

**DR. KENNETH  
KAUNDA**  
DISTRICT MUNICIPALITY



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

# **FINAL ANNUAL BUDGET**

**2023/2024 TO 2025/2026**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

## Table of Contents

<b>ABBREVIATIONS AND ACRONYMS</b> .....	<b>3</b>
<b>LIST OF TABLES</b> .....	<b>2</b>
<b>PART 1: FINAL ANNUAL BUDGET</b> .....	<b>1</b>
1.1. Mayor’s Report .....	1
1.2. Council Resolutions and Items .....	12
1.3. Executive Summary .....	13
1.4. Annual Budget Tables (Parent Municipality) .....	15
<b>PART 2: SUPPORTING DOCUMENTATION</b> .....	<b>30</b>
2.1. Overview of the annual budget process .....	30
2.2. Overview of alignment of annual Budget with IDP .....	32
2.3. Measurable performance objectives and indicators .....	32
2.4. Overview of Budget Related Policies .....	38
2.5. Overview of Budget Assumptions .....	42
2.6. Overview of Budget Funding .....	44
2.7. Expenditure on Allocations and Grants Programme .....	52
2.8. Allocations or Grants made by the Municipality .....	53
2.9. Disclosure on Salaries, Allowance and Benefits (SA22) .....	53
2.10. Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30) .....	54
2.11. Annual budgets and SDBIP’s – internal departments .....	58
2.12. Municipal Manager’s quality certificate .....	61

## 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

## **LIST OF TABLES**

**Table 1** MBRR Table A1 Budget Summary

**Table 2** MBRR Table A2 Budget Financial Performance (Rev & Exp by Standard Class)

**Table 3** MBRR Table A3 Budget Financial Performance (Rev & Exp by Mun Vote)

**Table 4** MBRR Table A4 Budget Financial Performance (Rev by Source & Exp by Type)

**Table 5** MBRR Table A5 Budget Capital Expenditure by Vote

**Table 6** MBRR Table A6 Budgeted Financial Position

**Table 7** MBRR Table A7 Budgeted Cash Flow Statement

**Table 8** MBRR Table A8 Cash Backed Reserves/Accumulated Surplus Recon

**Table 9** MBRR Table A9 Asset Management

**Table 10** MBRR Table A10 Basic Service Delivery Measurement

**Table 11** Revenue by Major Source

**Table 12** Source of funding

**Table 13** Revenue by Minor Source

**Table 14** Revenue by Municipal Vote

**Table 15** Revenue by Standard Classification

**Table 16** Operating Expenditure by Major Type

**Table 17** Operating Expenditure by Minor Type

**Table 18** Operating Expenditure by Municipal Vote

**Table 19** Operating Expenditure by Standard Classification

**Table 20** Capital Expenditure by Vote and Function

**Table 21** Consolidated Overview of the proposed 2020/21 MTREF

**Table 22** MBRR Table 19 Expenditure on Transfer and Grants Programme

**Table 23** MBRR Table SA22 Disclosure on Salaries, Allowances & Benefits

**Table 24** MBRR Table SA25 Budgeted Monthly Revenue & Expenditure

**Table 25** MBRR Table SA26 Budgeted Monthly Revenue & Expenditure (Mun Vote)

**Table 26** MBRR Table SA27 Budgeted Monthly Revenue & Expenditure (Func Class)

**Table 27** MBRR Table SA28 Budgeted Monthly Capital & Expenditure (Mun Vote)

**Table 28** MBRR Table SA29 Budgeted Monthly Capital & Expenditure (Func Class)

**Table 29** MBRR Table SA30 Budgeted Monthly Cash Flow

# **PART 1: FINAL ANNUAL BUDGET**

## **Purpose of Tabling of the Final Annual Budget for the Financial Year 2023/2024**

The purpose of this report is to submit the Final Annual Budget for 2023/2024 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.

### **1.1. Mayor's Report**

Honourable Speaker, Cllr. XolileNxozana, Single-Whip, Cllr J Lesie, Single whips of opposition parties, Members of Mayoral Committee, Honourable Councillors, the Municipal Manager, Senior managers, officials of the Dr Kenneth Kaunda District Municipality, community members at the gallery and officials from other government stakeholders if any.

Good Afternoon, Dumelang, Goeimiddag, Sani bonani.

Honourable members we meet at a time when the current economic environment has taken an unfavourable strain – and our overall economic outlook is subdued because of factors such as the energy challenges, recovery from the wrath of COVID-19, and catastrophic flooding that caused extensive displacement of people, destruction of homes and damage to infrastructure.

All of these factors account significantly into the backfoot with which we find ourselves, especially with regards to the low growth and the high unemployment figures.

However, even against all these disabling challenges, we still rise; as we are, at our most essential, a nation defined by hope and resilience.

In an attempt to mitigate these challenges, during this current financial year the Dr Kenneth Kaunda District Municipality has created over 500 job opportunities through the Expanded Public Works Programme (EPWP). This was made possible through the District's own internal funds as well as the conditional grants received from the Department of Public Works & Roads. The Department of Fisheries, Forestry and

Environmental Affairs (DFFEA) have also contributed to this total number through its own funding.

Honourable Speaker, under Local Economic Development, it is pleasing to report that we have funded forty (40) qualifying beneficiaries through the SMME and Cooperatives Grants, with goods and machinery to an amount not exceeding fifty (50) thousand rands each. The goods and machinery supplied are assisting the beneficiaries with starting and improving their business operations, increasing production, and improving business efficiency. However, the district feels that this is not enough. In this coming financial year, in collaboration and in mobilising funding we are planning also to include areas of SMME development and training in terms of running a business, financial management, and marketing; so that these SMME's can be sustainable.

Community services, Honourable Speaker is the core mandate of the District, as it deals with matters of waste management, health issues, compliance, and disaster management. We have seen a decline in performance in this field because we have moved from just merely doing service, but bringing service that is sustainable; where a District municipality gets involved and integrates its plans with local municipalities, so that we realise the sustainability of the service that we are providing.

We need to expand our capacity in this unit, as a result it is one of our priorities in terms of human resources development and recruitment, so that we get more Environmental Health Practitioners (EHPs) on the ground to do the work that is expected. This will result in more oversight work, more compliance, announced and unannounced visits to various sectors. We are calling on the community and business sector to ensure that they sell appropriate goods, that are compliant and healthy for our people.

With regard to waste management, discussions are ongoing with all local municipalities for a possible establishment of a landfill site that will generate electricity from waste. The waste to energy plant will possibly generate and add to the grid 53000 kilowatts by processing on average 1500 tons of waste/day. This ground breaking initiative has a potential of direct foreign investment of over R 5, 6 Billion into the District, creating over 450 direct jobs.

Honourable Speaker, the Mayoral Committee (MAYCO) has recently received a report from Disaster Management on the continuing dolomite, and sink holes in our area. MAYCO is currently studying the report which also calls for all municipalities, including the District Municipality to build the necessary capacity to respond to both sinkholes and dolomitic areas. We are embarking on discussions with the Department of Minerals and Energy to consider possibilities of sourcing funds from the Rehabilitation fund, so that we are able to deal with these matters.

On fire related services, the District Municipality continues to provide fire services to Maquassi Hills LM. The total allocated budget was spent, the fire services are expanding, necessary vehicles have been procured to an extent that the District can, and these services continue to be rendered optimally.

Honourable Speaker, we believe that the fire services, disaster management services, including waste management services are critical as part of our revenue enhancement strategy. Which is why, Honourable members, I plead with council that by the end of June 2023 we must have approved all our Bi-laws, which have been tabled and are currently in discussions by various stakeholders and partners. Once concluded these bi-laws will bring a new breath to how we enforce compliance as a district municipality.

Our district profile indicates that our communities don't feel safe in their homes whether at night or during the day. We are pleased to indicate that a budget has been set aside linked to the Office of the Executive Mayor so that together with the security cluster they must develop plans and strategies that are appropriate to respond to the safety and security issues. This includes but not limited to gender-based violence and femicide, issues affecting vulnerable groups, the youth, and civil society structures.

One of the catalytic projects that local municipalities have mandated the District municipality is to collaborate and look for funds so that the entire district is installed with CCTV cameras. This will assist in bringing additional eyes for the Police, so that their work becomes easier, crime is detected on time, and perpetrators are speedily brought to book.

Honourable Speaker, we appreciate the resolution and mandate from council that has already approved the draft District Development Model One plan. Key to the One Plan is to reposition the district and unlock its economic benefit.

From the One Plan, the mandate has been given by local municipalities to focus and elevate key areas of interest that we are going to collaborate on; these include but not limited to:

- Waste management
- Energy generation
- Meat processing
- Establishment of ICT Hubs
- Pavers Manufacturing plant

This is part of enhancing the plans that we have already submitted to Infrastructure South Africa (ISA), to which we are currently finalising the necessary compliance documents. We must indicate, honourable Speaker that the delay in finalising our submissions to ISA was as a result of lack of capacity in the institution. This led to us appointing various consultants to assist in finalising the compliance documents; to be able to unlock the almost R 9 Billion of projects submission we have made to ISA.

Honourable Speaker, we are inspired to also announce that the District Municipality have also started engagements and collaboration with various Ministers that include COGTA, Finance, Water and Sanitation. These engagements focus on the reviewing and re-allocation of the mandates of the district municipality. A few of these discussions are now going to be handled by the MEC of COGTA in the Province.

Therefore, we are hopeful that the mandates of the district will be re-aligned, so that as we proceed through the DDM process all municipalities are aware of their responsibilities. This will help us to ensure that the system functions optimally and has no chances of collapsing.

Now, Honourable, members; all these things that we are talking about which are catalytic in nature, need investor confidence in the District. However, investors will be very impatient if we do not have a vehicle that will drive all these things with a dedicated team. We are therefore pleased with the resolution of council that a district Economic Development agency must be re-established, on new terms, with a new



mandate, and a vision. We are also indicating that there is no District Economic Development Agency that will be appropriated funds from the municipality. Except for a start-up capital that will go to the Agency as a loan, and be paid back. That loan will enable the Agency to unlock economic potential, bring investors, and be in a position to finance itself from that point.

**Having said that Honourable Speaker, I now wish to table the budget for consideration by this august house.**

I am presenting the second Medium-Term Revenue and Expenditure Framework (MTREF) for 2023/24 to 2025/26 financial year. The 2023/24 Final Budget went through vigorous engagements which includes internal consultations with the department, discussions amongst members of MAYCO and the Budget Steering Committee. The communities of the Dr KKDM were engaged through the local community radio stations platforms and communities were presented with the opportunity to provide their inputs before the final budget can be approved by Council. Key stakeholders like Provincial Treasury were also given an opportunity to submit written comments on the Draft Budget.

Honourable councillors, the Medium-Term Revenue and Expenditure Framework (MTREF) for 2023/24 to 2025/26 has been compiled in line with the Municipal Budget and Reporting regulation, Government Gazette number 32141 promulgated on the 17th of April 2009 and Chapter 4 of the MFMA (Municipal Finance Management Act – Act 56 of 2003) which regulates the process and existence of a municipal budget. Section 16 of the Municipal Finance Management Act, No.56 of 2003 (MFMA), requires that:

- (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 – **31 May 2023**).
- (2) In order for the municipality to comply with subsection (1), the mayor of the municipality must table the annual draft budget at a Council meeting at least 90 days before the start of the budget year (**31 March 2023**).

Members of this august house we appreciate the fact that the 2023/24 Annual Budget will be approved together with IDP (Integrated Development Plan) and the DDM (District Developmental Model. During the development of the One Plan or the DDM document we have witnessed an improved intergovernmental relation between all three spheres of government to work together, with communities and stakeholders, to plan, budget and implement in unison.

Honourable members, the tabling of the 2023/2024 Draft Budget took into consideration:

- Section 18(1) of the Municipal Finance Management Act, which states that an annual budget may only be funded from a realistic anticipated revenue; and Cash-backed accumulated funds from the previous financial year's surplus not committed;
- The 2023 Division of Revenue Bill and the MFMA Budget Circular no 123 for 2023/24-2025/26 MTREF.
- 2023-24 MTREF Budget Circular No 123 of march 2023.

**Honourable Councillors, as much as we acknowledge the fact that the municipality is grant dependant and with limited resources, we must equally appreciate the following developments into the budget of the new financial year:**

Slight increase in budget allocation made to revive the Local Economic Development. We saw an increase of R3.9 Million to cater for the SMMEs Hub, Bricks manufacturing plant, SMMEs symposium seminar, Township Economy and SMME grant support.

The department of Local Economic Development will continue to fund SMMEs and provide necessary skills development support. We are also aware that funding for sports, arts, and culture development is very limited in the district. This is one areas that we are going to elevate so that we collaborate with various stakeholders and partners to bring back the life of sports, arts and culture in our district.

Budget allocation of **R5.5 Million** for water and sanitation projects including special vehicle. The new financial year should see the de-linking of the LED and Planning departments so that capacity is built. Honourable Speaker, if this municipality wants to be serious about strengthening support to local municipalities, the department of planning and infrastructure ought to be taken seriously. As a result, we will have to look into the limited resources to get Engineers, and Town planners, that could be a shared service with local municipalities where they are not in a position to do that.

Budget allocation of **R1.9 Million** for the water and sanitation interventions provided to Maquassi Hills.

In community services, the collaboration with local municipalities and sourcing of Skip bins for better waste management should see a reduction in the illegal dumping of waste and the spread of gems. The procurement of a district owned water tanker will ensure that we have in house water tinkering, which will bring huge relief in the cost of water tinkering when the need arises.

Communications will also be strengthened, integrated, and centralised for the benefit of economic value. This will see the district communicating better, effectively and efficiently. This will also see communities hearing and knowing more about the services of the District Municipality. IMBIZO's will be continued with in the coming financial year, focusing on the far-flung areas ensuring that feedback is taken to communities; whilst promoting participatory democracy.

The introduction of the Performance Management System is going to come into effect in the coming financial year; a budget has been set aside for this. We believe that we need to change the narrative of non-functionality of municipalities, and the only way is to ensure that all staff members in our institution have job descriptions. Those job descriptions should be linked to outcomes, and those outcomes are should be SMART (Simple, Measurable, Achievable, Realistic, and Time bound).

No official should be found loitering and not knowing why they are employed into government. Those with irrelevant skills will be given an opportunity to study and get competency in the field that they are working. Failure to do that, we will have to repurpose them and utilise them elsewhere; so that the competency requirements of a particular position match the qualifications of the official.

Honourable Speaker, I am presenting the second Medium-Term Revenue and Expenditure Framework (MTREF) for 2023/24 to 2025/26 financial year. The 2023/24 Final Budget went through vigorous engagements which includes internal consultations with the department, discussions amongst members of MAYCO and the Budget Steering Committee. The communities of the Dr KKDM were engaged through the local community radio stations platforms and communities were presented with the opportunity to provide their inputs before the final budget can be approved by Council. Key stakeholders like Provincial Treasury were also given an opportunity to submit written comments on the Draft Budget.

The 2023/24 Final Budget is very little to enable the administration to perform all the Dr KKDM's Powers and Functions. In order to steer the economy of the Dr KKDM beyond the next 3 years towards the right direction, the municipality will

- Continuously collaborate with the local municipalities and the Provincial departments to create conditions for long-lasting stability and development by supporting the SMMEs.
- Consider Public Private Partnership between the government and private sectors. As mentioned above, there are few projects identified through the Infrastructure South Africa (ISA) in the office of the President of the country. These projects, once implemented successfully, will reduce the unemployment rate drastically.
  - Continuously engage with various MEC's, Minister's, and other relevant stakeholder and partners in the spirit of the District Development Model.

Honourable Speaker, the 2023/24 Draft Budget of the Dr KKDM is estimated as follow:

1. The proposed Operating Revenue for the 2023/24 financial year has been appropriated at **R230.6 Million**. The operating revenue has increased by 4.57% or **R10 Million** for the 2023/24 financial year when compared to the 2022/23 Adjustment Budget. For the two outer years, operating revenue will increase by 3.62% or **R8.3 Million** and 4.49% or **R10.7 Million** respectively.

2. The proposed Operating Expenditure for the 2023/24 financial year has been appropriated at **R230.5 Million** and translates into a budgeted surplus of **R180 Thousand**. The operating expenditure has increased by 0.70% or **R1.5 Million** in the 2023/24 financial year when compared to the 2022/23 Adjustment Budget. For the two outer years, operating expenditure will increase by 2.21% or R5 Million in 2024/25 and by 4.33% or **R10.2 Million** in 2025/26.

- The employee related costs for the 2023/24 financial year has been appropriated at **R125.6 Million**. The employee related costs have increased by 6.33%. The 6.33% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council to finalise the multi-year salary agreement. The employee related cost budget constitutes 54.53% of the total Operating Expenditure Budget.
- The proposed remuneration of councillors for the 2023/24 financial has been appropriated at **R12.4 Million**. The estimate is made while waiting for the final 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 **R92.3 Million** from the total Operating Expenditure Budget. The **R92.3 Million** is then allocated to Outsource Services, Consultants and Professional Services, Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.
- The proposed Outsourced Services Budget for the 2023/24 financial year has been appropriated at **R13.7 Million**. The outsource services increased by 6.26% or **R812 Thousand** when compared to the 2022/23 Adjustment Budget. The allocation includes **R7 Million** for EPWP and **R3 Million** for CBP.
- The proposed budget on Consultants and Professional Services for the 2023/24 financial year has been appropriated at **R13.1 Million**. The Consultants and Professional Services have decreased by 21.04% or **R3.4 Million** when compared to the 2022/23 Adjustment Budget. The allocation caters for legal fees, audit committee, operational cost for ISA

projects, land & quantity surveyor, geoinformatics service dolomite and laboratory services amongst the others activities and programmes.

- The proposed contractors budget for the 2023/24 financial year has been appropriated at **R9.8 Million**. The contractors have decreased by 8.99% or **R970 Thousand** when compared to the 2022/23 Adjustment Budget. The allocation caters for security services, repairs and maintenance and operational cost for bricks manufacturing plant amongst others.
- The proposed operational costs budget for the 2023/24 financial year has been appropriated at **R33 Million**. The operational costs have decreased by 5.91% or **R2 Million** when compared to the 2022/23 Adjustment Budget. The allocation caters for the corporate communications and publications, audit fees for the Auditor-General, bank charges, bursaries for the employees, telephone lines, insurance premium, municipal services, professional bodies including SALGA, protective clothing, intervention in Maquassi-Hills Local Municipality amongst others activities and programmes.
- The proposed inventory budget for the 2023/24 financial year has been appropriated at **R5.9 Million**. The inventory has increased by 7.16% or **R398 Thousand** when compared to the 2022/23 Adjustment Budget. The allocation caters for fuel and material and suppliers.
- The proposed budget on operating leases for the 2023/24 financial year has been appropriated at **R2.8 Million**. The operating leases have increased by 0.52% or **R15 Thousand** when compared to the 2022/23 Adjustment Budget.
- The proposed budget on transfers and subsidies for the 2023/24 financial year has been appropriated at **R6.8 Million**. The transfers and subsidies have decreased by 14.94% or **R1.2 Million** when compared to the 2022/23 Adjustment Budget. The allocation caters for bursaries for non-employees, SMMEs support grants, social relief of distress and the Dr KKDM Economic Agency operational cost until the Agency is completely disestablished.

3. The proposed Capital Budget for the 2023/24 financial year has been appropriated at **R39.4 Million**. The capital expenditure is reduced by 46.29% or **R34 Million** when compared to the 2022/23 Adjustment Budget. The capital budget will be funded internally. The Dr KKDM is unable to contribute largely to Capital Budget as a results of the limited resources and the bigger portion is allocated to securing of municipal building for office space. The management is anticipating positive feedback on the allocation of ISA projects and the Public Private Partnership initiatives that could be concluded before the finalisation and adoption of the 2023/24 Final Budget.

## RECOMMENDATIONS

I therefore, table the 2023/24-2025/26 Medium-term Revenue and Expenditure Framework (MTREF) of Dr Kenneth Kaunda District Municipality in terms of Chapter 4 of the MFMA, with the following recommendations.

1. Cognisance be taken of:

1.1. Sections 16 , 17 &18 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the Municipal Budget Regulation, Government Gazette 32141 of 17 April 2009.

- 1.2. **The Budget related policies:**

1.2.1 Supply Chain Management Policy as amended and approved on the **30th March 2023** as per Council Resolution (**Item A.134/03/2023**).

- The Following Budget related policies were workshopped on the **6th & 7th April 2022** and tabled for approval with no amendments as per Council Resolution (**Item A.189/09/2022**):
- Municipal Budget and Virement Policy
- Assets Management Policy
- Funding and Reserves Policy
- Subsistence and Travelling Allowance Policy

- Cellphone Allowance Policy
- Cash Management and Investment Policy
- Borrowing Policy
- Danger Allowance Policy

- 1.3. The Final Budget for 2023/2024 is funded with a surplus of **One-Hundred and Eighty Thousand, Four-Hundred and Thirty (R180 430.00)** as per the A Schedule.
2. That the Final 2023/2024-2025/2026 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.
3. That the 2023/2024 Operating Revenue of **Two Hundred and Thirty Million, Six Hundred and Ninety-Seven Thousand, Four Hundred and Thirty (R230 697 430.00)** in terms of the MBRR A Schedule is tabled before council.
4. That the 2023/2024 Operating Expenditure of **Two Hundred and Thirty Million, Five Hundred and Seventeen Thousand (R230 517 000.00)** in terms of the MBRR A Schedule is tabled before council.
5. That the 2023/2024 Final Capital Expenditure of **Thirty-Nine Million, Four Hundred and Fifty Thousand (R39 450 000.00)** in terms of the MBRR A Schedule is tabled before council.
6. That the budget related policies be approved with the Final 2023/2024-2025/2026 MTREF.
7. That the Final 2023/2024-2025/2026 MTREF of the Dr Kenneth Kaunda District Municipality once tabled before council be submitted to the relevant stakeholders.
8. That the measurable performance objectives (IDP) for the 2023/2024 and for each year of the medium-term framework be tabled before council for approval.
9. That the Final Procurement plan be approved with the 2023/2024 Final Annual Budget.

**I thank you, Kea leboga..!**

## **1.2. Council Resolutions and Items**



***The resolution for tabling of the Final Annual Budget will be inserted once the Council has resolved.***

### **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 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 2023/24 MTREF.

The following table is a consolidated overview of the proposed 2023/24-2025/2026 Medium-term Revenue and Expenditure Framework:

**Table 1**

	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
	APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
TOTAL REVENUE	- 219 065 000,00	- 220 617 047,00	- 220 678 632,38	- 230 697 430,00	4,57	- 239 043 348,00	- 249 768 661,00
TOTAL EXPENDITURE	217 833 045,00	228 917 047,00	182 567 720,27	230 517 000,00	0,70	235 610 540,00	245 817 254,00
<b>(Surplus) / Deficit</b>	<b>- 1 231 955,00</b>	<b>8 300 000,00</b>	<b>- 38 110 912,11</b>	<b>- 180 430,00</b>	-	<b>- 3 432 808,00</b>	<b>- 3 951 407,00</b>
TOTAL CAPITAL EXPENDITURE	89 156 000,00	73 451 000,00	10 141 672,43	39 450 000,00	46,29	21 943 820,00	10 254 360,00
<b>TOTAL ADJUSTMENT BUDGET</b>	<b>306 989 045,00</b>	<b>302 368 047,00</b>	<b>192 709 392,70</b>	<b>269 967 000,00</b>	-	<b>257 554 360,00</b>	<b>256 071 614,00</b>

- The proposed operating revenue for the 2023/24 financial year has been appropriated at **R230.6 Million**. The operating revenue has increased by 4.57% or **R10 Million** for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operating revenue will increase by 3.62% or R8.3 Million and 4.49% or R10.7 Million respectively.
- The proposed operating expenditure for the 2023/24 financial year has been appropriated at **R230.5 Million** and translates into a budgeted surplus of **R180 Thousand**. The operating expenditure has increased by 0.70% or **R1.5 Million** in the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operating expenditure will increase by 2.21% or R5 Million in 2024/25 and by 4.33% or R10.2 Million in 2025/26.

- The proposed capital budget for the 2023/24 financial year has been appropriated at **R39.4 Million**. The capital expenditure reduced by 46.29% or **R34 Million** when compared to the 2022/23 Adjustments Budget. The capital budget will be funded internally.
  - Operating Grants and Subsidies are as per Division of Revenue Act (Gazetted 2020).
  - Interest on investment was calculated based on Current Interest rates taking Inflation into account.
  - Other income consists of proceeds from the sales of assets, tender deposit sales, and licenses fees of health certificates and LGSETA refunds
  - Commission on Insurance will be recognised when received.

The final annual budget for 2023/24 budget year is to give effect to Dr Kenneth Kaunda District Municipality`s service delivery priorities and objectives, thereby fulfilling the needs as depicted in the Integrated Development Plan (IDP).

The allocation on Transfers and subsidies as depicted in the summary totals is made up of District Economic Development and Office of the Executive Mayor.

It is against this background that financial and technical support to Small Medium and Micro Enterprises and Cooperatives is an integral part of the Dr Kenneth Kaunda District Municipality`s Local Economic Development strategy. The District is therefore supporting community-based initiatives through conditional grants for viable business plans. This will support a meaningful District Economic Development initiative that foster micro and small business opportunities and job creation.

The objectives of LED and Planning the grants funding is to bring in new category of entrepreneurs presently constrained by limited access to funding, to broaden access through new funding, flexible instruments and leverage with selected partners thus providing the tools with which to share in the growing South African economy, to introduce flexibility in services delivery and accommodate the special circumstances of women owned and run enterprises both as regards funding range and type of facility offered.

For the current year the Office of the Executive Mayor will award study bursaries to deserving Students within the Dr Kenneth Kaunda District Municipality for social contribution.

There is a portion allocated for Special Projects in the Office of the Executive Mayor for other community projects which amongst others includes the Mayoral Imbizos, Safety Programmes, GBV, Social cohesion community events, Moral Regeneration and war on poverty.

**The main challenges experienced during the compilation of the 2023/24 MTREF can be summarised as follows:**

- The dependency on grants available for funding; operating grants and subsidies makes it difficult to contribute towards capital budget.
- The ongoing difficulties in the national and local economy due the persistent high unemployed remains one of the country's pressing challenges.
- A provision for contribution to the capital replacement reserve (CRR) in the operating budget has been made in order to grow our reserve.
- The need to reprioritise projects and expenditure within the limited existing resource envelope.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

**1.4. Annual Budget Tables (Parent Municipality)**  
**(Table A1 Budget Summary)**

DC40 Dr Kenneth Kaunda - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	5 677	4 186	4 991	5 700	6 450	6 450	4 671	7 400	7 763	8 127
Transfer and subsidies - Operational	30 529	36 288	34 296	36 491	37 233	37 233	154 098	40 977	40 776	39 751
Other own revenue	164 971	168 138	174 448	176 874	176 934	176 934	533	182 320	190 505	201 890
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>201 177</b>	<b>208 613</b>	<b>213 735</b>	<b>219 065</b>	<b>220 617</b>	<b>220 617</b>	<b>159 302</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>
Employee costs	96 365	111 253	113 777	122 016	118 216	118 216	78 997	125 696	131 854	137 704
Remuneration of councillors	10 257	10 367	9 969	13 575	11 775	11 775	7 734	12 432	12 998	13 568
Depreciation and amortisation	6 931	5 911	3 643	7 017	7 017	7 017	1 870	6 988	7 321	7 656
Finance charges	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	4 023	5 563	5 563	-	5 961	6 253	6 547
Transfers and subsidies	6 919	7 704	7 512	1 200	8 030	8 030	5 124	6 830	8 680	9 431
Other expenditure	44 572	56 097	59 978	70 003	77 817	77 817	41 437	72 610	68 504	70 911
<b>Total Expenditure</b>	<b>165 045</b>	<b>191 331</b>	<b>194 879</b>	<b>217 833</b>	<b>228 417</b>	<b>228 417</b>	<b>135 162</b>	<b>230 517</b>	<b>235 611</b>	<b>245 617</b>
<b>Surplus/(Deficit)</b>	<b>36 132</b>	<b>17 282</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	20	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>2 356</b>	<b>2 550</b>	<b>11 765</b>	<b>89 156</b>	<b>73 451</b>	<b>73 451</b>	<b>9 899</b>	<b>39 450</b>	<b>21 944</b>	<b>10 254</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254
<b>Total sources of capital funds</b>	<b>2 356</b>	<b>2 550</b>	<b>11 765</b>	<b>89 156</b>	<b>73 451</b>	<b>73 451</b>	<b>9 899</b>	<b>39 450</b>	<b>21 944</b>	<b>10 254</b>
<b>Financial position</b>										
Total current assets	81 073	107 010	110 938	29 429	36 203	36 203	118 349	43 586	32 176	33 523
Total non current assets	20 530	17 083	22 864	106 848	91 143	91 143	30 893	65 231	47 725	36 035
Total current liabilities	23 648	29 965	26 470	21 840	26 313	26 313	36 877	26 746	18 810	12 577
Total non current liabilities	14 980	17 861	19 706	-	-	-	-	3 842	3 842	4 174
Community wealth/Equity	62 975	76 267	87 626	114 437	101 033	101 033	112 365	78 229	57 248	52 807
<b>Cash flows</b>										
Net cash from (used) operating	40 387	29 079	16 113	8 248	(1 283)	(1 283)	140 831	7 168	10 754	11 607
Net cash from (used) investing	(2 914)	(3 598)	(11 661)	(89 156)	(73 451)	(73 451)	(9 899)	(39 450)	(21 944)	(10 254)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>73 503</b>	<b>98 985</b>	<b>103 437</b>	<b>29 429</b>	<b>28 703</b>	<b>28 703</b>	<b>130 932</b>	<b>35 871</b>	<b>24 681</b>	<b>26 034</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	93 910	116 029	123 836	119 346	110 639	110 639	136 496	99 385	72 083	62 741
Application of cash and investments	23 129	45 433	10 518	20 986	25 459	25 459	7 439	25 459	17 441	11 188
<b>Balance - surplus (shortfall)</b>	<b>70 782</b>	<b>70 596</b>	<b>113 317</b>	<b>98 360</b>	<b>85 180</b>	<b>85 180</b>	<b>129 057</b>	<b>73 926</b>	<b>54 642</b>	<b>51 553</b>
<b>Asset management</b>										
Asset register summary (WDV)	20 743	16 639	22 049	105 794	90 089	90 089	61 499	43 992	32 303	-
Depreciation	6 931	5 911	3 643	7 017	7 017	7 017	6 988	7 321	7 656	-
Renewal and Upgrading of Existing Assets	212	-	-	4 000	4 205	4 205	-	-	-	-
Repairs and Maintenance	1 535	2 501	2 282	2 402	2 342	2 342	1 422	1 667	1 863	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
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 2023/24 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 A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		200 252	204 055	208 668	213 554	215 106	215 106	225 153	235 656	246 229
Executive and council		5	-	4	-	-	-	-	-	-
Finance and administration		200 248	204 055	208 664	213 554	215 106	215 106	225 153	235 656	246 229
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		447	407	432	500	500	500	597	627	656
Community and social services		447	407	432	500	500	500	597	627	656
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		478	4 171	4 636	5 011	5 011	5 011	4 947	2 761	2 884
Planning and development		-	4 171	4 636	5 011	5 011	5 011	4 947	2 761	2 884
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		478	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	201 177	208 633	213 735	219 065	220 617	220 617	230 697	239 043	249 769
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		117 666	123 827	111 987	130 012	135 331	135 331	132 820	140 589	146 779
Executive and council		44 766	52 912	55 697	60 394	63 647	63 647	62 123	66 402	69 386
Finance and administration		67 858	65 355	50 254	62 732	64 899	64 899	63 985	67 086	69 900
Internal audit		5 042	5 561	6 036	6 885	6 785	6 785	6 712	7 101	7 493
<i>Community and public safety</i>		14 430	49 589	58 223	57 115	55 557	55 557	59 851	61 924	64 520
Community and social services		8 275	49 264	58 223	57 115	55 557	55 557	59 851	61 924	64 520
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 155	324	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		36 516	21 301	29 876	30 707	38 028	38 028	37 847	33 097	34 519
Planning and development		8 503	21 084	29 876	30 707	38 028	38 028	37 847	33 097	34 519
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		28 013	217	0	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	168 612	194 717	200 086	217 833	228 917	228 917	230 517	235 611	245 817
<b>Surplus/(Deficit) for the year</b>		32 565	13 916	13 649	1 232	(8 300)	(8 300)	180	3 433	3 951

**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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>										
Vote 01 - Executive Council	1	5	-	4	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		205	328	608	-	742	742	2 880	3 021	3 163
Vote 04 - Financial Services		195 091	203 726	208 055	213 554	214 364	214 364	222 273	232 635	243 065
Vote 05 - Led & Planning		4 952	4 171	4 636	5 011	5 011	5 011	4 947	2 761	2 884
Vote 06 - Community Services		925	407	432	500	500	500	597	627	656
Vote 07 --		-	-	-	-	-	-	-	-	-
Vote 08 --		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>201 177</b>	<b>208 633</b>	<b>213 735</b>	<b>219 065</b>	<b>220 617</b>	<b>220 617</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 01 - Executive Council	1	15 957	17 078	15 987	23 097	21 750	21 750	24 770	26 891	28 020
Vote 02 - Municipal Manager		33 851	41 394	45 746	44 183	48 683	48 683	44 065	46 612	48 859
Vote 03 - Corporate Services		22 316	29 839	21 101	32 539	32 303	32 303	33 890	35 054	36 477
Vote 04 - Financial Services		35 340	35 490	29 153	30 193	32 596	32 596	30 095	32 031	33 423
Vote 05 - Led & Planning		18 705	21 110	29 876	30 707	38 028	38 028	37 847	33 097	34 519
Vote 06 - Community Services		42 443	49 806	58 223	57 115	55 557	55 557	59 851	61 924	64 520
Vote 07 --		-	-	-	-	-	-	-	-	-
Vote 08 --		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>168 612</b>	<b>194 717</b>	<b>200 086</b>	<b>217 833</b>	<b>228 917</b>	<b>228 917</b>	<b>230 517</b>	<b>235 611</b>	<b>245 817</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>32 565</b>	<b>13 916</b>	<b>13 649</b>	<b>1 232</b>	<b>(8 300)</b>	<b>(8 300)</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>

**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 95.14% of total revenue result from transfers from National treasury as per DoRA.

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

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
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		775	44	67	140	199	199	149	325	341	357
Agency services											
Interest											
Interest earned from Receivables											
Interest earned from Current and Non Current Assets		5 677	4 186	4 991	5 700	6 450	6 450	4 671	7 400	7 763	8 127
Dividends		-	274	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets											
Licence and permits											
Operational Revenue		163 718	167 404	172 096	-	1	1	1	-	-	-
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes											
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		478	407	432	500	500	500	383	597	627	656
Transfer and subsidies - Operational		30 529	36 288	34 296	36 491	37 233	37 233	154 098	40 977	40 776	39 751
Interest											
Fuel Levy		-	-	-	176 234	176 234	176 234	-	181 398	189 537	200 877
Operational Revenue											
Gains on disposal of Assets		-	9	-	-	-	-	-	-	-	-
Other Gains		-	-	1 853	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contrib</b>		<b>201 177</b>	<b>208 613</b>	<b>213 735</b>	<b>219 065</b>	<b>220 617</b>	<b>220 617</b>	<b>159 302</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>
<b>Expenditure</b>											
Employee related costs	2	96 365	111 253	113 777	122 016	118 216	118 216	78 997	125 696	131 854	137 704
Remuneration of councillors		10 257	10 367	9 969	13 575	11 775	11 775	7 734	12 432	12 998	13 568
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	4 023	5 563	5 563	-	5 961	6 253	6 547
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		6 931	5 911	3 643	7 017	7 017	7 017	1 870	6 988	7 321	7 656
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		24 246	29 693	34 776	35 493	40 300	40 300	19 358	36 701	34 162	35 543
Transfers and subsidies		6 919	7 704	7 512	1 200	8 030	8 030	5 124	6 830	8 680	9 431
Irrecoverable debts written off											
Operational costs		20 326	25 868	25 171	34 510	37 517	37 517	22 079	35 909	34 342	35 369
Losses on disposal of Assets		-	536	(53)	-	-	-	-	-	-	-
Other Losses		-	-	85	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>165 045</b>	<b>191 331</b>	<b>194 879</b>	<b>217 833</b>	<b>228 417</b>	<b>228 417</b>	<b>135 162</b>	<b>230 517</b>	<b>235 611</b>	<b>245 817</b>
<b>Surplus/(Deficit)</b>		<b>36 132</b>	<b>17 282</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Transfers and subsidies - capital (monetary)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	20	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>36 132</b>	<b>17 302</b>	<b>18 856</b>	<b>1 232</b>	<b>(7 800)</b>	<b>(7 800)</b>	<b>24 140</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>

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

- The proposed operating revenue for the 2023/24 financial year has been appropriated at **R230.6 Million**. The operating revenue has increased by 4.57% or **R10 Million** for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget.
- Transfers recognised – operating includes the local government equitable share and other operating grants. It needs to be noted that in real terms of the grants receipts from national government are growing rapidly over the MTREF by 3.18% 2023/24, 3.55% in 2024/25 and 4.48% in 2025/26 budget year and the budget is primarily funded from grants receipts from National



Treasury which forms a major portion of sources of revenue at 95% of the total Revenue.

- The proposed operating expenditure for the 2023/24 financial year has been appropriated at **R230.5 Million** and translates into a budgeted surplus of **R180 Thousand**. The operating expenditure has increased by 0.70% or **R1.5 Million** in the 2023/24 financial year when compared to the 2022/23 Adjustments Budget.

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

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure - to be appropriated</b>	2										
Vote 01 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Led & Planning		-	-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - -		-	-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 01 - Executive Council		100	-	-	100	100	100	32	110	71	95
Vote 02 - Municipal Manager		282	60	-	706	846	846	2	2 530	1 600	1 300
Vote 03 - Corporate Services		645	247	5 302	8 200	5 700	5 700	1 581	4 000	2 050	1 705
Vote 04 - Financial Services		959	1 198	82	12 050	12 050	12 050	3 447	2 560	2 050	1 035
Vote 05 - Led & Planning		-	-	3 756	55 550	46 255	46 255	4 835	16 550	14 435	4 430
Vote 06 - Community Services		369	1 046	2 626	12 550	8 500	8 500	2	13 700	1 737	1 690
Vote 07 - -		-	-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254
<b>Total Capital Expenditure - Vote</b>		2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		1 986	1 505	5 384	21 056	18 696	18 696	5 062	9 200	5 771	4 135
Executive and council		197	60	-	630	630	630	35	2 640	1 671	1 395
Finance and administration		1 604	1 445	5 384	20 250	17 750	17 750	5 028	6 560	4 100	2 740
Internal audit		185	-	-	176	316	316	-	-	-	-
<b>Community and public safety</b>		329	1 046	2 626	12 550	8 500	8 500	2	13 700	1 737	1 690
Community and social services		68	1 046	2 626	12 550	8 500	8 500	2	13 700	1 737	1 690
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		261	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		40	-	3 756	55 550	46 255	46 255	4 835	16 550	14 435	4 430
Planning and development		-	-	3 756	55 550	46 255	46 255	4 835	16 550	14 435	4 430
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		40	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254
<b>Total Capital Funding</b>	7	2 356	2 550	11 765	89 156	73 451	73 451	9 899	39 450	21 944	10 254

**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 2023/24 financial year has been appropriated at **R39.4 Million**. The capital expenditure reduced by 46.29% or **R34 Million** when compared to the 2022/23 Adjustments Budget. The capital budget will be funded internally. For the two outer years, capital expenditure will decrease by 44.38% or R17.5 Million in 2024/25 and in 2025/26 by 53.27% or R11.6 Million. The capital budget is funded from internally generated funds.

**Table A6 - Budgeted Financial Position**

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		73 503	98 985	103 437	29 429	28 703	28 703	112 134	35 871	24 681	26 034
Trade and other receivables from exchange transactions	1	416	416	416	-	6 365	6 365	495	6 365	6 359	6 353
Receivables from non-exchange transactions	1	-	-	-	-	-	-	-	-	-	-
Current portion of non-current receivables											
Inventory	2	-	-	-	-	-	-	-	-	-	-
VAT		5 327	4 279	4 107	-	-	-	4 107	-	-	-
Other current assets		1 827	3 330	2 978	-	1 136	1 136	1 612	1 350	1 136	1 136
<b>Total current assets</b>		<b>81 073</b>	<b>107 010</b>	<b>110 938</b>	<b>29 429</b>	<b>36 203</b>	<b>36 203</b>	<b>118 349</b>	<b>43 586</b>	<b>32 176</b>	<b>33 523</b>
<b>Non current assets</b>											
Investments		0	0	0	0	0	0	0	0	0	0
Investment property											
Property, plant and equipment	3	19 991	16 628	19 982	89 917	75 572	75 572	23 866	57 150	41 043	30 354
Biological assets											
Living and non-living resources											
Heritage assets											
Intangible assets		538	455	2 881	16 931	15 571	15 571	7 027	8 081	6 681	5 681
Trade and other receivables from exchange transactions											
Non-current receivables from non-exchange transactions											
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>20 530</b>	<b>17 083</b>	<b>22 864</b>	<b>106 848</b>	<b>91 143</b>	<b>91 143</b>	<b>30 893</b>	<b>65 231</b>	<b>47 725</b>	<b>36 035</b>
<b>TOTAL ASSETS</b>		<b>101 603</b>	<b>124 092</b>	<b>133 802</b>	<b>136 277</b>	<b>127 346</b>	<b>127 346</b>	<b>149 242</b>	<b>108 817</b>	<b>79 900</b>	<b>69 558</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft											
Financial liabilities		-	-	-	-	-	-	433	433	433	433
Consumer deposits											
Trade and other payables from exchange transactions	4	21 665	27 675	24 273	20 986	25 459	25 459	17 149	11 188	11 188	11 188
Trade and other payables from non-exchange transactions	5	1 464	1 525	1 186	-	-	-	150	-	-	-
Provision		454	699	945	518	518	518	19 145	19 145	19 145	19 145
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		66	66	66	336	336	336	-	-	-	-
<b>Total current liabilities</b>		<b>23 648</b>	<b>29 965</b>	<b>26 470</b>	<b>21 840</b>	<b>26 313</b>	<b>26 313</b>	<b>36 877</b>	<b>30 766</b>	<b>30 766</b>	<b>30 766</b>
<b>Non current liabilities</b>											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	11 670	14 351	15 864	20 045	20 045	20 045	15 864	15 864	17 377	17 377
Long term portion of trade payables											
Other non-current liabilities		3 310	3 510	3 842	-	-	-	-	3 842	3 842	4 174
<b>Total non current liabilities</b>		<b>14 980</b>	<b>17 861</b>	<b>19 706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 842</b>	<b>3 842</b>	<b>4 174</b>
<b>TOTAL LIABILITIES</b>		<b>38 628</b>	<b>47 826</b>	<b>46 176</b>	<b>21 840</b>	<b>26 313</b>	<b>26 313</b>	<b>36 877</b>	<b>34 608</b>	<b>34 608</b>	<b>34 940</b>
<b>NET ASSETS</b>		<b>62 975</b>	<b>76 267</b>	<b>87 626</b>	<b>114 437</b>	<b>101 033</b>	<b>101 033</b>	<b>112 365</b>	<b>74 209</b>	<b>45 293</b>	<b>34 618</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	61 386	74 679	86 038	114 437	101 033	101 033	110 776	78 229	57 248	52 807
Reserves and funds	9	1 588	1 588	1 588	-	-	-	1 588	-	-	-
Other											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>62 975</b>	<b>76 267</b>	<b>87 626</b>	<b>114 437</b>	<b>101 033</b>	<b>101 033</b>	<b>112 365</b>	<b>78 229</b>	<b>57 248</b>	<b>52 807</b>

**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 on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. Municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

**Table A7 - Budgeted Cash Flow Statement**

DC40 Dr Kenneth Kaunda - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates											
Service charges											
Other revenue		164 113	167 772	173 153	176 874	177 676	177 676	265 397	185 200	193 526	205 053
Transfers and Subsidies - Operational	1	31 025	36 295	34 296	36 491	36 491	36 491	2 666	38 097	37 755	36 588
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	1 842	-	-	-
Interest		5 677	3 808	4 763	5 700	6 450	6 450	1 247	7 400	7 763	8 127
Dividends		-	274	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(155 555)	(171 366)	(188 587)	(209 617)	(213 871)	(213 871)	(130 320)	(216 699)	(219 609)	(228 730)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	(4 873)	(7 704)	(7 512)	(1 200)	(8 030)	(8 030)	-	(6 630)	(6 680)	(9 431)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>40 387</b>	<b>29 079</b>	<b>16 113</b>	<b>8 248</b>	<b>(1 283)</b>	<b>(1 283)</b>	<b>140 831</b>	<b>7 168</b>	<b>10 754</b>	<b>11 607</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				105							
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets		(2 914)	(3 598)	(11 765)	(89 156)	(73 451)	(73 451)	(9 899)	(39 450)	(21 944)	(10 254)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(2 914)</b>	<b>(3 598)</b>	<b>(11 661)</b>	<b>(89 156)</b>	<b>(73 451)</b>	<b>(73 451)</b>	<b>(9 899)</b>	<b>(39 450)</b>	<b>(21 944)</b>	<b>(10 254)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing											
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>37 473</b>	<b>25 481</b>	<b>4 452</b>	<b>(80 908)</b>	<b>(74 734)</b>	<b>(74 734)</b>	<b>130 932</b>	<b>(32 282)</b>	<b>(11 190)</b>	<b>1 353</b>
Cash/cash equivalents at the year begin:	2	36 031	73 503	98 985	110 337	103 437	103 437	-	68 153	35 871	24 681
Cash/cash equivalents at the year end:	2	73 503	98 985	103 437	29 429	28 703	28 703	130 932	35 871	24 681	26 034

**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 2023/24 Budget the unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.

The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

### Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	73 503	98 985	103 437	29 429	28 703	28 703	130 932	35 871	24 681	26 034
Other current investments > 90 days		416	416	416	-	6 365	6 365	(18 303)	6 365	6 359	6 353
Investments - Property, plant and equipment	1	19 991	16 628	19 982	89 917	75 572	75 572	23 866	57 150	41 043	30 354
<b>Cash and investments available:</b>		<b>93 910</b>	<b>116 029</b>	<b>123 836</b>	<b>119 346</b>	<b>110 639</b>	<b>110 639</b>	<b>136 496</b>	<b>99 385</b>	<b>72 083</b>	<b>62 741</b>
<b>Application of cash and investments</b>											
Trade payables from Non-exchange transactions: Other		1 464	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	21 665	45 433	10 518	20 986	25 459	25 459	7 439	25 459	17 441	11 188
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>23 129</b>	<b>45 433</b>	<b>10 518</b>	<b>20 986</b>	<b>25 459</b>	<b>25 459</b>	<b>7 439</b>	<b>25 459</b>	<b>17 441</b>	<b>11 188</b>
<b>Surplus(shortfall)</b>		<b>70 782</b>	<b>70 596</b>	<b>113 317</b>	<b>98 360</b>	<b>85 180</b>	<b>85 180</b>	<b>129 057</b>	<b>73 926</b>	<b>54 642</b>	<b>51 553</b>

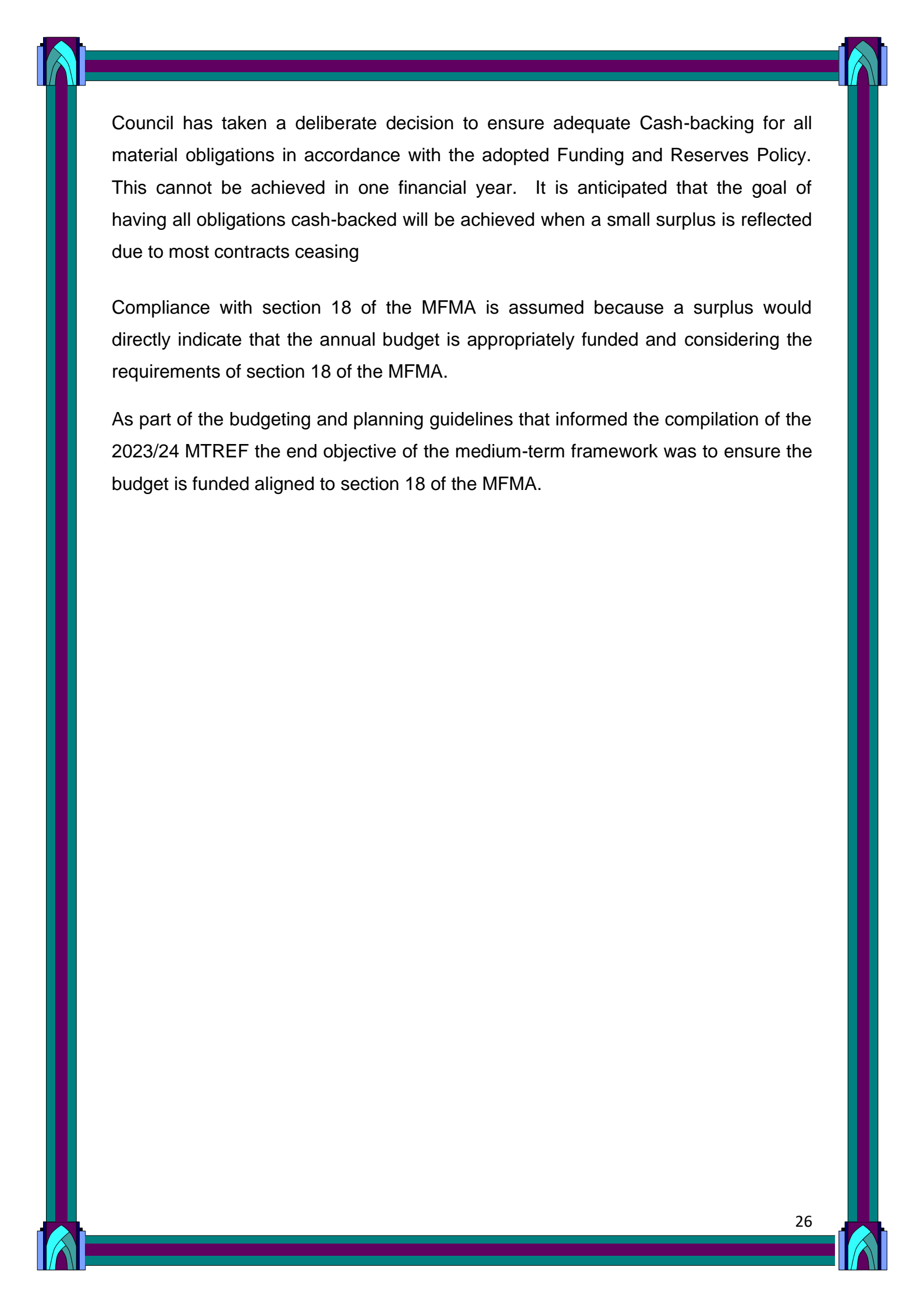
### MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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 firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

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

Compliance with section 18 of the MFMA is assumed because a surplus would directly indicate that the annual budget is appropriately funded and considering the requirements of section 18 of the MFMA.

As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	2 143	2 550	11 765	85 156	69 246	69 246	39 450	21 944	10 254
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	1 500	2 000	2 000
<i>Sanitation Infrastructure</i>		-	-	3 732	2 500	2 500	2 500	2 000	2 400	2 400
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	3 732	2 500	2 500	2 500	3 500	4 400	4 400
Community Facilities		91	100	-	50 800	40 800	40 800	11 000	10 000	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		91	100	-	50 800	40 800	40 800	11 000	10 000	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		641	-	-	6 700	2 450	2 450	2 950	200	100
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		641	-	-	6 700	2 450	2 450	2 950	200	100
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		251	268	2 785	16 476	15 116	15 116	5 200	3 800	2 800
<b>Intangible Assets</b>		251	268	2 785	16 476	15 116	15 116	5 200	3 800	2 800
<b>Computer Equipment</b>		776	1 162	2 516	2 800	1 800	1 800	2 600	1 000	1 200
<b>Furniture and Office Equipment</b>		189	88	162	280	280	280	1 100	1 106	565
<b>Machinery and Equipment</b>		195	384	326	1 900	2 600	2 600	2 400	687	690
<b>Transport Assets</b>		-	547	2 243	3 700	3 700	3 700	10 700	750	500
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	2 500	3 205	3 205	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	2 500	3 205	3 205	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	2 500	3 205	3 205	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	212	-	-	1 500	1 000	1 000	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	1 000	500	500	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	1 000	500	500	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		212	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		212	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	500	500	500	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	2 356	2 550	11 765	89 156	73 451	73 451	39 450	21 944	10 254

Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure				2 500	3 205	3 205	1 500	2 000	2 000	
Sanitation Infrastructure			3 732	2 500	2 500	2 500	2 000	2 400	2 400	
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
<b>Infrastructure</b>			<b>3 732</b>	<b>5 000</b>	<b>5 705</b>	<b>5 705</b>	<b>3 500</b>	<b>4 400</b>	<b>4 400</b>	
Community Facilities	91	100		51 800	41 300	41 300	11 000	10 000		
Sport and Recreation Facilities										
<b>Community Assets</b>	<b>91</b>	<b>100</b>		<b>51 800</b>	<b>41 300</b>	<b>41 300</b>	<b>11 000</b>	<b>10 000</b>		
<b>Heritage Assets</b>										
Revenue Generating										
Non-revenue Generating										
<b>Investment properties</b>										
Operational Buildings	641			6 700	2 450	2 450	2 950	200	100	
Housing										
<b>Other Assets</b>	<b>641</b>			<b>6 700</b>	<b>2 450</b>	<b>2 450</b>	<b>2 950</b>	<b>200</b>	<b>100</b>	
<b>Biological or Cultivated Assets</b>										
Servitudes										
Licences and Rights	463	268	2 785	16 476	15 116	15 116	5 200	3 800	2 800	
<b>Intangible Assets</b>	<b>463</b>	<b>268</b>	<b>2 785</b>	<b>16 476</b>	<b>15 116</b>	<b>15 116</b>	<b>5 200</b>	<b>3 800</b>	<b>2 800</b>	
Computer Equipment	776	1 162	2 516	2 800	1 800	1 800	2 600	1 000	1 200	
Furniture and Office Equipment	189	88	268	280	280	280	1 100	1 106	565	
Machinery and Equipment	195	384	326	1 900	2 600	2 600	2 400	687	690	
Transport Assets		547	2 243	4 200	4 200	4 200	10 700	750	500	
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources										
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>2 356</b>	<b>2 550</b>	<b>11 765</b>	<b>89 156</b>	<b>73 451</b>	<b>73 451</b>	<b>39 450</b>	<b>21 944</b>	<b>10 254</b>	
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>20 743</b>	<b>16 639</b>	<b>22 049</b>	<b>105 794</b>	<b>90 089</b>	<b>90 089</b>	<b>61 499</b>	<b>43 992</b>	<b>32 303</b>
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure				2 500	3 205	3 205	1 500	2 000	2 000	
Sanitation Infrastructure				2 500	2 500	2 500	2 000	2 400	2 400	
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		6 320	2 497	2 176	2 497	2 497	2 176	2 176	2 176	
Community Assets		3 984	4 096	4 847	55 896	45 396	45 396	15 847	14 847	4 847
Heritage Assets										
Investment properties										
Other Assets		641	641		7 341	3 091	3 091	2 950	200	100
<b>Biological or Cultivated Assets</b>										
Intangible Assets		538	455	2 881	16 931	15 571	15 571	8 081	6 681	5 681
Computer Equipment		1 374	1 843	3 326	4 643	3 643	5 926	4 326	4 326	
Furniture and Office Equipment		1 781	924	815	1 204	1 204	1 915	1 921	1 380	
Machinery and Equipment		1 429	1 409	1 240	3 309	4 009	3 640	1 928	1 930	
Transport Assets		4 674	4 772	6 764	8 972	8 972	17 464	7 514	7 264	
Land										
Zoo's, Marine and Non-biological Animals										
Living Resources										
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>20 743</b>	<b>16 639</b>	<b>22 049</b>	<b>105 794</b>	<b>90 089</b>	<b>90 089</b>	<b>61 499</b>	<b>43 992</b>	<b>32 303</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>8 466</b>	<b>8 412</b>	<b>5 925</b>	<b>9 419</b>	<b>9 359</b>	<b>9 359</b>	<b>8 410</b>	<b>8 988</b>	<b>9 519</b>
Depreciation	7	6 931	5 911	3 643	7 017	7 017	6 988	7 321	7 656	
Repairs and Maintenance by Asset Class	3	1 535	2 501	2 282	2 402	2 342	2 342	1 422	1 667	1 863
Roads Infrastructure				797						
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure			797							
Community Facilities										
Sport and Recreation Facilities										
Community Assets										
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		552	1 412	536	700	780	780	500	525	549
Housing										
Other Assets		552	1 412	536	700	780	780	500	525	549
<b>Biological or Cultivated Assets</b>										
Servitudes										
Licences and Rights										
<b>Intangible Assets</b>										
Computer Equipment		801	783	940	1 200	1 200	1 200	500	700	850
Furniture and Office Equipment		6	12	7	202	152	152	152	159	167
Machinery and Equipment		1	8	1	200	110	110	190	199	209
Transport Assets		175	287	1	100	100	100	80	84	88
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources										
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>8 466</b>	<b>8 412</b>	<b>5 925</b>	<b>9 419</b>	<b>9 359</b>	<b>9 359</b>	<b>8 410</b>	<b>8 988</b>	<b>9 519</b>
Renewal and upgrading of Existing Assets as % of total capex		9,0%	0,0%	0,0%	4,5%	5,7%	5,7%	0,0%	0,0%	0,0%
Renewal and upgrading of Existing Assets as % of deprecn		3,1%	0,0%	0,0%	57,0%	59,9%	59,9%	0,0%	0,0%	0,0%
R&M as a % of PPE		7,6%	14,5%	10,0%	2,7%	3,1%	3,1%	6,0%	2,9%	4,5%
Renewal and upgrading and R&M as a % of PPE		8,0%	15,0%	10,0%	6,0%	7,0%	7,0%	2,0%	4,0%	6,0%



## 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 2022/23 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 R1.4 million for 2023/24.

## Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Household service targets</b>	1									
<b>Water:</b>										
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>		--	--	--	--	--	--	--	--	--
<b>Total number of households</b>	5									
<b>Sanitation/sewerage:</b>										
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>		--	--	--	--	--	--	--	--	--
<b>Total number of households</b>	5									
<b>Energy:</b>										
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>		--	--	--	--	--	--	--	--	--
<b>Total number of households</b>	5									
<b>Refuse:</b>										
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>		--	--	--	--	--	--	--	--	--
<b>Total number of households</b>	5									
<b>Households receiving Free Basic Service</b>	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)		--	--	--	--	--	--	--	--	--
<i>Informal Settlements</i>		--	--	--	--	--	--	--	--	--
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
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)		--	--	--	--	--	--	--	--	--
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8									
<b>Highest level of free service provided per household</b>										
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)		--	--	--	--	--	--	--	--	--
<b>Revenue cost of subsidised services provided (R'000)</b>	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		--	--	--	--	--	--	--	--	--
<b>Total revenue cost of subsidised services provided</b>	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 2022 as per Council Resolution **ITEM A.185/08/2022**.
- The 2023/24 Draft Budget was tabled together with the review of the IDP in council in March 2023 as per Council Resolution **ITEM A.138/03/2023**.
- The Final Budget and IDP will be tabled and approved by council not later than 31<sup>st</sup> of May 2023.

#### **OUTCOMES OF CONSULTATIVE PROCESS**

- After Council's approval of the adjustment budget on 23<sup>th</sup> February 2023 as per Council Resolution **ITEM.A 106/02/2023**, the external consultation with the community to provide inputs on the Draft budget and Integrated Development Plan was done using media platforms such as teleconferencing, Local Radio stations.
- 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 2023/24 budget year:
  - Budget Strategic Session
  - Budget Committee working sessions – HOD's / Unit Managers
  - Submission of the Draft IDP and Budget to Council (to be submitted to council meeting scheduled for May 2023)
  - Advertisement on a local newspaper once approved in council
  - National Treasury and other sector departments as prescribed by section 23 of the MFMA.
  - Public Participation by the Executive Mayor – Aganang FM and Star FM on the 16<sup>th</sup> May 2023
- As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.
- 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 three local 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.185/08/2022**

#### **SCHEDULE OF BUDGET KEY DEADLINES - 2023/2024**

5/1/1

#### **THEREFORE RESOLVED**

That the time schedule of budget key deadlines for 2023/2024 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
SPATIAL RATIONALE				447	-	-	-	-	-	-	-	-	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				5	-	4	-	-	-	-	-	-	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				195 091	203 706	208 055	213 554	214 364	214 364	222 273	232 635	243 065	
DISTRICT ECONOMIC DEVELOPMENT				-	4 171	4 636	5 011	5 011	5 011	4 947	2 761	2 884	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				205	328	608	-	742	742	2 880	3 021	3 163	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				5 430	407	432	500	500	500	597	627	656	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				1	201 177	208 613	213 735	219 065	220 617	220 617	230 697	239 043	249 769

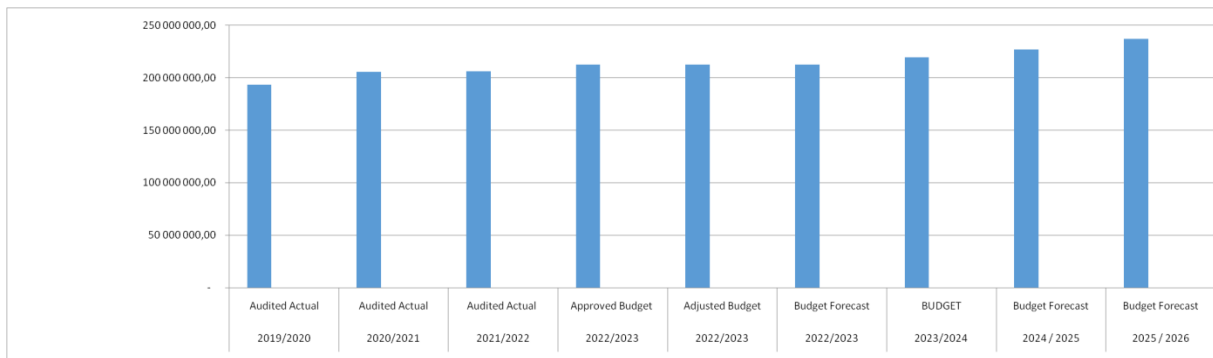
## 2.3. Measurable performance objectives and indicators

### 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)

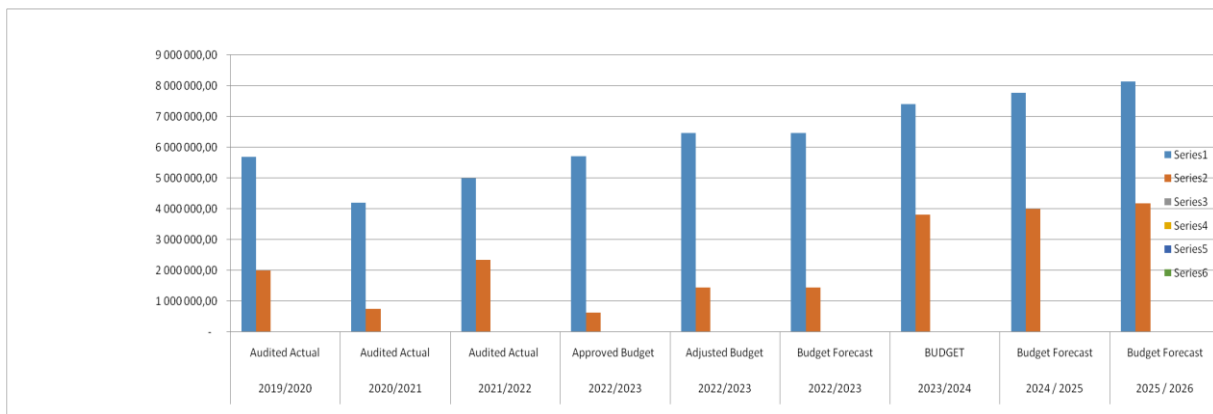
Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
SPATIAL RATIONALE				8 275	329	-	-	-	-	-	-	-	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				49 808	58 472	61 733	67 280	70 433	70 433	68 834	73 503	76 879	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				35 340	35 490	29 153	30 193	32 596	32 596	30 095	32 031	33 423	
DISTRICT ECONOMIC DEVELOPMENT				8 503	21 084	29 876	30 707	38 028	38 028	37 847	33 097	34 519	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				22 316	29 839	21 101	32 539	32 303	32 303	33 890	35 054	36 477	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				44 369	49 503	58 223	57 115	55 557	55 557	59 851	61 924	64 520	
Allocations to other priorities													
Total Expenditure				1	168 612	194 717	200 086	217 833	228 917	228 917	230 517	235 611	245 817

## REVENUE BY MAJOR SOURCE



	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 BUDGET	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Transfers Recog. Operating	193 505 872,85	205 800 159,00	206 392 248,00	212 725 000,00	212 725 000,00	212 725 000,00	219 495 000,00	227 292 000,00	237 465 000,00
Transfers Recog. Capital	-	-	-	-	-	-	-	-	-
<b>Total revenue by major source</b>	<b>193 505 872,85</b>	<b>205 800 159,00</b>	<b>206 392 248,00</b>	<b>212 725 000,00</b>	<b>212 725 000,00</b>	<b>212 725 000,00</b>	<b>219 495 000,00</b>	<b>227 292 000,00</b>	<b>237 465 000,00</b>

## REVENUE BY MINOR SOURCE

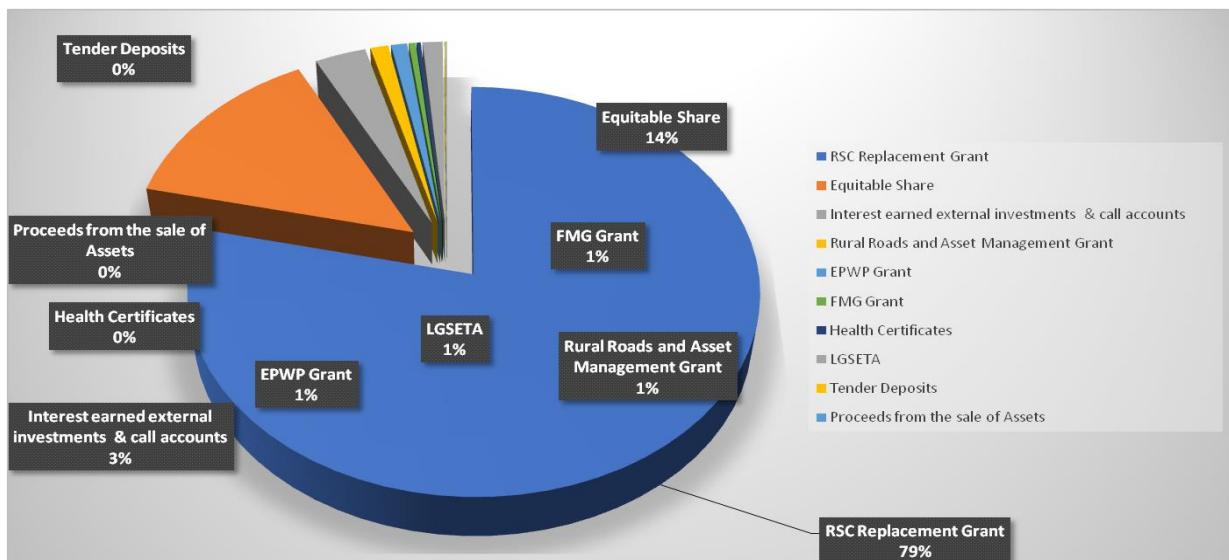


	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 BUDGET	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Interest External Investmen	5 677 254,00	4 201 606,00	4 991 304,00	5 700 000,00	6 450 000,00	6 450 000,00	7 400 000,00	7 762 600,00	8 127 442,00
Other Revenue	1 989 231,00	744 869,00	2 351 704,00	640 000,00	1 442 047,00	1 442 047,00	3 802 430,00	3 988 748,00	4 176 219,00
Rental of Facilities	-	-	-	-	-	-	-	-	-
Interest Outstanding Debtor	-	-	-	-	-	-	-	-	-
Dividends Received	-	-	-	-	-	-	-	-	-
Gain on Disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total revenue by minor source</b>	<b>7 666 485,00</b>	<b>4 946 475,00</b>	<b>7 343 008,00</b>	<b>6 340 000,00</b>	<b>7 892 047,00</b>	<b>7 892 047,00</b>	<b>11 202 430,00</b>	<b>11 751 348,00</b>	<b>12 303 661,00</b>

## SOURCE OF FUNDING AS A PERCENTAGE (%)

The following sources of funding forms part of funding as a percentage of total funding :

BUDGET FUNDING		As % of Total funding
RSC Replacement Grant	181 398 000	78,63
Equitable Share	32 150 000	13,94
Interest earned external investments & call accounts	7 400 000	3,21
Rural Roads and Asset Management Grant	2 641 000	1,14
EPWP Grant	2 306 000	1,00
FMG Grant	1 000 000	0,43
Health Certificates	597 430	0,26
LGSETA	2 880 000	1,25
Tender Deposits	175 000	0,08
Proceeds from the sale of Assets	150 000	0,07
<b>TOTAL FUNDING</b>	<b>230 697 430</b>	<b>100,00</b>

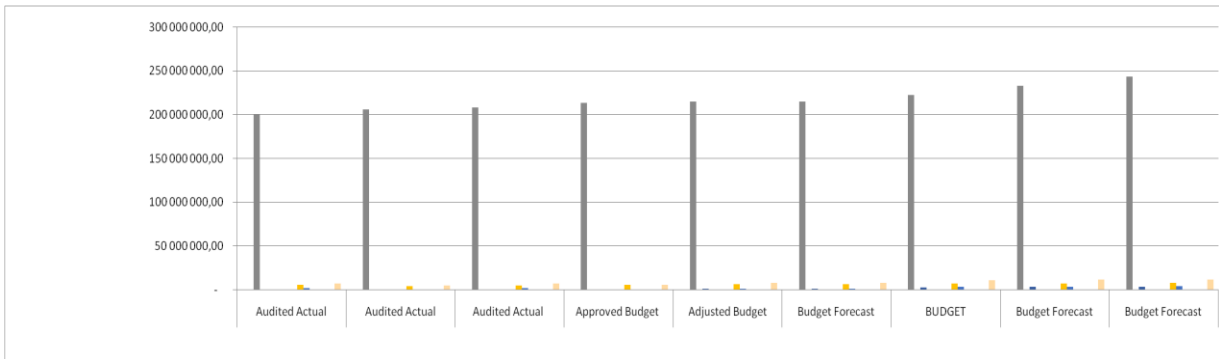


The DoRA allocations on Grants and subsidies amount to **R219.4 million** which constitutes **95.14%** of the total budgeted revenue. The grants and subsidies consists of Equitable share and RSC Replacement Grant, EPWP Grant, Rural Roads Assets Management and FMG Grant.

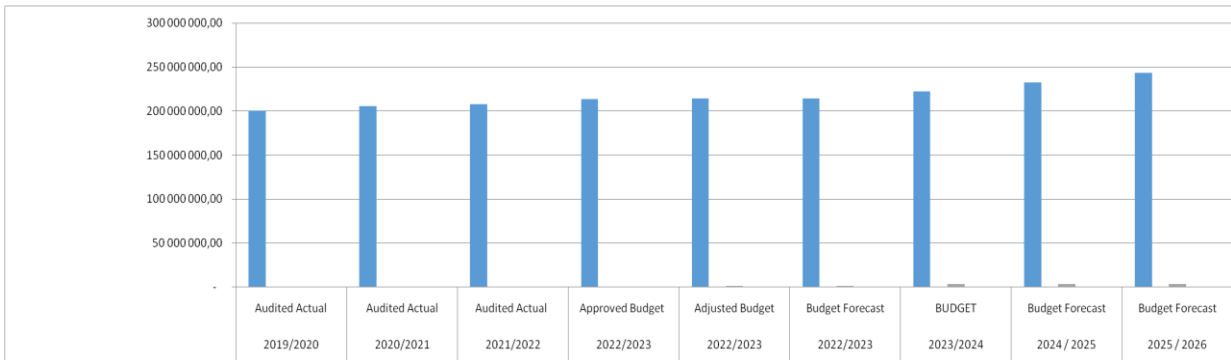
The remaining **4.86% or R11.2 Million** of the total revenue comprises of the following,

- 3.21% or R7.4 million from interest on investments and Bank accounts.
- The 1.25% or R2.8 Million of the LGSETA.
- The 0.14% or R325 Thousand of the total revenue comprises of tender deposits and Proceeds from sale of Assets.
- 0.26% or R597 thousands is for Health certificates.

## REVENUE BY MUNICIPAL VOTE

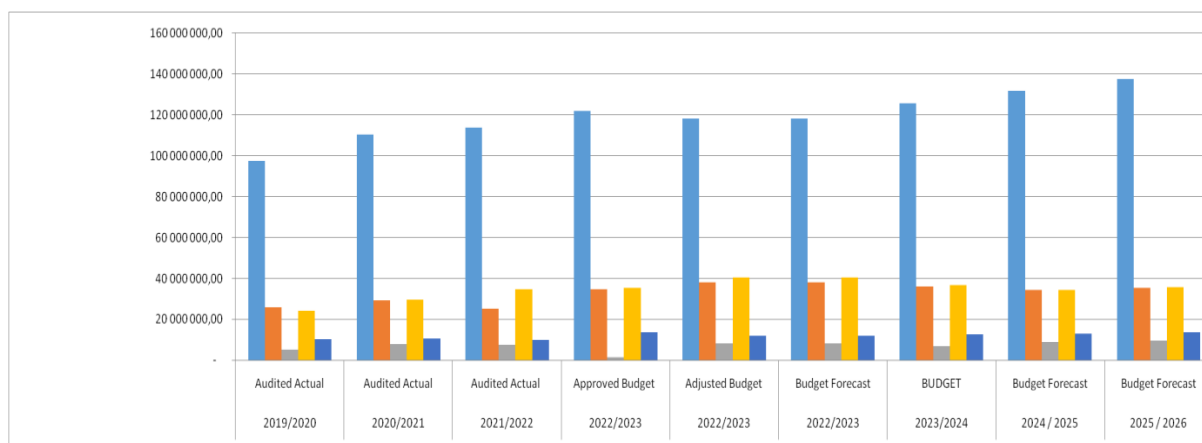


## REVENUE BY STANDARD CLASSIFICATION



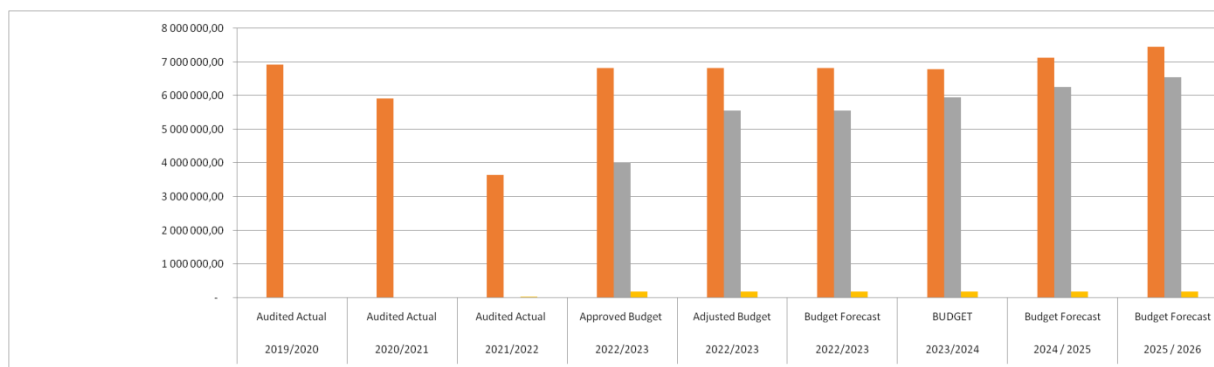
	2019/2020	2020/2021	2021/2022	2022/2023	2022/2023	2022/2023	2023/2024	2024 / 2025	2025 / 2026
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive Mayor	4 633,64	-	3930,43	-	-	-	-	-	-
Municipal Manager				-	-	-	-	-	-
Budget and Treasury	200 247 526,27	205 839 850,50	208 055 370,90	213 554 000,00	214 364 307,00	214 364 307,00	222 273 000,00	232 634 525,00	243 065 390,00
Corporate Services		328 307,47	608 333,75	-	741 740,00	741 740,00	2 880 000,00	3 021 120,00	3 163 113,00
LEDT & Planning	477 832,40	4 171 000,00	4 636 000,00	5 011 000,00	5 011 000,00	5 011 000,00	4 947 000,00	2 761 000,00	2 884 000,00
Community Services	447 000,00	407 476,06	431 619,62	500 000,00	500 000,00	500 000,00	597 430,00	626 703,00	656 158,00
<b>Total revenue by standard class</b>	<b>201 176 992,31</b>	<b>210 746 634,03</b>	<b>213 735 254,70</b>	<b>219 065 000,00</b>	<b>220 617 047,00</b>	<b>220 617 047,00</b>	<b>230 697 430,00</b>	<b>239 043 348,00</b>	<b>249 768 661,00</b>

## OPERATING EXPENDITURE BY MAJOR TYPE



	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 BUDGET	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Employee Related Costs	97 442 027,00	110 330 545,00	113 777 098,74	122 015 734,00	118 215 734,00	118 215 734,00	125 695 623,00	131 853 534,00	137 703 557,00
Other expenditure	25 938 184,00	29 285 114,00	25 170 842,68	34 509 950,00	37 966 996,00	37 966 996,00	35 909 446,00	34 342 258,00	35 368 825,00
Grants&Subsidies Paid Operating	5 073 489,00	7 703 797,00	7 512 348,22	1 200 000,00	8 030 000,00	8 030 000,00	6 830 000,00	8 680 470,00	9 431 252,00
Contracted services	24 197 842,00	29 661 792,00	34 775 534,90	35 493 000,00	40 349 956,00	40 349 956,00	36 700 956,00	34 161 634,00	35 542 539,00
Remuneration of councillors	10 253 749,00	10 366 968,00	9 969 227,10	13 574 855,00	11 774 855,00	11 774 855,00	12 432 266,00	12 998 375,00	13 567 982,00
<b>Total expenditure major type</b>	<b>162 905 291,00</b>	<b>187 348 216,00</b>	<b>191 205 051,64</b>	<b>206 793 539,00</b>	<b>216 337 541,00</b>	<b>216 337 541,00</b>	<b>217 568 291,00</b>	<b>222 036 271,00</b>	<b>231 614 155,00</b>

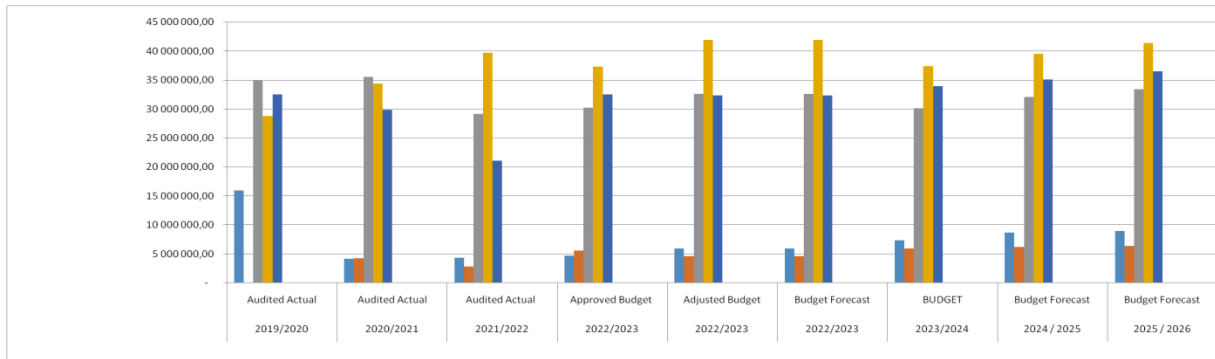
## OPERATING EXPENDITURE BY MINOR TYPE



	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 BUDGET	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Finance charges	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	6 930 570,00	5 911 003,00	3 642 818,90	6 821 506,00	6 821 506,00	6 821 506,00	6 792 589,00	7 126 054,00	7 460 983,00
Other materials	-	-	-	4 023 000,00	5 563 000,00	5 563 000,00	5 961 120,00	6 253 215,00	6 547 116,00
Loss on disposal of PPE	-	-	31 587,74	195 000,00	195 000,00	195 000,00	195 000,00	195 000,00	195 000,00
Debt impairment	-	-	-	-	-	-	-	-	-
<b>Total expenditure by minor type</b>	<b>6 930 570,00</b>	<b>5 911 003,00</b>	<b>3 674 406,64</b>	<b>11 039 506,00</b>	<b>12 579 506,00</b>	<b>12 579 506,00</b>	<b>12 948 709,00</b>	<b>13 574 269,00</b>	<b>14 203 099,00</b>

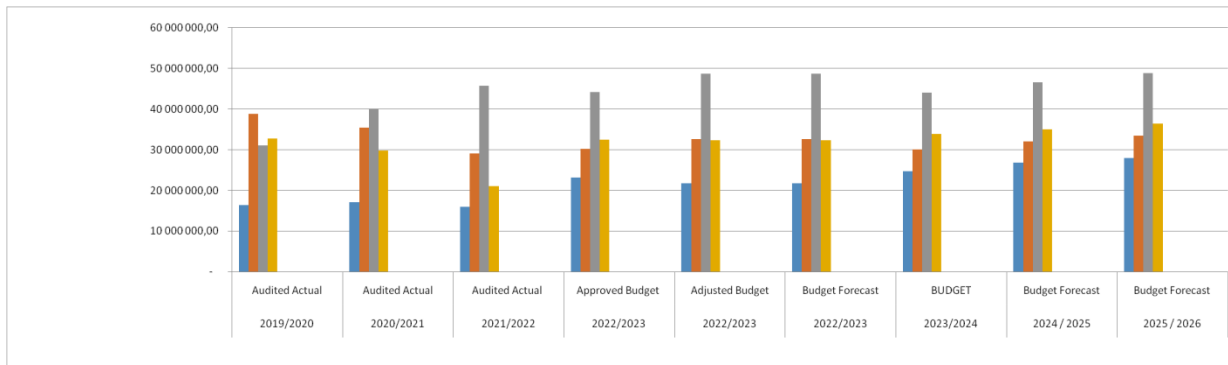


## OPERATING EXPENDITURE BY MUNICIPAL VOTE



	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 <b>BUDGET</b>	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Office of the Executive Mayor	15 956 622,40	4 163 100,31	4 317 197,04	4 679 632,00	5 947 632,00	5 947 632,00	<b>7 361 261,00</b>	8 672 963,00	8 986 586,00
Office of the Speaker	-	4 245 612,08	2 823 464,62	5 595 900,00	4 600 900,00	4 600 900,00	<b>5 922 196,00</b>	6 169 311,00	6 417 951,00
Chief Whip	-	4 698 438,72	4 786 755,06	2 108 480,00	2 153 480,00	2 153 480,00	<b>1 820 142,00</b>	1 909 329,00	1 999 066,00
Councillors	-	3 970 799,63	4 059 107,91	10 712 886,00	9 047 886,00	9 047 886,00	<b>9 666 197,00</b>	10 139 841,00	10 616 411,00
Municipal Manager Admin.	28 809 390,39	34 375 681,68	39 710 443,02	37 297 393,00	41 897 393,00	41 897 393,00	<b>37 352 826,00</b>	39 510 088,00	41 366 120,00
Internal Audit	5 042 005,92	5 560 553,76	6 035 984,34	6 885 460,00	6 785 278,00	6 785 278,00	<b>6 711 787,00</b>	7 101 462,00	7 492 932,00
Corporate Services Admin.	32 517 538,01	29 839 348,35	21 100 760,89	32 538 941,00	32 302 941,00	32 302 941,00	<b>33 889 919,00</b>	35 054 132,00	36 477 415,00
Budget and Treasury	34 993 748,29	35 489 796,41	29 152 933,92	30 193 177,00	32 595 903,00	32 595 903,00	<b>30 095 464,00</b>	32 031 456,00	33 422 514,00
LEDT & Planning	36 516 282,75	21 110 174,25	29 875 869,14	30 706 572,00	38 028 230,00	38 028 230,00	<b>37 846 614,00</b>	33 097 485,00	34 518 682,00
Community Services	14 776 753,84	49 805 713,83	58 223 289,48	57 114 604,00	55 557 404,00	55 557 404,00	<b>59 850 594,00</b>	61 924 473,00	64 519 577,00
<b>Total Operating Expenditure</b>	<b>168 612 341,60</b>	<b>193 259 219,02</b>	<b>200 085 805,42</b>	<b>217 833 045,00</b>	<b>228 917 047,00</b>	<b>228 917 047,00</b>	<b>230 517 000,00</b>	<b>235 610 540,00</b>	<b>245 817 254,00</b>

## OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

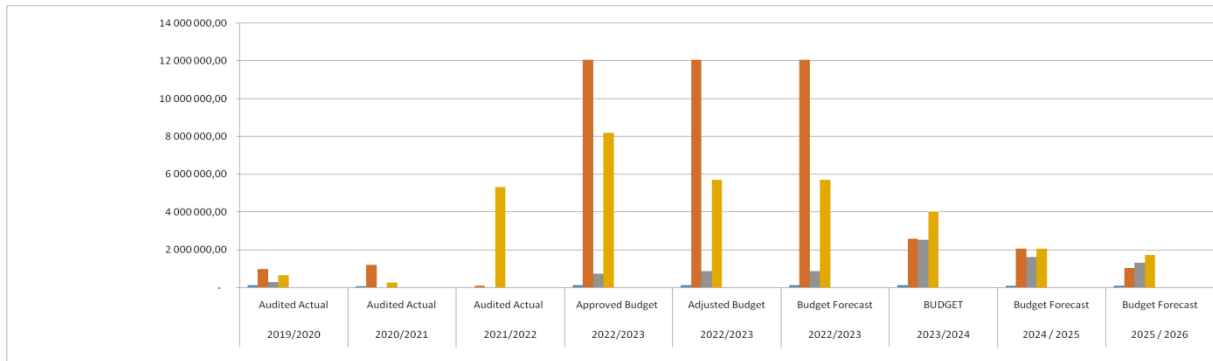


	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Audited Actual	2022/2023 Approved Budget	2022/2023 Adjusted Budget	2022/2023 Budget Forecast	2023/2024 <b>BUDGET</b>	2024 / 2025 Budget Forecast	2025 / 2026 Budget Forecast
Executive and Council	16 340 490,00	17 077 950,74	15 986 524,63	23 096 898,00	21 749 898,00	21 749 898,00	<b>24 769 796,00</b>	26 891 444,00	28 020 014,00
Municipal Manager Admin.	31 016 817,00	39 936 235,44	45 746 427,36	44 182 853,00	48 682 671,00	48 682 671,00	<b>44 064 613,00</b>	46 611 550,00	48 859 052,00
Corporate Services Admin.	32 815 516,00	29 839 348,35	21 100 760,89	32 538 941,00	32 302 941,00	32 302 941,00	<b>33 889 919,00</b>	35 054 132,00	36 477 415,00
Budget and Treasury	38 795 147,00	35 489 796,41	29 152 933,92	30 193 177,00	32 595 903,00	32 595 903,00	<b>30 095 464,00</b>	32 031 456,00	33 422 514,00
LEDT & Planning	12 454 237,00	21 110 174,25	29 875 869,14	30 706 572,00	38 028 230,00	38 028 230,00	<b>37 846 614,00</b>	33 097 485,00	34 518 682,00
Community Services	40 313 853,00	49 805 713,83	58 223 289,48	57 114 604,00	55 557 404,00	55 557 404,00	<b>59 850 594,00</b>	61 924 473,00	64 519 577,00
<b>TOTALS</b>	<b>171 736 060,00</b>	<b>193 259 219,02</b>	<b>200 085 805,42</b>	<b>217 833 045,00</b>	<b>228 917 047,00</b>	<b>228 917 047,00</b>	<b>230 517 000,00</b>	<b>235 610 540,00</b>	<b>245 817 254,00</b>

## CAPITAL EXPENDITURE BY VOTE AND FUNCTIONAL CLASSIFICATION

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

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



	2019/2020	2020/2021	2021/2022	2022/2023	2022/2023	2022/2023	2023/2024	2024 / 2025	2025 / 2026
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	100 288,77	59 505,40	-	100 000,00	100 000,00	100 000,00	110 000,00	71 470,00	94 915,00
Municipal Manager Admin.	282 001,30	-	-	706 000,00	846 000,00	846 000,00	2 530 000,00	1 600 000,00	1 300 000,00
Corporate Services Admin.	644 902,83	246 869,30	5 301 969,22	8 200 000,00	5 700 000,00	5 700 000,00	4 000 000,00	2 050 000,00	1 704 700,00
Budget and Treasury	959 015,00	1 198 193,39	81 595,73	12 050 000,00	12 050 000,00	12 050 000,00	2 560 000,00	2 050 000,00	1 035 000,00
LEDT & Planning	-	-	3 756 079,64	55 550 000,00	46 255 000,00	46 255 000,00	16 550 000,00	14 435 000,00	4 430 000,00
Community Services	369 381,25	1 045 763,44	2 625 678,60	12 550 000,00	8 500 000,00	8 500 000,00	13 700 000,00	1 737 350,00	1 689 745,00
<b>TOTALS</b>	<b>2 355 589,15</b>	<b>2 550 331,53</b>	<b>11 765 323,19</b>	<b>89 156 000,00</b>	<b>73 451 000,00</b>	<b>73 451 000,00</b>	<b>39 450 000,00</b>	<b>21 943 820,00</b>	<b>10 254 360,00</b>

## 2.4. Overview of Budget Related Policies

Amongst other policies the below listed budget related policies will be work shopped to the elected councilors of Dr Kenneth Kaunda District Municipality before the approval of the final budget for 2023/24 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 2023/24 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 2022/23 MTREF - Circular 123 of 03 March 2023.
- 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 2023/24 to 2025/26 calculations were based on Consumer Price Index of 5.3% 2023/24, 4.9% 2024/25 and 4.7% 2025/26 published on the MFMA Circular no. 108.

<b>Fiscal Year</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2023/24 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.
- Other operating expenditure has been provided at increase as per the current inflation estimated targets of 5.3%, 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 do not have the same impact as in the case of local municipalities. The provision made on the budgeted is sufficient to cover Repairs and Maintenance.
- The 2023/24 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. Municipality has started to implement the cost containment measures on consultancy fees, travel and related costs, advertising, catering, events costs and accommodation.

## 2.6. Overview of Budget Funding

### Operating Revenue Framework

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

**Table 2 Revenue by Source**

	REVENUE BY SOURCE	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	- 1 000 000,00	- 1 000 000,00	- 682 389,05	- 1 000 000,00	-	- 1 000 000,00	- 1 138 000,00
2	TS_O_M_NRF_EQUITABLE SHARE	- 30 480 000,00	- 30 480 000,00	- 30 480 000,00	- 32 150 000,00	5,48	- 33 994 000,00	- 32 566 000,00
3	TS_O_M_NRF_FUEL LEVY	- 176 234 000,00	- 176 234 000,00	- 176 234 000,00	- 181 398 000,00	2,93	- 189 537 000,00	- 200 877 000,00
4	INTER: BANK ACCOUNTS	- 200 000,00	- 950 000,00	- 1 574 325,45	- 1 600 000,00	68,42	- 1 678 400,00	- 1 757 285,00
5	INTER: SHORT TERM INVEST & CALL ACCOUNTS	- 5 500 000,00	- 5 500 000,00	- 5 196 292,46	- 5 800 000,00	5,45	- 6 084 200,00	- 6 370 157,00
6	COMMISSION: INSURANCE	-	- 1 177,00	- 11 717,88	-	100,00	-	-
7	SALE OF: ASSET < CAP THRESH	- 50 000,00	- 50 000,00	-	- 150 000,00	200,00	- 157 350,00	- 164 745,00
8	SALE OF: PUBLICATION - TENDER DOCUMENTS	- 90 000,00	- 149 130,00	- 149 130,47	- 175 000,00	17,35	- 183 575,00	- 192 203,00
9	TS_O_M_DPAA_NDA_EDUC;TR&DEV SETA	-	- 741 740,00	- 1 476 659,51	- 2 880 000,00	288,28	- 3 021 120,00	- 3 163 113,00
10	TS_O_M_NG_EPWP GRANT	- 2 379 000,00	- 2 379 000,00	- 2 379 000,00	- 2 306 000,00	3,07	-	-
11	TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT	- 2 632 000,00	- 2 632 000,00	- 2 023 036,15	- 2 641 000,00	0,34	- 2 761 000,00	- 2 884 000,00
12	HEALTH CERTIFICATES	- 500 000,00	- 500 000,00	- 472 081,41	- 597 430,00	19,49	- 626 703,00	- 656 158,00
	<b>TOTAL : INCOME</b>	<b>- 219 065 000,00</b>	<b>- 220 617 047,00</b>	<b>- 220 678 632,38</b>	<b>- 230 697 430,00</b>	<b>4,57</b>	<b>- 239 043 348,00</b>	<b>- 249 768 661,00</b>

(i) The following sources of revenue demonstrate an increase of 4.57% or **R10 Million** for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget.

- Equitable share has increased by 5.48% or **R1.6 Million**;
- RSC Replacement Grant increased by 2.93% or **R5.1 Million**;
- EPWP Grant has decreased by 3.07% or **R73 Thousand**;
- Rural Roads Asset Management (RRAMS) has increased by 0.34% or **R9 Thousand**;
- Interest on call accounts has increased by 68.42% or **R650 Thousand**;
- FMG remains unchanged with **R1 Million** as initially approved in the 2022/23 Adjustments Budget;
- Interest on short term investment has increased by 5.45% or **R300 Thousand**;
- LGSETA Grant has increased by 228.28% or **R2.1 Million**;



- Sale of Assets increased by 200% or **R100 Thousand**;
- Sale of tender documents also increased by 17.35% or **R30 Thousand**;
- There has been an increase on Health Certificates of an amount of R97 Thousand or 0.34%;
- Commission on insurance is recognised as and when received

The following table is a summary of the 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>	1										
<b>Exchange Revenue</b>											
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		775	44	67	140	199	199	149	325	341	357
Agency services											
Interest											
Interest earned from Receivables											
Interest earned from Current and Non Current Assets		5 677	4 186	4 991	5 700	6 450	6 450	4 671	7 400	7 763	8 127
Dividends		-	274	-	-	-	-	-	-	-	-
Rent on Land											
Rental from Fixed Assets											
Licence and permits											
Operational Revenue		163 718	167 404	172 096	-	1	1	1	-	-	-
<b>Non-Exchange Revenue</b>	2										
Property rates		-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes											
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		478	407	432	500	500	500	383	597	627	656
Transfer and subsidies - Operational		30 529	36 288	34 296	36 491	37 233	37 233	154 098	40 977	40 776	39 751
Interest											
Fuel Levy		-	-	-	176 234	176 234	176 234	-	181 398	189 537	200 877
Operational Revenue											
Gains on disposal of Assets		-	9	-	-	-	-	-	-	-	-
Other Gains		-	-	1 853	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and contr</b>		<b>201 177</b>	<b>208 613</b>	<b>213 735</b>	<b>219 065</b>	<b>220 617</b>	<b>220 617</b>	<b>159 302</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>

### Operating Expenditure Framework

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure).

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>	1										
Employee related costs	2	96 365	111 253	113 777	122 016	118 216	118 216	78 997	125 696	131 854	137 704
Remuneration of councillors		10 257	10 367	9 969	13 575	11 775	11 775	7 734	12 432	12 998	13 568
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	4 023	5 563	5 563	-	5 961	6 253	6 547
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		6 931	5 911	3 643	7 017	7 017	7 017	1 870	6 988	7 321	7 656
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		24 246	29 693	34 776	35 493	40 300	40 300	19 358	36 701	34 162	35 543
Transfers and subsidies		6 919	7 704	7 512	1 200	8 030	8 030	5 124	6 830	8 680	9 431
Irrecoverable debts written off											
Operational costs		20 326	25 868	25 171	34 510	37 517	37 517	22 079	35 909	34 342	35 369
Losses on disposal of Assets		-	536	(53)	-	-	-	-	-	-	-
Other Losses		-	-	85	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>165 045</b>	<b>191 331</b>	<b>194 879</b>	<b>217 833</b>	<b>228 417</b>	<b>228 417</b>	<b>135 162</b>	<b>230 517</b>	<b>235 611</b>	<b>245 817</b>

- i. The proposed operating revenue for the 2023/24 financial year has been appropriated at **R230.6 Million**. The operating revenue has increased by 4.57% or **R10 Million** for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget.

**Table 3(a) Operating Expenditure Per Department**

DR KENNETH KAUNDA DISTRICT MUNICIPALITY FINAL BUDGET 2023/2024								
OPERATING EXPENDITURE								
CURRENT YEAR 2022 / 2023								
DEPARTMENT	APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET	
1 EXECUTIVE MAYOR	4 679 632,00	5 947 632,00	2 965 234,87	7 361 261,00	23,77	8 672 963,00	8 986 586,00	
2 SPEAKER	5 595 900,00	4 600 900,00	3 665 761,63	5 922 196,00	28,72	6 169 311,00	6 417 951,00	
3 CHIEF WHIP	2 108 480,00	2 153 480,00	3 782 903,39	1 820 142,00	-15,48	1 909 329,00	1 999 066,00	
4 COUNCILLORS	10 712 886,00	9 047 886,00	5 092 947,51	9 666 197,00	6,83	10 139 841,00	10 616 411,00	
5 MUNICIPAL MANAGER ADMINISTRATION	37 277 393,00	41 877 393,00	32 457 557,50	37 332 826,00	-10,85	39 490 088,00	41 346 120,00	
6 INTERNAL AUDIT	6 885 460,00	6 785 278,00	5 094 852,24	6 711 787,00	-1,08	7 101 462,00	7 492 932,00	
7 CORPORATE SERVICES	32 458 941,00	32 222 941,00	28 121 308,06	33 809 919,00	4,92	34 974 132,00	36 397 415,00	
8 BUDGET AND TREASURY	30 113 177,00	32 222 903,00	27 481 033,07	30 015 464,00	-7,69	31 951 456,00	33 342 514,00	
9 LED & PLANNING	30 691 572,00	38 013 230,00	27 453 070,21	37 831 614,00	-0,48	33 082 485,00	34 503 682,00	
10 COMMUNITY SERVICES	57 114 604,00	55 557 404,00	45 048 237,41	59 850 594,00	7,73	61 924 473,00	64 519 577,00	
<b>TOTAL</b>	<b>217 638 045,00</b>	<b>228 722 047,00</b>	<b>181 162 905,89</b>	<b>230 322 000,00</b>	<b>0,70</b>	<b>235 415 540,00</b>	<b>245 622 254,00</b>	
<b>GAINS AND LOSSES</b>								
CURRENT YEAR 2022 / 2023								
DEPARTMENT	APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET	
1 MUNICIPAL MANAGER ADMINISTRATION	20 000,00	20 000,00	-	20 000,00	-	20 000,00	20 000,00	
2 CORPORATE SERVICES	80 000,00	80 000,00	-	80 000,00	-	80 000,00	80 000,00	
3 BUDGET AND TREASURY	80 000,00	80 000,00	-	80 000,00	-	80 000,00	80 000,00	
4 LED & PLANNING	15 000,00	15 000,00	-	15 000,00	-	15 000,00	15 000,00	
<b>TOTAL</b>	<b>195 000,00</b>	<b>195 000,00</b>	<b>-</b>	<b>195 000,00</b>	<b>-</b>	<b>195 000,00</b>	<b>195 000,00</b>	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>217 833 045,00</b>	<b>228 917 047,00</b>	<b>181 162 905,89</b>	<b>230 517 000,00</b>	<b>0,70</b>	<b>235 610 540,00</b>	<b>245 817 254,00</b>	
CAPITAL EXPENDITURE								
CURRENT YEAR 2022 / 2023								
DEPARTMENT	APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET	
1 EXECUTIVE MAYOR	50 000,00	50 000,00	7 215,00	30 000,00	-40,00	31 470,00	54 915,00	
2 SPEAKER	-	-	-	-	#DIV/0!	-	-	
3 CHIEF WHIP	50 000,00	50 000,00	25 152,18	80 000,00	60,00	40 000,00	40 000,00	
4 COUNCILLORS	-	-	-	-	#DIV/0!	-	-	
5 MUNICIPAL MANAGER ADMINISTRATION	530 000,00	530 000,00	2 160,87	2 530 000,00	377,36	1 600 000,00	1 300 000,00	
6 INTERNAL AUDIT	176 000,00	316 000,00	-	-	-100,00	-	-	
7 CORPORATE SERVICES	8 200 000,00	5 700 000,00	1 580 955,50	4 000 000,00	-29,82	2 050 000,00	1 704 700,00	
8 BUDGET AND TREASURY	12 050 000,00	12 050 000,00	3 703 337,77	2 560 000,00	-78,76	2 050 000,00	1 035 000,00	
9 LED & PLANNING	55 550 000,00	46 255 000,00	3 421 051,11	16 550 000,00	-64,22	14 435 000,00	4 430 000,00	
10 COMMUNITY SERVICES	12 550 000,00	8 500 000,00	1 401 800,00	13 700 000,00	61,18	1 737 350,00	1 689 745,00	
<b>TOTAL</b>	<b>89 156 000,00</b>	<b>73 451 000,00</b>	<b>10 141 672,43</b>	<b>39 450 000,00</b>	<b>-46,29</b>	<b>21 943 820,00</b>	<b>10 254 360,00</b>	

**Table 3(b) Operating Expenditure by type**

CURRENT YEAR 2022 / 2023							
DISCRIPTION	APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
EMPLOYEE RELATED COSTS	122 015 734,00	118 215 734,00	99 176 282,54	125 695 623,00	6,33	131 853 534,00	137 703 557,00
REMUNERATION OF COUNCILLORS	13 574 855,00	11 774 855,00	9 766 117,37	12 432 266,00	5,58	12 998 375,00	13 567 982,00
OUTSOURCED SERVICES	12 094 000,00	12 964 000,00	9 818 745,83	13 776 000,00	6,26	12 032 030,00	12 597 529,00
CONSULTANTS AND PROFESSIONAL SERVICES	13 197 000,00	16 593 956,00	13 112 970,62	13 102 956,00	-21,04	11 514 526,00	12 284 427,00
CONTRACTORS	10 202 000,00	10 792 000,00	9 039 661,71	9 822 000,00	-8,99	10 615 078,00	10 660 583,00
OPERATIONAL COSTS	31 639 950,00	35 096 996,00	24 466 545,60	33 024 446,00	-5,91	31 808 993,00	32 936 997,00
INVENTORY	4 023 000,00	5 563 000,00	4 606 197,31	5 961 120,00	7,16	6 253 215,00	6 547 116,00
OPERATING LEASES	2 870 000,00	2 870 000,00	2 802 548,81	2 885 000,00	0,52	2 533 265,00	2 431 828,00
TRANSFER AND SUBSIDIES	1 200 000,00	8 030 000,00	5 973 954,16	6 830 000,00	-14,94	8 680 470,00	9 431 252,00
DEPRECIATION AND AMORTISATION	6 821 506,00	6 821 506,00	2 399 881,94	6 792 589,00	-0,42	7 126 054,00	7 460 983,00
TOTAL GAINS AND LOSSES	195 000,00	195 000,00	1 404 814,38	195 000,00	-	195 000,00	195 000,00
<b>TOTAL OPERATING EXPENDITURE</b>	<b>217 833 045,00</b>	<b>228 917 047,00</b>	<b>182 567 720,27</b>	<b>230 517 000,00</b>	<b>0,70</b>	<b>235 610 540,00</b>	<b>245 817 254,00</b>

**Table 3(c) Operating Expenditure as a %**

No	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK		
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	EXP AS A %
1	EMPLOYEE RELATED COSTS	122 015 734,00	118 215 734,00	99 176 282,54	125 695 623,00	6,33	54,53
2	REMUNERATION OF COUNCILLORS	13 574 855,00	11 774 855,00	9 766 117,37	12 432 266,00	5,58	5,39
3	OUTSOURCED SERVICES	12 094 000,00	12 964 000,00	9 818 745,83	13 776 000,00	6,26	5,98
4	CONSULTANTS AND PROFESSIONAL SERVICES	13 197 000,00	16 593 956,00	13 112 970,62	13 102 956,00	-	21,04
5	CONTRACTORS	10 202 000,00	10 792 000,00	9 039 661,71	9 822 000,00	-	8,99
6	OPERATIONAL COSTS	31 639 950,00	35 096 996,00	24 466 545,60	33 024 446,00	-	5,91
7	INVENTORY	4 023 000,00	5 563 000,00	4 606 197,31	5 961 120,00	-	7,16
8	OPERATING LEASES	2 870 000,00	2 870 000,00	2 802 548,81	2 885 000,00	-	0,52
9	TRANSFER AND SUBSIDIES	1 200 000,00	8 030 000,00	5 973 954,16	6 830 000,00	-	14,94
10	DEPRECIATION AND AMORTISATION	6 821 506,00	6 821 506,00	2 399 881,94	6 792 589,00	-	0,42
11	TOTAL GAINS AND LOSSES	195 000,00	195 000,00	1 404 814,38	195 000,00	-	-
	<b>TOTAL OPERATING EXPENDITURE</b>	<b>217 833 045,00</b>	<b>228 917 047,00</b>	<b>182 567 720,27</b>	<b>230 517 000,00</b>	<b>0,70</b>	<b>100,00</b>

- The proposed operating expenditure for the 2023/24 financial year of **R230 Million** is allocated as follows:
  - The employee related costs for the 2023/24 financial has been appropriated at **R125.6 Million**. The employee related costs have increased by 6.33%. The 6.33% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council to finalise the multi-year salary agreement. The employee related cost budget constitutes 54.53% of the total operating expenditure budget.
  - The proposed remuneration of councillors for the 2023/24 financial has been appropriated at **R12.4 Million**. The estimate is made while waiting for the final 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 **R92.3 Million** from the total operating expenditure budget. The **R92.3 Million** is then allocated to Outsource Services, Consultants and Professional Services, Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.

**Table 4 Outsource Services**

NO	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	OS: BURIAL SERVICES	200 000,00	200 000,00	105 500,00	300 000,00	50,00	314 700,00	329 491,00
2	OS: CATERING SERVICES	1 985 000,00	2 715 000,00	1 912 622,90	2 640 000,00	- 2,76	2 769 360,00	2 899 515,00
3	OS: CLEANING SERVICES	100 000,00	70 000,00	2 507,37	70 000,00	-	73 430,00	76 881,00
4	OS: CLEARING & GRASS CUTTING SERVICES	500 000,00	400 000,00	97 792,65	300 000,00	- 25,00	314 700,00	329 491,00
5	OS: HYGIENE SERVICES	50 000,00	50 000,00	29 318,00	50 000,00	-	52 450,00	54 915,00
6	OS: MEDICAL SERVICES [HEALTH SERV & SUP]	50 000,00	50 000,00	5 773,90	50 000,00	-	52 450,00	54 915,00
7	OS: PERSONNEL & LABOUR	8 779 000,00	9 079 000,00	7 313 881,01	10 006 000,00	10,21	8 077 300,00	8 456 933,00
8	OS: TRANSPORT SERVICES	430 000,00	400 000,00	351 350,00	360 000,00	- 10,00	377 640,00	395 388,00
9	Clearing and De-wooding of trees	-	-	-	-	-	-	-
	<b>SUB TOTAL : OUTSOURCE SERVICES</b>	<b>12 094 000,00</b>	<b>12 964 000,00</b>	<b>9 818 745,83</b>	<b>13 776 000,00</b>	<b>6,26</b>	<b>12 032 030,00</b>	<b>12 597 529,00</b>

- The proposed outsource services budget for the 2023/24 financial year has been appropriated at **R13.7 Million**. The outsource services increased by 6.26% or

**R812 Thousand** when compared to the 2022/23 Adjustments Budget. For the two outer years, outsource services will decrease by 12.66% or **R1.7 Million** in 2024/25 and increase by 4.70% or **R565 Thousand** in 2025/26.

**Table 5 Consultants and Professional Services**

NO	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	C&PS: B&A AIR POLLUTION	50 000,00	50 000,00	-	50 000,00	-	52 450,00	54 915,00
2	C&PS: B&A AUDIT COMMITTEE	1 000 000,00	1 000 000,00	662 376,82	800 000,00	- 20,00	900 000,00	1 000 000,00
3	C&PS: B&A BUSINESS & FIN MANAGEMENT	2 800 000,00	2 781 956,00	1 559 470,21	1 731 956,00	- 37,74	1 931 956,00	2 285 793,00
4	C&PS: B&A HUMAN RESOURCES	215 000,00	215 000,00	-	315 000,00	46,51	330 435,00	345 966,00
5	C&PS: B&A ORGANISATIONAL	20 000,00	20 000,00	-	20 000,00	-	20 980,00	21 966,00
6	C&PS: B&A RESEARCH & ADVISORY	1 050 000,00	900 000,00	2 581 600,00	800 000,00	- 11,11	874 500,00	849 151,00
7	C&PS: B&A ACTUARIES	30 000,00	45 000,00	19 900,00	45 000,00	-	47 205,00	49 424,00
8	C&PS: I&P ENGINEERING CIVIL	1 000 000,00	1 800 000,00	1 658 020,58	-	- 100,00	-	-
9	C&PS: I&P ENGINEERING ELECTRICAL	500 000,00	1 500 000,00	-	-	- 100,00	-	-
10	C&PS: I&P LAND & QUANTITY SURVEYORS	2 732 000,00	2 932 000,00	2 523 053,86	2 641 000,00	- 9,92	2 761 000,00	2 884 000,00
11	C&PS: LAB SERV WATER	800 000,00	750 000,00	28 335,50	400 000,00	- 46,67	400 000,00	400 000,00
12	C&PS: LEGAL COST ADVICE & LITIGATION	3 000 000,00	4 600 000,00	4 080 213,65	4 000 000,00	- 13,04	4 196 000,00	4 393 212,00
13	Dr KKDM Water Master Plan	-	-	-	-	-	-	-
14	Dr KKDM Sanitation Master Plan	-	-	-	-	-	-	-
15	Dr KKDM Housing Master Plan (Phase 2)	-	-	-	-	-	-	-
16	Electricity Projects	-	-	-	-	-	-	-
17	Roads Projects	-	-	-	1 500 000,00	-	-	-
18	C&PS: I&P GEOINFORMATIC SERVICES-DOLOMIT	-	-	-	800 000,00	-	-	-
	<b>SUB TOTAL : CONSULTANT AND PROF SERVICES</b>	<b>13 197 000,00</b>	<b>16 593 956,00</b>	<b>13 112 970,62</b>	<b>13 102 956,00</b>	<b>- 21,04</b>	<b>11 514 526,00</b>	<b>12 284 427,00</b>

- The proposed budget on Consultants and Professional Services for the 2023/24 financial year has been appropriated at **R13.1 Million**. The Consultants and Professional Services have decreased by 21.04% or R3.4 Million when compared to the 2022/23 Adjustments Budget. For the two outer years, consultants and professional services will decrease by 12.12% or R1.5 Million in 2024/25 and increase in 2025/26 by 6.67% or R769 thousand.

**Table 6 Contractors**

NO	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	CONTR: ARTISTS & PERFORMERS	500 000,00	430 000,00	215 895,00	500 000,00	16,28	524 500,00	549 151,00
2	CONTR: EMPLOYEE WELLNESS	200 000,00	200 000,00	145 922,00	100 000,00	- 50,00	104 900,00	109 830,00
3	CONTR: FIRE PROTECTION	100 000,00	100 000,00	-	100 000,00	-	104 900,00	109 830,00
4	CONTR: SPORTS & RECREATION-SAMSRA	-	-	-	300 000,00	-	-	-
5	CONTR: MAINTENANCE OF EQUIPMENT	2 402 000,00	2 342 000,00	1 946 571,26	1 422 000,00	- 39,28	1 667 178,00	1 862 633,00
6	CONTR: BUILDING CONTRACTORS-BRICKS MANU	3 000 000,00	1 000 000,00	984 000,00	1 000 000,00	-	1 500 000,00	1 000 000,00
7	CONTR: SAFEGUARD & SECURITY	4 000 000,00	6 720 000,00	5 747 273,45	6 400 000,00	- 4,76	6 713 600,00	7 029 139,00
	<b>SUB TOTAL : CONTRACTORS</b>	<b>10 202 000,00</b>	<b>10 792 000,00</b>	<b>9 039 661,71</b>	<b>9 822 000,00</b>	<b>- 8,99</b>	<b>10 615 078,00</b>	<b>10 660 583,00</b>

- The proposed contractors budget for the 2023/24 financial year has been appropriated at **R9.8 Million**. The contractors have decreased by 8.99% or **R970 Thousand** when compared to the 2022/23 Adjustments Budget. For the two outer years, contractors will increase by 8.07% or **R793 Thousand** and 0.43% or **R45 Thousand** respectively.

**Table 7 Operational Costs**

NO	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	5 200 000,00	4 260 000,00	1 547 165,50	2 900 000,00	- 31,92	3 202 900,00	3 306 437,00
2	OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	2 585 000,00	2 633 000,00	1 270 881,53	2 715 000,00	3,11	2 848 035,00	3 036 806,00
3	OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	50 000,00	120 000,00	53 150,00	100 000,00	- 16,67	104 900,00	109 830,00
4	OC: ADV/PUB/MARK - STAFF RECRUITMENT	50 000,00	85 000,00	38 898,43	85 000,00	-	89 165,00	93 356,00
5	OC: ADV/PUB/MARK - TENDERS	100 000,00	100 000,00	30 249,00	100 000,00	-	104 900,00	109 830,00
6	OC: AUDIT COST: EXTERNAL	3 700 000,00	4 700 000,00	4 632 069,30	4 000 000,00	- 14,89	4 350 000,00	4 600 000,00
7	OC: BC/FAC/C FEES - BANK ACCOUNTS	200 000,00	150 000,00	183 799,14	200 000,00	33,33	209 800,00	219 661,00
8	OC: BURSARIES (EMPLOYEES)	800 000,00	800 000,00	817 086,82	900 000,00	12,50	944 100,00	988 473,00
9	OC: CLEAN SERV - LAUNDRY SERVICES	1 000,00	1 000,00	-	1 000,00	-	1 049,00	1 098,00
10	OC: CLEAN SERV - CAR VALET/WASHING SERV	20 000,00	20 000,00	14 840,00	20 000,00	-	20 980,00	21 966,00
11	OC: COMM - LICENCES (RADIO & TELEVISION)	110 700,00	30 700,00	28 875,00	20 000,00	- 34,85	20 980,00	21 966,00
12	OC: COMM - RADIO & TV TRANSMISSIONS	221 000,00	265 000,00	160 846,52	415 000,00	56,60	715 735,00	749 375,00
13	OC: COMM - SMS BULK MESSAGE SERVICE	20 000,00	20 000,00	-	20 000,00	-	20 980,00	21 966,00
14	OC: COMM - PHONE FAX TELEGRAPH & TELEX	946 500,00	946 500,00	869 806,99	746 500,00	- 21,13	783 078,00	819 883,00
15	OC: ENTERTAINMENT - EXEC MAYOR	50 000,00	50 000,00	38 708,56	50 000,00	-	52 450,00	54 915,00
16	OC: ENTERTAINMENT - COUNCILLORS	120 000,00	120 000,00	41 983,35	120 000,00	-	125 880,00	131 796,00
17	OC: ENTERTAINMENT - SENIOR MANAGEMENT	60 000,00	60 000,00	12 476,00	70 000,00	16,67	73 430,00	76 881,00
18	OC: EXT COM SERV PROV - GIS LICENCE FEES	150 000,00	5 000,00	-	5 000,00	-	5 245,00	5 492,00
19	OC: EXT COM SERV PROV - INTERNET CHARGE	520 000,00	520 000,00	656 300,98	670 000,00	28,85	702 830,00	735 863,00
20	OC: EXT COM SERV PROV - NETWORK EXTENS	100 000,00	20 000,00	-	20 000,00	-	20 980,00	21 966,00
21	OC: EXT COM SERV PROV - S/WARE LICENCES	70 000,00	70 000,00	80 654,21	170 000,00	142,86	178 330,00	186 711,00
22	OC: EXT COM SERV PROV - SPEC COMPUT SERV	100 000,00	100 000,00	2 999 903,30	300 000,00	200,00	314 700,00	329 491,00
23	OC: HONORARIA (VOLUNTARILY WORKERS)	50 000,00	10 000,00	-	50 000,00	400,00	52 450,00	54 915,00
24	OC: HIRE CHARGES	1 890 000,00	4 700 000,00	879 441,00	1 545 000,00	- 67,13	1 620 705,00	1 696 877,00
25	OC: INSUR UNDER - EXCESS PAYMENTS	25 000,00	25 000,00	1 258 204,02	25 000,00	-	26 225,00	27 458,00
26	OC: INSUR UNDER - PREMIUMS	1 500 000,00	1 470 000,00	67 594,80	1 700 000,00	15,65	1 783 300,00	1 757 285,00
27	OC: LEARNERSHIPS & INTERNSHIPS	1 474 400,00	1 474 400,00	1 645 296,84	1 580 000,00	7,16	1 657 420,00	1 735 318,00
28	OC: LIC - VEHICLE LIC & REGISTRATIONS	150 000,00	150 000,00	91 953,99	150 000,00	-	157 350,00	164 745,00
29	OC: MUNICIPAL SERVICES	1 570 000,00	1 570 000,00	1 170 152,27	1 370 000,00	- 12,74	1 437 130,00	1 504 675,00
30	OC: PRINTING & PUBLICATIONS	550 000,00	420 000,00	29 991,00	250 000,00	- 40,48	262 250,00	274 576,00
31	OC: PROFESSIONAL BODIES M/SHIP & SUBS	1 755 000,00	1 605 000,00	1 419 423,00	1 660 000,00	3,43	1 741 340,00	1 823 183,00
32	OC: REG FEES NATIONAL	1 860 000,00	1 460 000,00	449 045,81	1 360 000,00	- 6,85	1 426 640,00	1 493 692,00
33	OC: SKILLS DEVELOPMENT FUND LEVY	864 300,00	862 000,00	749 654,06	762 000,00	- 11,60	799 338,00	540 357,00
34	OC: SIGNAGE	500 000,00	400 000,00	43 945,00	200 000,00	- 50,00	209 800,00	219 661,00
35	OC: STORAGE OF FILES (ARCHIVING)	30 000,00	30 000,00	-	-	- 100,00	-	-
36	OC: TOLL GATE FEES	30 000,00	10 000,00	4 583,86	10 000,00	-	10 490,00	10 983,00
37	OC: TRANSPORT - EVENTS	845 000,00	1 250 000,00	440 530,00	1 200 000,00	- 4,00	1 258 800,00	1 317 962,00
38	OC: T&S DOM - ACCOMMODATION	855 000,00	1 305 000,00	1 135 200,67	1 050 000,00	- 19,54	1 101 450,00	1 153 218,00
39	OC: T&S DOM - DAILY ALLOWANCE	152 450,00	147 138,00	23 482,00	120 138,00	- 18,35	126 025,00	131 948,00
40	OC: T&S DOM - FOOD & BEVERAGE (SERVED)	38 000,00	34 800,00	805,30	34 350,00	- 1,29	36 033,00	37 727,00
41	OC: T&S DOM TRP - WITHOUT OPR CAR RENTAL	21 600,00	21 600,00	672,75	21 600,00	-	22 658,00	23 723,00
42	OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT	115 000,00	123 858,00	105 527,31	126 858,00	2,42	133 074,00	139 329,00
43	OC: T&S DOM PUB TRP - AIR TRANSPORT	200 000,00	430 000,00	231 663,52	350 000,00	- 18,60	367 150,00	384 406,00
44	OC: TRANSPORT - MUNICIPAL ACTIVITIES	30 000,00	10 000,00	8 000,00	30 000,00	200,00	31 470,00	32 949,00
45	OC: UNIFORM & PROTECTIVE CLOTHING	1 410 000,00	2 010 000,00	789 858,89	1 100 000,00	- 45,27	1 201 450,00	1 257 918,00
46	OC: WET FUEL	50 000,00	2 000,00	-	2 000,00	-	2 098,00	2 197,00
47	OC: WORKMEN'S COMPENSATION FUND	500 000,00	500 000,00	565 769,87	300 000,00	- 40,00	300 000,00	300 000,00
48	Social Relief of Distress	-	-	-	500 000,00	-	524 500,00	549 152,00
49	Stakeholder support	-	-	-	100 000,00	-	104 900,00	109 830,00
50	OC: INDIGENT RELIEF	-	-	-	-	-	-	-
51	ID CAMPAIGN	-	-	-	100 000,00	-	104 900,00	109 830,00
52	DR KK BRANDING	-	-	-	-	-	-	-
53	MICROSOFT-LICENCE AND ANNUAL SUBSCRIPTIONS	-	-	-	400 000,00	-	419 600,00	439 321,00
54	SMME Symposiums / Seminars	-	-	-	400 000,00	-	-	-
55	SMME Skills & Training	-	-	-	-	-	-	-
56	Water Tinkering	-	-	-	1 900 000,00	-	-	-
57	Temporary Sanitation Facilities hire	-	-	-	1 000 000,00	-	-	-
	<b>SUB TOTAL : OPERATIONAL COST</b>	<b>31 639 950,00</b>	<b>35 096 996,00</b>	<b>24 588 490,59</b>	<b>33 024 446,00</b>	<b>- 5,91</b>	<b>31 808 993,00</b>	<b>32 936 997,00</b>

- The proposed operational costs budget for the 2023/24 financial year has been appropriated at **R33 Million**. The operational costs have decreased by 5.91% or R2 Million when compared to the 2022/23 Adjustments Budget. For the two outer years, operational costs will decrease by 3.38% or R1.2 Million in 2024/25 and increase 3.55% or R1.1 Million in 2025/26.

**Table 8 Inventory**

NO	DISCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	INV - CONSUMABLE STORES - STANDARD RATED	1 373 000,00	2 123 000,00	1 357 917,38	1 671 120,00	- 21,28	1 753 005,00	1 835 396,00
2	INV - CONSUMABLE STORES - ZERO RATED (FUEL)	1 020 000,00	2 020 000,00	1 811 214,59	2 520 000,00	24,75	2 643 480,00	2 767 724,00
3	INVENTORY - MATERIALS & SUPPLIES	1 630 000,00	1 420 000,00	1 437 065,34	1 770 000,00	24,65	1 856 730,00	1 943 996,00
	<b>SUB TOTAL - INVENTORY</b>	<b>4 023 000,00</b>	<b>5 563 000,00</b>	<b>4 606 197,31</b>	<b>5 961 120,00</b>	<b>7,16</b>	<b>6 253 215,00</b>	<b>6 547 116,00</b>

- The proposed inventory budget for the 2023/24 financial year has been appropriated at **R5.9 Million**. The inventory has increased by 7.16% or **R398 Thousand** when compared to the 2022/23 Adjustments Budget. For the two outer years, inventory will increase by 4.9% or R292 thousand in 2024/25 and 4.70% or R293 thousand in 2025/26.

**Table 9 Operating leases**

NO	DISCRPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	OPR LEASES: COMPUTER EQUIPMENT	920 000,00	920 000,00	993 899,48	935 000,00	1,63	980 815,00	1 026 913,00
2	OPR LEASES: MACHINERY & EQUIPMENT	10 000,00	10 000,00	-	10 000,00	-	10 490,00	10 983,00
3	OPR LEASES: OTHER ASSETS	1 940 000,00	1 940 000,00	1 808 649,33	1 940 000,00	-	1 541 960,00	1 393 932,00
	<b>SUB TOTAL : OPERATING LEASES</b>	<b>2 870 000,00</b>	<b>2 870 000,00</b>	<b>2 802 548,81</b>	<b>2 885 000,00</b>	<b>0,52</b>	<b>2 533 265,00</b>	<b>2 431 828,00</b>

- The proposed budget on operating leases for the 2023/24 financial year has been appropriated at **R2.8 Million**. The operating leases have increased by 0.52% or **R15 Thousand** when compared to the 2022/23 Adjustments Budget. For the two outer years, operating leases will increase by 12.19% or **R351 Thousand** in 2024/25 and 4.00% or **R101 Thousand** in 2025/26.

**Table 10 Transfers and Subsidies**

NO	DISCRPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	NON PROF: TOURISM	-	-	-	50 000,00	-	50 000,00	50 000,00
2	NON PROF: TOURISM	-	-	-	50 000,00	-	50 000,00	50 000,00
3	HH: BURSARIES NON-EMPLOYEE CASH	100 000,00	100 000,00	84 000,00	100 000,00	-	104 900,00	109 830,00
4	HH OTH TRANS: BURSARIES NON EMPLOYEE	-	-	4 000,00	1 000 000,00	#DIV/0!	2 000 000,00	2 000 000,00
5	TS_ O_ M_ HH_ CASH_ UNSPECIFIED	-	200 000,00	200 000,00	200 000,00	-	209 800,00	219 661,00
6	HH OTH TRANS:LED SUPPORT GRANTS	1 000 000,00	3 500 000,00	1 680 287,64	2 900 000,00	- 17,14	3 000 000,00	3 200 000,00
7	PRIV ENT: SUBS N-FIN ENTPR - PRODUCT	100 000,00	30 000,00	-	30 000,00	-	31 470,00	32 949,00
8	TS_ O_ M_ MUNIC ENT	-	4 200 000,00	4 013 666,52	1 800 000,00	- 57,14	2 500 000,00	3 000 000,00
9	Social Relief of Distress	-	-	-	600 000,00	-	629 400,00	658 982,00
10	Stakeholder support	-	-	-	100 000,00	-	104 900,00	109 830,00
	<b>SUB TOTAL : TRANSFERS &amp; SUBSIDIES</b>	<b>1 200 000,00</b>	<b>8 030 000,00</b>	<b>5 973 954,16</b>	<b>6 830 000,00</b>	<b>- 14,94</b>	<b>8 680 470,00</b>	<b>9 431 252,00</b>

- The proposed budget on transfers and subsidies for the 2023/24 financial year has been appropriated at **R6.8 Million**. The transfers and subsidies have decreased by 14.94% or R1.2 Million when compared to the 2022/23 Adjustments Budget. For the two outer years, transfers and subsidies will increase by 27.09% or R1.8 Million and 8.65% or R750 Thousand respectively.

**Table 11 Depreciation and Amortisation**

NO	DISCRPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	AMORTISATION INTANG COMPUTER SOFTWARE	1 053 240,00	1 053 240,00	466 792,06	923 840,00	- 12,29	969 737,00	1 015 315,00
2	DEPRECIATION COMPUTER EQUIPMENT	633 905,00	633 905,00	1 145 777,55	1 221 159,00	92,64	1 280 997,00	1 341 204,00
3	DEPRECIATION FURNITURE & OFFICE EQUIPM	992 634,00	992 634,00	102 323,91	798 968,00	- 19,51	838 115,00	877 510,00
4	DEPRECIATION LANDFILL SITES	47 160,00	47 160,00	-	47 160,00	-	49 471,00	51 796,00
5	DEPRECIATION MACHINERY & EQUIPMENT	3 389,00	3 389,00	194 682,65	321 706,00	9 392,65	337 470,00	353 331,00
6	DEPRECIATION TRANSPORT ASSETS	1 642 502,00	1 642 502,00	183 105,27	1 435 880,00	- 12,58	1 506 238,00	1 577 031,00
7	DEPRECIATION NETWORK & COMM DATA CENTRES	1 656 641,00	1 656 641,00	3 240,56	1 092 641,00	- 34,04	1 146 181,00	1 200 051,00
8	DEPRECIATION COMMUNITY HALLS	104 800,00	104 800,00	303 959,94	538 000,00	413,36	564 362,00	590 887,00
9	DEPRECIATION OP BUILDING MUNIC OFFICES	687 235,00	687 235,00	-	413 235,00	- 39,87	433 483,00	453 858,00
	<b>SUB TOTAL : DEPRECIATION &amp; AMORTISATION</b>	<b>6 821 506,00</b>	<b>6 821 506,00</b>	<b>2 399 881,94</b>	<b>6 792 589,00</b>	<b>- 0,42</b>	<b>7 126 054,00</b>	<b>7 460 983,00</b>

- The proposed budget on depreciation and amortisation for the 2023/24 financial year has been appropriated at **R6.7 Million**. The depreciation and amortisation decreased by 0.42% or **R28 Thousand** when compared to the 2022/23 Adjustments Budget. For the two outer years, depreciation and amortisation will increase by 4.91% or R333 thousand and 4.70% or R334 Thousand respectively.

## Capital Expenditure Framework

The following table is a summary of the 2023/24 MTREF (classified per main type of capital expenditure)

**Table 12: Capital Expenditure List**

DR KENNETH KAUNDA DISTRICT MUNICIPALITY FINAL BUDGET 2023/2024									
CAPITAL EXPENDITURE LIST									
NO	DEPARTMENT	DESCRIPTION	CURRENT YEAR 2022 / 2023			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
			APPROVED BUDGET	ADJUSTMENTS BUDGET	ACTUALS AS AT APRIL 2023	2023 / 2024 BUDGET	GROWTH RATE	2024 / 2025 BUDGET	2025 / 2026 BUDGET
1	EXECUTIVE MAYOR	OFFICE EQUIPMENT	50 000,00	50 000,00	7 215,00	30 000,00	40,00	31 470,00	54 915,00
2	CHIEF WHIP	OFFICE FURNITURE AND FITTINGS	50 000,00	50 000,00	25 152,18	30 000,00	40,00	20 000,00	20 000,00
3	CHIEF WHIP	OFFICE EQUIPMENT	-	-	-	50 000,00	#DIV/0!	20 000,00	20 000,00
4	MUNICIPAL MANAGER	PMS SYSTEM	500 000,00	500 000,00	-	700 000,00	40,00	900 000,00	900 000,00
5	MUNICIPAL MANAGER	OFFICE EQUIPMENT	30 000,00	30 000,00	2 160,87	430 000,00	1 333,33	300 000,00	200 000,00
6	MUNICIPAL MANAGER	COMMUNICATION EQUIPMENT	-	-	-	1 400 000,00	-	400 000,00	200 000,00
7	INTERNAL AUDIT	SOFTWARE	176 000,00	316 000,00	-	-	100,00	-	-
8	CORPORATE SERVICES	MICROSOFT OFFICE-SOFTWARE	800 000,00	800 000,00	178 700,90	-	100,00	-	-
9	CORPORATE SERVICES	NETWORK UPGRADE	2 000 000,00	500 000,00	380 000,00	500 000,00	-	-	-
10	CORPORATE SERVICES	ELECTRONIC RECORD SYSTEM	1 000 000,00	1 000 000,00	498 900,00	300 000,00	70,00	-	-
11	CORPORATE SERVICES	FLEET	1 500 000,00	1 500 000,00	-	1 000 000,00	33,33	750 000,00	500 000,00
12	CORPORATE SERVICES	COMPUTER EQUIPMENT	800 000,00	800 000,00	523 354,60	500 000,00	37,50	500 000,00	500 000,00
13	CORPORATE SERVICES	VIRTUAL PRIVATE NETWORK	1 000 000,00	-	-	-	#DIV/0!	-	-
14	CORPORATE SERVICES	TELEPHONE SYSTEM	1 000 000,00	1 000 000,00	-	800 000,00	20,00	500 000,00	500 000,00
15	CORPORATE SERVICES	AIRCONDITIONING EQUIPMENT	100 000,00	100 000,00	-	300 000,00	200,00	200 000,00	100 000,00
16	CORPORATE SERVICES	CONFERENCE SYSTEM	-	-	-	-	#DIV/0!	-	-
17	CORPORATE SERVICES	ANTIVIRUS	-	-	-	-	#DIV/0!	-	-
18	CORPORATE SERVICES	ELECTRONIC BIOMETRIC SYSTEM	-	-	-	-	#DIV/0!	-	-
19	CORPORATE SERVICES	SERVER ROOM UPGRADE	-	-	-	500 000,00	-	-	-
20	CORPORATE SERVICES	IT HELP DESK SYSTEM	-	-	-	-	-	-	-
21	CORPORATE SERVICES	OFFICE FURNITURE AND FITTINGS	-	-	-	100 000,00	#DIV/0!	100 000,00	104 700,00
22	CORPORATE SERVICES	MOBILE OFFICE-RECORDS	-	-	-	-	#DIV/0!	-	-
23	CORPORATE SERVICES	UNIFIED THREAT MANAGEMENT	-	-	-	-	-	-	-
24	BTO	FINANCIAL SYSTEM	12 000 000,00	12 000 000,00	3 703 337,77	2 500 000,00	79,17	2 000 000,00	1 000 000,00
25	BTO	OFFICE FURNITURE AND FITTINGS	50 000,00	50 000,00	-	60 000,00	20,00	50 000,00	35 000,00
26	LED & PLANNING	SPECIAL VEHICLE	500 000,00	500 000,00	-	2 000 000,00	300,00	-	-
27	LED & PLANNING	SMME Hubs (Containerized SMME Complex)	-	-	-	1 000 000,00	-	-	-
28	LED & PLANNING	WATER PROJECTS	2 500 000,00	3 205 000,00	1 182 989,65	1 500 000,00	53,20	2 000 000,00	2 000 000,00
29	LED & PLANNING	SANITATION PROJECTS	2 500 000,00	2 500 000,00	2 212 443,46	2 000 000,00	20,00	2 400 000,00	2 400 000,00
30	LED & PLANNING	OFFICE FURNITURE AND FITTINGS	50 000,00	50 000,00	25 618,00	50 000,00	-	35 000,00	30 000,00
31	LED & PLANNING	CONSTRUCT MUNICIPAL OFFICES	50 000 000,00	40 000 000,00	-	10 000 000,00	75,00	10 000 000,00	-
32	COMMUNITY SERVICES	WATER TANKER TRUCK & EQUIPMENT	2 200 000,00	2 200 000,00	-	2 200 000,00	-	-	-
33	COMMUNITY SERVICES	TOOLS	50 000,00	50 000,00	-	50 000,00	-	30 000,00	25 000,00
34	COMMUNITY SERVICES	PEST CONTROL EQUIPMENT	100 000,00	100 000,00	-	100 000,00	-	104 900,00	109 830,00
35	COMMUNITY SERVICES	SAMPLING KITS	50 000,00	50 000,00	-	50 000,00	-	52 450,00	54 915,00
36	COMMUNITY SERVICES	BACK UP GENERATOR	200 000,00	1 400 000,00	-	1 000 000,00	28,57	-	-
37	COMMUNITY SERVICES	SOLID WASTE BULK CONTAINERS/WASTEBINS	1 500 000,00	1 000 000,00	-	1 000 000,00	-	500 000,00	500 000,00
38	COMMUNITY SERVICES	OFFICE FURNITURE AND FITTINGS	50 000,00	50 000,00	1 800,00	350 000,00	600,00	150 000,00	100 000,00
39	COMMUNITY SERVICES	FIRE FIGHTING EQUIPMENT	800 000,00	800 000,00	-	-	100,00	-	-
40	COMMUNITY SERVICES	UPGRADE OF FIRE STATION	1 000 000,00	500 000,00	-	-	-	100,00	-
41	COMMUNITY SERVICES	FIRE BAY DOORS	500 000,00	500 000,00	-	-	100,00	-	-
42	COMMUNITY SERVICES	OFFICE-VENTERSDORP	200 000,00	1 400 000,00	1 400 000,00	-	100,00	-	-
43	COMMUNITY SERVICES	CONSTRUCTION OF MHS OFFICE AT MHLM	1 500 000,00	300 000,00	-	2 500 000,00	733,33	-	-
44	COMMUNITY SERVICES	UPGRADE OF DISASTER CENTRE	1 400 000,00	150 000,00	-	150 000,00	-	-	-
45	COMMUNITY SERVICES	MUNICIPAL OFFICE	3 000 000,00	-	-	-	#DIV/0!	-	-
46	COMMUNITY SERVICES	SKIP-LOADER TRUCK	-	-	-	-	-	-	-
47	COMMUNITY SERVICES	COMPACTOR TRUCK	-	-	-	-	-	-	-
48	COMMUNITY SERVICES	WASTE BINS	-	-	-	-	-	-	-
49	COMMUNITY SERVICES	WASTE PICKER TROLLEYS	-	-	-	-	-	-	-
50	COMMUNITY SERVICES	LANDFILL SITE DISTRICT SUPPORT TO LOCALS	-	-	-	-	-	-	-
51	COMMUNITY SERVICES	NEW VEHICLES	-	-	-	-	-	-	-
52	COMMUNITY SERVICES	AIRCONDITIONING	-	-	-	-	-	-	-
53	COMMUNITY SERVICES	UPGRADE OF BUILDING	-	-	-	-	-	-	-
54	COMMUNITY SERVICES	REHABILITATION OF LANDFILL SITES LICENCES	-	-	-	3 400 000,00	-	-	-
55	COMMUNITY SERVICES	INSTRUMENTS AND CALIBRATION	-	-	-	200 000,00	-	-	-
56	COMMUNITY SERVICES	ESTABLISHMENT OF A SATELLITE FIRE STATION IN LEEU	-	-	-	-	-	-	-
57	COMMUNITY SERVICES	DISASTER MANAGEMENT SPATIAL SYSTEM	-	-	-	1 200 000,00	-	900 000,00	900 000,00
58	COMMUNITY SERVICES	MOBILE JOC (JOINT OPERATIONS CENTRE)	-	-	-	-	-	-	-
59	COMMUNITY SERVICES	BE SAFE CENTRE MOBILE HOUSE (MHLM)	-	-	-	-	-	-	-
60	COMMUNITY SERVICES	FLOODS AND DISASTER RESPONSE VEHICLE	-	-	-	1 500 000,00	-	-	-
	TOTAL		89 156 000,00	73 451 000,00	10 141 672,43	39 450 000,00	46,29	21 943 820,00	10 254 360,00

- The proposed capital budget for the 2023/24 financial year has been appropriated at **R39.4 Million**. The capital expenditure has decreased by 46.29% or **R34 Million** when compared to the 2022/23 Adjustments Budget

## 2.7. Expenditure on Allocations and Grants Programme

DC40 Dr Kenneth Kaunda - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		3 875	4 837	8 004	36 522	32 691	32 691	14 329	12 579	13 345
Local Government Equitable Share		79	1 842	2 368	30 480	26 680	26 680	8 002	8 394	8 788
Expanded Public Works Programme Integrated Grant		-	-	2 122	2 379	2 379	2 379	2 306	-	-
Local Government Financial Management Grant		795	515	1 000	1 031	1 000	1 000	1 380	1 424	1 673
Municipal Disaster Relief Grant		395	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 606	2 480	2 514	2 632	2 632	2 632	2 641	2 761	2 884
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	1 232	1 380	880	880	1 080	1 133	1 186
Education Training and Development Practices SETA		-	-	1 232	1 380	880	880	1 080	1 133	1 186
Local Government Water and Related Service SETA		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		3 875	4 837	9 236	37 902	33 571	33 571	15 409	13 712	14 531
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		3 875	4 837	9 236	37 902	33 571	33 571	15 409	13 712	14 531



## 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Ts_O_M_Munic Ent</i>	2	3 000	2 284	3 446	-	4 200	4 200	3 212	1 800	2 500	3 000
<b>Total Cash Transfers To Entities/Ems'</b>		3 000	2 284	3 446	-	4 200	4 200	3 212	1 800	2 500	3 000
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>Non Prof. Tourism</i>		-	-	-	-	-	-	-	100	100	100
<i>Non Prof. Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Priv Ent. Subs N-Fin Enlpr - Product</i>		7	-	-	100	30	30	-	30	31	33
<i>Ts_O_M_Pe_Oth TrH Pe_Unspecified</i>		-	-	-	-	-	-	-	100	-	110
<b>Total Cash Transfers To Organisations</b>		7	-	-	100	30	30	-	230	131	243
<b>Cash Transfers to Groups of Individuals</b>											
<i>Hh Oth Trans: Bursaries Non-Employee</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Oth Trans: Bursaries Non-Employee</i>		1 813	1 995	1 968	-	-	-	(4)	1 000	2 000	2 000
<i>Hh Oth Trans: Epwp - Skill Dev &amp; Train</i>		1 838	1 691	-	-	-	-	-	-	-	-
<i>Hh Oth Trans: Rural Dev - Food Prod &amp; Soc</i>		-	1 476	1 844	1 000	3 500	3 500	1 680	2 900	3 000	3 200
<i>Hh Ssp Soc Ass: Poverty Relief</i>		200	44	-	-	-	-	-	-	-	-
<i>Ts_O_M_Hh_Cash_Farmer Supp HH (Cash)</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_M_Hh_Cash_Unspecified</i>		-	120	85	-	200	200	200	200	210	220
<b>Total Cash Transfers To Groups Of Individuals:</b>		3 852	5 326	3 897	1 000	3 700	3 700	1 876	4 100	5 210	5 420
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	6	6 859	7 610	7 343	1 100	7 930	7 930	5 088	6 130	7 841	8 662
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
<b>Total Non-Cash Transfers To Municipalities:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
<b>Total Non-Cash Transfers To Entities/Ems'</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
<b>Total Non-Cash Transfers To Other Organs Of State:</b>		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
<b>Total Non-Cash Grants To Organisations</b>		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Hh: Bursaries Non-Employee Cash</i>		60	94	169	100	100	100	36	100	839	110
<i>Ts_O_Ik_Hh_Soc Assis_Poverty Relief</i>		-	-	-	-	-	-	-	-	-	-
<i>Ts_O_Ik_Hh_Soc Assis_Social Relief</i>		-	-	-	-	-	-	-	600	-	659
<b>Total Non-Cash Grants To Groups Of Individuals:</b>		60	94	169	100	100	100	36	700	839	769
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>		60	94	169	100	100	100	36	700	839	769
<b>TOTAL TRANSFERS AND GRANTS</b>	6	6 919	7 704	7 512	1 200	8 030	8 030	5 124	6 830	8 680	9 431

## 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

### 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 2022/23 financial has been appropriated at **R12.4 Million**. The estimate is made while waiting for the final 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 employee related costs for the 2023/24 financial has been appropriated at **R125.6 Million**. The employee related costs have increased by 6.33%. The 6.33% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council to finalise the multi-year salary agreement. The employee related cost budget constitutes 54.53% of the total operating expenditure budget.

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

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		6 740	6 618	6 870	9 285	7 820	7 820	8 407	8 790	9 174
Pension and UIF Contributions		662	686	326	750	460	460	390	409	428
Medical Aid Contributions		230	278	121	384	339	339	296	311	325
Motor Vehicle Allowance		1 236	1 281	1 255	1 569	1 569	1 569	1 570	1 636	1 702
Cellphone Allowance		758	756	753	886	886	886	869	909	949
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		631	748	642	700	700	700	900	944	988
<b>Sub Total - Councillors</b>		<b>10 257</b>	<b>10 367</b>	<b>9 969</b>	<b>13 575</b>	<b>11 775</b>	<b>11 775</b>	<b>12 432</b>	<b>12 998</b>	<b>13 568</b>
<b>% increase</b>	4		1,1%	(3,8%)	36,2%	(13,3%)	–	5,6%	4,6%	4,4%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		2 654	4 106	4 997	5 742	5 063	5 063	5 625	5 901	6 178
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	72	72	72	72	76	79
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		56	228	274	242	212	212	169	178	186
Motor Vehicle Allowance	3	172	753	1 142	889	1 324	1 324	1 350	1 416	1 483
Cellphone Allowance	3	40	113	154	150	151	151	152	159	165
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	3	1	0	–	–	–	–	–	–	–
Long service awards	–	–	–	289	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 923</b>	<b>5 201</b>	<b>6 836</b>	<b>7 095</b>	<b>6 822</b>	<b>6 822</b>	<b>7 369</b>	<b>7 729</b>	<b>8 091</b>
<b>% increase</b>	4		77,9%	31,4%	3,8%	(3,8%)	–	8,0%	4,9%	4,7%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		57 269	62 668	64 944	74 153	69 785	69 785	74 670	78 329	82 011
Pension and UIF Contributions		9 002	10 405	11 056	11 466	11 873	11 873	12 237	12 837	13 440
Medical Aid Contributions		4 022	4 754	5 251	4 405	5 540	5 540	5 780	6 063	6 348
Overtime		188	623	626	650	848	848	790	829	868
Performance Bonus		4 087	4 987	4 956	4 987	5 487	5 487	6 574	6 896	7 220
Motor Vehicle Allowance	3	8 607	8 404	8 095	9 086	9 206	9 206	9 005	9 446	9 890
Cellphone Allowance	3	927	1 210	1 250	1 261	1 183	1 183	1 182	1 240	1 298
Housing Allowances	3	519	535	557	616	646	646	658	691	723
Other benefits and allowances	3	1 610	2 311	2 641	3 339	1 964	1 964	2 158	2 264	2 370
Payments in lieu of leave	–	5 598	6 741	4 372	4 016	3 969	3 969	4 492	4 712	4 934
Long service awards	–	605	227	525	630	580	580	430	451	472
Post-retirement benefit obligations	6	1 008	3 186	2 666	314	314	314	350	367	38
Entertainment	–	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>93 442</b>	<b>106 052</b>	<b>106 941</b>	<b>114 921</b>	<b>111 394</b>	<b>111 394</b>	<b>118 327</b>	<b>124 125</b>	<b>129 613</b>
<b>% increase</b>	4		13,5%	0,8%	7,5%	(3,1%)	–	6,2%	4,9%	4,4%
<b>Total Parent Municipality</b>		<b>106 623</b>	<b>121 620</b>	<b>123 746</b>	<b>135 591</b>	<b>129 991</b>	<b>129 991</b>	<b>138 128</b>	<b>144 852</b>	<b>151 272</b>
<b>% increase</b>			14,1%	1,7%	9,6%	(4,1%)	–	6,3%	4,9%	4,4%
<b>Board Members of Entities</b>										
Entertainment	–	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–	–
<b>Sub Total - Board Members of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–
<b>Senior Managers of Entities</b>										
Entertainment	–	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–
<b>Other Staff of Entities</b>										
Basic Salaries and Wages	–	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Staff of Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>% increase</b>	4		–	–	–	–	–	–	–	–
<b>Total Municipal Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>106 623</b>	<b>121 620</b>	<b>123 746</b>	<b>135 591</b>	<b>129 991</b>	<b>129 991</b>	<b>138 128</b>	<b>144 852</b>	<b>151 272</b>
<b>% increase</b>	4		14,1%	1,7%	9,6%	(4,1%)	–	6,3%	4,9%	4,4%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>96 365</b>	<b>111 253</b>	<b>113 777</b>	<b>122 016</b>	<b>118 216</b>	<b>118 216</b>	<b>125 696</b>	<b>131 854</b>	<b>137 704</b>

## 2.10. Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30)

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 SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity																
Service charges - Water																
Service charges - Waste Water Management																
Service charges - Waste Management																
Sale of Goods and Rendering of Services		27	27	27	27	27	27	27	27	27	27	27	27	325	341	357
Agency services																
Interest																
Interest earned from Receivables																
Interest earned from Current and Non Current Assets		617	617	617	617	617	617	617	617	617	617	617	617	7 400	7 763	8 127
Dividends																
Rent on Land																
Rental from Fixed Assets																
Licence and permits																
Operational Revenue																
<b>Non-Exchange Revenue</b>																
Property rates																
Surcharges and Taxes																
Fines, penalties and forfeits																
Licences or permits		50	50	50	50	50	50	50	50	50	50	50	50	597	627	656
Transfer and subsidies - Operational		3 415	3 415	3 415	3 415	3 415	3 415	3 415	3 415	3 415	3 415	3 415	3 415	40 977	40 776	39 751
Interest																
Fuel Levy		15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	15 117	181 398	189 537	200 877
Operational Revenue																
Gains on disposal of Assets																
Other Gains																
Discontinued Operations																
<b>Total Revenue (excluding capital transfers and contrib)</b>		<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>
<b>Expenditure</b>																
Employee related costs		10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	10 475	125 696	131 854	137 704
Remuneration of councillors		1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	12 432	12 998	13 568
Bulk purchases - electricity																
Inventory consumed		497	497	497	497	497	497	497	497	497	497	497	497	5 961	6 253	6 547
Debt impairment																
Depreciation and amortisation		582	582	582	582	582	582	582	582	582	582	582	582	6 988	7 321	7 656
Interest																
Contacted services		3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	36 701	34 162	35 543
Transfers and subsidies		569	569	569	569	569	569	569	569	569	569	569	569	6 830	8 680	9 431
Irrecoverable debts written off																
Operational costs		2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	35 909	34 342	35 369
Losses on disposal of Assets																
Other Losses																
<b>Total Expenditure</b>		<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 208</b>	<b>230 517</b>	<b>235 611</b>	<b>245 817</b>
<b>Surplus/(Deficit)</b>																
Transfers and subsidies - capital (monetary allocations)		15	15	15	15	15	15	15	15	15	15	15	15	17	180	3 433
Transfers and subsidies - capital (in-kind)																
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Income Tax																
<b>Surplus/(Deficit) after income tax</b>		<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
<b>Surplus/(Deficit) attributable to municipality</b>		<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions																
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>

# 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)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>																
Vote 01 - Executive Council																
Vote 02 - Municipal Manager																
Vote 03 - Corporate Services		240	240	240	240	240	240	240	240	240	240	240	240	2 880	3 021	3 163
Vote 04 - Financial Services		18 523	18 523	18 523	18 523	18 523	18 523	18 523	18 523	18 523	18 523	18 523	18 523	222 273	232 635	243 065
Vote 05 - Led & Planning		412	412	412	412	412	412	412	412	412	412	412	412	4 947	2 761	2 884
Vote 06 - Community Services		50	50	50	50	50	50	50	50	50	50	50	50	597	627	656
Vote 07 -																
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
<b>Total Revenue by Vote</b>		<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>19 225</b>	<b>230 697</b>	<b>239 043</b>	<b>249 769</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Executive Council		2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	24 770	26 891	28 020
Vote 02 - Municipal Manager		3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	44 065	46 612	48 859
Vote 03 - Corporate Services		2 824	2 824	2 824	2 824	2 824	2 824	2 824	2 824	2 824	2 824	2 824	2 824	33 890	35 054	36 477
Vote 04 - Financial Services		2 508	2 508	2 508	2 508	2 508	2 508	2 508	2 508	2 508	2 508	2 508	2 508	30 095	32 031	33 423
Vote 05 - Led & Planning		3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	37 847	33 097	34 519
Vote 06 - Community Services		4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 987	59 651	61 924	64 520
Vote 07 -																
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
<b>Total Expenditure by Vote</b>		<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 210</b>	<b>19 208</b>	<b>230 517</b>	<b>235 611</b>	<b>245 817</b>
<b>Surplus/(Deficit) before assoc.</b>																
Income Tax		15	15	15	15	15	15	15	15	15	15	15	15	17	180	3 433
Share of Surplus/Deficit attributable to Minorities																
Intercompany/Parent subsidiary transactions																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>180</b>	<b>3 433</b>	<b>3 951</b>

## 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 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Revenue - Functional</b>																	
<b>Government and administration</b>		18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	225 153	235 656	246 229
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	18 763	225 153	235 656	246 229
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		50	50	50	50	50	50	50	50	50	50	50	50	50	597	627	656
Community and social services		50	50	50	50	50	50	50	50	50	50	50	50	50	597	627	656
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		412	412	412	412	412	412	412	412	412	412	412	412	4 947	2 761	2 884	
Planning and development		412	412	412	412	412	412	412	412	412	412	412	412	4 947	2 761	2 884	
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>		19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	230 697	239 043	249 769	
<b>Expenditure - Functional</b>																	
<b>Government and administration</b>		11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 068	11 067	132 820	140 589	146 779
Executive and council		5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 177	5 176	62 123	66 402	69 386
Finance and administration		5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	63 965	67 086	69 900
Internal audit		559	559	559	559	559	559	559	559	559	559	559	559	559	6 712	7 101	7 493
<b>Community and public safety</b>		4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 987	59 851	61 924	64 520	
Community and social services		4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 988	4 987	4 987	59 851	61 924	64 520	
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	37 847	33 097	34 519	
Planning and development		3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	3 154	37 847	33 097	34 519	
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>		19 210	19 210	19 210	19 210	19 210	19 210	19 210	19 210	19 210	19 210	19 210	19 208	230 517	235 611	245 817	
<b>Surplus/(Deficit) before assoc.</b>		15	15	15	15	15	15	15	15	15	15	15	17	180	3 433	3 951	
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	1	15	15	15	15	15	15	15	15	15	15	15	17	180	3 433	3 951	

## 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 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Multi-year expenditure to be appropriated</b>																	
Vote 01 - Executive Council	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Led & Planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 08 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Single-year expenditure to be appropriated</b>																	
Vote 01 - Executive Council		9	9	9	9	9	9	9	9	9	9	9	9	110	71	95	
Vote 02 - Municipal Manager		161	161	161	161	161	161	161	161	161	161	161	161	1 930	1 600	1 300	
Vote 03 - Corporate Services		333	333	333	333	333	333	333	333	333	333	333	333	4 000	2 050	1 705	
Vote 04 - Financial Services		213	213	213	213	213	213	213	213	213	213	213	213	2 560	2 050	1 035	
Vote 05 - Led & Planning		1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	16 550	14 435	4 430	
Vote 06 - Community Services		1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	1 737	1 690	
Vote 07 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 08 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>	2	3 288	3 288	3 288													

## 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 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Capital Expenditure - Functional</b>	1																
<i>Governance and administration</i>		717	717	717	717	717	717	717	717	717	717	717	717	717	8 600	5 771	4 135
Executive and council		170	170	170	170	170	170	170	170	170	170	170	170	170	2 040	1 671	1 395
Finance and administration		547	547	547	547	547	547	547	547	547	547	547	547	547	6 560	4 100	2 740
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	1 737	1 690
Community and social services		1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	1 737	1 690
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	16 550	14 435	4 430
Planning and development		1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	16 550	14 435	4 430
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 287	39 450	21 944	10 254
<b>Funded by:</b>																	
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 287	39 450	21 944	10 254
<b>Total Capital Funding</b>		3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 287	3 287	39 450	21 944	10 254

## 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 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Cash Receipts By Source</b>																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		617	617	617	617	617	617	617	617	617	617	617	617	617	7 400	7 763	8 127
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		50	50	50	50	50	50	50	50	50	50	50	50	50	597	627	656
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	3 175	38 097	37 755	36 588
Other revenue		15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	15 384	184 603	192 899	204 397
<b>Cash Receipts by Source</b>		19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	230 697	239 043	249 769
<b>Other Cash Flows by Source</b>																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departm 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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>		19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	19 225	230 697	239 043	249 769
<b>Cash Payments by Type</b>																	
Employee related costs		11 511	11 511	11 511	11 511	11 511	11 511	11 511	11 511	11 511	11 511	11 511	11 511	(922)	125 696	131 854	137 704
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	12 432	12 432	12 968
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory		-	-	-	-	-	-	-	-	-	-	-	-	-	5 961	6 253	6 547
Contracted services		3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	36 701	34 162	35 543
Transfers and subsidies - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	6 830	6 830	8 680
Other expenditure		2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 993	2 992	35 909	34 342	35 369
<b>Cash Payments by Type</b>		17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	17 562	30 351	223 529	228 289
<b>Other Cash Flows/Payments by Type</b>																	
Capital assets		3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 288	3 287	39 450	21 944	10 254
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>		20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	20 849	33 638	262 979	250 233
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(1 624)	(14 414)	(32 282)	(11 190)
Cash/cash equivalents at the month/year begin:		68 153	66 529	64 904	63 280	61 655	60 031	58 407	56 782	55 158	53 534	51 909	50 285	48 661	68 153	35 871	24 681
Cash/cash equivalents at the month/year end:		66 529	64 904	63 280	61 655	60 031	58 407	56 782	55 158	53 534	51 909	50 285	48 661	47 037	35 871	24 681	26 034

## **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 2023/24 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 2023/24 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2023/24 Financial Year.

The SDBIP also assist the Executive, Council and the community in their respective oversight responsibilities since it serves as an implementation and monitoring tool.

### **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 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 projections 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 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 relates 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 three year period. A summary of capital project 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**

**QUALITY CERTIFICATE**

I \_\_\_\_\_, the **Municipal Manager** of **Dr Kenneth Kaunda District Municipality**, hereby certify that the Final Annual Budget and Supporting Documentation for 2023/2024 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

\_\_\_\_\_  
**Municipal Manager**

**(Dr Kenneth Kaunda District Municipality - DC 40)**

\_\_\_\_\_  
**Date**