

ANNEXURE A: Revenue Explanations

Conditional grants

All unspent conditional grants as at 30 June 2009 has to be included in the budgeted revenue for 09/10 in terms of a directive by National Treasury.

1. MSIG Grant (Conditional)

The grant is utilized to fund legislative requirements other than the MFMA as well as performance management and IDP. An amount of R 217,694 was rolled over from the 2008/09 MSIG Allocation.

2. Finance Management Grant (Conditional)

The Finance Management grant funds the salaries of the interns, financial training and compliance with GAMAP/GRAP and the MFMA. An amount of R 527,000 was rolled over from the 2008/09 FMG Allocation.

3. Vuna Award Grant (Conditional)

The grant is utilized towards funding the WDM signage project. The grant is the prize money for winning the VUNA Awards (Limpopo) in 2005/2006. The original 2009/2010 Budget did not include the VUNA Award income as at that stage the business plan was not yet approved and the timing and probability of the transfer of those funds unknown.

4. Wild Life Centre (Conditional)

The grant is utilized towards funding the feasibility study on wild life within the district. This study will be conducted in phases. The original 2009/2010 Budget did not include the Office of the Premier grant income as in that stage the business plan was not yet approved and the timing and probability of the transfer of those funds unknown.

5. Integrated Transport (Conditional)

The grant is used to fund transport activities such as the coordination of forums and implementation of the transport plan. An amount of R 57,424 was rolled over from the 2008/09 MSIG Allocation. The original 2009/2010 Budget did not include the remaining transport grant portion as the utilization was yet to be identified.

6. LIBSA-Lephalale Agricultural Corridor (Conditional)

The grant is used to build a vegetable assemble point in the Lephalale municipal area. The original 2009/2010 Budget did not include the this grant as the transfer was not planned or initiated by WDM, but merely a transfer as middle party between LIBSA and the service provider in terms of the service level agreement.

7. IT MSP Grant (Conditional)

This grant is utilized to fund the implementation of the IT Master plan. An amount of R 92,260 was rolled over from the 2008/09 MSIG Allocation. The original 2009/2010 Budget did not include the remaining IT MSP Grant portion as the utilization was yet to be identified.

8. CPWP Grant (Conditional)

This grant was utilized during the period when WDM was still a service authority to implement infrastructure projects on water. The amount remaining has been rolled over since 2003 and no purpose for it was identified to date. The Department of Public Works could also not be of assistance. The recommendation is thus to use these funds for the increases requested in Infrastructure Department projects. If not approved, the funds should be transferred to either Local Municipalities or to Provincial Treasury.

9. Mayor's Bursary Grant (Conditional)

This amount was received in 2007 from a community member to assist the Office of the Executive Mayor in granting bursaries. The amount of R 25,000 was rolled over from the 2006/07 Budget Year. A bursary has been granted to an actuary student and these funds will be utilized to assist this student.

10. Disaster Grant (Conditional)

This amount was received in 2007 from a community member to assist the municipality with disasters. The amount of R 40,000 was rolled over from the 2006/07 Budget Year on which R 14,380 was utilized to assist the Department of Agriculture with the fires in Alma in 2008. A remaining amount of R 25,620 is thus rolled over to 2009/2010 Budget Year.

11. Fire Fighting Grant (Conditional)

The Fire Fighting Grant was awarded by DLGH to WDM in the 2006/07 year to procure RIVs for the Fire Fighting Department. The amount remaining has been rolled over from the 2007/08 Budget Year.

12. Interest on current account and external investments

The interest is lower than projected due to a significant decrease in the interest rate and a higher balance kept on short term investments due to large project claims. There is also a higher than projected turnover in cash due to large project claims, new appointments and increases in personnel expenditure due to the amongst others the collective agreement implementation and high travel claims of health practitioners. The decrease is necessary to accommodate the reduction in the interest rate and subsequent decrease in interest received on current account and external investments.

13. Abattoir

The abattoir income is lower than projected because Major Meat, the lessee, cancelled their lease at the beginning of September 2008 and has since not yet been replaced, thus no rental is earned on the vacant portion of the building. The throughput at the abattoir is also lower than projected on slaughtering and subsequently tripe and freezing due to, amongst others, the loss of major clients. The abattoir, for the first 6 months ending 31 December 2009, has incurred an operating loss of R 950,833. The decrease is necessary to accommodate the lower than projected throughput on slaughtering and subsequently tripe and freezing, loss of major clients and therefore lower than projected income of the abattoir.

14. Fire Fighting

No income has been received from our local municipalities, except from Thabazimbi Local Municipality. Fire fighting is only charged where there is a fire call out that can be linked to one community member directly and that member can be traced. The decrease is necessary to accommodate the lower than projected fire fighting income.

15. Other Income

Included under other income is R 37 879 from the selling of tender documents and R19 001 from L G SETA. The R 19,001 was not budgeted for and the majority of tenders were advertised and sold in the two quarters even though the projected proceeds from tender documents were spread equally over the 12 months of 2009/2010. The increase is necessary to accommodate the additional income received from LG SETA.