



PUBLIC NOTICE

MUNICIPAL ADJUSTMENTS BUDGET 2014-2015

In terms of section 28 Chapter 4 of the MFMA, a municipality may revise its approved annual budget through an adjustments budget; an adjustment budget –

- (a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) May authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) May correct any errors in the annual budget.

Based on the above legislative requirements, the Council of Matatiele Local Municipality, on the 30th January 2015, approved the adjustment budget 2014/2015 as summarized below:

OPERATING ADJUSTMENT REVENUE BUDGET 2014/2015

REVENUE SOURCE	APPROVED BUDGET 2014-2015	ADJUSTMENTS BUDGET 2014-2015	NET- CHANGE	% CHANGE
Property Rates	-30 729 031	-32 729 031	-2 000 000	7%
Service Charges	-48 690 405	-48 690 405	-	0%
Rental of Facilities	-599 165	-599 165	-	0%
Interest Outstanding Debtors	-1 943 340	-3 943 340	-2 000 000	103%
Interest External Investments	-4 200 000	-4 200 000	-	0%
Fines	-450 000	-1 201 050	-751 050	167%
Licences & Permits	-2 704 000	-2 872 000	-168 000	6%
Grants & Subsidies	-231 194 297	-228 854 935	2 339 362	-1%
Other Income	-54 950 520	-56 262 927	-1 312 407	2%
Total Revenue	-375 460 759	-379 352 853	-3 892 095	1%

The operating income adjustment budget for 2014/2015 is R379, 352, 856 (Original 2014/2015: R375, 460, 759) as per table above. This has been increased by R3, 892, 095 due to property rates, interest on outstanding debtors, fines and other income. The Municipal approved tariffs remain unchanged.

OPERATING ADJUSTMENT EXPENDITURE BUDGET 2014/2015

EXPENDITURE DESCRIPTION	APPROVED BUDGET 2014-2015	ADJUSTMENTS BUDGET 2014-2015	NET- CHANGE	% CHANGE
Employee Cost	90 399 994	85 477 964	(4 922 030)	-5%
Cllr Remunerations	17 177 312	17 177 312	-	0%
Depreciation	14 065 850	14 065 850	-	0%
Repairs & Maint	11 315 000	11 424 000	109 000	1%
Bulk Purchases	28 000 000	28 000 000	-	0%
Contracted Services	15 986 545	15 686 545	(300 000)	-2%
Other Expenditure	49 113 976	55 046 626	5 932 650	12%
Grants & Subsidies	27 144 247	32 694 050	5 549 803	20%
Provisions	4 677 597	4 677 597	-	0%
TOTAL	257 880 520	264 249 943	6 369 423	2%

The adjustment operating expenditure budget for 2014/2015 is R264, 249, 943 (Original 2014/2015: R257, 880, 520 as per table above. This has been increased by R6, 369 423 which is on repairs and maintenance, Audit Fees, Consulting Fees and on the grants expenditure.

CAPITAL ADJUSTMENT BUDGET 2014/2015

DESCRIPTION	APPROVED BUDGET 2014/15	ADJUSTMENTS BUDGET 2014/2015	ADJUSTED MIG	ADJUSTED CRR	ADJUSTED DOE	ADJUSTED LOAN
MUNICIPAL GOVERNANCE AND ADMINISTRATION	4 235 200	5 087 603	-	5 087 603	-	-
COMMUNITY AND PUBLIC SAFETY	7 343 000	7 353 000	-	7 353 000	-	-
ECONOMIC AND ENVIROMENTAL SERVICES	82 667 192	79 041 805	41 124 460	37 917 345	-	11 500 000
TRADING SERVICES	53 332 000	35 083 404	-	4 022 000	19 561 404	-
TOTAL CAPITAL BUDGET	147 577 392	126 565 812	41 124 460	54 379 948	19 561 404	11 500 000

The adjustment capital budget for 2014/2015 is R126, 565, 812 million (Original 2014/2015: R147, 577, 392 million and the Council funded portion through Capital Replacement Reserve (CRR) has been increased to R54, 829, 948, Funding from DOE has increased to R 19 561 404 and MIG funding has reduced to R41 124 460 this amount includes an approved MIG rollover from 2013/14 of R3 410 835 and adjustments as per the circular 66 & 72 on VAT and funding from Front loading external loan has been reduced to R11 500 000 as the project is a multiyear project and will rollover to the next financial period.

ADJUSTMENT CAPITAL ESTIMATES PER FUNDING SOURCE 2014/2015

FUNDING	APPROVED BUDGET 2014/15	ADJUSTMENTS BUDGET 2014/2015	% ALLOCATION
CAPITAL REPLACEMENT RESERVE	53 066 489	54 379 948	43%
MUNICIPAL INFRASTRUCTURE GRANT	45 210 000	41 124 460	32%
DEPARTMENT OF EMERGY	19 300 000	19 561 404	15%
EXTERNAL LOANS	30 000 000	11 500 000	9%
	147 576 489	126 565 812	

The adjustment on capital replacement reserve has increased from R53, 066, 489 to R54, 379, 948 due to new projects being funded out of it.

The adjustment on MIG has been decreased from R45 210 000 to R41, 124, 460 due to implementation of the new circular (circular 66 and 72).

The adjustment capital budget funding from front loading loan has been decreased from R30, 000, 000 to R11, 500, 000 as this is the amount that will be utilised in the 2014/2015 financial period and R18 500 000 will be spend in the next financial period.

The adjustment from department of energy has been increase to R19 561 404 due to additional amount of R3000 000 that has been allocated for electrification and the implementation of the new circular (circular 66 and 72)

MUNICIPAL MANAGER

DR D.C.T NAKIN

Notice No: 2014/2015-106