

ANNEXURE A: ACTUAL REVENUE PER REVENUE SOURCE

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 R217694.00 was rolled over from the 2008/2009 MSIG allocation. The R735 000 grant has been received in full in July 2009 for the current financial year. The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections are based on cash flow and the financial report is based on actual accounting entries.

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 R527 00.00 was rolled over from the 2008/2009 allocation. The R1 000 000 grant budgeted for the current financial year has been received in full in July 2009. The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections are based on cash flow and the financial report is based on actual accounting entries.

3. Municipal Health Grant (Conditional)

The grant is utilized towards financing the salaries and operational expenditure of Municipal Environmental Health function, the travel claims by health officials are also high. The income on the grant is recognized once the conditions are met. GRAP journals are implemented monthly, which will therefore take the full amount received to an unspent liability and the revenue will only reflect the actual amount of the grant is spent.

4. Vuna Award Grant

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 income on the grants is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections 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.

5. Wild Life Centre

The grant is utilized towards funding the feasibility study on wild life within the district. This study will be conducted in phases. The income on the grants is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections 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.

6. Integrated Transport

The grant is used to fund transport activities such as the coordination of forums and implementation of the transport plan. The income on the grants is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections did not include the remaining transport grant portion the utilization was yet to be identified.

7. LIBSA-Lephalale Agricultural Corridor

The grant is used to build a vegetable assemble point in the Lephalale municipal area. The income on the grants is recognized once the conditions are met. GRAP journals are implemented monthly, 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 for the variance is that the SDBIP projections 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.

8. 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. GRAP journals are implemented monthly, 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.

9. 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. GRAP journals are implemented monthly, 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. 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. GRAP journals are implemented monthly, 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.

11. 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. GRAP journals are implemented monthly, 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.

12. 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. GRAP journals are implemented monthly, 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.

13. Local Government Seta

An amount of R47 155.00 was received for skills levy due to skills plan submitted. This amount will be used for training of personnel.

14. Interest on current account and external investments

The interest is lower than projected due to a significant decrease in the interest rate, 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.

15. 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.

16. 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.

17. 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 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.

ANNEXURE B: ACTUAL EXPENDITURE PER VOTE

1. SDCS, CSSS and Municipal Manager's departments

The under-spending is due to vacancies that exist in Social Development & Community Services department, Municipal Manager and Corporate Support & Shared Services. The following vacancies exist:

Corporate Support & Shared Services	4 posts: Divisional Manager HR HRD Officer Gardener/Cleaner (MDC) Gardener/Cleaner (LDC)
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In the Office of the Municipal Manager spending on the Municipal Systems Improvement Grant is also lower than projected due to slow implementation on the Projects Policy development and Work Skills Plan implementation.

In the Department Corporate Support and Shared Services there is slower than projected expenditure on training and the Employee Assistance program.

02. Planning & Economic Development Department

The personnel expenditure of the department had to be increased to accommodate the 13% annual increase in terms of the Collective Agreement effective 1 July 2009 versus the 10% annual increase budgeted in the original 2009/2010 personnel budget. The base line and the projections will be adjusted once the SDBIP is approved, hence the variance.

03 Infrastructure Department

The personnel expenditure of the department had to be increased to accommodate the 13% annual increase in terms of the Collective Agreement effective 1 July 2009 versus the 10% annual increase budgeted in the original 2009/2010 personnel budget. The Subsistence & Travel budget of Infrastructure employees is proposed to be increased by R 90,000 due to a significant increase in travel claims in comparison to the 2008/2009 budget year. The base line and the projections will be adjusted once the SDBIP is approved, hence the variance.

04. Fire fighting

The following is the status of claims per local municipality:

NAME	BUDGET	CLAIMED	%
Bela Bela Municipality	R 639 772	R154 176	24.09%
Lephalale Municipality	R2 145 754	R458 817	21.38%
Mogalakwena Municipality	R3 649 730	R1309 085	35.86%
Modimolle Municipality	R788 200	R 92 679	11.75%
Mookgophong Municipality	R 770 490	R124 762	16.19%
Thabazimbi Municipality	R 470 795	R197 099	41.86%
Modimolle Disaster Center	R339 000	R184 623	54.46%
Lephalale Disaster Centre	R50 000	R0	0%

Bela Bela Municipality submitted claims from July to February 2010
Thabazimbi Municipality submitted claims from July to January 2010.
Lephalale Municipality submitted claims from July to January 2010.
Mookgophong Municipality submitted claims from July to October 2009.
Mogalakwena Municipality submitted claims from July to January 2010.
Modimolle Municipality submitted claims from July to January 2010.

There are vacancies that exist in Disaster Division. The following posts are vacant:

WDM

2 posts: Chief Fire officer
Admin Assistant

Modimolle Disaster Centre

4 posts: Fire prevention Officer
3 Control Room operators

Lephalale Disaster Centre

4 posts: Fire Station Officer
Control Room Operator
Clerical Assistant
Fire prevention Officer