

REPORT TO THE EXECUTIVE MAYOR
OFFICE OF THE ACCOUNTING OFFICER

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE
2008/2009 BUDGET FOR THE PERIOD ENDING 31 OCTOBER 2008

1. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

2. STATEMENT OF FINANCIAL PERFORMANCE

The Statement of Financial Performance presented below, compares the expenditure and revenue on accrual basis against budget for the period ending 31 October 2008.

Table 1: Statement of Financial Performance for the period ending 31 October 2008

| BUFFALO CITY MUNICIPALITY | | | | | |
|-------------------------------------------|-------------|--------------------------------------|-----------------------------------|----------------------------------------------|-----------------------------|
| STATEMENT OF FINANCIAL PERFORMANCE | | | | | |
| OCTOBER 2008 | | | | | |
| | | 2008/09 ANNUAL BUDGET | 2008/09 YTD BUDGET | 2008/09 YTD ACCRUED INC / EXP | 2008/09 VARIANCE |
| STATEMENT OF FINANCIAL PERFORMANCE | Note | R | R | R | % |
| OPERATING INCOME | | | | | |
| Property Rates | | 358,523,317 | 168,432,568 | 169,207,358 | 0.46 |
| Service Charges | 1 | 1,052,913,454 | 357,234,044 | 349,665,420 | (2.12) |
| Rental of Facilities and Equipment | | 9,604,292 | 3,201,431 | 2,813,793 | (12.11) |
| Interest Earned - External Investments | | 18,318,834 | 6,106,278 | 21,427,586 | 250.91 |
| Interest Earned - Outstanding Debtors | | 33,878,313 | 11,292,771 | 11,713,684 | 3.73 |
| Dividends Received | | 49,867 | 16,622 | 33,328 | 100.50 |
| Fines | | 8,021,879 | 2,673,960 | 2,299,064 | (14.02) |
| Licences and Permits | | 11,585,596 | 3,861,865 | 4,194,645 | 8.62 |
| Government Grants and Subsidies | 2 | 348,165,556 | 121,055,092 | 114,842,357 | (5.13) |
| Other Income | 3 | 128,946,917 | 42,982,306 | 41,052,287 | (4.49) |
| Operating Project Grants | | 204,221,125 | 68,073,708 | 32,068,192 | (52.89) |
| Total Operating Revenue | | 2,174,229,150 | 784,930,645 | 749,317,713 | (4.54) |
| OPERATING EXPENDITURE | | | | | |
| Employee Related Costs | 4 | 679,114,422 | 226,371,474 | 211,705,146 | (6.48) |
| Bad Debts | | 42,283,339 | 14,094,446 | 14,094,446 | 0.00 |
| Collection Costs | | 10,164,294 | 3,388,098 | 1,904,972 | (43.77) |
| Depreciation | | 186,058,475 | 62,019,492 | 62,019,492 | 0.00 |
| Repairs and Maintenance | 5 | 140,334,210 | 46,778,070 | 28,897,008 | (38.23) |
| Bulk Purchases | 6 | 458,883,573 | 172,615,784 | 181,426,491 | 5.10 |
| Contracted Services | | 6,846,154 | 2,282,051 | 1,228,511 | (46.17) |
| Grants and Subsidies Paid | | 4,857,652 | 1,619,217 | 0 | (100.00) |
| General Expenses - Other | 7 | 420,671,829 | 140,223,943 | 107,710,757 | (23.19) |
| Operating Projects | 8 | 204,221,125 | 68,073,708 | 32,068,192 | (52.89) |
| Total Operating Expenditure | | 2,153,435,073 | 737,466,284 | 641,055,015 | (13.07) |
| Transfer to/from Leave Reserves | | (20,361,751) | (6,787,250) | 939,402 | |
| OPERATING SURPLUS/(DEFICIT) | | 432,326 | 40,677,111 | 109,202,100 | |

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

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

The Year-to-Date (YTD) percentage Variance is calculated by comparing the Year-to-Date (YTD) Accrual Income/Expenditure with the Year-to-Date (YTD) Budget.

The debtor's collection ratio for the four months ending 31 October 2008 is 90.22%.

Comments on Revenue and Expenditure with reference to "Table 1"

Note 1: Service Charges

| Service Charges | 2008/2009 | 2008/2009 | 2008/2009 | 2008/2009 | YTD |
|---------------------|----------------------|--------------------|--------------------|------------------|---------------|
| | Annual Budget R | YTD Budget R | YTD Expenditure R | Variance R | Variance % |
| Electricity Service | 604,173,373 | 204,464,915 | 197,749,076 | 6,715,839 | (3.28) |
| Water Service | 196,809,224 | 62,390,412 | 58,321,340 | 4,069,072 | (6.52) |
| Refuse Service | 119,414,425 | 38,297,303 | 42,331,268 | (4,033,965) | 10.53 |
| Sewerage Service | 132,516,432 | 52,081,414 | 51,263,736 | 817,678 | (1.57) |
| TOTAL | 1,052,913,454 | 357,234,044 | 349,665,420 | 7,568,624 | (2.12) |

The total service charges billing income indicates a negative variance of 2.12% (R7.57 million) for the period ending 31 October 2008.

Note 2: Government Grant income

The Grant Income received as at 31 October 2008 includes the equitable share grant allocation of R 103.4 million.

Note 3: Other income

Other income which is made up of numerous miscellaneous items reflects a cash inflow of R41.05 million as against an estimated budget of R42.98 million.

Note 4: Employee Related Costs

| Employee Related Costs | 2008/2009 | 2008/2009 | 2008/2009 | 2008/2009 | YTD |
|-------------------------|--------------------|--------------------|--------------------|-------------------|---------------|
| | Annual Budget R | YTD Budget R | YTD Expenditure R | Variance R | Variance % |
| Officials Remuneration | 659,247,385 | 219,749,128 | 205,567,147 | 14,181,981 | (6.45) |
| Councilors Remuneration | 19,867,037 | 6,622,346 | 6,137,999 | 484,346 | (7.31) |
| TOTAL | 679,114,422 | 226,371,474 | 211,705,147 | 14,666,327 | (6.48) |

The Basic Salaries and Wages were under spent by 6.48%. This is due to vacant funded posts that are not yet filled by the various Directorates and is well within the norm.

Note 5: Repairs and maintenance

Repairs and maintenance expenditure efficiency ratio for the period ending 31 October 2008 is 61.77% (R28.90 million). The repairs and maintenance indicate a decrease in the expenditure pattern when compared to the same period in the previous financial year (2007/2008: 68.53%).

Note 6: Bulk Purchases

| Bulk Purchases | 2008/2009 | 2008/2009 | 2008/2009 | 2008/2009 | YTD |
|----------------------------|--------------------|--------------------|----------------------|---------------------|---------------|
| | Annual Budget R | YTD Budget R | YTD Expenditure R | Variance R | Variance % |
| Electricity Bulk Purchases | 310,422,464 | 123,882,151 | 145,971,335 | (22,089,184) | 17.83 |
| Water Bulk Purchases | 92,108,987 | 26,244,854 | 35,455,156 | (9,210,302) | 35.09 |
| TOTAL | 402,531,451 | 150,127,005 | 181,426,491 | (31,299,485) | 20.85 |

The bulk purchases indicate an over expenditure of 20.85% (R31.30 million) but expected to be within the budget at the end of the financial year.

Note 7: General expenses

General expenditure efficiency ratio for the period ending 31 October 2008 is 72.89% (R99.34 million). The general expenses indicate a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 89.39%).

Note 8: Operating Projects

Operating Projects expenditure efficiency ratio for the period ending 31 October 2008 is 47.11% (R32.07 million). The current year's expenditure has increased when compared to the same period in the previous financial year (2007/2008: 34%). Comments on the under expenditure will be disclosed in the detailed report to the Council.

3. CAPITAL EXPENDITURE

The total capital expenditure as at 31 October 2008 amounts to R50.05 million which is 6% of the approved budget and the 1st adjustment budget for the 2008/09 financial year. The capital expenditure indicates a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 7%). (Refer to annexure 3)

Table 2: Capital Expenditure for the period ending 31 October 2008/09, 2007/08 and 2006/7

| Financial Year | Approved Budget | Adjusted Budget | YTD Actual Exp | YTD Exp/Approved Budget | YTD Exp/Adjusted Budget |
|----------------|------------------|------------------|------------------|-------------------------|-------------------------|
| | <u>R'million</u> | <u>R'million</u> | <u>R'million</u> | <u>%</u> | <u>%</u> |
| 2008/09 | 902.09 | 862.09 | 50.05 | 6% | 6% |
| 2007/08 | 372.33 | 453.93 | 32.68 | 9% | 7% |
| 2006/07 | 475.96 | 384.63 | 45.59 | 10% | 12% |

CONCLUSION

- The actual operating expenditure is well within the allocated budget for the period ending 31 October 2008.

Recommendation

It is recommended that -:

- The statement of financial performance and the implementation of the 2008/2009 budget for the period ending 31 October 2008 be adopted in terms of the MFMA.

V.R. LWANA
ACTING ACCOUNTING OFFICER

B.W. SHEPHERD
CHIEF FINANCIAL OFFICER

ANNEXURE:

- 1 Revenue Projections by Source
- 2 Year to date Summary Projection of Revenue and Expenditure by Function
- 3 Capital Expenditure
- 4 Schedule of Borrowings

REVENUE PROJECTIONS BY SOURCE**Table 1: Revenue projections by source for the period ending 31 October 2008**

| | YTD October 2008 Projected Revenue | YTD October 2008 Accrued Revenue |
|----------------------|---------------------------------------|-------------------------------------|
| Source | R'million | R'million |
| Assessment rates | 168 | 169 |
| Electricity | 204 | 198 |
| Sanitation | 52 | 51 |
| Water | 62 | 58 |
| Refuse removal | 38 | 42 |
| Grants & subsidies | 121 | 115 |
| Conditional Grants | 68 | 32 |
| Fines | 3 | 2 |
| Other | 67 | 81 |
| Total Revenue | 785 | 749 |

Table 1 above depicts the Accrued Revenue collected as compared to the Projected Revenue for the three months ending 31 October 2008.

YEAR TO DATE SUMMARY PROJECTIONS OF REVENUE AND EXPENDITURE BY FUNCTION

Projections of Revenue and Expenditure per Function 31 October 2008

| Vote / Function | YTD 'Oct - 08 Projected | | | YTD'Oct - 08 Actuals | | | Nov '08 - '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 |
| Executive Mayor | | | | | | | | | |
| Vote : Executive & Council | 12,154 | | 1,919 | 10,184 | | 7,121 | 24,308 | | 3,222 |
| Vote : Finance & Admin - IT | 905 | 83 | 630 | 482 | | 349 | 1,810 | 167 | 1,058 |
| Vote : Finance & Admin - Other | 15,851 | 28,825 | 6,737 | 6,724 | 166 | 1,876 | 31,301 | 57,649 | 11,319 |
| Vote : Planning & Development | 2,674 | | 785 | 1,213 | | 876 | 5,349 | | 1,318 |
| TOTAL | 31,384 | 28,908 | 10,071 | 18,604 | 166 | 10,222 | 62,769 | 57,816 | 16,917 |
| Municipal Manager | | | | | | | | | |
| Vote : Finance & Admin - Internal Aud | 1,134 | | 38 | 705 | | 1,046 | 2,268 | | 64 |
| Vote : Finance & Admin (Other) | 4,600 | | | 6,119 | | 2,907 | 9,200 | | |
| Vote : Other | | | | 19,225 | | 3,424 | | | |
| Vote : Planning & Development | | | | | | | | | |
| TOTAL | 5,734 | | 38 | 26,049 | | 7,377 | 11,468 | | 64 |
| Chief Operations Officer | | | | | | | | | |
| Vote : Finance & Admin (Other) | 1,499 | 90 | 1,167 | | 19 | | 2,999 | 180 | 2,333 |
| Vote : Planning & Development | 4,964 | | 4,964 | | | | 9,927 | | 9,927 |
| Vote : Housing | 29,202 | 9,300 | 26,686 | | 532 | | 58,404 | 18,599 | 53,371 |
| TOTAL | 35,665 | 9,390 | 32,816 | | 551 | | 71,331 | 18,779 | 65,632 |
| Financial Services | | | | | | | | | |
| Vote : Finance & Admin (finance) | 76,726 | 2,250 | 233,988 | 63,970 | 1,254 | 228,929 | 153,453 | 4,501 | 392,832 |
| TOTAL | 76,726 | 2,250 | 233,988 | 63,970 | 1,254 | 228,929 | 153,453 | 4,501 | 392,832 |
| Corporate Services | | | | | | | | | |
| Vote : Executive & Council | | | | | | | | | |
| Vote : Finance & Admin (HR) | 5,748 | 95 | | 9,624 | 12 | 6,088 | 11,496 | 190 | 3,120 |
| Vote : Finance & Admin (IT) | 6,815 | 1,353 | 1,857 | 4,500 | | 3,266 | 13,630 | 2,706 | 313 |
| Vote : Finance & Admin (Other) | 10,688 | 1,190 | 187 | 5,713 | | 3,525 | 21,376 | 2,380 | |
| TOTAL | 23,251 | 2,638 | 2,043 | 19,837 | 12 | 12,879 | 46,502 | 5,277 | 3,433 |
| Engineering Services | | | | | | | | | |
| Vote : Finance & Admin (Other) | 8,725 | 26,667 | 1,079 | 7,109 | 1,864 | 13,774 | 17,450 | 53,333 | 1,811 |
| Vote : Waste Water Management | 44,813 | 40,035 | 68,536 | 39,987 | 9,087 | 61,933 | 89,627 | 80,070 | 115,120 |
| Vote : Road Transport | 37,409 | 51,055 | 3,268 | 38,668 | 10,881 | 15,773 | 74,817 | 102,110 | 5,488 |
| Vote : Water | 72,249 | 23,018 | 90,517 | 75,802 | 12,139 | 81,817 | 147,554 | 46,037 | 152,029 |
| Vote : Electricity | 194,020 | 36,431 | 216,900 | 155,859 | 2,532 | 201,169 | 299,167 | 72,862 | 364,036 |
| Vote : Other (Vehicles) | | | | | | | | | |
| TOTAL | 357,216 | 177,206 | 380,299 | 317,224 | 36,503 | 374,466 | 628,615 | 354,412 | 638,485 |
| Planning & Development | | | | | | | | | |
| Vote : Finance & Admin (Other) | 6,480 | 1,209 | 284 | 4,780 | 485 | 5,816 | 12,961 | 2,417 | 478 |
| Vote : Planning & Development | 27,072 | 31,229 | 10,318 | 20,091 | 6,735 | 5,744 | 54,145 | 62,459 | 17,330 |
| Vote : Housing | 225 | | 221 | 110 | | 211 | 451 | | 371 |
| Vote : Other (Bus & BCMET) | 5,937 | 633 | 6,240 | 7,036 | 26 | 4,632 | 11,874 | 1,267 | 10,485 |
| TOTAL | 39,715 | 33,071 | 17,064 | 32,016 | 7,246 | 16,403 | 79,430 | 66,143 | 28,664 |
| Public Health and Public Safety | | | | | | | | | |
| Vote : Finance & Admin (Other) | 1,188 | | | 1,016 | 25 | 1,156 | 2,376 | | |
| Vote : Health | 16,759 | 1,046 | 13,734 | 18,356 | 376 | 8,334 | 33,519 | 2,092 | 23,056 |
| Vote : Public Safety | 37,725 | 9,493 | 28,712 | 33,558 | 42 | 24,602 | 75,450 | 18,987 | 48,203 |
| Vote : Other (Dog Tax) | 240 | | 379 | 179 | | 2 | 480 | | 636 |
| TOTAL | 55,912 | 10,539 | 42,825 | 53,109 | 444 | 34,094 | 111,825 | 21,079 | 71,895 |
| Community Services | | | | | | | | | |
| Vote : Finance & Admin (Other) | 1,893 | | 485 | 1,325 | 28 | 195 | 3,785 | | 814 |
| Vote : Community Services | 19,794 | 5,555 | 4,668 | 22,624 | 1,331 | 8,377 | 39,587 | 11,111 | 7,843 |
| Vote : Sports & Recreation | 13,914 | 3,095 | 1,120 | 14,936 | 1,179 | 625 | 27,827 | 6,191 | 1,881 |
| Vote : Environmental Protection | 20,472 | 3,380 | 1,201 | 23,887 | 316 | 1,657 | 40,943 | 6,760 | 2,018 |
| Vote : Waste Management | 59,849 | 24,662 | 67,940 | 47,474 | 1,015 | 54,095 | 119,699 | 49,325 | 114,156 |
| TOTAL | 115,921 | 36,693 | 75,413 | 110,246 | 3,870 | 64,948 | 231,841 | 73,386 | 126,713 |
| Total by Function | 741,525 | 300,696 | 794,557 | 641,055 | 50,046 | 749,318 | 1,397,234 | 601,393 | 1,344,635 |

Note: The table above indicates the comparative of the projected and actual expenditure incurred and revenue earned for the period ending 31 October 2008.

CAPITAL EXPENDITURE

The total capital expenditure as at 31 October 2008 amounts to R50.05 million which is 6% of the approved budget and the 1st adjustment budget for the 2008/09 financial year. The capital expenditure indicates a decrease in expenditure pattern when compared to the same period in the previous financial year (2007/2008: 7%). (Refer to annexure 3)

The year to date expenditure per funding source is reflected in table 5 below.

Table 1: Capital Expenditure per Funding Source

| Funding | Approved 2008/2009 R | Adjusted Budget 2008/2009 R | Expend. 2008/2009 R | YTD Exp/ Approved Budget % | YTD Exp/ Adjusted Budget % |
|---------------------------------------------------|-------------------------------------|------------------------------------------------|------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Contribution to Accumulated Surpluses | 650,000 | 2,150,000 | 248,297 | 38% | 12% |
| Capital Replacement Reserve | 110,829,779 | 116,829,779 | 5,786,148 | 5% | 5% |
| Capital Replacement Reserve c/o | 17,803,273 | 22,441,947 | 1,583,014 | 10% | 7% |
| DBSA (Loan) | 250,000,000 | 250,000,000 | 1,173,708 | 0% | 0% |
| External Financing Fund / DBSA | 54,700,000 | 54,700,000 | 6,333,071 | 12% | 12% |
| External Financing Fund / DBSA c/o | 11,202,688 | 11,202,688 | 736,644 | 7% | 7% |
| Total Own Funding | 445,185,740 | 457,324,414 | 15,860,882 | 4% | 3% |
| Buffalo City Metropolitan Transport | 14,220,000 | 14,220,000 | 2,378 | 0% | 0% |
| Buffalo City Metropolitan Transport c/o | 439,997 | 430,240 | 0 | 0% | 0% |
| Department of Sports Recreation Arts & Culture | 50,000,000 | 50,000,000 | 0 | 0% | 0% |
| Department of Land Affairs | 2,500,000 | 2,500,000 | 743,164 | 30% | 30% |
| Department of Land Affairs c/o | 453,025 | 394,882 | 0 | 0% | 0% |
| Department of Local Government & Housing | 23,800,000 | 22,800,000 | 0 | 0% | 0% |
| Department of Local Government & Housing c/o | 4,168,398 | 3,705,359 | 531,858 | 13% | 14% |
| Department of Water Affairs & Forestry | 230,870 | 230,870 | 0 | 0% | 0% |
| Department of Water Affairs & Forestry c/o | 50,524 | 29,224 | 0 | 0% | 0% |
| Development Bank of South Africa Grant | 51,078 | 51,078 | 0 | 0% | 0% |
| Department of Science & Technology c/o | 4,266,008 | 4,266,008 | 183,500 | 4% | 4% |
| Disaster Management Fund c/o | 368,170 | 340,914 | 8,250 | 2% | 2% |
| Eastern Cape Development Corporation c/o | 344,272 | 344,272 | 0 | 0% | 0% |
| European Commission | 39,740,000 | 43,548,435 | 3,467,433 | 9% | 8% |
| European Commission c/o | 13,521,212 | 10,505,942 | 163,843 | 1% | 2% |
| Integrated National Electricity Provider | 32,712,000 | 32,712,000 | 2,430,691 | 7% | 7% |
| Integrated National Electricity Provider c/o | 2,741,971 | 1,633,725 | 0 | 0% | 0% |
| Leiden Platform | 0 | 500,000 | 358,984 | 0% | 72% |
| Leiden Platform c/o | 18,822 | 1,000,000 | 18,154 | 96% | 2% |
| MSIG c/o | 100,161 | 12,774 | 0 | 0% | 0% |
| Municipal Infrastructure Grant | 175,553,723 | 175,553,723 | 19,786,281 | 11% | 11% |
| Municipal Infrastructure Grant c/o | 26,596,556 | 12,323,757 | 6,390,200 | 24% | 52% |
| Neighbourhood Development Partnership Grant | 41,100,000 | 9,300,000 | 0 | 0% | 0% |
| Other (Lotto) c/o | 432,549 | 432,549 | 87,994 | 20% | 20% |
| PUBLIC | 8,000,000 | 8,000,000 | 0 | 0% | 0% |
| Public Transport Infrastructure & Systems Grant | 8,592,000 | 8,592,000 | 0 | 0% | 0% |
| Restructuring Grant c/o | 6,728,170 | 1,166,726 | 11,933 | 0% | 1% |
| Swedish International Development Agency c/o | 173,701 | 173,701 | 0 | 0% | 0% |
| Total Grant Funding | 456,903,207 | 404,768,179 | 34,184,664 | 7% | 8% |
| | | | | | |
| Total Capital Budget - All Funding Sources | 902,088,947 | 862,092,593 | 50,045,545 | 6% | 6% |

The actual capital expenditure for the period ending 31 October 2008 has increased when compared to the same periods in 2007/08 and 2006/07.

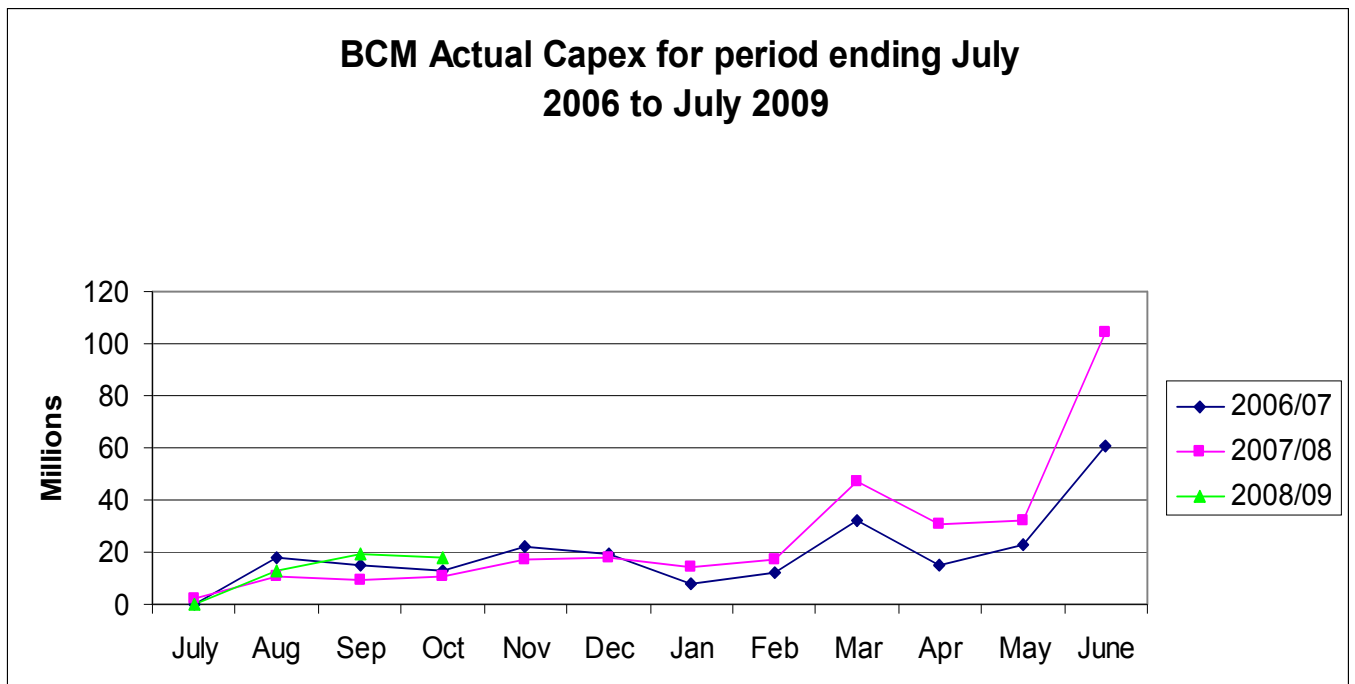


Table 6 identifies the actual Capital Expenditure per Directorate against budget.

Table 2: Actual Expenditure per Directorate against Budget

| Directorate | Approved 2008/2009 R | Adjusted Budget 2008/2009 R | Expenditure 2008/2009 R | YTD Exp/ Approved Budget % | YTD Exp/ Adjusted Budget % |
|-------------------------------------------|----------------------------|--------------------------------------|-------------------------------|-------------------------------------|----------------------------------------|
| Directorate of Executive Support Services | 86,907,279 | 86,907,279 | 166,214 | 0% | 0% |
| Chief Operations Officer | 28,336,398 | 28,023,359 | 550,808 | 2% | 2% |
| Directorate of Finance | 5,721,655 | 16,228,586 | 1,253,778 | 22% | 8% |
| Directorate of Corporate Services | 8,022,961 | 7,353,233 | 11,933 | 0% | 0% |
| Directorate of Engineering Services | 531,766,842 | 488,148,653 | 36,502,921 | 7% | 7% |
| Directorate of Development Planning | 99,251,083 | 89,626,517 | 7,245,698 | 7% | 8% |
| Directorate of Health & Public Safety | 31,853,274 | 33,159,564 | 443,888 | 1% | 1% |
| Directorate of Community Services | 110,229,455 | 112,645,402 | 3,870,306 | 4% | 4% |
| Total | 902,088,947 | 862,092,593 | 50,045,546 | 6% | 6% |

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

Table 3: Spending per Service

| Service | Approved 2008/2009 R | Adjusted Budget 2008/2009 R | Expenditure 2008/2009 R | YTD Exp/ Approved Budget % | YTD Exp/ Adjusted Budget % |
|------------------------|-------------------------------------|------------------------------------------------|----------------------------------------|-----------------------------------------------|---------------------------------------------------|
| Water | 68,555,136 | 65,403,529 | 12,139,214 | 18% | 19% |
| Waste Water | 120,105,414 | 113,879,536 | 9,087,398 | 8% | 8% |
| Electricity | 109,292,609 | 101,362,569 | 2,531,874 | 2% | 2% |
| Roads and Stormwater | 153,164,683 | 141,854,019 | 10,880,840 | 7% | 8% |
| Housing | 27,968,398 | 26,505,359 | 531,858 | 2% | 2% |
| Transport Planning | 85,342,000 | 62,936,479 | 6,714,040 | 8% | 11% |
| Cleansing | 73,987,213 | 73,174,658 | 1,015,390 | 1% | 1% |
| Amenities | 25,951,645 | 25,392,676 | 2,510,208 | 10% | 10% |
| Environmental Services | 5,874,589 | 4,662,060 | 132,723 | 2% | 3% |
| Health Services | 3,138,371 | 3,138,371 | 376,417 | 12% | 12% |
| Public Safety | 28,479,903 | 29,786,193 | 42,449 | 0% | 0% |
| Support Services | 102,855,807 | 113,453,575 | 1,688,672 | 2% | 1% |
| Other | 97,373,179 | 100,543,569 | 2,394,462 | 2% | 2% |
| Total | 902,088,947 | 862,092,593 | 50,045,546 | 6% | 6% |

SCHEDULE OF BORROWINGS AS AT 31 OCTOBER 2008

| EXTERNAL LOANS | | | | | | Balance at | Received | Redeemed | Balance at |
|---------------------------------------------------|-----------------|-----------------|--------------------|-------------------|--------------------|--------------------|-------------------|-----------------------|--------------------|
| Local Registered Stock | | | | | | 01/10/2008 | during the | or written off | 31/10/2008 |
| Issued | Int Rate | Loan No. | Ref No. | Redeemable | Source | R | year | during the | R |
| | | | | | | | | year | |
| 09/02/1990 | 16.50% | 72 | SC 13121/ELL110M-S | 30/06/2010 | CMB & OLD MUTUAL | 8,000,000 | | | |
| 19/12/1990 | 17.05% | 73 | AC 27451/ELL110M-S | 31/12/2011 | OLD MUTUAL | 10,000,000 | | | 10,000,000 |
| 14/06/1990 | 17.90% | 5/90 | AA/256/12/14/5/90 | 30/06/2010 | VULCAN COMMODITIES | 160,000 | | | 160,000 |
| | | | | | | 18,160,000 | | | 18,160,000 |
| EXTERNAL LOANS | | | | | | | | | |
| Annuity Loans | | | | | | Balance at | Received | Redeemed | Balance at |
| | | | | | | 01/10/2008 | during the | during the | 31/10/2008 |
| Received | Int Rate | Loan No. | Ref No. | Redeemable | Source | R | year | year | R |
| | | | | | | | | | |
| Brought forward | | | | | | 18,160,000 | | | 18,160,000 |
| Annuity Loans | | | | | | | | | |
| 09/02/2006 | 13.95% | INCA | BFF-00-0001 | 31/12/2020 | INCA | 114,311,179 | | | 114,311,179 |
| 01/06/2001 | 10.83% | 13717 | 13717 | 30/06/2021 | DBSA | 54,736,842 | | | 54,736,842 |
| 01/06/2002 | 11.40% | 100124 | 100124 | 30/06/2023 | DBSA | 137,857,803 | | | 137,857,803 |
| 09/06/2004 | 10.15% | 100783 | 100783 | 30/09/2009 | DBSA | 6,000,000 | | | 6,000,000 |
| 29/06/2004 | 12.56% | 101058 | 101058 | 31/12/2023 | DBSA | 53,517,168 | | | 53,517,168 |
| 01/12/1979 | 9.50% | CJPF 5 | GNB109M-S | 30/06/2009 | INCA | 17,004 | | | 17,004 |
| 30/03/2007 | 9.80% | 102531 | 1 - 5 | VARIOUS | DBSA | 150,213,808 | | 5,013,736 | 145,200,072 |
| * DBSA facility available R 250,000,000 | | | | | | | | | |
| Sub Total Annuity Loans | | | | | | 516,653,804 | | 5,013,736 | 511,640,068 |
| Sub Total Annuity & Stock Loans | | | | | | 534,813,804 | | 5,013,736 | 529,800,068 |
| Financial Leases | | | | | | | | | |
| Various | | Various | | Various | | 2,614,286 | | | 2,614,286 |
| Sub Total Annuity, Stock Loans & Financial Leases | | | | | | 537,428,090 | | 5,013,736 | 532,414,354 |
| GRAND TOTALS | | | | | | 537,428,090 | | 5,013,736 | 532,414,354 |