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# **MAKANA MUNICIPALITY**

## **DRAFT ANNUAL REPORT 2007-2008**

**FEBRUARY 2009**



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<b>CHAPTER 1: INTRODUCTION AND OVERVIEW</b>	



Chapter 1 of the Annual Report covers the foreword by the Executive Mayor, Overview of the Municipality and the Executive Summary.

## **1.1 FOREWORD BY THE EXECUTIVE MAYOR**

The 2007/08 financial year has been a year that was full of challenges, some of which were due to other uncontrollable external factors, such as high escalating interest rates, increased petrol and oil, etc. These external factors impacted heavily to the world economy, including the South African economy. The bad impact to the municipality, resulting from this economic downfall can be easily sighted from the increasing arrear debt, which directly hinders to the ability by the municipality to deliver essential services.

Over and above the external challenges that were faced by the municipality during the 2007/08 financial year, there were internal challenges that the municipality encountered, but through hard work and dedication by the various stakeholders the majority of the challenges were all addressed satisfactorily.

Some of the achievements or highlights during the 2007/08 financial year can be summarized as follows: -

- The successful lobbying with National Treasury to the approval of the Neighbourhood Development Programme Grant, which will result to an investment in the Makana Municipal Area of jurisdiction amounting to R93m;
- The investment by the DEAT (Department of Environmental Affairs and Tourism) to the Botanical Gardens, Caravan Park (Makana Resort), and eGazini Precinct, which also exceeds R40m;
- The completion and handover of the Car Wash Project (Building) by Cacadu District Municipality;
- The continuation of the Fak'ltar Project, which is aiming at tarring of gravel roads funded from the Municipal Infrastructure Grant (MIG);
- The writing off of arrear debt of the "indigent households" amounting to R27m;
- Other infrastructural projects, which include (i) Bulk Services in ELuxolweni, (ii) Ndancama Bucket Eradication, (iii) Construction of Fingo Library and extension of Dlukulu Clinic, (iv) Refurbishment of Alicedale Sports Field, and (v) Construction of Bulk Water Supply in Fort Brown are either completed or were tenders awarded during the 2007/08 financial year.

Amongst the many challenges that the municipality faced during the 2007/08 financial year, the project named "Sewer Reticulation for Extension 6, Contract Number 16/2007" became the main project that was not resolved, as the contractor failed to complete the project on or before the agreed due date. A detailed report on this project was tabled at the Mayoral Committee meeting of the 7<sup>th</sup> October 2008, with clear recommendations taken. This case is currently in the hands of external mediators and the Provincial Department of Local Government has also intervened.

Lastly, I must state that with all the challenges faced by the municipality, the struggle against poverty and deprivation of our people will continue unabated in the 2008/09 financial year. This thinking resulted to the establishment of the "Rural Outreach Programme" budgeted for R1.1m in the 2008/09 financial year, so that rural communities are not forgotten in the mainstream of the economy of Makana Municipality. It is intention of the municipality to improve on this amount, as it is well understood that challenges that are experienced by rural communities far exceed this amount, and other governmental departments (e.g. Water Affairs, Agriculture, Land Affairs, Health, etc.) are to be brought on board as well.



**CLLR PM KATE**  
**EXECUTIVE MAYOR: MAKANA MUNICIPALITY**

**1.2 MUNICIPAL MANAGER'S STATEMENT**

The Municipal Manager has the responsibility of ensuring that the administration leg of the municipality operates effectively and efficiently. During the 2007/08 the municipality operated fairly well, administratively, considering the fact that for the better part of the financial year in question, the municipality operated without a fulltime Municipal Manager.

The better way of managing in a municipal environment is through policies that are responsive to the needs of the institution. I am proud to announce that various policies and by-laws were reviewed in the 2007/08 financial and were adopted by Council. These policies and by-laws form a firm foundation for effective and efficient municipal operations, and cover a wide range of activities, in the areas of Human Resources, Finance, Community and Social Services, etc.

Some of the policies / by-laws that were reviewed during the year in question are as follows: -

- ❑ Assistance to the Poor Policy and By-Law;
- ❑ Credit Control and Debt Management Policy and By-Law;
- ❑ Cash Management and Investment Policy;
- ❑ Budget Policy;
- ❑ Rates Policy;
- ❑ Recruitment and Selection Policy;
- ❑ Overtime Policy; and
- ❑ Liquor By-Law

The challenge faced by the municipality is to ensure that these policies are implemented, as intended, however, the skills and capacity is always problematic.

During the same 2007/08 financial year the municipality availed the new municipal website and Makana News as a method of improving communication or public participation with our communities, as in line with Chapter 4 (Community Participation) of the Municipal Systems Act No. 32 of 2000.

The municipality also adopted its revised organogram in May 2008, when the 2008 / 09 financial year's budget and Integrated Development Plan (IDP) was being adopted.

The challenge ahead is to ensure that the administrative wing of the institution is operated effectively, throughout all Directorates. This will ensure that the resolutions of Council are implemented without delay, and report backs are provided to the relevant structures of Council, where there are challenges or gaps.

Lastly, some of the other challenges that must be addressed during the 2008/09 financial year include "performance management issues, proper budget / fiscal control by respective Departments, investing in skills improvement of employees, and finalising Job Evaluation process".

**MS NL BAART**  
**MUNICIPAL MANAGER**

**1.3 INTRODUCTION AND OVERVIEW OF MAKANA MUNICIPALITY**



Makana Municipality is situated in the Province of the Eastern Cape and is the Local Municipality under Cacadu District Municipality. Makana Municipality incorporates the areas of Grahamstown, Alicedale, Riebeeck East, Salem, Fort Brown, Seven Fountains and Sidbury. The Makana area of jurisdiction is known as the “Festival City” due to the fact that various festivals are staged in this area, in a calendar year, such as “Arts Festival, Sci-Fest, Freedom Festival, Journalist’s Annual Indaba”, amongst other activities.

Makana Municipality is surrounded by world-known Game Reserves, such as Lalibela, Shamwari, Kwandwe, Kwantu, amongst others. The area boasts itself with highly recognised or highly rated educational institutions, such as Rhodes University and other colleges. The Makana Municipal area of jurisdiction is a historic area, where a number frontier wars occurred in the past.

### **1.3.1 Population and Household Data**

The population figures for the Makana Area indicated as per the census 2001 a total population of 82 682, whilst the survey conducted by Cacadu District Municipality came up with a figure of 140 120, so it is possible that the total population in this area is above 110 000. The households’ statistics as per the 2001 census gave a figure of 18 453, whilst the same survey conducted by Cacadu District Municipality resulted to a figure of 16 758, and it is therefore possible that the total households in the area exceed 17 000.

### **1.3.2 Executive Mayoral System**

The municipality operates an Executive Mayoral Committee system with the Executive Mayor and five Portfolio Chairpersons being members of the Mayoral Committee. The meetings of the Mayoral Committee are held once a month, and the same applies to the meetings of the Portfolio Committees, whilst the Council meetings are held four times during a calendar year.

### **1.3.3 Administration**

The Municipal Manager / Accounting Officer is the head of administration and is supported by the following Directorates: -

- ❑ Corporate Services;
- ❑ Community and Social Services;
- ❑ Infrastructure Services (Including Housing and Land);
- ❑ Local Economic Development; and
- ❑ Finance

## **1.4 EXECUTIVE SUMMARY**

### **1.4.1 Municipality’s Vision**

The vision for the municipality reads as follows: -

“Makana Municipality shall strive to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all”.

### **1.4.2 Municipality’s Mission**

The mission for the municipality reads as follows: -

“We recognise that our Mission (the main reason for the existence of our Municipality, and therefore every job within it) is to attain our Vision, satisfy the needs of our stakeholders (namely, employees, co-workers, suppliers, customers/ratepayers/residents and visitors), and efficiently and effectively provide the services required by legislation”.



### 1.4.3 Municipality's Core Values

The municipality strives to conduct its operations within the eight Principles of Batho Pele, and the core values of the municipality are as follows: -

- ❑ Honesty – “We are corruption free”;
- ❑ Transparency – “We are open and communicate freely;
- ❑ Quality – “We are committed to a culture in which we continuously strive for excellence;
- ❑ Participatory Democracy – “We ensure maximum involvement of all stakeholders in all our activities;
- ❑ Accountability – “We are answerable for our actions; and
- ❑ Professionalism – “We practice the highest standards applicable to our work, and we embrace humility, discipline and respect”.

### 1.4.4 Access to Free Basic Services

The municipality fulfils the promise of giving access to the poor or indigent households through the Assistance to the Poor or Indigent Policy. This policy was reviewed during the 2007/08 financial year, and was adopted by the Council on the 27<sup>th</sup> November 2007. Indigent consumers get access to basic services (in terms of this Policy) such as “rates, refuse, sewerage, 10kl of water, and 50kw of electricity, depending on their indigent status, with the qualifying criteria that can be summarised as follows: -

- Joint Household Income from **R0.00 to an equivalent of one State Pension per month** = 100% discount to municipal services such as “Rates, Refuse and Sewerage”;
- Joint Household Income from **one State Pension plus R1 up to an equivalent of two State pensions per month** = 75% discount to municipal services such as “Rates, Refuse and Sewerage”.
- Household income does not include income such as “child foster care grant”;
- If an applicant owns more than one property he/she does not qualify for an indigent subsidy, and
- Indigent households are supplied with free 10kl of water per month and free 50kw of electricity per month (anything consumed above these limits is payable by the consumer).

### 1.4.5 Financial Viability

The municipality was awarded a credit rating of Baa2.za by Moody's Investors Service in the 2006/07 financial year, and the credit rating by the same rating agent is soon to be undertaken for the 2007/08 financial year. The rating results of Baa2.za indicate that the municipality's financial and economic outlook is stable, as this symbol represents average credit worthiness.

The other important financial spending levels during the 2007/08 financial year are as follows: -



- ❑ Capital Budget = 93.3% (of the total Capital Budget),
- ❑ Manpower Costs = 38% (of the total expenditure / operating budget),
- ❑ Repairs and Maintenance = 6% (of the total expenditure / operating budget), and
- ❑ External loans reduced from R2.8m (2007) to R2.5m (2008)

The other detailed information will be provided in the following Chapters as follows: -

Chapter 2 – Performance Highlights for the Municipality;

Chapter 3 – Human Resource and Other Organisational Management;

Chapter 4 – Audited Financial Statements and Related Financial Information, and

Chapter 5 – Functional Service Delivery Reporting



## CHAPTER 2: PERFORMANCE HIGHLIGHTS

### 2.1 SERVICE S PROVIDED AND HIGHLIGHT'S FOR 2007-2008

PERFORMANCE HIGHLIGHT			
REPORTING LEVEL	Function	Detail	Total
Highlight	Sewerage purification	Sewerage treated in 2007/2008	2307964kl
		Sewerage treated less in 2007/2008 as compared to 2006/2007	24%(288824kl)
	Water	All households are having access to basic water services	
	Sanitation	All household have access to basic sanitation	
Backlog	Electricity	Households without electricity	3500
	Housing	Housing backlog	12 000
Level of services	Roads	Total number of gravel road constructed	5.5.km
		Total number of bladed and patched	740.km
	Mechanical workshop	Fleet Management System was introduced	
	PMU	Total amount spend of projects completed	R30 million





## **CHAPTER 3: HUMAN RESOURCES AND ADMINISTRATION**

### **3.1 HUMAN RESOURCES**

During the financial year under review the Makana Municipality adopted a new Organisational Structure. The Organisational Structure is constituted of the following directorates i.e. office of Executive Mayor, office of the Municipal Manager, Director Corporate Services, Finance Directorate, Technical and Infrastructural Service, Directorate of Community and Social Service and the Local Economic Development Directorate. The municipality also succeeded in the appointment of all top and senior management positions except that of the Municipal Manager which was also filled in September 2008. Makana Municipality has a staff compliment of 547 permanent employees excluding the contracted employees. The institution has tried to fill all budgeted positions.

In 2007/8 financial a Directorate managed to review, develop and implement new policies to enhance our service delivery. These policies were aimed at improving the operational efficiency of the organisation. Some of these policies were developed in response to the auditor General findings on lack of Internal HR control systems.

The policies that were reviewed and developed were as follows i.e. Subsistence and Travel Policy, Fleet Management Policy, Recruitment and Selection Policy, Absenteeism Policy, Termination Policy, Ill Health and Poor Work Performance, Occupational Health and Safety, Retention Policy, Overtime Policy and many other policies.

In the past financial year of 2007/8, there were some challenges in terms of staff turn over, more especially in departments such as Water and Sewer, Electricity and Health Services. These challenges were caused by the lack of competitive remuneration packages. However measures are being undertaken to introduce learnerships for water and sewer in an attempt to address the identified challenges. In terms of staff turnover rate, the council is experiencing 20% of this trend, out of the total of Municipal employees. The affected occupational categories are technical/professional categories. This is prevalent to management positions at technical departments, whereby these categories of employees are in demand and offered good salaries elsewhere. This affected the following departments;

- 1) Water and sanitation; and
- 2) Electricity department
- 3) Primary health



The summary of the functional service delivery report for Corporate Services Directorate can be illustrated as follows: -

<b>FUNCTION: CORPORATE SERVICES</b> <b>SUB – FUNCTIONS: HUMAN RESOURCES</b>		
REPORTING LEVEL	DETAIL	TOTAL
1. Overview:	The Corporate Services is responsible for the overall management and coordination of all activities relating to corporate image and governance.	
2. Description of activity	<p><b>To provide Human recourse services and support to the Municipality</b></p> <p>Functions:</p> <ul style="list-style-type: none"> <li>• Recruitment and Selection 79</li> <li>• Training and development 109</li> <li>• Labour Relations 36</li> <li>• Promote Health and Safety 11</li> <li>• Provide Personnel – HR and Administration 73</li> <li>• Provide Employee Assistance and Counselling 11</li> </ul>	
2. Analysis of information	<ul style="list-style-type: none"> <li>• During the period under review the HR Section has been able to process 79 new appointments. These included senior management and positions that became vacant as a result of retirement, death and resignations.</li> <li>• During the period Councillors and staff undergone various training interventions programmes. Amongst the training interventions undertaken were as follows: Finance for Non-financial managers, Disciplinary training, arbitration training, PMS, Water and Fire Learnerships and in-service training. During this period the HR section processed 36 disciplinary and grievance cases. These cases related largely to matters of misconduct. The municipality has managed to maintain a sound working relationship between the trade unions (SAMWU AND IMATU) and the employer component. Monthly meetings of the Local Labour Forum continued to be held. The year under review has</li> </ul>	



	<p>also been without any industrial action.</p> <ul style="list-style-type: none"> <li>• About 16 trained Occupational Health and Safety Representatives were elected from various departments and are functional. No fatalities were occurred however minor IOD cases were received and dealt with.</li> <li>• The HR section managed to process 73 medical and termination benefits. These related to employees whether due new appointments, retirement, resignations and dismissal.</li> <li>• Various counselling interventions were undertaken arising out of identifying counselling needs i.e. absenteeism, substance abuse and poor performance.</li> </ul>	
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**THE FOLLOWING INFORMATION PROVIDES A BREAKDOWN OF STAFF PER FUNCTION**

Office of the Executive Mayor	4
Office of the Municipal Manager	5
<b>CORPORATE SERVICES:</b>	
Human Resources	6
Administration	18
<b>COMMUNITY &amp; SOCIAL SERVICES:</b>	
Primary Health	36
Parks and Recreation	92
Traffic	27
Fire	29
Libraries	20



Environmental Health	91
<b>TECHNICAL &amp; INFRASTRUCTURE</b>	78
Roads	54
Water & Sanitation	11
Town Planning	48
Electricity	
LOCAL ECONOMIC DEVELOPMENT	4
FINANCE DIRECTORATE	33
<b>TOTAL</b>	<b>547</b>

#### Allowances paid to Section 57 Employees

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>Municipal Manager</b>		
Annual remuneration	268 140	463 273
Transport allowance	36 668	86 957
Telephone allowance	3 332	7 200
	308 140	557 430
<b>Chief Financial Officer</b>		
Annual remuneration	472 500	315 069
Transport allowance	90 000	70 123
Telephone allowance	7 500	3 600
	570 000	388 792
<b>Directors (4)</b>		
Annual remuneration	1 934 808	972 613
Transport allowance	323 169	202 433
Telephone allowance	26 625	13 200
	2 284 602	1 188 246

The Municipal Council determines the annual packages for Section 57 employees, during the budget process. The decrease in the allowance paid to the Municipal Manager can be attributed to the fact that the former Municipal Manager's contract came to an end during the first half on the financial year. The above packages paid in 2007/08 financial year exclude performance bonuses payable, only after performance evaluation has been conducted.

Disclosures concerning Councillors and Section 57 Officials.

The following information provides a breakdown of training beneficiaries



Councillors	24
Managers and Senior Officials	15
Clerks	13
Labourers and related workers	50
Plant and Machinery workers	4
Professionals	11
Technicians and associate professionals	8

The Municipality' Capacity Development and Skills Development Programme are NQF aligned.

### **LABOUR RELATIONS**

The municipality has managed to maintain a sound working relationship between the trade unions (SAMWU AND IMATU) and the employer component. Monthly meetings of the Local Labour Forum continued to be held. The year under review has also been without any industrial action.

### **BENEFITS ADMINISTRATION**

The function of benefits administration has been performed fairly well with the assistance of one administrative officer and one personnel clerk. The function revolved around dealing with leave issues, pension fund membership, medical aid membership as well as all administrative functions pertaining to termination of service.

Makana Municipality has two pension funds and medical aid funds. Employees chose between Cape Joint Pension Fund and SAMWU Provident Fund. Currently we have SAMWU and Bonitas medical aid that are used by the employees. The two funds have been performing fairly well in the provision of benefits to our employees with no immediate risks being identified. An area of concern has been SALA (South African Local Authority) Pension Fund which is a minority pension fund that has a membership of less than ten (10) members which seeks to demand employer contributions higher than the minimum threshold as stipulated in the Pension Fund Collective Agreement.



## CHAPTER 4: AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

Chapter 4 of the Annual Report covers the Audited Annual Financial Statements and the Audit Report of the 2007 / 2008 financial year. The Audited Financial Statements will inter-alia include the (i) Balance Sheet, (ii) Income Statement and (iii) the Cashflow statement.

### 4.1 AUDITED ANNUAL FINANCIAL STATEMENTS

Attached as **Annexures “4.1(a)” “4.1(b)” and “4.1(c)”** are copies of the balance sheet, income statement and cashflow, respectively, for the year ended 30 June 2008. The financial position of the municipality as per the attached set of financial statements indicates an improvement, as reflected by increases in investments, reduction in bank overdraft, slight decrease in consolidated billing debtors, decrease in long term debt, accumulated surpluses, amongst other key financial activities. The decrease in the consolidated billing debtors can be attributed to the Indigent Debt written off in June 2008 amounting to about R27m.

Some concerns that can be highlighted is the outstanding debt, specifically from government departments which, at the end June 2008 amounted to R9.6m. The arrear debt for business category is also of great concern as it amounted to R12.7m as at end June 2008. An increase in the arrear debt results to a situation whereby the municipality’s provision for bad debts is considered understated, which resulted to an audit qualification.

The following table illustrates the total debt outstanding as at 30 June 2008, after the provision has been taken off: -

<b>DEBTORS</b>		
Current debtors (consumer and other)	118 755 133	127 943 995
Suspense accounts	(6 803 753)	(6 442 690)
	<hr/>	<hr/>
	111 951 380	121 501 305
Amounts paid in advance	2 335 127	
	<hr/>	<hr/>
	114 286 507	121 501 305
Less: Provision for bad and doubtful debts	(66 228 927)	(73 000 174)
	<hr/>	<hr/>
	<b>48 057 580</b>	<b>48 501 131</b>

The above table indicates a slight drop (0.91%) in the net debtors and this is attributable to the fact that about R27m was written-off in the 2007/08 financial year, for the 100% indigent accountholders or ratepayers, as mentioned earlier on. The focus of the Finance Directorate during the 2007/08 financial year has been more on policy development and revision, dealing with arrear debt of “internal stakeholders” (e.g. municipal employees and Councillors). The focus for the 2008/09 financial year is to shift to policy implementation, dealing with businesses and also attending to Government Debt. The full extent of what the MFMA indicates (i.e. Section 64) will be implemented in the Government Debt during the 2008/09 financial year.



## 4.2 ANALYSIS OF OPERATING RESULTS

The following is the analysis of the operating results for the year ended 30 June 2008, which compares the budget to the actual expenditure or income.

Actual		Actual	As	Budget
2007		2008	%ntage	
R		R	2008	
		of Total	R	
		%		
<b>INCOME</b>				
Government and Provincial grants				
26 506 764	and subsidies	35 404 048	<b>22%</b>	36 106 490
24 440 124	Assessment rates	23 014 390	<b>14%</b>	26 287 020
40 183 266	Sale of electricity	41 090 057	<b>26%</b>	43 137 250
12 237 493	Sale of water	11 399 132	<b>7%</b>	7 677 780
37 344 080	Other service charges	43 896 880	<b>28%</b>	32 087 370
2 902 707	Interest earned	4 234 205	<b>3%</b>	750 000
<u>143 614 434</u>	<b>Total Income</b>	<u>159 038 712</u>		<u>146 045 910</u>
<b>EXPENDITURE</b>				
52 908 328	Salaries, wages and allowances	60 630 290	<b>38</b>	63 485 030
69 531 272	General expenses:	79 045 122	<b>49</b>	76 824 060
19 948 697	- Purchases of electricity	21 194 408		20 185 780
227 575	- Purchases of water	238 778		300 000
49 355 000	- Other general expenses	57 611 936		56 338 280
10 972 316	Repairs and maintenance	10 084 720	<b>6</b>	9 196 020
3 755 313	Capital charges	4 310 731	<b>3</b>	3 370 620
154 188	Contributions to fixed assets	288 858	<b>0</b>	343 580
6 257 930	Contributions	6 665 739	<b>4</b>	6 665 700
<u>143 579 347</u>	<b>Gross Expenditure</b>	<u>161 025 460</u>		<u>159 885 010</u>
<b>(12 444 569)</b>	Less: Amounts charged out	<b>(12 815 203)</b>		<b>(13 858 070)</b>
<u>131 134 778</u>	<b>Net Expenditure</b>	<u>148 210 257</u>		<u>146 026 940</u>

As can be see from the above analysis of operating results, the income raised or accrued during the 2007/2008 financial year exceeded the budgeted income by 8.9% whilst the net expenditure incurred exceeded the budget by about 1.5%. The high increase in income can be attributed to the increase in







<b>National Electrification Program (Eskom)</b>			R 0	R 0
<b>Mun. Systems Improvement Grant</b>	01/80/05/01/4805/79	R 150,000	R92,582	
<b>Finance Management Grant</b>	01/80/05/01/4805/61	R 500,000	R 513,887	
<b>Primary Health Subsidy</b>	01/10/50/40/5670	R 7,826,053	R 5,481,994	
<b>Environmental Health Subsidy</b>	01/10/50/45/5670	R 1,133,100	R 1,434,778	
<b>Integrated Development Plan</b>	01/80/05/01/4805/34	R 50,000	R 345,800	
<b>LED Capacity Building Grant</b>	01/80/05/01/4805/83	R 222,704	R 0	
<b>Neighbourhood Dev. Partnership Grant</b>			R 0	R 0
<b>Disaster Management: Roads, S/Water</b>	01/90/07/07/3015/50	R 600,000	R 0	
<b>DWAF: Telemetering/Masterplan/etc.</b>	01/90/07/07/3015/50	R 735,000	R 0	
<b>Total</b>		<b>R 62,325,280</b>	<b>R 55,718,108</b>	

The above table indicates that the municipality has managed to spend about 89.4% of the allocated grant from various sources. Delays in spending of funds can generally be attributed to tender processes that must be followed prior to the awarding of tenders. This situation can only be avoided by improving on proper planning by the Departments. As soon as Council adopts the budget, prioritisation must immediately take place.

#### 4.4 OTHER STATISTICAL FINANCIAL INFORMATION

The following is the other general financial statistical information: -

	2008	2007
<b>a) General statistics</b>		
i) Population (approx)	120 000	120 000
ii) Valuation:	3,545,892,767	552 495 434
rateable (residential)	2,033,879,190	135 428 939
rateable (commercial)	1,500,968,807	247 655 128
non-rateable	11,044,770	169 411 367

Valuation date : 1987

Assessment rates - Cents in the rand :

Urban: Residential	0.68900	4.21000
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	Other	1.26000	6.16000
Rural:	Residential		0.31100
	Other		0.51100

iii)	Number of properties :	21 021	18 445
	residential		14 548
	commercial		1 894
	non-rateable		2 003

iv)	Number of employees:	558	529
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b) Electricity statistics

i)	Number of consumers	7 986	7 948
ii)	Units purchased	111 672 589	110 798 076
iii)	Units sold	85 177 491	99 989 356
<b>iv)</b>	<b>Units lost in distribution</b>	<b>26 495 098</b>	<b>10 808 720</b>
<b>v)</b>	<b>Percentage loss in distribution</b>		<b>24% 10%</b>
vi)	Cost per unit purchased	R 0.190	R 0.180
vii)	Cost per unit sold	R 0.482	R 0.402
viii)	Income per unit sold	R 0.489	R 0.403

c) Water statistics

i)	Number of consumers	14 887	14 793
ii)	Kilolitres purified	4 331 184	4 344 504
iii)	Kilolitres sold	3 593 738	3 618 330
<b>iv)</b>	<b>Kilolitres lost in distribution</b>	<b>737 446</b>	<b>726 174</b>
<b>v)</b>	<b>Percentage loss in distribution</b>		<b>17% 17%</b>
vi)	Cost per kilolitre purified	R 5.028	R 3.697
vii)	Cost per unit sold	R 6.060	R 4.439
viii)	Income per unit sold	R 10.045	R 8.989

Of great concern on the above is the high level of distribution losses in both electricity and water. However, this matter is currently being addressed in the 2008/09 financial year, as the Budget, Treasury and IDP Committee resolved to establish a Task Team that will investigate this situation. Members of both Finance and Infrastructure Departments form this Task Team. This matter has also been highlighted in the 2009/10 IDP Review process.

#### 4.5 ANALYSIS OF MANPOWER COSTS

The analysis of manpower costs for the year ending 30 June 2008 can be summarised as follows: -

		BUDGET	ACTUAL	VARIANCE
Salaries	52,566,830	49,725,669	2,841,161	
Housing allowances	440,910	389,063	51,847	



Telephone allowances	76,330	45,783	30,547
Transport allowances	1,392,880	1,495,211	(102,331)
Inconvenience allowances	10,860	6,720	4,140
Pension contributions	6,202,940	6,356,903	(153,963)
Medical aid contributions	2,535,310	2,380,656	154,654
Group life assurance	258,970	230,285	28,685
	<b>63,485,030</b>	<b>60,630,290</b>	<b>2,854,740</b>

The salary bill represents about 38% of the total operating expenditure, as it is indicated under paragraph 4.2 above. The under-expenditure in the salary component can be attributed to the position of the Chief Operating Officer that was not filled, whilst it was budgeted for the whole year, the termination of the former Municipal Manger's contract, performance bonuses not paid during the financial year, and other vacancies that were not filled during the financial year.

#### 4.6 ANALYSIS OF THE PACKAGES PAID TO COUNCILLORS AND SECTION 57 EMPLOYEES

The following summarises the packages paid to the Councillors as well Section 57 employees.

##### 4.6.1 Allowances paid to Councillors

	2008 R	2007 R
Mayor	350 472	326 020
Speaker	154 200	143 448
Chairpersons of committees	867 060	806 897
Councillors	1 682 256	1 564 896
Travelling allowance	1 018 111	947 067
Telephone allowance	235 560	136 595
Pension fund contributions	173 367	347 334
Medical aid contributions	38 025	100 053
	<b>4 519 051</b>	<b>4 372 310</b>

The payments of allowances to municipal councillors are made in terms of the Public Office Bearer's Act (Act No. 20 of 1998). Makana Municipality is graded as number three (3), based on the criteria used by the Department of Provincial and Local Government (DPLG) to determine the upper limits.

##### 4.6.2 Allowances paid to Section 57 Employees

	2008 R	2007 R
<b>Municipal Manager</b>		
Annual remuneration	268 140	463 273
Transport allowance	36 668	86 957
Telephone allowance	3 332	7 200



	308 140	557 430
<b>Chief Financial Officer</b>		
Annual remuneration	472 500	315 069
Transport allowance	90 000	70 123
Telephone allowance	7 500	3 600
	<u>570 000</u>	<u>388 792</u>
<b>Directors (4)</b>		
Annual remuneration	1 934 808	972 613
Transport allowance	323 169	202 433
Telephone allowance	26 625	13 200
	<u>2 284 602</u>	<u>1 188 246</u>

The Municipal Council determines the annual packages for Section 57 employees, during the budget process. The decrease in the allowance paid to the Municipal Manager can be attributed to the fact that the former Municipal Manager's contract came to an end during the first half on the financial year. The above packages paid in 2007/08 financial year exclude performance bonuses payable, only after performance evaluation has been conducted.

#### 4.6.3 Arrear Debt – Municipal Councillors

The following indicates arrear debt relating to municipal councillors, as required in terms of Section 124(1)(b) of the Municipal Finance Management Act No. 56 of 2003: -

	<b>2008</b>	<b>2007</b>
<b>The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008:-</b>	<b>Over 90 days Outstanding</b>	<b>Over 90 days Outstanding</b>
N.J. Fuku	1 531	
Z. Mantla	15 727	
L.C. May		388
T.C. Ngeleza		170
M.P. Ntshiba		3 333
	<u>21 149</u>	<u>0</u>

It must be mentioned that the above situation has since changed and the arrear debt has dropped to less than R6 000 as stop-order arrangements have been enforced or applied, in terms of the Municipality's Credit Control and Debt Management Policy, as well as the Municipal Systems Act No. 32 of 2000.

#### 4.7 AUDIT REPORT 2007 / 2008

For the 2007/2008 financial year, the municipality attained an adverse audit report, which indicates that there are a number of issues that must be addressed in order to rectify the situation. Some of the issues raised relate mostly on the question of legal compliance, Supply Chain Management issues (or procurement processes not properly followed), issues relating to provisions that are either understated or not even budgeted for, amongst others. Strategies have been developed on how to deal with the issues raised, and another positive contribution or advantage of the municipality is the fact that the Department of Provincial and Local Government (in Bhisho) has identified Makana Municipality for a TAP (Turn-around Plan) project, and the representatives from the Province have started working with the municipality in dealing with the issues raised and devising some strategies



on dealing with issues that resulted to an adverse audit report. Attached, as **Annexures “4.7(a)” and “4.7(b)”** are copies of the final Audit Report and the schedule of strategies to be undertaken in addressing the situation. A detailed “audit action plan” regarding the issues raised by the Auditor General will be tabled to the Budget, Treasury and IDP Committee of February 2009, and thereafter to the ordinary Council of March 2009.



## CHAPTER 5: FUNCTIONAL SERVICE DELIVERY REPORTING

### 5.1 MUNICIPAL MANAGER

#### 5.1.1 SPECIAL PROGRAM PROGRAMME

Reporting Level	Detail	Total	
Overview:	The provision of accessible developmental programmes that are targeted at servicing special sectors of people within the Makana Municipality.		
Description of activity:	<p>Provision of special programmes that are run by the Office of the Executive Mayor through the Special Programmes Unit.</p> <p>Listed below are the special programmes and their strategic objectives:</p> <p><b>HIV/AIDS Programme:</b></p> <ul style="list-style-type: none"> <li>• To reduce the prevalence rate of HIV/AIDS BY 15% overall and by 20% for anti-natal by 2009.</li> <li>• To ensure that vulnerable groups in the municipality feel safe.</li> </ul> <p><b>Youth Programme:</b></p> <ul style="list-style-type: none"> <li>○ To support at least 10 programmes aimed at raising awareness about substance abuse and teenage pregnancies.</li> <li>○ To support and promote moral regeneration</li> <li>○ To create 600 new job opportunities by the end of 2009.</li> <li>○ To support 10 programmes promoting personal development.</li> </ul> <p><b>Disabled People Programme:</b></p> <ul style="list-style-type: none"> <li>• To ensure that vulnerable groups in the municipality feel safe.</li> </ul> <p><b>Women Programme:</b></p> <ul style="list-style-type: none"> <li>• To co-ordinate events that aim to strengthen family relations and family values.</li> <li>• To ensure that vulnerable groups in the municipality feel safe.</li> <li>• To support 10 programmes that promoting personal development.</li> </ul>		



	<p><b>Arts and Culture Programme:</b></p> <ul style="list-style-type: none"> <li>To create 600 new job opportunities by the end of 2009.</li> <li>To support 10 programmes promoting personal development.</li> </ul> <p><b>Special Events:</b></p> <ul style="list-style-type: none"> <li>To ensure that vulnerable groups in the municipality feel safe.</li> </ul> <p><b>Junior Council:</b></p> <ul style="list-style-type: none"> <li>To support 20 programmes promoting personal development.</li> <li>To support and promote moral regeneration.</li> </ul>		
Analysis of function:	Junior Council Meetings Special Events Arts and Culture Meetings Youth Summit Meetings with youth structures	5 5 6 1 6	

<b>5.1.2 INTEGRATED DEVELOPMENT PLANNING</b>		
<b>IDP and PMS</b>	<b>Annual report 2007-2008</b>	<b>Dates</b>
Overview	The function of IDP and PM is performed under the office of the Municipal Manager	
Sub functions	Integrated Development Planning	
Reporting Levels	Details	
Overview	The purpose of the this function is manage the Development and Reviewing of IDP	
Descriptions of the functions	<ul style="list-style-type: none"> <li>Preparation phase</li> <li>Analysis phase</li> <li>Strategies and Objectives</li> <li>Project phase</li> <li>Integration</li> <li>Approval phase</li> </ul>	
Analysis of functions	<ul style="list-style-type: none"> <li>Processes plan was approved by</li> <li>Compiling of existing, community and stakeholders anlysis was finalized in</li> <li>Consolidation of priorities issue analysed</li> <li>Determine Strategic objectives and strategies by IDP steering Committee and Representative Forum where adopted by</li> </ul>	September 2007  Mid September  End September 2007  October 2007



	<ul style="list-style-type: none"> <li>• Adoption of Strategic objectives and strategies by Council</li> <li>• Establishment of project Task Team</li> <li>• Approval project register by Steering committee, IDP Rep Forum and Special Council Meeting</li> <li>• Integration was done             <ul style="list-style-type: none"> <li>- Disaster Management Plan</li> <li>- 5 Year Financial Plan</li> <li>- Capacity building/Skills Development Plan</li> <li>- LED Programme</li> <li>- HIV/ aids programme</li> <li>- Tourism sector plan</li> </ul> </li> <li>• Draft IDP was approved</li> <li>• Ward and Public hearing</li> <li>• Adoption of IDP</li> </ul>	<p>December 2007</p> <p>December 2007</p> <p>January 2008</p> <p>February 2008</p> <p>28 March 2008 1<sup>st</sup> to 3<sup>rd</sup> of April 2008 May 2008</p>
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<b>5.1.3 Performance Management</b>		
<b>PMS</b>	<b>Annual report 2007-2008</b>	<b>Date</b>
Sub functions	Performance Management	
Reporting Levels	<b>Details</b>	
Overview	The purpose of the this function is to monitor the implementation of IDP, but this function was outsourced to Howard Cook and Associate	
Descriptions of the functions	<ul style="list-style-type: none"> <li>• Preparation of performance plans for all Section 57 Manager</li> <li>• Conducting performance reviews</li> </ul>	
Analysis of functions	<ul style="list-style-type: none"> <li>• Six Performances plan where developed very late in 2007-2008 and there not signed as required.</li> <li>• For the following Section 57 Manager             <ul style="list-style-type: none"> <li>- Municipal Manager .Dr Pravine Naidoo</li> <li>- Director Corporate Mr. Thabiso Klaas</li> <li>- Director Socil and Community Service Mr. Mandisi Planga</li> <li>- Director Technical and Infrastructure. Mr.Dabula Njilo</li> <li>- Chief Financial Officer Mr. Mnikeli Ngcelwane</li> <li>- Director LED.Miss Khunjulwa Manzi.</li> </ul> </li> </ul>	16 November 2007





	Performance review where conduct by Howard Cook and Associate	8 August 2008
Challenges in the implementation	<ul style="list-style-type: none"> <li>Compliance to the PM regulation of Performance management system</li> </ul>	

#### 5.1.4 MEDIA AND COMMUNICATION

<b>Function:</b>	<b>Media and Communications Office</b>
<b>Sub Function</b>	To ensure effective communication flow through efficient information dissemination between the Municipality, employees, residents and other stakeholders

Reporting Level	Detail	Total	
Overview	Create and promote an environment that is conducive for increased public participation in local government matters.		
Description of Activity	<p>The function of the Media and Communications Office is as follows:</p> <ul style="list-style-type: none"> <li>Development of the Communication related policies</li> <li>Ensure that a Municipal Communication Strategy is in place</li> <li>Co-ordinate service delivery with other sector departments</li> <li>Promote and co-ordinate public participation programmes.</li> <li>Providing information efficiently</li> <li>Making information easily accessible</li> </ul>		
	<p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>To have the Communication Policy in adopted by Council</li> <li>To adopt the Communication Strategy in the current financial year</li> <li>To ensure that a Local Communicators' Forum functions effectively</li> <li>To ensure public information is easily accessible by making use of the Municipal website, it's publications, local media and other role players</li> <li>To hold regular outreach programmes like the Mayoral Imbizos.</li> </ul>		



## 5.2 CORPORATE SERVICE : ADMINISTRATION

FUNCTION: CORPORATE SERVICES SUB – FUNCTIONS: ADMINISTRATION		
REPORTING LEVEL	DETAIL	TOTAL
1. Overview:	<b>To provide administration Services and support to the Municipality</b>	
2. Description of activity	Functions: Committee and Secretarial support <ul style="list-style-type: none"> <li>• Council support.</li> <li>• Render office auxiliary services</li> <li>• Coordinate the activities of Alicedale and Riebeck East</li> </ul>	94  9
3. Analysis of information	<ul style="list-style-type: none"> <li>• During the period under review the following portfolio committees were in existence:               <ul style="list-style-type: none"> <li>- Social Services &amp; Community Empowerment</li> <li>- Finance &amp; Service Delivery</li> <li>- Land, Housing &amp; Infrastructural Development</li> <li>- Environment, Disaster Management &amp; Heritage</li> <li>- Economic Development &amp; Tourism</li> <li>- Corporate Services</li> </ul> </li> <li>• Ten Ward Councillors under the financial year in review occupied offices in their respective wards in order for the Community members to have easy access to their respective local leaders. The Ward Councillors Offices were equipped with the following: Desks, Chairs, Computer and telephone to enable them to execute their duties.</li> </ul>	



	<p>A pool vehicle was purchased to transport Councillors to and from meetings, workshops and other official engagements outside the municipal area. This pool vehicle already proved to ease the financial burden on Council as other means of transport has been used prior to this arrangement. The vehicle is also being used by officials.</p> <ul style="list-style-type: none"> <li>• It should be understood Community Halls play a very important role in community and are used for various community/social and civic activities such as Churches, NGO's, CBO's, Political Organizations, and Civic Organizations etc. Funds budgeted for the maintenance of Community Halls enabled this Directorate to start a process of upgrading of halls. For the period under review the City Hall, Noluthando Community Hall and Fort Brown Community Hall were identified for upgrading. New tiles and skirting in the passage at the City Hall were laid. At Noluthando Community Hall loose roof sheets, damaged gutters, down pipes and damaged fascia boards were repaired. The fencing of Noluthando Hall has given it a remarkable facelift. Due to Financial constraints the repairs of Fort Brown Hall could not be attained and provision will be made in the 2008/2009 financial year. The Executive Mayor's Committee Room was also upgraded by the purchasing of new boardroom furniture</li> </ul>	
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### **CHALLENGES OF THE ADMINISTRATION SECTION**

- Preparation work for the upgrade of the telephone system has commenced with the undertaking of an installation check. The actual upgrading of the system will however only be undertaken during the next financial year. The successful conclusion of this project should bring about monetary savings to Council while it will also improve service delivery, as the latest telephone technology will be available.



- The maximum utilization of the electronic records management system remains a challenge as only the correspondence side is currently in use. New staff joining the Makana Municipality also needs to be trained in all aspects of the system.
- The upgrading of and the provision of equipment for all Community halls to a level that will make halls more users friendly will continue. There is also a need for at least one Community hall for Extension 9.

The complete provision of office equipment for the offices of all Ward Councillors will hopefully be addressed during the next financial year as provision has again been made on the 2008/09 budget for such expenses. The successful implementation of this project will enhance the very important work that is being done by Ward Councillors

### **5.3 FINANCE DIRECTORATE**

The Finance Department's core mission is "ensuring the on-time delivery of all financial services, financial advice and financial support to all stakeholders within the Makana Municipality". The Department is split into two silos, namely Expenditure Management and Revenue Management. The core functions of the two silos can be summarised as follows: -

#### **REVENUE MANAGEMENT**

- Credit Control and Debt Management,
- Indigent Support,
- Cashiering and banking,
- Revenue Management Policies and Procedures,
- Consolidated Billing Accounts and Enquiries,
- Meter Reading and Disconnection, and
- IT Services.

#### **EXPENDITURE MANAGEMENT**

- Payroll Administration,
- Creditor's Payments,
- Supply Chain Management,
- Bank Reconciliation,
- Budget preparation and reporting,
- Expenditure / Accounting and Budget Management Policies and Procedures,
- Financial Statements Preparation and Reporting,
- Statistical and Legal Compliance Reports,
- Insurance Related Matters, and
- Secretariat.



The summary of the functional service delivery report for Finance Department can be illustrated as follows: -

<b>FUNCTION: FINANCE DEPARTMENT</b>		
<b>SUB – FUNCTIONS: EXPENDITURE AND REVENUE MANAGEMENT</b>		
<b>REPORTING LEVEL</b>	<b>DETAIL</b>	<b>TOTAL</b>
3. Overview:	The Finance Department is responsible for all financial related activities, including, creditors payments (including payroll administration), credit control, meter reading, budget and financial statements preparation, insurance, vat control, implementing financial related legislations, circulars, gazettes, etc.	
4. Description of activity	<p>The Finance Department continuously strives, with limited resources, to fulfil its mandate of “ensuring the on-time delivery of all financial services, financial advice and financial support to all stakeholders within the municipality”. The Department works very hard in ensuring that the IDP targets of the municipality are met, and the Department’s SDBIP objectives are achieved.</p> <p>The objectives of the Finance Department are as follows: -</p> <ul style="list-style-type: none"> <li>• Developing vigorous strategies to improve non-payment of services,</li> <li>• Creating a caring and proactive Department that subscribes to the Batho Pele principles,</li> <li>• Continuously managing expenditure and revenue trends,</li> <li>• Creating a financial viable institution, and</li> <li>• Promoting legal compliance in procurement, expenditure, revenue and any other financial related leg.</li> <li>• Implementation of the Property Rates Act No. 6 of 2004,</li> <li>• Arrear Debt for the Indigent Accountholders amounting to R27m written-off,</li> <li>• Reviewal of various finance related policies (e.g. Indigent, Credit Control, Rates, Cash Management and Investment, Budget Policies) and By-Laws such as Rates, Indigent and</li> </ul>	



5. Achievements for the year	<p>Credit Control By-Laws.</p> <ul style="list-style-type: none"> <li>Managed to source Primary Health Subsidy amounting to R4,1m from the Province,</li> <li>A remarkable credit rating report obtained from Moody's Investment, and</li> <li>The 2008 / 09 Budget(s) adopted by Council as required by the MFMA.</li> </ul>	
6. Tender Committee Meetings 2007 / 2008	Number of Tender Meetings held during the year.	<b>5 meetings</b>
7. Departmental Budget	<p>Value of Tenders Awarded (excluding annual tenders for operational material).</p> <ul style="list-style-type: none"> <li>Budgeted Operating Expenditure</li> <li>Actual Operating Expenditure</li> <li>Budgeted Operating Income</li> <li>Actual Operating Income</li> </ul>	<p><b>R16 792 871</b></p> <p><b>R4 301 920</b>  <b>R4 242 777</b>  <b>R25 191 440</b>  <b>R32 740 673</b></p>

### 5.3 LOCAL ECONOMIC DEVELOPMENT DIRECTORATE

Reporting Level	Detail	Total	
Overview	Stimulating economic growth and development through the creation of a conducive environment for economic development and growth, attracting investment to Makana Municipality and establishing partnerships with relevant organisations		
Description of	The function of the Directorate: Local Economic Development is		



Activity	<p>as follows:</p> <ul style="list-style-type: none"> <li>• Strategy and policy development, implementation and co-ordination</li> <li>• Stimulating the economy in the six pillars for economic growth and development, namely: <ul style="list-style-type: none"> <li>– Tourism</li> <li>– SMME</li> <li>– Agriculture</li> <li>– Mining</li> <li>– Information Technology</li> <li>– Human Resource Development</li> </ul> </li> <li>• Coordination and facilitation of major and special projects</li> <li>• Research and development</li> <li>• Monitoring and evaluation</li> </ul>		
	<p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>• To draw new investment to the area</li> <li>• To expand the agricultural sector</li> <li>• To expand the tourism sector</li> <li>• To expand the science and technology sector</li> <li>• To expand the mineral and mining beneficiation sector</li> <li>• To expand the manufacturing sector</li> <li>• To strengthen institutional capacity of SMME's and increase the number of viable emerging businesses</li> <li>• To alleviate poverty</li> <li>• To improve food security of the poor</li> </ul>		

Reporting Level	Detail	Total	
Achievements	<ul style="list-style-type: none"> <li>• A fully fledged LED Directorate was established and its first Director was appointed</li> <li>• A project manager was appointed for the Kaolin Mining Project and: <ul style="list-style-type: none"> <li>– Some products from Kaolin was produced for exhibition purposes</li> <li>– A feasibility was undertaken and completed by ECDC</li> </ul> </li> <li>• The Rockhurst Ostrich Farm commenced and some chicks were hatched and sold</li> <li>• The pillars for economic growth and development in the Municipality were identified</li> <li>• A funding application, to the tune of R93 million was submitted to National Treasury (Neighbourhood Development Partnership Grant)</li> <li>• Makana Business Chamber was launched in 2007</li> <li>• LED Forum was established</li> <li>• Warm clothes were provided for hawkers who are selling fruit at night in the street on Mother's Day</li> <li>• Edu-Tourism Project was commenced with a grant provided by Thina Sinako to the tune of R700,000.00</li> <li>• LED Institutional Capacity Building Project in partnership with MXA -McNtosh Xaba to the tune of R400,000.00</li> </ul>		



## 5.5 COMMUNITY AND SOCIAL DIRECTORATE

### PREFACE.

The Directorate of Community and Social Services exists to provide accessible, affordable and sustainable services as well as a healthy environment to residents and businesses operation in the Makana municipality.

The Directorate comprises of six departments that interface with the community of Makana. The departments are as follows:

- Library Services
- Environmental Health and Cleansing
- Primary Health Care Services
- Parks and Recreation
- Fire and Rescue Services
- Traffic Services.

Hereunder is an overview of the activities of various departments for the year under review. Like most departments there were notable achievements as well as challenges. All challenges identifies are not insurmountable. They are as a result of insufficient resources.

#### 5.5.1 LIBRARY SERVICES

Function: Library Services		Total	
Reporting Level	Detail		
Overview:	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality		
Description of activity:	<p>Function of provision:</p> <p>Provision of an adequate library service for all sectors of the Makana municipal community.</p> <p>Provision of access to library material for purposes of education, information, recreation and aesthetic appreciation for all the people residing within the Makana Municipal area</p> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>• ensure that the residents have access to up to date information through libraries.</li> <li>• ensure that there are libraries in</li> </ul>		





	<p>needy areas.</p> <ul style="list-style-type: none"> <li>To provide acceptable standard of service to all.</li> <li>To decrease illiteracy rate in Makana community</li> </ul>		
Analysis of function:	<p>Statistical Information:</p> <p>No. of material circulated</p> <ul style="list-style-type: none"> <li>Main Library 74 720</li> <li>Community Library 20 522</li> <li>Duna Library 22 580</li> <li>Alicedale Library 9 735</li> <li>Riebeeck East Library 3 896</li> <li>Sidburry Library 1 163</li> </ul> <p><b>TOTAL 132 615</b></p> <p>No of current patrons</p> <ul style="list-style-type: none"> <li>Main Library 14 867</li> <li>Community Library 3 890</li> <li>Duna Library 5 971</li> <li>Alicedale Library 789</li> <li>Riebeeck East Library 182</li> <li>Sidburry Library 60</li> </ul> <p><b>TOTAL 25 759</b></p> <p>Amount made by the Friends of the Library R20 053.00</p>		
Challenges	<p><b><u>BOOK CIRCULATION</u></b></p> <p>The circulation figures at most of the libraries have declined, a trend which is common to libraries throughout the Eastern Cape and which is of great concern to the library profession.</p> <p>The reasons for the declining circulation figures are the inadequate supply of new books from the Provincial Library, the increasing use of the Internet as a source of information, and the change in the pattern of usage at the libraries. Scholars and students make use of the library to find information that they need for school assignments and homework, without necessarily taking books home with them. Much of the information that they need is not readily available in books because it is current and has to be sourced on the Internet or in newspapers and periodicals.</p>		
Highlights	<b><u>BOOKS:</u></b>		



	<p>The Province nominated four municipalities to participate in a book selection where each library selected their own books, the books were delivered straight to the libraries to process themselves instead of going to the Province and taking two years to get them. Makana libraries were given an amount of R336 000.00 to spend on this pilot project.</p> <p><b><u>BOOK SELECTION – PORT ELIZABETH</u></b></p> <p>The library section was invited to a book selection event in Port Elizabeth. Eighteen publishers were present and each library was given +/- R91 000 to spend on library material. Most of the publishers had educational books for scholars, although several also had fiction books and adult non-fiction. One of the suppliers specialised in audio-visual material only.</p> <p>There were also Afrikaans books and a few large print books.</p> <p><b><u>LIBRARY SUBSIDY</u></b></p> <p>An amount of R295 000 was received from Cacadu, R146 000 was used to make up the shortfall we had in the Fingo Library building, the remainder which is R149 000 was used to buy library equipment and to do minor renovations in our libraries.</p>		
<p>Achievements</p>	<p>Buying the library's first vehicle ever.          Establishment of the audio books project.          Renovation of libraries with monies received from Cacadu.          A successfully operating Library Book Fund and the purchase of new books for all libraries.          A very successful year for the Friends of the Library in terms of fundraising and presenting cultural and educational programmes, as well as raising the profile of the library in the community.          The acquisition of a significant number of new books for the libraries with money acquired through fundraising and donations.</p>		



### 5.2.3 PRIMARY HEALTH

Health Clinics		ANNUAL REPORT 2007/8	
Reporting Level	Detail	06/07	07/08
Overview	To ensure the provision of an equitable Primary Health Care core package for all people residing in Makana Municipality, To lobby with other health sectors rendering health services within the area for such provision and to promote healthy living for all through community empowerment and Integrated Development Plan Project		
Description of activity	<p>The health service delivery in Makana Municipality is administered within a legislative framework as follows:</p> <p><u>Comprehensive health care service package</u></p> <ul style="list-style-type: none"> <li>• Preventive, promotive and rehabilitative services</li> <li>• Curative services for acute minor illnesses and chronic diseases</li> <li>• Communicable disease control</li> <li>• Reproductive Health Services</li> <li>• Maternal, Child and Women's Health Services</li> <li>• Integrated Nutrition services</li> </ul> <p><u>Integrated HIV and AIDS Programme</u></p> <p>The programme focuses on the prevention of infection, care treatment and support to the infected and affected. It is guided by the HIV and AIDS and STI Strategic Plan for South Africa which provides a framework for a multi-sectoral response to HIV and AIDS.</p> <p><u>Internal Response</u></p> <p>HIV and AIDS Workplace Policy: seeks to ensure the institutional responsibility towards the employees and their families. It entails educating staff about HIV and AIDS, ensuring</p>	<p>In place</p> <p>In place</p> <p>In place</p>	<p>7clinics 3 satellites</p> <p>Reports submitted Monthly to Council</p> <p>Policy implemented</p> <p>HIV and AIDS progress reports Are submitted monthly to portfolio Committee and ECDOH</p>



access to VCT as well as to ART. The organisation is thus in a position to continue to operate effectively and to fulfil its mandated functions in the face of HIV and AIDS

External Response

External responsibility as a sphere of government in promoting, coordinating and providing political leadership for a multi-sectoral response and a greater involvement of people living with HIV and AIDS principle.

Local Aids Council launched November 2006 and meets monthly.  
Makana Health Forum meets bi-monthly

Health information

- Implementation of primary health care policies: Circumcision policy, TB control programme, Expanded Programme of Immunisation
- Continuous professional development and in-service education programme.

In place in collaboration with With the ECDOH  
Reports are available

Strategic objectives of functions

The strategic objectives of this function are:

- Full delivery of primary health care package to all communities of Makana municipality
- To strengthen and build capacity for the effective implementation of priority health care.
- To develop communities to become active and responsible partners on health issues which affect them.
- To ensure effective utilisation of the departments finances and assets to achieve effective service delivery

Analysis of function

The key issues for 2007/08 are:

- Reduction of HIV and AIDS infection rate

100% of Makana Mun. Clinics Provide VCT, Ante-, natal care PMTCT and ARV's  
Reports are submitted monthly  
Extension of N.G. Dlukulu



- Reduction of T. B. infection by increasing surveillance
- Lobbying for health services for rural community.
- Extension of a Municipality Clinic
- Acquisition of clinic equipment
- Computerisation of clinics

Clinic started in October 2007. The contractors are still progress.  
 Clinic equipment purchased for some clinics  
 3Computers purchased for 3 Facilities while 3 were Supplied by the ECDOH.

**Statistical information**

1. Number of Municipality clinics servicing the population	7 +3 Satellite s	7 + 3 Satellite points
2. Number of provincial clinics (Settlers Day Hospital )	1	1
3. Head count : 5 years and older (clinic visits including TB DOTS )	188,841	247665
Head count under 5years	28,716	26397
4 subsidies received	4,242,8 55	4,597,719
5. Total operating cost of health function:	5,200 000	5,481,994
6. Total population	56621	63211

**5.5.2 ENVIRONMENTAL HEALTH AND CLEANSING**

Function: <u>Environmental Health and Cleansing Services</u>	
Sub-Function: <b>Environmental Health</b>	
Reporting Level	Detail
Overview:	Three Environmental Health Practitioners are responsible for the provision of this Service to a catchments population of far over 77 000, a population



	<p>ration of 1 Officer: 25 000 people. The national norm is 1 officer 15 000 people. This means we are 2 offices short of the accepted norm. The workload of the Environmental Health Practitioners has increased by taking over the Dairy farms and monitoring all water sources in Makana.</p>		
Description of activity:	<p>All three Environmental Health Practitioners were also involved in different programs / projects, outbreak response, T.Q.M.S. and safety that also contributed to reduction in inspection. Focus has also been on priority areas such as food handling premises compliance with certificate of acceptability and less focus on general dealers. More education took place. Senior EHP post is vacant for the last 12 months.</p> <p style="text-align: center;"><u>Inspections</u></p> <p>Structural and hygienic requirements, Storage, handling and preparation of foodstuffs, Temperature control, Storage of refuse and refuse area, Pest control, Transportation of foodstuffs, Condemnation of foodstuffs, Labels of foodstuffs and expired foodstuffs.</p> <p style="text-align: center;"><u>Complaints</u></p> <p>Overgrown properties, dumping, keeping of animals, poultry and other nuisances.</p> <p><u>Admin.</u> Writing of notices and prosecutions</p> <p style="text-align: center;"><u>Education</u></p> <p>Education at schools ( Personal hygiene, work of the Environmental Health Officer, Litter and Litter related issues, Aids) Education to food preparation personnel ( Personal hygiene, Preparation of food, Storage of food, Temperature control , Pest control and Food poisoning) Education to the public( hygienic food handling, the do and don'ts of food, Rabies, Cholera, Personal Hygiene , Aids , TB and Litter related issues)</p> <p><u>Other</u> Festival, Inspections( houses , problem areas , nuisances, keeping of pigs and cattle and health hazards)</p> <p>Taking Food samples (water, milk and food)</p> <p>Food poisoning - inspections and follow-ups Surveys, Attending meetings and courses. Application of legislation where necessary</p>	<p>4872</p> <p>143</p> <p>147</p> <p>86</p>	



	<p>Inspections of all Dairy farms          Monitoring all water in Makana area (farms ,dams, rivers and streams)          Prevention is better than cure</p>		
	<p>Challenges:</p>		
	<p>Monitor all water sources at all farms in the Makana area. (staff)</p>		
	<p>Achievements:</p>		
	<ul style="list-style-type: none"> <li>(i) Success in the eradication of keeping of pigs - we still have problems with the keeping of pigs in Alicedale.</li> <li>(ii) Relative success with the management of informal traders - the Traffic Department has taken over the law-enforcement side.</li> <li>(iii) Successful partnership initiative with other public and private sectors and other Municipal departments with regard to the up-keeping of a safe and healthy environment.</li> <li>(vi) Making a minimum level of Environmental Health services available to Alicedale and Riebeeck East</li> </ul>		
<p>Function:          Sub-Function:</p>	<p><b>Cleansing Section</b>  <b>Refuse Removals</b></p>		
<p>Overview:</p>	<p>The Cleansing Section is located within the Environmental Health and Cleansing Section within the Community and Social Services Directorate.</p>		
<p>Description of activity:</p>	<p>The services provided include:</p> <ul style="list-style-type: none"> <li>1. Domestic Refuse removals              Every household (formal or informal and business receive a refuse removal once a</li> </ul>		



	<p>week in Grahamstown, Riebeek East and Alicedale.</p> <ul style="list-style-type: none"> <li>• Grahamstown</li> <li>• Riebeek East</li> <li>• Alicedale</li> </ul> <p>2. Garden refuse removals</p> <ul style="list-style-type: none"> <li>• Containers empty</li> <li>• Clean around containers</li> </ul> <p>3. Cleaning identified dumping and illegal Dumping spots</p> <p>4. Cleansing services Incorporates street sweeping, litter picking, cleaning of public ablution facilities and pest control</p> <p>5. Waste Disposal Services Operation of general waste landfill sites</p> <ul style="list-style-type: none"> <li>• Domestic refuse</li> <li>• Garden refuse</li> <li>• Building rubble</li> </ul>	<p>2479 Loads 9373bags/year 47579bag/year</p> <p>1479/year 1778/year</p> <p>1825 loads</p> <p>33540m3 37065m3 22025m3</p>	
	<p>Projects:</p> <p>1. Recycling ( Grahamstown)</p> <ul style="list-style-type: none"> <li>• Council forms a PP with recyclers and Dept Social Development to do recycling on the landfill site.</li> </ul> <p>2. Composting</p> <ul style="list-style-type: none"> <li>• Community Group has started a composting project. Council is also involved in this project and help where ever we can.</li> </ul> <p>3. Kowie Catchment Campaign</p> <ul style="list-style-type: none"> <li>• Council form part of the committee and assist where ever we can with cleaning the Kowie River</li> </ul> <p>4. Clean-up project</p> <ul style="list-style-type: none"> <li>• Clean-up are help from ward to ward right through the year</li> </ul>		
	<p>The main delivery challenge:</p>		





	Lack of utilization of the waste collection service coupled with the need for behavioural change pertaining to illegal dumping was the main challenge during this year.		
	Achievement: Finalization of the IWMP		
	Challenges: i) Inadequate and ailing plant machinery. ii) Better and more recycling iii) Implementing of two bag system		

#### 5.5.4 PARKS AND RECREATION

Function: Sub-Function	<b>Horticulture and Auxiliary Services</b> <b>Aerodrome</b>	
Reporting Level	Detail	Total



<p>Overview:</p> <p>Description of activity:</p>	<p>Makana and the surrounding municipalities is most fortunate to have a Category 1 licensed Aerodrome with an all weather runway and navigation lights that can accommodate up to a light Jet.</p> <p>The Future management of the Aerodrome is currently under re-view with the option of investigating a Partnership agreement with the anchor user of the facility namely Grahamstown Flying Club.</p> <p style="text-align: center;"><i>Inspections</i></p> <p>The section Head carries out regular inspections of the facility with respect to:</p> <ul style="list-style-type: none"> <li>- Maintenance of the tarred and grassed runways</li> <li>- Maintenance of navigational aides</li> <li>- Maintenance of municipal buildings</li> <li>- Maintenance of boundary fences</li> <li>- Rough cutting or burning of outfields</li> </ul> <p>The DCA also undertakes annual inspections in support of the retention of the Category 1 Licence</p> <p style="text-align: center;"><i>Administration</i></p> <p>Collection of Landing fees Annually</p> <p><u>Challenges</u></p> <p>The continued deterioration of the main tarred runway due to the use of heavy aircraft by SAFAIR undertaking military exercises with SANDF and their failure to respond to appeals for financial assistance regarding the maintenance of the facility.</p> <p><u>Achievements</u></p> <p>Commendation from DCA for maintaining one of the best Category 1 Aerodromes in the country</p>	<p>Twice/ monthly</p> <p>Annually</p>	
<p>Function: Sub-Function</p>	<p><b>Horticulture and Auxiliary Services</b> <b>Street Islands and Verges</b></p>		



Overview:	This sub-function includes a number of sections including Maintenance of grass verges and Public open Space, planted layouts, street trees and weed control		
Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> <li>6. Mowing of verges of Grahamstown, Alicedale and Riebeeck East including main entrances, CBD, Arterial roads, suburban roads and council facilities</li> <li>7. Mowing of Public Open space with tractor drawn implements</li> <li>8. Maintenance of gardens and planted layouts within the city</li> <li>9. Maintenance of street trees that includes tree planting and the maintenance of trees under power lines and other services as well as the removal of trees where required.</li> <li>10. Manual tree stump removal</li> <li>11. Weed Control that includes the eradication of weeds and annual grasses on roads, gutters and storm-water channels</li> </ul>	<p>16,000,000 m<sup>2</sup></p> <p>40,000,000 m<sup>2</sup></p> <p>2,000,000 m<sup>2</sup></p>	
<b>Function: Sub-Function</b>	<b>Horticulture and Auxiliary Services Cemeteries</b>		
Overview:	This sub-function includes the maintenance of cemeteries in Grahamstown, Alicedale and Riebeeck East.		
Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> <li>1. Administration of electronic burial recording System</li> <li>2. Cemetery maintenance</li> </ul>	800 burials annually	



	<p>3. Contract Management</p> <p><u>Challenges</u></p> <p>Theft of artefacts and metal railings Funding to maintain cemeteries</p> <p><u>Achievements</u></p> <p>Implementation of Electronic Burial Recording System</p>		
Function: Sub-Function	<b>Horticulture and Auxiliary Services Nursery</b>		
Overview:	The Nursery is maintained for the production of greening material for the municipality		
Description of activity:	<p>The services provided include:</p> <ol style="list-style-type: none"> <li>1. The production of Ground covers, shrubs and trees</li> <li>2. Maintenance of ornamental Section for decorations</li> <li>3. Production of annuals for street displays</li> <li>4. Sales to public</li> </ol> <p><u>Challenges</u></p> <p>Maintaining a cost effective Centre</p> <p><u>Achievements</u></p> <ol style="list-style-type: none"> <li>1. Constructed New shade House</li> <li>2. Levelled and gravelled terraces</li> </ol> <p>Landscaping of terraces</p>		
Function: Sub-Function	<b>Horticulture and Auxiliary Services Projects</b>		



Overview	Includes funded projects		
Project description	<p>Funded projects include:</p> <ol style="list-style-type: none"> <li>1. Botanical gardens</li> <li>2. Caravan park</li> <li>3. Makana Greening</li> <li>4. Greening Project</li> <li>5. Egazini Memorial Precinct</li> </ol>	<p>R 19,1 Million R 20 Million R10 Million R 1 Million R 15 Million</p>	
Function: Sub-Function	<p><b>Environmental Services</b> <b>Commonages, Farms and Nature Reserves</b></p>		
Overview:	The municipality owns ± 7500 ha of commonage and farms maintained for various uses including a conservancy, hiking trails, stock-farming, catchment management, education and cultural purposes		
Description of activity:	<p>The services provided include:</p> <ol style="list-style-type: none"> <li>1. Member of the Oldenburgia Conservancy comprising ± 8000 ha constituted in 2008</li> <li>2. Maintains infra-structure on commonages and farms including fencing, stock-watering stems, kraals, branding, dipping, roads, footpaths etc. as well as stray animal control</li> <li>3. Partner in the Albany Working for Water Project taking place on municipal commonage and farms that embraces the eradication of Alien Invasive plants and the restoration of the veld to its natural state.</li> </ol>	<p>8000 ha 350 ha 4500 ha</p>	



	<p>4. Fire Protection Program that includes the preparation and burning of fire breaks and control blocks as well fire fighting services in the event of runaway fires</p> <p>345 ha</p> <p>5. The maintenance of the newly acquired Blaauwkrantz and Ecca Pass Nature Reserves</p> <p>34 km</p> <p>6. Maintenance of the Oldenburgia Hiking Trail</p> <p>R 300,000</p> <p><u>Challenges</u></p> <p>Funding remains a challenge insofar as all the sub-sections are concerned as well as a lack of personnel to carry out all the functions</p> <p><u>Achievements</u></p> <ol style="list-style-type: none"> <li>1. Formalization of the Oldenburgia Conservancy</li> <li>2. Funding of Fencing Project</li> </ol>		
Function: Sub-Function	<b>Commonage, Farms and Nature Reserves Projects</b>		
Overview	Includes funded projects in relation to Commonage, farms and Nature Reserves		
Project Description	<p>Funded projects include:</p> <ol style="list-style-type: none"> <li>1. Eradication of Alien Invasive plants</li> <li>2. Fencing Project</li> <li>3. Pound</li> </ol>	<p>R 180,000</p> <p>R300,000</p> <p>R 18,000</p>	
Function: Sub-	<b>Sport and Recreation Stadia, Sport grounds and Playgrounds</b>		



Function			
Overview	This sub-function includes a number of sporting and play facilities situated in eRhini-Grahamstown, Alicedale and Riebeeck East		
Description of activity:	<ol style="list-style-type: none"> <li>1. Maintenance of Indoor Sport Centre as well as bookings</li> <li>2. Maintenance of Sport grounds including (Dlepu Stadium, Mickey Yili Stadium, The Oval, Foley's Ground, Sunnyside, Lavender Valley, Fiddlers Green, Kwanonzwakazi, Kwanonzamo and Tweerievieren), as well as the bookings for these venues</li> <li>3. Maintenance of three playgrounds</li> </ol> <p><u>Challenges</u></p> <p>Vandalism of playgrounds</p> <p>Vandalism of Oval Sport ground</p> <p>Unfunded projects</p> <p>Aging infra-structure</p> <p><u>Achievements</u></p> <p>Completion of Millennium Cricket Ground</p> <p>Commenced with the R3.1 Million project to develop and upgrade rural sports facilities</p>		
Function: Sub-Function	<b>Sport and Recreation Projects; Partnerships and Agreements</b>		
Overview	Includes funded projects, functional partnerships and agreements with outside organizations		
Description of activity:	<ol style="list-style-type: none"> <li>1. Tri-partite Partnership between Makana Municipality, DSREC and Rhodes University</li> <li>2. Functionary within the Makana Sports Council</li> <li>3. Representation on the Cacadu Sports Council</li> </ol>		



	4. Representation on the Eastern Cape Provincial Sports Council		
	5. Aerobics Program		
	6. Sport program for prison inmates in partnership with the Department of Correctional Services		
	7. Mass participation Project (DISREC funded and supported project) aimed at areas of high crime and poverty	R 3,1 Million	
	8. Develop and upgrade rural sports facilities	R 25,000	
	9. Summer "Come and play program"		

#### 5.5.5 TRAFFIC AND LAW ENFORCEMENT

<b>Function: PUBLIC SAFETY</b>			
<b>Sub Function: Traffic and Licensing</b>			
<b>Reporting level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Includes Traffic, Licensing and Road worthies		
Description of activities	The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.		
Traffic Law Enforcement	<p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> <li>* Conduct preventative traffic patrols and enforce traffic legislation</li> <li>* Enforce speed limits</li> <li>* Attend traffic accidents</li> <li>* Enforce parking legislation</li> <li>* Enforce municipal bylaws</li> </ul> <p>The key objective of this function is to: Ensure safe and free flow of traffic within Makana Municipal area.</p>		
Driving licenses	<p>These services include all driver testing functions. The Municipality has a responsibility to :</p> <ul style="list-style-type: none"> <li>* Test applicants and issue learner licenses</li> <li>* Test applicants and issue driving licenses</li> <li>* Renew credit card driving licenses</li> <li>* Renew and issue Professional driving licenses</li> </ul>		





	The key objective of this function is to: Ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.		
Road worthy testing	These services include all vehicle testing functions. The Municipality has a responsibility to: *Test vehicle and issue road worthy certificates  The key objective of this function are to: Ensure safety on our roads by ensuring road worthy vehicles		
Analysis of functions	Number of targeted violations		
	<b>LICENSING OF DRIVERS</b>		
	Unlicensed drivers	873	
	Learner drivers without supervision	66	
	Other offences related to driving licenses	334	
	<b>REGISTRATION/LICENSING OF MOTOR VEHICLES</b>		
	Unlicensed/Unregistered motor vehicles	673	
	Other	112	
	<b>MOVING VIOLATIONS</b>		
	Driving under the influence	20	
	Reckless/Negligent	7	
	Speeding	3571	
	Robots	39	
	Stop sign	659	
	Other road signs	45	
	Illegal overtaking	22	
	Lane changes	2	
	Other moving violations	71	
	<b>STOPPING AND PARKING</b>		
	Stopping	659	
	Danger obstruction	43	
	Parking vehicle entrance	22	
	Exclusive parking bays	345	
	Other	163	
	<b>LOADS PROJECTIONS</b>		
	Overload passengers	182	
	Exceed projection limits	3	
	Spillage	1	
	<b>VEHICLE DEFECTS</b>		
	Service/parking brake	16	
	Tyres	293	
	Silencer	6	
	Other	665	
	<b>SUNDRY</b>		
	Public motor vehicle offences	96	
	Municipal bylaws	95	
	Safety belt	1940	



	Cell phone	220	
	Other	314	
	<b>NOTICES</b>		
	Discontinue	7	
	<b>TOTAL INCOME LAW ENFORCEMENT</b>	<b>R88733</b>	
	<b>ROAD WORTHY</b>		
	<b>TOTAL INCOME ROAD WORTHY'S</b>	<b>R148821</b>	
	<b>TOTAL INCOME WEIGH BRIDGE</b>	<b>R5460</b>	
	<b>DRIVING LICENSES</b>		
	<b>TOTAL DRIVING LICENSES/LEARNER LIC</b>	<b>R1937332</b>	
	<b>TOTAL APPLICATIONS LEARNER LICENSES</b>	<b>2660</b>	
	<b>TOTAL APPLICATIONS DRIVING LICENSES</b>	<b>3254</b>	
	<b>TOTAL APPLICATIONS PRDP</b>	<b>793</b>	
	<b>VEHICLE LISENSING</b>		
	<b>TOTAL INCOME VEHICLE LISENSING</b>	<b>R813277</b>	
	<b>IDP PROJECTS</b>		
Funded projects	* Long distance bus terminus	R1.5 mil	
	* Upgrade taxi facilities	R800 000	
	*Speed humps schools	R100 000	
	*Pavement improvements	R1.2 mil	
	*Junior Traffic training Centre	R800 000	
	<b>ACHIEVEMENTS</b>		
	1. Three festivals were held in Grahamstown successfully.		
	2. Law enforcement showed an increase in paid offences.		
	3. A reduction was seen in the number of fatalities on the roads.		
	4. Increased service delivery in the vehicle and driving license section continued with the help of one traffic officer assisting to cope with the demand.		
	5. Road marking in the greater Makana area – maintained, with no addition of extra staff.		
	6. All sections show an increase in money collected and this has all been done within our budgetary constraints.		
	7. The following IDP project have been completed,		
	1. Speed Humps in Park, Chares and Albany road		



	2. Reflective road safety boards in Somerset street		
	3. Bus shelters		
	4. Bus shelter indents		
	5. Street names		
	6. Upgrade Roadworthy centre		
	7. Upgrade licensing office		
	8. Pedestrian robot in Raglan road		
	9. Junior Traffic Centre		
<b>CHALLENGES FOR NEXT 5 YEARS</b>			
	<b>QUALITY CONTROL CASES:</b>		
	To implement a quality control system whereby control spots will be identified and surveys conducted to determine the adherence rate of public regarding certain offences. The idea is to have a display board with the results there-on visible to the public. This Department will set a standard for offences; no projects will be held on the offences if surveys prove that public adheres to these standards,		
	With this the Department will try and set clear goals for the public to be achieved voluntarily. This will give the public some sense of ownership and hopefully will lead to voluntarily compliance of all traffic rules. If voluntarily compliance does not work, we will intervene with law enforcement projects to encourage compliance.		
	<b>ACCIDENT REDUCTION:</b>		
	To use accident database for the identification of accident hotspots and type of offences that causes accidents. These hotspots and causes will then be targeted to reduce accidents		
	<b>WARRANT REDUCTION:</b>		
	To put in place measures to reduce the amount of outstanding warrants of arrests.		
	<b>TAXI PROJECTS:</b>		
	To implement road safety strategies for Taxi owners and drivers.		
	Law Enforcement in conjunction with the objective and goals of the Arrive Alive campaign.		
	<b>QUALITY CONTROL CASES:</b>		
	To implement a quality control system whereby control spots will be identified and		



	<p>surveys conducted to determine the adherence rate of public regarding certain offences. The idea is to have a display board with the results there-on visible to the public. This Department will set a standard for offences; no projects will be held on the offences if surveys prove that public adheres to these standards,</p>		
	<p>With this the Department will try and set clear goals for the public to be achieved voluntarily. This will give the public some sense of ownership and hopefully will lead to voluntarily compliance of all traffic rules. If voluntarily compliance does not work, we will intervene with law enforcement projects to encourage compliance.</p>		
<b>CHALLENGES ENCOUNTERED IN PROVIDING SERVICES</b>			
Duty hours			
	<p>Officers are still working on Wednesday- and Friday nights – Which were identified as the two more problematic nights regarding students, complaints and “partying” in general - This is an active University town with a lot of activities taking place after hours.</p> <p>With the available manpower this Department can only deploy few officers during above-mentioned hours.</p>		
Lack of overtime			
	Funding challenges and restrictions placed		



	<p>on the working of overtime limits the Department in providing services after hours except for an officer that is placed on standby to attend to complaints and accidents. Limited prevention and/or high visibility projects can be implemented</p>		
Manpower			
	<p>Makana Traffic Department absorbed areas like the old Rini area that had two traffic officers without the transfer of manpower. In 2001 it became the greater Makana area with the incorporation of five traffic officers. The increase in manpower catered for the previous shortage but left a new shortage in the Makana area to such a degree that district roads and other smaller towns not being patrolled or not receiving attention at all. The organogram makes provision for a rural shift of two officers but due to financial constraints these posts have not been filled.</p>		



## FIRE AND RESCUE

<b>Function:</b>	<b>Public Safety</b>		
<b>Sub-Function:</b>	<b>Fire</b>		
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Includes Fire Fighting, Fire Safety and Awareness Campaigns	2006/2007	2007/2008



<p><b>Mission statement</b></p>	<p>“It is the mission of the Makana Fire and Rescue to create, in the area protected by the Department, a safer environment for all persons in our society by providing an efficient and effective fire fighting, emergency, rescue and fire safety service within the framework of the resources available. ”</p>		
<p><u>CORE FUNCTIONS</u></p>	<p><u>CORE FUNCTIONS (As per the Fire Brigade Services Act 99 of 1987)</u></p> <ul style="list-style-type: none"> <li>• Preventing the outbreak or spread of a fire;</li> <li>• Fighting or extinguishing a fire;</li> <li>• The protection of life or property against fire or other threatening danger;</li> <li>• The rescue of life or property from fire or any other threatening danger; and</li> <li>• The performance of any other function connected with any of the matters related to the above.</li> </ul> <p>These functions are performed in accordance with Standard By-Laws relating to Fire Brigade Services, which was promulgated on 11 June 1982 (Provincial notice 661 / 1982</p> <p><u>OPERATIONAL SECTION</u> The operational section implements the practical aspects relating to fire fighting and other emergency incidents. To achieve its aim this section is responsible for the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The attendance at and handling of all fires, rescues and emergency incidents.</li> <li><input type="checkbox"/> The acquisition of vehicles and operational equipment.</li> <li><input type="checkbox"/> The maintenance of vehicles and equipment.</li> <li><input type="checkbox"/> The checking and cleaning of fire hydrants.</li> <li><input type="checkbox"/> The training of public by group inspection and lectures.</li> </ul> <p><u>REDUCTION OF VEGETATION FIRES:</u></p> <p>The key objective is to try and minimize the amount of vegetation fires. Emphasis is put on:</p> <ol style="list-style-type: none"> <li>1) Analyzing the risk areas.</li> <li>2) Training the farmers on proper control burnings tactics.</li> </ol>		
<p>Description of Activity</p>			



- 3) Awareness campaigns involving the Fire Protection Associations, Albany working for Water, Parks Department, and DWAF etc.

#### SERVICES AT FIRES

Annually the Municipality decides on tariff charges, which the department will levy for services rendered. In this tariff layout the cost of the use of fire appliances, service vehicles, staff and equipment, specialized extinguishing media, training etc. are laid down. Due to the fact that the fire department is an emergency service where the majority of its service is of a human nature, income from this source is very low.

#### FIRE PREVENTION

Businesses are inspected to ensure that they comply with fire safety regulations.

#### BUILDING PLANS

Building Plans are scrutinized to ensure that they comply with fire safety regulations for this financial year.

#### FLAMMABLE LIQUIDS

Flammable Liquid inspections are carried out on businesses that deal with flammable liquids. The annual tariff of charges also makes provision that all businesses dealing in the sale, manufacture, handle or storage of flammable liquids or gases must register and acquire a license from the municipality.

An annual license fee for this purpose is therefore payable after safety requirements have been met.

#### FIRE HYDRANTS

Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation.

#### WATER DELIVERIES

As an additional income the department delivers water to farms situated within the protected area upon request. Normal water tariffs, the use of the





<p>SPECIAL SERVICES</p>	<p>fire engine plus the distance travelled is charged. The department also does water deliveries to rural communities around Makana without charge.</p> <p style="text-align: center;"><b><u>MOTOR VEHICLE ACCIDENTS</u></b></p> <p>The department responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc.</p> <p>The department also assists in water deliveries to rural communities in the jurisdiction of the municipality.</p>		
<p>TRAINING AND AWARENESS</p>	<p style="text-align: center;"><b><u>TRAINING OF STAFF</u></b></p> <p>Lectures and practical drills are presented to the staff of the Fire Department on various subjects of fire fighting, rescues, handling of hazardous incidents and legislation applicable to the fire service. This is In - Service training and only focus on preparedness of Fire Fighters to combat fires and other emergencies.</p> <p style="text-align: center;"><b><u>PUBLIC TRAINING</u></b></p> <p>Fire Awareness Campaigns are conducted at schools and clinics to make the community aware of the dangers of fires. Elementary Fire Fighting training is presented to businesses to enable their staff to react immediately when a fire occurs at their workplace whilst still small.</p>		

<b>Function: Public Safety</b>			
<b>Sub-Function: Fire</b>			
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Includes Fire Fighting, Fire Safety and Awareness Campaigns	2006/2007	2007/2008
Description of Activity			
Incidents: Fires	BUILDING	4	7
	DWELLINGS	15	28
	INFORMAL DWELLINGS	29	29
	ELECTRICAL	9	14



SPECIAL SERVICES	REFUSE	42	72
	VEGETATION	74	148
	TRANSPORT	2	10
	MISCELLANEOUS:	10	3
	<b>Total</b>	<b>185</b>	<b>311</b>
	SPECIAL SERVICES		
	ACCIDENTS	222	242
	RESCUE	12	3
	WATER DELIVERIES	174	322
	SPILLAGES	7	9
MISCELLANEOUS	268	185	
<b>Total</b>	<b>683</b>	<b>771</b>	
NO SERVICES RENDERED	NO SERVICES RENDERED		
	Extinguish before arrival	33	38
	False Alarm Good Intent	40	61
	False Alarm Malicious	6	2
	FATALITIES:		
	Fires	3	6
	Accidents	21	27
	Other (Drowning)	2	0
	INJURIES:		
	Fires	1	6
Accidents	251	335	
TRAINING AND AWARENESS	TOTAL KILOMETERS TRAVELLED		
		76119.6	87914.8
	LECTURES, DEMONSTRATIONS		
	To fire staff	1346	731
	AWARENESS AND TRAINING		
	To Public (239 civilians)	37	28
Schools(136 teachers + 4995 children)	34	35	

<b>Function: Public Safety</b>			
<b>Sub-Function: Fire</b>			
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
Overview:	Includes Fire Fighting, Fire Safety and Awareness Campaigns	2006/2007	2007/2008
Description of Activity			
FIRE PREVENTION	FIRE SAFETY		
	General Inspections	133	170
	Flammable Liquid Inspections	119	154



	Building Plans	337	218
	Fire Hydrants(G/town,A/Dale,R/East)	1308	1303
	<b>INCOME CHARGES</b>		
	June.07/June.08	135935.99	213329.52
	<b>FLAMMABLE LIQUIDS INCOME</b>	4466	15817
	<b>GROUP INSPECTIONS DONE</b>	84	71

## 5.6 TECHNICAL AND INFRASTRUCTURE

The aim of Technical & Infrastructure Services Directorate is to provide basic infrastructure services for the community of Makana Municipality. Services provided by the Directorate are Water, Sanitation, Electricity, Town Planning, Houses, Roads and Project Management. Functions of the Directorate are summarised as follows:

### **WATER**

- Water Purification
- Water Supply

### **SANITATION**

- Providing toilet structures



- Sewer Purification

## **ELECTRICITY**

- Electrical Connections
- Power Supply
- Operation and maintenance.

## **ROADS**

- Construction of roads
- Construction of pavements
- Road maintenance

## **TOWN PLANNING**

- Land Usage
- Spatial Development Framework Plan
- Zoning and rezoning
- Subdivisions
- Building control
- Estates and Housing

## **PROJECT MANAGEMENT**

- Municipal Infrastructure Grant
- Programme and project management
- Payment certificates

The summary of the functional service delivery report for Technical and Infrastructure can be illustrated as follows: -

<b>FUNCTION: TECHNICAL AND INFRASTRUCTURE</b>		
<b>SUB – FUNCTIONS: WATER, SANITATION, ELECTRICITY, ROADS, TOWN PLANNING, HOUSES AND PROJECT MANAGEMENT</b>		
<b>REPORTING LEVEL</b>	<b>DETAIL</b>	<b>TOTAL</b>
8. Overview:	The overall function of this Directorate is to provide basic level of services to all communities. These services include Water, Sanitation, Electricity, Roads, Houses and Project Management. The Directorate has four Departments namely	



	Infrastructure, Technical Services, Town Planning and Project Management Unit	
9. Description of activity	<p>The Directorate is focussing at providing basic services. The Directorate is aiming at providing level of services that are above RDP Guidelines</p> <p>The objectives of Technical and Infrastructure are as follows: -</p> <ul style="list-style-type: none"> <li>• Eradication of bucket system by December 2007</li> <li>• Provision of water to all by December 2008</li> <li>• Provision of sanitation to all by December 2010</li> <li>• Provision of electricity by December 2012</li> <li>• Provision of all basic services by 2014</li> </ul>	
10. Analysis of information	<p><b>WATER:</b></p> <ul style="list-style-type: none"> <li>• The total volume of drinking water for the 2007/2008 financial year is 4019399kl</li> <li>• We increased production by approximately 21% (17507 in the 2007/2008 year compared to 2006/2007).</li> </ul> <p><b>SEWAGE PURIFICATION:</b></p> <ul style="list-style-type: none"> <li>• Total volume of sewerage treated in</li> </ul>	



<p>4. Departmental Budget</p>	<p>2007/2008 is 2307964kl</p> <ul style="list-style-type: none"> <li>We treated 24% less (288824kl) sewage in the 2007/2008 year compared to 2006/2007.</li> </ul> <p><b>TOWN PLANNING:</b></p> <ul style="list-style-type: none"> <li>58 Rezoning and subdivision applications were received during 2007/2008.</li> <li>Total of 206 plans to the value of R50 227.000 were Submitted and Approved.</li> </ul> <p><b>ROADS:</b></p> <ul style="list-style-type: none"> <li>A total of 5.5km of gravel road was constructed.</li> <li>A total of 740km was bladed and patched.</li> </ul> <p><b>MECHANICAL WORKSHOP:</b></p> <ul style="list-style-type: none"> <li>Fleet Management System was introduced.</li> </ul> <p><b>PMU:</b></p> <ul style="list-style-type: none"> <li>R30 million of infrastructure projects were completed (MIG).</li> </ul> <p><b>ELECTRICITY:</b></p> <ul style="list-style-type: none"> <li>Funding of R22 million was sourced from the Department of Minerals and</li> </ul>	
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	<p>Energy.</p> <ul style="list-style-type: none"> <li>• Operating budget R63 551 660</li> <li>• Expenditure R67 987 380</li> <li>• Capital Budget</li> <li>• R6 777 500</li> </ul>	
<p><b>CHAPTER 02: HIGHLIGHTS</b></p>	<p><b>WATER</b></p> <ul style="list-style-type: none"> <li>• All households are having access to basic water services</li> </ul>	
	<p><b>SANITATION</b></p> <ul style="list-style-type: none"> <li>• All houses have access to basic sanitation</li> </ul> <p><b>HOUSING</b></p> <ul style="list-style-type: none"> <li>• Housing backlog 12 000</li> </ul>	
<p><b>BACKLOG</b></p>	<p><b>ELECTRICITY</b></p> <ul style="list-style-type: none"> <li>• 3500 households without electricity</li> <li>• Total number of formal residential erven – 16120</li> <li>• Total number of erven with Waterborne Sanitation – 13265</li> <li>• Total number of erven with VIP (Disfunctional) – 2100</li> <li>• Erven with Pails – 312</li> </ul>	
<p><b>LEVEL OF SERVICES</b></p>	<ul style="list-style-type: none"> <li>• Erven with Cosnervancy Tanks - 443</li> </ul>	





**AUDIT FINDINGS – MANAGEMENT RESPONSE (2007 / 2008 ANNUAL FINANCIAL STATEMENTS)**

□ **ADVERSE OPINION**

<b>FINDING</b>	<b>MANAGEMENT RESPONSE</b>	<b>CORRECTIVE ACTION TO BE TAKEN</b>
9. Irreconcilable Rates Revenue	Rates valuation was conducted during the 2005 / 2006 financial year, and that gave rise to the implementation of the new Property Rates Act No.6 of 2004 with effect from 1 July 2007. Rates levied with effect from 1 July 2007 are based on property values as per the qualified Property Valuers, and each ratepayer’s annual rates are based on these market values, as required by the Property Rates Act No. 6 of 2004. It must also be mentioned that over-and-above the aforementioned the Finance Department conducts interim valuation on an annual basis so that new properties or those that have either been extended or renovated are brought in the system timeously and rated accordingly.	Valuation Rolls and annual interim valuations are to be updated and availed, whenever required.
10. Irreconcilable Electricity Sales	The problem with the E-Kard system results from the technology, which is quite	The service provider (i.e. Syntel) has already been approached for the purpose of

	<p>outdated and is not capable of availing reliable reports. The system is to be upgraded in the 2008/09 financial year, so that it can have all the necessary features required to perform efficient, effective and reliable reconciliations.</p>	<p>upgrading the system, and that should be completed on or before 31 January 2009.</p>
11. Electricity Reticulation Losses	<p>This matter is currently being addressed, to an extent that the Budget, Treasury and IDP Committee resolved that a Task Team, comprising of the Chairpersons: Finance, and Infrastructure, as well as Directors: Infrastructure and Finance, be established. The Task Team will report back on alternative methods of addressing this problem, including the Water Losses in distribution as well.</p>	<p>Task Team appointed or established by the BTI Committee, and the services of a Service Provider may also be required to conduct some “data cleansing exercise”, “verification of billed consumers for both electricity and water”, “checking illegal connections”, etc.</p>
12. Supporting documentations	<p>This could be as a result of filing of records, which is lacking. It is the joint responsibility of all Departments to ensure that records are properly kept, and they are also availed to Registry for proper filing.</p>	<p>Departments will be encouraged to ensure that records are properly filed, and forwarded to Registry.</p>
13. Leases	<p>A file containing all “operational leases” was made available to the A.G. however, it is a fact that no register of leases is kept by Corporate Services Department.</p>	<p>A Register of Leases will be prepared by Corporate Services Department and be made available to Finance so that proper information can be disclosed in the Annual Financial Statements.</p>
14, 15 and 16 – Irregular Expenditure	<p>This resulted to instances where service providers appointed, through tender processes, experiences financial hardships to an extent that instead of</p>	<p>Where the municipality has failed to follow procurement processes, such as the case of Sure Go Travel, it will be a recommendation to Council to rather condone the action taken</p>

	<p>paying them directly for services rendered the municipality would rather pay the Creditors of such service provider. The only problem is ensuring that such arrangement is entered into, in writing. The other situation is utilizing service providers (<b>e.g. Sure Go Travel</b>) without following any procurement processes. Lastly, when a service provider has been appointed in a fair or proper SCM procedures, it is not necessary to firstly list such company in a municipal database, before a tender is awarded to such company.</p>	<p>by the Accounting Officer, as well as in the case of irregular expenditure resulting from payment of invoices belonging to the Service Provider / s experiencing financial challenges.</p>
17. Unauthorised Expenditure	<p>The declaration of this expenditure as unauthorised expenditure is noted, however, the explanation given to the AG that the previous vehicle was experiencing costly repairs, and the new vehicle that was acquired was budgeted for, in the amount of R400 000, during the 2007/08 financial year. It was assumed that the municipality has a final decision on how to spend the "Vuna Award", hence a decision was taken to rather dispose the old vehicle and finance the acquisition of the new vehicle from the Vuna Award.</p>	<p>It will be a recommendation to Council to condone the action taken by the Accounting Officer of utilizing the Vuna Award for what was not in the original business plan, whilst also understanding the reason that led to this acquisition.</p>
18, 19 and 20. Trade Creditors	<p>Some challenges that are faced by the Finance Department revolve around the Creditors' System that is unable to</p>	<p>The Abakus System will be constantly upgraded so that "Creditors' Age Analysis" is capable of being produced in the system.</p>

	produce Creditors' Age Analysis. This will be addressed when the system has been upgraded. The filing of documents appears to be a challenge and it will also be addressed in the 2008 / 09 financial year.	
21, 22, 23 and 24. VAT	The concerns raised in this exception are to be addressed with the Service Provider who assists the municipality on VAT related matters, namely, Delloite, and these issues will be fully addressed, including the apportionment of VAT, which could result to the claim of VAT overpayment to SARS.	The matter is to be discussed with the Delloite (VAT Service Provider).
25 and 26 Employee Costs	The matters raised in this exception are to be addressed in the 2008 / 2009 financial year, by ensuring that leave records are properly recorded and updated in the system. This matter is also being addressed with the assistance of a delegation from the Provincial Department of Local Government and Housing ( <b>namely the Turnaround Plan / TAP</b> ).	Leave records are to be properly updated, and journals will be authorised by senior employees in the Finance Department.
27, 28 and 29 Fixed Assets	The issue of Fixed Asset Register is to be addressed in the 2008/09 financial year. The problem in completing an Asset Register revolves around the acquisition of small / mini-assets being purchased across Departments, such as lap-tops, desk-tops, etc. and not reported to	The appointment of a Service Provider for Grap/Gamap conversion, appointment of three Interns in early 2009, and the creation of a section directly under the Office of the CFO will all assist in dealing with matters raised on this exception.

	<p>Finance Department so that they can be scanned / recorded in the Asset Register. New forms for registering an acquired asset and transfer of assets (inter-departmentally / inter-sectionally) have been developed and circulated to the Departments in September/October 2008 so that Departments can complete and forward them to Finance Department whenever applicable.</p>	
30 and 31 Bank and Cash	<p>The issue of bank reconciliation challenges (including source documentations not provided) is being attended to in the 2008/09 financial year, through the creation of a Section under the CFO that will be dealing with all issues relating to reconciliations (e.g. Debtors, Creditors, Control Suspense and Bank Reconciliations). The two former Interns were employed on the 1<sup>st</sup> October 2008 to commence with this process. This matter is also to be addressed through the TAP approach where relevant training and development requirements will be identified and attended to.</p>	<p>The establishment of a separate section under the CFO and the TAP intervention will endeavour in addressing this exception.</p>
32. Debtors	<p>The issues of the Provision for Bad Debts being underprovided can be addressed through various means, such as increasing the budget for Working Capital during the budget process, intensify the battle of collecting arrear debt, disposing</p>	<p>Intensify the collection of arrear debt (more especially Government Departments, and businesses), Increase the budget for Working Capital, and consider disposing off some debt to the Debt Collection Agencies (that will have to be approved by Council</p>

	<p>off some debt, etc. Increasing the budget for Working Capital will also have a negative impact to the current ratepayers; as such increase will have to be recovered from the ratepayers. The question of a Provision for Bad Debts Policy might not be necessary, as there exist a Council Resolution that stipulates how the financial year-end surpluses should be appropriated.</p>	<p>before such action is taken).</p>
33. Debtors	<p>The matter is noted and can be easily journalized as it won't impact the face of the AFS</p>	<p>Matter can be easily journalized.</p>
34. Provision for the Rehabilitation of the Land Fill Site	<p>Your comments are noted and the matter will be considered during the 2008 / 2009 financial year.</p>	<p>The Community and Social Services Department will consider the matter during the 2008 / 2009 financial year. The matter will also be included in the 2009/10 financial year's budget, depending on the affordability as well.</p>
35. Provision for payment of bonuses (13 <sup>th</sup> Cheque)	<p>Your comments are noted and the matter will be considered in the 2008 / 2009 financial year. It must be mentioned that this practice is quite new, as all along it has been a standard practice to pay 13<sup>th</sup> Cheque to Municipal Employees "automatically" and within the year they were budgeted for.</p>	<p>The matter will be considered in the 2008 / 2009 financial year, in conjunction with the service provider appointed for Grap / Gamap implementation.</p>
36. Inaccuracy in Leave Pay Provision	<p>Your comments are noted, and the accuracy of calculating the provision for leave days truly depends on the accuracy of the leave records. This matter is to be</p>	<p>This matter is to be addressed in the 2008 / 2009 financial year, and currently it has also been identified by the TAP delegation as a matter that needs extreme and urgent</p>

	addressed in the 2008 / 09 financial year.	attention.
37 to 38. Post Retirement Medical Benefits	The comments are noted and the matter will be addressed in the 2008 / 2009 financial year.	The matter will be addressed in the 2008 / 2009 financial year.
39. Capital Commitments	Your comments are noted and this matter will be attended to in the 2008/09 financial year.	The matter will be addressed in the 2008 / 2009 financial year.

□ **EMPHASIS OF MATTERS, OTHER MATTERS AND REPORT ON PERFORMANCE MANAGEMENT**

<b>FINDING</b>	<b>MANAGEMENT RESPONSE</b>	<b>CORRECTIVE ACTION TO BE OR TAKEN</b>
41. Statutory Funds	Appendix A reflects all Trust Funds, Accumulated Funds and Reserves, which are cash backed, as these funds are invested in the pool of the municipality's investments for their specific purposes.	None
42. Internal Controls	Your comments are noted and appreciated.	The tabular presentation will be considered during the 2008/2009 financial year.
43 and 44 Non-Compliance with legislation (MFMA)	PwC (Internal Auditors) has been approached to develop a Risk Management Plan, and it is envisaged that such plan will be formalized in the 2008/2009 financial year. The issue of Creditors being paid after thirty days is a problematic case, as it happens at times that even the creditor has forwarded the	<ul style="list-style-type: none"> <li>• PwC Commissioned to develop Risk Management Plan, and</li> <li>• Finance Department will ensure that payments are processed timeously, in future and interest charged on late payments is investigated and paid only after receiving authority to do so.</li> </ul>

	<p>invoice very late, or the Department delayed in verifying whether work has been done to required standard or the service has been rendered efficiently. The Department will ensure in future that payments are made timeously and if there is any penalty interest charged such interest must be authorised after investigating the reasons for delays.</p>	
45. Matters of Governance	<p>Your comments are noted and some of the issues raised have been resolved and others will be addressed.</p>	<p>The issues raised will be attended to in the 2008/2009 financial year.</p>
46 to 55 Performance Management Issues	<p>Your comments are noted and appreciated. Matters raised will be constantly addressed and improved from the 2008 / 2009 financial year, going forward.</p>	<p>The issues raised will be attended to in the 2008/2009 financial year.</p>



# MAKANA MUNICIPALITY

**BALANCE SHEET AT 30 JUNE 2008**

Annexure "4.1(a)"

	Note	2008	2007
		R	R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>		68 848 852	65 056 267
Accumulated funds	1	66 635 124	62 842 539
Reserves	2	2 213 728	2 213 728
<b>(ACCUMULATED DEFICIT)/ RETAINED INCOME</b>	18	2 913 259	4 346 528
		71 762 111	69 402 795
<b>TRUST FUNDS</b>	3	29 539 245	26 845 176
<b>LONG-TERM LIABILITIES</b>	4	2 103 954	2 519 515
<b>CONSUMER DEPOSITS : SERVICES</b>	5	1 762 815	1 697 641
		<b>105 168 125</b>	<b>100 465 127</b>
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>	6	16 814 906	13 764 450
<b>INVESTMENTS</b>	7	10 153 892	9 652 242
<b>LONG-TERM DEBTORS</b>	8	5 116	57 363
		26 973 914	23 474 055
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		78 194 211	76 991 072
<b>CURRENT ASSETS</b>		105 086 575	101 497 894
Inventory	9	3 124 273	1 995 921
Debtors	10	48 057 580	48 501 131
Cash		7 293	7 293
Short-term investments	7	53 863 946	50 886 840
Short-term portion of long-term debtors	8	33 483	106 709
<b>CURRENT LIABILITIES</b>		(26 892 364)	(24 506 822)
Provisions	12	2 652 810	2 545 819
Creditors	13	23 090 403	17 153 796
Short-term portion of long-term liabilities	4	415 561	362 451
Bank overdraft		733 590	4 444 756
		<b>105 168 125</b>	<b>100 465 127</b>

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Annexure "4.1(b)"

2007 Actual Income <b>R</b>	2007 Actual Expenditure <b>R</b>	2007 Surplus/ (Deficit) <b>R</b>		2008 Actual Income <b>R</b>	2008 Actual Expenditure <b>R</b>	2008 Surplus/ (Deficit) <b>R</b>	2008 Budget Surplus/ (Deficit) <b>R</b>
70 599 149	82 682 853	(12 083 704)	<b>RATE AND GENERAL SERVICES</b>	81 294 380	92 410 490	(11 116 110)	(23 811 700)
44 283 458	45 484 600	(1 201 142)	Community services	48 439 112	53 488 385	(5 049 273)	(12 141 880)
589 081	14 449 313	(13 860 232)	Subsidised services	637 899	15 771 971	(15 134 072)	(15 708 130)
25 726 610	22 748 940	2 977 670	Economic services	32 217 369	23 150 134	9 067 235	4 038 310
178 022	39 909	138 113	<b>HOUSING SERVICE</b>	28 826	43 726	( 14 900)	74 930
72 837 263	48 412 016	24 425 247	<b>TRADING SERVICES</b>	77 715 506	55 756 041	21 959 465	23 755 740
<u>143 614 434</u>	<u>131 134 778</u>	<u>12 479 656</u>		<u>159 038 712</u>	<u>148 210 257</u>	<u>10 828 455</u>	<u>18 970</u>
		(15 670 228)	Appropriations for the year (refer note 18)			(12 261 724)	
		(3 190 572)	<b>Net surplus/(deficit) for the year</b>			(1 433 269)	
		7 537 100	Accumulated surplus/(deficit) beginning of the year			4 346 528	
		<u>4 346 528</u>	<b>ACCUMULATED SURPLUS/(DEFICIT) END OF THE YEAR</b>			<u>2 913 259</u>	

(Refer to appendix D and E for more detail)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

**Annexure "4.1(c)**

	Note	2008 R	2007 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		30 152 750	34 075 877
Cash generated by operations	19	(36 057 099)	(13 444 693)
Investment income	17	6 854 311	4 667 983
(Increase)/decrease in working capital	20	( 727 547)	(4 811 405)
		(29 930 335)	(13 588 115)
Less: External interest paid	17	( 368 270)	( 412 897)
<b>Cash available from operations</b>		<b>(30 298 605)</b>	<b>(14 001 012)</b>
Cash contributions from the public and the State		60 268 387	47 822 488
Net proceeds from disposal of fixed assets		182 968	254 401
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in fixed assets		(22 600 377)	(23 917 626)
<b>NET CASH FLOW</b>		<b>7 552 373</b>	<b>10 158 251</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(decrease) in long-term loans	21	( 362 451)	( 317 823)
Increase/(decrease) in short-term loans	22	(3 711 166)	1 087 549
(Increase)/decrease in cash investments	23	(3 478 756)	(10 927 977)
(Increase)/decrease in cash	24	0	0
		<b>(7 552 373)</b>	<b>(10 158 251)</b>

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008**

	<b>2008 R</b>	<b>2007 R</b>
<b>1. ACCUMULATED FUNDS</b>		
Consolidated Capital Development and Loans Fund	61 179 444	57 430 500
Dog Tax Fund	32 998	32 438
Housing Fund (established i.t.o. Act 107/97)	5 397 806	5 355 637
Parking Areas Development Fund	24 876	23 964
	<b>66 635 124</b>	<b>62 842 539</b>
(Refer to appendix A for more detail)		
<b>2. RESERVES</b>		
Motor vehicle insurance	89 211	89 211
National roads	46 160	46 160
Repairs and maintenance	2 078 357	2 078 357
	<b>2 213 728</b>	<b>2 213 728</b>
(Refer to appendix A for more detail)		
<b>3. TRUST FUNDS</b>		
Albany Road Safety	176	176
Black rugby trust	11 008	458
Christmas cheer	2 062	2 062
Columbarium	4 957	4 957
Financial management grant	1 115 140	1 087 552
Fort Brown - Agri-village	550 000	550 000
Gane bequest	521	521
Glasier Trust	1 220	1 220
Gordon Gowie bequest	500	500
Grahamstown Football Association	314 000	314 000
Grants and donations (capital expenditure)	18 142 276	15 093 752
Grave maintenance	2 700	2 700
Health development forum	89 428	90 413
Housing projects (Housing Board)	4 212 665	4 090 130
Ikwezi project	27 039	33 048
Integrated development plan	265 014	497 131
I.T. and data cleansing	17 467	6 284
LED capacity building	185 899	
Library	1 600	1 600
Makana small-scale mines	100 000	100 000
Mayfield transit camp	291 535	257 653
Mayfield phase 2 - planning/survey	401 160	401 160
Municipal systems improvement grant	57 418	150 000
National peace arboretum	103 631	94 100
Old cemetery board	15 532	15 532
Slater bequest	579	579
Sporting facilities (State lotteries)	1 197 156	1 107 221
T.B. Hospital	3 292	3 292
Trust funds (Grahamstown East)	57 546	57 546
Trust funds (Alicedale)	1 018 551	1 287 466
Trust funds (Riebeeck East)	132 215	132 215
Valuation (general)	536 854	483 761
Vroom bequest	200	200
Vukani greenbelt project (State lotteries)	170 800	170 800
Vuna award	351 433	660 738
Water: Fort Brown	157 671	146 409



**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>4. LONG TERM LIABILITIES</b>		
Annuity loans	2 519 515	2 881 966
	<b>2 519 515</b>	<b>2 881 966</b>
Less: Current portion transferred to Current Liabilities	<b>( 415 561)</b>	<b>( 362 451)</b>
Annuity loans	415 561	362 451
	<b>2 103 954</b>	<b>2 519 515</b>
(Refer to appendix B for more detail on long term liabilities)		
<b>ANNUITY LOANS</b>		
▶ There is one annuity loan outstanding, it carries interest at 13.50% per annum and will be fully redeemed in February 2013.		
▶ The above loan is secured by the assessment rates payable by Rhodes University. No other loans are secured by any assets of Makana.		
<b>5. CONSUMER DEPOSITS : SERVICES</b>		
Electricity and water	<b>1 762 815</b>	<b>1 697 641</b>
Guarantees in lieu of electricity and water deposits	<b>142 918</b>	<b>141 918</b>
<b>6. FIXED ASSETS</b>		
Fixed assets at the beginning of the year	213 202 857	189 335 055
Capital expenditure during the year	22 600 377	14 598 792
Add: Property not previously shown as assets	22 600 377	9 318 834
	22 600 377	23 917 626
Less: Assets written off , transferred or disposed of during the year	<b>( 305 249)</b>	<b>( 49 824)</b>
	235 497 985	213 202 857
Less: Loans redeemed and other capital receipts	<b>(218 683 079)</b>	<b>(199 438 407)</b>
<b>Net fixed assets</b>	<b>16 814 906</b>	<b>13 764 450</b>
(Refer to appendix C for more details on fixed assets)		
<b>7. BANK BALANCES and INVESTMENTS</b>		
<b>(a). Bank Balances</b>		
First National Bank (current account)		
Balance at beginning of year	632 732	<b>(1 166 209)</b>
Balance at end of year	2 555 983	632 732
Standard Bank (current account)		
Balance at beginning of year	197 458	836 029
Balance at end of year	796 391	197 458



**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>7(b). Investments</b>		
<b>Unlisted</b>		
Long term deposits	9 985 015	9 483 365
Other deposits	53 863 946	50 886 840
Collateral deposits	168 877	168 877
	<b>64 017 838</b>	<b>60 539 082</b>
▶ Average rate of return on investments (gross)	10.53%	6.93%
▶ Provincial legislature requires local authorities to invest funds not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments. This requirement has been complied with.		
▶ No investments have been pledged as security for any funding facilities of the council.		
<b>8. LONG-TERM DEBTORS</b>		
Car loans	38 599	164 072
	38 599	164 072
Less: Short-term portion transferred to current assets	(33 483)	(106 709)
	<b>5 116</b>	<b>57 363</b>
<b>9. INVENTORY</b>		
Consumable stores and materials	<b>3 124 273</b>	<b>1 995 921</b>
▶ No provision has been made for obsolete inventory.		
<b>10. DEBTORS</b>		
Current debtors (consumer and other)	118 755 133	127 943 995
Suspense accounts	(6 803 753)	(6 442 690)
	111 951 380	121 501 305
Amounts paid in advance	2 335 127	
	114 286 507	121 501 305
Less: Provision for bad and doubtful debts	(66 228 927)	(73 000 174)
	<b>48 057 580</b>	<b>48 501 131</b>
▶ Amounts totalling R27 021 012 (2007: R175 721) were written off as bad debts. This represents 16.9% (2007: 0.12%) of total operating income for the year. Days outstanding in debtors amount to 356 days (2007: 388 days).		
<b>11. DEFERRED CHARGES</b>	-	-
<b>12. PROVISIONS</b>		
Leave pay	2 491 160	2 384 169
Post-retirement medical benefits	161 650	161 650
	<b>2 652 810</b>	<b>2 545 819</b>





**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>13. CREDITORS</b>		
Trade creditors	972 705	774 913
Other	1 590 491	2 463 825
Suspense accounts	17 468 493	13 686 447
Deposits : other	723 586	228 611
Amounts received in advance	2 335 128	
	<b>23 090 403</b>	<b>17 153 796</b>

**14. ASSESSMENT RATES**

	Valuations as at 1 July 2007 <b>R</b>	Actual income 2008 <b>R</b>	Actual income 2007 <b>R</b>
Public	3,069,103,497	12 597 793	14 819 855
State	488 020 570	9 258 460	9 399 693
Municipal	4 470 400	1 157 879	110 060
		23 014 132	24 329 608
Annual fire brigade charges		258	110 516
	<b>3,561,594,467</b>	<b>23 014 390</b>	<b>24 440 124</b>

- ▶ Valuations on land and improvements are performed every four years and the last general valuation came into effect on 1 July 2007. The basic rate  
Urban: Residential - 0.689 cents; Other - 1.260 cents.  
Rural: Residential - 0.311 cents; Other - 0.511 cents.  
Various rebates are applicable under certain circumstances as per the Rates Policy and the Municipal Property Rates Act.

**15(a).**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
Mayor	350 472	326 020
Speaker	154 200	143 448
Chairpersons of committees	867 060	806 897
Councillors	1 682 256	1 564 896
Travelling allowance	1 018 111	947 067
Telephone allowance	235 560	136 595
Pension fund contributions	173 367	347 334
Medical aid contributions	38 025	100 053
	<b>4 519 051</b>	<b>4 372 310</b>

- ▶ Councillors' salaries, allowances and benefits are within the upper limits as prescribed by the Public Office Bearers' Act No. 20 of 1998.

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>(1) Municipal Manager</b>		
Annual remuneration	268 140	463 273
Transport allowance	36 668	86 957
Telephone allowance	3 332	7 200
	<u>308 140</u>	<u>557 430</u>
<b>(2) Chief Financial Officer</b>		
Annual remuneration	472 500	315 069
Transport allowance	90 000	70 123
Telephone allowance	7 500	3 600
	<u>570 000</u>	<u>388 792</u>
<b>(3) Directors (4)</b>		
Annual remuneration	1 934 808	972 613
Transport allowance	323 169	202 433
Telephone allowance	26 625	13 200
	<u>2 284 602</u>	<u>1 188 246</u>
<b>15(c). COUNCILLORS' ARREAR CONSUMER ACCOUNTS</b>		
<b>(as per section 124(1)(b) of the MFMA No. 56 of 2003)</b>		
The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008:-		
	<b>2008</b>	<b>2007</b>
	Over 90 days	Over 90 days
	Outstanding	Outstanding
N.J. Fuku	1 531	
Z. Mantla	15 727	
L.C. May	388	
T.C. Ngeleza	170	
M.P. Ntshiba	3 333	
	<u>21 149</u>	<u>0</u>
<b>16(a). AUDITORS' REMUNERATION</b>	<b>997 797</b>	<b>753 083</b>
<b>(b). PAYE and UIF</b>	<b>7 089 659</b>	<b>5 980 538</b>
<b>(c). LEVIES</b>		
(1) Skills development	471 877	420 460
(2) Water research	-	29 641
	<u>471 877</u>	<u>450 101</u>
<b>(d). VAT</b>		
VAT payable	<b>503 659</b>	<b>2 213 760</b>
<b>(e). PENSION and MEDICAL AID</b>		
Payroll deductions and council contributions	<b>14 444 258</b>	<b>12 303 960</b>

- An amount of R594 536 was outstanding in respect of PAYE as at 30 June 2008 which was paid in July 2008.

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>17. FINANCE TRANSACTIONS</b>		
Total external interest earned or paid:		
- Interest earned	6 854 311	4 667 983
- Interest paid	368 270	412 897
Capital charges debited to operating account:		
Interest:	1 770 227	1 545 369
- External	-	-
- Internal	1 770 227	1 545 369
Redemption:	2 540 504	2 209 944
- External	-	-
- Internal	2 540 504	2 209 944
Deferred charges written off	-	-
	<b>4 310 731</b>	<b>3 755 313</b>
<b>18. APPROPRIATIONS</b>		
<i>Appropriation account:</i>		
Unappropriated surplus/(deficit) at beginning of year	4 346 528	7 537 100
Operating surplus/(deficit) for the year	10 828 455	12 479 656
Appropriations for the year:	(12 261 724)	(15 670 228)
Prior year adjustments	( 226 943)	(1 867 749)
Stores stock adjustment	( 366 827)	( 126 758)
Bad debts written off	(5 639 785)	( 175 721)
Transferred to Housing Fund	( 28 169)	
Transfer to provision for bad debts	(6 000 000)	(13 500 000)
Unappropriated surplus/(deficit) at end of year	<b>2 913 259</b>	<b>4 346 528</b>
<i>Operating account:</i>		
Fixed assets	288 858	154 188
Contributions to :	6 665 738	6 257 930
Consolidated Capital Development and Loans Fund		
Repairs reserve (Housing)	14 000	14 000
Bad debts provision	6 170 000	5 170 000
Leave pay provision	481 738	1 073 930
	<b>6 954 596</b>	<b>6 412 118</b>

► **PRIOR YEAR ADJUSTMENTS :**

Creditors adjustments - R306 747; Health subsidy - R1 574 204;  
VAT - (R39 529); Investment & interest adj. - (R2 340 168);  
Debtor adjustments - (R292 844); Other - R564 645.

**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>19. CASH GENERATED BY OPERATIONS</b>		
Surplus/(deficit) for the year	10 828 455	12 479 656
Adjustments in respect of:		
Previous years' operating transactions	(12 261 724)	(15 670 228)
Appropriations charged against income:	6 954 596	6 412 118
Consolidated Capital Development and Loans Fund	0	0
Provisions and reserves	6 665 738	6 257 930
Fixed assets	288 858	154 188
Capital charges:	4 310 731	3 755 313
Interest paid:		
to internal funds	1 770 227	1 545 369
on external loans	-	-
Redemption:		
of internal advances	2 540 504	2 209 944
of external loans	-	-
Deferred charges written off	-	-
Investment income (operating account)	(4 234 205)	(2 902 707)
Grants and subsidies (operating account)	(35 404 048)	(26 506 764)
-----		
Non-operating income:		
Consolidated Capital Development & Loans Fund	297 075	1 258 559
Dog Tax	560	526
Parking Areas Development Fund	912	24
Housing Fund	28 169	
Trust Funds	1 997 198	3 434 713
Non-operating expenditure:		
Housing Fund		( 147)
Provisions and reserves	( 374 747)	( 316 248)
Trust Funds	(8 200 071)	4 610 492
	<b>(36 057 099)</b>	<b>(13 444 693)</b>
<b>20. (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/decrease in inventory	(1 128 352)	( 717 320)
(Increase)/decrease in debtors, long term debtors	(5 600 976)	(3 817 688)
Increase/(decrease) in creditors, consumer deposits	6 001 781	( 276 397)
	<b>( 727 547)</b>	<b>(4 811 405)</b>
<b>21. INCREASE/(DECREASE) IN LONG-TERM LOANS</b>		
Loans raised	-	-

Loans repaid

( 362 451)

( 317 823)

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( 362 451)

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( 317 823)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>22. INCREASE/(DECREASE) IN SHORT-TERM LOANS (BANK OVERDRAFT)</b>		
Loans raised	733 590	4 444 756
Loans repaid	(4 444 756)	(3 357 207)
	<b>(3 711 166)</b>	<b>1 087 549</b>
<b>23. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS</b>		
Investments realised	60 539 082	49 611 105
Investments made	(64 017 838)	(60 539 082)
	<b>(3 478 756)</b>	<b>(10 927 977)</b>
<b>24. (INCREASE)/DECREASE IN CASH ON HAND</b>		
Balance at beginning of year	7 293	7 293
Less : balance at end of year	7 293	7 293
	<b>0</b>	<b>0</b>
<b>25. RETIREMENT BENEFITS</b>		
The last actuarial valuations of the Cape Joint Pension and Retirement Funds were done as at 30 June 2007 and were declared as financially sound as at that date.		
<b>26. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS</b>		
Guarantees by Makana Municipal Council in respect of building society and commercial bank housing loans to officials.	<b>168 877</b>	<b>168 877</b>
▶ Litigation in respect of unfair labour practise against Council is in progress. If successful, the amounts involved would be met from Accumulated Surplus should a claim against insurance be unsuccessful. <i>[Former Municipal Manager's claim estimated at R4.6m].</i>		
<b>27. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure :		
Approved and contracted for	16 613 061	7 369 884
Approved but not yet contracted for		
	<b>16 613 061</b>	<b>7 369 884</b>
This expenditure will be financed from:		
Grants and subsidies	16 613 061	5 751 685
Internal advances		1 618 199
	<b>16 613 061</b>	<b>7 369 884</b>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

	2008	2007
	R	R
<b>28. CONSOLIDATED LOANS FUND</b>		
External loans (see appendix B)	2 519 515	2 881 966
Internal investments	68 848 852	65 056 267
Creditors and temporary advances		
	<u>71 368 367</u>	<u>67 938 233</u>
Less:	<u>(66 863 253)</u>	<u>(65 056 267)</u>
External investments	<u>(18 700 211)</u>	<u>(22 183 355)</u>
Purchase of land	<u>( 279 363)</u>	<u>( 279 363)</u>
Debtors (temporary advances)	<u>(47 883 679)</u>	<u>(42 593 549)</u>
	<u><b>4 505 114</b></u>	<u><b>2 881 966</b></u>
(Refer to appendix B for more details)		
<b>Net expenditure charged to borrowing services at an average rate of</b>		<b>-41.89%</b>
Interest paid on :		
- External loans	368 270	412 897
- Internal investments		
	<u>368 270</u>	<u>412 897</u>
Less : Interest earned on external investments	<u>(1 915 310)</u>	<u>(1 238 615)</u>
	<u><b>(1 547 040)</b></u>	<u><b>( 825 718)</b></u>
<b>29. CAPITAL DEVELOPMENT FUND</b>		
Outstanding advances to borrowing services :		
Accumulated fund	61 179 444	57 430 500
Less : Internal investments in Consolidated Loans Fund	<u>(48 644 305)</u>	<u>(48 366 952)</u>
Add : External loans outstanding	2 519 515	2 881 966
	<u><b>15 054 654</b></u>	<u><b>11 945 514</b></u>
(See Appendices A and B for more detail)		



**APPENDIX A**

**ACCUMULATED FUNDS, TRUST FUNDS AND RESERVES**

	Balance at 30.06.2007 <b>R</b>	Contributions during the year <b>R</b>	Interest on Investments <b>R</b>	Other Income <b>R</b>	Expenditure during the year <b>R</b>	Balance at 30.06.2008 <b>R</b>
<b>ACCUMULATED FUNDS</b>						
Consolidated Capital Development and Loans Fund	57 430 500		1 915 310	2 250 736	417 102	61 179 444
Dog Tax	32 438			560		32 998
Housing Fund	5 355 637	14 000		28 169		5 397 806
Parking Areas Development Fund	23 964			912		24 876
	<b>62 842 539</b>	<b>14 000</b>	<b>1 915 310</b>	<b>2 280 377</b>	<b>417 102</b>	<b>66 635 124</b>
<b>TRUST FUNDS</b>						
Albany Road Safety	176					176
Black rugby trust	458	118 250			107 700	11 008
Christmas Cheer	2 062					2 062
Columbarium	4 957					4 957
Finance management grant	1 087 552	500 000	94 208		566 620	1 115 140
Fort Brown - Agri-village	550 000					550 000
Gane bequest	521					521
Glasier Trust	1 220					1 220
Gordon Gowie bequest	500					500
Grahamstown Football Association	314 000					314 000
Grants & donations (capital expdtr)	15 093 752	24 864 339			21 815 815	18 142 276
Grave maintenance trust	2 700					2 700
Health development forum	90 413		5 181		6 166	89 428
Housing projects (Housing Board)	4 090 130	16 650	362 915	10 995	268 025	4 212 665
Ikwezi project	33 048				6 009	27 039
Integrated development plan	497 131	50 000	30 784		312 901	265 014
I.T. and data cleansing	6 284		11 183			17 467
LED capacity building		222 703			36 804	185 899
Library	1 600					1 600
Makana small-scale mines	100 000					100 000
Mayfield transit camp	257 653		33 882			291 535
Mayfield phase 2 planning	401 160					401 160
Municipal systems improvement grant	150 000	150 000			242 582	57 418
National peace arboretum	94 100		9 531			103 631
Old cemetery board	15 532					15 532
Slater bequest	579					579
Sporting facilities (State Lotteries)	1 107 221		92 757	3 100	5 922	1 197 156
T.B. Hospital : J.C. Rae	624					624
T.B. Hospital : N.E. Bennett	804					804
T.B. Hospital : equipment	1 864					1 864
Trust fund (Ght. East)	57 546					57 546
Trust funds (Alicedale)	1 287 466	175 500			444 415	1 018 551
Trust funds (Riebeeck East)	132 215					132 215
Valuation (general)	483 761		53 093			536 854
Vroom bequest	200					200
Vukani greenbelt proj.(State Lottery)	170 800					170 800
Vuna award	660 738	750 000			1 059 305	351 433
Water : Fort Brown (Rural areas)	146 409		11 262			157 671
	<b>26 845 176</b>	<b>26 847 442</b>	<b>704 796</b>	<b>14 095</b>	<b>24 872 264</b>	<b>29 539 245</b>
<b>RESERVES</b>						
Motor vehicle insurance	89 211					89 211
National roads reserve	46 160					46 160
Repairs and maintenance	2 078 357					2 078 357
	<b>2 213 728</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 213 728</b>

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES**

	Balance at 30.06.2007	Received during year	Redeemed or written off during year	Balance at 30.06.2008
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>EXTERNAL LOANS</b>				
<b>LOCAL REGISTERED STOCK</b>	-			-
<b>Loan No. Interest % Redeemable</b>				
 (Refer to notes 4 and 28)	-			-
Annuity loan	2 881 966		362 451	2 519 515
 (Refer to notes 4 and 28)	<b>2 881 966</b>	<b>0</b>	<b>362 451</b>	<b>2 519 515</b>
 <b>INTERNAL ADVANCES TO BORROWING SERVICES</b>				
	Balance at 30.06.2007	Received during year	Redeemed or written off during year	Balance at 30.06.2008
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Consolidated Capital Development and Loans Fund	11 945 514	5 590 959	2 540 504	14 995 969
 (Refer to notes 28 and 29)	<b>11 945 514</b>	<b>5 590 959</b>	<b>2 540 504</b>	<b>14 995 969</b>

**APPENDIX C**

**ANALYSIS OF FIXED ASSETS**

Expenditure 2007 R	SERVICE	Budget 2008 R	Balance at 30.06.2007 R	Expenditure 2008 R	Written off transferred redeemed or disposed of during year R	Balance at 30.06.2008 R
23 544 418	<b>RATE AND GENERAL SERVICES</b>	<b>14 147 951</b>	136 778 674	<b>18 457 692</b>	305 249	154 931 117
2 958 897	<b>Community Services</b>	<b>6 122 236</b>	52 729 678	<b>4 564 989</b>	305 245	56 989 422
217 723	Council's general expenses	<b>906 600</b>	894 832	<b>938 859</b>	185 211	1 648 480
3 534	Disaster management	<b>125 000</b>	21 263	<b>12 569</b>		33 832
8 760	Financial service	<b>25 000</b>	2 169 693	<b>69 281</b>	54 910	2 184 064
37 273	Health services	<b>119 250</b>	1 424 239	<b>101 883</b>	65 124	1 460 998
43 948	Management services	<b>38 850</b>	759 538	<b>23 111</b>		782 649
5 054	Municipal Manager	<b>279 250</b>	144 665	<b>76 947</b>		221 612
2 442 145	Public Works	<b>3 976 186</b>	30 923 793	<b>3 277 034</b>		34 200 827
200 460	Traffic service	<b>652 100</b>	1 441 167	<b>65 305</b>		1 506 472
	Grahamstown East		14 950 488			14 950 488
173 982	<b>Subsidised Services</b>	<b>2 914 330</b>	12 286 314	<b>1 116 142</b>	4	13 402 452
	Aerodrome		514 845			514 845
86 872	Cemeteries	<b>200 000</b>	390 080			390 080
23 769	City hall, halls and offices	<b>131 350</b>	2 152 619	<b>36 296</b>		2 188 915
31 133	Fire protection	<b>1 332 200</b>	1 649 537	<b>279 273</b>	1	1 928 809
25 136	Libraries	<b>105 780</b>	895 838	<b>207 792</b>	3	1 103 627
7 072	Parks and recreation	<b>1 145 000</b>	6 431 228	<b>592 781</b>		7 024 009
	Grahamstown East		252 167			252 167
20 411 539	<b>Economic Services</b>	<b>5 111 385</b>	71 762 682	<b>12 776 561</b>	0	84 539 243
950 400	Cleansing	<b>545 000</b>	3 820 709	<b>257 068</b>		4 077 777
	Licensing		532 408			532 408
9 773 063	Properties and estates		14 084 887	<b>156 485</b>		14 241 372
9 688 076	Sewerage	<b>4 566 385</b>	45 463 952	<b>12 363 008</b>		57 826 960
	Grahamstown East		7 860 726			7 860 726
0	<b>HOUSING SERVICE</b>	<b>0</b>	7 866 164	<b>0</b>	0	7 866 164
	Ght. West schemes		4 951 178			4 951 178
	Ght. East schemes		1 139 444			1 139 444
	Alicedale schemes		1 595 772			1 595 772
	Riebeeck East schemes		179 770			179 770
373 208	<b>TRADING SERVICES</b>	<b>10 022 989</b>	68 558 019	<b>4 142 685</b>	0	72 700 704
97 269	Electricity	<b>8 218 400</b>	24 840 957	<b>756 468</b>		25 597 425
275 939	Water	<b>1 804 589</b>	43 717 062	<b>3 386 217</b>		47 103 279
<u>23 917 626</u>	<b>TOTAL FIXED ASSETS</b>	<u><b>24 170 940</b></u>	213 202 857	<u><b>22 600 377</b></u>	305 249	235 497 985
	<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>		(199 438 407)	(19 549 921)	(305 249)	(218 683 079)
	Loans redeemed and advances repaid		81 533 012	<b>2 540 504</b>	250 339	83 823 177
	Contributions ex accumulated surplus		3 448 196			3 448 196
	Contributions ex operating income		9 007 057	<b>288 858</b>		9 295 915
	Grants and subsidies		102 067 083	<b>16 672 193</b>	54 910	118 684 366
	Temporary advances & other		3 383 059	<b>48 366</b>		3 431 425
	<b>NET FIXED ASSETS</b>		13 764 450	<u><b>3 050 456</b></u>	0	16 814 906

**APPENDIX D**

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE**

**FOR THE YEAR ENDED 30 JUNE 2008**

Actual 2007 R		Actual 2008 R	As %ntage of Total %	Budget 2008 R
<b>INCOME</b>				
	Government and Provincial grants and subsidies	35 404 048	<b>22%</b>	36 106 490
26 506 764				
24 440 124	Assessment rates	23 014 390	<b>14%</b>	26 287 020
40 183 266	Sale of electricity	41 090 057	<b>26%</b>	43 137 250
12 237 493	Sale of water	11 399 132	<b>7%</b>	7 677 780
37 344 080	Other service charges	43 896 880	<b>28%</b>	32 087 370
2 902 707	Interest earned	4 234 205	<b>3%</b>	750 000
<u>143 614 434</u>	<b>Total Income</b>	<u>159 038 712</u>		<u>146 045 910</u>
<b>EXPENDITURE</b>				
52 908 328	Salaries, wages and allowances	60 630 290	<b>38</b>	63 485 030
69 531 272	General expenses:	79 045 122	<b>49</b>	76 824 060
19 948 697	- Purchases of electricity	21 194 408		20 185 780
227 575	- Purchases of water	238 778		300 000
49 355 000	- Other general expenses	57 611 936		56 338 280
10 972 316	Repairs and maintenance	10 084 720	<b>6</b>	9 196 020
3 755 313	Capital charges	4 310 731	<b>3</b>	3 370 620
154 188	Contributions to fixed assets	288 858	<b>0</b>	343 580
6 257 930	Contributions	6 665 739	<b>4</b>	6 665 700
<u>143 579 347</u>	<b>Gross Expenditure</b>	<u>161 025 460</u>		<u>159 885 010</u>
<u>(12 444 569)</u>	Less: Amounts charged out	<u>(12 815 203)</u>		<u>(13 858 070)</u>
<u>131 134 778</u>	<b>Net Expenditure</b>	<u>148 210 257</u>		<u>146 026 940</u>

**APPENDIX E**

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

2007 Actual income R	2007 Actual expenditure R	2007 Surplus/ (Deficit) R		2008 Actual income R	2008 Actual expenditure R	2008 Surplus/ (Deficit) R	2008 Budget Surplus/ (Deficit) R
70 599 149	82 682 853	(12 083 704)	<b>RATE AND GENERAL SERVICE</b>	81 294 380	92 410 490	(11 116 110)	(23 811 700)
44 283 458	45 484 600	(1 201 142)	<b>Community services</b>	48 439 112	53 488 385	(5 049 273)	(12 141 880)
25 557 802	1 375 107	24 182 695	Assessment rates	24 320 013	908 263	23 411 750	26 628 850
4 690 085	13 936 545	(9 246 460)	Council's general expenses	5 083 011	16 711 298	(11 628 287)	(15 142 910)
0	275 809	(275 809)	Disaster management	0	44 491	(44 491)	(181 100)
7 735 004	2 772 133	4 962 871	Financial service	8 420 660	3 334 514	5 086 146	766 030
0	419 536	(419 536)	Grants in aid	0	398 400	(398 400)	(448 400)
4 343 651	6 842 566	(2 498 915)	Health services	8 970 168	7 074 843	1 895 325	930 930
0	3 036 528	(3 036 528)	Management services	0	5 083 324	(5 083 324)	(4 511 010)
0	2 806 327	(2 806 327)	Municipal Manager	0	3 876 202	(3 876 202)	(6 054 730)
481 117	9 367 367	(8 886 250)	Public works	456 969	10 938 840	(10 481 871)	(10 310 760)
1 475 799	4 652 682	(3 176 883)	Traffic service	1 188 291	5 118 210	(3 929 919)	(3 818 780)
589 081	14 449 313	(13 860 232)	<b>Subsidised services</b>	637 899	15 771 971	(15 134 072)	(15 708 130)
5 970	157 705	(151 735)	Aerodrome	20 614	163 801	(143 187)	(144 230)
280 861	480 576	(199 715)	Cemeteries	247 090	541 256	(294 166)	(291 250)
193 363	1 593 420	(1 400 057)	City hall, halls and offices	192 795	1 581 585	(1 388 790)	(1 527 610)
26 880	3 874 469	(3 847 589)	Fire protection	87 053	4 189 836	(4 102 783)	(4 325 990)
32 884	2 305 731	(2 272 847)	Libraries	41 461	2 566 090	(2 524 629)	(2 954 040)
49 123	6 037 412	(5 988 289)	Parks and recreation	48 886	6 729 403	(6 680 517)	(6 465 010)
25 726 610	22 748 940	2 977 670	<b>Economic Services</b>	32 217 369	23 150 134	9 067 235	4 038 310
5 827	509 136	(503 309)	Caravan park	3 427	129 365	(125 938)	(179 180)
8 796 454	9 125 583	(329 129)	Cleansing	10 767 248	10 055 426	711 822	(170 650)
2 031 209	487 929	1 543 280	Licensing	2 814 551	637 582	2 176 969	69 640
623 932	1 898 124	(1 274 192)	Properties and estates	696 411	2 322 614	(1 626 203)	(2 123 900)
14 269 188	10 728 168	3 541 020	Sewerage	17 935 732	10 005 147	7 930 585	6 442 400
178 022	39 909	138 113	<b>HOUSING SERVICE</b>	28 826	43 726	(14 900)	74 930
58 082	26 258	31 824	Ght. West schemes	22 724	28 042	(5 318)	63 830
111 572	13 651	97 921	Ght. East schemes	(1 569)	15 684	(17 253)	(1 000)
8 368	0	8 368	Alicedale schemes	7 671	0	7 671	12 100
72 837 263	48 412 016	24 425 247	<b>TRADING SERVICES</b>	77 715 506	55 756 041	21 959 465	23 755 740
40 312 985	32 349 457	7 963 528	Electricity	41 614 969	33 978 046	7 636 923	11 134 050
32 524 278	16 062 559	16 461 719	Water	36 100 537	21 777 995	14 322 542	12 621 690
143 614 434	131 134 778	12 479 656	<b>TOTAL</b>	159 038 712	148 210 257	10 828 455	18 970
		(15 670 228)	Appropriations for this year (refer to note 18)			(12 261 724)	
		(3 190 572)	<b>Net surplus/(deficit) for the year</b>			(1 433 269)	
		7 537 100	Accumulated surplus/(deficit) beginning of the year			4 346 528	
		4 346 528	<b>ACCUMULATED SURPLUS/(DEFICIT) END OF THE YEAR</b>			2 913 259	

## APPENDIX F

### STATISTICAL INFORMATION

	2008	2007	2006
<b>a) General statistics</b>			
i) Population (approx)	120 000	120 000	120 000
ii) Valuation:	3,545,892,767	552 495 434	538 832 963
rateable (residential)	2,033,879,190	135 428 939	123 412 316
rateable (commercial)	1,500,968,807	247 655 128	246 446 709
non-rateable	11,044,770	169 411 367	168 973 938
Valuation date : 1987			
Assessment rates - Cents in the rand :			
Urban: Residential	0.68900	4.21000	3.90000
Other	1.26000	6.16000	5.70000
Rural: Residential	0.31100		
Other	0.51100		
iii) Number of properties :	21 021	18 445	21 723
residential		14 548	17 133
commercial		1 894	2 231
non-rateable		2 003	2 359
iv) Number of employees:	558	529	492
<b>b) Electricity statistics</b>			
i) Number of consumers	7 986	7 948	7 491
ii) Units purchased	111 672 589	110 798 076	106 685 123
iii) Units sold	85 177 491	99 989 356	100 584 312
<b>iv) Units lost in distribution</b>	<b>26 495 098</b>	<b>10 808 720</b>	<b>6 100 811</b>
<b>v) Percentage loss in distribution</b>	<b>24%</b>	<b>10%</b>	<b>6%</b>
vi) Cost per unit purchased	R 0.190	R 0.180	R 0.170
vii) Cost per unit sold	R 0.482	R 0.402	R 0.362
viii) Income per unit sold	R 0.489	R 0.403	R 0.374
<b>c) Water statistics</b>			
i) Number of consumers	14 887	14 793	17 501
ii) Kilolitres purified	4 331 184	4 344 504	3 679 472
iii) Kilolitres sold	3 593 738	3 618 330	3 245 493
<b>iv) Kilolitres lost in distribution</b>	<b>737 446</b>	<b>726 174</b>	<b>433 979</b>
<b>v) Percentage loss in distribution</b>	<b>17%</b>	<b>17%</b>	<b>12%</b>
vi) Cost per kilolitre purified	R 5.028	R 3.697	R 2.710
vii) Cost per unit sold	R 6.060	R 4.439	R 3.072
viii) Income per unit sold	R 10.045	R 8.989	R 7.588

ALLOCATION OF INCOME AND EXPENDITURE : APPENDIX E - FINANCIAL STATEMENTS : 30 JUNE 2008

	INCOME		EXPENDITURE		SURPLUS/(DEFICIT)	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>Assessment Rates</b>						
Rates	27 533 120	24 320 012.75	904 270	908 262.57	26 628 850	23 411 750.18
	27 533 120	24 320 012.75	904 270	908 262.57	26 628 850	23 411 750.18
<b>Council's General Expenses</b>						
Council general	1 526 040	5 001 050.91	14 966 320	14 543 852.08	(13 440 280)	(9 542 801.17)
Mayor's office	81 960	81 960.00	1 784 590	2 167 446.18	(1 702 630)	(2 085 486.18)
	1 608 000	5 083 010.91	16 750 910	16 711 298.26	(15 142 910)	(11 628 287.35)
<b>Disaster Management</b>						
Makana			181 100	44 490.53	( 181 100)	( 44 490.53)
	0	0.00	181 100	44 490.53	( 181 100)	( 44 490.53)
<b>Financial Services</b>						
Administration	5 222 000	8 420 659.70	3 874 900	2 911 635.05	1 347 100	5 509 024.65
Stores	0	0.00	581 070	422 879.02	( 581 070)	( 422 879.02)
	5 222 000	8 420 659.70	4 455 970	3 334 514.07	766 030	5 086 145.63
<b>Grants in aid</b>						
Ght. Cncl general - grants in aid			50 000		( 50 000)	0.00
Ght. Cncl general - Publicity grant			398 400	398 400.00	( 398 400)	( 398 400.00)
	0	0.00	448 400	398 400.00	( 448 400)	( 398 400.00)
<b>Health Services</b>						
Primary Health Care	7 805 000	7 826 052.85	6 099 180	5 624 886.90	1 705 820	2 201 165.95
Ght. Health General Expenses	877 590	1 144 115.00	1 652 480	1 449 956.42	( 774 890)	( 305 841.42)
	8 682 590	8 970 167.85	7 751 660	7 074 843.32	930 930	1 895 324.53
<b>Management Services</b>						
Corporate services - admin			1 390 590	1 706 389.12	(1 390 590)	(1 706 389.12)
Human resources			632 280	957 252.95	( 632 280)	( 957 252.95)
Community & Social Svcs - admin			923 540	1 058 989.86	( 923 540)	(1 058 989.86)
Chief operations officer			1 564 600	1 360 692.42	(1 564 600)	(1 360 692.42)
	0	0.00	4 511 010	5 083 324.35	(4 511 010)	(5 083 324.35)
<b>Municipal Manager</b>						
Integrated Development & Planning	50 000	0.00	629 960	347 783.18	( 579 960)	( 347 783.18)
Municipal manager			2 114 640	1 225 631.19	(2 114 640)	(1 225 631.19)
Media & communications Officer			1 194 230	166 305.84	(1 194 230)	( 166 305.84)
Local economic development	500 000	0.00	2 665 900	2 136 481.44	(2 165 900)	(2 136 481.44)
	550 000	0.00	6 604 730	3 876 201.65	(6 054 730)	(3 876 201.65)
<b>Public Works</b>						
Technical & Infrastr. - admin	387 260	456 968.70	3 480 470	4 089 369.94	(3 093 210)	(3 632 401.24)
Distrib. - masons & carpenters			312 920	203 045.56	( 312 920)	( 203 045.56)
Distrib. - plant				0.00	0	0.00
Distrib. - transport				0.00	0	0.00
Distrib. - workshops		0.00		1 543.81	0	( 1 543.81)
Stormwater Drains etc		0.00	1 846 410	1 627 350.44	(1 846 410)	(1 627 350.44)
Streets, footpaths & gutters	3 710	0.00	5 061 930	5 017 530.27	(5 058 220)	(5 017 530.27)
					0	0.00
	390 970	456 968.70	10 701 730	10 938 840.02	(10 310 760)	(10 481 871.32)
<b>Traffic Service</b>						
Roadworthy/Signage	194 240	273 569.40	1 180 540	1 055 358.16	( 986 300)	( 781 788.76)
Traffic Control	1 028 920	914 721.97	3 861 400	4 062 852.07	(2 832 480)	(3 148 130.10)
	1 223 160	1 188 291.37	5 041 940	5 118 210.23	(3 818 780)	(3 929 918.86)
<b>Aerodrome</b>						
Ght. Aerodrome	13 000	20 613.85	157 230	163 801.39	( 144 230)	( 143 187.54)
	13 000	20 613.85	157 230	163 801.39	( 144 230)	( 143 187.54)
<b>Cemeteries</b>						
Makana	265 000	247 090.00	556 250	541 256.47	( 291 250)	( 294 166.47)
	265 000	247 090.00	556 250	541 256.47	( 291 250)	( 294 166.47)
<b>City Hall, Halls &amp; Offices</b>						
Ght. City Hall and Offices	148 620	147 707.77	867 630	797 384.26	( 719 010)	( 649 676.49)
Community halls	66 900	45 087.80	875 500	784 200.66	( 808 600)	( 739 112.86)
	215 520	192 795.57	1 743 130	1 581 584.92	(1 527 610)	(1 388 789.35)
<b>Fire Protection</b>						
Fire Control	124 380	87 053.38	4 450 370	4 189 835.71	(4 325 990)	(4 102 782.33)
	124 380	87 053.38	4 450 370	4 189 835.71	(4 325 990)	(4 102 782.33)

ALLOCATION OF INCOME AND EXPENDITURE : APPENDIX E - FINANCIAL STATEMENTS : 30 JUNE 2008

<b>Libraries</b>						
Fingo	50		139 240	26 298.40	( 139 190)	( 26 298.40)
Currie Street	4 750	5 511.80	364 050	322 131.96	( 359 300)	( 316 620.16)
Duna	10 000	12 033.10	473 340	499 192.85	( 463 340)	( 487 159.75)
Riebeeck East	50	0.00	86 360	7 567.18	( 86 310)	( 7 567.18)
Hill Street	22 000	23 916.30	1 733 290	1 541 004.58	(1 711 290)	(1 517 088.28)
Alicedale	1 620	0.00	196 230	169 894.53	( 194 610)	( 169 894.53)
	<u>38 470</u>	<u>41 461.20</u>	<u>2 992 510</u>	<u>2 566 089.50</u>	<u>(2 954 040)</u>	<u>(2 524 628.30)</u>
<b>Parks and Recreation</b>						
Botanical Gardens			144 000	144 000.00	( 144 000)	( 144 000.00)
Commonage	10 100	14 400.00	1 700 520	1 706 683.08	(1 690 420)	(1 692 283.08)
Distribution - Parks admin		0.00		( 1 122.60)	0	1 122.60
Distribution - Parks transport		0.00		0.00	0	0.00
Nursery	26 000	2 911.00	425 190	439 632.87	( 399 190)	( 436 721.87)
Pound	2 500	13 915.40	24 000	16 500.00	( 21 500)	( 2 584.60)
Hiking Trail	7 000	2 560.00	129 830	107 029.06	( 122 830)	( 104 469.06)
Sportsgrounds	35 700	15 100.00	1 236 250	1 269 743.40	(1 200 550)	(1 254 643.40)
Street Islands and Verges		0.00	2 886 520	3 046 937.01	(2 886 520)	(3 046 937.01)
	<u>81 300</u>	<u>48 886.40</u>	<u>6 546 310</u>	<u>6 729 402.82</u>	<u>(6 465 010)</u>	<u>(6 680 516.42)</u>
<b>Caravan Park</b>						
Ght. Caravan Park	0	3 426.86	179 180	129 366.45	( 179 180)	( 125 939.59)
	<u>0</u>	<u>3 426.86</u>	<u>179 180</u>	<u>129 366.45</u>	<u>( 179 180)</u>	<u>( 125 939.59)</u>
<b>Cleansing</b>						
Domestic Refuse Removal	9 310 150	10 582 539.50	4 823 090	5 284 985.64	4 487 060	5 297 553.86
Ght. Refuse Site	50 000	68 562.86	676 550	384 388.85	( 626 550)	( 315 825.99)
Ght. Sanitation General	200 600	116 145.40	4 231 760	4 386 051.83	(4 031 160)	(4 269 906.43)
	<u>9 560 750</u>	<u>10 767 247.76</u>	<u>9 731 400</u>	<u>10 055 426.32</u>	<u>( 170 650)</u>	<u>711 821.44</u>
<b>Licensing</b>						
Drivers' Licensing	752 500	1 985 267.78	650 610	505 378.36	101 890	1 479 889.42
Vehicle Licensing	411 300	829 282.98	443 550	132 203.29	( 32 250)	697 079.69
	<u>1 163 800</u>	<u>2 814 550.76</u>	<u>1 094 160</u>	<u>637 581.65</u>	<u>69 640</u>	<u>2 176 969.11</u>
<b>Properties and Estates</b>						
Ght. Properties and Estates	435 260	696 411.13	2 559 160	2 322 614.03	(2 123 900)	(1 626 202.90)
	<u>435 260</u>	<u>696 411.13</u>	<u>2 559 160</u>	<u>2 322 614.03</u>	<u>(2 123 900)</u>	<u>(1 626 202.90)</u>
<b>Sewerage</b>						
Ght. Sanitation - Pail Removals		0.00	1 952 380	2 030 676.76	(1 952 380)	(2 030 676.76)
Ght. Sewerage Admin	16 836 760	17 880 759.33	3 549 250	3 321 822.96	13 287 510	14 558 936.37
Ght. Sewerage Disposal Works		0.00	3 165 040	2 862 189.14	(3 165 040)	(2 862 189.14)
Sewerage Reticulation	31 500	54 973.12	1 759 190	1 790 457.65	(1 727 690)	(1 735 484.53)
	<u>16 868 260</u>	<u>17 935 732.45</u>	<u>10 425 860</u>	<u>10 005 146.51</u>	<u>6 442 400</u>	<u>7 930 585.94</u>
<b>Housing</b>						
Econ. Letting Schemes	0	0.00	2 450	2 516.17	( 2 450)	( 2 516.17)
Econ. Letting/Selling	0	0.00	1 180	1 233.78	( 1 180)	( 1 233.78)
Sub-econ. Letting Schemes	91 260	22 723.56	22 900	23 374.04	68 360	( 650.48)
Sub-econ. Conversion	0	0.00	900	918.27	( 900)	( 918.27)
	<u>91 260</u>	<u>22 723.56</u>	<u>27 430</u>	<u>28 042.26</u>	<u>63 830</u>	<u>( 5 318.70)</u>
Ght. East Schemes	14 000	( 1 569.18)	15 000	15 683.65	( 1 000)	( 17 252.83)
	<u>14 000</u>	<u>( 1 569.18)</u>	<u>15 000</u>	<u>15 683.65</u>	<u>( 1 000)</u>	<u>( 17 252.83)</u>
Alicedale Housing	12 100	7 670.63		0.00	12 100	7 670.63
	<u>12 100</u>	<u>7 670.63</u>	<u>0</u>	<u>0.00</u>	<u>12 100</u>	<u>7 670.63</u>
<b>Electricity</b>						
Administration	43 137 250	41 614 969.28	4 563 400	4 560 016.03	38 573 850	37 054 953.25
Bulk Purchases			20 185 780	21 194 407.64	(20 185 780)	(21 194 407.64)
Distribution			7 254 020	8 223 622.10	(7 254 020)	(8 223 622.10)
	<u>43 137 250</u>	<u>41 614 969.28</u>	<u>32 003 200</u>	<u>33 978 045.77</u>	<u>11 134 050</u>	<u>7 636 923.51</u>
<b>Water</b>						
Administration	28 815 720	36 100 537.46	7 451 340	7 385 820.64	21 364 380	28 714 716.82
Ght. Conservation & Purification			2 852 690	7 401 056.39	(2 852 690)	(7 401 056.39)
Ght. James Kleynhans Scheme			3 040 000	3 351 938.09	(3 040 000)	(3 351 938.09)
Reticulation			2 850 000	3 639 179.56	(2 850 000)	(3 639 179.56)
	<u>28 815 720</u>	<u>36 100 537.46</u>	<u>16 194 030</u>	<u>21 777 994.68</u>	<u>12 621 690</u>	<u>14 322 542.78</u>
	<u>146 045 910</u>	<u>159 038 712.39</u>	<u>146 026 940</u>	<u>148 210 257.13</u>	<u>18 970</u>	<u>10 828 455.26</u>



**CATEGORISED SUMMARY OF INCOME AND EXPENDITURE AS AT 30 JUNE 2008**

	<b>Salaries &amp; allowances</b>	<b>General expenses</b>	<b>Repairs &amp; Maintenance</b>	<b>Capital charges</b>	<b>Contrib. to fixed assets</b>	<b>Contributions</b>	<b>Gross expenditure</b>	<b>Less: Charged out</b>	<b>Net Expenditure</b>	<b>INCOME</b>	<b>SURPLUS/ (DEFICIT)</b>
<b>TECH. &amp; INFRASTR. SERVICES</b>											
Administration	2 654 467.24	1 234 019.07	96 420.88	75 958.62	9 104.09	19 400.04	4 089 369.94		4 089 369.94	456 968.70	(3 632 401.24)
Distribution: Masons & carpenters	145 591.32	26 945.18	28 399.10			2 109.96	203 045.56		203 045.56		( 203 045.56)
Distribution: Plant	563 299.18	142 974.67	254 743.50	328 248.75		5 630.04	1 294 896.14	(1 294 896.14)	0.00		0.00
Distribution: Transport	227 653.19	162 710.28	175 163.34	212 535.04		2 409.96	780 471.81	( 780 471.81)	0.00		0.00
Distribution: Workshops	1 191 857.56	85 590.30	34 534.74			10 170.00	1 322 152.60	(1 320 608.79)	1 543.81		( 1 543.81)
Sanitation - Pail removals	1 709 659.84	173 395.05	111 571.93	21 549.98		14 499.96	2 030 676.76		2 030 676.76		(2 030 676.76)
Sewerage - Administration	343 957.20	2 975 895.72				1 970.04	3 321 822.96		3 321 822.96	17 880 759.33	14 558 936.37
Sewerage - Disposal works	1 436 056.02	374 896.06	106 095.63	922 684.44	8 956.99	13 500.00	2 862 189.14		2 862 189.14		(2 862 189.14)
Sewerage - Reticulation	1 015 951.25	279 223.47	402 670.40	85 202.53		7 410.00	1 790 457.65		1 790 457.65	54 973.12	(1 735 484.53)
Stormwater drains & river beds	1 145 549.68	109 200.52	332 304.34	30 095.90		10 200.00	1 627 350.44		1 627 350.44		(1 627 350.44)
Streets, footpaths & gutters	2 215 172.83	829 574.28	1 517 528.23	437 444.89		17 810.04	5 017 530.27		5 017 530.27		(5 017 530.27)
Properties & estates	1 467 496.94	600 164.73	117 950.97	129 131.43		7 869.96	2 322 614.03		2 322 614.03	696 411.13	(1 626 202.90)
	14 116 712.25	6 994 589.33	3 177 383.06	2 242 851.58	18 061.08	112 980.00	26 662 577.30	(3 395 976.74)	23 266 600.56	19 089 112.28	(4 177 488.28)
<b>CORPORATE SERVICES</b>											
Administration	2 878 154.94	619 443.53	63 407.58	20 573.02	1 575.25	20 160.00	3 603 314.32	(1 896 925.20)	1 706 389.12		(1 706 389.12)
City hall & offices	363 034.52	276 197.11	149 655.66	6 046.93		2 450.04	797 384.26		797 384.26	147 707.77	( 649 676.49)
Community halls	543 595.97	69 706.90	129 461.72	12 639.82	23 756.25	5 040.00	784 200.66		784 200.66	45 087.80	( 739 112.86)
Council's general expenses	332 442.79	8 266 487.90	44 162.41	125 408.90	2 500.00	6 171 250.08	14 942 252.08		14 942 252.08	5 001 050.91	(9 941 201.17)
Human resources	893 656.32	852 792.88	6 829.93	1 502.82		5 439.96	1 760 221.91	( 802 968.96)	957 252.95		( 957 252.95)
	5 010 884.54	10 084 628.32	393 517.30	166 171.49	27 831.50	6 204 340.08	21 887 373.23	(2 699 894.16)	19 187 479.07	5 193 846.48	(13 993 632.59)
<b>FINANCIAL SERVICES</b>											
Administration	4 169 805.76	1 253 146.23	376 321.63	15 102.99	18 405.48	30 000.00	5 862 782.09	(2 951 147.04)	2 911 635.05	8 420 659.70	5 509 024.65
Rates		908 262.57					908 262.57		908 262.57	24 320 012.75	23 411 750.18
Supply chain management	336 489.37	59 097.94	24 011.75			3 279.96	422 879.02		422 879.02		( 422 879.02)
	4 506 295.13	2 220 506.74	400 333.38	15 102.99	18 405.48	33 279.96	7 193 923.68	(2 951 147.04)	4 242 776.64	32 740 672.45	28 497 895.81

**CATEGORISED SUMMARY OF INCOME AND EXPENDITURE AS AT 30 JUNE 2008**

	<b>Salaries &amp; allowances</b>	<b>General expenses</b>	<b>Repairs &amp; Maintenance</b>	<b>Capital charges</b>	<b>Contrib. to fixed assets</b>	<b>Contributions</b>	<b>Gross expenditure</b>	<b>Less: Charged out</b>	<b>Net Expenditure</b>	<b>INCOME</b>	<b>SURPLUS/ (DEFICIT)</b>
<b>COMMUNITY &amp; SOCIAL SRVCS</b>											
Administration & social develop.	920 051.51	135 188.35				3 750.00	1 058 989.86		1 058 989.86		(1 058 989.86)
Aerodrome		133 022.73	30 778.66				163 801.39		163 801.39	20 613.85	(143 187.54)
Botanical gardens		144 000.00					144 000.00		144 000.00		(144 000.00)
Caravan park	115 627.46	13 738.99					129 366.45		129 366.45	3 426.86	(125 939.59)
Cemeteries	186 890.80	212 802.65	106 719.68	32 643.38		2 199.96	541 256.47		541 256.47	247 090.00	(294 166.47)
Disaster management		31 922.03			12 568.50		44 490.53		44 490.53		(44 490.53)
Commonage	583 891.06	1 080 246.40	36 585.58			5 960.04	1 706 683.08		1 706 683.08	14 400.00	(1 692 283.08)
Domestic refuse removal	1 487 325.05	3 470 076.22	189 764.93	124 579.48		13 239.96	5 284 985.64		5 284 985.64	10 582 539.50	5 297 553.86
Distribution - Parks admin	701 097.19	571 635.80	8 948.70	23 657.38	19 249.00	5 390.04	1 329 978.11	(1 331 100.71)	(1 122.60)		1 122.60
Drivers' licensing	150 221.72	322 875.61	2 789.25	24 381.22	4 010.52	1 100.04	505 378.36		505 378.36	1 985 267.78	1 479 889.42
Distribution - Parks transport	826 455.86	517 369.22	404 424.74	78 714.01		7 119.96	1 834 083.79	(1 834 083.79)	0.00		0.00
Fire control	3 167 619.04	779 720.14	213 035.45	138 601.40	23 291.50	28 059.96	4 350 327.49	(1 604 917.78)	4 189 835.71	87 053.38	(4 102 782.33)
Library - Fingo		6 597.54		3 297.53	15 523.37	879.96	26 298.40		26 298.40		(26 298.40)
Library - Currie street	264 163.18	40 642.31	5 871.89	4 609.59	4 274.95	2 570.04	322 131.96		322 131.96	5 511.80	(316 620.16)
Primary health care	4 800 125.93	565 392.44	177 732.65	41 506.92	699.00	39 429.96	5 624 886.90		5 624 886.90	7 826 052.85	2 201 165.95
Library - Duna	400 924.39	71 515.58	11 157.81	8 495.08	4 369.99	2 730.00	499 192.85		499 192.85	12 033.10	(487 159.75)
Library - Riebeeck East		6 529.14			598.00	440.04	7 567.18		7 567.18		(7 567.18)
Library - Hill street	1 006 331.06	468 713.73	33 109.10	21 110.59	3 280.10	8 460.00	1 541 004.58		1 541 004.58	23 916.30	(1 517 088.28)
Public health - general	981 967.40	433 770.11	20 182.59	3 517.44	1 938.88	8 580.00	1 449 956.42		1 449 956.42	1 144 115.00	(305 841.42)
Library - Alicedale	159 821.99	8 194.50			598.00	1 280.04	169 894.53		169 894.53		(169 894.53)
Nursery	158 258.38	259 234.96	20 749.57			1 389.96	439 632.87		439 632.87	2 911.00	(436 721.87)
Refuse site	69 068.91	105 327.64	89 325.60	119 566.66		1 100.04	384 388.85		384 388.85	68 562.86	(315 825.99)
Pound		16 500.00					16 500.00		16 500.00	13 915.40	(2 584.60)
Roadworthy/signage	399 111.90	501 305.92	63 097.02	88 633.32		3 210.00	1 055 358.16		1 055 358.16	273 569.40	(781 788.76)
Sanitation - general	3 086 537.86	675 772.96	421 180.88	175 740.13		26 820.00	4 386 051.83		4 386 051.83	116 145.40	(4 269 906.43)
Hiking trail		105 530.07	1 498.99				107 029.06		107 029.06	2 560.00	(104 469.06)
Traffic control	3 182 295.99	596 505.09	153 245.13	66 251.57	41 494.25	23 060.04	4 062 852.07		4 062 852.07	914 721.97	(3 148 130.10)
Sports grounds	579 320.83	608 620.94	54 328.04	18 496.39	4 407.24	4 569.96	1 269 743.40		1 269 743.40	15 100.00	(1 254 643.40)
Vehicle licensing	98 846.33	31 864.96	(8.00)			1 500.00	132 203.29		132 203.29	829 282.98	697 079.69
Street islands & verges	1 781 123.05	1 228 420.96	11 783.43	10 348.07	491.54	14 769.96	3 046 937.01		3 046 937.01		(3 046 937.01)
	<b>25 107 076.89</b>	<b>13 143 036.99</b>	<b>2 056 301.69</b>	<b>984 150.16</b>	<b>136 794.84</b>	<b>207 609.96</b>	<b>41 634 970.53</b>	<b>(3 325 676.28)</b>	<b>38 309 294.25</b>	<b>24 188 789.43</b>	<b>(14 120 504.82)</b>

**CATEGORISED SUMMARY OF INCOME AND EXPENDITURE AS AT 30 JUNE 2008**

	<b>Salaries &amp; allowances</b>	<b>General expenses</b>	<b>Repairs &amp; Maintenance</b>	<b>Capital charges</b>	<b>Contrib. to fixed assets</b>	<b>Contributions</b>	<b>Gross expenditure</b>	<b>Less: Charged out</b>	<b>Net Expenditure</b>	<b>INCOME</b>	<b>SURPLUS/ (DEFICIT)</b>
<b>EXECUTIVE MAYOR</b>											
Executive mayor	388 600.39	1 748 996.31	12 460.30	9 709.03	4 610.19	3 069.96	2 167 446.18		2 167 446.18	81 960.00	(2 085 486.18)
	388 600.39	1 748 996.31	12 460.30	9 709.03	4 610.19	3 069.96	2 167 446.18	0.00	2 167 446.18	81 960.00	(2 085 486.18)
<b>MUNICIPAL MANAGER</b>											
Chief Operations Officer	217 693.13	1 142 999.29					1 360 692.42		1 360 692.42		(1 360 692.42)
Integrated Development & Planning	281 078.08	54 613.20		899.92	8 392.02	2 799.96	347 783.18		347 783.18		(347 783.18)
Municipal manager	982 189.06	648 083.83		6 134.25	24 603.01	7 130.04	1 668 140.19	(442 509.00)	1 225 631.19		(1 225 631.19)
Media & communications Officer		159 733.75			6 572.09		166 305.84		166 305.84		(166 305.84)
Local economic development	997 748.11	1 105 969.62	14 485.82		11 689.59	6 588.30	2 136 481.44		2 136 481.44		(2 136 481.44)
	2 478 708.38	3 111 399.69	14 485.82	7 034.17	51 256.71	16 518.30	5 679 403.07	(442 509.00)	5 236 894.07	0.00	(5 236 894.07)
<b>HOUSING</b>											
Economic letting schemes		1 516.09				1 000.08	2 516.17		2 516.17		(2 516.17)
Economic letting/selling schemes		1 233.78					1 233.78		1 233.78		(1 233.78)
Grahamstown east schemes		15 683.65					15 683.65		15 683.65	(1 569.18)	(17 252.83)
Sub-economic letting schemes		10 874.00				12 500.04	23 374.04		23 374.04	22 723.56	(650.48)
Alicedale housing schemes							0.00		0.00	7 670.63	7 670.63
Sub-economic conversion scheme		418.23				500.04	918.27		918.27		(918.27)
	0.00	29 725.75	0.00	0.00	0.00	14 000.16	43 725.91	0.00	43 725.91	28 825.01	(14 900.90)
<b>ELECTRICITY</b>											
Administration	763 059.13	3 774 037.08	13 203.48	716.34		9 000.00	4 560 016.03		4 560 016.03	41 614 969.28	37 054 953.25
Bulk purchases		21 194 407.64					21 194 407.64		21 194 407.64		(21 194 407.64)
Distribution	3 975 207.21	1 526 921.27	1 946 883.83	713 417.95	30 311.88	30 879.96	8 223 622.10		8 223 622.10		(8 223 622.10)
	4 738 266.34	26 495 365.99	1 960 087.31	714 134.29	30 311.88	39 879.96	33 978 045.77	0.00	33 978 045.77	41 614 969.28	7 636 923.51
<b>WATER</b>											
Administration	647 491.54	6 733 269.06				5 060.04	7 385 820.64		7 385 820.64	36 100 537.46	28 714 716.82
Conservation & purification	1 043 145.80	6 019 889.74	237 735.59	95 285.22		5 000.04	7 401 056.39		7 401 056.39		(7 401 056.39)
James Kleynhans scheme	549 790.17	2 175 716.54	619 790.74	1 271.60	369.00	5 000.04	3 351 938.09		3 351 938.09		(3 351 938.09)
Reticulation	2 043 318.75	287 998.16	1 212 624.26	75 020.88	1 217.55	18 999.96	3 639 179.56		3 639 179.56		(3 639 179.56)
	4 283 746.26	15 216 873.50	2 070 150.59	171 577.70	1 586.55	34 060.08	21 777 994.68	0.00	21 777 994.68	36 100 537.46	14 322 542.78
<b>TOTAL</b>	<b>60 630 290.18</b>	<b>79 045 122.62</b>	<b>10 084 719.45</b>	<b>4 310 731.41</b>	<b>288 858.23</b>	<b>6 665 738.46</b>	<b>161 025 460.35</b>	<b>(12 815 203.22)</b>	<b>148 210 257.13</b>	<b>159 038 712.39</b>	<b>10 828 455.26</b>



**Loans outstanding**

10.05.05.1010.000	13 153 376.58
10.05.05.1015.000	
30.05.05.1010.000	1 378 861.27
40.05.05.1010.000	463 731.23
70.05.05.2305 - 2330	(14 995 969.08)
	<u>0.00</u>

**Internal Investments**

10.07.11.3950.001	2 700.00
10.07.11.3950.002	1 600.00
10.07.11.3950.003	500.00
10.07.11.3950.005	700.00
10.07.11.3950.006	1 700.00
10.07.11.3950.007	500.00
10.07.11.3950.008	17 500.00
10.07.11.3950.009	200.00
10.07.11.3950.011	200.00
10.07.11.3950.014	450.00
10.07.11.3950.016	15 500.00
10.07.11.3950.017	32 500.00
10.07.11.3950.018	38 000.00
10.07.11.3950.020	2 200.00
10.07.11.3950.021	300 000.00
10.07.11.3950.031	359 380.00
10.07.11.3950.033	1 639 490.88
10.07.11.3952.001	47 000.00
10.07.11.3952.002	1 320.00
10.07.11.3954.001	18 900.00
10.07.11.3956.001	5 584.77
10.07.11.3956.002	16 558.25
10.07.11.3956.003	994.25
10.07.11.3956.004	17 000.00
10.07.11.3957.001	55 000.00
10.07.11.3957.002	100 000.00
10.07.11.3957.003	33 130.00
10.07.11.3958.001	47 180.00
70.05.05.1210.000	(1 116 297.27)
70.05.05.1211.000	(1 639 490.88)
	<u>0.00</u>

**Internal Advances**

10.05.01.3010.043	
10.05.01.4010.012	
10.05.01.4005.114	
70.05.05.2505.000	
70.05.05.1405.000	
70.05.05.2415.010	
	<u>0.00</u>

**Fund balances**

Rate & General	
Housing	
Electricity	
Water	
Dog Tax	
Parking Areas	
Consol. Cap. Dev.	
Trust funds	
Capital suspense	
	<u>0.00</u>

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**CASH FLOW WORKING PAPER - 30 June 2008**

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<b>ADJUSTMENTS FOR NON-CASH TRANSACTIONS</b>					<u>TOTAL</u>
				<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>	
Consolidated Capital Development and Loans Fund	(61 179 444)	(57 430 500)	(3 748 944)	1 770 227	( 48 366)	( 368 270)	1 915 310		( 297 075)
						182 968			
Other Funds	(5 455 680)	(5 412 039)	( 43 641)		14 000				( 29 641)
Reserves	(2 213 728)	(2 213 728)	0						0
Unappropriated Surplus	(2 913 259)	(4 346 528)	1 433 269	(1 770 227)	( 14 000)	(6 170 000)			29 806 195
				( 288 858)	( 481 738)	4 234 205	35 404 048	(2 540 504)	
Interest on Investments			0		( 704 796)	(4 234 205)	(1 915 310)		(6 854 311)
Interest paid			0			368 270			368 270
Grants and subsidies			0				(35 404 048)		(35 404 048)
Net proceeds - sale of assets			0			( 182 968)			( 182 968)
Trust Funds	(29 539 245)	(26 845 176)	(2 694 069)		704 796		(16 672 193)		(18 661 466)
Long-term Liabilities	(2 103 954)	(2 519 515)	415 561						415 561
Consumer Deposits; Services	(1 762 815)	(1 697 641)	( 65 174)						( 65 174)
Deferred Charges	0	0	0						0
Fixed Assets	235 497 985	213 202 857	22 295 128			305 249			22 600 377
Loans Redeemed & Other Capital Receipts	(218 683 079)	(199 438 407)	(19 244 672)	288 858	48 366		16 672 193	2 540 504	0
						( 305 249)			
Investments	10 153 892	9 652 242	501 650						501 650
Long-term Debtors	5 116	57 363	( 52 247)						( 52 247)
Inventory	3 124 273	1 995 921	1 128 352						1 128 352
Debtors	48 057 580	48 501 131	( 443 551)			6 170 000			5 726 449
Cash	7 293	7 293	0						0
Short-term Investments	53 863 946	50 886 840	2 977 106						2 977 106
Short-term Portion of Long-term Drs	33 483	106 709	( 73 226)						( 73 226)
Provisions	(2 652 810)	(2 545 819)	( 106 991)		481 738				374 747
Creditors	(23 090 403)	(17 153 796)	(5 936 607)						(5 936 607)
Short-term Portion of Long-term Liab	( 415 561)	( 362 451)	( 53 110)						( 53 110)
Bank Overdraft	( 733 590)	(4 444 756)	3 711 166						3 711 166
	( 0)	( 0)	( 0)	0	0	0	0	0	( 0)
							check		( 0)