

Source	Original Budget R'000	Adjustment Amount R'000	Adjusted Budget R'000
Equitable Shares	759 547	0	759 547
EPWP	1 725	0	1 725
FMG	1 795	0	1 795
MIG	462 748	0	462 748

2.1 REVENUE - GRANTS

1. That Council takes cognisance of the Adjustment Budget for 2017/2018;
2. That Council approves the adjustment budget as follows:

RESOLVED:

SCD6/05/2018	F: 5/3/2	BUDGET ADJUSTMENT 2017/18
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Kindly receive the Council Resolution No. SCD6/05/2018, of the Special Council Sitting dated the 28 February 2018 as requested:

TO WHOM IT MAY CONCERN

Ref : 5/3/2
 Eng : Mottoutsi ME
 Date: 02 March 2018

Director Corporate Services



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DESCRIPTION	Original Budget R'000	Adjustment Amount R'000	Adjusted Budget R'000
Employee related cost-Salaries and Wages	314 684	8 873	323 557
Employee related cost-Social contribution	79 415	(24 231)	55 184

2.3 EXPENDITURE

Source	Original Budget R'000	Adjustment Amount R'000	Adjusted Budget R'000
Interest earned on External Investment	10 300	(4 000)	6 300
Water and Sewer Service Charges	237 720	(2 502)	235 218
Other income e.g. Tender Documents, Fire services charges, etc.	1 040	620	1 660
Total Other Revenue	249 060	(5 882)	243 178
Total revenue including Grants	1 586 307	34 059	1 621 368

2.2 REVENUE - OTHER

	Original Budget R'000	Adjustment Amount R'000	Adjusted Budget R'000
Rural Transport Grant	2 202	0	2 202
WSIG	95 000	0	95 000
RBIG-Mametha Sekororo	0	40 000	40 000
LP-Econ(Biosphere) Grant	0	216	216
LP-Health(EHP) Grant	14 232	0	14 232
LG-Seta	0	725	725
Total Grants	1 337 249	40 941	1 378 190

Details		R'000
Total Revenue	1 621 368	
Revenue for locals municipalities	(235 218)	
Revenue excluding locals municipalities	1 386 150	
Total Expenditure	(1 716 142)	
Expenditure excluding locals municipalities	176 782	

The below table indicates the revenue and expenditure the local municipalities:

	Surplus/(Deficit)		
Bulk Purchases	152 840	12	152 852
Repairs & Maintenance	60 271	8 956	69 253
Water Schemes	0	55 000	55 000
Boreholes	5 176	1 300	6 476
Vehicles Rental	23 166	25 000	48 166
Electricity	184 688	0	184 688
Debt Impairment	23 399	872	22 572
Contracted Services	11 877	10 000	21 877
General Expenses	179 791	(13 734)	166 057
Capital Outlays	36 190	(17 677)	18 513
Infrastructure	604 645	(12 700)	591 945
Total	1 676 142	39	1 716 138
Less: Depreciation(non-cash item)	(184 688)	0	(184 688)
Total Excluding depreciation	1 489 454	39 989	1 531 450
Surplus/(Deficit)	94 353	(4 931)	89 422

3. That Council takes note of the key changes to the original estimates for 2017/18 as follows:

Expenditure excluding locals municipalities	(1 539 630)
Net cash flow	(153 480)
Adjustment for Depreciation	184 688
Deficit/(Surplus)	31 207

a) The RBIG has gazetted schedule 6B amounting to R40 000 000 and revenue and expenditure was increased by that amount;

b) Councilors remuneration has been adjusted to cover the upper limits as per government gazette issued in December 2017 subject to approval by MEC for COGHSTA and National Treasury;

c) The Operation and Maintenance budget has been increased by R 90 282 000 from R88 613 090 to R178 895 090;

d) The Electricity has been increased by R 25 000 000 from R23 166 000 to R48 166 000;

e) The Boreholes has been increased by R 23 982 000 from R31 018 000 to R55 000 000;

f) The Water schemes maintenance has been increased by R 8 986 000 from R60 271 000 to R69 253 000;

- g) The Vehicles rental budget has been increased by R 1 300 000 from R5 176 000 to R6 476 000;
- h) Legal costs increased by R7 800 000 from the original budget of R 5 000 000 to R 12 800 000 to cater for the cases against the municipality;
- i) Security Services has been increased by R22 300 000 from R 5 000 000 to R 27 300 000;
- j) The Capital budget has been reduced by R 30 376 896 from R640 834 522 to R 610 457 626 due to insufficient own revenue;
- k) Included in the salaries, is an amount of R2 000 000 that was adjusted for the back pay of car allowance for personnel on post level 4 and 5 for the past three years;
4. That Council takes note that the Budget Adjustment would have an impact on the SDBIP, IDP and PMS, and that the three year planning documents necessitate alignment;
5. That the Municipal Manager submits the adjusted Budget to National and Provincial Treasuries as well as other relevant stakeholders after effecting corrections;
6. That the overspent water services votes be referred to MPAC for further investigation;

