



**MANGAUNG METROPOLITAN MUNICIPALITY
ADJUSTMENT BUDGET - JUNE 2020/21**

ANNEXURE A

ADDENDUM TO ADJUSTMENT BUDGET

BACKGROUND

In order to maximise spending on grants and to ensure efficient and effective service delivery, grants had to be reprioritised for completion of critical projects. In addition to the reprioritisation of the grants as per the Third Adjustment Budget of 2020/21, the IPTN grant was reprioritised as indicated below.

1.1. Operating Revenue

The operating revenue is decreased by R75.92 million from the submitted third adjustment budget. This decrease is due to reprioritisation between capital and operating portions of the IPTN grant and the re-alignment between the revenue and grant expenditure.

Item Description	Adjustment Budget 2020/21	Adjustments	Adjustment Budget 2020/21
Transfers and subsidies - Operating	1 102 875	-86 494	1 016 381
Transfers and subsidies - Capital	636 074	10 574	646 648
TOTAL	1 738 949	-75 920	1 663 029

1.2. Operating Expenditure

The Operating Expenditure is decreased by R5.5 million from the submitted adjustment budget. This is due to reprioritisation between capital and operating portions of the IPTN grant.

1.2.1. Expenditure by Vote (Table B3)

The table below provides a summary of the proposed adjustment budget per vote:

Department Description	Adjustment Budget 2020/21	Adjustments	Adjustment Budget 2020/21
Office Of The City Manager	131 587	-5 500	126 087
TOTAL	131 587	-5 500	126 087

2. Adjustments to Capital Expenditure

The Capital Expenditure is increased by R9.947 million from the submitted adjustment budget. This is due to reprioritisation between capital and operating portions of the IPTN grant.

Capital Expenditure - Vote

The impact of the above adjustment on the capital budget per vote is as follows:

Department Description	Adjustment Budget 2020/21	Adjustments	Adjustment Budget 2020/21
Office Of The City Manager	218 903	9 947	228 850
TOTAL	218 903	-9 947	228 850

RECOMMENDATIONS

The resolutions as indicated on page 6 of the submitted adjustment budget of 2020/21 be amended to take into consideration the impact of the addendum as indicated above.