DIRECTORATE OF HEALTH & PUBLIC SAFETY****Office of the Director****Buildings; Electrical Equipment and Office Machine and Equipment**

Expenditure occurs as and when repairs and maintenance are done.

**Extinguishers**

Service has been done, service provider says the property owner has to pay the service.

**Minor Improvement & Alterations**

Funds spent to replace blinds and on signage of the director's office.

**Health Services****Buildings; Electrical Equipment; Office Machine and Equipment and Equipment**

Repairs and Maintenance carried out as and when required.

**Environmental Pollution Control**

Meters for air pollution monitoring station gets calibrated once every three months, therefore costs not proportional for the year

**Extinguishers**

In the process of having extinguishers serviced.

**Grounds**

February and March invoices not yet reflected on the financial system.

**Public Safety**

Repairs and maintenance is incurred as and when required.

Traffic and fire department have a number of older vehicles which are serviced and repaired by Mechanical Workshops and due to wear and tear, they now need more attention to keep them operational.

#### 4. CAPITAL EXPENDITURE

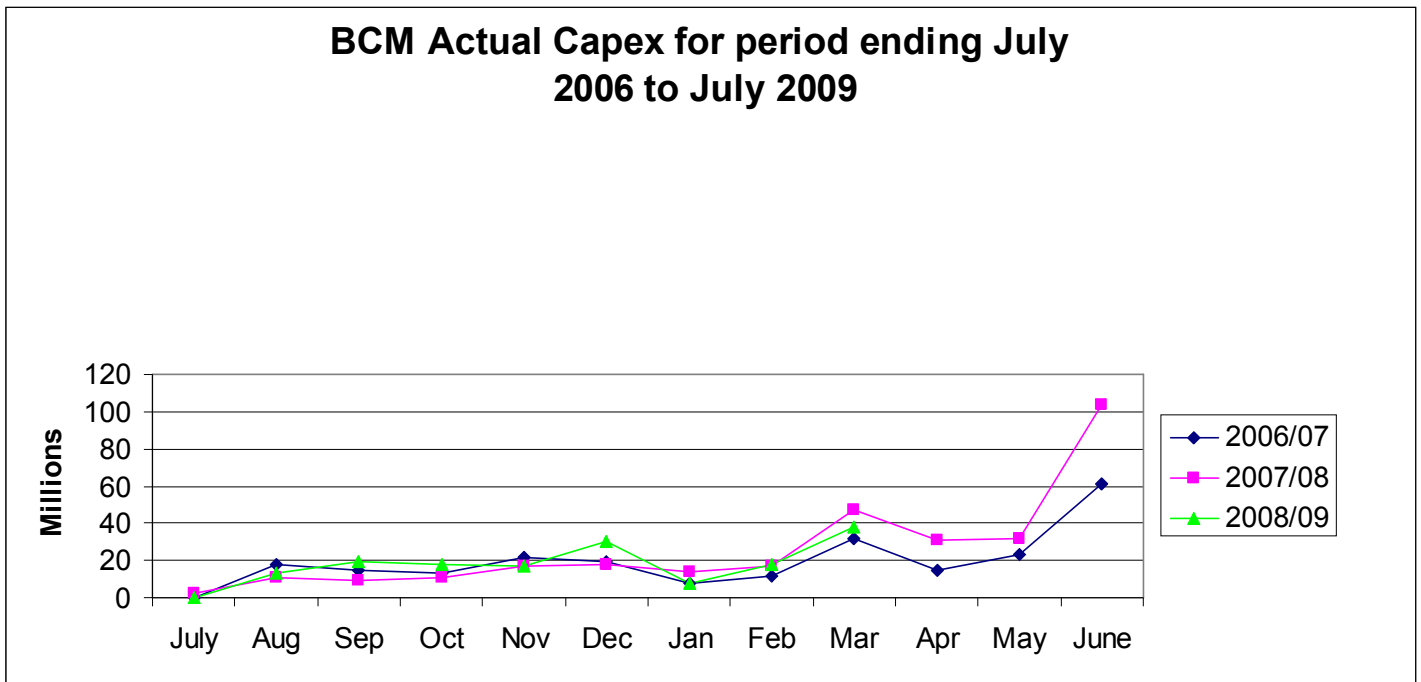
The total capital expenditure as at 31 March 2009 amounts to R161.93 million which is 18% of the original approved budget and is 22% of the 2nd adjustment budget for the 2008/09 financial year. The capital expenditure indicates a decrease in the expenditure pattern when compared to the same period in the previous financial year (2007/2008) which was 35%. The expenditure is anticipated to increase in the second half of the current financial year. (Refer to Annexure H)

**Table 1: Capital Expenditure per Funding Source**

| <b>Capital Budget Per Funding Source</b>          | <b>Approved<br/>2008/2009<br/>R</b> | <b>2nd<br/>Adjusted<br/>Budget<br/>2008/2009<br/>R</b> | <b>Expend.<br/>2008/2009<br/>R</b> | <b>Approved<br/>Budget<br/>v/s<br/>Expend.<br/>2008/2009<br/>%</b> | <b>2nd adj.<br/>Budget<br/>v/s<br/>Expend.<br/>2008/2009<br/>%</b> |
|---|-------------------------------------|--|------------------------------------|--|--|
| Contribution to Accumulated Surpluses             | 650,000                             | 3,316,726  | 1,079,644                          | 166%   | 33%  |
| Capital Replacement Reserve                       | 128,633,052                         | 140,251,726  | 34,833,747                         | 27%  | 25%  |
| DBSA (Loan) Phase 5                               | 250,000,000                         | 183,000,000  | 24,577,607                         | 10%  | 13%  |
| External Financing Fund / DBSA                    | 65,902,688                          | 57,016,343   | 15,230,674                         | 23%  | 27%  |
| <b>Total Own Funding</b>                          | <b>445,185,740</b>                  | <b>383,584,795</b>                                     | <b>75,721,673</b>                  | <b>17%</b>   | <b>20%</b>   |
| Buffalo City Metropolitan Transport               | 14,659,997                          | 2,820,240  | 1,086,091                          | 7%   | 39%  |
| Depart of Sports Recreation Arts & Culture        | 50,000,000                          | 12,500,000   | 26,342                             | 0%   | 0%   |
| Department of Land Affairs                        | 2,953,025                           | 2,894,882  | 812,606                            | 28%  | 28%  |
| Department of Local Government & Housing          | 27,968,398                          | 26,467,416   | 531,858                            | 2%   | 2%   |
| Dept of Eco Dev, Environ Affairs & Tourism        | 0                                   | 700,000  | 0                                  |  | 0%   |
| Department of Water Affairs & Forestry            | 281,394                             | 260,094  | 0                                  | 0%   | 0%   |
| Development Bank of South Africa Grant            | 51,078                              | 51,078   | 0                                  | 0%   | 0%   |
| Department of Science & Technology                | 4,266,008                           | 826,908  | 436,328                            | 10%  | 53%  |
| Disaster Management Fund                          | 368,170                             | 340,914  | 40,421                             | 11%  | 12%  |
| Eastern Cape Development Corporation              | 344,272                             | 344,272  | 0                                  | 0%   | 0%   |
| European Commission                               | 53,261,212                          | 53,434,377   | 5,917,987                          | 11%  | 11%  |
| Integrated National Electricity Provider          | 35,453,971                          | 34,345,725   | 9,453,154                          | 27%  | 28%  |
| Leiden Platform                                   | 18,822                              | 1,500,000  | 1,310,135                          | 0%   | 87%  |
| MSIG  | 100,161                             | 0  | 0                                  | 0%   |  |
| Municipal Infrastructure Grant                    | 202,150,279                         | 187,962,599  | 63,288,899                         | 31%  | 34%  |
| Neighbourhood Dev Partnership Grant               | 41,100,000                          | 6,500,000  | 0                                  | 0%   | 0%   |
| Other (Lotto)                                     | 432,549                             | 432,549  | 87,994                             | 20%  | 20%  |
| <b>PUBLIC</b>                                     | <b>8,000,000</b>                    | <b>1,000,000</b>                                       | <b>85,382</b>                      | <b>1%</b>  | <b>9%</b>  |
| Public Trans Infrastructure & Systems Grant       | 8,592,000                           | 8,592,000  | 3,028,671                          | 35%  | 35%  |
| Restructuring Grant                               | 6,728,170                           | 0  | 11,933                             | 0%   |  |
| Swedish International Development Agency          | 173,701                             | 173,701  | 94,238                             | 54%  | 54%  |
| <b>Total Grant Funding</b>                        | <b>456,903,207</b>                  | <b>341,146,755</b>                                     | <b>86,212,038</b>                  | <b>19%</b>   | <b>25%</b>   |
|   |                                     |  |                                    |  |  |
| <b>Total Capital Budget - All Funding Sources</b> | <b>902,088,947</b>                  | <b>724,731,550</b>                                     | <b>161,933,710</b>                 | <b>18%</b>   | <b>22%</b>   |

Figure 1 below compares the Actual Capital Expenditure per month for the period ending 31 March 2009 against the same period in 2006/2007 and 2007/2008 financial years.

**Figure 1**



The actual capital expenditure for the month of March 2009 has decreased when compared to the same periods in 2007/2008 and increased compared to 2006/2007.

Table 2 identifies the actual Capital Expenditure per Directorate against budget.

**Table 2: Actual Expenditure per Directorate against Budget**

| <u>Capital Budget Per Directorate</u> | Approved<br>2008/2009<br>R | 2nd<br>Adjusted<br>Budget<br>2008/2009<br>R | Expend.<br>2008/2009<br>R | Approved<br>Budget v/s<br>Expend.<br>2008/2009<br>% | 2nd adj.<br>Budget v/s<br>Expend.<br>2008/2009<br>% |
|---------------------------------------|----------------------------|---|---------------------------|---|---|
| Executive Support Services            | 86,907,279                 | 49,421,279                                  | 1,197,212                 | 1%  | 2%  |
| Chief Operations Officer              | 28,336,398                 | 33,326,162                                  | 1,019,170                 | 4%  | 3%  |
| Directorate of Finance                | 5,721,655                  | 13,212,843                                  | 4,048,540                 | 71%   | 31%   |
| Directorate of Corporate Services     | 8,022,961                  | 7,378,733                                   | 1,187,428                 | 15%   | 16%   |
| Directorate of Engineering Services   | 531,766,842                | 487,810,961                                 | 124,472,093               | 23%   | 26%   |
| Directorate of Development Planning   | 99,251,083                 | 62,340,723                                  | 16,580,074                | 17%   | 27%   |
| Directorate of Health & Public Safety | 31,853,274                 | 18,455,449                                  | 1,501,606                 | 5%  | 8%  |
| Directorate of Community Services     | 110,229,455                | 52,785,400                                  | 11,927,587                | 11%   | 23%   |
| <b>Total</b>                          | <b>902,088,947</b>         | <b>724,731,550</b>                          | <b>161,933,710</b>        | <b>18%</b>  | <b>22%</b>  |

Table 3 below gives a breakdown of the spending per Service.

**Table 3: Spending per Service**

| <b>Capital Budget Per Service</b> | <b>Approved<br/>2008/2009<br/>R</b> | <b>2nd<br/>Adjusted<br/>Budget<br/>2008/2009<br/>R</b> | <b>Expend.<br/>2008/2009<br/>R</b> | <b>Approved<br/>Budget v/s<br/>Expend.<br/>2008/2009<br/>%</b> | <b>2nd adj.<br/>Budget v/s<br/>Expend.<br/>2008/2009<br/>%</b> |
|-----------------------------------|-------------------------------------|--|------------------------------------|--|--|
| Water                             | 68,555,136                          | 84,423,529   | 27,754,098                         | 40%  | 33%  |
| Waste Water                       | 120,105,414                         | 111,171,575  | 31,966,748                         | 27%  | 29%  |
| Electricity                       | 109,292,609                         | 101,384,569  | 19,675,372                         | 18%  | 19%  |
| Roads and Stormwater              | 153,164,683                         | 119,757,288  | 27,497,766                         | 18%  | 23%  |
| Housing                           | 27,968,398                          | 26,728,162   | 792,602                            | 3%   | 3%   |
| Transport Planning                | 85,342,000                          | 35,972,917   | 14,269,645                         | 17%  | 40%  |
| Cleansing                         | 73,987,213                          | 22,174,658   | 4,985,133                          | 7%   | 22%  |
| Amenities                         | 25,951,645                          | 21,659,274   | 5,462,581                          | 21%  | 25%  |
| Environmental Services            | 5,874,589                           | 2,962,060  | 950,242                            | 16%  | 32%  |
| Health Services                   | 3,138,371                           | 3,322,156  | 1,084,786                          | 35%  | 33%  |
| Public Safety                     | 28,479,903                          | 14,898,293   | 300,811                            | 1%   | 2%   |
| Support Services                  | 106,420,677                         | 80,005,263   | 7,557,140                          | 7%   | 9%   |
| Other                             | 93,808,309                          | 100,271,806  | 19,636,785                         | 21%  | 20%  |
| <b>Total</b>                      | <b>902,088,947</b>                  | <b>724,731,550</b>                                     | <b>161,933,710</b>                 | <b>18%</b>   | <b>22%</b>   |

## 5. **RESTRUCTURING GRANT MILESTONES**

### **Restructuring Grant Projects**

The restructuring grant expenditure efficiency ratio for the period ending 31 March 2009 is 25% (R1.85 million). This expenditure ratio is low due to the procurement challenges we experienced in the first half of the financial year. The expenditure ratio is expected to improve drastically in the second half of the financial year. (Refer to annexure I)

### **Municipal Infrastructure Grant Indicator**

The institution is currently implementing a number of bulk and other related projects to address service delivery backlogs. The MIG expenditure for the period ending 31 March 2009 is R69.92 million which is 34% (the expenditure is 76% of the allocation when comparing to MIG financial year end) of the annual budget. (Refer to annexure J)

### **Financial Performance Indicators**

| <b>Reporting Period:</b> |  | <b>Month ended 31 March '09</b> |               |                 |                |
|--------------------------|--|---------------------------------|---------------|-----------------|----------------|
| <b>INDICATOR</b>         |  | <b>Target</b>                   | <b>Actual</b> | <b>Variance</b> | <b>Comment</b> |
| 1.                       | <b>Total Debt to Annual Income:</b>      | <b>35%</b>                      | <b>32.2%</b>  | <b>2.8%</b>     | <b>(a)</b>     |
| 2.                       | <b>Capital Charges to Op. Exp:</b>       | <b>16%</b>                      | <b>10.0%</b>  | <b>6.0%</b>     | <b>(b)</b>     |
| 3.                       | <b>Annual Collection Rate (Debtors):</b> | <b>97%</b>                      | <b>95.1%</b>  | <b>-1.9%</b>    | <b>(c)</b>     |
| 4.                       | <b>Net Debtors to Annual income:</b>     | <b>18%</b>                      | <b>17.5%</b>  | <b>0.5%</b>     | <b>(d)</b>     |
| 5.                       | <b>Personnel Costs to Total Income:</b>  | <b>30%</b>                      | <b>28.4%</b>  | <b>1.6%</b>     | <b>(e)</b>     |
| 6.                       | <b>Creditors Days:</b>                   | <b>30</b>                       | <b>29</b>     | <b>1</b>        | <b>(f)</b>     |

**Notes:**

- (a) The debt to income ratio is within the prescribed ceiling.
- (b) The capital charges ratio is within the prescribed ceiling.
- (c) The annual collection rate is outside target, however the are measures in place to improve the ratio through data cleansing and data integrity checks as well as increased efforts to collect outstanding debt.
- (d) The debtors to annual income ratio is within the prescribed ceiling.
- (e) The ratio is within the prescribed ceiling
- (f) The ratio meets target and is consistent..

**6. RECOMMENDATION**

It is recommended:

1. That the statement of financial performance and the implementation of the 2008/2009 budget for the third quarter ending 31 March 2008 be adopted in terms of the MFMA.

**Z. FAKU**  
**EXECUTIVE MAYOR**

**DATE:** \_\_\_\_\_

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2009**

| <b>BUFFALO CITY MUNICIPALITY</b>                 |             |                      |                      |
|--|-------------|----------------------|----------------------|
| <b>ESTIMATED STATEMENT OF FINANCIAL POSITION</b> |             |                      |                      |
|  |             | <b>MARCH 2009</b>    | <b>FEBRUARY 2009</b> |
| <b><u>NET ASSETS AND LIABILITIES</u></b>         |             |                      |                      |
|  | <b>Note</b> |                      |                      |
| <b>NET ASSETS</b>                                |             | 6,633,939,438        | 6,651,130,819        |
| COID Fund  |             | 9,972,656            | 9,912,039            |
| Capital Replacement Reserve                      |             | 30,375,304           | 30,375,304           |
| Self-Insurance Reserve                           |             | 32,334,220           | 31,565,224           |
| Revaluation Reserve                              |             | 182,038,156          | 182,038,156          |
| Accumulated Surplus                              | 1           | 6,379,219,102        | 6,397,240,096        |
| <b>NON-CURRENT LIABILITIES</b>                   |             | 785,675,305          | 735,214,753          |
| Long-Term Liabilities                            |             | 561,754,617          | 511,294,065          |
| Non-Current Provisions                           |             | 223,920,688          | 223,920,688          |
| <b>CURRENT LIABILITIES</b>                       |             | 611,982,544          | 591,166,411          |
| Consumer Deposits                                |             | 27,338,011           | 27,179,232           |
| Current Provisions                               |             | 89,917,742           | 89,917,742           |
| Creditors  | 2           | 114,931,562          | 126,771,765          |
| Unspent Conditional Grants and Receipts          |             | 355,063,715          | 322,566,158          |
| Current Portion of Long-Term Liabilities         |             | 24,731,514           | 24,731,514           |
| <b>Total Net Assets and Liabilities</b>          |             | <b>8,031,597,288</b> | <b>7,977,511,983</b> |
| <b><u>ASSETS</u></b>                             |             |                      |                      |
| <b>NON-CURRENT ASSETS</b>                        |             | 6,622,519,194        | 6,585,144,211        |
| Property, Plant and Equipment                    |             | 6,605,607,433        | 6,568,260,563        |
| Intangible Assets                                |             | 7,501,701            | 7,501,709            |
| Agricultural Assets                              |             | 1,051,500            | 1,051,500            |
| Investments                                      |             | 8,358,560            | 8,330,439            |
| <b>CURRENT ASSETS</b>                            |             | 1,409,078,094        | 1,392,367,772        |
| Inventory  |             | 63,357,383           | 68,191,699           |
| Consumer Debtors                                 | 3           | 319,974,698          | 333,029,408          |
| Other Debtors                                    | 4           | 63,666,258           | 59,505,816           |
| Current Portion of Long-Term Receivables         |             | 236,616              | 150,139              |
| Call Investment Deposits                         |             | 843,219,968          | 866,084,927          |
| Vat  |             | 3,104,906            | 1,458,753            |
| Cash   |             | 161,790              | 160,989              |
| Bank   |             | 115,356,476          | 63,786,041           |
| <b>Total Assets</b>                              |             | <b>8,031,597,288</b> | <b>7,977,511,983</b> |

## NOTES TO ESTIMATED STATEMENT OF FINANCIAL POSITION - MARCH 2009

| NOTE  | MARCH 2009             | FEBRUARY 2009          |
|---|------------------------|------------------------|
| <b>1 Accumulated Surplus</b>  | <b>(6,379,219,102)</b> | <b>(6,397,240,096)</b> |
| Accumulated Surplus per gs660                                       | (6,559,370,400)        | (6,573,157,568)        |
| Less: Interest paid   | 37,906,709             | 31,554,930             |
| Less: Electrical Purchases March 2009                               | 26,473,304             |                        |
| Less: Water Purchases March 2009                                    | 8,235,961              |                        |
| Less: Provision For Bad Debts                                       | 27,088,570             | 28,188,893             |
| Less: Poor Relief Allocations                                       | 8,536,215              | 8,623,654              |
| Less: Annual Apportionment of Rates, Refuse & Sewerage Fees         | 102,246,338            | 134,825,621            |
| Add: Operating Projects Income ex Conditional Grants                | (27,222,340)           | (23,251,452)           |
| Add: Market Income Arrears  | (1,221,008)            | (1,126,375)            |
| Less: Vehicle Registration Commission                               | 2,608,818              | 2,608,818              |
| Add: Other Income   | (4,501,269)            | (5,506,617)            |
|   |                        |                        |
| <b>2 Creditors</b>  | <b>(114,931,562)</b>   | <b>(126,771,765)</b>   |
| Creditors per gs660   | (107,453,190)          | (152,588,638)          |
| Add: Electrical Purchases March 2009                                | (26,473,304)           |                        |
| Add: Water Purchases March 2009                                     | (8,235,961)            |                        |
| Less: Operating Projects Income ex Conditional Grants               | 27,222,340             | 23,251,452             |
| Less: Market Income Arrears   | 1,221,008              | 1,126,375              |
| Add: Vehicle Registration Commission                                | (2,608,818)            | (2,608,818)            |
| Add: Vat  | (3,104,906)            | (1,458,753)            |
| Less: Other Income  | 4,501,269              | 5,506,617              |
|   |                        |                        |
| <b>3 Consumer Debtors</b>   | <b>319,974,698</b>     | <b>333,029,408</b>     |
| Consumer Debtors per gs660  | 449,309,606            | 496,043,922            |
| Less: Provision For Bad Debts                                       | (27,088,570)           | (28,188,893)           |
| Less: Annual Apportionment of Rates, Refuse & Sewerage Fees         | (102,246,338)          | (134,825,621)          |
|   |                        |                        |
| <b>4 Other Debtors</b>  | <b>63,666,258</b>      | <b>59,505,815</b>      |
| Other Debtors per gs660   | 110,109,181            | 99,684,399             |
| Less: Interest paid   | (37,906,709)           | (31,554,930)           |
| Less: Poor Relief Allocations                                       | (8,536,215)            | (8,623,654)            |
|   |                        |                        |
| ** EFF (955 815 650 0040) Other Debtors: Interest Received and Paid |                        |                        |

### FINANCIAL RATIOS AND BENCHMARKS

The Table below gives details of commonly used financial ratios and benchmarks. The information in the table is the actual position as at June 2008 and for the period ending September 2008.

| Financial Benchmarks                     | Basis of Calculation                    | March<br>2009 | June<br>2008 |
|--|---|---------------|--------------|
| <b><u>Borrowing Management</u></b>       |   |               |              |
| Debt to Asset ratio                      | Total debt / Total assets               | 7.3%          | 7.0%         |
| Debt to revenue                          | Total debt / Annual income              | 32.2%         | 23.1%        |
| Interest bearing debt to revenue         | Int bearing debt / Annual income        | 32.2%         | 23.1%        |
| Ave interest paid on debt                | Based on loan amortisation schedule     | 11.7%         | 11.7%        |
| Capital charges to operating expenditure | Capital Charges / Operating expenditure | 9.9%          | 8.0%         |
| Interest as a % of operating expenditure | Interest paid / Operating expenditure   | 2.6%          | 1.0%         |

As a result of the revaluation of Property, Plant & Equipment (PPE), the Debt to Asset Ratio has decreased significantly to 7.3%. The interest bearing debt currently is less than National Treasury target (35%), but the most recent R250 mill loan from DBSA is expected to increase the rate and utilize the whole capacity for taking loans. BCM's credit rating has now improved from AA- to A1.za, after Moodys final rating issued on 26 February 2009. This is significant in terms of maintaining financial stability and long-term viability.

| Financial Benchmarks            | Basis of Calculation                | March<br>2009 | June<br>2008 |
|---------------------------------|-------------------------------------|---------------|--------------|
| <b><u>Safety of Capital</u></b> |                                     |               |              |
| Debt to equity                  | Total debt / funds and reserves     | 8.8%          | 8.4%         |
| Gearing                         | Funds and reserves / long term debt | 11.31         | 11.86        |

The debt to equity ceiling is 0.50, the revaluation of PPE has resulted in an increased margin of safety.

| Financial Benchmarks | Basis of Calculation                 | March<br>2009 | June<br>2008 |
|----------------------|--------------------------------------|---------------|--------------|
| Current Ratio        | Current assets / current liabilities | 2.30          | 2.20         |
| Liquid Ratio         | Cash assets / current liability      | 1.57          | 1.28         |

This is the regular test of liquidity and shows a low level in the net liquidity of the City, although the hard cash resources have remained steady over the financial year ended 30 June 2008. Hard cash resources to cover these liabilities have remained stable which demonstrates the ability to fully cover all short term liabilities with available cash resources. The current ratio position is viewed in a positive light as far as credit ratings go. In terms of liquidity, Buffalo City has a strong capacity to repay short term liabilities.

| Financial Benchmarks                    | Basis of Calculation                                    | March 2009 | June 2008 |
|---|---|------------|-----------|
| <b>Revenue management</b>               |   |            |           |
| Debtors collection rate [payment level] | Year to date receipts / Year to date billing            | 93.1%      | 94.6%     |
| Outstanding debtors to revenue          | Outstanding debtors [net] / total income [annual]       | 17.5%      | 14.4%     |
| Days debtors outstanding                | Outstanding debtors [net] / total income [annual] x 365 | 63.8       | 52.4      |

The debtors collection rate has decreased and needs to reach 97%. Finance is exploring avenues to increase the collections in the City via data cleansing and data integrity checks as well as increased efforts to collect outstanding debt.

| Financial Benchmarks                | Basis of Calculation               | March 2009 | June 2008 |
|-------------------------------------|------------------------------------|------------|-----------|
| <b>Efficiency</b>                   |                                    |            |           |
| Personnel costs to operating income | Personnel costs / operating income | 28.4%      | 21.8%     |

Personnel costs as a portion of operating income have increased to 28.4%. This continues to be an area of focus of the City to achieve the targets set out by National Treasury. This is steadily improving and is a pleasing trend to see.

| Financial Benchmarks        | Basis of Calculation             | March 2009 | June 2008 |
|-----------------------------|----------------------------------|------------|-----------|
| <b>Creditors management</b> |                                  |            |           |
| Creditors system efficiency | % of creditors paid within terms | 100%       | 100%      |

A strong financial trait of the City is its commitment and ability to pay its creditors within terms and in full (Top 20 Creditors). The constant 100% payment level to creditors highlights this.

| Financial Benchmarks                      | Basis of Calculation  | March 2009 | June 2008 |
|---|---|------------|-----------|
| <b>Other indicators</b>                   |   |            |           |
| Electricity distribution losses - % value | [Total units purchased less total sold] / total units purchased | 12.0%      | 15.0%     |
| Water distribution losses - % value       | [Total units purchased less total sold] / total units purchased | 40.6%      | 41.0%     |
| Asset maintenance rate                    | Repairs expenditure / total value of fixed assets               | 1.1%       | 1.2%      |

The water department has installed a water management system that includes telemetry to identify where system losses occur, which is meant to decrease water losses.

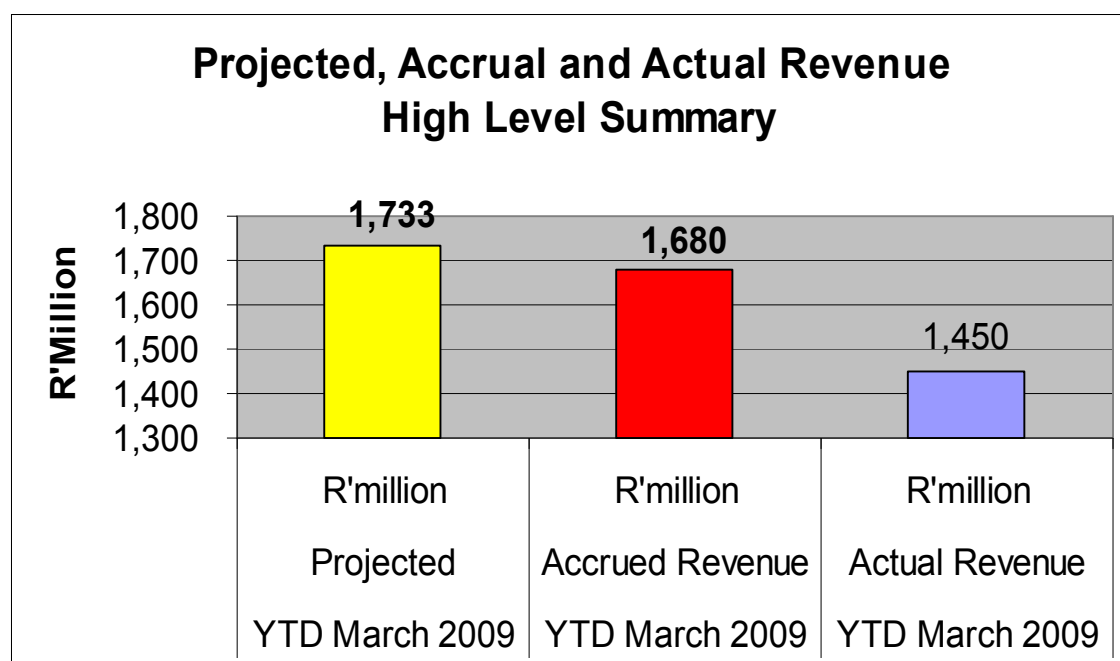
The electricity department has focused on reducing electricity distribution losses.

The asset maintenance rate has decreased moderately over the past few years.

**REVENUE PROJECTIONS BY SOURCE****Table 1: Revenue projections by source for the period ending 31 March 2009**

| <b>Source</b>        | <b>YTD March 2009<br/>Projected Revenue<br/>R'million</b> | <b>YTD March 2009<br/>Accrued Revenue<br/>R'million</b> | <b>YTD March 2009<br/>Actual Revenue<br/>R'million</b> |
|----------------------|---|---|--|
| Assessment rates     | 287   | 209   | 253  |
| Electricity          | 446   | 442   | 389  |
| Sanitation           | 102   | 99  | 78   |
| Water                | 134   | 135   | 105  |
| Refuse removal       | 87  | 94  | 56   |
| Grants & subsidies   | 360   | 357   | 352  |
| Conditional Grants   | 158   | 67  | 67   |
| Fines                | 6   | 5   | 5  |
| Other                | 153   | 272   | 146  |
| <b>Total Revenue</b> | <b>1,733</b>  | <b>1,680</b>  | <b>1,450</b>   |

Table 1 above depicts Projected Revenue as compared to the Accrued as well as Actual Revenue collected for the nine months ending 31 March 2009.



## QUARTERLY SUMMARY OF PROJECTIONS OF REVENUE AND EXPENDITURE BY FUNCTION

### Projections of Revenue and Expenditure per Function 31 March 2009

| Vote / Function                         | YTD 'Mar - 09 Projected |                |                  | YTD 'Mar - 09 Actuals |                |                  | April '09 - June '09 |                |                |
|---|-------------------------|----------------|------------------|-----------------------|----------------|------------------|----------------------|----------------|----------------|
|   | Opex R'000              | Capex R'000    | Rev R'000        | Opex R'000            | Capex R'000    | Rev R'000        | Opex R'000           | Capex R'000    | Rev R'000      |
| <b>Executive Mayor</b>                  |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Executive & Council              | 24,308                  |                | 3,781            | 23,470                |                | 15,788           | 12,154               |                | 1,359          |
| Vote : Finance & Admin - IT             | 1,810                   | 188            | 1,242            | 1,272                 | 50             | 904              | 905                  | 63             | 447            |
| Vote : Finance & Admin - Other          | 31,301                  | 64,855         | 13,280           | 21,395                | 1,147          | 4,402            | 15,651               | 21,618         | 4,775          |
| Vote : Planning & Development           | 5,349                   |                | 1,547            | 3,699                 |                | 2,275            | 2,674                |                | 556            |
| <b>TOTAL</b>                            | <b>62,769</b>           | <b>65,043</b>  | <b>19,851</b>    | <b>49,837</b>         | <b>1,197</b>   | <b>23,369</b>    | <b>31,384</b>        | <b>21,681</b>  | <b>7,137</b>   |
| <b>Municipal Manager</b>                |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin - Internal Audit | 2,268                   |                | 75               | 1,629                 |                | 2,354            | 1,134                |                | 27             |
| Vote : Finance & Admin ( Other )        | 9,200                   |                |                  | 12,527                |                | 10,041           | 4,600                |                |                |
| Vote : Other                            |                         |                |                  | 38,052                |                | 21,427           |                      |                |                |
| Vote : Planning & Development           |                         |                |                  |                       |                |                  |                      |                |                |
| <b>TOTAL</b>                            | <b>11,468</b>           |                | <b>75</b>        | <b>52,208</b>         |                | <b>33,822</b>    | <b>5,734</b>         |                | <b>27</b>      |
| <b>Chief Operations Officer</b>         |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( Other )        | 2,999                   | 203            | 2,333            |                       | 227            |                  | 1,499                | 68             | 1,167          |
| Vote : Planning & Development           | 9,927                   |                | 9,927            |                       |                |                  | 4,964                |                | 4,964          |
| Vote : Housing                          | 58,404                  | 20,924         | 53,371           |                       | 793            |                  | 29,202               | 6,975          | 26,686         |
| <b>TOTAL</b>                            | <b>71,331</b>           | <b>21,127</b>  | <b>65,632</b>    |                       | <b>1,019</b>   |                  | <b>35,665</b>        | <b>7,042</b>   | <b>32,816</b>  |
| <b>Financial Services</b>               |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( finance )      | 153,453                 | 5,063          | 461,087          | 126,853               | 4,049          | 466,211          | 76,726               | 1,688          | 165,733        |
| <b>TOTAL</b>                            | <b>153,453</b>          | <b>5,063</b>   | <b>461,087</b>   | <b>126,853</b>        | <b>4,049</b>   | <b>466,211</b>   | <b>76,726</b>        | <b>1,688</b>   | <b>165,733</b> |
| <b>Corporate Services</b>               |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Executive & Council              |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( HR )           | 11,496                  | 214            |                  | 26,078                | 25             | 22,370           | 5,748                | 71             | 1,316          |
| Vote : Finance & Admin ( IT )           | 13,630                  | 3,045          | 3,660            | 8,638                 | 34             | 11,848           | 6,815                | 1,015          | 132            |
| Vote : Finance & Admin ( Other )        | 21,376                  | 2,678          | 368              | 14,101                | 1,129          | 12,407           | 10,688               | 893            |                |
| <b>TOTAL</b>                            | <b>46,502</b>           | <b>5,936</b>   | <b>4,027</b>     | <b>48,818</b>         | <b>1,187</b>   | <b>46,625</b>    | <b>23,251</b>        | <b>1,979</b>   | <b>1,449</b>   |
| <b>Engineering Services</b>             |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( Other )        | 17,450                  | 60,000         | 2,127            | 17,105                | 17,605         | 28,504           | 8,725                | 20,000         | 764            |
| Vote : Waste Water Management           | 100,830                 | 90,079         | 149,783          | 113,528               | 31,967         | 139,313          | 33,610               | 30,026         | 33,873         |
| Vote : Road Transport                   | 84,169                  | 114,874        | 7,141            | 91,236                | 27,498         | 31,596           | 28,056               | 38,291         | 1,615          |
| Vote : Water                            | 165,446                 | 51,791         | 197,820          | 152,115               | 27,746         | 197,344          | 54,357               | 17,264         | 44,726         |
| Vote : Electricity                      | 364,613                 | 81,969         | 473,822          | 349,866               | 19,657         | 429,146          | 128,574              | 27,323         | 107,114        |
| Vote : Other ( Vehicles )               |                         |                |                  |                       |                |                  |                      |                |                |
| <b>TOTAL</b>                            | <b>732,509</b>          | <b>398,713</b> | <b>830,693</b>   | <b>723,851</b>        | <b>124,472</b> | <b>825,903</b>   | <b>253,323</b>       | <b>132,904</b> | <b>188,092</b> |
| <b>Planning &amp; Development</b>       |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( Other )        | 14,581                  | 2,720          | 621              | 12,489                | 3,868          | 11,586           | 4,860                | 907            | 141            |
| Vote : Planning & Development           | 60,913                  | 70,266         | 22,544           | 57,300                | 12,519         | 13,510           | 20,304               | 23,422         | 5,104          |
| Vote : Housing                          | 507                     |                | 482              | 471                   |                | 449              | 169                  |                | 109            |
| Vote : Other ( Bus & BCMET )            | 13,358                  | 1,425          | 13,638           | 17,041                | 193            | 12,491           | 4,453                | 475            | 3,087          |
| <b>TOTAL</b>                            | <b>89,358</b>           | <b>74,411</b>  | <b>37,286</b>    | <b>87,301</b>         | <b>16,580</b>  | <b>38,036</b>    | <b>29,786</b>        | <b>24,804</b>  | <b>8,441</b>   |
| <b>Public Health and Public Safety</b>  |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( Other )        | 2,673                   |                |                  | 2,236                 | 116            | 2,600            | 891                  |                |                |
| Vote : Health                           | 37,709                  | 2,354          | 30,002           | 43,191                | 1,085          | 25,609           | 12,570               | 785            | 6,788          |
| Vote : Public Safety                    | 84,882                  | 21,360         | 62,724           | 83,955                | 301            | 63,569           | 28,294               | 7,120          | 14,191         |
| Vote : Other ( Dog Tax )                | 540                     |                | 828              | 445                   |                | 519              | 180                  |                | 187            |
| <b>TOTAL</b>                            | <b>125,803</b>          | <b>23,714</b>  | <b>93,554</b>    | <b>129,826</b>        | <b>1,502</b>   | <b>92,296</b>    | <b>41,934</b>        | <b>7,905</b>   | <b>21,166</b>  |
| <b>Community Services</b>               |                         |                |                  |                       |                |                  |                      |                |                |
| Vote : Finance & Admin ( Other )        | 4,258                   |                | 1,059            | 2,999                 | 82             | 140              | 1,419                |                | 240            |
| Vote : Community Services               | 44,536                  | 12,499         | 10,203           | 40,502                | 3,049          | 11,408           | 14,845               | 4,166          | 2,307          |
| Vote : Sports & Recreation              | 31,306                  | 6,964          | 2,448            | 39,021                | 2,413          | 2,651            | 10,435               | 2,321          | 553            |
| Vote : Environmental Protection         | 46,061                  | 7,605          | 2,626            | 41,760                | 1,397          | 4,392            | 15,354               | 2,535          | 594            |
| Vote : Waste Management                 | 134,661                 | 55,490         | 148,518          | 113,224               | 4,985          | 125,364          | 44,887               | 18,497         | 33,579         |
| <b>TOTAL</b>                            | <b>260,821</b>          | <b>82,560</b>  | <b>164,854</b>   | <b>237,506</b>        | <b>11,928</b>  | <b>143,956</b>   | <b>86,940</b>        | <b>27,520</b>  | <b>37,272</b>  |
| <b>Total by Function</b>                | <b>1,554,014</b>        | <b>676,567</b> | <b>1,677,060</b> | <b>1,456,201</b>      | <b>161,934</b> | <b>1,670,218</b> | <b>584,745</b>       | <b>225,522</b> | <b>462,132</b> |

**Note:** The table above indicates the comparative of the projected and actual expenditure incurred and revenue earned for the period ending 31 March 2009.