

ANNEXURE A: ACTUAL REVENUE PER REVENUE SOURCE

1. MSIG Grant (Conditional)

The grant is utilized to fund legislative requirement other than the MFMA as well as performance management and IDP. We received the full grant of R 735,000 in 1 installment in July 2008. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The unspent amount related to the Fixed Asset Register Program which Deloitte & Touche still have to complete.

2. Finance Management Grant (Conditional)

The Finance grant funds the salaries of the interns, financial training and compliance with GAMAP/GRAP and the MFMA. We received the full grant of R 500,000 in 1 installment in July 2008. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The reason why the income is more than the budget for the year is that we've also spent a portion of the 07/08 Grant transferred to 08/09 as unspent on 1 July 2008.

3. LG Seta Grant

The LG Seta grant is used to fund personnel skill development. Also, the income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The reason why the income is more than the budget for the year is that we've also spent a portion of the 07/08 Grant transferred to 08/09 as unspent on 1 July 2008.

4. Integrated Transport

This grant is utilized to fund all activities for the integrated transport. R357 000.00 is on the IDP under TR005 and R294 565 has already spent to date. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The remaining unspent portion on the 08/09 IDP project will be rolled over to 09/10 together with the portion of the grant that hasn't been recognized as income yet.

5. IT MSP Grant

This grant is utilized to fund the implementation of the IT Master plan. After the budget adjustment at the end of March 2009 an amount of R500 000.00 was included on the budget and R407 740.00 is already spent to date. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. . The remaining unspent portion on the 08/09 IDP project will be rolled over to 09/10 together with the portion of the grant that hasn't been recognized as income yet.

6. Drought Relief Grant

This grant is utilized to assist our local municipalities in drought relief programmes, to date four of our locals benefitted, namely, Thabazimbi, Modimolle, Mogalakwena and Lephalale. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The income recognized was for the final payment due to the service provider appointed to implement this project.

7. Umsobomvu Youth Grant.

This grant was used to fund salaries of officials employed at youth centers at our six local municipalities. The locals used to claim salaries paid by them from the district municipality. An amount of R194 792.00 was received. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The grant has been recognized in full and in future will be transferred directly to local municipalities.

8. LIBSA Grant – Lephalale Agricultural Corridor

This LIBSA Grant is utilized towards cooperative development on the Lephalale agricultural corridor. An amount of R1 800 000.00 is expected from LIBSA of which R900 000.00 has already been received, the remaining R900 000.00 will be received in the new financial year. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent. The R 900,000 was transferred to the service provider of Lephalale Agricultural Corridor.

9. Office of the Premier Grant

This Grant from the Office of the Premier was received for the Feasibility Study on the Wildlife Centre. An amount of R 3 million was received in the current year of which R 19,385 has been spent to date. The income on the grants is recognized once the conditions are met. GRAP journals will be implemented quarterly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant spent.

10. Interest on current account

The additional interest earned is due to a higher balance and competitive rates. A higher account balance is kept due to expected project claims.

11. Interest on external investments

The increase is due to surplus funds invested at competitive rates and an increase in the interest rate. The funds invested are higher than projected due to lower than projected project expenditure up to June 2009.

12. Abattoir

The abattoir income is lower than projected due to the fact that Major meat, the lessee, gave notice and vacated the premises beginning of September 2008. No rental income is thus earned on the vacant portion of the building which was earning rental income of R 14,401 (Vat exclusive) per month. Slaughtering income is less due to the fact that the throughput at the abattoir is less than what was projected. Freezing income is also much lower than projected. The abattoir was closed from 18 to 29 May for the upgrade and therefore could not generate income during that period.

13. Fire fighting

A minimal income has been received from our local Municipalities in relation to the 2008/2009 fire fighting income budget as per claims submitted. The income on the grants is utilized against fire fighting expenditure claims received from the Local Municipalities. Only Thabazimbi Local Municipality has during this financial year paid over fire fighting income.

13. Bad debts recovered

In the previous financial year, the full outstanding RSC levy balance was provided for as bad debt. In the current year, however, R 236,685 of this bad debt provided was recovered, therefore at year end, the provision had to be reversed, thereby creating a reversal of prior year expense, that is an income of R 236,685.

14. Other Income

Included under other income is money from the selling of tender documents and the gain on disposal of vehicles in December 2008. The gain on disposal of vehicles was not budgeted for and the gain from selling tender documents is higher than budgeted, thereby the reason for the income being much higher than budgeted. It was not included in the adjustment budget as there was no increased expenditure to fund from this additional revenue.

4. Fire fighting

The following is the status of claims per local municipality:

NAME	BUDGET	CLAIMED	%
Bela Bela Municipality	R 315 220	R 332 962	105.63%
Lephalale Municipality	R1 383 000	R 744 252	53.82%
Mogalakwena Municipality	R1 700 600	R1 632 871	96.02%
Modimolle Municipality	R 278 300	R 119 119	42.81%
Mookgophong Municipality	R 285 500	R 248 488	87.04%
Thabazimbi Municipality	R 212 600	R 216 214	101.70%

The under spending in some local municipalities is because anticipated budget is more than actually spent. The over spending in Bela Bela and Thabazimbi local municipalities was accommodated through the savings in other local municipalities.

The following claims have been submitted by the respective Local Municipalities:

Bela Bela Municipality	July to June 2009
Lephalale Municipality	July to June 2009
Modimolle Municipality	July to June 2009
Mogalakwena Municipality	July to June 2009
Mookgophong Municipality	July to June 2009
Thabazimbi Municipality	July to June 2009

The budgets have been corrected for the 09/10 budget year in partnership with the Disaster Division and the Local Municipalities.

There was also an under spending on the budget for the Modimolle Disaster Centre because the centre only opened after June 2009.

5. Municipal Environmental Health

The under-spending is partly due to vacancies that exist. The following vacancies exist:

Municipal Environmental Health4 posts:	2 Head Health Services – Modimolle & Mookgophong 4 Environmental Health Officers
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6. Abattoir

The abattoir operating budget for the year is overspent by R 113,811. The major reasons for this over expenditure are as follows:

- The municipal account (water & electricity) was higher than budgeted.
- The provision for bad debt is higher than budgeted due to Major Meat leaving when they cancelled their rental contract without settling their bill. The issue has been handed over to legal services.