

STRICTLY CONFIDENTIAL

EXECUTIVE SUMMARY

SUBMISSION TO : Mayoral Committee & Council
DIVISION REQUESTING THE SUBMISSION : Finance
TITLE OF THE SUBMISSION : **Finance: Mid-Year Adjustment budget for the 2016/17 financial year (CFO)**

SOLUTION REQUIRED

Approval	X
Information	

1. PURPOSE

To request council to approve the adjustment budget for the 2016/17 financial year.

2. BACKGROUND

Section 72)(1)(a)(i)(ii)&(b) of the MFMA (Mid-year budget and performance assessment) states that:

(1) The accounting officer of a municipality must by 25 January of each year-

(a) assess the performance of the municipality during the first half of the financial year, taking into account:

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) The municipality's service delivery performance during the first half of the financial year;

(b) Submit a report on such assessment to (i) the mayor; (ii) National Treasury; and Provincial Treasury.

Section 28 of the MFMA (Municipal Adjustments Budgets) states that:

(1) A Municipality may revise an approved annual budget through an adjustment budgets.

(2) An adjustments 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 of funds 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 council; f) may correct any errors in the annual budget; and g) may provide for any other expenditure within a prescribed framework.

(3) An adjustment budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budgets in the municipal council, but an adjustments budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by- (a) an explanation how the adjustments budget affects the annual budget; (b) a motivation of any material changes to the annual; (c) an explanation of the impact of any increased spending on the annual budgets for the next two financial years; and (d) any other supporting documentation that may be prescribed.

(6) Municipal tax and tariffs may not be increased during a financial year.

3. LEGISLATION PROVISION

MFMA sec. (72)

MFMA sec. 28(1) (2)(3)(4)(5)(6)

4. ATTACHMENTS

- **Annexure 3/2017- Midyear financial report**
- **Annexure 4/2017 – Adjustment budget narratives**
- **Annexure 5/2017 – A Schedule (adjustment budget in prescribed form)**

RECOMMENDATION

1. **That** Council approve the adjustments budget of R 713 570 696 which comprises of the Operational Expenditure of R714 253 304 and Capital Expenditure of R43 244 074 for the 2016/17 financial year as contained in annexure 5/2017 in the following tables:
 - 1.1 Table B1 - Budget Summary;
 - 1.2 Table B2 - Budgeted Financial Performance (Revenue and expenditure by standard classification);
 - 1.3 Table B3 - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote);
 - 1.4 Table B4 - Budgeted Financial Performance (Revenue and Expenditure);
 - 1.5 Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding;
 - 1.6 Table B6 - Budgeted Financial Position;
 - 1.7 Table B7- Budgeted Cash Flows;
 - 1.8 Table B8 - Cash backed reserves / accumulated surplus reconciliation; and
 - 1.9 Table B9 - Asset management; and
 - 1.10 Table B10 – Basic Service Delivery.

2. That Council notes the mid-year report for the half year ended 31 December 2016.

ANNEXURE 3/2017

MID YEAR FINANCIAL REPORT

This report is in terms of the above-mentioned sections of the MFMA and following herewith are the highlights for the mid-year ended 31 December 2016:

OVERVIEW OF FINANCIAL PERFORMANCE AT MID YEAR

1. Revenue

- The total revenue for the quarter ending of **31 December is R369.3 (Quarter ending 30 September 2016 was R187.5m)**, the year to date budget is **R363.2m** resulting in revenue figures being ahead of budget by **R6.1m** due to the following main contributing factors:
 - Electricity revenue budget is ahead of budget by R10m, as the budgeted year to date electricity revenue is R144.5m while the actual year to date electricity revenue comes to R154.5m. This is due to the cold weather experienced in the first half of the financial year that leads to higher electricity consumption.

2. Expenditure & Budget Control.

The total expenditure at midyear **31 December 2016 is R338.3m (quarter ending 30 September 2016 amounts to R164.4m,)** the year to date budgeted expenditure is **R354.6m** resulting in a variance of **R16.2m**.

The main expenditure items for the Quarter ending 31 December 2016 are:

- **Employee Related Costs and Councillor Remuneration** – The total employee costs and councillors remuneration at midyear, **31 December 2016 is R75.7 & R4.09m** respectively (**Quarter ending 30 September 2016 was R38.5m and R1.8m** respectively (year to date budget for employees costs and councillors remuneration **R77.4 and 4.9m** respectively) this results in underspending of R1,7m for employees and 812k for councillors.
- **General Expenses** – The operational expenditure for at **31 December 2016 amounts to R39.6m, (1st quarter expenses amounted to R16m),** Year to date budget is **R46.1m**). Even though operational expenditure is expected to rise as the financial months unfold, operational

expenditure is currently being limited to essential operational expenditure as the municipality is experiencing cash flow constraints

- **Other Materials** – The total repairs and maintenance expenditure at **31 December 2016 is R9.6m (1st Quarter expenditure amounted to R3.3m)** the year to date budget is **R13.2m resulting in and underspending of R3.5m due to the above mentioned reasons.**
- **Capital Expenditure-** The total actual expenditure incurred on capital projects for the midyear ending on 31 December 2016 amounts to R9.3m (year to date budget:R28m) resulting in a variance of **R18.7m.**

3. List of capital projects and expenditure for the midyear ending 31 December 2016

Description	Budget	Oct. Exp	Commitment	YTD Movement	Balance
EQUIPMENT – Library Mountain View	1,390,000.00	-	-	-	1,390,000.00
JUNGLEGYM FOR RATANDA EXT 7 - LIBRARY	60,000.00	-	-	-	60,000.00
LIBRARY BOOKS	1,500,000.00	-	-	847 525.44	652 474.56
SOFTWARE (ICT)	350,000.00		289,549.22	-	350,000.00
RFID TECHNOLOGY	107,000.00				107,000.00
FENCING EKUPHUMULENI & KWA-ZENZELE	1,500,000.00	-	194,690	-	1,500,000.00
SURVEILLANCE CAMERAS:	1,000,000.00	-	-	-	1,000,000.00
OFFICIAL MAYORAL MOTOR VEHICLE	900,000.00	-	-	759,198.26	140,801.74
OFFICIAL MAYORAL RESIDENCE	500,000.00	-	-	602,940.55	-102,940.55
INFRASTRUCTURE: INFORMAL TRADERS	1,000,000.00	-	78,947.37	-	1,000,000.00
COMPUTER HARDWARE***	2,300,000.00	-	169,995	-4,186.35****	2,304,186.35
EQUIPMENT - Electrical	100,000.00		29,985		100,000
JAMESON PARK SUBSTATION	1,800,000.00	-	-	-	1,800,000.00
RELOCATION OF METERS	2,400,000.00	-	-	-	2,400,000.00
ELECTRICAL RET. 2000 STANDS KAYDALE	3,325,000.00	-	-	-	3,325,000.00
ELECTRICAL RET. 6000STANDS (OBED NKOSI)	2,675,000.00	405,972.00	-	162,625.46	2,512,374.54
HIGHMAST LIGHTS OBED NKOSI	704,000.00	-	-	-	704,000.00
ROADS - LESEDI	4,000,000.00	-		-38,737.43****	4,038,737.43
ROAD RESEALING	5,000,000.00				5,000,000.00
ROADS – LESEDI ext 23		1,176,328.34	-	3,184,778.06	2,315,221.94

	5,500,000.00				
EQUIPMENT - Sewer	400,000.00	-	321,149.00	-	400,000.00
RETICULATION OF BUCKET SYSTEM	1,500,000.00				1,500,000.00
UPGRADE SEWER PLANT KWA-ZENZELE	10,000,000.00				10,000,000.00
REFUSE TRUCK	1,500,000.00				1,500,000.00
WATER RET.: UPGRADE WATER FEEDER PIPELINE	7,500,000.00	2,252,059.06	-	3,833,434.11	3,666,565.89
TOTAL	57,011,000.00	3,834,359.40	1,084,315.60	9,347,578.10	47,663,421.90

Note that the items marked with *** are correcting journals after invoices were subjected to a VAT review

4. Grant Spending for 2016/2017 Midyear.

GRANT	Allocated	Rollover	Received	GRANT SPENDING PER MONTH						% Received Spent
				July- 16	Aug - 16	Sept - 16	Oct - 16	Nov - 16	Dec - 16	
Equitable Share	92,186,000	0	69,140,00	38,411,000	0	0	0	0	30,729,00	100
MIG	25,204,000	0	13,294,000	0	1,678,543	1,091,585	1,189,042	134,158	3,908,362	60
FMG	1,475,000	0	1,475,000	0	43,299	212,291	78,650	536,180	21,649.56	61
INEG - Municipal	6,000,000	1,490,590	6,000,000	0	0	0	0	0	462,808	8
EPWP - COGTA	500,000	0	500,000	0	93,019	68,721	59,963	55,846	62,304	68
PWPG - NT	1,238,000	0	867,000	0	235,079	154,773	140,753	154,092	198,099	102%
Libraries - Recap	8,170,000	1,639,361	8,170,000	0	636,668	346,323	632,133	1,389,931	442,587	42
Libraries - Plan	500,000	0	500,000	0	0	0	0	324,024	0	65
GRAP17 - COGTA	1,000,000	0	1,000,000	0	417,928	0	582,072	0	0	100

5. Income and expenditure report at Midyear 2016.

GT423 Lesedi - Financial Performance (revenue and expenditure) - December 2016 (Mid-year)								
Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Revenue By Source								
Property rates	84,459	98,270	–	8,052	48,399	49,135	(736)	-1%
Property rates - penalties & collection charges	–	–	–	–	–	–	–	
Service charges - electricity revenue	216,219	288,970	–	22,039	154,538	144,485	10,053	7%
Service charges - water revenue	70,209	110,353	–	7,867	51,749	55,177	(3,427)	-6%
Service charges - sanitation revenue	20,711	25,317	–	2,091	13,088	12,658	430	3%
Service charges - refuse revenue	25,598	30,193	–	2,594	15,746	15,097	649	4%
Service charges - other	1,150	1,217	–	95	651	609	42	7%
Rental of facilities and equipment	3,512	4,331	–	401	2,199	2,166	33	2%
Interest earned - external investments	1,039	1,000	–	118	837	500	337	67%
Interest earned - outstanding debtors	10,482	13,700	–	1,487	3,328	6,850	(3,522)	-51%
Dividends received	–	–	–	–	–	–	–	
Fines	30,212	46,516	–	1,814	3,947	23,258	(19,311)	-83%
Licences and permits	41	62	–	12	23	31	(8)	-26%
Agency services	–	–	–	–	–	–	–	
Transfers recognised - operational	84,719	103,606	–	31,792	73,588	51,803	21,786	42%
Other revenue	20,013	2,880	–	136	1,249	1,440	(190)	-13%
Gains on disposal of PPE	558	–	–	–	–	–	–	
Total Revenue (excluding capital transfers and contributions)	568,923	726,416	–	78,497	369,343	363,208	6,135	2%
Expenditure By Type								
Employee related costs	128,403	154,838	–	12,378	75,719	77,419	(1,700)	-2%
Remuneration of councillors	8,433	9,819	–	736	4,098	4,910	(812)	-17%
Debt impairment	75,844	110,039	–	9,170	55,019	55,019	0	0%
Depreciation & asset impairment	41,688	41,808	–	3,484	20,904	20,904	0	0%
Finance charges	11,478	10,368	–	472	2,828	5,184	(2,356)	-45%
Bulk purchases	217,375	262,961	–	6,099	130,211	131,480	(1,270)	-1%
Other materials	24,475	26,516	–	2,278	9,678	13,258	(3,580)	-27%
Contracted services	526	636	–	53	285	318	(33)	-10%
Transfers and grants	–	–	–	–	–	–	–	
Other expenditure	85,916	92,247	–	7,700	39,636	46,123	(6,488)	-14%
Loss on disposal of PPE	4,145	–	–	–	–	–	–	

Total Expenditure	598,283	709,232	-	42,369	338,378	354,616	(16,238)	-5%
Surplus/(Deficit)	(29,360)	17,184	-	36,127	30,965	8,592	22,373	260%
Transfers recognised - capital	58,164	40,374	-	1,256	6,830	20,187	(13,357)	-66%
Contributions recognised - capital	-	-	-	-	-	-	-	
Contributed assets	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	28,803	57,558	-	37,383	37,795	28,779		
Taxation	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	28,803	57,558	-	37,383	37,795	28,779		
Attributable to minorities	-	-	-	-	-	-		
Surplus/(Deficit) attributable to municipality	28,803	57,558	-	37,383	37,795	28,779		
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		
Surplus/ (Deficit) for the year	28,803	57,558	-	37,383	37,795	28,779		

6. OVERVIEW OF FINANCIAL POSITION

6.1 Current Assets

Closing operating bank balance as at the midyear ending 31 December 2016 were R3.9m (Quarter ending 30 September 2016 was R930.8k)

The funds invested in ABSA were R19.7m and Investec R21m (total R40.7) total funds invested in call accounts for the quarter ending 30 September 2016 were R28.4m.

Bank Reconciliation at 31 December 2016 (Midyear)

Opening cash book balance at 1 December 2016		-R1,263,890.11
Add: Income received		R82,066,532.61
Income	R81,948,312.94	
Interest	R118,219.67	
Less: RD Cheques	-	
Less: Expenditure		-R80,790,198.57
Expenditure	-R80,731,464.76	
Bank charges	-R58,733.81	
Closing cash book balance at 31 December 2016		R12,443.93
Add: unprocessed transactions		
Opening bank statement balance C/F		-R1,492,031.53
Add: Outstanding cheques		R81,447.40
Minus: Cash on hand		-R952,688.73
Plus: Deposits		R1,061,401.05
Minus: miscellaneous charges		350.00
Plus: Uncashed ACB's		R20,000.00
Plus: Unreconciled Transfer		R2,236,667.35
Closing bank balance as per bank statement 31 December 2016.		R3,938,508.60

6.2 Debtors Collection

The average collection rate at **mid -Year is 81% (budgeted collection rate 85%)**
Credit control is on-going in order to remedy the situation.

Months	Billing (R)	Receipts (R)	Collection %
June	44 241 326		
July	48 958 588	33 789 062	76
August	53 235 658	40 896 031	83
September	50 050 620	41 919 764	79
October	45 778 371	45 734 247	91
November	43 043 019	39 903 732	87
December	45 693 315	28 712 501	67
Total excl. June	286 759 571	230 955 337	81

Collection and Billing for the 2nd quarter ending 31 December 2016

The average collection rate for the **2nd quarter was 81% (1st quarter ending 31 September was 79%)**

Months	Billing (R)	Receipts (R)	Collection %
September	50 050 620		
October	45 778 371	45 734 247	91
November	43 043 019	39 903 732	87
December	45 693 315	28 712 501	67
Total excl. Sept.	134 514 705	114 350 480	81

6.3 Debtors book

The gross consumer debtors at **Mid-Year ending 31 December 2016 amount to R531 359 000 (30 June 456 187 000)**. Our debtors increased by an amount of **R75 172 000** from the beginning of the 2016/17 financial year to Mid-Year ending 31 December 2016.

Set out below is a summary of outstanding debtors' age analysis by income source as well as customer group for the Mid-Year ended 31 December 2016.

The debtor's analysis indicates that the bulk of the outstanding debts owed to the municipality is households, which owe 87% of the total debt book amount, followed by local businesses at 6% and government departments at 5%.

Trade Creditors	2,152	1,480	195	162	-	-	-	-	3,989
Auditor General	-	-	-	-	-	-	-	-	-
Other	5,740	1,032	2,614	32	-	-	-	-	9,418
Total By Customer Type	11,825	6,924	20,276	12,612	-	-	-	-	51,636

The current ratio for the **midyear ending 31 December 2016 amounts to 1.3 to 1** in lay man's terms it means that for every R1,30 the municipality earns, it has creditors amounting to R1 to pay, this R1 excludes employees' salaries and long term debt obligations or commitments. **(Current ratio in the 1st quarter was 1.13 to 1)** although there was a slight improvement in the ratio analyzing current assets to current liabilities, the ratios for both quarters are still below the norm of 2 to 1.

The increasing debt book must be reduced in order to ensure that the debtors are converted to cash, that will enable the municipality to pay off its current liabilities timeously and reverse the current cash flow problem.

6. 5 Loan Account DBSA

The loans with DBSA were acquired in prior years between 2002 and 2004 in order to finance the purchase of municipal infrastructure. The municipality is required to pay an amount of R4,453,699 bi-annually in June and December for the duration of the loan agreements.

At 31 December the total amount owing to DBSA amounted to R61, 895, 066.

6.6 Statement of financial position

Below is the statement of financial position at mid-year ending 31 December 2016

GT423 Lesedi - Financial Position - December 2016 (Mid-Year)

Description	Ref	2014/15	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		18,976	21,390	-	40,630	-
Call investment deposits		-	-	-	-	-
Consumer debtors		57,320	56,558	-	173,681	-
Other debtors		38,619	31,048	-	71,635	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		3,261	5,174	-	3,519	-
Total current assets		118,176	114,170	-	289,466	-
Non current assets						
Long-term receivables		-	-	-	22,159	-

Investments		-	-	-	-	-
Investment property		220,980	192,619	-	208,605	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		592,273	718,883	-	612,164	-
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		4,635	3,100	-	3,918	-
Other non-current assets		158	158	-	-	-
Total non current assets		818,046	914,759	-	846,846	-
TOTAL ASSETS		936,222	1,028,929	-	1,136,311	-
LIABILITIES						
Current liabilities	-					
Bank overdraft		-	-	-	-	-
Borrowing		3,063	3,372	-	-	-
Consumer deposits		8,239	9,446	-	10,601	-
Trade and other payables		122,000	76,389	-	190,533	-
Provisions		62,581	11,460	-	14,845	-
Total current liabilities		195,884	100,667	-	215,980	-
Non current liabilities						
Borrowing		61,994	55,266	-	60,368	-
Provisions		4,748	61,184	-	62,956	-
Total non current liabilities		66,742	116,449	-	123,324	-
TOTAL LIABILITIES		262,625	217,116	-	339,304	-
NET ASSETS	2	673,597	811,813	-	797,007	-
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		673,597	793,641	-	797,007	-
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	673,597	793,641	-	797,007	-

ANNEXURE 4/2017

ADJUSTMENT BUDGET

1. ASSESSMENT OF YEAR TO DATE INCOME AND EXPENDITURE.

The mid- term/2nd quarter financial assessments was done in order to determine whether or not there was a need to adjust the budget. We looked at revenue and expenditure trends, taking into consideration the collection rate of the municipality (refer to annexures A) for the financial performance reports)

2. REVENUE AND EXPENDITURE ADJUSTMENTS BUDGET 2016/17

2.1 Revenue

Adjustments budget revenue for the 2016/17 financial year is as follows:

Description	Original 2016/17 R'000	Adjustments 2016/17 R'000	% increase as(decrease)
Property rates	98 270 357	98 249 083	(0.002)
Service charges - Electricity revenue	288 970 138	291 808 176	3
Service charges - Water revenue	110 353 404	99 288 732	(10)
Service charges - Sanitation revenue	25 316 518	27 787 857	10
Service charges - Refuse revenue	30 193 485	30 321 933	0.004
Service charges - Other	1,217,111	0	
Rental of facilities and equipment	4 331 927	5 525 710	28
Interest earned- external investments	1 000 000	1 673 634	67
Interest earned outstanding debtors	13 699 910	6 656 487	(51)
Licenses and permits	62 972	45 800	(27)
Fines	46 515 676	46 517 811	0
Transfers recognized	103 605 538	102 305 538	0.01
Other revenue	2 879 911	3 389 938	17
Total	726 415 953	713 570 696	

- The largest revenue items are electricity at 39%, property rates, operational grant income and water sales each make up 13% of the total revenue. The four items generate 86% of the revenue of the municipality.
- Electricity sales are expected to increase by 3 percent from the original budget after trend analysis indicated that there will be an increase in the units expected to be consumed in the last two months of the financial year when winter sets in.
- The operational grants decreased as a result of the withdrawal of the MSIG grant in cash to all municipalities, National CoGTA took a decision that going forward, MSIG will be allocated in kind to municipalities focusing on revenue management where they will appoint service providers on behalf of the municipality to enhance revenue. The program has started and is handled by CoGTA the municipality has no control over the process.

3. Expenditure

Proposed expenditure for the half year is as follows:

Description	Original 2016/17	Adjustments 2016/17	% difference
Employee costs	154 837 383	155 324 444	0.003
Councilors remuneration	9 819 461	9 819 461	0
Debt Impairment	110 038 542	98 402 785	(10.5)
Depreciation	41 807 809	41 807 809	0
Finance charges	10 345 817	10 345 817	0
Bulk purchases: Electricity & Water	262 960 897	276 671 332	5
Repairs and maintenance	26 367 738	24 777 357	(6)
Contracted services	636 000	600 000	(6)
Other expenditure	92 246 994	96 504 299	4
Total Expenditure	709 230 641	714 253 304	0.007

- The largest expenditure items are bulk electricity and water purchases at 39%, employee related costs at 21% and other operating expenditure at 14%. The three items make up 74% of the expenditure of the municipality.
- Debt impairment and depreciation which are non-cash items make up 20% of the total expenditure budget.
- Even though the municipality is experiencing cash flow constraints, the "other expenditure" budget is expected to increase due to MSCOA implementation projects.
- The Bulk purchases have increased to take into consideration the ESKOM winter tariffs that will kick in towards the end of the financial year.
- The repairs and maintenance was adjusted downwards by 6 % as at midyear the spending was under budget by R3.5m (27%).

4. Capital Budget

The Capital Budget amounts to R43 244 074 and is funded as follows:

Description	Original Budget 2016/17 R'000	Adjustments 2016/17 R'000	% difference
Grant Funding	34 611 000	39 060 104	13
Internal funds	22 400 000	4 183 970	(81)
TOTAL	57 011 000	43 244 074	24

5. LIST OF OWN FUNDED CAPITAL PROJECTS:

DESCRIPTION	ORIGINAL BUDGET 2016/17	ADJUSTMENTS 2016/17	% DIFFERENCE
EKUTHULENI CEMETRIES	1,500,000.00	194,690.01	(87)
SURVEILLANCE CAMERAS	1,000,000.00	0	100
MOTOR VEHICLE	900,000.00	759,199.00	(16)
OFFICIAL RESIDENCE	500,000.00	1,600,000.00	320
INFRASTRUCTURE INFORMAL TRADERS	1,000,000.00	78,947.00	(92)
COMPUTER HARDWARE	2,300,000.00	1,200,000.00	(48)
EQUIPMENT - ELECTRICAL	100,000.00	29,985.00	(70)
JAMESON PARK SUBSTATION	1,800,000.00	0	(100)
RELOCATION OF METERS	2,400,000.00	0	(100)
ROADS - LESEDI	4,000,000.00	0	(100)
ROAD RESEALING	5,000,000.00	0	(100)
EQUIPMENT - SEWER	400,000.00	321,149.00	(20)
REFUSE TRUCK	1,500,000.00	0	(100)
TOTAL	22 400 000	4 183 970	

- At 31 December 2016 R1.9m of the R22.4m budgeted was spent on internally funded capital projects.
- Own funded capital projects were reduced or put on hold because of the current cash flow situation being experienced in the municipality. They were reduced by R18m (81%). The relevant projects will be considered in the next financial year where necessary.

6. LIST OF GRANT FUNDED CAPITAL PROJECTS.

Description	Original 2016/17	Adjustments 2016/17	% increase/ (decrease)
DUAL PURPOSE LIBRARY-MOUNTAIN VIEW	1,390,000.00	1,500,000.00	8
TOY LIBRARIES - JUNGLE GYM	60,000.00	30,000.00	(50)
FURNITURE LIBRARY	0	390,000.00	100
LIBRARY BOOKS	1,500,000.00	1,978,827.00	32
SOFTWARE (ICT)	350,000.00	350,000.00	0
RFID TECHNOLOGY	107,000.00	810,087.00	657
LIBRARY RENSBURG	-	530,000.00	100
EPWP - EQUIPMENT	-	274,028.00	100
STORTSFIELD IMPUMELELO	-	502,572.00	100
ELECTRIFICATION - LESEDI	3,325,000.00	1,490,590.00	(55)
ESKOM SUBSTATION: KAYDALE	-	1,000,000.00	100

ELECTRICAL RET. 6000STANDS (OBED NKOSI)	2,675,000.00	5,000,000.00	87
HIGHMAST LIGHTS OBED NKOSI	704,000.00	2,100,000.00	198
CONSTRUCTION OF RATANDA/R42 LINK ROAD	-	2,017,877.00	100
ROADS - IMPUMELELO	-	941,032.00	100
ROADS - LESEDI EXT 23 AND 26	5,500,000.00	5,611,610.00	2
RETICULATION OF BUCKET SYSTEM	1,500,000.00	-	(100)
UPGRADE SEWER PLANT KWA-ZENZELE	10,000,000.00	670,096.00	(93)
WATER RET.:UPGRADE WATER FEEDER PIPELINE	7,500,000.00	2,057,112.00	(72)
UPGRADE RESERVOIR VISCHUKUIL	-	11,806,273.00	100
TOTAL	34 611 000	39 060 104	13

- Conditional capital grant funding has increased due to the approval of roll over grant funds from the 2015/16 for the energy grant (INEP) & Libraries