

**DR. KENNETH
KAUNDA**
DISTRICT MUNICIPALITY



***“Exploring Prosperity through sustainable
service delivery for all”***

FINAL ANNUAL BUDGET

2026/2027 TO 2028/2029

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

AMR-Automated Meter Reading
ASGISA-Accelerated and Shared Growth Initiative
BPC- Budget Planning Committee
CBD- Central Business District
CFO-Chief Financial Officer
CM-City Manager
CPI-Consumer Price Index
CRRF -Capital Replacement Reserve Fund
DBSA -Development Bank of South Africa
DoRA-Division of Revenue Act
DWA Department of Water Affairs
EE Employment Equity
EEDSM Energy Efficiency Demand Side Management
EM Executive Mayor
FBS Free basic services
GAMAP Generally Accepted Municipal Accounting Practice
GDP Gross domestic product
GDS Gauteng Growth and Development Strategy
GFS Government Financial Statistics
GRAP General Recognised Accounting Practice
HR- Human Resources
HSRC- Human Science Research Council
IDP- Integrated Development Strategy
IT-Information Technology
Kl- kilolitre
Km kilometre
KPA- Key Performance Area
KPI- Key Performance Indicator
KWh- kilowatt
L-litre
LED- Local Economic Development

MEC- Member of the Executive Committee
MFMA-Municipal Financial Management Act
MIG- Municipal Infrastructure Grant
MMC- Member of Mayoral Committee
MPRA- Municipal Properties Rates Act
MSA- Municipal Systems Act
MTEF- Medium-term Expenditure Framework
MTREF- Medium-term Revenue and Expenditure Framework
NERSA- National Electricity Regulator South Africa
NGO-Non-Governmental organisations
NKPIs- National Key Performance Indicators
OHS-Occupational Health and Safety
OP-Operational Plan
PBO- Public Benefit Organisations
PHC-Provincial Health Care
PMS- Performance Management System
PPE -Property Plant and Equipment
PPP- Public Private Partnership
PTIS-Public Transport Infrastructure System
RG-Restructuring Grant
RSC Regional Services Council
SALGA- South African Local Government Association
SAPS- South African Police Service
SDBIP- Service Delivery Budget Implementation Plan
SMME- Small Micro and Medium Enterprises

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PART 1: FINAL ANNUAL BUDGET

Purpose of Tabling of the Final Annual Budget for the Financial Year 2026/2027

The purpose of this report is to submit the Final Annual Budget for 2026/2027 to Council in line with the provisions of the Municipal Finance Management Act section 24(1) that stipulate that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

Municipal Finance Management Act, No.56 of 2003 (MFMA), section 16 reads as follows:

“16. Annual Budgets

- (1) The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year (at least 30 days before the start of the budgeted financial year – **(May 2026)**).
- (2) In order for the municipality to comply with subsection (1), the mayor of the municipality must table the Draft Annual Budget at a Council meeting at least 90 days before the start of the budget year. **(31 March 2026)**.

1.1. Mayor's Report

Honourable Speaker, Honourable Members of Council,

Of critical importance for today's sitting is the tabling of the final budget of the District Municipality for the 2026/2027 financial year, including the outer years of the Medium-Term Revenue and Expenditure Framework (MTREF).

Honourable Speaker, I had hoped that before my retirement, and should I not return after the next term, I would have the opportunity to deliver a State of the District Address. Unfortunately, that opportunity has not arisen. Nevertheless, we have before us the report that has been duly tabled and circulated to members for consideration by this August House.

I have not prepared extensive notes; however, there are three critical matters that warrant attention.

Firstly, the growth of the municipality's budget remains significantly below both the Consumer Price Index (CPI) and the prevailing inflation rate. This continues to create substantial financial and operational challenges for the institution.

Secondly, the municipality's baseline allocation remains a serious concern. For the past five years, despite numerous efforts by the political and administrative leadership, we have not succeeded in securing the level of funding required to fulfil our mandate effectively. We have engaged National Treasury, the national Department of Cooperative Governance and Traditional Affairs (COGTA). We have consistently argued that a historical injustice committed more than two decades ago in relation to the municipality's funding model must be corrected.

While awaiting such correction, we have further requested a substantial increase in our baseline grant allocation to enable the municipality to rebuild its capacity. Without such intervention, the municipality would have struggled to remain operational. Despite a weak local economy, limited revenue-generating opportunities, and funding constraints, we have managed to sustain the institution and address many of the challenges we inherited. For that achievement, we should acknowledge and commend ourselves.

Even under difficult circumstances, this municipality remains one of the leading municipalities in the province. We have maintained sound financial management practices and implemented policy choices that comply with legislative requirements and accepted governance standards.

However, these financial constraints continue to impact service delivery and the support that we are expected to provide to our local municipalities.

The budget remains largely consistent with previous years, although there have been targeted improvements in specific areas, particularly Community Services. We believe that Community Services presents an opportunity to unlock additional revenue streams. By strengthening capacity and increasing budget allocations, the department can expand its compliance and enforcement activities significantly. Increased compliance monitoring by stakeholders, partners, and development entities has the potential to generate additional revenue and improve governance outcomes.

Earlier today, Council approved tariffs relating to the leasing of municipal office space. We anticipate that within the coming months this will begin generating a steady stream of revenue from the municipal building we have acquired, contributing positively to the municipality's financial sustainability.

Beyond these measures, we continue to face broader economic challenges. The rising cost of living has increased operational expenditure, particularly in areas such as fuel, service delivery activities, and day-to-day municipal operations.

Furthermore, global geopolitical developments and shifting international economic relations continue to affect local economies. Economic growth remains insufficient to absorb large numbers of unemployed young people, many of whom find themselves vulnerable to social challenges such as substance abuse and social exclusion. These are realities that municipalities must acknowledge and address through appropriate interventions and partnerships.

Honourable Speaker, the annual budget process is guided by Section 16 of the Municipal Finance Management Act (MFMA), which requires that a draft budget be tabled at least 90 days before the start of the financial year.

Accordingly, the draft budget was tabled before Council in March 2026. In terms of the applicable regulations, changes between the draft and final budget are limited and may not materially alter the original budget framework unless extraordinary circumstances arise. No such extraordinary circumstances have occurred during this period; therefore, the final budget remains substantially aligned to the draft budget presented in March.

The draft budget is subjected to evaluation, monitoring, and scrutiny by the Provincial Treasury. The Municipality has received and considered the Provincial Treasury assessment, and the recommendations made therein have been incorporated where appropriate to ensure compliance and strengthen the budget framework.

With that background, and trusting that members have had an opportunity to review the budget documentation, I hereby table the following recommendations for Council's consideration and approval:

1. That Council takes cognisance of:

- 1.1. Sections 16, 17, and 18 of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations, Government Gazette 32141 of 17 April 2009.
- 1.2. That the following budget-related policies be approved for the 2026/2027 MTREF:
 - Supply Chain Management Policy;
 - Municipal Budget Policy;
 - Environmental Policy;

- Asset Management Policy;
- Funding and Reserves Policy;
- Subsistence and Travel Allowance Policy;
- Cell Phone Allowance Policy;
- Cash Management and Investment Policy; and
- Borrowing Policy.

1.3. That the Final 2026/2027–2028/2029 MTREF of the Dr Kenneth Kaunda District Municipality be approved.

2. That the Final 2026/2027-2028/2029 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.
3. That the 2026/2027 Final Operating Revenue of **Two Hundred and Fifty-Four Million, Two Hundred and Fifty-Two Thousand (R254 252 000.00)** in terms of the MBRR A Schedule is tabled before council.
4. That the 2026/2027 Final Operating Expenditure of **Two Hundred and Fifty-Two Million, Six-Hundred, Forty-Nine Thousand, Two Hundred and Twenty Rand (R252 649 220.00)** in terms of the MBRR A Schedule is tabled before council.
5. That the 2026/2027 Final Capital Expenditure of **Ten Million, Nine Hundred and Fifty Thousand (R10 950 000.00)** in terms of the MBRR A Schedule is tabled before council.
6. That the 2026/2027 Final funding from reversal of depreciation: non cash item of **R7 447 140.00 (Seven Million, Four Hundred and Forty-Seven Thousand, One Hundred and Forty Rand)** as per the A Schedule is tabled before council.
7. That the budget related policies as amended to be work-shopped before the approval of the final annual budget.
8. That the Final 2026/2027-2028/2029 MTREF of the Dr Kenneth Kaunda District Municipality once tabled before council be submitted to the relevant stakeholders.
9. That the measurable performance objectives (IDP) for the 2026/2027 and for each year of the medium-term framework be tabled before council for approval.
10. That the Final Procurement Plan of the Dr Kenneth Kaunda District Municipality be approved with the 2026/2027 Final Annual Budget.

In conclusion, Honourable Speaker, the budget before Council seeks to ensure the continued functioning of the municipality while directing resources toward priority programmes and service delivery objectives. Detailed allocations are contained within the budget schedules and will further be reflected in the SDBIP.

I therefore commend this budget to Council for consideration and approval.

I thank you.

1.2.Council Resolutions and Items

(Final Budget Resolution is a separate document)

1.3.Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

National Treasury's MFMA Circulars No. 28, 42, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 85, 86, 89, 91,93, 94, 107, 108, 112, 115, 116, 122, 123, 126, 128,129,130,132, 134 and budget related regulation no 32141 of 17 April 2009 and Chapter 4, 7 etc. of the MFMA were used to guide the compilation of the 2026/27 MTREF.

The following table is a consolidated overview of the proposed 2026/27-2028/29 Medium-term Revenue and Expenditure Framework:

Table 1

	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
DISCRPTION	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
TOTAL REVENUE	- 248 471 000.00	- 248 421 000.00	- 178 964 388.23	- 254 252 000.00	2.35	- 260 739 950.00	- 266 612 637.00
TOTAL EXPENDITURE	247 430 243.00	254 521 000.00	185 466 032.87	252 649 220.00	- 0.74	258 632 358.00	263 155 968.00
(Surplus) / Deficit	- 1 040 757.00	6 100 000.00	6 501 644.64	- 1 602 780.00	1.61	- 2 107 592.00	- 3 456 669.00
TOTAL CAPITAL EXPENDITURE	13 850 000.00	8 447 000.00	5 866 594.20	10 950 000.00	29.63	5 700 000.00	2 810 000.00
TOTAL	261 280 243.00	262 968 000.00		263 599 220.00	28.90	264 332 358.00	265 965 968.00

- The proposed operating revenue for the 2026/27 financial year has been appropriated at **R254.2 Million**. The operating revenue has increased by 2.35% or **R5.8 Million** for the 2025/26 financial year when compared to the 2025/26 Adjustment Budget. For the two outer years, operating revenue will increase by 2.55% or **R6.4 Million** and 2.25% or **R5.8 Million** respectively.
- The proposed operating expenditure for the 2026/27 financial year has been appropriated at **R252.8 Million** and translates into a budgeted cash surplus of **R1.6 Million** before the reversal of a non-cash items of **R7.4 Million**. The operating expenditure has decreased by 0.74% or **R1.8 Million** in the 2026/27 financial year when compared to the 2025/26 Adjustment Budget. For the two outer years, operating expenditure will increase by 2.37% or **R5.9 Million** in 2027/28 and increase by 1.75% or **R4.5 Million** in 2028/29.
- The proposed capital budget for the 2026/27 financial year has been appropriated at **R10.9 Million**. The capital expenditure has increased by 29.63% or **R2.5 Million** when compared to the 2025/26 Adjustment Budget. The capital expenditure will decrease by 47.95% or **R5.2 Million** and 50.70% or **R2.8 Million** respectively. The capital budget will be funded internally.

Table 2

The table below provides allocations as stipulated in the Division of Revenue Bill for **2026/27-2028/29** Medium-term Revenue and Expenditure Framework.

DISCRIPTIONS	CURRENT YEAR 2025 / 2026		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	APPROVED BUDGET	ADJUSTMENT BUDGET	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	GROWTH RATE	2028 / 2029 BUDGET	GROWTH RATE
FUEL LEVY (RSC REPLACEMENT GRANT)	- 192 095 000.00	- 192 095 000.00	- 199 343 000.00	3.77	- 207 298 000.00	3.99	- 213 741 000.00	3.11
TS_O_M_NRF_EQUITABLE SHARE	- 32 981 000.00	- 32 981 000.00	- 31 990 000.00	3.00	- 31 437 000.00	1.73	- 34 135 000.00	8.58
TOTAL	- 225 076 000.00	- 225 076 000.00	- 231 333 000.00	2.78	- 238 735 000.00	3.20	- 247 876 000.00	3.83
TS_O_M_NG_LOCAL GOV.FIN MNG GRANT (FMG)	- 1 100 000.00	- 1 100 000.00	- 1 200 000.00	9.09	- 1 300 000.00	8.33	- 1 500 000.00	15.38
TS_O_M_NG_EPWP GRANT	- 2 211 000.00	- 2 211 000.00	- 1 568 000.00	29.08	-	100.00	-	-
TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT (RRAMS)	- 2 884 000.00	- 2 884 000.00	- 3 001 000.00	4.06	- 3 121 000.00	4.00	- 3 218 000.00	3.11
ENERGY EFFICIENCY AND DEMAND-SIDE MAN GRANT	- 4 000 000.00	- 4 000 000.00	- 4 000 000.00	-	- 4 000 000.00	-	-	100.00
TOTAL ALLOCATIONS DR KKDM	- 235 271 000.00	- 235 271 000.00	- 241 102 000.00	2.48	- 247 156 000.00	2.51	- 252 594 000.00	2.20

- The proposed Transfers and Subsidies for the 2026/27 financial year have been appropriated at **R241.1 Million**. This indicates that the Conditional and Unconditional Grants allocated to DR KKDM only increased by 2.48% or **R5.8 Million** for the 2026/27 financial year when compared to the 2025/26 Adjustment Budget.
- The below mentioned Grants and Subsidies led to the 2.48% or **R5.8 Million** increase:
 - ❖ RSC Replacement Grant increased by **R7.2 Million** or 3.77%.

- ❖ Equitable Share decreased by **R991 Thousand** or 3.00%.
- ❖ Financial Management Grant (FMG) increased by **R100 Thousand** or 9.09%.
- ❖ Expanded Public Work Programme (EPWP) has been decreased by **R643 Thousand** or 29.08%.
- ❖ Rural Road Asset Management System Grant (RRAMS) has been increased by **R117 Thousand** or 4.06%.
- ❖ Energy and Efficiency and Demand-Side Management Grant remains at **R4 Million**.

The final annual budget for the 2026/27 financial year is designed to give effect to the service delivery priorities and strategic objectives of the Dr Kenneth Kaunda District Municipality, as outlined in the Integrated Development Plan (**IDP**). The budget is aligned to address the needs of communities across the district and to support sustainable socio-economic development. Implementation and performance will be monitored through the Service Delivery and Budget Implementation Plan (**SDBIP**), ensuring accountability, transparency, and alignment between budget allocations and service delivery outcomes.

The allocation for Transfers and Subsidies, as reflected in the budget summary totals, primarily comprises funding directed towards District Economic Development initiatives as well as programmes within the Office of the Executive Mayor.

Against this background, the provision of financial and technical support to Small, Medium and Micro Enterprises (SMMEs) and cooperatives remains a key pillar of the Dr Kenneth Kaunda District Municipality's Local Economic Development strategy. The District is committed to supporting community-based initiatives through the allocation of conditional grants to viable and sustainable business plans.

This approach is intended to stimulate inclusive economic growth by fostering the development of micro and small enterprises, enhancing local entrepreneurship, and creating sustainable employment opportunities within the district.

The objectives of the Local Economic Development (LED) and Planning grant funding are to promote inclusive economic participation by enabling a new category of entrepreneurs who are currently constrained by limited access to finance. The programme seeks to broaden access to funding through the introduction of flexible financing instruments and

strategic partnerships, thereby equipping beneficiaries with the necessary tools to actively participate in the growing South African economy.

Furthermore, the funding framework aims to enhance flexibility in service delivery by accommodating the unique needs of targeted groups, particularly women-owned and women-led enterprises, through tailored funding ranges and appropriate financial instruments.

In addition, for the current financial year, the Office of the Executive Mayor will award study bursaries to deserving students within the Dr Kenneth Kaunda District Municipality as part of its social investment and human capital development initiatives.

The Office of the Executive Mayor has allocated resources toward a range of special projects aimed at advancing social and economic development within the Dr Kenneth Kaunda District Municipality. *These initiatives include:*

- ❖ **Career Development and Support Programmes** - Implementation of targeted career development and support initiatives in collaboration with the Dr Kenneth Kaunda District Municipality to enhance skills and employment opportunities.
- ❖ **Youth Development Partnerships** - Support for strategic partnerships aimed at unlocking economic and social opportunities for young people across the district.
- ❖ **Food Relief Initiatives** - Distribution of food parcels to vulnerable and distressed families to address immediate food security needs.
- ❖ **Youth Health, Safety and Crime Prevention Programmes** - Rollout of programmes focused on promoting healthy lifestyles, improving community safety, and preventing crime among youth.
- ❖ **Disability Support and Compliance Sessions** - Facilitation of sessions for disability organisations to strengthen compliance with relevant legislation and improve service delivery.
- ❖ **Support for the Elderly** - Assistance to organisations serving elderly persons, focusing on mobility, access to services, economic participation, and healthy living.
- ❖ **Gender-Based Violence (GBV) and Femicide Engagements** - Community-based awareness and engagement initiatives to combat GBV and femicide within the district.
- ❖ **Mayoral Imbizos** - This is where the Office of the Executive Mayor hosts a series of Mayoral Imbizos across the Dr Kenneth Kaunda District Municipality as a

platform to strengthen community engagement, accountability, and participatory governance. *These imbizos are aimed at:*

- ✓ **Enhancing Public Participation** - Providing residents with a direct platform to engage with the Executive Mayor and municipal leadership on service delivery matters.
- ✓ **Improving Accountability and Transparency** - Creating opportunities for the municipality to report back on progress, challenges, and planned interventions.
- ✓ **Identifying Community Needs** - Gathering first-hand information on the needs and concerns of communities to inform planning and decision-making.
- ✓ **Promoting Integrated Service Delivery** - Bringing together various municipal departments and stakeholders to respond to community issues in a coordinated manner.
- ✓ **Strengthening Government–Community Relations** - Building trust and improving communication between the municipality and its residents.

Expanded Public Works Programme (EPWP)

The Dr Kenneth Kaunda District Municipality continues to implement the Expanded Public Works Programme (EPWP) as a key intervention to address unemployment and poverty within the district. Through this programme, the Municipality provides temporary employment opportunities to local communities, particularly targeting unemployed youth, women, and vulnerable groups.

While the EPWP offers short-term income relief and valuable work experience, it also serves as a platform for skills development and capacity building, enabling participants to improve their prospects for future employment or self-employment. The programme contributes to local economic stimulation by injecting income into communities, thereby supporting livelihoods.

However, given its temporary nature, the EPWP on its own is not sufficient to address long-term unemployment challenges. It is therefore complemented by other Local Economic Development initiatives aimed at creating sustainable job opportunities and promoting entrepreneurship within the district.

Community-Based Programmes (CBPs)

The Dr Kenneth Kaunda District Municipality implements Community-Based Programmes (CBPs) to empower local communities, promote skills development, and support socio-economic participation. These programmes focus on building capacity, fostering social cohesion, and addressing local development priorities.

A key feature of CBPs is their integration with the Expanded Public Works Programme (EPWP), through which participants receive stipends for their involvement. This provides temporary income support while enabling participants to gain work experience, develop practical skills, and contribute to community development initiatives.

The fundamental focus areas include amongst others:

- ❖ **Skills Development and Training** - Equipping community members with relevant skills to enhance employability and support entrepreneurship.
- ❖ **Youth and Women Empowerment** - Supporting initiatives that promote the inclusion and advancement of youth and women in local socio-economic activities.
- ❖ **Health, Safety, and Social Interventions** - Implementing programmes to improve community well-being, with a focus on vulnerable groups such as the elderly, persons with disabilities, and distressed households.
- ❖ **Community Projects and Infrastructure Support** - Participation in local infrastructure, environmental, and small-scale development projects, aligned with municipal priorities.

Water Projects

The Dr Kenneth Kaunda District Municipality is implementing targeted water supply interventions to improve access to reliable and safe water for farming communities and rural settlements. For the 2026/27 financial year, priority water projects will be undertaken at **Baitshoki Farm, Mpho Trust Farm, Oblate Farm, and Motshabi CPA.**

These water projects are aimed at:

- ❖ **Improving Water Access** - Ensuring consistent and sustainable water supply to support both household needs and agricultural activities.
- ❖ **Supporting Agricultural Development** - Enhancing water availability for farming operations, thereby improving productivity and contributing to local food security and economic development.

- ❖ **Enhancing Livelihoods** - Supporting community-based farming initiatives and cooperatives by providing essential water services that enable growth and sustainability.
- ❖ **Promoting Sustainable Resource Use** - Encouraging efficient water usage and the long-term management of water resources within these farming communities.

Energy Efficiency Demand Side Management (EEDSM)

The Energy Efficiency Demand Side Management (EEDSM) programme focuses on the continuous retrofitting of existing electrical infrastructure with energy-efficient technologies. This initiative aims to reduce energy consumption, lower operational costs, and improve the overall efficiency and sustainability of municipal assets.

Through the implementation of energy-saving measures such as the replacement of outdated equipment with modern, efficient alternatives. The programme contributes to reduced electricity demand, decreased carbon emissions, and enhanced system performance.

Multi-Party Democracy and Social Cohesion

The Dr Kenneth Kaunda District Municipality has promoted multi-party democracy and social cohesion by hosting school debate competitions over the past three years. These debates provide a platform for learners to engage critically with contemporary issues, foster democratic values, and develop public speaking and leadership skills.

For the 2026/27 financial year, the draft budget has made provision to continue supporting this initiative, ensuring that schools across the district can participate and contribute to the strengthening of social cohesion, civic engagement, and democratic awareness among the youth.

Municipal Awards

The Office of the Single Whip, in collaboration with various municipal units, coordinates the Municipal Awards programme to recognise top achievers within the Dr Kenneth Kaunda District Municipality. This initiative celebrates excellence in performance, innovation, and service delivery, fostering a culture of accountability and dedication among staff.

By acknowledging outstanding contributions, the Municipal Awards programme strengthens staff morale, encourages higher levels of commitment, and promotes a motivated and engaged workforce across all municipal departments.

Speaker-Do-Something Programme

This serves as the overarching framework for public participation and community engagement within the Dr Kenneth Kaunda District Municipality. Managed by the Office of the Speaker, the programme aims to enhance service delivery by facilitating direct interaction between the municipality and its communities, ensuring that residents' needs and priorities are addressed effectively.

This is done through the following:

- ❖ ID Campaigns;
- ❖ Youth Empowerment and Capacity Building;
- ❖ Food Security Campaigns;
- ❖ Anti-Corruption Initiatives;
- ❖ Community Cleaning Campaigns;
- ❖ General Service Delivery Support;

The programme is implemented in collaboration with key stakeholders, including the **Department of Home Affairs, Department of Social Development, SAPS, Aurum Institute**, and **SASSA**. These partnerships are aimed at enhancing service delivery outcomes and maximising impact within communities.

Furthermore, the collaborative approach strengthens support provided to councillors, enabling them to respond more effectively to community needs and improve overall service delivery across the district.

Disaster Management Campaigns

The Dr Kenneth Kaunda District Municipality continues to prioritise disaster preparedness and community resilience through targeted Disaster Campaigns across the district. These campaigns aim to raise awareness, build capacity, and enhance the ability of communities to respond effectively to natural and human-induced disasters.

The following are the programmes undertaken through Disaster Campaigns:

- ❖ **Community Education and Awareness** - Conducting workshops, awareness drives, and outreach programmes to inform residents about disaster risks, safety measures, and emergency response protocols.
- ❖ **Disaster Preparedness and Response** - Strengthening early warning systems, evacuation plans, and emergency response mechanisms to minimise the impact of disasters on lives and property.

- ❖ **Vulnerable Communities Support** - Prioritising interventions in high-risk areas and vulnerable communities to reduce exposure and increase resilience to disasters such as floods, fires, and storms.

Disaster Relief and Emergency Fund

The 2026/27 draft budget includes a dedicated allocation for the Disaster Relief and Emergency Fund. This provision ensures that the Dr Kenneth Kaunda District Municipality is prepared to respond promptly and effectively to emergencies and unforeseen disasters within the district.

The fund will support immediate relief interventions, including the provision of essential supplies and emergency services for affected communities. By allocating resources for disaster relief, the Municipality strengthens its capacity to protect lives, safeguard property, and enhance community resilience.

Environmental Health and Air Quality Campaigns

The Dr Kenneth Kaunda District Municipality is committed to promoting environmental health and improving air quality across the district through targeted campaigns and community interventions. These initiatives aim to safeguard public health, protect natural resources, and foster sustainable living practices.

These include amongst others the following:

- ❖ **Community Awareness and Education** - Conducting workshops, school programmes, and public outreach campaigns to raise awareness about environmental health risks, proper sanitation, waste management, and air pollution.
- ❖ **Air Quality Monitoring and Management** - Implementing measures to monitor, assess, and reduce air pollution, including identifying major pollution sources and promoting cleaner technologies.
- ❖ **Waste Management and Environmental Protection** - Encouraging responsible waste disposal, recycling, and reduction of pollutants to protect ecosystems and community health.
- ❖ **Partnerships and Stakeholder Engagement** - Collaborating with provincial departments, NGOs, industry stakeholders, and community-based organisations to strengthen environmental governance and compliance with national standards.
- ❖ **Integration with Municipal Planning** - Ensuring environmental health and air quality considerations are incorporated into service delivery, infrastructure development, and strategic planning.

Sports, Arts, and Culture Programmes

The Dr Kenneth Kaunda District Municipality recognises the importance of sports, arts, and culture in promoting social cohesion, youth development, and community engagement. These programmes are designed to provide opportunities for talent development, healthy lifestyles, and the preservation of cultural heritage across the district.

These programmes are done through:

- ❖ Organising sporting events, tournaments, and talent development initiatives to promote active lifestyles and discover local talent.
- ❖ Encouraging arts, cultural activities, and heritage preservation to celebrate the district's diversity and identity.
- ❖ Youth engagement through mentorship, skills development, and participatory events in sports and cultural activities.

Key challenges in the compilation of the 2026/27 MTREF

The main challenges experienced during the compilation of the 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) can be summarised as follows:

- **Dependence on Grant Funding** - The Municipality remains heavily reliant on operating grants and subsidies as primary funding sources, which limits the ability to allocate sufficient resources towards the capital budget.
- **Challenging Economic Environment** - Continued strain in both the national and local economy, coupled with persistently high unemployment levels, remains a significant constraint on revenue generation and overall economic growth.
- **Capital Replacement Reserve (CRR) Provision** - A provision has been made within the operating budget to contribute towards the Capital Replacement Reserve (CRR), with the aim of strengthening the Municipality's long-term financial sustainability.
- **Need for Reprioritisation** - The constrained fiscal environment necessitates the reprioritisation of projects and expenditure within the existing limited resource envelope to ensure alignment with key service delivery priorities.
- **Rising Employee-Related Costs** - Wage increases for municipal staff continue to outpace consumer inflation, placing additional pressure on the operating budget, alongside the need to fill critical vacancies to maintain service delivery standards.

1.4. Annual Budget Tables (Parent Municipality)

(Table A1 Budget Summary)

DC40 Dr Kenneth Kaunda- Table A1 Budget Summary										
Description	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	(0)	9 500	9 500	9 500	4 277	9 500	9 814	10 128
Transfer and subsidies - Operational	–	–	–	45 176	45 176	45 176	38 445	43 759	41 924	40 985
Other own revenue	–	–	–	193 795	193 745	193 745	192 960	200 993	209 002	215 500
Total Revenue (excluding capital transfers and contributions)	–	–	(0)	248 471	248 421	248 421	235 682	254 252	260 740	266 613
Employee costs	–	–	138 965	144 713	144 713	144 713	127 650	151 602	156 605	161 616
Remuneration of councillors	–	–	11 183	13 588	13 588	13 588	11 389	13 995	14 457	14 920
Depreciation and amortisation	–	–	–	–	7 184	7 184	2 417	7 447	7 693	7 939
Interest	–	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	–	–	2 831	4 200	3 333	3 333	1 704	3 531	3 648	3 764
Transfers and subsidies	–	–	1 169	4 250	4 100	4 100	1 180	4 000	4 132	4 264
Other expenditure	–	–	43 977	73 496	81 604	81 604	45 057	72 074	72 098	70 652
Total Expenditure	–	–	198 126	247 430	254 521	254 521	189 396	252 649	258 632	263 156
Surplus/(Deficit)	–	–	(198 126)	1 041	(6 100)	(6 100)	46 286	1 603	2 108	3 457
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	–	(198 126)	1 041	(6 100)	(6 100)	46 286	1 603	2 108	3 457
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	(198 126)	1 041	(6 100)	(6 100)	46 286	1 603	2 108	3 457
Capital expenditure & funds sources										
Capital expenditure	–	–	4 638	13 850	8 447	8 447	15 226	10 950	5 700	2 810
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Total sources of capital funds	–	–	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Financial position										
Total current assets	–	–	5 854	16 664	44 450	44 450	55 424	49 626	18 512	23 559
Total non current assets	–	–	(232)	79 028	73 625	73 625	1 065	75 869	76 375	75 016
Total current liabilities	–	–	217 818	21 910	22 744	22 744	(12 368)	52 953	55 178	49 390
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	–	–	10 613	50 033	76 938	76 938	16 188	70 939	37 602	45 729
Cash flows										
Net cash from (used) operating	–	–	(99 414)	8 224	7 268	7 268	107 937	15 235	9 576	11 146
Net cash from (used) investing	–	–	(4 638)	(13 850)	(8 447)	(8 447)	(15 226)	(10 950)	(5 700)	(2 810)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	315 571	15 329	42 248	42 248	90 375	47 712	19 205	24 464
Cash backing/surplus reconciliation										
Cash and investments available	–	–	6 470	20 955	43 427	43 427	(2 336)	43 427	15 329	16 128
Application of cash and investments	–	–	(3 493)	(9 053)	(9 721)	(9 721)	3 571	(92 287)	(5 863)	(5 894)
Balance - surplus (shortfall)	–	–	9 963	30 008	53 148	53 148	(5 907)	135 714	21 192	22 022
Asset management										
Asset register summary (WDV)	–	–	4 638	13 850	8 447	8 447	10 950	10 950	5 700	2 810
Depreciation	–	–	–	7 184	7 184	7 184	7 447	7 447	7 693	7 939
Renewal and Upgrading of Existing Assets	–	–	–	2 000	–	–	3 000	3 000	1 300	1 000
Repairs and Maintenance	–	–	1 033	3 530	5 755	5 755	3 605	3 605	3 724	3 843
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the District budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating Performance, resources deployed to capital expenditure, financial position, cash and funding Compliance, Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- Capital expenditure is balanced by capital funding sources, of which Transfers recognised is reflected on the Financial Performance Budget;
- Operating surplus and accumulated cash-backed surpluses from previous years.

The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation shows that there are long term obligations which are not cash backed in a single budget year but over multiple years.

Council has taken a deliberate decision to ensure adequate Cash-backing for all material obligations in accordance with the adopted Funding and Reserves Policy. This cannot be achieved in one financial year. It is anticipated that the goal of having all obligations cash-backed will be achieved when a small surplus is reflected due to most contracts ceasing.

As part of the budgeting and planning guidelines that informed the compilation of the 2026/27 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table A2 - Budgeted Financial Performance (revenue and expenditure by Functional standard classification)

DC40 Dr Kenneth Kaunda - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	(0)	238 076	238 026	238 026	244 383	252 276	262 009
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		-	-	-	1 300	1 300	1 300	1 300	1 343	1 386
Vote 5 - Sport and recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and development		-	-	-	9 095	9 095	9 095	8 569	7 121	3 218
Vote 10 - Road transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy sources		-	-	-	-	-	-	-	-	-
Vote 13 - Water management		-	-	-	-	-	-	-	-	-
Vote 14 - Waste water management		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	(0)	248 471	248 421	248 421	254 252	260 740	266 613
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and council		-	-	49 695	66 087	66 139	66 139	68 101	70 317	72 583
Vote 2 - Finance and administration		-	-	57 442	69 232	71 057	71 057	73 265	74 270	77 026
Vote 3 - Internal audit		-	-	6 202	7 681	8 272	8 272	9 112	9 412	9 714
Vote 4 - Community and social services		-	-	60 572	66 280	66 747	66 747	69 155	71 224	73 496
Vote 5 - Sport and recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and development		-	-	24 216	38 150	42 306	42 306	33 017	33 409	30 336
Vote 10 - Road transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy sources		-	-	-	-	-	-	-	-	-
Vote 13 - Water management		-	-	-	-	-	-	-	-	-
Vote 14 - Waste water management		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	198 126	247 430	254 521	254 521	252 649	258 632	263 156
Surplus/(Deficit) for the year	2	-	-	(198 126)	1 041	(6 100)	(6 100)	1 603	2 108	3 457

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by Functional standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and Expenditure per functional standard classification. The modified functional standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile “whole of government” reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognised – Capital) and so does not balance to the operating revenue shown on Table A4.

Other functions that show a deficit between revenue and expenditure are being financed from operational grants and other revenue sources reflected under the Budget and treasury.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC40 Dr Kenneth Kaunda - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES ADMINISTRATION		-	-	-	2 250	2 250	2 250	2 250	2 324	2 399
Vote 4 - FINANCIAL SERVICES ADMINISTRATION		-	-	(30 000)	235 826	235 776	235 776	242 133	249 952	259 610
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	1 300	1 300	1 300	1 300	1 343	1 386
Vote 6 - LED PLANNING AND DEVELOPMENT		-	-	-	9 095	9 095	9 095	8 569	7 121	3 218
Vote 7 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	(30 000)	248 471	248 421	248 421	254 252	260 740	266 613
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	16 488	22 803	21 889	21 889	22 513	23 256	24 016
Vote 2 - MUNICIPAL MANAGER ADMINISTRATION		-	-	24 122	43 284	44 249	44 249	45 603	47 077	48 584
Vote 3 - CORPORATE SERVICES ADMINISTRATION		-	-	24 254	34 180	34 402	34 402	36 705	37 916	39 396
Vote 4 - FINANCIAL SERVICES ADMINISTRATION		-	-	22 931	35 052	36 656	36 656	36 500	36 296	37 593
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	50 119	66 280	66 747	66 747	69 155	71 224	73 496
Vote 6 - LED PLANNING AND DEVELOPMENT		-	-	15 914	38 150	42 306	42 306	33 237	33 636	30 571
Vote 7 - INTERNAL AUDIT		-	-	5 166	7 681	8 272	8 272	9 112	9 412	9 714
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	158 995	247 430	254 521	254 521	252 824	258 817	263 369
Surplus/(Deficit) for the year	2	-	-	(188 995)	1 041	(6 100)	(6 100)	1 428	1 923	3 243

MBRR Table A3 - Budgeted Financial Performance (revenue and Expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and Expenditure per municipal vote. This table facilitates the view of the budgeted operating

Performance in relation to the organisational structure of the district. This means it is not possible to present the operating surplus or deficit of a department or section as 95.61% of total revenue result from transfers from National treasury.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC40 Dr Kenneth Kaunda - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	120	70	70	-	70	72	75
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	-	(0)	9 500	9 500	9 500	4 205	9 500	9 814	10 128
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	250	250	250	-	250	258	267
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	30	30	30	11	30	31	32
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-	-
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	1 300	1 300	1 300	771	1 300	1 343	1 386
Transfer and subsidies - Operational		-	-	-	45 176	45 176	45 176	38 445	43 759	41 924	40 985
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	192 095	192 095	192 095	192 095	199 343	207 298	213 741
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		-	-	(0)	248 471	248 421	248 421	235 527	254 252	260 740	266 613
Expenditure											
Employee related costs	2	-	-	138 965	144 713	144 713	144 713	116 375	151 602	156 605	161 616
Remuneration of councillors		-	-	11 183	13 588	13 588	13 588	10 365	13 995	14 457	14 920
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	2 831	4 200	3 333	3 333	1 531	3 531	3 648	3 764
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	-	-	7 184	7 184	7 184	2 232	7 447	7 693	7 939
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	19 437	43 795	53 277	53 277	24 609	41 705	40 944	38 138
Transfers and subsidies		-	-	1 169	4 250	4 100	4 100	1 180	4 000	4 132	4 264
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		-	-	24 540	29 701	28 327	28 327	17 467	30 369	31 154	32 514
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	198 126	247 430	254 521	254 521	173 758	252 649	258 632	263 156
Surplus/(Deficit)		-	-	(198 126)	1 041	(6 100)	(6 100)	61 768	1 603	2 108	3 457
Transfers and subsidies - capital (monetary)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	(198 126)	1 041	(6 100)	(6 100)	61 768	1 603	2 108	3 457
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	-	(198 126)	1 041	(6 100)	(6 100)	61 768	1 603	2 108	3 457
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	-	(198 126)	1 041	(6 100)	(6 100)	61 768	1 603	2 108	3 457
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	-	-	(198 126)	1 041	(6 100)	(6 100)	61 768	1 603	2 108	3 457

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

- The proposed operating revenue for the 2026/27 financial year has been appropriated at **R254.2 Million**. The operating revenue has increased by 2.35% or **R5.8 Million** for the 2025/26 financial year when compared to the 2025/26 Adjustment Budget.
- Transfers recognised – operating includes the local government equitable share and other operating grants. It should be noted that, in real terms, grant receipts from the national government are projected to grow steadily over the Medium-Term

Revenue and Expenditure Framework (MTREF), with increases of **2.48%** in 2026/27, **2.51%** in 2027/28, and **2.20%** in 2028/29. The Municipality's budget is predominantly funded through these grants from the National Treasury, which constitute the major portion of total revenue, accounting for **95.61%** of the Municipality's total revenue.

- The proposed operating expenditure for the 2026/27 financial year has been appropriated at **R252.8 Million** and translates into a budgeted cash surplus of **R1.6 Million** before the reversal of a non-cash items of **R7.4 Million**. The operating expenditure has decreased by 0.74% or **R1.8 Million** in the 2026/27 financial year when compared to the 2025/26 Adjustment Budget.

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

DC40 Dr Kenneth Kaunda - Table B5 Adjustments Capital Expenditure Budget by vote and funding

Vote Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and council		--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and administration		--	--	--	--	--	--	--	--	--	--
Vote 3 - Internal audit		--	--	--	--	--	--	--	--	--	--
Vote 4 - Community and social services		--	--	--	--	--	--	--	--	--	--
Vote 5 - Sport and recreation		--	--	--	--	--	--	--	--	--	--
Vote 6 - Public safety		--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--
8.1-Ambulance		--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and development		--	--	--	--	--	--	--	--	--	--
Vote 10 - Road transport		--	--	--	--	--	--	--	--	--	--
Vote 11 - Environmental protection		--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy sources		--	--	--	--	--	--	--	--	--	--
Vote 13 - Water management		--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste water management		--	--	--	--	--	--	--	--	--	--
Vote 15 - Other		--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total	7	--	--	--	--	--	--	--	--	--	--
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		--	--	--	200	--	--	--	100	100	60
Vote 2 - Finance and administration		--	--	4 638	6 150	6 747	6 747	5 913	6 350	4 050	1 600
Vote 3 - Internal audit		--	--	--	--	--	--	--	--	--	--
Vote 4 - Community and social services		--	--	--	2 800	--	--	--	1 500	250	150
Vote 5 - Sport and recreation		--	--	--	--	--	--	--	--	--	--
Vote 6 - Public safety		--	--	--	--	--	--	--	--	--	--
Vote 7 - Housing		--	--	--	--	--	--	--	--	--	--
8.1-Ambulance		--	--	--	--	--	--	--	--	--	--
Vote 9 - Planning and development		--	--	--	4 700	1 700	1 700	1 700	3 000	1 300	1 000
Vote 10 - Road transport		--	--	--	--	--	--	--	--	--	--
Vote 11 - Environmental protection		--	--	--	--	--	--	--	--	--	--
Vote 12 - Energy sources		--	--	--	--	--	--	--	--	--	--
Vote 13 - Water management		--	--	--	--	--	--	--	--	--	--
Vote 14 - Waste water management		--	--	--	--	--	--	--	--	--	--
Vote 15 - Other		--	--	--	--	--	--	--	--	--	--
Capital single-year expenditure sub-total		--	--	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Total Capital Expenditure - Vote		--	--	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Capital Expenditure - Functional											
Governance and administration		--	--	4 638	6 350	6 747	6 747	5 913	6 450	4 150	1 660
Executive and council		--	--	--	200	--	--	--	100	100	60
Finance and administration		--	--	4 638	6 150	6 747	6 747	5 913	6 350	4 050	1 600
Internal audit		--	--	--	--	--	--	--	--	--	--
Community and public safety		--	--	--	2 800	--	--	--	1 500	250	150
Community and social services		--	--	--	2 800	--	--	--	1 500	250	150
Sport and recreation		--	--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--
Economic and environmental services		--	--	--	4 700	1 700	1 700	1 700	3 000	1 300	1 000
Planning and development		--	--	--	4 700	1 700	1 700	1 700	3 000	1 300	1 000
Road transport		--	--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--	--
Trading services		--	--	--	--	--	--	--	--	--	--
Energy sources		--	--	--	--	--	--	--	--	--	--
Water management		--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--
Waste management		--	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--	--
Total Capital Expenditure - Functional	3	--	--	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Funded by:											
National Government		--	--	--	--	--	--	--	--	--	--
Provincial Government		--	--	--	--	--	--	--	--	--	--
District Municipality		--	--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		--	--	--	--	--	--	--	--	--	--
Transfers recognised - capital	4	--	--	--	--	--	--	--	--	--	--
Borrowing	6	--	--	--	--	--	--	--	--	--	--
Internally generated funds		--	--	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810
Total Capital Funding	7	--	--	4 638	13 850	8 447	8 447	7 613	10 950	5 700	2 810

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital budget in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The proposed capital budget for the 2026/27 financial year has been appropriated at **R10.9 Million**. The capital expenditure has increased by 29.63% or **R2.5 Million** when

compared to the 2025/26 Adjustment Budget. The capital expenditure will decrease by 47.95% or **R5.2 Million** and 50.70% or **R2.8 Million** respectively. The capital budget will be funded internally.

- The Capital Budget will be funded internally, reflecting the Municipality's commitment to utilising its own financial resources to support infrastructure investment and long-term sustainability.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position											
Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		–	–	6 470	15 329	42 248	42 248	65 622	45 007	16 624	21 594
Short term investments		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	1	–	–	815	1 335	1 335	1 335	–	5 735	1 143	1 143
Receivables from non-exchange transactions	1	–	–	–	–	–	–	–	–	–	–
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	(2 831)	–	867	867	–	669	746	822
VAT Receivable		–	–	–	–	–	–	(9 137)	(1 785)	–	–
Other current assets		–	–	1 400	–	–	–	(1 051)	–	–	–
Total current assets		–	–	5 854	16 664	44 430	44 430	55 424	49 626	18 512	23 559
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	–	–	(39 606)	68 537	64 635	64 635	(485)	67 185	67 621	65 674
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		–	–	39 373	10 491	8 990	8 990	1 550	8 685	8 753	9 143
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		–	–	(232)	79 028	73 625	73 625	1 065	75 869	76 375	75 616
TOTAL ASSETS		–	–	5 621	95 692	118 075	118 075	56 489	125 495	94 887	98 575
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	685	–	–	–	–	–	–	–
Consumer deposits		–	–	–	–	–	–	–	–	–	–
Trade and other payables from exchange transactions	4	–	–	198 167	21 225	22 059	22 059	(6 916)	41 868	44 066	45 891
Trade and other payables from non-exchange transactions	5	–	–	651	–	–	–	(5 452)	10 375	2 375	2 750
Provision		–	–	18 295	685	685	685	–	685	717	748
VAT		–	–	–	–	–	–	–	–	–	–
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	217 818	21 910	22 744	22 744	(12 368)	52 953	55 178	49 390
Non current liabilities											
Financial liabilities	6	–	–	–	–	–	–	–	–	–	–
Provision	7	–	–	–	–	–	–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES		–	–	217 818	21 910	22 744	22 744	(12 368)	52 953	55 178	49 390
NET ASSETS		–	–	(212 196)	73 782	95 331	95 331	68 857	72 542	39 709	49 185
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	–	–	7 437	50 033	76 938	76 938	16 188	70 939	37 602	45 729
Reserves and funds	9	–	–	3 176	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	–	–	10 613	50 033	76 938	76 938	16 188	70 939	37 602	45 729

MBRR Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Any movement in the Budgeted Financial Performance or the Capital Budget will inevitably have a direct impact on the Budgeted Financial Position of the Municipality. Changes in expenditure or revenue projections will influence the level of cash and cash equivalents available at year-end, affecting the Municipality's liquidity and financial sustainability.

Similarly, adjustments to the budget will inform the budget appropriations for debt impairment, which in turn impacts the provision for bad debts. Proper alignment of financial performance, capital investment, and debt management is therefore critical to ensure sound financial governance and the ability to meet service delivery objectives.

Table A7 - Budgeted Cash Flow Statement

DC40 Dr Kenneth Kaunda - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	193 795	199 930	199 930	112 760	207 178	209 002	215 500
Transfers and Subsidies - Operational	1	-	-	-	45 176	45 176	45 176	13 519	43 759	41 924	40 985
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	(0)	9 500	9 500	9 500	25 000	9 500	9 814	10 128
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	(99 414)	(235 997)	(243 237)	(243 237)	(34 683)	(241 202)	(246 807)	(250 953)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	(4 250)	(4 100)	(4 100)	-	(4 000)	(4 357)	(4 514)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	(99 414)	8 224	7 268	7 268	116 595	15 235	9 576	11 146
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(4 638)	(13 850)	(8 447)	(8 447)	(7 613)	(10 950)	(5 700)	(2 810)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(4 638)	(13 850)	(8 447)	(8 447)	(7 613)	(10 950)	(5 700)	(2 810)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	(104 051)	(5 626)	(1 179)	(1 179)	108 982	4 285	3 876	8 336
Cash/cash equivalents at the year begin:	2	-	-	419 623	20 965	43 427	43 427	(2 454)	43 427	15 329	16 128
Cash/cash equivalents at the year end:	2	-	-	315 571	15 329	42 248	42 248	106 528	47 712	19 205	24 464

MBRR Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

As part of the 2026/27 budget process, the Municipality addressed the unsustainable cash position as a matter of urgency. Various interventions were implemented, including the reduction of expenditure allocations and the rationalisation of spending priorities, to restore financial stability and ensure sustainability.

The 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) has been guided by the planning principle of maintaining adequate cash reserves over the medium term. This approach ensures that the Municipality can meet its operational commitments, fund strategic service delivery priorities, and maintain financial resilience despite fiscal constraints.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC40 Dr Kenneth Kaunda - Table A8 Cash backed reserves/accumulated surplus reconciliation

DC40 Dr Kenneth Kaunda - Table A6 Cash backed reserves/accumulated surplus reconciliation												
Description		Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available												
Cash/cash equivalents at the year end	1	–	–	315 571	15 329	42 248	42 248	90 375	47 712	19 205	24 464	
Other current investments > 90 days		–	–	(309 102)	5 626	1 179	1 179	(92 712)	(4 285)	(3 876)	(8 336)	
Non current Investments	1	–	–	–	–	–	–	–	–	–	–	
Cash and investments available:		–	–	6 470	20 955	43 427	43 427	(2 336)	43 427	15 329	16 128	
Application of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	
Statutory requirements	2	–	–	–	–	–	–	–	11 520	–	–	
Other working capital requirements	3	–	–	14 802	(8 368)	(9 036)	(9 036)	3 571	(103 122)	(5 146)	(5 146)	
Other provisions		–	–	(18 295)	(685)	(685)	(685)	–	(685)	(717)	(748)	
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–	
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–	
Total Application of cash and investments:		–	–	(3 493)	(9 053)	(9 721)	(9 721)	3 571	(92 287)	(5 863)	(5 894)	
Surplus(shortfall) - Excluding Non-Current Creditors Trf to D		–	–	9 963	30 008	53 148	53 148	(5 907)	135 714	21 192	22 022	
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–	
Surplus(shortfall) - Including Non-Current Creditors Trf to D		–	–	9 963	30 008	53 148	53 148	(5 907)	135 714	21 192	22 022	

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

In essence, the table evaluates the funding levels of the budget by:

1. Forecasting Cash and Investments at Year-End

Estimating the Municipality's liquidity position based on projected inflows and outflows.

2. Reconciling Available Funding to Liabilities and Commitments

Ensuring that all obligations, including operational and capital commitments, can be fully funded by the resources available.

This assessment provides a clear indication of whether the budget is funded and financially sustainable, in line with the requirements of the Municipal Finance Management Act (MFMA), and guides decision-making on expenditure prioritisation and resource allocation.

The outcome of this exercise will result in either a budgeted surplus or deficit. A deficit indicates that planned applications of funds exceed the cash and investments available, which would signal non-compliance with Section 18 of the Municipal Finance Management Act (MFMA). Section 18 requires that a municipality's budget must be fully funded, ensuring that all planned expenditures are matched by realistically available resources.

Careful alignment of revenue projections, expenditure allocations, and cash flow management is therefore critical to ensure compliance and maintain the Municipality's financial sustainability.

The Cash backing/surplus reconciliation shows that there are long term obligations which are not cash backed in a single budget year but over multiple years.

As part of the budgeting and planning guidelines that informed the compilation of the 2026/27 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table A9 - Asset Management

DC40 Dr Kenneth Kaunda- Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	--	--	4 638	11 850	8 447	8 447	7 950	4 400	1 810
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	1 500	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	1 800	--	--	--	--	--
Community Facilities		--	--	--	1 700	1 700	1 700	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	1 700	1 700	1 700	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	1 500	--	--	300	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	1 500	--	--	300	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	1 978	3 350	3 702	3 702	3 500	950	250
Intangible Assets		--	--	1 978	3 350	3 702	3 702	3 500	950	250
Computer Equipment		--	--	93	700	800	800	2 100	900	460
Furniture and Office Equipment		--	--	134	600	200	200	550	1 500	700
Machinery and Equipment		--	--	--	500	--	--	500	250	150
Transport Assets		--	--	2 433	2 000	2 045	2 045	1 000	800	250
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
Total Renewal of Existing Assets	2	--	--	--	2 000	--	--	3 000	1 300	1 000
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	2 000	--	--	3 000	1 300	1 000
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	2 000	--	--	3 000	1 300	1 000
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Transport Assets		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
Total Upgrading of Existing Assets	6	--	--	--	--	--	--	--	--	--
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	--	--	--	--	--	--
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Transport Assets		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
Total Capital Expenditure	4	--	--	4 638	13 850	8 447	8 447	10 950	5 700	2 810
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	2 000	--	--	3 000	1 300	1 000
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	1 500	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	3 500	--	--	3 000	1 300	1 000
Community Facilities		--	--	--	1 700	1 700	1 700	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	1 700	1 700	1 700	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	1 500	--	--	300	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	1 500	--	--	300	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	1 978	3 350	3 702	3 702	3 500	950	250
Intangible Assets		--	--	1 978	3 350	3 702	3 702	3 500	950	250
Computer Equipment		--	--	93	700	800	800	2 100	900	460
Furniture and Office Equipment		--	--	134	600	200	200	550	1 500	700
Machinery and Equipment		--	--	--	500	--	--	500	250	150
Transport Assets		--	--	2 433	2 000	2 045	2 045	1 000	800	250
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
TOTAL CAPITAL EXPENDITURE - Asset class		--	--	4 638	13 850	8 447	8 447	10 950	5 700	2 810

ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	4 638	13 850	8 447	8 447	10 950	5 700	2 810
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	2 000	-	-	3 000	1 300	1 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	1 500	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	3 500	-	-	3 000	1 300	1 000
Community Assets		-	-	-	2 000	1 700	1 700	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	1 500	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	1 978	3 350	3 702	3 702	3 500	950	250
Computer Equipment		-	-	93	700	800	800	2 100	900	460
Furniture and Office Equipment		-	-	134	300	200	200	850	1 500	700
Machinery and Equipment		-	-	-	500	-	-	500	250	150
Transport Assets		-	-	2 433	2 000	2 045	2 045	1 000	800	250
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	4 638	13 850	8 447	8 447	10 950	5 700	2 810
EXPENDITURE OTHER ITEMS		-	-	2 065	7 060	11 510	11 510	7 210	7 448	7 686
Depreciation	7	-	-	1 033	3 530	5 755	5 755	3 605	3 724	3 843
Repairs and Maintenance by Asset Class	3	-	-	1 033	3 530	5 755	5 755	3 605	3 724	3 843
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	559	1 700	1 700	1 700	1 700	1 756	1 812
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	559	1 700	1 700	1 700	1 700	1 756	1 812
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	200	2 700	2 700	550	568	586
Furniture and Office Equipment		-	-	-	530	505	505	505	522	538
Machinery and Equipment		-	-	-	650	450	450	450	465	480
Transport Assets		-	-	474	450	400	400	400	413	426
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	2 065	7 060	11 510	11 510	7 210	7 448	7 686
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	14.4%	0.0%	0.0%	27.4%	22.8%	35.6%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	56.7%	0.0%	0.0%	83.2%	34.9%	26.0%
R&M as a % of PPE & Investment Property		0.0%	0.0%	38.8%	33.6%	121.3%	121.3%	48.4%	78.4%	150.1%
Renewal and upgrading and R&M as a % of PPE and Investment Proper		0.0%	0.0%	38.8%	52.7%	121.3%	121.3%	88.7%	105.8%	189.2%

MBRR Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on maintenance of equipment by asset class.

The District Municipality maintenance of equipment has decreased when compared to 2026/27 adjusted budget. Included in the repairs and maintenance of the municipality is, maintenance that needs to be done on municipal buildings, furniture, office equipment, machinery and other equipment. Repairs and Maintenance amounts to **R3.6 Million** for 2026/27.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements										
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	-	-	-

MBRR Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services

PART 2: SUPPORTING DOCUMENTATION

2.1. Overview of the annual budget process

Section 21 – Budget Preparation Process

- The Schedule of Key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2025 as per Council Resolution **ITEM A.322/08/2025**.
- The Draft Budget was tabled in Council on the 26th of March 2026 **ITEM A.117/03/2026**
- The 2026/27 Final Budget will be tabled together with the review of the IDP in council.
- The Final Budget will be tabled and approved by council not later than 31st of May 2026.

OUTCOMES OF CONSULTATIVE PROCESS

- After Council's approval of the adjustment budget on 26th February 2026 as per Council Resolution **ITEM.A 82/02/2026**.
- The following consultation processes and Meetings in terms of section 23 of the MFMA were held with identified stakeholders on the contents of the budget as well as on measurable performance indicators for the 2026/27 budget year:
 - Budget Strategic Sessions;
 - Budget Steering Committee working sessions – HOD's / Unit Managers;
 - Mayoral Committee meetings;
 - Submission of the IDP and Final Budget to Council (to be submitted to council meeting scheduled for May 2026);
 - Advertisement on the municipal website once tabled by council;
 - Documents to be loaded on the Municipal Website as well as at local libraries within the District;
 - Conducting radio interviews to promote community participation in the Integrated Development Plan (IDP) and Draft Annual Budget consultations – 07 May 2026.
 - National Treasury and other sector departments as prescribed by section 23 of the MFMA – 20 April 2026;
- As a further enhancement to budget oversight, quarterly service delivery targets and monthly financial targets are detailed in the Service Delivery and Budget Implementation Plan (**SDBIP**). The SDBIP must be approved by the Mayor within 28 days after the adoption of the final budget and serves as the primary tool for in-year monitoring of performance;

- ✓ By linking the approved budget to measurable service and financial targets, the SDBIP ensures accountability, transparency, and effective tracking of the Municipality's progress in achieving its strategic objectives and delivering services to communities.
- The District developmental model was launched during the 2019/20 financial year and Technical IGR forum meetings were resuscitated. The forum played a very important role for the alignment of three spheres of government's objectives, National, Provincial and Local government. The IDPs of the three local municipalities and of the district are in fact the product of the collaboration of the Dr KKDM with the sector departments and the locals.

2.2.1. Schedule of Key deadline

ITEM A.322/08/2025

SCHEDULE OF BUDGET KEY DEADLINES - 2026/2027

5/1/1

THEREFORE RESOLVED

That the time schedule of budget key deadlines for 2026/2027 budget year is tabled before the Municipal Council for approval.

2.2. Overview of alignment of annual Budget with IDP

DC40 Dr Kenneth Kaunda - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

DC40 Dr Kenneth Kaunda - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand												
SPATIAL RATIONALE			–	–	–	–	–	–	–	–	–	–
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			–	–	–	–	–	–	–	–	–	–
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			–	–	–	(0)	235 826	235 776	235 776	242 133	249 952	259 610
DISTRICT ECONOMIC DEVELOPMENT			–	–	–	–	9 095	9 095	9 095	8 569	7 121	3 218
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT			–	–	–	–	2 250	2 250	2 250	2 250	2 324	2 399
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT			–	–	–	–	1 300	1 300	1 300	1 300	1 343	1 386
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	–	–	(0)	248 471	248 421	248 421	254 252	260 740	266 613

2.3. Measurable performance objectives and indicators

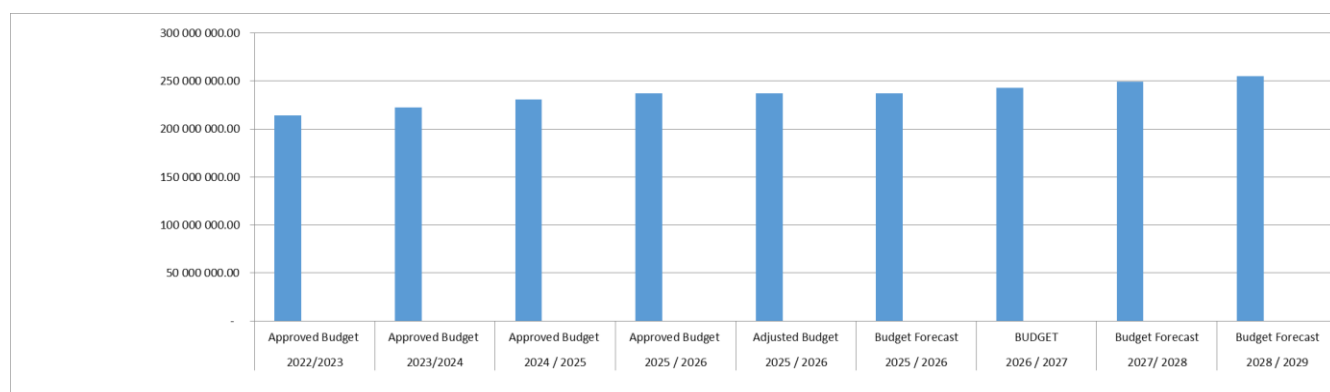
DC40 Dr Kenneth Kaunda - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

DC40 Dr Kenneth Kaunda - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

D446 Di Rennelet Raudra - Supporting Table 6A5 Reconciliation of MDI Strategic Objectives and Budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
R thousand													
SPATIAL RATIONALE			-	-	-	-	-	-	-	-	-	-	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			-	-	-	55 896	73 768	74 411	74 411	77 213	79 730	77 213	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			-	-	-	25 949	35 052	36 656	36 656	36 500	36 296	36 500	
DISTRICT ECONOMIC DEVELOPMENT			-	-	-	24 216	38 150	42 306	42 306	33 017	33 409	33 017	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT			-	-	-	31 493	34 180	34 402	34 402	36 765	37 974	36 765	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT			-	-	-	60 572	66 280	66 747	66 747	69 155	71 224	73 496	
Allocations to other priorities													
Total Expenditure				1	-	-	198 126	247 430	254 521	254 521	252 649	258 632	256 991

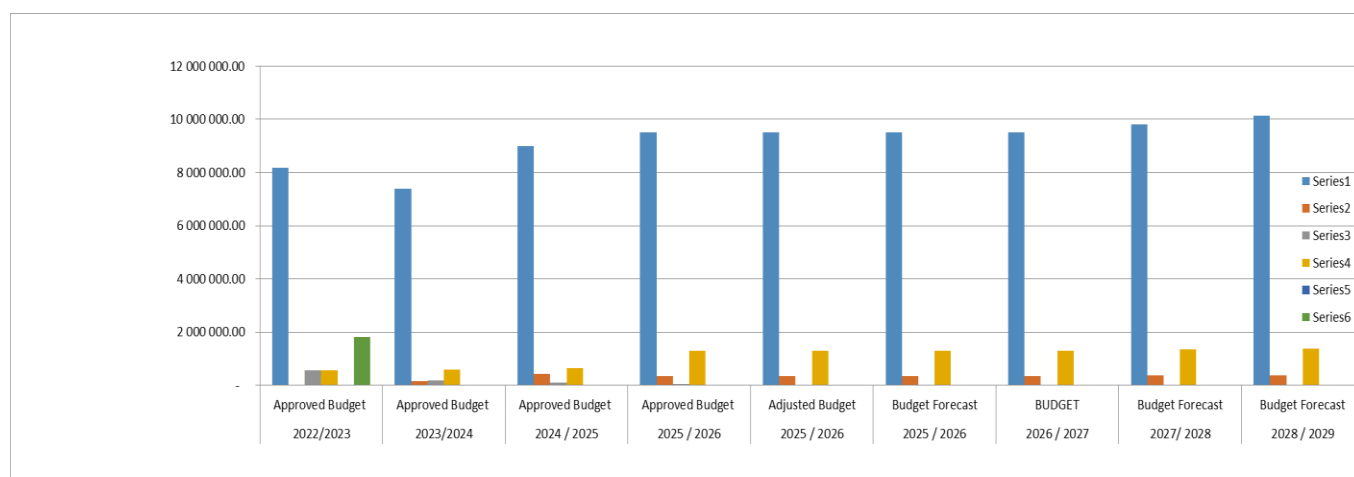
BUDGET REGULATED CHARTS

1. REVENUE BY MAJOR SOURCE



	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Transfers Recog. Operating	214 264 285.00	222 375 000.00	231 022 000.00	237 271 000.00	237 271 000.00	237 271 000.00	243 102 000.00	249 222 000.00	254 726 112.00
Transfers Recog. Capital	-	-	-	-	-	-	-	-	-
Total revenue by major source	214 264 285.00	222 375 000.00	231 022 000.00	237 271 000.00	237 271 000.00	237 271 000.00	243 102 000.00	249 222 000.00	254 726 112.00

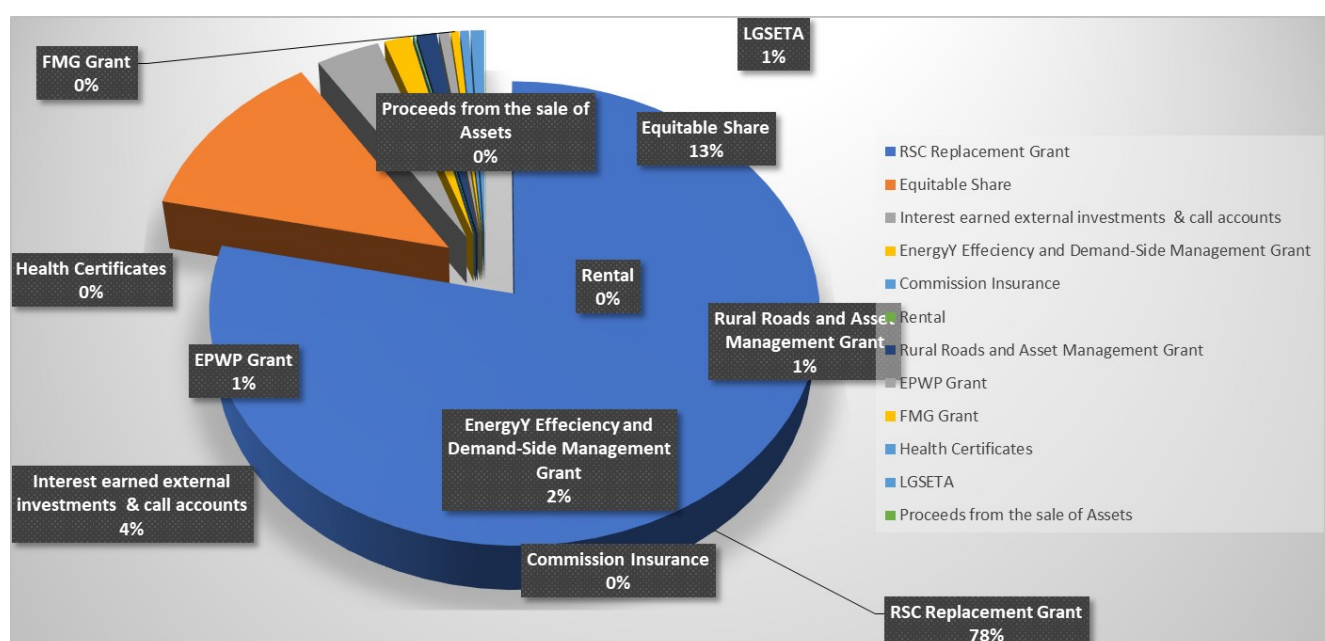
2. REVENUE BY MINOR SOURCE



	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Interest on Bank & External Investments	8 187 160.00	7 400 000.00	8 980 000.00	9 500 000.00	9 500 000.00	9 500 000.00	9 500 000.00	9 813 500.00	10 127 532.00
Other Revenue	14 027.00	150 000.00	420 000.00	350 000.00	350 000.00	350 000.00	350 000.00	361 550.00	373 120.00
Tenders Sold	549 364.00	175 000.00	100 000.00	50 000.00	-	-	-	-	-
Health Certificates	561 103.00	597 430.00	650 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 342 900.00	1 385 873.00
Dividends Received	839.00	-	-	-	-	-	-	-	-
Gain on Disposal of PPE	1 799 922.00	-	-	-	-	-	-	-	-
Total revenue by minor source	11 112 415.00	8 322 430.00	10 150 000.00	11 200 000.00	11 150 000.00	11 150 000.00	11 150 000.00	11 517 950.00	11 886 525.00

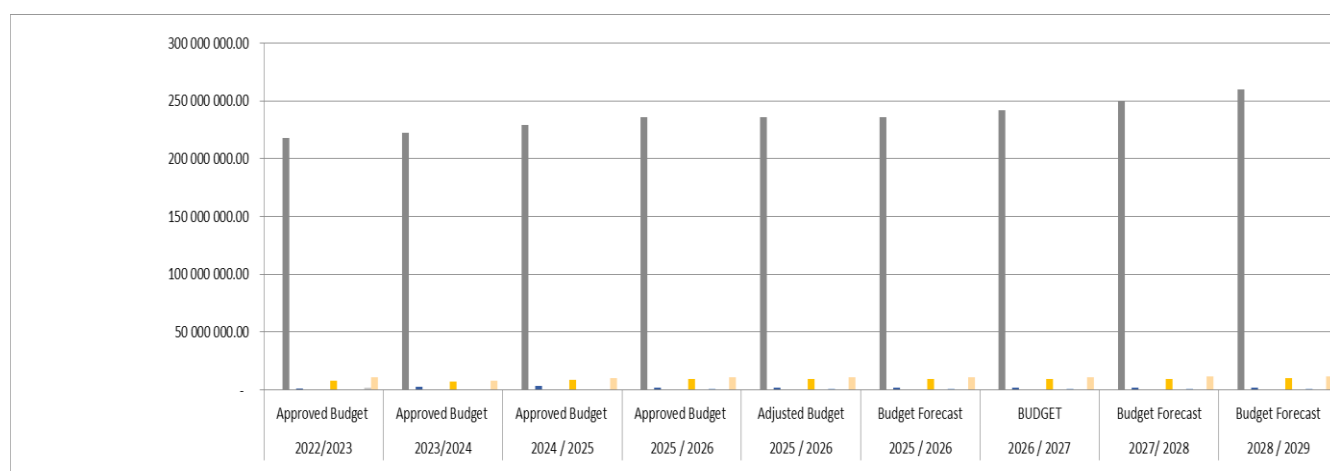
SOURCE OF FUNDING AS A PERCENTAGE (%)

The following sources of funding forms part of funding as a percentage of total funding :		
		As % of
BUDGET FUNDING		Total funding
RSC Replacement Grant	199 343 000	78.40
Equitable Share	31 990 000	12.58
Interest earned external investments & call accounts	9 500 000	3.74
EnergyY Efficiency and Demand-Side Management Grant	4 000 000	1.57
Commission Insurance	30 000	0.01
Rental	250 000	0.10
Rural Roads and Asset Management Grant	3 001 000	1.18
EPWP Grant	1 568 000	0.62
FMG Grant	1 200 000	0.47
Health Certificates	1 300 000	0.51
LGSETA	2 000 000	0.79
Proceeds from the sale of Assets	70 000	0.03
TOTAL FUNDING	254 252 000	100.00



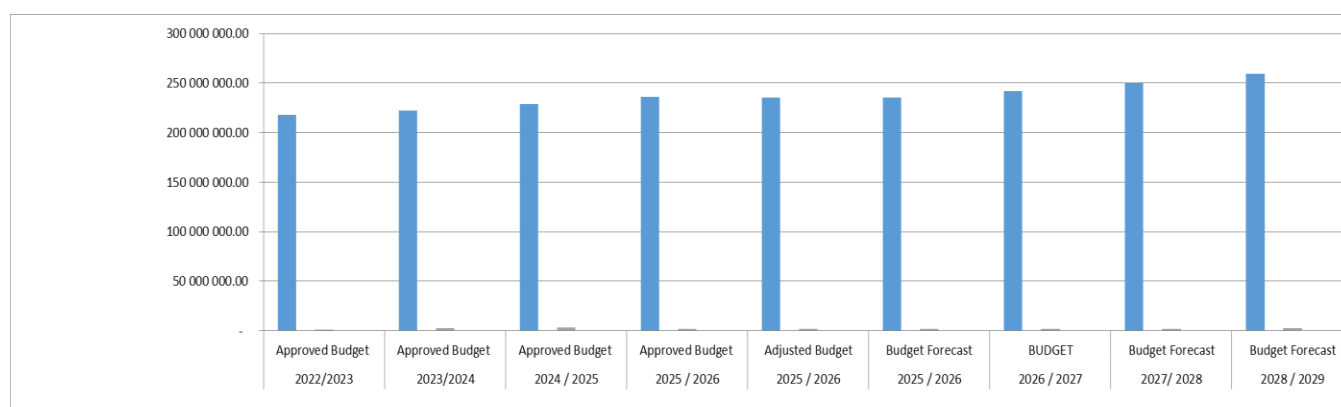
- The Grants and subsidies amount to **R243.1 Million** which constitutes **95.61%**. These grants and subsidies consists of Equitable share, RSC Replacement Grant, EPWP Grant, Rural Roads Assets Management, FMG Grant, Energy Grant and LGSETA.
- The remaining **4.39%** of the total revenue comprises of the following,
 - ✚ **3.74% or R9.5 Million** from interest on investments and Bank accounts.
 - ✚ **0.14% or R350 Thousand** of the total revenue comprises of Rental for Building, Commission Insurance and Proceeds from sale of Assets.
 - ✚ **0.51% or R1.3 Million** is for Health certificates.

3. REVENUE BY MUNICIPAL VOTE



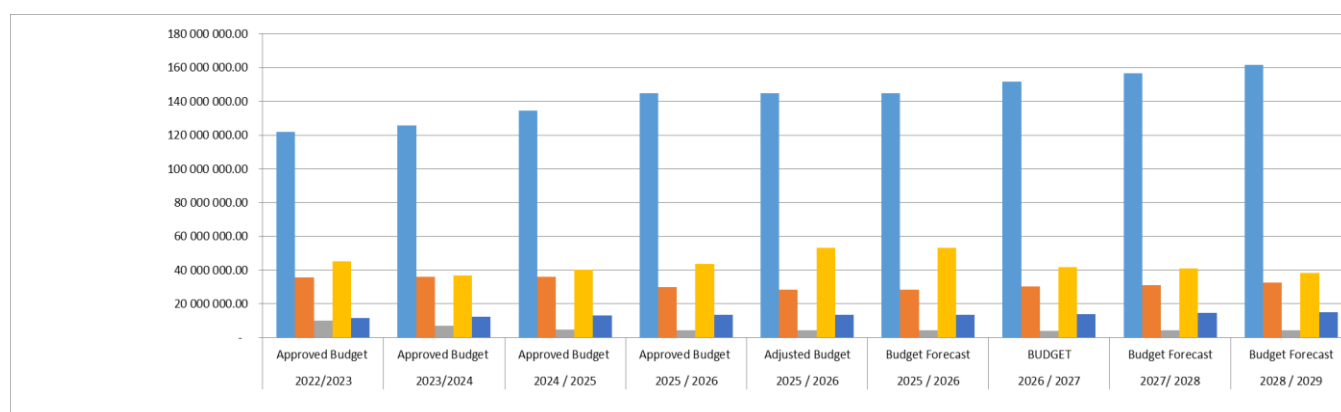
	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Office of the Executive Mayor	-	-	-	-	-	-	-	-	-
Office of the Speaker	-	-	-	-	-	-	-	-	-
Municipal Manager Admin.	-	-	-	-	-	-	-	-	-
Budget and Treasury	217 957 198.00	222 273 000.00	228 809 000.00	235 826 000.00	235 776 000.00	235 776 000.00	242 133 000.00	249 951 800.00	259 610 138.00
Corporate Services	1 476 660.00	2 880 000.00	3 500 000.00	2 250 000.00	2 250 000.00	2 250 000.00	2 250 000.00	2 324 250.00	2 398 626.00
LEDT & Planning	5 318 894.00	4 947 000.00	8 213 000.00	9 095 000.00	9 095 000.00	9 095 000.00	8 569 000.00	7 121 000.00	3 218 000.00
Community Services	623 894.00	597 430.00	650 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 342 900.00	1 385 873.00
Total revenue by municipal vote	225 376 646.00	230 697 430.00	241 172 000.00	248 471 000.00	248 421 000.00	248 421 000.00	254 252 000.00	260 739 950.00	266 612 637.00

4. REVENUE BY STANDARD CLASSIFICATION

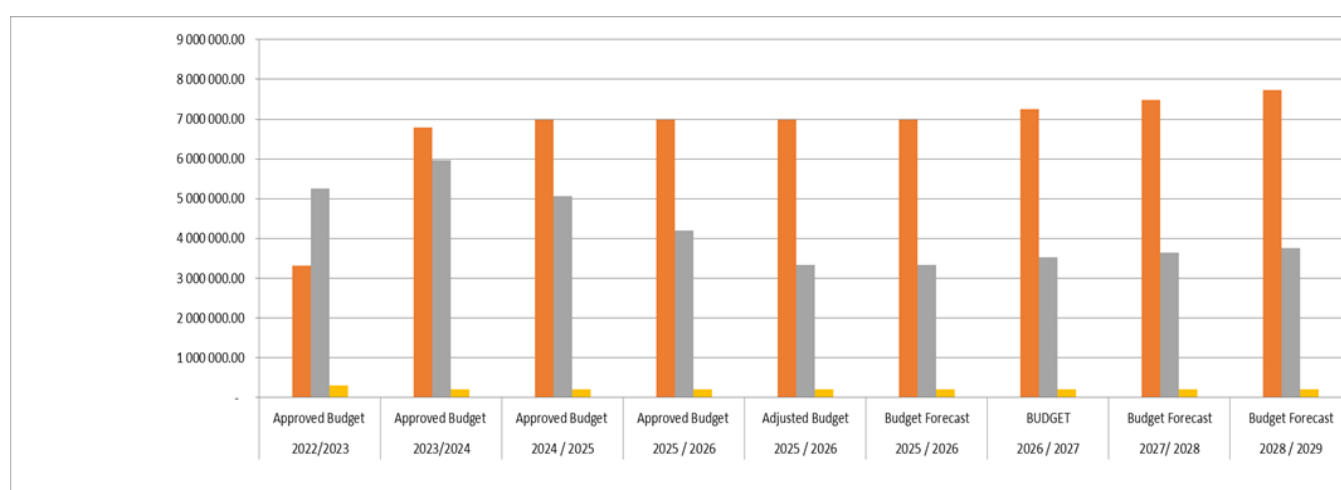


	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive Mayor	-	-	-	-	-	-	-	-	-
Municipal Manager	-	-	-	-	-	-	-	-	-
Budget and Treasury	217 957 198.00	222 273 000.00	228 809 000.00	235 826 000.00	235 776 000.00	235 776 000.00	242 133 000.00	249 951 800.00	259 610 138.00
Corporate Services	1 476 660.00	2 880 000.00	3 500 000.00	2 250 000.00	2 250 000.00	2 250 000.00	2 250 000.00	2 324 250.00	2 398 626.00
LEDT & Planning	5 318 894.00	4 947 000.00	8 213 000.00	9 095 000.00	9 095 000.00	9 095 000.00	8 569 000.00	7 121 000.00	3 218 000.00
Community Services	623 894.00	597 430.00	650 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 300 000.00	1 342 900.00	1 385 873.00
Total revenue by standard class	225 376 646.00	230 697 430.00	241 172 000.00	248 471 000.00	248 421 000.00	248 421 000.00	254 252 000.00	260 739 950.00	266 612 637.00

5. OPERATING EXPENDITURE BY MAJOR TYPE

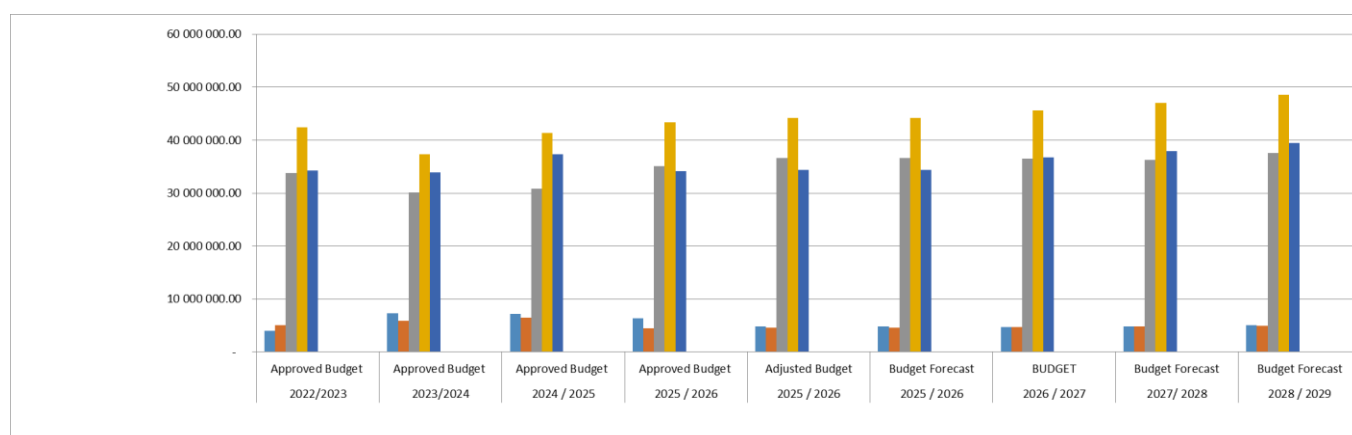


6. OPERATING EXPENDITURE BY MINOR TYPE



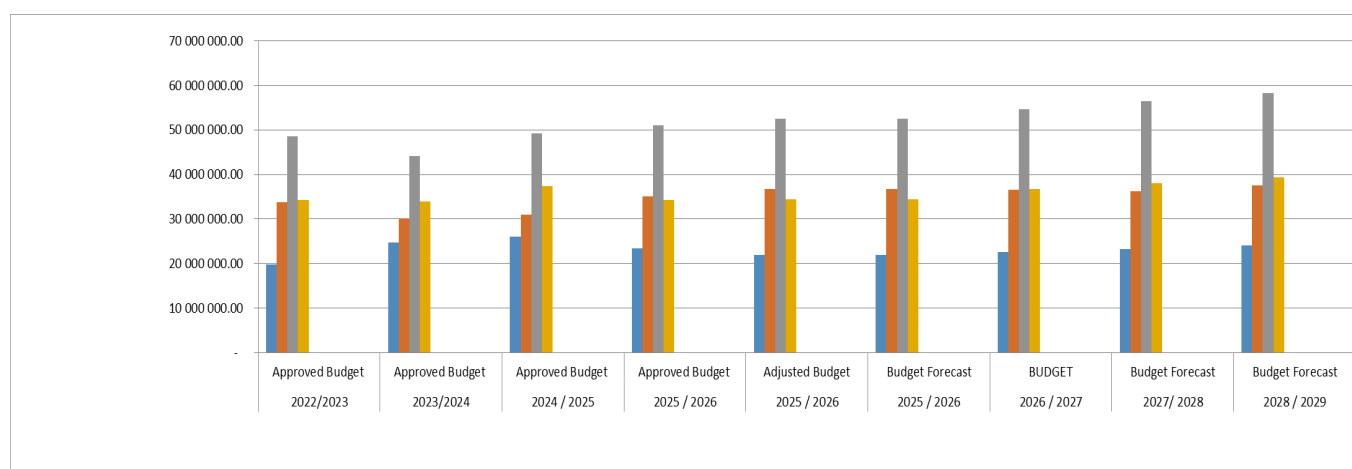
	2022/2023	2023/2024	2024/2025	2025/2026	2025/2026	2025/2026	2026/2027	2027/2028	2028/2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Finance charges	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	3 323 157.00	6 792 589.00	6 988 565.00	6 988 565.00	6 988 565.00	6 988 565.00	7 247 140.00	7 486 295.00	7 725 860.00
Other materials	5 260 689.00	5 961 120.00	5 055 000.00	4 200 000.00	3 333 000.00	3 333 000.00	3 531 000.00	3 647 523.00	3 764 244.00
Loss on disposal of PPE	297 473.00	195 000.00	195 000.00	195 000.00	195 000.00	195 000.00	200 000.00	206 600.00	213 210.00
Debt impairment	-	-	-	-	-	-	-	-	-
Total expenditure by minor type	8 881 319.00	12 948 709.00	12 238 565.00	11 383 565.00	10 516 565.00	10 516 565.00	10 978 140.00	11 340 418.00	11 703 314.00

7. OPERATING EXPENDITURE BY MUNICIPAL VOTE



	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Office of the Executive Mayor	4 048 966.70	7 361 261.00	7 201 880.00	6 338 847.00	4 833 327.00	4 833 327.00	4 686 363.00	4 841 013.00	5 006 590.00
Office of the Speaker	5 001 458.82	5 922 196.00	6 507 161.00	4 521 505.00	4 549 455.00	4 549 455.00	4 653 466.00	4 807 031.00	4 966 188.00
Chief Whip	1 624 873.31	1 820 142.00	2 015 613.00	1 841 634.00	1 641 334.00	1 641 334.00	2 009 307.00	2 075 615.00	2 142 035.00
Councillors	9 070 405.71	9 666 197.00	10 291 561.00	10 611 133.00	10 865 183.00	10 865 183.00	11 163 945.00	11 532 240.00	11 901 270.00
Municipal Manager Admin.	42 372 512.43	37 352 826.00	41 356 367.00	43 383 578.00	44 249 303.00	44 249 303.00	45 587 977.00	47 061 385.00	48 567 348.00
Internal Audit	6 190 949.13	6 711 787.00	7 930 974.00	7 681 480.00	8 272 155.00	8 272 155.00	9 111 639.00	9 412 324.00	9 713 520.00
Corporate Services Admin.	34 316 513.08	33 889 919.00	37 327 793.00	34 189 994.00	34 401 523.00	34 401 523.00	36 764 534.00	37 974 462.00	39 432 961.00
Budget and Treasury	33 745 839.33	30 095 464.00	30 889 977.00	35 052 181.00	36 655 897.00	36 655 897.00	36 500 317.00	36 295 927.00	37 593 397.00
LEDT & Planning	40 577 117.51	37 846 614.00	35 358 263.00	38 389 724.00	42 305 537.00	42 305 537.00	33 017 072.00	33 408 859.00	30 336 406.00
Community Services	56 322 475.95	59 850 594.00	62 079 411.00	66 310 167.00	66 747 286.00	66 747 286.00	69 154 600.00	71 223 502.00	73 496 253.00
Total Operating Expenditure	233 271 111.97	230 517 000.00	240 959 000.00	248 320 243.00	254 521 000.00	254 521 000.00	252 649 220.00	258 632 358.00	263 155 968.00

8. OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

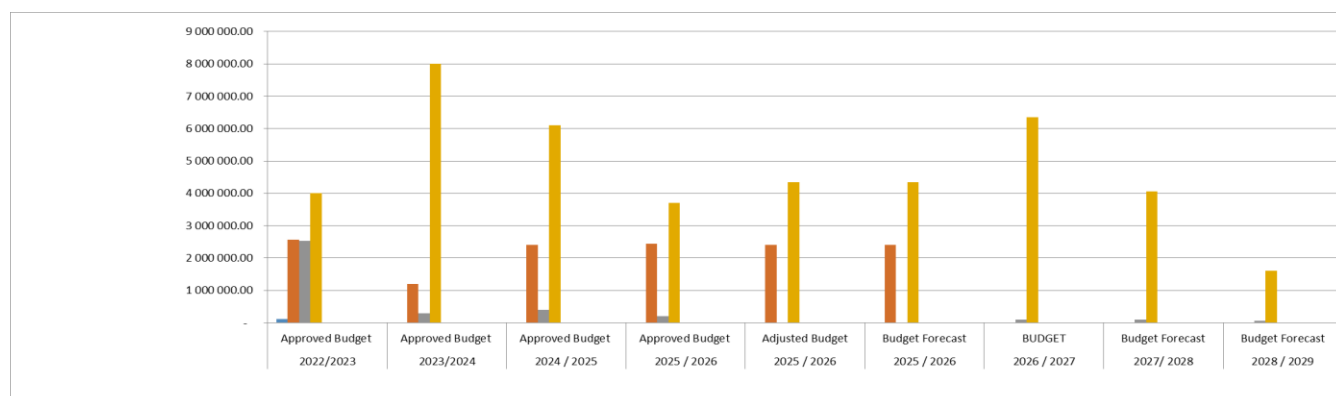


	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	19 745 704.54	24 769 796.00	26 016 215.00	23 313 119.00	21 889 299.00	21 889 299.00	22 513 081.00	23 255 899.00	24 016 083.00
Municipal Manager Admin.	48 563 461.56	44 064 613.00	49 287 341.00	51 065 058.00	52 521 458.00	52 521 458.00	54 699 616.00	56 473 709.00	58 280 868.00
Corporate Services Admin.	34 316 513.08	33 889 919.00	37 327 793.00	34 189 994.00	34 401 523.00	34 401 523.00	36 764 534.00	37 974 462.00	39 432 961.00
Budget and Treasury	33 745 839.33	30 095 464.00	30 889 977.00	35 052 181.00	36 655 897.00	36 655 897.00	36 500 317.00	36 295 927.00	37 593 397.00
LEDT & Planning	40 577 117.51	37 846 614.00	35 358 263.00	38 389 724.00	42 305 537.00	42 305 537.00	33 017 072.00	33 408 859.00	30 336 406.00
Community Services	56 322 475.95	59 850 594.00	62 079 411.00	66 310 167.00	66 747 286.00	66 747 286.00	69 154 600.00	71 223 502.00	73 496 253.00
TOTALS	233 271 111.97	230 517 000.00	240 959 000.00	248 320 243.00	254 521 000.00	254 521 000.00	252 649 220.00	258 632 358.00	263 155 968.00

9. CAPITAL EXPENDITURE BY VOTE AND FUNCTIONAL CLASSIFICATION

The capital needs of the municipality consist of Computer equipment, Software, office furniture and equipment, Fleet for the new and existing staff members.

The following GRAPH provides a breakdown of budgeted **capital expenditure** by vote:



	2022/2023	2023/2024	2024 / 2025	2025 / 2026	2025 / 2026	2025 / 2026	2026 / 2027	2027/ 2028	2028 / 2029
	Approved Budget	Approved Budget	Approved Budget	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	110 000.00	-	-	-	-	-	-	-	-
Municipal Manager Admin.	2 530 000.00	300 000.00	400 000.00	200 000.00	-	-	100 000.00	100 000.00	60 000.00
Corporate Services Admin.	4 000 000.00	8 000 000.00	6 100 000.00	3 700 000.00	4 345 000.00	4 345 000.00	6 350 000.00	4 050 000.00	1 600 000.00
Budget and Treasury	2 560 000.00	1 200 000.00	2 400 000.00	2 450 000.00	2 402 000.00	2 402 000.00	-	-	-
LEDT & Planning	16 550 000.00	6 200 000.00	4 000 000.00	4 700 000.00	1 700 000.00	1 700 000.00	3 000 000.00	1 300 000.00	1 000 000.00
Community Services	13 700 000.00	14 250 000.00	6 260 000.00	2 800 000.00	-	-	1 500 000.00	250 000.00	150 000.00
TOTALS	39 450 000.00	29 950 000.00	19 160 000.00	13 850 000.00	8 447 000.00	8 447 000.00	10 950 000.00	5 700 000.00	2 810 000.00

2.4. Overview of Budget Related Policies

Amongst other policies, the budget-related policies listed below will be workshopped with the elected councillors of the Dr Kenneth Kaunda District Municipality prior to the approval of the final 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF).

1) Budget and Virement policy

Purpose and objective of the policy

The purpose of this policy is to comply with Circular 14, 15, 19, 28,51 of the MFMA as well as Chapter 4 of the MFMA by providing a concise, easy to use document that provides a brief overview of the budget process and budgeting principles by constructing guidelines against which to measure outcomes, to ensure that the municipal budget and budget process will enhance transparency, accountability and effective financial management. This policy's objective serves to give guidance and compliance with applicable Act and Regulations, facilitation of internal operations with regard to municipal budget management.

2) Subsistence and Travelling Allowance Policy

Purpose and objective of the policy

The purpose of this policy is to comply with Circular 14, 15, 19, 28,51 of the MFMA as well as Chapter 4 of the MFMA by providing a concise, easy to use document that provides a brief overview of the budget process and budgeting principles by constructing guidelines against which to measure outcomes, to ensure that the municipal budget and budget process will enhance transparency, accountability and effective financial management. This policy's objective serves to give guidance and compliance with applicable Act and Regulations, facilitation of internal operations with regard to municipal budget management.

3) Cash Management Policy

Introduction

Availability of cash is one of the key requirements for financial sustainability for any organisation. Accumulated surplus is not an indicator of available cash and should not be seen as having a direct correlation with surplus cash.

One of the first and most important issues that must be borne in mind is that financial statements of municipalities are compiled on the accrual basis (GRAP / GAAP accounting standards used as basis of compilation) and not on the cash basis as Provincial and National Government. In the past the accrual basis was used, but fund accounting was applied and not GRAP. This change in accounting basis led to the accumulation of larger than expected accounting surpluses with little or no relation to cash reserves.

Cash Management will include all amounts disclosed on the financial statements on the following line items:

- 3.1.1 Investments (Long Term and Short Term)
- 3.1.2 Cash and Cash Equivalents

3.2. Determination of minimum cash levels to retain: Part 1: Encumbered Cash

3.2.1 Unspent Conditional Grants

Any grants received from the National or Provincial Government that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the conditions of the grant.

3.2.2 Developers Contributions

Any amounts received as development contributions that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than capital infrastructure improvements. There is no requirement to spend the contributions received on the development where the contributions originated from but must be utilised for the creation of additional infrastructure capacity.

3.2.3 Capital Replacement Reserve

Funds set aside for the Capital Replacement Reserve must be held in cash and only utilised for the acquisition of capital assets in accordance with the approved capital budget of Council.

3.2.4 Unspent Loan Funding

Any borrowed funds that have not been spent by the reporting date should be set aside in cash and not utilised for purposes other than the intended purpose as per the loan agreements.

3.2.5 Deposits held

Consumer deposits are amount paid by customers, to be withheld by the municipality from the opening of an account till termination. The deposits will be refunded on termination provided the customer does not owe the municipality on municipal accounts. Consumer deposits must be cash-backed.

3.2.6 Retentions held

Retention in contracts are amounts be held as a set off in the event the contractor does honouring the contract in regards to defects. Normally retention is held for the cost of rectification of defects during the construction period and for the cost of rectification of defects during the defects liability period, usually 12 months after the date of practical completion. The retentions held are thus not available for purposes other than releasing the funds to the contractor at the end of the defects period and should be held in cash and not utilised for other purposes. This is included in the creditors part of the Working Capital Cash Provision.

3.3 Determination of minimum cash levels to retain: Part 2: Balance Sheet Provisions and Reserves

The Accounting Policy of the Municipality contains the following sections relating to provisions: A provision is recognised when the economic entity has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The economic entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Provisions are reviewed annually and those estimated to be settled within the next twelve months are treated as current liabilities. All other provisions are treated as long term liabilities.

4) Supply Chain Management Policy

OBJECTIVES OF THIS POLICY

- 4.1. The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:
 - 4.1.1 gives effect to:
 - 4.1.2 section
 - 4.1.3 217 of the Constitution; and
 - 4.1.4 Part 1 of Chapter 11 and other applicable provisions of the MFMA;
- 4.2. is fair, equitable, transparent, competitive and cost effective;
- 4.3. complies with:
 - 4.3.1. the regulatory framework prescribed in Chapter 2 of the SCMR; and
 - 4.3.2. any minimum norms and standards that may be prescribed by means of regulations or guidelines as envisaged by the provisions of section 168 of the MFMA;
- 4.4. is consistent with other applicable legislation;

- 4.5. does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
- 4.6. is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- 4.7. The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:
 - 4.7.1. procuring goods and/or services;
 - 4.7.2. disposing of goods no longer needed
 - 4.7.3. selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or
 - 4.7.4. In the case of the Municipality selecting external mechanisms referred to in section 80(1)(b) of the MSA for the provision of municipal services in circumstances contemplated in section 83 of that Act

To assure the creation of an environment where business can be conducted with integrity and in a fair, reasonable and accountable manner, this policy will ensure that the Municipal Manager and all officials of the Municipality involved in supply chain management activities must act with integrity, accountability, transparency and with the highest of ethical standards and free of favouritism, nepotism and corruption of any kind. The officials of the Municipality involved in supply chain management activities must adhere to the code of ethical standards contained in the policy.

2.5. Overview of Budget Assumptions

- The 2026/27 Draft Annual budget has been prepared in accordance with Municipal Budget and Reporting Regulations of 2009 and the guidelines as set out in MFMA Municipal budget circular for the 2026/27 MTREF - **Circular 132 of 5th Dec 2025**.
- National Treasury has set out the requirements for funding the budget and producing a credible budget. Attention was given to Section 18(1) of the MFMA, which states that an annual budget may only be funded from:
 - Realistically anticipated revenues to be collected;
 - Cash-backed accumulated funds from previous years' surpluses not
 - committed for other purposes; and

- Borrowed funds, but only for the capital budget referred to in section 17(2).
- Achievement of this requirement in totality effectively means that a Council has “balanced” its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.
- The Municipalities must adopt a conservative approach when projecting their expected revenue and cash receipts as well as pay particular attention to managing of revenue effectively and carefully, evaluate all spending.
- The 2026/27 to 2028/29 calculations were based on Consumer Price Index of 3.4% 2026/27, 3.3% 2027/28 and 3.2% 2028/29 published on the MFMA **Circular no.134**.

Fiscal Year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.3%	3.4%	3.3%	3.2%

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2026/27 budget year is provided on inflation related rate and as per Remuneration of Public Office Bearers Act, as published by the Minister of Local Government from time to time for the determination of upper limits of salaries, allowances and benefits of different members of municipal councils, Councillors Salaries.
- Employee related costs takes in to consideration the South African Local Government Bargaining Council Salary and Wage Collective Agreement. **Circular 4 of 2026 – 12 March 2026**.
- Other operating expenditure has been provided at increase as per the current inflation estimated targets of 3.4%, previous financial year performance and needs analysis and capital expenditure has been provided for at zero based budgeting and as per the needs analysis. The budget provided for were based on the departmental inputs in line with their IDP objectives of each department.
- In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures.
- Repairs and maintenance expenditure does not have the same level of impact as experienced in local municipalities, due to the nature and scope of the District

Municipality's functions. The provision made in the budget is considered adequate to cover all planned repairs and maintenance requirements.

- The 2026/27 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment measures which were approved by Council. This is done by prioritising essential service delivery and curbing discretionary expenditure, the Municipality aims to ensure financial sustainability, improve the efficiency of resource utilisation, and redirect savings toward programmes that directly benefit communities.

2.6. Overview of Budget Funding

Operating Revenue Framework

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

Table 3 Revenue by source

NO	Revenue by Source	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	- 1 100 000.00	- 1 100 000.00	- 210 000.00	- 1 200 000.00	9.09	- 1 300 000.00	- 1 500 000.00
2	TS_O_M_NRF_EQUITABLE SHARE	- 32 981 000.00	- 32 981 000.00	- 24 735 750.00	- 31 990 000.00	3.00	- 31 437 000.00	- 34 135 000.00
3	TS_O_M_NRF_FUEL LEVY	-192 095 000.00	- 192 095 000.00	- 144 071 250.00	-199 343 000.00	3.77	-207 298 000.00	-213 741 000.00
4	INTER: BANK ACCOUNTS	- 3 500 000.00	- 3 500 000.00	- 782 656.05	- 3 500 000.00	-	- 3 615 500.00	- 3 731 196.00
5	INTER: SHORT TERM INVEST & CALL ACCOUNTS	- 6 000 000.00	- 6 000 000.00	- 2 632 069.87	- 6 000 000.00	-	- 6 198 000.00	- 6 396 336.00
6	TS_O_M_DPAA_NDA_EDUC;TR&DEV SETA	- 2 000 000.00	- 2 000 000.00	- 411 099.86	- 2 000 000.00	-	- 2 066 000.00	- 2 132 112.00
7	RENTAL	- 250 000.00	- 250 000.00	-	- 250 000.00	-	- 258 250.00	- 266 514.00
8	COMMISSION: INSURANCE	- 30 000.00	- 30 000.00	- 4 007.46	- 30 000.00	-	- 30 990.00	- 31 982.00
9	SALE OF: ASSET < CAP THRESH	- 70 000.00	- 70 000.00	-	- 70 000.00	-	- 72 310.00	- 74 624.00
10	SALE OF: PUBLICATION - TENDER DOCUMENTS	- 50 000.00	-	-	-	-	-	-
11	TS_O_M_NG_EPWP GRANT	- 2 211 000.00	- 2 211 000.00	- 2 207 213.00	- 1 568 000.00	- 29.08	-	-
12	TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT	- 2 884 000.00	- 2 884 000.00	-	- 3 001 000.00	4.06	- 3 121 000.00	- 3 218 000.00
13	ENERGY EFFICIENCY AND DEMAND-SIDE MAN GRANT	- 4 000 000.00	- 4 000 000.00	- 1 276 363.18	- 4 000 000.00	-	- 4 000 000.00	-
14	HEALTH CERTIFICATES	- 1 300 000.00	- 1 300 000.00	- 525 680.14	- 1 300 000.00	-	- 1 342 900.00	- 1 385 873.00
	TOTAL : INCOME	-248 471 000.00	- 248 421 000.00	- 176 856 089.56	-254 252 000.00	2.35	-260 739 950.00	-266 612 637.00

The following contributing factors has led to the increase in the operating revenue budget:

- **Equitable share** has decreased by 3.00% or **R991 Thousand** when compared to the 2025/26 Adjustment Budget.
- **RSC Replacement Grant** has increased by 3.77% or **R7.2 Million** when compared to the 2025/26 Adjustment Budget.
- **EPWP Grant** has decreased by 29.08% or **R643 Thousand** when compared to the 2025/26 Adjustment Budget.
- **Rural Roads Asset Management (RRAMS)** has increased by 4.06% or **R117 Thousand** when compared to the 2025/26 Adjustment Budget.
- Financial Management Grant (FMG) increased by **R100 Thousand** or 9.09% when compared to the 2025/26 Adjustment Budget

- Energy and Efficiency and Demand-Side Management Grant remains at **R4 Million** when compared to the 2025/26 Adjustment Budget
- Interest on short term investment remains at **R6 Million** when compared to the 2025/26 Adjustment Budget.
- Interest on call accounts remains at **R3.5 Million** as compared to the 2025/26 Adjustment Budget
- **LGSETA** remains at **R2 Million** when compared to the 2025/26 Adjustment Budget.
- Rental income remains at **R250 Thousand** when compared to the 2025/26 Adjustment Budget.
- Commission on insurance remains the same at **R30 Thousand** when compared to the 2025/26 Adjustment Budget.
- Proceeds from the Sale of Assets remains at **R70 Thousand** when compared to the 2025/26 Adjustment Budget.
- Health Certificates remains the same at **R1.3 Million** when compared to the 2025/26 Adjustment Budget.

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

DC40 Dr Kenneth Kaunda - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	120	70	70	-	70	72	75
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	-	(30 000)	9 500	9 500	9 500	3 415	9 500	9 814	10 128
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	250	250	250	-	250	258	267
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	30	30	30	8	30	31	32
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	1 300	1 300	1 300	621	1 300	1 343	1 386
Transfer and subsidies - Operational		-	-	-	45 176	45 176	45 176	28 840	43 759	41 924	40 985
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	192 095	192 095	192 095	144 071	199 343	207 298	213 741
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		-	-	(30 000)	248 471	248 421	248 421	176 955	254 252	260 740	266 613

Operating Expenditure Framework

The following table is a high-level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure).

DC40 Dr Kenneth Kaunda - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure											
Employee related costs	2	-	-	138 965	144 713	144 713	144 713	116 375	151 602	156 605	161 616
Remuneration of councillors		-	-	11 183	13 588	13 588	13 588	10 365	13 995	14 457	14 920
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	2 831	4 200	3 333	3 333	1 531	3 531	3 648	3 764
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	-	-	7 184	7 184	7 184	2 232	7 447	7 693	7 939
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	19 437	43 795	53 277	53 277	24 609	41 705	40 944	38 138
Transfers and subsidies		-	-	1 169	4 250	4 100	4 100	1 180	4 000	4 132	4 264
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		-	-	24 540	29 701	28 327	28 327	17 467	30 369	31 154	32 514
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	198 126	247 430	254 521	254 521	173 758	252 649	258 632	263 156

- The proposed operating revenue for the 2026/27 financial year has been appropriated at **R254.2 Million**. The operating revenue has increased by 2.35% or **R5.8 Million** for the 2025/26 financial year when compared to the 2025/26 Adjustment Budget.

Table 4(a) Operating Expenditure by type

DISCRPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT APR 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
EMPLOYEE RELATED COSTS	144 713 234.00	144 713 234.00	116 343 454.54	151 602 180.00	4.76	156 605 047.00	161 616 404.00
REMUNERATION OF COUNCILLORS	13 587 559.00	13 587 559.00	10 364 816.24	13 995 300.00	3.00	14 457 031.00	14 919 652.00
OUTSOURCED SERVICES	13 135 000.00	20 499 000.00	16 257 281.09	10 803 000.00	- 47.30	10 541 765.00	10 879 106.00
CONSULTANTS AND PROFESSIONAL SERVICES	17 434 000.00	17 337 000.00	9 337 761.92	16 887 000.00	- 2.60	15 924 338.00	12 318 311.00
CONTRACTORS	13 226 000.00	15 441 000.00	6 713 208.51	14 015 000.00	- 9.24	14 477 495.00	14 940 774.00
OPERATIONAL COSTS	27 200 885.00	25 726 642.00	15 364 820.48	28 268 600.00	9.88	28 984 964.00	30 275 465.00
INVENTORY	4 200 000.00	3 333 000.00	1 530 894.33	3 531 000.00	5.94	3 647 523.00	3 764 244.00
OPERATING LEASES	2 500 000.00	2 600 000.00	1 659 976.00	2 100 000.00	- 19.23	2 169 300.00	2 238 718.00
TRANSFER AND SUBSIDIES	4 250 000.00	4 100 000.00	1 148 700.80	4 000 000.00	- 2.44	4 132 000.00	4 264 224.00
DEPRECIATION AND AMORTISATION	6 988 565.00	6 988 565.00	6 745 118.96	7 247 140.00	3.70	7 486 295.00	7 725 860.00
TOTAL OPERATING EXPENDITURE	247 235 243.00	254 326 000.00	185 466 032.87	252 449 220.00	- 0.74	258 425 758.00	262 942 758.00
IMPAIRMENT LOSSES	195 000.00	195 000.00	-	200 000.00	2.56	206 600.00	213 210.00
TOTAL GAINS AND LOSSES	195 000.00	195 000.00	-	200 000.00	2.56	206 600.00	213 210.00
TOTAL EXPENDITURE	247 430 243.00	254 521 000.00	185 466 032.87	252 649 220.00	- 0.74	258 632 358.00	263 155 968.00

Table 4 (b): Operating Expenditure per Department

DR KENNETH KAUNDA DISTRICT MUNICIPALITY FINAL BUDGET 2026/2027								
OPERATING EXPENDITURE								
CURRENT YEAR 2025 / 2026				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
	DEPARTMENT	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT APR 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	EXECUTIVE MAYOR	5 988 847.00	4 833 327.00	3 274 222.58	4 686 363.00	- 3.04	4 841 013.00	5 006 590.00
2	SPEAKER	4 511 505.00	4 549 455.00	3 338 158.02	4 653 466.00	2.29	4 807 031.00	4 966 188.00
3	CHIEF WHIP	1 691 634.00	1 641 334.00	995 363.64	2 009 307.00	22.42	2 075 615.00	2 142 035.00
4	COUNCILLORS	10 611 133.00	10 865 183.00	7 993 759.61	11 163 945.00	2.75	11 532 240.00	11 901 270.00
5	MUNICIPAL MANAGER ADMINISTRATION	43 263 578.00	44 229 303.00	32 667 517.95	45 567 977.00	3.03	47 040 725.00	48 546 027.00
6	INTERNAL AUDIT	7 681 480.00	8 272 155.00	5 500 455.78	9 111 639.00	10.15	9 412 324.00	9 713 520.00
7	CORPORATE SERVICES	34 099 994.00	34 321 523.00	24 670 050.63	36 684 534.00	6.88	37 891 822.00	39 347 677.00
8	BUDGET AND TREASURY	34 972 181.00	36 575 897.00	26 903 602.90	36 420 317.00	- 0.43	36 213 287.00	37 508 113.00
9	LED & PLANNING	38 134 724.00	42 290 537.00	28 897 994.34	32 997 072.00	- 21.98	33 388 199.00	30 315 085.00
10	COMMUNITY SERVICES	66 280 167.00	66 747 286.00	51 224 907.42	69 154 600.00	3.61	71 223 502.00	73 496 253.00
	TOTAL	247 235 243.00	254 326 000.00	185 466 032.87	252 449 220.00	- 0.74	258 425 758.00	262 942 758.00
GAINS AND LOSSES								
CURRENT YEAR 2025 / 2026				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
	DEPARTMENT	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT APR 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	MUNICIPAL MANAGER ADMINISTRATION	20 000.00	20 000.00	-	20 000.00	-	20 660.00	21 321.00
2	CORPORATE SERVICES	80 000.00	80 000.00	-	80 000.00	-	82 640.00	85 284.00
3	BUDGET AND TREASURY	80 000.00	80 000.00	-	80 000.00	-	82 640.00	85 284.00
4	LED & PLANNING	15 000.00	15 000.00	-	20 000.00	33.33	20 660.00	21 321.00
	TOTAL	195 000.00	195 000.00	-	200 000.00	2.56	206 600.00	213 210.00
	TOTAL OPERATING EXPENDITURE	247 430 243.00	254 521 000.00	185 466 032.87	252 649 220.00	- 0.74	258 632 358.00	263 155 968.00
CAPITAL EXPENDITURE								
CURRENT YEAR 2025 / 2026				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
	DEPARTMENT	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT APR 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	EXECUTIVE MAYOR	-	-	-	-	-	-	-
2	SPEAKER	-	-	-	-	-	-	-
3	CHIEF WHIP	-	-	-	-	-	-	-
4	COUNCILLORS	-	-	-	-	-	-	-
5	MUNICIPAL MANAGER ADMINISTRATION	200 000.00	-	-	100 000.00	-	100 000.00	60 000.00
6	INTERNAL AUDIT	-	-	-	-	-	-	-
7	CORPORATE SERVICES	3 700 000.00	4 345 000.00	2 759 845.86	6 350 000.00	46.14	4 050 000.00	1 600 000.00
8	BUDGET AND TREASURY	2 450 000.00	2 402 000.00	2 401 148.34	-	- 100.00	-	-
9	LED & PLANNING	4 700 000.00	1 700 000.00	705 600.00	3 000 000.00	76.47	1 300 000.00	1 000 000.00
10	COMMUNITY SERVICES	2 800 000.00	-	-	1 500 000.00	-	250 000.00	150 000.00
	TOTAL	13 850 000.00	8 447 000.00	5 866 594.20	10 950 000.00	29.63	5 700 000.00	2 810 000.00

Table 4 (c): Operating Expenditure as a %

		CURRENT YEAR 2025/ 2026			
No	DISCRIPTION	APPROVED BUDGET	ADJUSTED BUDGET	2026 / 2027 BUDGET	EXP AS A %
1	EMPLOYEE RELATED COSTS	144 713 234.00	144 713 234.00	151 602 180.00	60.01
2	REMUNERATION OF COUNCILLORS	13 587 559.00	13 587 559.00	13 995 300.00	5.54
3	OUTSOURCED SERVICES	13 135 000.00	20 499 000.00	10 803 000.00	4.28
4	CONSULTANTS AND PROFESSIONAL SERVICES	17 434 000.00	17 337 000.00	16 887 000.00	6.68
5	CONTRACTORS	13 226 000.00	15 441 000.00	14 015 000.00	5.55
6	OPERATIONAL COSTS	27 200 885.00	25 726 642.00	28 268 600.00	11.19
7	INVENTORY	4 200 000.00	3 333 000.00	3 531 000.00	1.40
8	OPERATING LEASES	2 500 000.00	2 600 000.00	2 100 000.00	0.83
9	TRANSFER AND SUBSIDIES	4 250 000.00	4 100 000.00	4 000 000.00	1.58
10	DEPRECIATION AND AMORTISATION	6 988 565.00	6 988 565.00	7 247 140.00	2.87
11	TOTAL GAINS AND LOSSES	195 000.00	195 000.00	200 000.00	0.08
	TOTAL OPERATING EXPENDITURE	247 430 243.00	254 521 000.00	252 649 220.00	100.00

- i. The proposed operating expenditure for the 2026/27 financial year has been appropriated at **R252.8 Million** and translates into a budgeted cash surplus of **R1.6 Million** before the reversal of a non-cash items of **R7.4 Million**. The operating expenditure has decreased by 0.74% or **R1.8 Million** in the 2026/27 financial year when compared to the 2025/26 Adjustment Budget. For the two outer years, operating expenditure will increase by 2.37% or **R5.9 Million** in 2027/28 and increase by 1.75% or **R4.5 Million** in 2028/29.

The allocation towards operating expenditure budget is as follows:

- The proposed employee related costs for the 2026/27 financial has been appropriated at **R151.6 Million**. There is an increase of 4.76% or **R6.8 Million** when compared to the 2025/26 Adjustment Budget. The employee related cost budget constitute **59.96%** of the total operating expenditure budget which is way above the acceptable norm of 40%.
- The proposed remuneration of councillors for the 2026/27 financial has been appropriated at **R13.9 Million**. There has been an increased 3.00% or **R407 Thousand** on Remuneration of Councillors when compared to the 2025/26 Adjustment Budget. The estimate is made while waiting for the 2026/27 pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- After consideration of employee related cost and the remuneration of Councillors the municipality is left with **R78.5 Million** from the total operating expenditure budget. The operational budget is then allocated to Outsource Services, Consultants and Professional Services, and Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.

Table 5: Outsource Services

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	OS: BURIAL SERVICES	350 000.00	350 000.00	234 000.00	350 000.00	-	361 550.00	373 120.00
2	OS: CATERING SERVICES	1 690 000.00	2 224 000.00	1 265 511.12	2 135 000.00	- 4.00	2 174 465.00	2 244 053.00
3	OS: CLEANING SERVICES	60 000.00	60 000.00	-	60 000.00	-	61 980.00	63 963.00
4	OS: CLEARING & GRASS CUTTING SERVICES	150 000.00	20 000.00	-	20 000.00	-	20 660.00	21 321.00
5	OS: MEDICAL SERVICES [HEALTH SERV & SUP]	100 000.00	100 000.00	28 500.00	80 000.00	- 20.00	82 640.00	85 284.00
6	OS: PERSONNEL & LABOUR - EPWP GRANT	2 211 000.00	2 211 000.00	2 207 213.00	1 568 000.00	- 29.08	-	-
7	OS: PERSONNEL & LABOUR-CBP	2 400 000.00	2 400 000.00	1 925 938.16	2 400 000.00	-	2 479 200.00	2 558 534.00
8	OS: PERSONNEL & LABOUR-EPWP	5 864 000.00	12 794 000.00	10 435 514.71	3 700 000.00	- 71.08	4 855 100.00	5 010 463.00
9	OS: TRANSPORT SERVICES	310 000.00	340 000.00	160 604.10	490 000.00	44.12	506 170.00	522 368.00
	SUB TOTAL : OUTSOURCE SERVICES	13 135 000.00	20 499 000.00	16 257 281.09	10 803 000.00	- 47.30	10 541 765.00	10 879 106.00

- The proposed outsource services budget for the 2026/27 financial year has been appropriated at **R10.8 Million**. The outsource services has decreased by 47.30% or R9.6 Million when compared to the 2025/26 Adjustment Budget. For the two outer years, outsource services will decrease by 2.42% or R261 Thousand in 2027/28 and increase by 3.2% or R337 Thousand in 2028/29.

Table 6: Consultants and Professional Services

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	C&PS: B&A ACTUARIES	30 000.00	25 000.00	25 000.00	30 000.00	20.00	30 990.00	31 982.00
2	C&PS: B&A AIR POLLUTION-AIR QUALITY	50 000.00	10 000.00	-	10 000.00	-	10 330.00	10 661.00
3	C&PS: B&A AUDIT COMMITTEE	1 000 000.00	1 000 000.00	557 006.06	1 100 000.00	10.00	1 136 300.00	1 172 662.00
4	INDEPENDENT EXTERNAL QUALITY ASSESSMENT	-	-	-	400 000.00	#DIV/0!	413 200.00	426 422.00
5	C&PS: B&A BUSINESS& FIN MANAGEMENT-AFS	1 800 000.00	1 742 000.00	1 741 260.00	2 100 000.00	20.55	700 000.00	700 000.00
6	C&PS: B&A ORGANISATIONAL	100 000.00	100 000.00	93 789.44	80 000.00	- 20.00	82 640.00	85 284.00
7	C&PS: B&A RESEARCH & ADVISORY	1 300 000.00	1 300 000.00	1 130 920.00	150 000.00	- 88.46	154 950.00	159 908.00
8	C&PS: I&P ENGINEERING ELECTRICAL-ENERGY	4 000 000.00	4 000 000.00	1 276 363.18	4 000 000.00	-	4 000 000.00	-
9	C&PS: LAB SERV WATER	900 000.00	900 000.00	368 430.52	900 000.00	-	929 700.00	959 450.00
10	C&PS: LAB SERV FOOD	60 000.00	90 000.00	56 022.02	90 000.00	-	92 970.00	95 945.00
11	C&PS: LEGAL COST ADVICE & LITIGATION - LEGAL FEES	3 500 000.00	3 500 000.00	1 219 198.61	3 000 000.00	- 14.29	3 099 000.00	3 198 168.00
12	C&PS:B&A BUSINESS & FIN MANAGEMENT-FMG	260 000.00	260 000.00	-	450 000.00	73.08	525 250.00	579 725.00
13	C&PS:B&A BUSINESS&FIN MANAGEMENT-ASSETS	1 300 000.00	1 250 000.00	1 002 050.00	1 300 000.00	4.00	1 342 900.00	1 385 873.00
14	C&PS:B&A RESEARCH&ADVISORY-DIS MAN RESE	50 000.00	50 000.00	-	50 000.00	-	51 650.00	53 303.00
15	C&PS:I&P LAND & QUANTITY SURVEYORS-RRAMS	2 884 000.00	2 884 000.00	1 652 330.78	3 001 000.00	4.06	3 121 000.00	3 218 000.00
16	C&PS: SMME HUB AND LIGHT INDUSTRIAL PARK	200 000.00	226 000.00	215 391.31	226 000.00	-	233 458.00	240 928.00
	SUB TOTAL : CONSULTANT AND PROF SERVICES	17 434 000.00	17 337 000.00	9 337 761.92	16 887 000.00	- 2.60	15 924 338.00	12 318 311.00

- The proposed budget on Consultants and Professional Services for the 2026/27 financial year has been appropriated at **R16.8 Million**. The Consultants and Professional Services has decreased by 2.60% or **R450 Thousand** when compared to the 2025/26 Adjustment Budget. For the two outer years, consultants and professional services will decrease by 5.70% or R962 Thousand and 22.64% or R3.6 Million respectively.

Table 7: Contractors

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	CONTR: MAINT OF BUILDINGS & FACILITIES: TOILETS & BOREHOL	450 000.00	450 000.00	73 290.00	450 000.00	-	464 850.00	479 725.00
2	CONTR: ARTISTS & PERFORMERS-DIS MAN AWAR	120 000.00	120 000.00	28 000.00	120 000.00	-	123 960.00	127 927.00
3	CONTR: ARTISTS & PERFORMERS-TRADE&INVEST	100 000.00	40 000.00	24 400.00	40 000.00	-	41 320.00	42 642.00
4	CONTR: EMPLOYEE WELLNESS	300 000.00	150 000.00	-	200 000.00	33.33	206 600.00	213 211.00
5	CONTR: FIRE PROTECTION	150 000.00	50 000.00	-	50 000.00	-	51 650.00	53 303.00
6	CONTR: MAINTENANCE OF EQUIPMENT-PLANT&EQ	650 000.00	450 000.00	26 084.95	450 000.00	-	464 850.00	479 725.00
7	CONTR: MAINTENANCE OF EQUIPMENT-SYSTEM	200 000.00	2 700 000.00	756 907.84	550 000.00	- 79.63	568 150.00	586 331.00
8	CONTR: MAINTENANCE OF EQUIPMENT-VEHICLES	450 000.00	400 000.00	223 392.42	400 000.00	-	413 200.00	426 422.00
9	CONTR: SAFEGUARD & SECURITY	9 026 000.00	9 326 000.00	5 394 005.22	10 000 000.00	7.23	10 330 000.00	10 660 560.00
10	CCTV CAMERAS	-	-	-	-	#DIV/0!	-	-
11	CONTR:MAINTENANCE OF EQUIPMENT-OFFICE E	80 000.00	55 000.00	-	55 000.00	-	56 815.00	58 633.00
12	CONTR: REPAIRS AND MAINTENANCE BUILDING	1 700 000.00	1 700 000.00	187 128.08	1 700 000.00	-	1 756 100.00	1 812 295.00
	SUB TOTAL : CONTRACTORS	13 226 000.00	15 441 000.00	6 713 208.51	14 015 000.00	- 9.24	14 477 495.00	14 940 774.00

- The proposed contractors budget for the 2026/27 financial year has been appropriated at **R14 Million**. The contractors have decreased by 9.24% or R1.4 Million when compared to the 2025/26 Adjustment Budget. For the two outer years,

contractors will increase by 3.30% or R462 Thousand and 3.20% or R463 Thousand respectively.

Table 8: Operational Costs

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	700 000.00	500 000.00	290 372.60	500 000.00	-	516 500.00	533 028.00
2	OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	2 310 000.00	2 005 000.00	994 594.03	2 020 000.00	0.75	2 086 660.00	2 169 426.00
3	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	50 000.00	-	-	-	#DIV/0!	-	-
4	OC: ADV/PUB/MARK - STAFF RECRUITMENT	137 200.00	190 200.00	140 123.12	120 000.00	- 36.91	123 960.00	127 928.00
5	OC: ADV/PUB/MARK - TENDERS	70 000.00	100 000.00	71 735.60	100 000.00	-	103 300.00	106 606.00
6	OC: AUDIT COST: EXTERNAL	4 800 000.00	6 000 000.00	5 867 196.56	6 000 000.00	-	6 198 000.00	6 396 336.00
7	OC: BC/FAC/C FEES - BANK ACCOUNTS	300 000.00	280 000.00	257 028.17	280 000.00	-	289 240.00	298 496.00
8	OC: BURSARIES (COUNCILLORS & EMPLOYEES)	700 000.00	700 000.00	329 588.00	500 000.00	- 28.57	516 500.00	746 239.00
9	OC: CLEAN SERV - CAR VALET/WASHING SERV	15 000.00	15 000.00	5 400.00	10 000.00	- 33.33	10 330.00	10 661.00
10	OC: COMM - LICENCES (RADIO & TELEVISION)	20 000.00	-	-	-	#DIV/0!	-	-
11	OC: COMM - RADIO & TV TRANSMISSIONS	220 000.00	180 000.00	91 499.99	180 000.00	-	185 940.00	191 890.00
12	OC: COMM - PHONE FAX TELEGRAPH & TELEX	773 229.00	520 229.00	72 405.00	610 000.00	17.26	630 130.00	650 295.00
13	OC: ENTERTAINMENT - EXEC MAYOR	50 000.00	50 000.00	31 511.70	50 000.00	-	51 650.00	53 303.00
14	OC: ENTERTAINMENT - COUNCILLORS	110 000.00	100 000.00	1 974.30	110 000.00	10.00	113 630.00	117 267.00
15	OC: ENTERTAINMENT - SENIOR MANAGEMENT	30 000.00	30 000.00	20 226.60	25 000.00	- 16.67	25 825.00	26 651.00
16	OC: EXT COM SERV PROV - INTERNET CHARGE	700 000.00	500 000.00	134 492.73	550 000.00	10.00	568 150.00	586 331.00
17	OC: EXT COM SERV PROV - S/WARE LICENCES	1 700 000.00	1 700 000.00	1 013 870.00	4 000 000.00	135.29	4 132 000.00	4 264 224.00
18	OC: EXT COM SERV PROV - SPEC COMPUT SERV - WEBSITE	100 000.00	130 000.00	59 916.00	130 000.00	-	134 290.00	138 587.00
19	OC: HIRE CHARGES	1 440 000.00	1 420 000.00	290 880.75	1 590 000.00	11.97	1 642 470.00	1 695 030.00
20	OC: INSUR UNDER - EXCESS PAYMENTS	35 000.00	35 000.00	14 748.85	35 000.00	-	36 155.00	37 312.00
21	OC: INSUR UNDER - PREMIUMS	2 500 000.00	600 000.00	76 829.95	600 000.00	-	619 800.00	639 634.00
22	OC: LEARNERSHIPS & INTERNSHIPS - LGSETA	500 000.00	500 000.00	87 500.00	500 000.00	-	516 500.00	533 028.00
23	OC: LIC - VEHICLE LIC & REGISTRATIONS	180 000.00	160 000.00	104 427.50	160 000.00	-	165 280.00	170 569.00
24	OC: MUNICIPAL SERVICES	2 000 000.00	1 580 000.00	919 317.96	2 000 000.00	26.58	2 066 000.00	2 132 112.00
25	OC: PRINTING & PUBLICATIONS	130 000.00	110 000.00	42 852.00	110 000.00	-	113 630.00	117 266.00
26	OC: PROFESSIONAL BODIES M/SHIP & SUBS	1 660 000.00	1 625 000.00	1 452 750.35	1 725 000.00	6.15	1 781 925.00	1 838 947.00
27	OC: REG FEES NATIONAL	960 000.00	605 000.00	52 711.30	590 000.00	- 2.48	609 470.00	739 047.00
28	OC: SKILLS DEVELOPMENT FUND LEVY	1 383 600.00	1 306 357.00	945 003.96	1 286 000.00	- 1.56	1 328 438.00	1 370 946.00
29	OC: SIGNAGE	150 000.00	130 000.00	23 400.00	130 000.00	-	134 290.00	138 587.00
30	OC: TOLL GATE FEES & PARKING FEES	7 000.00	7 000.00	1 958.00	7 000.00	-	7 231.00	7 462.00
31	OC: TRANSPORT - EVENTS	840 000.00	660 000.00	275 611.89	710 000.00	7.58	733 430.00	756 899.00
32	OC: T&S DOM - ACCOMMODATION	970 000.00	1 250 000.00	709 361.33	1 070 000.00	- 14.40	1 105 310.00	1 140 680.00
33	OC: T&S DOM - DAILY ALLOWANCE	65 600.00	54 600.00	12 967.53	54 600.00	-	56 402.00	58 208.00
34	OC: T&S DOM - FOOD & BEVERAGE (SERVED)	18 000.00	18 000.00	-	18 000.00	-	18 594.00	19 189.00
35	OC: T&S DOM TRP - WITHOUT OPR CAR RENTAL	4 000.00	4 000.00	-	4 000.00	-	4 132.00	4 264.00
36	OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT	132 256.00	141 256.00	56 323.73	154 000.00	9.02	159 082.00	164 172.00
37	OC: T&S DOM PUB TRP - AIR TRANSPORT	200 000.00	150 000.00	37 534.64	150 000.00	-	154 950.00	159 908.00
38	OC: TRANSPORT - MUNICIPAL ACTIVITIES	20 000.00	20 000.00	-	20 000.00	-	20 660.00	21 321.00
39	OC: UNIFORM & PROTECTIVE CLOTHING	520 000.00	750 000.00	14 655.04	720 000.00	- 4.00	743 760.00	767 560.00
40	COIDA FROM BTO	-	-	-	900 000.00	#DIV/0!	929 700.00	959 450.00
41	VEHICLE TRACKING SYSTEM	-	-	-	50 000.00	#DIV/0!	51 650.00	106 606.00
42	OC: REG FEES NATIONAL-SKILLS DEV/TRAININ	-	-	-	100 000.00	-	100 000.00	80 000.00
43	BY-LAW TRAINING	-	-	-	400 000.00	#DIV/0!	200 000.00	200 000.00
44	OC: WORKMEN'S COMPENSATION FUND	700 000.00	1 600 000.00	864 051.30	-	- 100.00	-	-
SUB TOTAL : OPERATIONAL COST		27 200 885.00	25 726 642.00	15 364 820.48	28 268 600.00	9.88	28 984 964.00	30 275 465.00

- The proposed operational costs budget for the 2026/27 financial year has been appropriated at **R28.2 Million**. The operational costs have increased by 9.88% or **R2.5 Million** when compared to the 2025/26 Adjustment Budget. For the two outer years, operational costs will increase by 2.53% or R716 Thousand and 4.45% or R1.2 Million respectively.

Table 9: Inventory

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	INV - CONSUMABLE STORES - STANDARD RATED	850 000.00	850 000.00	247 113.56	910 000.00	7.06	940 030.00	970 111.00
2	INV - CONSUMABLE STORES - ZERO RATED (FUEL)	2 200 000.00	1 550 000.00	766 024.46	1 450 000.00	- 6.45	1 497 850.00	1 545 781.00
3	INVENTORY - MATERIALS & SUPPLIES	1 150 000.00	933 000.00	211 302.25	1 171 000.00	25.51	1 209 643.00	1 248 352.00
SUB TOTAL - INVENTORY		4 200 000.00	3 333 000.00	1 224 440.27	3 531 000.00	5.94	3 647 523.00	3 764 244.00

- The proposed inventory budget for the 2026/27 financial year has been appropriated at **R3.5 Million**. There has been an increase on inventory by 5.94% or R198

thousand when compared to the 2025/26 Adjustment Budget. For the two outer years, inventory will increase by 3.3% or R116 Thousand in 2027/28 and by 3.2% or R116 Thousand in 2028/29.

Table 10: Operating leases

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	OPR LEASES: COMPUTER EQUIPMENT-PHOTOCOPIERS	1 500 000.00	1 600 000.00	788 925.69	1 500 000.00	- 6.25	1 549 500.00	1 599 084.00
2	OPR LEASES: OTHER ASSETS-BUILDING	1 000 000.00	1 000 000.00	662 597.65	600 000.00	- 40.00	619 800.00	639 634.00
	SUB TOTAL : OPERATING LEASES	2 500 000.00	2 600 000.00	1 451 523.34	2 100 000.00	- 19.23	2 169 300.00	2 238 718.00

- The proposed budget on operating leases for the 2026/27 financial year has been appropriated at **R2.1 Million**. The operating leases have decreased by 19.23% or R500 Thousand when compared to the 2025/26 Adjustment Budget. For the two outer years, operating leases will increase by 3.3% or R69 Thousand and 3.2% or R69 Thousand respectively.

Table 11: Transfers and Subsidies

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	HH: BURSARIES NON-EMPLOYEE CASH-DISCRETIONARY	200 000.00	250 000.00	220 546.02	200 000.00	- 20.00	206 600.00	213 211.00
2	TS_O_IK_HH_SOC ASSIS SOCIAL RELIEF	200 000.00	250 000.00	151 824.22	200 000.00	- 20.00	206 600.00	213 211.00
3	HH OTH TRANS: BURSARIES NON EMPLOYEE	1 000 000.00	700 000.00	637 330.56	800 000.00	14.29	826 400.00	852 845.00
4	TS_O_M_HH_CASH_UNSPECIFIED-SPORTS	300 000.00	350 000.00	139 000.00	350 000.00	-	361 550.00	373 120.00
5	HH OTH TRANS:LED SUPPORT GRANTS	2 500 000.00	2 500 000.00	-	2 400 000.00	- 4.00	2 479 200.00	2 558 534.00
6	NON PROF: TOURISM	50 000.00	50 000.00	-	50 000.00	-	51 650.00	53 303.00
	SUB TOTAL : TRANSFERS & SUBSIDIES	4 250 000.00	4 100 000.00	1 148 700.80	4 000 000.00	- 2.44	4 132 000.00	4 264 224.00

- The proposed budget on transfers and subsidies for the 2026/27 financial year has been appropriated at **R4 Million**. The transfers and subsidies have decreased by 2.44% or R100 Thousand when compared to the 2025/26 Adjustment Budget. For the two outer years, transfers and subsidies will increase by 3.3% or R132 Thousand 2027/28 and increase by 3.2% or R132 Thousand in 2028/29.

Table 12: Depreciation and Amortisation

NO	DISCRIPTION	CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEB 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	AMORTISATION INTANG COMPUTER SOFTWARE	923 840.00	2 777 544.00	1 664 402.04	2 880 310.00	3.70	2 975 360.00	3 070 571.00
2	DEPRECIATION COMPUTER EQUIPMENT	1 233 735.00	1 037 231.00	685 078.60	1 075 610.00	3.70	1 111 105.00	1 146 662.00
3	DEPRECIATION FURNITURE & OFFICE EQUIPM	956 168.00	235 527.00	124 155.68	244 241.00	3.70	252 301.00	260 375.00
4	DEPRECIATION MACHINERY & EQUIPMENT	321 706.00	637 119.00	415 987.46	660 692.00	3.70	682 495.00	704 335.00
5	DEPRECIATION TRANSPORT ASSETS	1 462 080.00	971 754.00	595 893.23	1 007 709.00	3.70	1 040 963.00	1 074 275.00
6	DEPRECIATION NETWORK & COMM DATA CENTRES	1 092 641.00	90 990.00	60 019.16	94 357.00	3.70	97 471.00	100 590.00
7	DEPRECIATION COMMUNITY HALLS	585 160.00	1 128 400.00	640 760.45	1 170 151.00	3.70	1 208 766.00	1 247 447.00
8	DEPRECIATION OP BUILDING MUNIC OFFICES	413 235.00	110 000.00	160 931.71	114 070.00	3.70	117 834.00	121 605.00
	SUB TOTAL : DEPRECIATION & AMORTISATION	6 988 565.00	6 988 565.00	4 347 228.33	7 247 140.00	3.70	7 486 295.00	7 725 860.00

- The proposed budget on depreciation and amortisation for the 2026/27 financial year has been appropriated at **R7.2 Million**. The depreciation and amortisation have

increased by 3.7% or R258 Thousand when compared to the 2025/26 Adjustment Budget. For the two outer years, depreciation will increase by 3.3% or R239 Thousand 2027/28 and increase by 3.2% or R239 Thousand in 2028/29.

Capital Expenditure Framework

The following table is a summary of the 2026/27 MTREF (classified per main type of capital expenditure)

Table 12: Capital Expenditure List

DR KENNETH KAUNDA DISTRICT MUNICIPALITY FINAL BUDGET 2026/2027									
CAPITAL EXPENDITURE LIST			CURRENT YEAR 2025 / 2026			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
NO	DEPARTMENT	DESCRIPTION	APPROVED BUDGET	ADJUSTED BUDGET	ACTUALS AS AT APR 2026	2026 / 2027 BUDGET	GROWTH RATE	2027 / 2028 BUDGET	2028 / 2029 BUDGET
1	MUNICIPAL MANAGER	COMMUNICATION EQUIPMENT	200 000.00	-	-	100 000.00	-	100 000.00	60 000.00
2	CORPORATE SERVICES	OFFICE FURNITURE AND FITTINGS	300 000.00	200 000.00	190 703.75	100 000.00	- 50.00	1 500 000.00	700 000.00
3	CORPORATE SERVICES	COMPUTER EQUIPMENT	500 000.00	800 000.00	795 863.25	1 000 000.00	25.00	800 000.00	400 000.00
4	CORPORATE SERVICES	AIRCONDITIONING EQUIPMENT	-	-	-	300 000.00	-	-	-
5	CORPORATE SERVICES	NETWORK UPGRADE	500 000.00	800 000.00	-	1 000 000.00	25.00	500 000.00	-
6	CORPORATE SERVICES	TELEPHONE SYSTEM	-	-	-	1 000 000.00	-	-	-
7	CORPORATE SERVICES	CONFERENCE SYSTEM - DISASTER CENTRE	-	-	-	450 000.00	-	-	-
8	CORPORATE SERVICES	INTANGIBLES	400 000.00	500 000.00	395 531.10	1 500 000.00	200.00	450 000.00	250 000.00
9	CORPORATE SERVICES	FLEET	2 000 000.00	2 045 000.00	1 377 747.76	1 000 000.00	- 51.10	800 000.00	250 000.00
10	BTO	FINANCIAL SYSTEM	2 450 000.00	2 402 000.00	2 401 148.34	-	- 100.00	-	-
11	LED & PLANNING	ACQUISITION OF OFFICE SPACE	300 000.00	-	-	-	-	-	-
12	LED & PLANNING	WATER PROJECTS	2 000 000.00	-	-	2 000 000.00	-	1 300 000.00	1 000 000.00
13	LED & PLANNING	LIGHTING PROTECTION / CONDUCTOR	200 000.00	-	-	-	-	-	-
14	LED & PLANNING	WATER TANKER	-	-	-	1 000 000.00	-	-	-
15	LED & PLANNING	AGRI-PARKS	1 700 000.00	1 700 000.00	705 600.00	-	- 100.00	-	-
16	LED & PLANNING	UPGRADE OF DISASTER CENTRE	500 000.00	-	-	-	-	-	-
17	COMMUNITY SERVICES	TOOLS	300 000.00	-	-	500 000.00	-	250 000.00	150 000.00
18	COMMUNITY SERVICES	FIRE BAY DOORS	1 000 000.00	-	-	-	-	-	-
19	COMMUNITY SERVICES	LANDFILL SITE DISTRICT	1 500 000.00	-	-	-	-	-	-
20	COMMUNITY SERVICES	4 IN 1 PRINTER	-	-	-	-	-	-	-
21	COMMUNITY SERVICES	DISASTER MANAGEMENT INFORMATION & COMM SYSTEM	-	-	-	1 000 000.00	-	-	-
TOTAL			13 850 000.00	8 447 000.00	5 866 594.20	10 950 000.00	29.63	5 700 000.00	2 810 000.00

- The proposed capital budget for the 2026/27 financial year has been appropriated at **R10.9 Million**. The capital expenditure has increased by 29.63% or **R2.5 Million** when compared to the 2025/26 Adjustment Budget. The capital expenditure will decrease by 47.95% or **R5.2 Million** and 50.70% or **R2.8 Million** respectively. The capital budget will be funded internally.

2.7. Transfers and Grant Receipts

DC40 Dr Kenneth Kaunda - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations										
F_O_REV_GR_EQUITABLE SHARE					32 981	32 981	32 981	31 990	31 437	34 135
F_O_T&S_MA_NG_ENERGY EFF & DEMAND SIDE MNG					4 000	4 000	4 000	4 000	4 000	–
F_O_T&S_MA_NG_EPWP INTEGRATED GRANT					2 211	2 211	2 211	1 568	–	–
F_O_T&S_MA_NG_RURAL ROAD ASSET MNG SYSTEMS GRANT					2 884	2 884	2 884	3 001	3 121	3 218
F_O_T&S_MA_NG_LOCAL GOV FIN MNG GRANT					1 100	1 100	1 100	1 200	1 300	1 500
F_O_REV_GR_FUEL LEVY					192 095	192 095	192 095	199 343	207 298	213 741
Total Monetary Allocations		-	-	-	235 271	235 271	235 271	241 102	247 156	252 594
Total Operating/National Government		-	-	-	235 271	235 271	235 271	241 102	247 156	252 594
Provincial Government										
Monetary Allocations										
F_O_T&S_MA_DAA_NDA_EDUCATION; TRAINING AND DEVELOPMENT PRACTICES SETA					2 000	2 000	2 000	2 000	2 066	2 132
Total Monetary Allocations		-	-	-	2 000	2 000	2 000	2 000	2 066	2 132
Total Operating/Provincial Government		-	-	-	2 000	2 000	2 000	2 000	2 066	2 132
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Operating	5	-	-	-	237 271	237 271	237 271	243 102	249 222	254 726
Capital										
National Government										
Monetary Allocations										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Total Capital/National Government		-	-	-	-	-	-	-	-	-
Provincial Government										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Provincial Government		-	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
[insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Capital	5	-	-	-	237 271	237 271	237 271	243 102	249 222	254 726
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		-	-	-	237 271	237 271	237 271	243 102	249 222	254 726

2.8. Allocations or Grants made by the Municipality

DC40 Dr Kenneth Kaunda - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2022/23	2023/24	2024/25	2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Non Prof: Tourism</i>		-	-	-	-	-	-	-	-	-	-
<i>Non Prof: Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Priv Ent: Subs N-Fin Entpr - Product</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_M_Pe_Oth Trf Pe_Unspecified</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Tourism</i>		-	-	-	50	50	50	-	50	52	53
<i>SMME Grants</i>		-	-	-	2 500	2 500	2 500	-	2 400	2 479	2 559
<i>Sports, Arts & Culture</i>		-	-	-	300	350	350	-	350	362	373
<i>Ment Bursaries and Social relief</i>		-	-	-	1 400	1 200	1 200	-	1 200	1 240	1 279
<i>Hh Ssp Soc Ass: Poverty Relief</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_M_Hh_Cash_Farmer Supp HH (Cash)</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_M_Hh_Cash_Unspecified</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	4 250	4 100	4 100	-	4 000	4 132	4 264
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	4 250	4 100	4 100	-	4 000	4 132	4 264
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Hh: Bursaries Non-Employee Cash</i>	5	-	-	-	-	-	-	-	-	-	-
<i>Ts_O_Ik_Hh_Soc Assis_Poverty Relief</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_Ik_Hh_Soc Assis_Social Relief</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	4 250	4 100	4 100	-	4 000	4 132	4 264

2.9. Disclosure on Salaries, Allowance and Benefits (SA22)

Supporting table is in respect of the disclosure of salaries, allowances and benefits is attached below

DC40 Dr Kenneth Kaunda - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		–	–	6 119	9 768	9 419	9 419	9 701	10 021	10 342
Pension and UIF Contributions		–	–	716	654	964	964	993	1 026	1 059
Medical Aid Contributions		–	–	127	117	177	177	183	189	195
Motor Vehicle Allowance		–	–	602	1 422	1 269	1 269	1 307	1 350	1 393
Cellphone Allowance		–	–	564	778	869	869	895	924	954
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	1 079	850	890	890	916	947	977
Sub Total - Councillors		–	–	9 207	13 588	13 588	13 588	13 995	14 457	14 920
% increase	4	–	–	–	47.6%	–	–	–	3.3%	3.2%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		–	–	1 393	4 342	5 084	5 084	5 325	5 501	5 677
Pension and UIF Contributions		–	–	54	225	224	224	235	242	250
Medical Aid Contributions		–	–	–	108	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	185	151	151	158	163	168
Motor Vehicle Allowance	3	–	–	330	945	698	698	731	756	780
Cellphone Allowance	3	–	–	43	133	126	126	133	137	141
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	17	21	34	34	36	37	38
Payments in lieu of leave		–	–	–	–	1 370	1 370	1 435	1 482	1 530
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		–	–	1 837	5 959	7 687	7 687	8 052	8 318	8 584
% increase	4	–	–	–	224.4%	29.0%	–	–	3.3%	3.2%
Other Municipal Staff										
Basic Salaries and Wages		–	–	64 151	82 713	82 242	82 242	86 161	89 005	91 853
Pension and UIF Contributions		–	–	16 875	16 576	16 727	16 727	17 523	18 101	18 681
Medical Aid Contributions		–	–	9 151	7 448	7 578	7 578	7 938	8 200	8 462
Overtime		–	–	676	1 039	1 189	1 189	1 245	1 286	1 327
Performance Bonus		–	–	5 484	6 581	5 613	5 613	5 880	6 074	6 268
Motor Vehicle Allowance	3	–	–	8 102	10 884	9 911	9 911	10 381	10 724	11 067
Cellphone Allowance	3	–	–	1 100	1 458	1 315	1 315	1 378	1 423	1 469
Housing Allowances	3	–	–	462	583	641	641	671	693	715
Other benefits and allowances	3	–	–	1 186	1 740	1 596	1 596	1 672	1 727	1 782
Payments in lieu of leave		–	–	3 474	5 486	4 744	4 744	4 970	5 134	5 298
Long service awards		–	–	1 661	1 541	2 191	2 191	2 295	2 371	2 447
Post-retirement benefit obligations	6	–	–	–	522	687	687	719	743	767
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	1 226	2 183	2 593	2 593	2 717	2 806	2 896
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		–	–	113 549	138 754	137 026	137 026	143 550	148 287	153 032
% increase	4	–	–	–	22.2%	(1.2%)	–	–	3.3%	3.2%
Total Parent Municipality		–	–	124 593	158 301	158 301	158 301	165 597	171 062	176 536
		–	–	–	27.1%	–	–	–	3.3%	3.2%
Board Members of Entities										
Sub Total - Board Members of Entities	4	–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Senior Managers of Entities										
Sub Total - Senior Managers of Entities	4	–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Other Staff of Entities										
Sub Total - Other Staff of Entities	4	–	–	–	–	–	–	–	–	–
% increase	4	–	–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		–	–	124 593	158 301	158 301	158 301	165 597	171 062	176 536
% increase	4	–	–	–	27.1%	–	–	–	3.3%	3.2%
TOTAL MANAGERS AND STAFF	5,7	–	–	115 386	144 713	144 713	144 713	151 602	156 605	161 616

Councillors

- On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The proposed remuneration of councillors

for the 2026/27 financial has been appropriated at **R13.9 Million**. There has been an increased 3.00% or R407 Thousand on Remuneration of Councillors when compared to the 2025/26 Adjustment Budget. The estimate is made while waiting for the 2026/27 pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

Senior Officials and Municipal Staff

- The proposed employee related costs for the 2026/27 financial has been appropriated at **R151.6 Million**. There is an increase of 4.76% or **R6.8 Million** when compared to the 2025/26 Adjustment Budget. The employee related cost budget constitute **60%** of the total operating expenditure budget which is way above the acceptable norm of **25-40%**.

Tables are attached that present the monthly projection on cash inflow and outflow. No bridging overdraft will be required

DC40 Dr Kenneth Kaunda - Supporting Table SA25 Budgeted monthly revenue and expenditure

DC40 Dr Kenneth Kaunda - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

DC40 Dr Kenneth Kaunda - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)56

DC40 Dr Kenneth Kaunda - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

DC40 Dr Kenneth Kaunda - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand																
Revenue - Functional																
<i>Governance and administration</i>		20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	244 383	252 276	262 009
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	20 365	244 383	252 276	262 009
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 343	1 386
Community and social services		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 343	1 386
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		714	714	714	714	714	714	714	714	714	714	714	714	8 569	7 121	3 218
Planning and development		714	714	714	714	714	714	714	714	714	714	714	714	8 569	7 121	3 218
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	254 252	260 740	266 613
Expenditure - Functional																
<i>Governance and administration</i>		12 540	12 540	12 540	12 540	12 540	12 540	12 540	12 540	12 540	12 540	12 540	12 540	150 478	154 000	159 323
Executive and council		5 675	5 675	5 675	5 675	5 675	5 675	5 675	5 675	5 675	5 675	5 675	5 675	68 101	70 317	72 583
Finance and administration		6 105	6 105	6 105	6 105	6 105	6 105	6 105	6 105	6 105	6 105	6 105	6 105	73 265	74 270	77 026
Internal audit		759	759	759	759	759	759	759	759	759	759	759	759	9 112	9 412	9 714
<i>Community and public safety</i>		5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	69 155	71 224	73 496
Community and social services		5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	5 763	69 155	71 224	73 496
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	33 017	33 409	30 336
Planning and development		2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	2 751	33 017	33 409	30 336
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		21 054	21 054	21 054	21 054	21 054	21 054	21 054	21 054	21 054	21 054	21 054	21 054	252 649	258 632	263 156
Surplus/(Deficit) before assoc.		134	134	134	134	134	134	134	134	134	134	134	134	1 603	2 108	3 457
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	134	134	134	134	134	134	134	134	134	134	134	134	1 603	2 108	3 457

DC40 Dr Kenneth Kaunda - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

DC40 Dr Kenneth Kaunda - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated																
Vote 1 - Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	100	100	60
Vote 2 - Finance and administration		529	529	529	529	529	529	529	529	529	529	529	529	6 350	4 050	1 600
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		125	125	125	125	125	125	125	125	125	125	125	125	1 500	250	150
Vote 5 - Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8.1-Ambulance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		250	250	250	250	250	250	250	250	250	250	250	250	3 000	1 300	1 000
Vote 10 - Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	913	913	913	913	913	913	913	913	913	913	913	913	10 950	5 700	2 810
Total Capital Expenditure	2	913	913	913	913	913	913	913	913	913	913	913	913	10 950	5 700	2 810

DC40 Dr Kenneth Kaunda - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

DC40 Dr Kenneth Kaunda - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		538	538	538	538	538	538	538	538	538	538	538	538	6 450	4 150	1 660
Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	100	100	60
Finance and administration		529	529	529	529	529	529	529	529	529	529	529	529	6 350	4 050	1 600
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		125	125	125	125	125	125	125	125	125	125	125	125	1 500	250	150
Community and social services		125	125	125	125	125	125	125	125	125	125	125	125	1 500	250	150
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		250	250	250	250	250	250	250	250	250	250	250	250	3 000	1 300	1 000
Planning and development		250	250	250	250	250	250	250	250	250	250	250	250	3 000	1 300	1 000
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	913	913	913	913	913	913	913	913	913	913	913	913	10 950	5 700	2 810
Funded by:																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deaprtm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		913	913	913	913	913	913	913	913	913	913	913	913	10 950	5 700	2 810
Total Capital Funding		913	913	913	913	913	913	913	913	913	913	913	913	10 950	5 700	2 810

DC40 Dr Kenneth Kaunda - Supporting Table SA30 Budgeted monthly cash flow

DC40 Dr Kenneth Kaunda - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	R thousand	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		21	21	21	21	21	21	21	21	21	21	21	21	250	258	267
Interest earned from Receivables		792	792	792	792	792	792	792	792	792	792	792	792	9 500	9 814	10 128
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		108	108	108	108	108	108	108	108	108	108	108	108	1 300	1 343	1 386
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	43 759	41 924	40 985
Non-Exchange Revenue		16 620	16 620	16 620	16 620	16 620	16 620	16 620	16 620	16 620	16 620	16 620	16 620	199 445	207 401	213 848
Cash Receipts by Source		21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	21 188	254 252	260 740	266 613
Other Cash Flows by Source																
Transfer and subsidies - Operational +Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deaprtm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)		515	515	515	515	515	515	515	515	515	515	515	515	6 185	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		21 703	21 703	21 703	21 703	21 703	21 703	21 703	21 703	21 703	21 703	21 703	21 188	260 437	260 740	266 613
Cash Payments by Type																
Employee related costs		12 634	12 634	12 634	12 634	12 634	12 634	12 634	12 634	12 634	12 634	12 634	12 634	151 602	156 605	161 616
Remuneration of councillors		1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	13 995	14 457	14 920
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		3 485	3 485	3 485	3 485	3 485	3 485	3 485	3 485	3 485	3 485	3 485	3 485	41 815	41 057	38 255
Transfers and subsidies - other municipalities		342	342	342	342	342	342	342	342	342	342	342	342	4 100	4 235	4 371
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	33 865	34 769	36 268
Cash Payments by Type		20 448	20 448	20 448	20 448	20 448	20 448	20 448	20 448	20 448	20 448	20 448	20 448	245 377	251 124	255 430
Other Cash Flows/Payments by Type																
Capital assets		942	942	942	942	942	942	942	942	942	942	942	942	11 300	5 700	2 810
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		21 390	21 390	21 390	21 390	21 390	21 390	21 390	21 390	21 390	21 390	21 390	21 390	256 677	256 824	258 240
NET INCREASE/(DECREASE) IN CASH HELD		313	313	313	313	313	313	313	313	313	313	313	(202)	3 759	3 916	8 372
Cash/cash equivalents at the month/year begin:		3 619	3 619	3 619	3 619	3 619	3 619	3 619	3 619	3 619	3 619	3 619	3 619	43 427	15 329	16 128
Cash/cash equivalents at the month/year end:		3 932	3 932	3 932	3 932	3 932	3 932	3 932	3 932	3 932	3 932	3 932	3 417	47 186	19 245	24 500

2.11. Annual budgets and SDBIP's – internal departments

Introduction

The purpose of this document is to present the Service Delivery and Delivery and Budget Implementation Plan (SDBIP) of the Dr Kenneth Kaunda District Municipality for 2026/27 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

The SDBIP is a detailed one-year plan of the municipality that gives effect to the IDP and budget of the municipality. The SDBIP is a management plan for implementing the IDP through the approval budget. It is an expression of the objective of the municipality, in quantifiable outcomes that will be implemented for the financial year. It includes the service delivery targets for each quarter and facilitates oversight over financial and non-financial performance of the municipality.

The 2026/27 Service Delivery and Budget Implementation Plan (SDBIP) will not only ensure effective monitoring of the execution of the municipal budget and related processes, but will also guide the allocation of resources to achieve the Municipality's key strategic objectives as outlined in the Integrated Development Plan (IDP).

The SDBIP serves as the core component of the annual performance contracts for senior management and provides the foundation for overall annual and quarterly organisational performance for the 2026/27 financial year.

In addition, the SDBIP assists the Executive, Council, and communities in fulfilling their respective oversight responsibilities, as it functions as a primary tool for both implementation and monitoring, ensuring accountability, transparency, and alignment of service delivery with budgetary priorities.

Legislative framework

Section 1 of the MFMA defines the SDBIP as a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c)(ii) for implementing the municipality's delivery of service and its annual budget and which must indicate:

- a) Projections for each month of:-
 - I. Revenue to be collected, by source and
 - II. Operational and capital expenditure by vote

- b) Service delivery targets and performance indicators for each quarter and
- c) Any other matter that may be prescribed and includes any revision of such plan by the mayor in terms of section 54(1) (c)

The MFMA requires that municipalities develop a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. In terms of section 53(1) (c)(ii) of the MFMA, the SDBIP must be approved by the mayor of a municipality within 28 days of the approval of the budget.

Components of the SDBIP

- Monthly Projections of Expenditure and Revenue for each vote
- Quarterly projections of Service Delivery targets and Performance Indicators

Monthly Projections of Expenditure and Revenue for each Vote

The monthly projection of revenue and expenditure per vote relate to the cash paid and reconciles with the cash statement adopted with the budget. The focus under this component is a monthly projection per vote in addition to projection by source. When reviewing budget projections against actuals, it is useful to consider revenue and expenditure per vote in order to gain a more complete picture of budget projections against actuals.

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote

This component of the SDBIP requires non-financial measurable performance objectives in the form of service delivery targets and other indicators of performance. The focus is on outputs rather than inputs. Service delivery targets relate to the level and standard of service being provided to the community and include the addressing of backlogs in basic services. The approach encouraged by NT's MFMA circular No. 13 is the utilisation of scorecards to monitor service delivery.

Detailed Capital Budget over Three Years

Information detailing infrastructural projects containing project description and anticipated capital costs over a three-year period. A summary of capital projects per the IDP will be made available on Council website.

SDBIP Cycle: The SDBIP Process comprises the following stages, which forms part of a cycle.

Planning: During this phase the SDBIP Process plan is developed to be tabled with the IDP Process plan. SDBIP related processes e.g. Management meetings, strategic Planning working session.

Strategizing: During this phase the IDP is reviewed and subsequent SDBIP programmes and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

Tabling: The SDBIP is tabled with the draft IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

Adoption: The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing: The adopted SDBIP is made public and is published on Council's website.

Implementation, Monitoring and Reporting: SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.

2.12. Municipal Manager's quality certificate