

**DR. KENNETH
KAUNDA**
DISTRICT MUNICIPALITY



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

DRAFT ANNUAL BUDGET

2024/2025 TO 2026/2027

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

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

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

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PART 1: DRAFT ANNUAL BUDGET

Purpose of Tabling of the Draft Annual Budget for the Financial Year 2024/2025

The purpose of this report is to submit the Draft Annual Budget for 2024/2025 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

(Speech by the Executive Mayor during tabling of the 2024/2025 Draft Annual Budget in council meeting)

Honourable Speaker, Cllr. Xolile Nxozana, 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.

I am presenting the third Draft Budget for the 2024/2025 financial year as the new administration and it must be noted that this is not the final budget. The 2024/25 Draft Budget will be subjected to public inputs of the community before a final budget can be presented and approved by Council 30 days before the beginning of the financial year (**31 May 2024**). Key stakeholders like Provincial Treasury will also be given an opportunity to submit written comments on the Draft Budget.

Honourable councillors, the Medium-Term Revenue and Expenditure Framework (MTREF) for 2024/25 to 2026/27 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:

- (1) That the mayor of the municipality must table the Draft budget at a Council meeting at least 90 days before the start of the budget year (**31 March 2024**).

Honourable Speaker, the 2024/25 Draft Budget of the Dr KKDM is estimated as follow:

Table 1

| | CURRENT YEAR 2023 / 2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|--------------------------------|--------------------------|-----------------------|-----------------------------|---|-------------|-----------------------|-----------------------|
| | APPROVED BUDGET | ADJUSTMENT BUDGET | ACTUALS AS AT FEBRUARY 2023 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| TOTAL REVENUE | - 230 697 430.00 | - 230 910 545.00 | - 171 985 495.31 | - 246 373 000.00 | 6.70 | - 252 120 700.00 | - 256 677 860.00 |
| TOTAL EXPENDITURE | 230 517 000.00 | 244 908 880.00 | 154 145 387.61 | 246 160 000.00 | 0.51 | 252 009 368.00 | 256 609 913.00 |
| (Surplus) / Deficit | - 180 430.00 | 13 998 335.00 | - 17 840 107.70 | - 213 000.00 | - | - 111 332.00 | - 67 947.00 |
| TOTAL CAPITAL EXPENDITURE | 39 450 000.00 | 36 850 000.00 | 4 493 330.99 | 31 600 000.00 | 14.25 | 5 124 600.00 | 2 669 412.00 |
| TOTAL ADJUSTMENT BUDGET | 269 967 000.00 | 281 758 880.00 | 158 638 718.60 | 277 760 000.00 | - | 257 133 968.00 | 259 279 325.00 |

- The proposed operating revenue for the 2024/25 financial year has been appropriated at **R246.3 Million**. The operating revenue has increased by 6.70% or **R15.4 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget. For the two outer years, operating revenue will increase by 2.33% or R5.7 Million and 1.81% or R4.5 Million respectively.
- The proposed operating expenditure for the 2024/25 financial year has been appropriated at **R246.1 Million** and translates into a budgeted surplus of **R213 Thousand**. The operating expenditure has increased by 0.51% or **R1.2 Million** in the 2024/25 financial year when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will increase by 2.38% or R5.8 Million in 2025/26 and by 1.83% or R4.6 Million in 2026/27.
- The proposed capital budget for the 2024/25 financial year has been appropriated at **R31.6 Million**. The capital expenditure reduced by 14.25% or **R5.2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will be reduce by 83.78% or R26.4 Million in 2025/26 and by 47.91% or R2.4 Million in 2026/27. The capital budget will be funded internally.

Furthermore, Honourable Councillors, the table below provides allocations as stipulated in the Division of Revenue Bill for 2024/25-2026/27 Medium-term Revenue and Expenditure Framework.

| NO | DISCRIPTIONS | CURRENT YEAR 2023 / 2024 | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | | | |
|----|--|--------------------------|-------------------------|---|-------------|-------------------------|-------------|-------------------------|-------------|
| | | APPROVED BUDGET | ADJUSTMENT BUDGET | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | GROWTH RATE | 2026 / 2027 BUDGET | GROWTH RATE |
| 1 | FUEL LEVY (RSC REPLACEMENT GRANT) | - 181 398 000.00 | - 181 398 000.00 | - 184 806 000.00 | 1.88 | - 192 095 000.00 | 3.94 | - 200 378 000.00 | 4.31 |
| 2 | TS_O_M_NRF_EQUITABLE SHARE | - 32 150 000.00 | - 32 150 000.00 | - 33 503 000.00 | 4.21 | - 32 664 000.00 | 2.50 | - 30 822 000.00 | 5.64 |
| | TOTAL | - 213 548 000.00 | - 213 548 000.00 | - 218 309 000.00 | 2.23 | - 224 759 000.00 | 2.95 | - 231 200 000.00 | 2.87 |
| 3 | TS_O_M_NG_LOCAL GOV FIN MNG GRANT (FMG) | - 1 000 000.00 | - 1 000 000.00 | - 1 000 000.00 | - | - 1 100 000.00 | 10.00 | - 1 200 000.00 | 9.09 |
| 4 | TS_O_M_NG_EPWP GRANT | - 2 306 000.00 | - 2 306 000.00 | - 1 452 000.00 | 37.03 | - | 100.00 | - | - |
| 5 | TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT (RRAMS) | - 2 641 000.00 | - 2 641 000.00 | - 2 761 000.00 | 4.54 | - 2 884 000.00 | 4.45 | - 3 016 000.00 | 4.58 |
| 6 | ENERGY EFFECIENCY AND DEMAND-SIDE MAN GRANT | - | - | - 4 000 000.00 | - | - 4 000 000.00 | - | - 4 000 000.00 | - |
| 7 | MUNICIPAL SYSTEMS IMPROVEMENT GRANT (MSIG) | - | - | - 5 201 000.00 | - | - 5 194 000.00 | 0.13 | - 2 406 000.00 | 53.68 |
| | TOTAL ALLOCATIONS DR KKDM | - 219 495 000.00 | - 219 495 000.00 | - 232 723 000.00 | 6.03 | - 237 937 000.00 | 2.24 | - 241 822 000.00 | 1.63 |

- The proposed Transfers and Subsidies for the 2024/25 financial year have been appropriated at **R232.7 Million**. This indicates that the Conditional and Unconditional Grants allocated to DR KKDM only increased by 6.03% or **R13.2 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget.
- The below mentioned Grants and Subsidies led to the 6.03% or **R13.2 Million** increase:
 - ❖ RSC Replacement Grant increased by **R3.4 Million** or 1.88%.
 - ❖ Equitable Share increased by **R1.3 Million** or 4.21%.
 - ❖ Financial Management Grant (FMG) remains the same at R1 Million.
 - ❖ Expanded Public Work Programme (EPWP) has been reduced by **R854 Thousand** or 37.03%.
 - ❖ Rural Road Asset Management System Grant (RRAMS) has been increased by **R120 Thousand** or 4.54%.

Honourable Speaker, in addition to the above-mentioned grants, the District has received new allocations for the 2024/2025 financial year which also contributed to the **6.03%** increase:

- Municipal Systems Improvement Grant (MSIG) - **R5.2 Million**.
 - Energy Efficiency and Demand-Side Management Grant – **R4 Million**.
- The proposed operating expenditure for the 2024/25 financial year of **R246.1 Million** is allocated as follows:
 - The employee related costs for the 2024/25 financial has been appropriated at **R134.4 Million**. The employee related costs have increased by 7%. The 7% 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 54.64% of the total operating expenditure budget.
 - The proposed remuneration of councillors for the 2024/25 financial has been appropriated at **R13.1 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 **R98.4 Million** from the total operating expenditure budget. The **R98.4 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 outsource services budget for the 2024/25 financial year has been appropriated at **R11.6 Million**. The outsource services decreased by 42.16% or **R8.5 Million** when compared to the 2024/25 Adjustment Budget. The allocation includes amongst others, **R3.4 Million** for EPWP and **R4 Million** for CBP.
- The proposed budget on Consultants and Professional Services for the 2024/25 financial year has been appropriated at **R21.5 Million**. The Consultants and Professional Services have increased by 74.63% or **R9.2 Million** when compared to the 2023/24 Adjustment Budget. The allocation caters for legal fees, audit committee, operational cost for ISA projects, land & quantity surveyor (RRAMS), New allocations of **R4 Million** for Energy and **R5.2 Million** for MSIG, geo-informatics service dolomite and laboratory services amongst the others.
- The proposed contractors budget for the 2024/25 financial year has been appropriated at **R12.6 Million**. The allocation caters for security services, repairs and maintenance amongst others.
- The proposed operational costs budget for the 2024/25 financial year has been appropriated at **R33.3 Million**. The operational costs have decreased by 19.51% or **R8 Million** when compared to the 2023/24 Adjustment Budget. The allocation caters for the corporate communications and publications, audit fees for the Auditor-General, bank charges, bursaries for the employees, telephone, insurance premium, municipal services, professional bodies including SALGA, protective clothing, Led initiatives, Sports, Art and Culture programmes, intervention in Maquassi-Hills Local Municipality amongst others.
- The proposed inventory budget for the 2024/25 financial year has been appropriated at **R5 Million**. The inventory has been reduced by 28.60% or **R2 Million** when compared to the 2023/24 Adjustment Budget. The allocation caters for fuel and all stock items (paper, water, cleaning materials, stationery items and groceries).
- The proposed budget on operating leases for the 2024/25 financial year has been appropriated at **R2.5 Million**. The operating leases have decreased by 43.37% or **R1.9 Million** when compared to the

2023/24 Adjustment Budget. These include Photocopiers and Building leases.

- The proposed budget on transfers and subsidies for the 2024/25 financial year has been appropriated at **R5.3 Million**. The transfers and subsidies have increased by 24.11% or **R880 Thousand** when compared to the 2022/23 Adjustment Budget. The allocation caters for bursaries for non-employees, SMMEs support grants, social relief of distress.
- The proposed capital budget for the 2024/25 financial year has been appropriated at **R31.6 Million**. The capital expenditure reduced by 14.25% or **R5.2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will be reduce by 83.78% or R26.4 Million in 2025/26 and by 47.91% or R2.4 Million in 2026/27. The capital budget will be funded internally. The Capital list is on **Page 41 & 42** of the budget Document.

RECOMMENDATIONS

I therefore, table the 2024/25-2026/27 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 that 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 as approved with the 2023/2024 MTREF be presented for review.
 - 1.3. The Draft Budget for 2024/2025 is funded with a surplus of **Two-Hundred and Thirteen Thousand (R213 000.00)** as per the A Schedule.
2. That the Draft 2024/2025-2026/2027 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.

3. That the 2024/2025 Draft Operating Revenue of **Two Hundred and Forty-Six Million, Three Hundred and Seventy-Three Thousand (R246 373 000.00)** in terms of the MBRR A Schedule is tabled before council.
4. That the 2024/2025 Operating Expenditure of **Two Hundred and Forty-Six Million, One Hundred and Sixty Thousand (R246 160 000.00)** in terms of the MBRR A Schedule is tabled before council.
5. That the 2024/2025 Draft Capital Expenditure of **Thirty-One Million, Six-Hundred Thousand (R31 600 000.00)** in terms of the MBRR A Schedule is tabled before council.
6. That the budget related policies as amended to be work-shopped before the approval of the final annual budget.
7. That the Draft 2024/2025-2026/2027 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 2024/2025 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 2024/2025 Final Annual Budget.

I thank you

1.2. Council Resolutions and Items

The resolution for tabling of the Draft 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, 126, 128 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 2024/25 MTREF.

The following table is a consolidated overview of the proposed 2024/25-2026/27 Medium-term Revenue and Expenditure Framework:

Table 1

| | CURRENT YEAR 2023 / 2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|--------------------------------|--------------------------|-----------------------|-----------------------------|---|-------------|-----------------------|-----------------------|
| | APPROVED BUDGET | ADJUSTMENT BUDGET | ACTUALS AS AT FEBRUARY 2023 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
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| TOTAL EXPENDITURE | 230 517 000.00 | 244 908 880.00 | 154 145 387.61 | 246 160 000.00 | 0.51 | 252 009 368.00 | 256 609 913.00 |
| (Surplus) / Deficit | - 180 430.00 | 13 998 335.00 | - 17 840 107.70 | - 213 000.00 | - | - 111 332.00 | 67 947.00 |
| TOTAL CAPITAL EXPENDITURE | 39 450 000.00 | 36 850 000.00 | 4 493 330.99 | 31 600 000.00 | - 14.25 | 5 124 600.00 | 2 669 412.00 |
| TOTAL ADJUSTMENT BUDGET | 269 967 000.00 | 281 758 880.00 | 158 638 718.60 | 277 760 000.00 | - | 257 133 968.00 | 259 279 325.00 |

- The proposed operating revenue for the 2024/25 financial year has been appropriated at **R246.3 Million**. The operating revenue has increased by 6.70% or **R15.4 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget. For the two outer years, operating revenue will increase by 2.33% or R5.7 Million and 1.81% or R4.5 Million respectively.
- The proposed operating expenditure for the 2024/25 financial year has been appropriated at **R246.1 Million** and translates into a budgeted surplus of **R213 Thousand**. The operating expenditure has increased by 0.51% or **R1.2 Million** in the 2024/25 financial year when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will increase by 2.38% or R5.8 Million in 2025/26 and by 1.83% or R4.6 Million in 2026/27.
- The proposed capital budget for the 2024/25 financial year has been appropriated at **R31.6 Million**. The capital expenditure reduced by 14.25% or **R5.2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will be reduce by 83.78% or R26.4 Million in 2025/26 and by 47.91% or R2.4 Million in 2026/27. The capital budget will be funded internally.

Table 2

- The table below provides allocations as stipulated in the Division of Revenue Bill for 2024/25-2026/27 Medium-term Revenue and Expenditure Framework.

| NO | DISCRIPTIONS | CURRENT YEAR 2023 / 2024 | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | | | |
|----|--|--------------------------|-------------------------|---|-------------|-------------------------|-------------|-------------------------|-------------|
| | | APPROVED BUDGET | ADJUSTMENT BUDGET | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | GROWTH RATE | 2026 / 2027 BUDGET | GROWTH RATE |
| 1 | FUEL LEVY (RSC REPLACEMENT GRANT) | - 181 398 000.00 | - 181 398 000.00 | - 184 806 000.00 | 1.88 | - 192 095 000.00 | 3.94 | - 200 378 000.00 | 4.31 |
| 2 | TS_O_M_NRF_EQUITABLE SHARE | - 32 150 000.00 | - 32 150 000.00 | - 33 503 000.00 | 4.21 | - 32 664 000.00 | - 2.50 | - 30 822 000.00 | - 5.64 |
| | TOTAL | - 213 548 000.00 | - 213 548 000.00 | - 218 309 000.00 | 2.23 | - 224 759 000.00 | 2.95 | - 231 200 000.00 | 2.87 |
| 3 | TS_O_M_NG_LOCAL GOV FIN MNG GRANT (FMG) | - 1 000 000.00 | - 1 000 000.00 | - 1 000 000.00 | - | - 1 100 000.00 | 10.00 | - 1 200 000.00 | 9.09 |
| 4 | TS_O_M_NG_EPWP GRANT | - 2 306 000.00 | - 2 306 000.00 | - 1 452 000.00 | - 37.03 | - | - 100.00 | - | - |
| 5 | TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT (RRAMS) | - 2 641 000.00 | - 2 641 000.00 | - 2 761 000.00 | 4.54 | - 2 884 000.00 | 4.45 | - 3 016 000.00 | 4.58 |
| 6 | ENERGY EFFICIENCY AND DEMAND-SIDE MAN GRANT | - | - | - 4 000 000.00 | - | - 4 000 000.00 | - | - 4 000 000.00 | - |
| 7 | MUNICIPAL SYSTEMS IMPROVEMENT GRANT (MSIG) | - | - | - 5 201 000.00 | - | - 5 194 000.00 | - 0.13 | - 2 406 000.00 | - 53.68 |
| | TOTAL ALLOCATIONS DR KKDM | - 219 495 000.00 | - 219 495 000.00 | - 232 723 000.00 | 6.03 | - 237 937 000.00 | 2.24 | - 241 822 000.00 | 1.63 |

- The proposed Transfers and Subsidies for the 2024/25 financial year have been appropriated at **R232.7 Million**. The Transfers and Subsidies increased by 6.03% or **R13.2 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget. For the two outer years, transfers and subsidies will be increase by 2.24% or R5.2 Million in 2025/26 and by 1.63% or **R3.8 Million** in 2026/27
- The below mentioned Grants and Subsidies has led to the 6.03% or **R13.2 Million** increase:
 - ❖ RSC Replacement Grant increased by **R3.4 Million** or 1.88%.
 - ❖ Equitable Share increased by **R1.3 Million** or 4.21%.
 - ❖ Financial Management Grant (FMG) remains the same at R1 Million.
 - ❖ Expanded Public Work Programme (EPWP) has been reduced by **R854 Thousand** or 37.03%.
 - ❖ Rural Road Asset Management System Grant (RRAMS) has been increased by **R120 Thousand** or 4.54%.
 - ❖ **The Following are New Allocations made to the District:**
 - Municipal Systems Improvement Grant (MSIG) - **R5.2 Million**.
 - Energy Efficiency and Demand-Side Management Grant – **R4 Million**.

The draft annual budget for 2024/25 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 which includes amongst others:

- Career development and support programs with the Dr Kenneth Kaunda District Municipality;
- Partnership initiatives supported to unlock youth economic and social development
- Food parcels supplied to the distressed families within the Dr Kenneth Kaunda District Municipality;
- Youth health, safety and crime prevention programs within the district;
- Sessions to be held for Disability organisations supported with compliance and legislation;
- Organisation for Elderly people supported to improve mobility, access, economic, healthy living support;
- GBV and Femicide Community engagements within the Dr Kenneth Kaunda District Municipality.

The main challenges experienced during the compilation of the 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|------------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousands | | | | | | | | | | |
| Financial Performance | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - | - |
| Investment revenue | 4 186 | 4 991 | 8 187 | 7 400 | 7 400 | 7 400 | 6 260 | 8 980 | 9 393 | 9 825 |
| Transfer and subsidies - Operational | 36 288 | 34 296 | 38 030 | 40 977 | 40 977 | 40 977 | 165 049 | 51 417 | 49 458 | 45 273 |
| Other own revenue | 168 138 | 174 448 | 179 159 | 182 320 | 182 534 | 182 534 | 677 | 185 976 | 193 270 | 201 579 |
| Total Revenue (excluding capital transfers and contributions) | 208 613 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 171 985 | 246 373 | 252 121 | 256 678 |
| Employee costs | 111 253 | 113 544 | 122 012 | 125 696 | 125 696 | 125 696 | 94 651 | 134 490 | 140 677 | 147 148 |
| Remuneration of councillors | 10 367 | 9 969 | 11 600 | 12 432 | 12 432 | 12 432 | 9 313 | 13 192 | 13 799 | 14 433 |
| Depreciation and amortisation | 5 911 | 3 643 | 3 323 | 6 988 | 6 988 | 6 988 | - | 7 184 | 7 514 | 7 860 |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed and bulk purchases | - | - | - | 5 961 | 7 080 | 7 080 | - | 5 055 | 5 288 | 5 531 |
| Transfers and subsidies | 7 704 | 7 512 | 9 888 | 6 830 | 3 650 | 3 650 | 2 285 | 4 530 | 4 738 | 4 283 |
| Other expenditure | 56 097 | 62 268 | 81 188 | 72 610 | 89 513 | 89 513 | 59 766 | 81 710 | 79 994 | 77 355 |
| Total Expenditure | 191 331 | 196 936 | 228 010 | 230 517 | 245 359 | 245 359 | 166 016 | 246 160 | 252 009 | 256 610 |
| Surplus/(Deficit) | 17 282 | 16 799 | (2 634) | 180 | (14 448) | (14 448) | 5 969 | 213 | 111 | 68 |
| Transfers and subsidies - capital (monetary allocations) | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind) | 20 | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 17 302 | 16 799 | (2 634) | 180 | (14 448) | (14 448) | 5 969 | 213 | 111 | 68 |
| Share of Surplus/Deficit attributable to Associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 17 302 | 16 799 | (2 634) | 180 | (14 448) | (14 448) | 5 969 | 213 | 111 | 68 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 5 283 | 31 600 | 5 125 | 2 669 |
| Transfers recognised - capital | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 5 283 | 31 600 | 5 125 | 2 669 |
| Total sources of capital funds | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 5 283 | 31 600 | 5 125 | 2 669 |
| Financial position | | | | | | | | | | |
| Total current assets | (43 210) | 140 226 | 134 700 | 43 586 | 60 637 | 60 637 | 117 321 | 29 260 | 31 761 | 37 019 |
| Total non current assets | 17 065 | 22 864 | 34 539 | 65 231 | 62 631 | 62 631 | 39 822 | 66 139 | 39 664 | 37 208 |
| Total current liabilities | 63 303 | 59 367 | 73 864 | 30 766 | 30 766 | 30 766 | 61 809 | 24 390 | 24 174 | 24 174 |
| Total non current liabilities | 14 351 | 15 864 | 15 410 | 15 864 | 15 864 | 15 864 | 15 410 | 15 410 | 15 410 | 15 410 |
| Community wealth/Equity | 79 815 | 93 047 | 85 225 | 62 187 | 76 188 | 76 188 | 85 934 | 55 598 | 31 841 | 34 644 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 100 002 | 462 519 | 189 833 | 7 168 | (5 892) | (5 892) | 475 742 | 7 397 | 7 625 | 7 928 |
| Net cash from (used) investing | 205 | (11 765) | (21 391) | (39 450) | (36 850) | (36 850) | (4 493) | (31 600) | (5 125) | (2 669) |
| Net cash from (used) financing | - | (48) | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 173 711 | 549 691 | 271 880 | 36 066 | 54 040 | 54 040 | 471 249 | 28 718 | 31 219 | 36 477 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | (81 015) | 103 438 | 96 782 | 35 871 | 52 922 | 52 922 | 80 721 | 28 718 | 31 219 | 36 477 |
| Application of cash and investments | 29 390 | 25 170 | (82 098) | (271 162) | (197 118) | (197 118) | (60 170) | (63 762) | (67 071) | (68 878) |
| Balance - surplus (shortfall) | (110 405) | 78 268 | 178 880 | 307 033 | 250 040 | 250 040 | 140 892 | 92 480 | 98 290 | 105 356 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 16 012 | 19 131 | 34 539 | 61 499 | 58 899 | 58 899 | - | 66 139 | 39 663 | 37 208 |
| Depreciation | 5 911 | 3 643 | 3 323 | 6 988 | 6 988 | 6 988 | - | 7 184 | 7 514 | 7 860 |
| Renewal and Upgrading of Existing Assets | - | - | 2 602 | 3 500 | 1 430 | 1 430 | - | 1 000 | - | - |
| Repairs and Maintenance | 2 501 | 2 282 | 3 038 | 1 422 | 1 662 | 1 662 | - | 3 500 | 2 517 | 1 975 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | - | - | - | - | - | - | - | - | - | - |
| Households below minimum service level | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

MBRR Table A1 - Budget Summary

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

The table provides an overview of the amounts approved by Council for operating Performance, resources deployed to capital expenditure, financial position, cash and

funding Compliance, Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

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

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

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

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

As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue - Functional | 1 | | | | | | | | | |
| Governance and administration | | 204 055 | 208 668 | 219 434 | 225 153 | 225 366 | 225 366 | 237 510 | 244 557 | 248 951 |
| Executive and council | | - | 4 | - | - | - | - | - | - | - |
| Finance and administration | | 204 055 | 208 664 | 219 434 | 225 153 | 225 366 | 225 366 | 237 510 | 244 557 | 248 951 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 407 | 432 | 624 | 597 | 597 | 597 | 650 | 680 | 711 |
| Community and social services | | 407 | 432 | 624 | 597 | 597 | 597 | 650 | 680 | 711 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 4 171 | 4 636 | 5 319 | 4 947 | 4 947 | 4 947 | 8 213 | 6 884 | 7 016 |
| Planning and development | | 4 171 | 4 636 | 5 319 | 4 947 | 4 947 | 4 947 | 8 213 | 6 884 | 7 016 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - |
| Energy sources | | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 208 633 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 246 373 | 252 121 | 256 678 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 123 827 | 111 987 | 136 372 | 132 820 | 135 518 | 135 518 | 148 722 | 154 893 | 158 663 |
| Executive and council | | 52 912 | 55 697 | 62 118 | 62 123 | 61 286 | 61 286 | 67 373 | 70 409 | 73 648 |
| Finance and administration | | 65 355 | 50 254 | 68 062 | 63 985 | 66 871 | 66 871 | 73 419 | 76 188 | 76 338 |
| Internal audit | | 5 561 | 6 036 | 6 191 | 6 712 | 7 361 | 7 361 | 7 931 | 8 296 | 8 677 |
| Community and public safety | | 49 589 | 60 280 | 56 322 | 59 851 | 63 396 | 63 396 | 62 079 | 64 034 | 66 869 |
| Community and social services | | 49 264 | 57 990 | 56 322 | 59 851 | 63 396 | 63 396 | 62 079 | 64 034 | 66 869 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | 324 | 2 290 | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 21 301 | 29 876 | 40 577 | 37 847 | 45 995 | 45 995 | 35 358 | 33 082 | 31 078 |
| Planning and development | | 21 084 | 29 876 | 40 577 | 37 847 | 45 995 | 45 995 | 35 358 | 33 082 | 31 078 |
| Road transport | | - | - | - | - | - | - | - | - | - |
| Environmental protection | | 217 | 0 | - | - | - | - | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - |
| Energy sources | | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | 4 | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 194 717 | 202 143 | 233 271 | 230 517 | 244 909 | 244 909 | 246 160 | 252 009 | 256 610 |
| Surplus/(Deficit) for the year | | 13 916 | 11 592 | (7 894) | 180 | (13 998) | (13 998) | 213 | 111 | 68 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive Council | | - | 4 | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 03 - Corporate Services | | 328 | 608 | 1 477 | 2 880 | 2 880 | 2 880 | 3 500 | 3 661 | 3 829 |
| Vote 04 - Financial Services | | 203 726 | 208 055 | 217 957 | 222 273 | 222 486 | 222 486 | 234 010 | 240 896 | 245 121 |
| Vote 05 - Led & Planning | | 4 171 | 4 636 | 5 319 | 4 947 | 4 947 | 4 947 | 8 213 | 6 884 | 7 016 |
| Vote 06 - Community Services | | 407 | 432 | 624 | 597 | 597 | 597 | 650 | 680 | 711 |
| Vote 07 - - | | - | - | - | - | - | - | - | - | - |
| Vote 08 - - | | - | - | - | - | - | - | - | - | - |
| Vote 09 - | | - | - | - | - | - | - | - | - | - |
| Vote 10 - | | - | - | - | - | - | - | - | - | - |
| Vote 11 - | | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 208 633 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 246 373 | 252 121 | 256 678 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 01 - Executive Council | | 17 078 | 15 987 | 19 746 | 24 770 | 25 197 | 25 197 | 26 016 | 27 150 | 28 399 |
| Vote 02 - Municipal Manager | | 41 394 | 45 746 | 48 563 | 44 065 | 43 450 | 43 450 | 49 287 | 51 555 | 53 926 |
| Vote 03 - Corporate Services | | 29 839 | 21 101 | 34 317 | 33 890 | 34 428 | 34 428 | 37 328 | 38 708 | 40 329 |
| Vote 04 - Financial Services | | 35 490 | 29 153 | 33 746 | 30 095 | 32 442 | 32 442 | 36 091 | 37 480 | 36 009 |
| Vote 05 - Led & Planning | | 21 110 | 29 876 | 40 577 | 37 847 | 45 995 | 45 995 | 35 358 | 33 082 | 31 078 |
| Vote 06 - Community Services | | 49 806 | 60 280 | 56 322 | 59 851 | 63 396 | 63 396 | 62 079 | 64 034 | 66 869 |
| Vote 07 - - | | - | - | - | - | - | - | - | - | - |
| Vote 08 - - | | - | - | - | - | - | - | - | - | - |
| Vote 09 - | | - | - | - | - | - | - | - | - | - |
| Vote 10 - | | - | - | - | - | - | - | - | - | - |
| Vote 11 - | | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 194 717 | 202 143 | 233 271 | 230 517 | 244 909 | 244 909 | 246 160 | 252 009 | 256 610 |
| Surplus/(Deficit) for the year | 2 | 13 916 | 11 592 | (7 894) | 180 | (13 998) | (13 998) | 213 | 111 | 68 |

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% of total revenue result from transfers from National treasury.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

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

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 44 | 67 | 549 | 325 | 325 | 325 | 20 | 200 | 160 | 140 |
| Agency services | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Interest earned from Receivables | | | | | | | | | | | |
| Interest earned from Current and Non Current Assets | | 4 186 | 4 991 | 8 187 | 7 400 | 7 400 | 7 400 | 6 260 | 8 980 | 9 393 | 9 825 |
| Dividends | | 274 | - | 1 | - | - | - | - | - | - | - |
| Rent on Land | | | | | | | | | | | |
| Rental from Fixed Assets | | | | | | | | | | | |
| Licence and permits | | | | | | | | | | | |
| Operational Revenue | | 167 404 | 172 096 | 14 | - | 213 | 213 | 213 | 320 | 335 | 350 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | - | - | - | - | - | - | - | - | - | - |
| Surcharges and Taxes | | | | | | | | | | | |
| Fines, penalties and forfeits | | - | - | - | - | - | - | - | - | - | - |
| Licences or permits | | 407 | 432 | 561 | 597 | 597 | 597 | 444 | 650 | 680 | 711 |
| Transfer and subsidies - Operational | | 36 288 | 34 296 | 38 030 | 40 977 | 40 977 | 40 977 | 165 049 | 51 417 | 49 458 | 45 273 |
| Interest | | | | | | | | | | | |
| Fuel Levy | | - | - | 176 234 | 181 398 | 181 398 | 181 398 | - | 184 806 | 192 095 | 200 378 |
| Operational Revenue | | | | | | | | | | | |
| Gains on disposal of Assets | | 9 | - | - | - | - | - | - | - | - | - |
| Other Gains | | - | 1 853 | 1 800 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 208 613 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 171 985 | 246 373 | 252 121 | 256 678 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 111 253 | 113 544 | 122 012 | 125 696 | 125 696 | 125 696 | 83 982 | 134 490 | 140 677 | 147 148 |
| Remuneration of councillors | | 10 367 | 9 969 | 11 600 | 12 432 | 12 432 | 12 432 | 8 304 | 13 192 | 13 799 | 14 433 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | - | - | - | 5 961 | 7 080 | 7 080 | - | 5 055 | 5 288 | 5 531 |
| Debt impairment | 3 | - | 2 290 | - | - | - | - | - | - | - | - |
| Depreciation and amortisation | | 5 911 | 3 643 | 3 323 | 6 988 | 6 988 | 6 988 | - | 7 184 | 7 514 | 7 860 |
| Interest | | | | | | | | | | | |
| Contracted services | | 29 693 | 34 776 | 45 214 | 36 701 | 43 241 | 43 241 | 28 243 | 45 906 | 43 346 | 41 246 |
| Transfers and subsidies | | 7 704 | 7 512 | 9 888 | 6 830 | 3 650 | 3 650 | 2 283 | 4 530 | 4 738 | 4 283 |
| Irrecoverable debts written off | | | | | | | | | | | |
| Operational costs | | 25 868 | 25 171 | 35 676 | 35 909 | 45 822 | 45 822 | 28 441 | 35 804 | 36 648 | 36 109 |
| Losses on disposal of Assets | | 536 | (53) | 260 | - | - | - | - | - | - | - |
| Other Losses | | - | 85 | 37 | - | - | - | - | - | - | - |
| Total Expenditure | | 191 331 | 196 936 | 228 010 | 230 517 | 244 909 | 244 909 | 151 253 | 246 160 | 252 009 | 256 610 |
| Surplus/(Deficit) | | 17 282 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Transfers and subsidies - capital (monetary allocations) | 6 | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind) | 6 | 20 | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Income Tax | | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | |
| Surplus/(Deficit) for the year | 1 | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |

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

- The proposed operating revenue for the 2024/25 financial year has been appropriated at **R246.3 Million**. The operating revenue has increased by 6.70% or **R15.4 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment 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 6.03% 2024/25, 2.24% in 2025/26 and 1.63% in 2026/27 budget year and the budget is primarily funded from grants receipts from National

Treasury which forms a major portion of sources of revenue at 95.88% of the total Revenue.

The proposed operating expenditure for the 2024/25 financial year has been appropriated at **R246.1 Million** and translates into a budgeted surplus of **R213 Thousand**. The operating expenditure has increased by 0.51% or **R1.2 Million** in the 2024/25 financial year when compared to the 2023/24 Adjustment Budget.

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

| Vote Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure - to be appropriated | 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 | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | - | - | - | - | - | - | - | - | - | - |
| Single-year expenditure - to be appropriated | 2 | | | | | | | | | | |
| Vote 01 - Executive Council | | - | - | 32 | 110 | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | 60 | - | 172 | 2 530 | 2 000 | 2 000 | 665 | 300 | 150 | 100 |
| Vote 03 - Corporate Services | | 247 | 5 302 | 4 031 | 4 000 | 4 900 | 4 900 | 58 | 9 650 | 2 575 | 1 339 |
| Vote 04 - Financial Services | | 1 198 | 82 | 4 925 | 2 560 | 2 500 | 2 500 | 1 656 | 1 200 | 800 | 500 |
| Vote 05 - Led & Planning | | - | 3 756 | 10 465 | 16 550 | 24 500 | 24 500 | 2 210 | 5 400 | - | - |
| Vote 06 - Community Services | | 1 046 | 2 626 | 1 765 | 13 700 | 2 950 | 2 950 | - | 15 050 | 1 600 | 730 |
| Vote 07 - - | | - | - | - | - | - | - | - | - | - | - |
| Vote 08 - - | | - | - | - | - | - | - | - | - | - | - |
| Vote 09 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 4 588 | 31 600 | 5 125 | 2 669 |
| Total Capital Expenditure - Vote | | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 4 588 | 31 600 | 5 125 | 2 669 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 1 505 | 5 384 | 9 160 | 9 200 | 9 400 | 9 400 | 2 379 | 11 150 | 3 525 | 1 939 |
| Executive and council | | 60 | - | 35 | 2 640 | 2 000 | 2 000 | 665 | 300 | 150 | 100 |
| Finance and administration | | 1 445 | 5 384 | 8 966 | 6 560 | 7 400 | 7 400 | 1 714 | 10 850 | 3 375 | 1 839 |
| Internal audit | | - | - | 170 | - | - | - | - | - | - | - |
| Community and public safety | | 1 046 | 2 626 | 1 765 | 13 700 | 2 950 | 2 950 | - | 15 050 | 1 600 | 730 |
| Community and social services | | 1 046 | 2 626 | 1 765 | 13 700 | 2 950 | 2 950 | - | 15 050 | 1 600 | 730 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | 3 756 | 10 465 | 16 550 | 24 500 | 24 500 | 2 210 | 5 400 | - | - |
| Planning and development | | - | 3 756 | 10 465 | 16 550 | 24 500 | 24 500 | 2 210 | 5 400 | - | - |
| Road transport | | - | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - | - |
| Energy sources | | - | - | - | - | - | - | - | - | - | - |
| Water management | | - | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 4 588 | 31 600 | 5 125 | 2 669 |
| Funded by: | | | | | | | | | | | |
| National Government | | - | - | - | - | - | - | - | - | - | - |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | - | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 4 588 | 31 600 | 5 125 | 2 669 |
| Total Capital Funding | 7 | 2 550 | 11 765 | 21 391 | 39 450 | 36 850 | 36 850 | 4 588 | 31 600 | 5 125 | 2 669 |

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 2024/25 financial year has been appropriated at **R31.6 Million**. The capital expenditure reduced by 14.25% or **R5.2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will be reduce by 83.78% or R26.4 Million in 2025/26 and by 47.91% or R2.4 Million in 2026/27. The capital budget will be funded internally.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | | (81 015) | 103 437 | 96 782 | 35 871 | 52 922 | 52 922 | 80 721 | 28 718 | 31 219 | 36 477 |
| Trade and other receivables from exchange transactions | 1 | 510 | 729 | 957 | 6 365 | 6 365 | 6 365 | 957 | 542 | 542 | 542 |
| Receivables from non-exchange transactions | 1 | - | - | - | - | - | - | - | - | - | - |
| Current portion of non-current receivables | | | | | | | | | | | |
| Inventory | 2 | - | - | - | - | - | - | - | - | - | - |
| VAT | | 33 484 | 33 312 | 33 874 | - | - | - | 34 243 | - | - | - |
| Other current assets | | 3 811 | 2 748 | 3 086 | 1 350 | 1 350 | 1 350 | 1 400 | - | - | - |
| Total current assets | | (43 210) | 140 226 | 134 700 | 43 586 | 60 637 | 60 637 | 117 321 | 29 260 | 31 761 | 37 019 |
| Non current assets | | | | | | | | | | | |
| Investments | | 0 | 0 | 120.00 | 0 | - | - | 0 | 0 | 0 | 0 |
| Investment property | | | | | | | | | | | |
| Property, plant and equipment | 3 | 16 610 | 19 982 | 27 290 | 57 150 | 55 850 | 55 850 | 30 253 | 54 640 | 30 510 | 28 750 |
| Biological assets | | | | | | | | | | | |
| Living and non-living resources | | | | | | | | | | | |
| Heritage assets | | | | | | | | | | | |
| Intangible assets | | 455 | 2 881 | 7 249 | 8 081 | 6 781 | 6 781 | 9 569 | 11 499 | 9 153 | 8 458 |
| Trade and other receivables from exchange transactions | | | | | | | | | | | |
| Non-current receivables from non-exchange transactions | | | | | | | | | | | |
| Other non-current assets | | - | - | - | - | - | - | - | - | - | - |
| Total non current assets | | 17 065 | 22 864 | 34 539 | 65 231 | 62 631 | 62 631 | 39 822 | 66 139 | 39 664 | 37 208 |
| TOTAL ASSETS | | (26 145) | 163 090 | 169 239 | 108 817 | 123 267 | 123 267 | 157 143 | 95 399 | 71 424 | 74 227 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | | | |
| Financial liabilities | | 370 | 433 | 421 | 433 | 433 | 433 | 421 | 421 | 421 | 421 |
| Consumer deposits | | | | | | | | | | | |
| Trade and other payables from exchange transactions | 4 | 13 329 | 10 518 | 23 739 | 11 188 | 11 188 | 11 188 | 11 687 | 3 473 | 3 257 | 3 257 |
| Trade and other payables from non-exchange transactions | 5 | 65 | 66 | 3 | - | - | - | - | - | - | - |
| Provision | | 20 333 | 19 145 | 20 496 | 19 145 | 19 145 | 19 145 | 20 496 | 20 496 | 20 496 | 20 496 |
| VAT | | 29 205 | 29 205 | 29 205 | - | - | - | 29 205 | - | - | - |
| Other current liabilities | | | | | | | | | | | |
| Total current liabilities | | 63 303 | 59 367 | 73 864 | 30 766 | 30 766 | 30 766 | 61 809 | 24 390 | 24 174 | 24 174 |
| Non current liabilities | | | | | | | | | | | |
| Financial liabilities | 6 | - | - | - | - | - | - | - | - | - | - |
| Provision | 7 | 14 351 | 15 864 | 15 410 | 15 864 | 15 864 | 15 864 | 15 410 | 15 410 | 15 410 | 15 410 |
| Long term portion of trade payables | | - | - | - | - | - | - | - | - | - | - |
| Other non-current liabilities | | | | | | | | | | | |
| Total non current liabilities | | 14 351 | 15 864 | 15 410 | 15 864 | 15 864 | 15 864 | 15 410 | 15 410 | 15 410 | 15 410 |
| TOTAL LIABILITIES | | 77 654 | 75 231 | 89 274 | 46 630 | 46 630 | 46 630 | 77 219 | 39 800 | 39 584 | 39 584 |
| NET ASSETS | | (103 799) | 87 859 | 79 965 | 62 187 | 76 638 | 76 638 | 79 924 | 55 598 | 31 841 | 34 644 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | 78 227 | 91 459 | 83 637 | 62 187 | 76 188 | 76 188 | 84 346 | 55 598 | 31 841 | 34 644 |
| Reserves and funds | 9 | 1 588 | 1 588 | 1 588 | - | - | - | 1 588 | - | - | - |
| Other | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | 10 | 79 815 | 93 047 | 85 225 | 62 187 | 76 188 | 76 188 | 85 934 | 55 598 | 31 841 | 34 644 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | | |
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | | | | | - | - | | - | - | - |
| Service charges | | | | | | | | | | | |
| Other revenue | | 395 | 1 075 | 810 | 185 200 | 185 414 | 185 414 | 372 742 | 189 476 | 196 931 | 205 409 |
| Transfers and Subsidies - Operational | 1 | 203 672 | 203 860 | 211 570 | 35 456 | 35 456 | 35 456 | 163 337 | 41 156 | 38 913 | 34 428 |
| Transfers and Subsidies - Capital | 1 | - | 2 514 | 2 632 | 2 641 | 2 641 | 2 641 | 2 641 | 6 761 | 6 884 | 7 016 |
| Interest | | 3 808 | 4 763 | 7 935 | 7 400 | 7 400 | 7 400 | 1 574 | 8 980 | 9 393 | 9 825 |
| Dividends | | 274 | - | 1 | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (171 366) | (188 587) | (204 456) | (216 699) | (235 752) | (234 271) | (64 552) | (234 446) | (239 757) | (244 467) |
| Interest | | | | | | | | | | | |
| Transfers and Subsidies | 1 | (7 704) | (7 512) | (9 888) | (6 830) | (3 650) | (3 650) | - | (4 530) | (4 738) | (4 283) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 29 079 | 16 113 | 8 604 | 7 168 | (8 492) | (7 011) | 475 742 | 7 397 | 7 625 | 7 928 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | (268) | 105 | 570 | | | | | | | |
| Decrease (increase) in non-current receivables | | | | | | | | | | | |
| Decrease (increase) in non-current investments | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | (3 330) | (11 765) | (15 829) | (39 450) | (36 850) | (36 850) | (4 493) | (31 600) | (5 125) | (2 669) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (3 598) | (11 661) | (15 259) | (39 450) | (36 850) | (36 850) | (4 493) | (31 600) | (5 125) | (2 669) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | | | |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 25 481 | 4 452 | (6 655) | (32 282) | (45 342) | (43 861) | 471 249 | (24 203) | 2 501 | 5 258 |
| Cash/cash equivalents at the year begin: | 2 | 73 503 | 98 985 | 103 437 | 68 348 | 96 782 | 96 782 | - | 52 922 | 28 718 | 31 219 |
| Cash/cash equivalents at the year end: | 2 | 98 985 | 103 437 | 96 782 | 36 066 | 51 441 | 52 922 | 52 922 | 28 718 | 31 219 | 36 477 |

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 2024/25 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 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|------------------|-----------------|-----------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 173 711 | 549 691 | 271 880 | 36 066 | 54 040 | 54 040 | 471 249 | 28 718 | 31 219 | 36 477 |
| Other current investments > 90 days | | (254 726) | (446 253) | (175 097) | (195) | (1 119) | (1 119) | (390 528) | 0 | 0 | 0 |
| Non current Investments | 1 | 0 | 0 | 0 | 0 | - | - | 0 | 0 | 0 | 0 |
| Cash and investments available: | | (81 015) | 103 438 | 96 782 | 35 871 | 52 922 | 52 922 | 80 721 | 28 718 | 31 219 | 36 477 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 65 | 66 | 3 | - | - | - | 2 781 | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | (4 279) | (4 107) | (4 669) | - | - | - | (5 038) | - | - | - |
| Other working capital requirements | 3 | 13 270 | 10 066 | (97 928) | (290 307) | (216 263) | (216 263) | (78 410) | (84 258) | (87 567) | (89 374) |
| Other provisions | | 20 333 | 19 145 | 20 496 | 19 145 | 19 145 | 19 145 | 20 496 | 20 496 | 20 496 | 20 496 |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 29 390 | 25 170 | (82 098) | (271 162) | (197 118) | (197 118) | (60 170) | (63 762) | (67 071) | (68 878) |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits | | (110 405) | 78 268 | 178 880 | 307 033 | 250 040 | 250 040 | 140 892 | 92 480 | 98 290 | 105 356 |
| Creditors transferred to Debt Relief - Non-Current portion | | - | - | - | - | - | - | - | - | - | - |
| Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits | | (110 405) | 78 268 | 178 880 | 307 033 | 250 040 | 250 040 | 140 892 | 92 480 | 98 290 | 105 356 |

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 2024/25 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

| | | | | | | | | | | |
|--|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 16 012 | 19 131 | 34 539 | 61 499 | 58 899 | 58 899 | 66 139 | 39 663 | 37 208 |
| Roads Infrastructure | | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | - | - | 2 602 | 1 500 | 1 430 | 1 430 | 2 602 | 2 602 | 2 602 |
| Sanitation Infrastructure | | - | - | 7 837 | 2 000 | 3 070 | 3 070 | 7 837 | 7 837 | 7 837 |
| Solid Waste Infrastructure | | - | - | - | 3 400 | - | - | 1 500 | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | 2 187 | 546 | 542 | 2 176 | 2 176 | 2 176 | 542 | 542 | 542 |
| Infrastructure | | 2 187 | 546 | 10 981 | 9 076 | 6 676 | 6 676 | 12 481 | 10 981 | 10 981 |
| Community Assets | | 4 096 | 4 847 | 4 476 | 15 847 | 24 847 | 24 847 | 9 876 | 4 476 | 4 476 |
| Heritage Assets | | | | | | | | | | |
| Investment properties | | | | | | | | | | |
| Other Assets | | 641 | - | 1 740 | 2 950 | 350 | 350 | 3 240 | 1 860 | 1 820 |
| Biological or Cultivated Assets | | | | | | | | | | |
| Intangible Assets | | 455 | 2 881 | 7 249 | 8 081 | 6 781 | 6 781 | 10 549 | 9 153 | 8 458 |
| Computer Equipment | | 1 695 | 3 009 | 3 535 | 6 526 | 5 526 | 5 526 | 8 185 | 4 335 | 3 885 |
| Furniture and Office Equipment | | 831 | 357 | 315 | 1 915 | 965 | 965 | 2 415 | 815 | 515 |
| Machinery and Equipment | | 1 334 | 1 034 | 804 | 3 640 | 3 990 | 3 990 | 4 454 | 1 604 | 1 034 |
| Transport Assets | | 4 772 | 6 458 | 5 439 | 13 464 | 9 764 | 9 764 | 14 939 | 6 439 | 6 039 |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Living Resources | | | | | | | | | | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 16 012 | 19 131 | 34 539 | 61 499 | 58 899 | 58 899 | 66 139 | 39 663 | 37 208 |
| EXPENDITURE OTHER ITEMS | | 8 412 | 5 925 | 6 361 | 8 410 | 8 870 | 8 870 | 10 684 | 10 031 | 9 835 |
| Depreciation | 7 | 5 911 | 3 643 | 3 323 | 6 988 | 6 988 | 6 988 | 7 514 | 7 514 | 7 860 |
| Repairs and Maintenance by Asset Class | 3 | 2 501 | 2 282 | 3 038 | 1 422 | 1 882 | 1 882 | 3 500 | 2 517 | 1 975 |
| Roads Infrastructure | | - | 797 | - | - | - | - | 2 700 | 1 680 | 1 100 |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | - | 797 | - | - | - | - | 2 700 | 1 680 | 1 100 |
| Community Facilities | | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| Community Assets | | - | - | - | - | - | - | - | - | - |
| Heritage Assets | | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | 1 412 | 536 | 756 | 500 | 950 | 950 | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | 1 412 | 536 | 756 | 500 | 950 | 950 | - | - | - |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | 783 | 940 | 1 503 | 500 | 500 | 500 | 300 | 314 | 328 |
| Furniture and Office Equipment | | 12 | 7 | 60 | 152 | 122 | 122 | - | - | - |
| Machinery and Equipment | | 8 | 1 | 60 | 190 | 160 | 160 | 400 | 418 | 438 |
| Transport Assets | | 287 | 1 | 659 | 80 | 150 | 150 | 100 | 105 | 109 |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE OTHER ITEMS | | 8 412 | 5 925 | 6 361 | 8 410 | 8 870 | 8 870 | 10 684 | 10 031 | 9 835 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | | 0.0% | 0.0% | 12.2% | 8.9% | 3.9% | 3.9% | 0.0% | 0.0% | 0.0% |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | | 0.0% | 0.0% | 78.3% | 50.1% | 20.5% | 20.5% | 0.0% | 0.0% | 0.0% |
| <i>R&M as a % of PPE & Investment Property</i> | | 16.1% | 14.0% | 11.1% | 2.7% | 3.6% | 3.6% | 6.3% | 8.2% | 6.9% |
| <i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i> | | 16.1% | 14.0% | 20.7% | 9.2% | 6.4% | 6.4% | 6.3% | 8.2% | 6.9% |

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 2024/25 adjusted budget. Included in the repairs and maintenance of the municipality is, maintenance that needs to be done on municipal buildings, furniture, office equipment, machinery and other equipment. Repairs and Maintenance amounts to **R3.5 Million** for 2024/25.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | - | - | - | - | - | - | - | - | - |
| Piped water inside yard (but not in dwelling) | | - | - | - | - | - | - | - | - | - |
| Using public tap (at least min.service level) | 2 | - | - | - | - | - | - | - | - | - |
| Other water supply (at least min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Using public tap (< min.service level) | 3 | - | - | - | - | - | - | - | - | - |
| Other water supply (< min.service level) | 4 | - | - | - | - | - | - | - | - | - |
| No water supply | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | | | | | | | | | |
| Sanitation/sewerage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | - | - | - | - | - | - | - | - | - |
| Flush toilet (with septic tank) | | - | - | - | - | - | - | - | - | - |
| Chemical toilet | | - | - | - | - | - | - | - | - | - |
| Pit toilet (ventilated) | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (> min.service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Bucket toilet | | - | - | - | - | - | - | - | - | - |
| Other toilet provisions (< min.service level) | | - | - | - | - | - | - | - | - | - |
| No toilet provisions | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | | | | | | | | | |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (min.service level) | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Electricity (< min.service level) | | - | - | - | - | - | - | - | - | - |
| Electricity - prepaid (< min. service level) | | - | - | - | - | - | - | - | - | - |
| Other energy sources | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | | | | | | | | | |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | - | - | - | - | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Removed less frequently than once a week | | - | - | - | - | - | - | - | - | - |
| Using communal refuse dump | | - | - | - | - | - | - | - | - | - |
| Using own refuse dump | | - | - | - | - | - | - | - | - | - |
| Other rubbish disposal | | - | - | - | - | - | - | - | - | - |
| No rubbish disposal | | - | - | - | - | - | - | - | - | - |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | | | | | | | | | |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (removed at least once a week) | | - | - | - | - | - | - | - | - | - |
| <i>Informal Settlements</i> | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (50kwh per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (removed once a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | | | | | | | | | |
| Total cost of FBS provided | 8 | | | | | | | | | |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | | | | | | | | | |
| Water (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | | | | | | | |
| Electricity (kwh per household per month) | | | | | | | | | | |
| Refuse (average litres per week) | | | | | | | | | | |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | | | | | | | | | |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA | | | | | | | | | | |
| Water (in excess of 6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Sanitation (in excess of free sanitation service to indigent households) | | - | - | - | - | - | - | - | - | - |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | - | - | - | - | - | - | - | - | - |
| Refuse (in excess of one removal a week for indigent households) | | - | - | - | - | - | - | - | - | - |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | | | | | | | | | |

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 2023 as per Council Resolution **ITEM A.283/08/2023**.
- The 2024/25 Draft Budget will be tabled together with the review of the IDP in council.
- The Final Budget will be tabled and approved by council not later than 31st of May 2024.

OUTCOMES OF CONSULTATIVE PROCESS

- After Council's approval of the adjustment budget on 29th February 2024 as per Council Resolution **ITEM.A 12/02/2024**
- 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 2024/25 budget year:
 - Budget Strategic Sessions
 - Budget Steering Committee working sessions – HOD's / Unit Managers
 - Mayoral Committee meetings
 - Submission of the Draft IDP and Final Budget to Council (to be submitted to council meeting scheduled for May 2024)
 - Advertisement on a local newspaper once approved in council
 - Documents to be loaded on the Municipal Website as well as at local libraries within the District
 - National Treasury and other sector departments as prescribed by section 23 of the MFMA.
- 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.283/08/2023

SCHEDULE OF BUDGET KEY DEADLINES - 2024/2025

5/1/1

THEREFORE RESOLVED

That the time schedule of budget key deadlines for 2024/2025 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | | |
|---|------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | | | |
| SPATIAL RATIONALE | | | | - | - | - | - | - | - | - | - | - | |
| GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | - | 4 | - | - | - | - | - | - | - | |
| MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | 203 706 | 208 055 | 217 957 | 222 273 | 222 486 | 222 486 | 234 010 | 240 896 | 245 121 | |
| DISTRICT ECONOMIC DEVELOPMENT | | | | 4 171 | 4 636 | 5 319 | 4 947 | 4 947 | 4 947 | 8 213 | 6 884 | 7 016 | |
| MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | | | | 328 | 608 | 1 477 | 2 880 | 2 880 | 2 880 | 3 500 | 3 661 | 3 829 | |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | 407 | 432 | 624 | 597 | 597 | 597 | 650 | 680 | 711 | |
| Allocations to other priorities | | | 2 | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 1 | 208 613 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 246 373 | 252 121 | 256 678 |

2.3. Measurable performance objectives and indicators

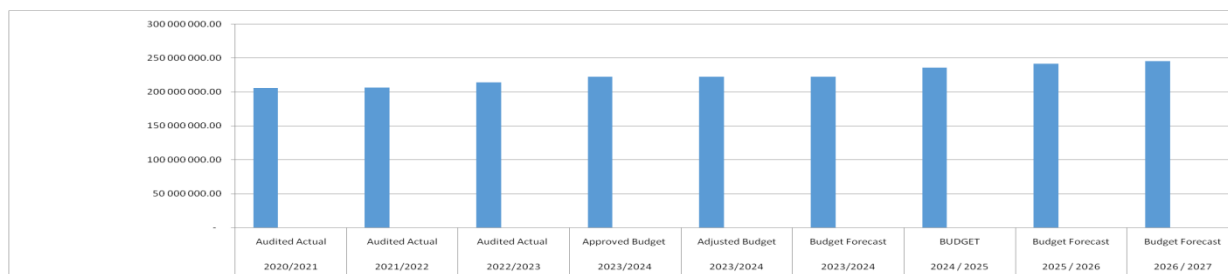
DC40 Dr Kenneth Kaunda - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

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

| Strategic Objective | Goal | Goal Code | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | | |
|--|------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | | | |
| SPATIAL RATIONALE | | | | 329 | - | - | - | - | - | - | - | - | |
| GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | 58 472 | 61 733 | 68 309 | 68 834 | 68 647 | 68 647 | 75 304 | 78 705 | 82 325 | |
| MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | 35 490 | 29 153 | 33 746 | 30 095 | 32 442 | 32 442 | 36 091 | 37 480 | 36 009 | |
| DISTRICT ECONOMIC DEVELOPMENT | | | | 21 084 | 29 876 | 40 577 | 37 847 | 45 995 | 45 995 | 35 358 | 33 082 | 31 078 | |
| MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | | | | 29 839 | 21 101 | 34 317 | 33 890 | 34 428 | 34 428 | 37 328 | 38 708 | 40 329 | |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | 49 503 | 60 280 | 56 322 | 59 851 | 63 396 | 63 396 | 62 079 | 64 034 | 66 869 | |
| Allocations to other priorities | | | 1 | | | | | | | | | | |
| Total Expenditure | | | | 1 | 194 717 | 202 143 | 233 271 | 230 517 | 244 909 | 244 909 | 246 160 | 252 009 | 256 610 |

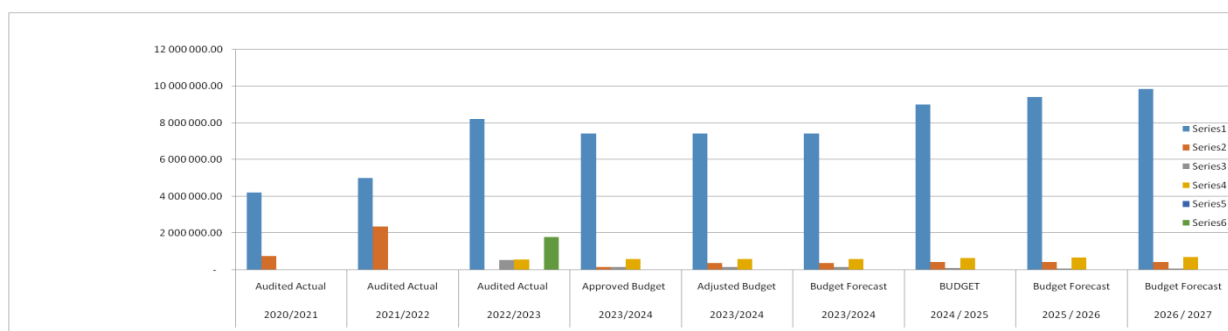
BUDGET REGULATED CHARTS

1. REVENUE BY MAJOR SOURCE



| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Transfers Recog. Operating | 205 800 159.00 | 206 392 248.00 | 214 264 285.00 | 222 375 000.00 | 222 375 000.00 | 222 375 000.00 | 236 223 000.00 | 241 553 000.00 | 245 651 406.00 |
| Transfers Recog. Capital | - | - | - | - | - | - | - | - | - |
| Total revenue by major source | 205 800 159.00 | 206 392 248.00 | 214 264 285.00 | 222 375 000.00 | 222 375 000.00 | 222 375 000.00 | 236 223 000.00 | 241 553 000.00 | 245 651 406.00 |

2. REVENUE BY MINOR SOURCE

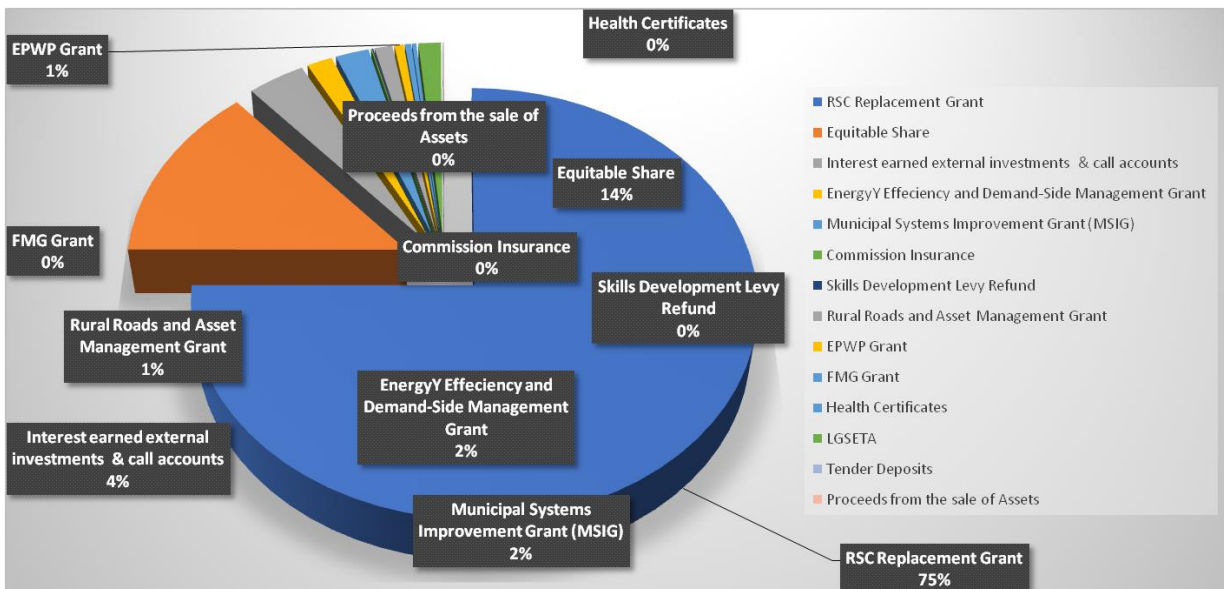


| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|---|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Interest on Bank & External Investments | 4 201 606.00 | 4 991 304.00 | 8 187 160.00 | 7 400 000.00 | 7 400 000.00 | 7 400 000.00 | 8 980 000.00 | 9 393 080.00 | 9 825 162.00 |
| Other Revenue | 744 869.00 | 2 351 704.00 | 14 027.00 | 150 000.00 | 363 115.00 | 363 115.00 | 420 000.00 | 414 720.00 | 420 117.00 |
| Tenders Sold | - | - | 549 364.00 | 175 000.00 | 175 000.00 | 175 000.00 | 100 000.00 | 80 000.00 | 70 000.00 |
| Health Certificates | - | - | 561 103.00 | 597 430.00 | 597 430.00 | 597 430.00 | 650 000.00 | 679 900.00 | 711 175.00 |
| Dividends Received | - | - | 839.00 | - | - | - | - | - | - |
| Gain on Disposal of PPE | - | - | 1 799 922.00 | - | - | - | - | - | - |
| Total revenue by minor source | 4 946 475.00 | 7 343 008.00 | 11 112 415.00 | 8 322 430.00 | 8 535 545.00 | 8 535 545.00 | 10 150 000.00 | 10 567 700.00 | 11 026 454.00 |

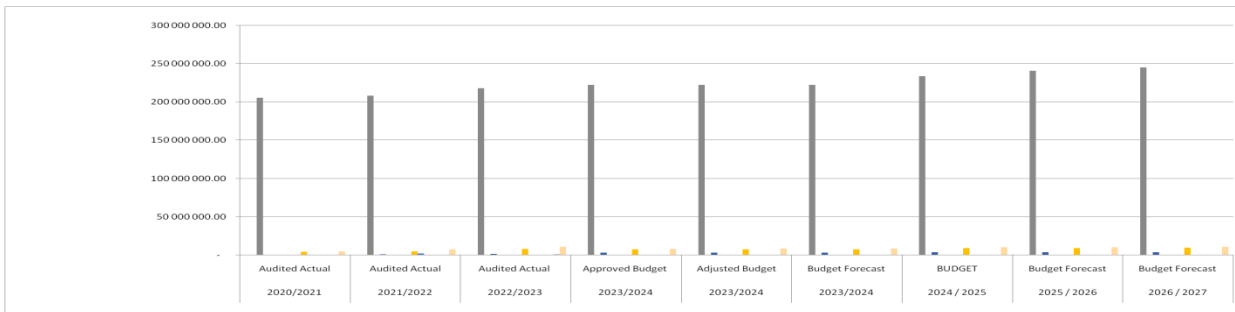
SOURCE OF FUNDING AS A PERCENTAGE (%)

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

| BUDGET FUNDING | | As % of Total funding |
|--|--------------------|-----------------------|
| RSC Replacement Grant | 184 806 000 | 75.01 |
| Equitable Share | 33 503 000 | 13.60 |
| Interest earned external investments & call accounts | 8 980 000 | 3.64 |
| EnergyY Efficiency and Demand-Side Management Grant | 4 000 000 | 1.62 |
| Municipal Systems Improvement Grant (MSIG) | 5 201 000 | 2.11 |
| Commission Insurance | 170 000 | 0.07 |
| Skills Development Levy Refund | 150 000 | 0.06 |
| Rural Roads and Asset Management Grant | 2 761 000 | 1.12 |
| EPWP Grant | 1 452 000 | 0.59 |
| FMG Grant | 1 000 000 | 0.41 |
| Health Certificates | 650 000 | 0.26 |
| LGSETA | 3 500 000 | 1.42 |
| Tender Deposits | 100 000 | 0.04 |
| Proceeds from the sale of Assets | 100 000 | 0.04 |
| TOTAL FUNDING | 246 373 000 | 100.00 |

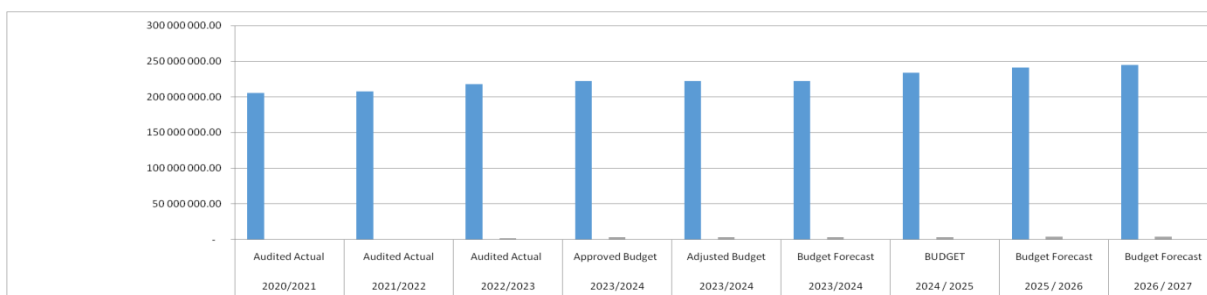


3. REVENUE BY MUNICIPAL VOTE



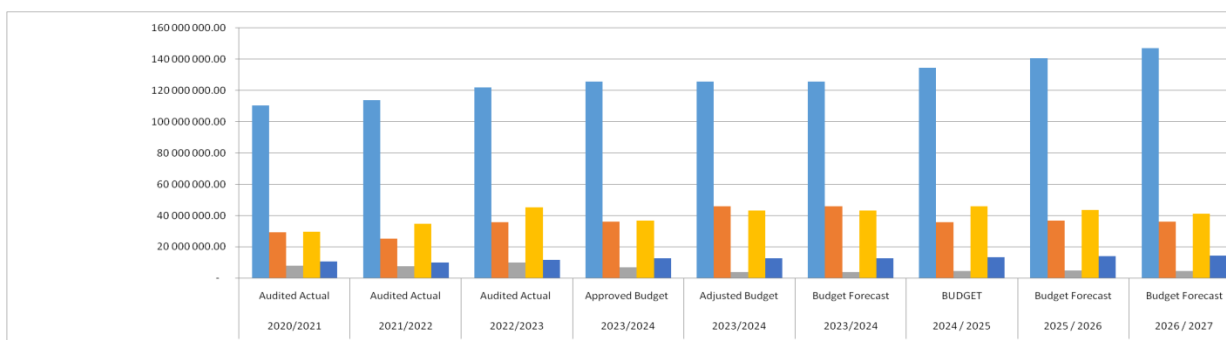
| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Office of the Executive Mayor | | 3 930.43 | - | - | - | - | - | - | - |
| Office of the Speaker | | | - | - | - | - | - | - | - |
| Municipal Manager Admin. | | | - | - | - | - | - | - | - |
| Budget and Treasury | 205 839 850.50 | 208 055 370.90 | 217 957 198.00 | 222 273 000.00 | 222 486 115.00 | 222 486 115.00 | 234 010 000.00 | 240 895 800.00 | 245 121 279.00 |
| Corporate Services | 328 307.47 | 608 333.75 | 1 476 660.00 | 2 880 000.00 | 2 880 000.00 | 2 880 000.00 | 3 500 000.00 | 3 661 000.00 | 3 829 406.00 |
| LEDT & Planning | 4 171 000.00 | 4 636 000.00 | 5 318 894.00 | 4 947 000.00 | 4 947 000.00 | 4 947 000.00 | 8 213 000.00 | 6 884 000.00 | 7 016 000.00 |
| Community Services | 407 476.06 | 431 619.62 | 623 894.00 | 597 430.00 | 597 430.00 | 597 430.00 | 650 000.00 | 679 900.00 | 711 175.00 |
| Total revenue by municipal vote | 210 746 634.03 | 213 735 254.70 | 225 376 646.00 | 230 697 430.00 | 230 910 545.00 | 230 910 545.00 | 246 373 000.00 | 252 120 700.00 | 256 677 860.00 |

4. REVENUE BY STANDARD CLASSIFICATION



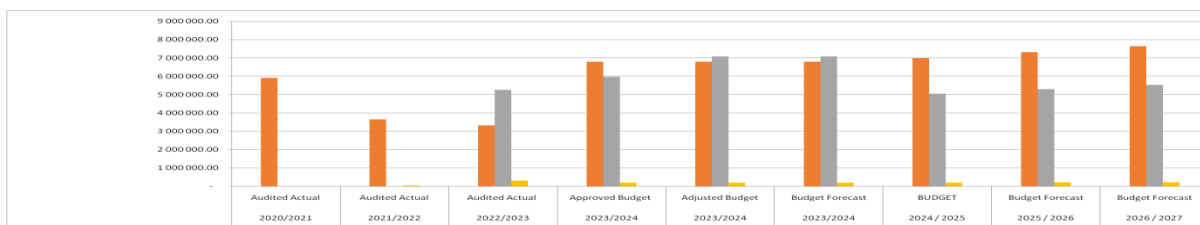
| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Executive Mayor | | 3930.43 | | - | - | - | - | - | - |
| Municipal Manager | | | | - | - | - | - | - | - |
| Budget and Treasury | 205 839 850.50 | 208 055 370.90 | 217 957 198.00 | 222 273 000.00 | 222 486 115.00 | 222 486 115.00 | 234 010 000.00 | 240 895 800.00 | 245 121 279.00 |
| Corporate Services | 328 307.47 | 608 333.75 | 1 476 660.00 | 2 880 000.00 | 2 880 000.00 | 2 880 000.00 | 3 500 000.00 | 3 661 000.00 | 3 829 406.00 |
| LEDT & Planning | 4 171 000.00 | 4 636 000.00 | 5 318 894.00 | 4 947 000.00 | 4 947 000.00 | 4 947 000.00 | 8 213 000.00 | 6 884 000.00 | 7 016 000.00 |
| Community Services | 407 476.06 | 431 619.62 | 623 894.00 | 597 430.00 | 597 430.00 | 597 430.00 | 650 000.00 | 679 900.00 | 711 175.00 |
| Total revenue by standard class | 210 746 634.03 | 213 735 254.70 | 225 376 646.00 | 230 697 430.00 | 230 910 545.00 | 230 910 545.00 | 246 373 000.00 | 252 120 700.00 | 256 677 860.00 |

5. OPERATING EXPENDITURE BY MAJOR TYPE



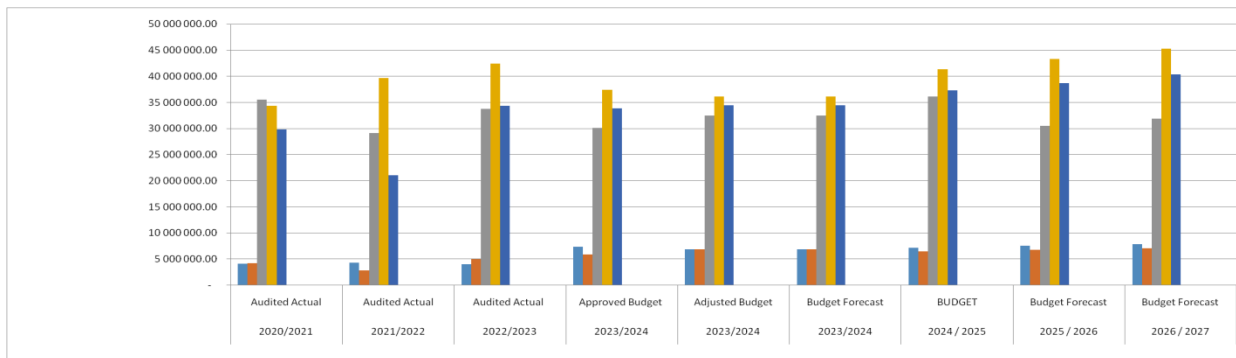
| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Employee Related Costs | 110 330 545.00 | 113 777 098.74 | 122 011 939.00 | 125 695 623.00 | 125 695 623.00 | 125 695 623.00 | 134 489 974.00 | 140 676 518.00 | 147 147 634.00 |
| Other expenditure | 29 285 114.00 | 25 170 842.68 | 35 675 937.00 | 35 909 446.00 | 45 792 446.00 | 45 792 446.00 | 35 803 700.00 | 36 648 270.00 | 36 109 290.00 |
| Grants&Subsidies Paid Operating | 7 703 797.00 | 7 512 348.22 | 9 888 096.00 | 6 830 000.00 | 3 650 000.00 | 3 650 000.00 | 4 530 000.00 | 4 738 380.00 | 4 283 410.00 |
| Contracted services | 29 661 792.00 | 34 775 534.90 | 45 214 129.00 | 36 700 956.00 | 43 270 956.00 | 43 270 956.00 | 45 905 956.00 | 43 346 036.00 | 41 245 803.00 |
| Remuneration of councillors | 10 366 968.00 | 9 969 227.10 | 11 599 692.00 | 12 432 266.00 | 12 432 266.00 | 12 432 266.00 | 13 191 805.00 | 13 798 627.00 | 14 433 365.00 |
| Total expenditure major type | 187 348 216.00 | 191 205 051.64 | 224 389 793.00 | 217 568 291.00 | 230 841 291.00 | 230 841 291.00 | 233 921 435.00 | 239 207 831.00 | 243 219 502.00 |

6. OPERATING EXPENDITURE BY MINOR TYPE



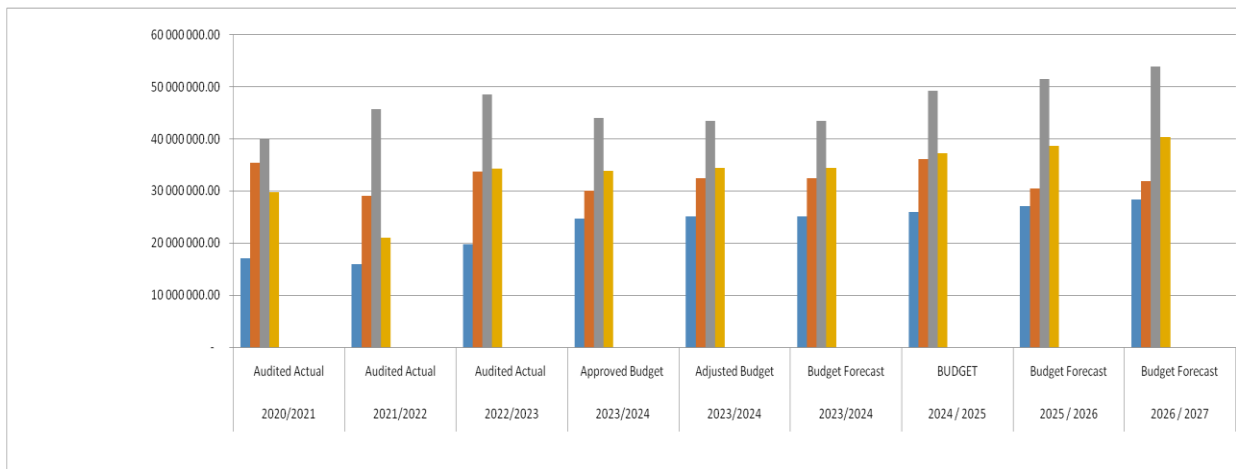
| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Finance charges | - | - | - | - | - | - | - | - | - |
| Depreciation & asset impairment | 5 911 003.00 | 3 642 818.90 | 3 323 157.00 | 6 792 589.00 | 6 792 589.00 | 6 792 589.00 | 6 988 565.00 | 7 310 037.00 | 7 646 302.00 |
| Other materials | - | - | 5 260 689.00 | 5 961 120.00 | 7 080 000.00 | 7 080 000.00 | 5 055 000.00 | 5 287 530.00 | 5 530 757.00 |
| Loss on disposal of PPE | - | 31 587.74 | 297 473.00 | 195 000.00 | 195 000.00 | 195 000.00 | 195 000.00 | 203 970.00 | 213 352.00 |
| Debt impairment | - | - | - | - | - | - | - | - | - |
| Total expenditure by minor type | 5 911 003.00 | 3 674 406.64 | 8 881 319.00 | 12 948 709.00 | 14 067 589.00 | 14 067 589.00 | 12 238 565.00 | 12 801 537.00 | 13 390 411.00 |

7. OPERATING EXPENDITURE BY MUNICIPAL VOTE



| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Office of the Executive Mayor | 4 163 100.31 | 4 317 197.04 | 4 048 966.70 | 7 361 261.00 | 6 883 261.00 | 6 883 261.00 | 7 201 880.00 | 7 533 166.00 | 7 879 703.00 |
| Office of the Speaker | 4 245 612.08 | 2 823 464.62 | 5 001 458.82 | 5 922 196.00 | 6 884 076.00 | 6 884 076.00 | 6 507 161.00 | 6 743 731.00 | 7 053 934.00 |
| Chief Whip | 4 698 438.72 | 4 786 755.06 | 1 624 873.31 | 1 820 142.00 | 1 514 899.00 | 1 514 899.00 | 2 015 613.00 | 2 108 331.00 | 2 205 314.00 |
| Councillors | 3 970 799.63 | 4 059 107.91 | 9 070 405.71 | 9 666 197.00 | 9 914 440.00 | 9 914 440.00 | 10 291 561.00 | 10 764 972.00 | 11 260 161.00 |
| Municipal Manager Admin. | 34 375 681.68 | 39 710 443.02 | 42 372 512.43 | 37 352 826.00 | 36 089 436.00 | 36 089 436.00 | 41 356 367.00 | 43 258 762.00 | 45 248 663.00 |
| Internal Audit | 5 560 553.76 | 6 035 984.34 | 6 190 949.13 | 6 711 787.00 | 7 360 880.00 | 7 360 880.00 | 7 930 974.00 | 8 295 798.00 | 8 677 404.00 |
| Corporate Services Admin. | 29 839 348.35 | 21 100 760.89 | 34 316 513.08 | 33 889 919.00 | 34 428 422.00 | 34 428 422.00 | 37 327 793.00 | 38 707 880.00 | 40 328 649.00 |
| Budget and Treasury | 35 489 796.41 | 29 152 933.92 | 33 745 839.33 | 30 095 464.00 | 32 442 303.00 | 32 442 303.00 | 36 090 977.00 | 30 504 522.00 | 31 907 729.00 |
| LEDT & Planning | 21 110 174.25 | 29 875 869.14 | 40 577 117.51 | 37 846 614.00 | 45 995 263.00 | 45 995 263.00 | 35 358 263.00 | 33 081 946.00 | 31 078 434.00 |
| Community Services | 49 805 713.83 | 58 223 289.48 | 56 322 475.95 | 59 850 594.00 | 63 395 900.00 | 63 395 900.00 | 62 079 411.00 | 64 034 464.00 | 66 868 548.00 |
| Total Operating Expenditure | 193 259 219.02 | 200 085 805.42 | 233 271 111.97 | 230 517 000.00 | 244 908 880.00 | 244 908 880.00 | 246 160 000.00 | 245 033 572.00 | 252 508 539.00 |

8. OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

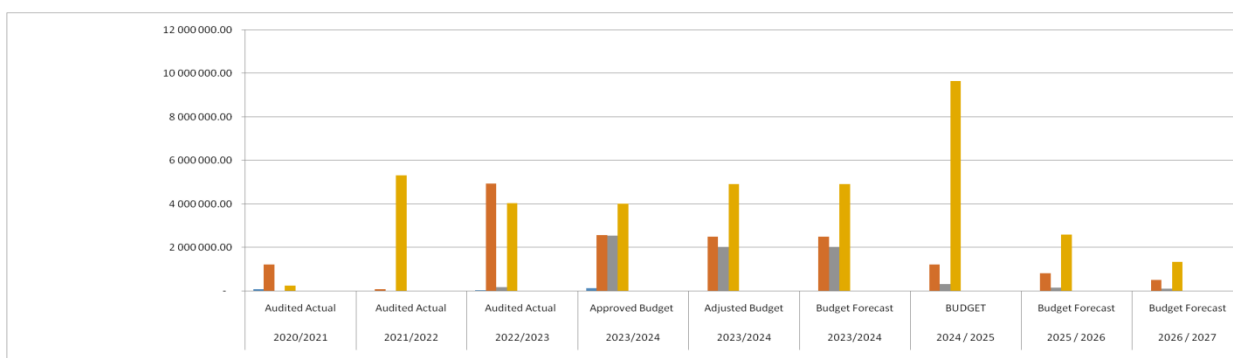


| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Executive and Council | 17 077 950.74 | 15 986 524.63 | 19 745 704.54 | 24 769 796.00 | 25 196 676.00 | 25 196 676.00 | 26 016 215.00 | 27 150 200.00 | 28 399 112.00 |
| Municipal Manager Admin. | 39 936 235.44 | 45 746 427.36 | 48 563 461.56 | 44 064 613.00 | 43 450 316.00 | 43 450 316.00 | 49 287 341.00 | 51 554 560.00 | 53 926 067.00 |
| Corporate Services Admin. | 29 839 348.35 | 21 100 760.89 | 34 316 513.08 | 33 889 919.00 | 34 428 422.00 | 34 428 422.00 | 37 327 793.00 | 38 707 880.00 | 40 328 649.00 |
| Budget and Treasury | 35 489 796.41 | 29 152 933.92 | 33 745 839.33 | 30 095 464.00 | 32 442 303.00 | 32 442 303.00 | 36 090 977.00 | 30 504 522.00 | 31 907 729.00 |
| LEDT & Planning | 21 110 174.25 | 29 875 869.14 | 40 577 117.51 | 37 846 614.00 | 45 995 263.00 | 45 995 263.00 | 35 358 263.00 | 33 081 946.00 | 31 078 434.00 |
| Community Services | 49 805 713.83 | 58 223 289.48 | 56 322 475.95 | 59 850 594.00 | 63 395 900.00 | 63 395 900.00 | 62 079 411.00 | 64 034 464.00 | 66 868 548.00 |
| TOTALS | 193 259 219.02 | 200 085 805.42 | 233 271 111.97 | 230 517 000.00 | 244 908 880.00 | 244 908 880.00 | 246 160 000.00 | 245 033 572.00 | 252 508 539.00 |

9. 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:



| | 2020/2021 Audited Actual | 2021/2022 Audited Actual | 2022/2023 Audited Actual | 2023/2024 Approved Budget | 2023/2024 Adjusted Budget | 2023/2024 Budget Forecast | 2024 / 2025 BUDGET | 2025 / 2026 Budget Forecast | 2026 / 2027 Budget Forecast |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|-----------------------|--------------------------------|--------------------------------|
| Executive and Council | 59 505.40 | - | 32 367.18 | 110 000.00 | - | - | - | - | - |
| Municipal Manager Admin. | - | - | 172 160.87 | 2 530 000.00 | 2 000 000.00 | 2 000 000.00 | 300 000.00 | 150 000.00 | 100 000.00 |
| Corporate Services Admin. | 246 869.30 | 5 301 969.22 | 4 030 575.50 | 4 000 000.00 | 4 900 000.00 | 4 900 000.00 | 9 650 000.00 | 2 574 600.00 | 1 339 412.00 |
| Budget and Treasury | 1 198 193.39 | 81 595.73 | 4 925 211.19 | 2 560 000.00 | 2 500 000.00 | 2 500 000.00 | 1 200 000.00 | 800 000.00 | 500 000.00 |
| LEDT & Planning | - | 3 756 079.64 | 10 464 906.89 | 16 550 000.00 | 24 500 000.00 | 24 500 000.00 | 5 400 000.00 | - | - |
| Community Services | 1 045 763.44 | 2 625 678.60 | 1 765 338.75 | 13 700 000.00 | 2 950 000.00 | 2 950 000.00 | 15 050 000.00 | 1 600 000.00 | 730 000.00 |
| TOTALS | 2 550 331.53 | 11 765 323.19 | 21 390 560.38 | 39 450 000.00 | 36 850 000.00 | 36 850 000.00 | 31 600 000.00 | 5 124 600.00 | 2 669 412.00 |

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 2024/25 MTREF.

1) Draft 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) Draft 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:

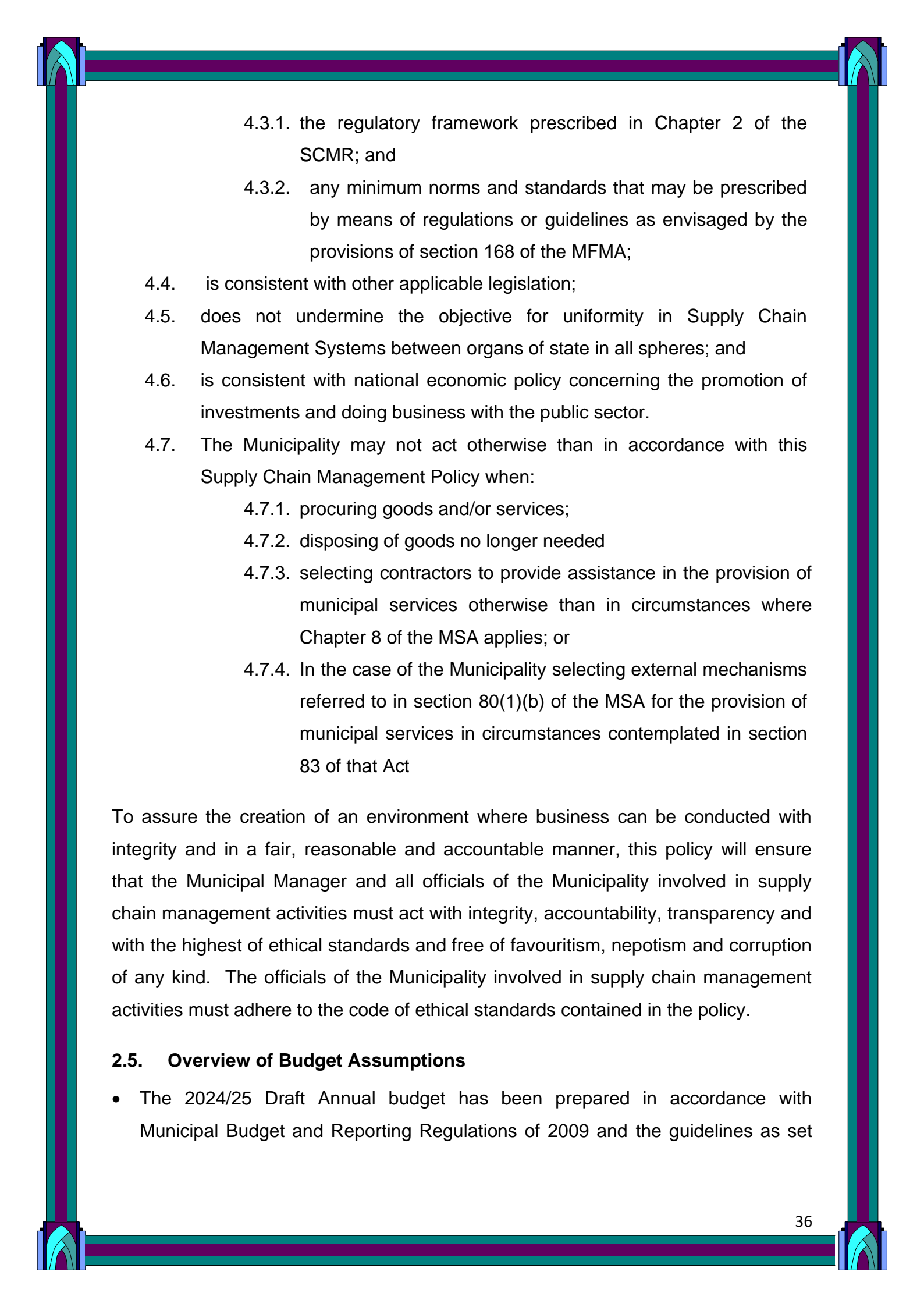
4.1.2 section

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 2024/25 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 2024/25 MTREF - Circular 128 of 08 March 2024.

- 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 2024/25 to 2026/27 calculations were based on Consumer Price Index of 4.9% 2024/25, 4.6% 2025/26 and 4.6% 2026/27 published on the MFMA Circular no. 108.

| Fiscal Year | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--------------------|----------------|-----------------|-----------------|----------------|----------------|
| | Actual | Estimate | Forecast | | |
| CPI Inflation | 6.9% | 6.0% | 4.9% | 4.6% | 4.6% |

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2024/25 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 4.9%, 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 2024/25 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 2024/25 MTREF (classified by main revenue source):

Table 3 Revenue by Source

| | REVENUE BY SOURCE | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|---|------------------------|------------------------|-----------------------------|---|-------------|------------------------|------------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | TS_O_M_NG_LOCAL GOV FIN MNG GRANT | - 1 000 000.00 | - 1 000 000.00 | - 435 283.48 | - 1 000 000.00 | - | - 1 100 000.00 | - 1 200 000.00 |
| 2 | TS_O_M_NRF_EQUITABLE SHARE | - 32 150 000.00 | - 32 150 000.00 | - 24 112 349.45 | - 33 503 000.00 | 4.21 | - 32 664 000.00 | - 30 822 000.00 |
| 3 | TS_O_M_NRF_FUEL LEVY | -181 398 000.00 | -181 398 000.00 | -136 047 650.55 | -184 806 000.00 | 1.88 | -192 095 000.00 | - 200 378 000.00 |
| 4 | MUNICIPAL SYSTYMS IMPROVEMENT GRANT (MSIG) | - | - | - | - 5 201 000.00 | - | - 5 149 000.00 | - 2 406 000.00 |
| 5 | INTER: BANK ACCOUNTS | - 1 600 000.00 | - 1 600 000.00 | - 1 573 813.28 | - 1 980 000.00 | 23.75 | - 2 071 080.00 | - 2 166 350.00 |
| 6 | INTER: SHORT TERM INVEST & CALL ACCOUNTS | - 5 800 000.00 | - 5 800 000.00 | - 4 685 699.73 | - 7 000 000.00 | 20.69 | - 7 322 000.00 | - 7 658 812.00 |
| 7 | TS_O_M_DPAA_NDA_EDUC;TR&DEV SETA | - 2 880 000.00 | - 2 880 000.00 | - 1 849 680.66 | - 3 500 000.00 | 21.53 | - 3 661 000.00 | - 3 829 406.00 |
| 8 | COMMISSION: INSURANCE | - | - 113 431.00 | - 113 431.27 | - 170 000.00 | 49.87 | - 177 820.00 | - 186 000.00 |
| 9 | SKILLS DEVELOPMENT LEVY REFUND | - | - 99 684.00 | - 99 683.60 | - 150 000.00 | 50.48 | - 156 900.00 | - 164 117.00 |
| 10 | SALE OF: ASSET < CAP THRESH | - 150 000.00 | - 150 000.00 | - | - 100 000.00 | - 33.33 | - 80 000.00 | - 70 000.00 |
| 11 | SALE OF: PUBLICATION - TENDER DOCUMENTS | - 175 000.00 | - 175 000.00 | - 19 652.18 | - 100 000.00 | - 42.86 | - 80 000.00 | - 70 000.00 |
| 12 | TS_O_M_NG_EPWP GRANT | - 2 306 000.00 | - 2 306 000.00 | - 1 185 514.56 | - 1 452 000.00 | - 37.03 | - | - |
| 13 | TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT | - 2 641 000.00 | - 2 641 000.00 | - 1 418 927.50 | - 2 761 000.00 | 4.54 | - 2 884 000.00 | - 3 016 000.00 |
| 14 | ENERGY EFFICIENCY AND DEMAND-SIDE MAN GRANT | - | - | - | - 4 000 000.00 | - | - 4 000 000.00 | - 4 000 000.00 |
| 15 | HEALTH CERTIFICATES | - 597 430.00 | - 597 430.00 | - 443 809.05 | - 650 000.00 | 8.80 | - 679 900.00 | - 711 175.00 |
| | TOTAL : INCOME | -230 697 430.00 | -230 910 545.00 | -171 985 495.31 | -246 373 000.00 | 6.70 | -252 120 700.00 | -256 677 860.00 |

- (i) The following sources of revenue demonstrate an increase of 6.70% or **R15.4 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget.

- The total Transfer and Subsidies as stipulated by DoRA has increased by 6.03% or **R13.2 Million**.
- Interest on call accounts has increased by 23.75% or **R380 Thousand**;
- Interest on short term investment has increased by 20.69% or **R1.2 Million**;
- LGSETA Grant has increased by 21.53% or **R620 Thousand**;
- Sale of Assets decreased by 33.33% or **R50 Thousand**;
- Sale of tender documents also decreased by 42.86% or **R75 Thousand**;
- There has been an increase on Health Certificates of an amount of **R52 Thousand** or 8.80%;
- Commission on insurance has increased by 46.87% or **R56 Thousand**;
- Refunds on Skills Development Levy has increased by 50.48% or **R50 Thousand**

The following table is a summary of the 2024/25 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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | 1 | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 44 | 67 | 549 | 325 | 325 | 325 | 20 | 200 | 160 | 140 |
| Agency services | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Interest earned from Receivables | | | | | | | | | | | |
| Interest earned from Current and Non Current Assets | | 4 186 | 4 991 | 8 187 | 7 400 | 7 400 | 7 400 | 6 260 | 8 980 | 9 393 | 9 825 |
| Dividends | | 274 | - | 1 | - | - | - | - | - | - | - |
| Rent on Land | | | | | | | | | | | |
| Rental from Fixed Assets | | | | | | | | | | | |
| Licence and permits | | | | | | | | | | | |
| Operational Revenue | | 167 404 | 172 096 | 14 | - | 213 | 213 | 213 | 320 | 335 | 350 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | - | - | - | - | - | - | - | - | - | - |
| Surcharges and Taxes | | | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | | | |
| Licences or permits | | 407 | 432 | 561 | 597 | 597 | 597 | 444 | 650 | 680 | 711 |
| Transfer and subsidies - Operational | | 36 288 | 34 296 | 38 030 | 40 977 | 40 977 | 40 977 | 165 049 | 51 417 | 49 458 | 45 273 |
| Interest | | | | | | | | | | | |
| Fuel Levy | | - | - | 176 234 | 181 398 | 181 398 | 181 398 | - | 184 806 | 192 095 | 200 378 |
| Operational Revenue | | | | | | | | | | | |
| Gains on disposal of Assets | | 9 | - | - | - | - | - | - | - | - | - |
| Other Gains | | - | 1 853 | 1 800 | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 208 613 | 213 735 | 225 377 | 230 697 | 230 911 | 230 911 | 171 985 | 246 373 | 252 121 | 256 678 |

Operating Expenditure Framework

The following table is a high-level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure).

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

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 111 253 | 113 544 | 122 012 | 125 696 | 125 696 | 125 696 | 83 982 | 134 490 | 140 677 | 147 148 |
| Remuneration of councillors | | 10 367 | 9 969 | 11 600 | 12 432 | 12 432 | 12 432 | 8 304 | 13 192 | 13 799 | 14 433 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | - | - | - | 5 961 | 7 080 | 7 080 | - | 5 055 | 5 288 | 5 531 |
| Debt impairment | 3 | - | 2 290 | - | - | - | - | - | - | - | - |
| Depreciation and amortisation | | 5 911 | 3 643 | 3 323 | 6 988 | 6 988 | 6 988 | - | 7 184 | 7 514 | 7 860 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Contracted services | | 29 693 | 34 776 | 45 214 | 36 701 | 43 241 | 43 241 | 28 243 | 45 906 | 43 346 | 41 246 |
| Transfers and subsidies | | 7 704 | 7 512 | 9 888 | 6 830 | 3 650 | 3 650 | 2 283 | 4 530 | 4 738 | 4 283 |
| Irrecoverable debts written off | | - | - | - | - | - | - | - | - | - | - |
| Operational costs | | 25 868 | 25 171 | 35 676 | 35 909 | 45 822 | 45 822 | 28 441 | 35 804 | 36 648 | 36 109 |
| Losses on disposal of Assets | | 536 | (53) | 260 | - | - | - | - | - | - | - |
| Other Losses | | - | 85 | 37 | - | - | - | - | - | - | - |
| Total Expenditure | | 191 331 | 196 936 | 228 010 | 230 517 | 244 909 | 244 909 | 151 253 | 246 160 | 252 009 | 256 610 |
| Surplus/(Deficit) | | 17 282 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Transfers and subsidies - capital (monetary allocations) | 6 | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind) | 6 | 20 | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Income Tax | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | 1 | 17 302 | 16 799 | (2 634) | 180 | (13 998) | (13 998) | 20 732 | 213 | 111 | 68 |

- i. The proposed operating revenue for the 2024/25 financial year has been appropriated at **R246.3 Million**. The operating revenue has increased by 6.70% or **R15.4 Million** for the 2024/25 financial year when compared to the 2023/24 Adjustment Budget.

Table 4(a) Operating Expenditure by type

| DISCRPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|---------------------------------------|------------------------|-----------------------|-----------------------------|---|-------------|-----------------------|-----------------------|
| | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| EMPLOYEE RELATED COSTS | 125 695 623.00 | 125 695 623.00 | 83 982 400.54 | 134 489 974.00 | 7.00 | 140 676 518.00 | 147 147 634.00 |
| REMUNERATION OF COUNCILLORS | 12 432 266.00 | 12 432 266.00 | 8 304 092.50 | 13 191 805.00 | 6.11 | 13 798 627.00 | 14 433 365.00 |
| OUTSOURCED SERVICES | 13 776 000.00 | 20 196 000.00 | 11 870 552.15 | 11 682 000.00 | - 42.16 | 10 637 820.00 | 11 127 160.00 |
| CONSULTANTS AND PROFESSIONAL SERVICES | 13 102 956.00 | 12 342 956.00 | 9 309 901.67 | 21 553 956.00 | 74.63 | 20 704 196.00 | 18 219 718.00 |
| CONTRACTORS | 9 822 000.00 | 10 732 000.00 | 6 333 758.46 | 12 670 000.00 | 18.06 | 12 004 020.00 | 11 898 925.00 |
| OPERATIONAL COSTS | 33 024 446.00 | 41 377 446.00 | 24 975 207.66 | 33 303 700.00 | - 19.51 | 34 033 270.00 | 33 374 000.00 |
| INVENTORY | 5 961 120.00 | 7 080 000.00 | 4 836 233.31 | 5 055 000.00 | - 28.60 | 5 287 530.00 | 5 530 757.00 |
| OPERATING LEASES | 2 885 000.00 | 4 415 000.00 | 2 367 216.27 | 2 500 000.00 | - 43.37 | 2 615 000.00 | 2 735 290.00 |
| TRANSFER AND SUBSIDIES | 6 830 000.00 | 3 650 000.00 | 2 166 025.05 | 4 530 000.00 | 24.11 | 4 738 380.00 | 4 283 410.00 |
| DEPRECIATION AND AMORTISATION | 6 792 589.00 | 6 792 589.00 | - | 6 988 565.00 | 2.89 | 7 310 037.00 | 7 646 302.00 |
| TOTAL GAINS AND LOSSES | 195 000.00 | 195 000.00 | - | 195 000.00 | - | 203 970.00 | 213 352.00 |
| TOTAL OPERATING EXPENDITURE | 230 517 000.00 | 244 908 880.00 | 154 145 387.61 | 246 160 000.00 | 0.51 | 252 009 368.00 | 256 609 913.00 |

Table 4(b) Operating Expenditure Per Department

| DR KENNETH KAUNDA DISTRICT MUNICIPALITY DRAFT ANNUAL BUDGET 2024/2025 | | | | | | | | |
|--|------------------------------------|-----------------------|-----------------------|---|-----------------------|----------------|-----------------------|-----------------------|
| OPERATING EXPENDITURE | | | | | | | | |
| CURRENT YEAR 2023/2024 | | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | | |
| NO | DEPARTMENT | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | EXECUTIVE MAYOR | 7 361 261.00 | 6 883 261.00 | 2 225 642.34 | 7 201 880.00 | 4.63 | 7 533 166.00 | 7 879 703.00 |
| 2 | SPEAKER | 5 922 196.00 | 6 884 076.00 | 3 774 810.93 | 6 507 161.00 | - 5.48 | 6 743 731.00 | 7 053 934.00 |
| 3 | CHIEF WHIP | 1 820 142.00 | 1 514 899.00 | 703 776.26 | 2 015 613.00 | 33.05 | 2 108 331.00 | 2 205 314.00 |
| 4 | COUNCILLORS | 9 666 197.00 | 9 914 440.00 | 6 470 893.75 | 10 291 561.00 | 3.80 | 10 764 972.00 | 11 260 161.00 |
| 5 | MUNICIPAL MANAGER ADMINISTRATION | 37 332 826.00 | 36 069 436.00 | 24 403 500.36 | 41 336 367.00 | 14.60 | 43 237 842.00 | 45 226 781.00 |
| 6 | INTERNAL AUDIT | 6 711 787.00 | 7 360 880.00 | 4 676 065.52 | 7 930 974.00 | 7.74 | 8 295 798.00 | 8 677 404.00 |
| 7 | CORPORATE SERVICES | 33 809 919.00 | 34 348 422.00 | 21 715 674.82 | 37 247 793.00 | 8.44 | 38 624 200.00 | 40 241 120.00 |
| 8 | BUDGET AND TREASURY | 30 015 464.00 | 32 362 303.00 | 21 010 516.14 | 36 010 977.00 | 11.27 | 37 396 638.00 | 35 921 574.00 |
| 9 | LED & PLANNING | 37 831 614.00 | 45 980 263.00 | 29 672 054.00 | 35 343 263.00 | - 23.13 | 33 066 256.00 | 31 062 022.00 |
| 10 | COMMUNITY SERVICES | 59 850 594.00 | 63 395 900.00 | 39 492 453.49 | 62 079 411.00 | - 2.08 | 64 034 464.00 | 66 868 548.00 |
| | TOTAL | 230 322 000.00 | 244 713 880.00 | 154 145 387.61 | 245 965 000.00 | 52.86 | 251 805 398.00 | 256 396 561.00 |
| GAINS AND LOSSES | | | | | | | | |
| CURRENT YEAR 2023/2024 | | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | | |
| NO | DEPARTMENT | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | MUNICIPAL MANAGER ADMINISTRATION | 20 000.00 | 20 000.00 | - | 20 000.00 | - | 20 920.00 | 21 882.00 |
| 2 | CORPORATE SERVICES | 80 000.00 | 80 000.00 | - | 80 000.00 | - | 83 680.00 | 87 529.00 |
| 3 | BUDGET AND TREASURY | 80 000.00 | 80 000.00 | - | 80 000.00 | - | 83 680.00 | 87 529.00 |
| 4 | LED & PLANNING | 15 000.00 | 15 000.00 | - | 15 000.00 | - | 15 690.00 | 16 412.00 |
| | TOTAL | 195 000.00 | 195 000.00 | - | 195 000.00 | - | 203 970.00 | 213 352.00 |
| | TOTAL OPERATING EXPENDITURE | 230 517 000.00 | 244 908 880.00 | 154 145 387.61 | 246 160 000.00 | 0.51 | 252 009 368.00 | 256 609 913.00 |
| CAPITAL EXPENDITURE | | | | | | | | |
| CURRENT YEAR 2023/2024 | | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | | |
| NO | DEPARTMENT | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | EXECUTIVE MAYOR | 30 000.00 | - | - | - | - | - | - |
| 2 | SPEAKER | - | - | - | - | - | - | - |
| 3 | CHIEF WHIP | 80 000.00 | - | - | - | - | - | - |
| 4 | COUNCILLORS | - | - | - | - | - | - | - |
| 5 | MUNICIPAL MANAGER ADMINISTRATION | 2 530 000.00 | 2 000 000.00 | 570 000.00 | 300 000.00 | - 85.00 | 150 000.00 | 100 000.00 |
| 6 | INTERNAL AUDIT | - | - | - | - | - | - | - |
| 7 | CORPORATE SERVICES | 4 000 000.00 | 4 900 000.00 | 58 000.00 | 9 650 000.00 | 96.94 | 2 574 600.00 | 1 339 412.00 |
| 8 | BUDGET AND TREASURY | 2 560 000.00 | 2 500 000.00 | 1 655 652.17 | 1 200 000.00 | - 52.00 | 800 000.00 | 500 000.00 |
| 9 | LED & PLANNING | 16 550 000.00 | 24 500 000.00 | 2 209 678.82 | 5 400 000.00 | - 77.96 | - | - |
| 10 | COMMUNITY SERVICES | 13 700 000.00 | 2 950 000.00 | - | 15 050 000.00 | 410.17 | 1 600 000.00 | 730 000.00 |
| | TOTAL | 39 450 000.00 | 36 850 000.00 | 4 493 330.99 | 31 600 000.00 | - 14.25 | 5 124 600.00 | 2 669 412.00 |

Table 4(c) Operating Expenditure as a %

| No | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MTREF | | |
|----|---------------------------------------|------------------------|-----------------------|-----------------------------|-----------------------|-------------|---------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | EXP AS A % |
| 1 | EMPLOYEE RELATED COSTS | 125 695 623.00 | 125 695 623.00 | 83 982 400.54 | 134 489 974.00 | 7.00 | 54.64 |
| 2 | REMUNERATION OF COUNCILLORS | 12 432 266.00 | 12 432 266.00 | 8 304 092.50 | 13 191 805.00 | 6.11 | 5.36 |
| 3 | OUTSOURCED SERVICES | 13 776 000.00 | 20 196 000.00 | 11 870 552.15 | 11 682 000.00 | - 42.16 | 4.75 |
| 4 | CONSULTANTS AND PROFESSIONAL SERVICES | 13 102 956.00 | 12 342 956.00 | 9 309 901.67 | 21 553 956.00 | 74.63 | 8.76 |
| 5 | CONTRACTORS | 9 822 000.00 | 10 732 000.00 | 6 333 758.46 | 12 670 000.00 | 18.06 | 5.15 |
| 6 | OPERATIONAL COSTS | 33 024 446.00 | 41 377 446.00 | 24 975 207.66 | 33 303 700.00 | - 19.51 | 13.53 |
| 7 | INVENTORY | 5 961 120.00 | 7 080 000.00 | 4 836 233.31 | 5 055 000.00 | - 28.60 | 2.05 |
| 8 | OPERATING LEASES | 2 885 000.00 | 4 415 000.00 | 2 367 216.27 | 2 500 000.00 | - 43.37 | 1.02 |
| 9 | TRANSFER AND SUBSIDIES | 6 830 000.00 | 3 650 000.00 | 2 166 025.05 | 4 530 000.00 | 24.11 | 1.84 |
| 10 | DEPRECIATION AND AMORTISATION | 6 792 589.00 | 6 792 589.00 | - | 6 988 565.00 | 2.89 | 2.84 |
| 11 | TOTAL GAINS AND LOSSES | 195 000.00 | 195 000.00 | - | 195 000.00 | - | 0.08 |
| | TOTAL OPERATING EXPENDITURE | 230 517 000.00 | 244 908 880.00 | 154 145 387.61 | 246 160 000.00 | 0.51 | 100.00 |

- The proposed operating expenditure for the 2024/25 financial year of **R246.1 Million** is allocated as follows:

- The employee related costs for the 2024/25 financial has been appropriated at **R134.4 Million**. The employee related costs have increased by 7%. The 7% 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 54.64% of the total operating expenditure budget.
- The proposed remuneration of councillors for the 2024/25 financial has been appropriated at **R13.1 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 **R98.4 Million** from the total operating expenditure budget. The **R98.4 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 5 Outsource Services

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|--|------------------------|----------------------|-----------------------------|---|----------------|----------------------|----------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | OS: BURIAL SERVICES | 300 000.00 | 350 000.00 | 35 000.00 | 400 000.00 | 14.29 | 418 400.00 | 437 646.00 |
| 3 | OS: CATERING SERVICES | 2 640 000.00 | 2 490 000.00 | 1 128 386.60 | 2 710 000.00 | 8.84 | 2 803 280.00 | 2 932 232.00 |
| 4 | OS: CLEANING SERVICES | 70 000.00 | 1 470 000.00 | 28 400.00 | 300 000.00 | - 79.59 | 313 800.00 | 328 235.00 |
| 5 | OS: CLEARING & GRASS CUTTING SERVICES | 300 000.00 | 300 000.00 | 70 000.00 | 300 000.00 | - | 313 800.00 | 328 235.00 |
| 6 | OS: HYGIENE SERVICES | 50 000.00 | - | - | 100 000.00 | #DIV/0! | 104 600.00 | 109 412.00 |
| 7 | OS: MEDICAL SERVICES [HEALTH SERV & SUP] | 50 000.00 | 30 000.00 | - | 30 000.00 | - | 31 380.00 | 32 823.00 |
| 8 | OS: PERSONNEL & LABOUR | 10 006 000.00 | 15 206 000.00 | 10 517 970.55 | 7 452 000.00 | - 50.99 | 6 276 000.00 | 6 564 696.00 |
| 9 | OS: TRANSPORT SERVICES | 360 000.00 | 350 000.00 | 90 795.00 | 390 000.00 | 11.43 | 376 560.00 | 393 881.00 |
| | SUB TOTAL : OUTSOURCE SERVICES | 13 776 000.00 | 20 196 000.00 | 11 870 552.15 | 11 682 000.00 | - 42.16 | 10 637 820.00 | 11 127 160.00 |

- The proposed outsource services budget for the 2024/25 financial year has been appropriated at **R11.6 Million**. The outsource services decreased by 42.16% or **R8.5 Million** when compared to the 2024/25 Adjustment Budget. For the two outer years, outsource services will decrease by 8.94% or **R1 Million** in 2025/26 and increase by 4.6% or **R489 Thousand** in 2026/27.

Table 6 Consultants and Professional Services

| NO | DISCRPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|---|--------------------------------------|------------------------|----------------------|-----------------------------|---|--------------|----------------------|----------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | C&PS: B&A AIR POLLUTION | 50 000.00 | - | - | 100 000.00 | #DIV/0! | 104 600.00 | 109 412.00 |
| 2 | C&PS: B&A AUDIT COMMITTEE | 800 000.00 | 1 150 000.00 | 957 026.71 | 1 000 000.00 | - 13.04 | 1 046 000.00 | 1 094 116.00 |
| 3 | C&PS: B&A BUSINESS & FIN MANAGEMENT | 1 731 956.00 | 2 441 956.00 | 1 982 244.48 | 5 981 956.00 | 144.97 | 6 073 126.00 | 3 033 786.00 |
| 4 | C&PS: B&A HUMAN RESOURCES | 315 000.00 | 50 000.00 | - | 300 000.00 | 500.00 | 150 000.00 | 100 000.00 |
| 5 | ICT STRATEGY | - | - | - | - | - | - | - |
| 6 | C&PS: B&A ORGANISATIONAL | 20 000.00 | 30 000.00 | 5 254.00 | 65 000.00 | 116.67 | - | - |
| 7 | C&PS: B&A RESEARCH & ADVISORY | 800 000.00 | 1 100 000.00 | 1 052 917.74 | 1 901 000.00 | 72.82 | 1 901 600.00 | 2 112 470.00 |
| 8 | C&PS: B&A ACTUARIES | 45 000.00 | 30 000.00 | - | 45 000.00 | 50.00 | 47 070.00 | 49 235.00 |
| 9 | C&PS: I&P ENGINEERING STRUCTURAL | 1 500 000.00 | 1 350 000.00 | 1 700 292.29 | - | - 100.00 | - | - |
| 10 | C&PS: I&P ENGINEERING ELECTRICAL | - | - | - | 4 000 000.00 | - | 4 000 000.00 | 4 000 000.00 |
| 11 | C&PS: I&P LAND & QUANTITY SURVEYORS | 2 641 000.00 | 2 641 000.00 | 1 572 787.50 | 2 761 000.00 | 4.54 | 2 884 000.00 | 3 016 000.00 |
| 12 | SMME Hub and Light Industrial Park | - | - | - | 500 000.00 | - | - | - |
| 13 | C&PS: LAB SERV WATER | 400 000.00 | 550 000.00 | 133 059.39 | 800 000.00 | 45.45 | 836 800.00 | 875 293.00 |
| 14 | C&PS: I&P GEOINFORMATIC SERVICES | 800 000.00 | - | - | - | #DIV/0! | - | - |
| 15 | FIRE SERVICES MASTER PLAN | - | - | - | 600 000.00 | #DIV/0! | - | - |
| 16 | FIRE SERVICES BY-LAWS | - | - | - | - | #DIV/0! | - | - |
| 17 | GIS SERVICES - CONSULTANTS | - | - | - | - | - | - | - |
| 18 | C&PS: LEGAL COST ADVICE & LITIGATION | 4 000 000.00 | 3 000 000.00 | 1 906 319.56 | 3 500 000.00 | 16.67 | 3 661 000.00 | 3 829 406.00 |
| SUB TOTAL : CONSULTANT AND PROF SERVICES | | 13 102 956.00 | 12 342 956.00 | 9 309 901.67 | 21 553 956.00 | 74.63 | 20 704 196.00 | 18 219 718.00 |

- The proposed budget on Consultants and Professional Services for the 2024/25 financial year has been appropriated at **R21.5 Million**. The Consultants and Professional Services have increased by 74.63% or **R9.2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, consultants and professional services will decrease by 3.94% or **R849 Thousand** in 2025/26 and in 2026/27 by 12% or **R2.4 Million**.

Table 7 Contractors

| NO | DISCRPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|--------------------------------|---|------------------------|----------------------|-----------------------------|---|--------------|----------------------|----------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | CONTR: ARTISTS & PERFORMERS | 500 000.00 | 320 000.00 | 178 545.00 | 320 000.00 | - | 334 720.00 | 350 117.00 |
| 2 | CONTR: EMPLOYEE WELLNESS | 100 000.00 | 50 000.00 | - | 400 000.00 | 700.00 | 418 400.00 | 437 646.00 |
| 3 | CONTR: FIRE PROTECTION | 100 000.00 | 100 000.00 | - | 250 000.00 | 150.00 | 261 500.00 | 273 529.00 |
| 4 | CONTR: SPORTS & RECREATION | 300 000.00 | 80 000.00 | - | 100 000.00 | 25.00 | 104 600.00 | 109 412.00 |
| 5 | CONTR: MAINTENANCE OF EQUIPMENT | 1 422 000.00 | 1 882 000.00 | 272 806.77 | 1 050 000.00 | - 44.21 | 836 800.00 | 875 293.00 |
| 6 | CONTR: BUILDING CONTRACTORS-BRICKS MANU | 1 000 000.00 | 1 400 000.00 | 1 392 535.45 | 100 000.00 | - 92.86 | - | - |
| 7 | REPAIRS AND MAINTENANCE BUILDING | - | - | - | 2 200 000.00 | #DIV/0! | 1 500 000.00 | 1 000 000.00 |
| 8 | REPAIRS AND MAINTENANCE SANITATION TOILETS | - | - | - | 150 000.00 | #DIV/0! | 100 000.00 | 50 000.00 |
| 9 | REPAIRS AND MAINTENANCE EQUIPPED BOREHOLES | - | - | - | 100 000.00 | #DIV/0! | 80 000.00 | 50 000.00 |
| 10 | CONTR: SAFEGUARD & SECURITY | 6 400 000.00 | 6 900 000.00 | 4 489 871.24 | 7 500 000.00 | 8.70 | 7 845 000.00 | 8 205 870.00 |
| 11 | DISTRICT CALL CENTRE AND CCTV MONITORING SYSTEM | - | - | - | 500 000.00 | #DIV/0! | 523 000.00 | 547 058.00 |
| SUB TOTAL : CONTRACTORS | | 9 822 000.00 | 10 732 000.00 | 6 333 758.46 | 12 670 000.00 | 18.06 | 12 004 020.00 | 11 898 925.00 |

- The proposed contractors budget for the 2024/25 financial year has been appropriated at **R12.6 Million**. The contractors have increased by 18.06% or **R1.9 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, contractors will decrease by 5.26% or **R665 Thousand** and 0.88% or **R105 Thousand** respectively.

Table 8 Operational Costs

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|--|------------------------|----------------------|-----------------------------|---|----------------|----------------------|----------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES | 2 900 000.00 | 3 010 000.00 | 1 571 240.78 | 2 330 000.00 | - 22.59 | 2 437 180.00 | 2 549 290.00 |
| 2 | OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS | 3 415 000.00 | 3 615 000.00 | 1 063 480.66 | 3 035 000.00 | - 16.04 | 3 174 610.00 | 3 320 646.00 |
| 3 | OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS | 100 000.00 | 50 000.00 | - | 50 000.00 | - | 52 300.00 | 54 706.00 |
| 4 | OC: ADV/PUB/MARK - STAFF RECRUITMENT | 85 000.00 | 385 000.00 | 139 673.04 | 200 000.00 | - 48.05 | 209 200.00 | 218 823.00 |
| 5 | OC: ADV/PUB/MARK - TENDERS | 100 000.00 | 100 000.00 | 74 991.20 | 150 000.00 | 50.00 | 156 900.00 | 164 117.00 |
| 6 | OC: AUDIT COST: EXTERNAL | 4 000 000.00 | 5 490 000.00 | 4 969 626.73 | 4 000 000.00 | - 27.14 | 4 184 000.00 | 4 376 464.00 |
| 7 | OC: BC/FAC/C FEES - BANK ACCOUNTS | 200 000.00 | 180 000.00 | 112 471.91 | 200 000.00 | 11.11 | 209 200.00 | 218 823.00 |
| 8 | OC: BURSARIES (EMPLOYEES) | 900 000.00 | 900 000.00 | 199 360.59 | 1 100 000.00 | 22.22 | 1 000 000.00 | 1 000 000.00 |
| 9 | OC: CLEAN SERV - LAUNDRY SERVICES | 1 000.00 | - | - | 1 000.00 | #DIV/0! | 1 046.00 | 1 094.00 |
| 10 | OC: CLEAN SERV - CAR VALET/WASHING SERV | 20 000.00 | 20 000.00 | 9 105.00 | 30 000.00 | 50.00 | 31 380.00 | 32 823.00 |
| 11 | OC: COMM - LICENCES (RADIO & TELEVISION) | 20 000.00 | 6 000.00 | 5 991.30 | 20 000.00 | 233.33 | 20 920.00 | 21 882.00 |
| 12 | OC: COMM - RADIO & TV TRANSMISSIONS | 415 000.00 | 300 000.00 | 233 599.98 | 315 000.00 | 5.00 | 329 490.00 | 344 647.00 |
| 13 | OC: COMM - SMS BULK MESSAGE SERVICE | 20 000.00 | 20 000.00 | - | 20 000.00 | - | 20 920.00 | 21 882.00 |
| 14 | OC: COMM - PHONE FAX TELEGRAPH & TELEX | 746 500.00 | 910 000.00 | 637 329.65 | 810 000.00 | - 10.99 | 847 260.00 | 886 234.00 |
| 15 | OC: ENTERTAINMENT - EXEC MAYOR | 50 000.00 | 50 000.00 | 23 487.30 | 50 000.00 | - | 52 300.00 | 54 706.00 |
| 16 | OC: ENTERTAINMENT - COUNCILLORS | 120 000.00 | 120 000.00 | 26 367.40 | 110 000.00 | - 8.33 | 115 060.00 | 120 352.00 |
| 17 | OC: ENTERTAINMENT - SENIOR MANAGEMENT | 70 000.00 | 60 000.00 | 18 465.88 | 70 000.00 | 16.67 | 73 220.00 | 76 588.00 |
| 18 | OC: EXT COM SERV PROV - GIS LICENCE FEES | 5 000.00 | - | - | - | #DIV/0! | - | - |
| 19 | OC: EXT COM SERV PROV - INTERNET CHARGE | 670 000.00 | 800 000.00 | 477 896.26 | 700 000.00 | - 12.50 | 732 200.00 | 765 881.00 |
| 20 | OC: EXT COM SERV PROV - NETWORK EXTENS | 20 000.00 | 20 000.00 | - | 20 000.00 | - | 20 920.00 | 21 882.00 |
| 21 | OC: EXT COM SERV PROV - S/WARE LICENCES | 570 000.00 | 350 000.00 | 144 698.53 | 1 670 000.00 | 377.14 | 1 746 820.00 | 1 827 174.00 |
| 22 | OC: EXT COM SERV PROV - SPEC COMPUT SERV | 300 000.00 | 100 000.00 | 59 916.00 | 120 000.00 | 20.00 | 125 520.00 | 131 294.00 |
| 23 | OC: HONORARIA (VOLUNTARILY WORKERS) | 50 000.00 | 30 000.00 | - | 30 000.00 | - | 31 380.00 | 32 823.00 |
| 24 | OC: HIRE CHARGES | 4 445 000.00 | 12 750 000.00 | 6 774 055.65 | 3 470 000.00 | - 72.78 | 3 237 620.00 | 1 608 347.00 |
| 25 | OC: INSUR UNDER - EXCESS PAYMENTS | 25 000.00 | 47 000.00 | 24 386.40 | 35 000.00 | - 25.53 | 36 610.00 | 38 294.00 |
| 26 | OC: INSUR UNDER - PREMIUMS | 1 700 000.00 | 1 800 000.00 | 1 738 950.36 | 2 300 000.00 | 27.78 | 2 405 800.00 | 2 516 467.00 |
| 27 | OC: LEARNERSHIPS & INTERNSHIPS | 1 580 000.00 | 1 849 535.00 | 1 463 223.50 | 1 580 000.00 | - 14.57 | 1 652 680.00 | 1 728 704.00 |
| 28 | OC: LIC - VEHICLE LIC & REGISTRATIONS | 150 000.00 | 150 000.00 | 64 783.30 | 150 000.00 | - | 156 900.00 | 164 117.00 |
| 29 | OC: MUNICIPAL SERVICES | 1 370 000.00 | 1 300 000.00 | 961 165.19 | 1 600 000.00 | 23.08 | 1 673 600.00 | 1 750 586.00 |
| 30 | OC: PRINTING & PUBLICATIONS | 250 000.00 | 100 000.00 | 10 960.00 | 200 000.00 | 100.00 | 209 200.00 | 218 823.00 |
| 31 | OC: PROFESSIONAL BODIES M/SHIP & SUBS | 1 660 000.00 | 1 660 000.00 | 1 449 467.79 | 1 780 000.00 | 7.23 | 1 861 880.00 | 1 947 528.00 |
| 32 | OC: REG FEES NATIONAL | 1 760 000.00 | 580 465.00 | 445 556.48 | 1 820 000.00 | 213.54 | 1 871 520.00 | 1 725 410.00 |
| 33 | OC: SKILLS DEVELOPMENT FUND LEVY | 762 000.00 | 859 000.00 | 623 944.60 | 794 000.00 | - 7.57 | 830 524.00 | 868 729.00 |
| 34 | OC: SIGNAGE | 200 000.00 | 70 000.00 | - | 250 000.00 | 257.14 | 261 500.00 | 273 529.00 |
| 35 | OC: TOLL GATE FEES | 10 000.00 | 10 000.00 | 796.50 | 10 000.00 | - | 10 460.00 | 10 941.00 |
| 36 | OC: TRANSPORT - EVENTS | 1 200 000.00 | 1 050 000.00 | 427 849.60 | 1 180 000.00 | 12.38 | 1 234 280.00 | 1 291 059.00 |
| 37 | OC: T&S DOM - ACCOMMODATION | 1 050 000.00 | 1 040 000.00 | 571 640.55 | 900 000.00 | - 13.46 | 941 400.00 | 984 705.00 |
| 38 | OC: T&S DOM - DAILY ALLOWANCE | 120 138.00 | 98 138.00 | 9 982.00 | 108 138.00 | 10.19 | 113 112.00 | 118 314.00 |
| 39 | OC: T&S DOM - FOOD & BEVERAGE (SERVED) | 34 350.00 | 22 350.00 | - | 30 350.00 | 35.79 | 31 746.00 | 33 206.00 |
| 40 | OC: T&S DOM TRP - WITHOUT OPR CAR RENTAL | 21 600.00 | 15 600.00 | - | 15 600.00 | - | 16 318.00 | 17 068.00 |
| 41 | OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT | 126 858.00 | 79 358.00 | 31 174.68 | 89 612.00 | 12.92 | 93 734.00 | 98 045.00 |
| 42 | OC: T&S DOM PUB TRP - AIR TRANSPORT | 350 000.00 | 300 000.00 | 242 505.20 | 300 000.00 | - | 313 800.00 | 328 235.00 |
| 43 | DISPOSAL OF RECORDS | - | - | - | 150 000.00 | - | 156 900.00 | 164 117.00 |
| 44 | PLANNED ENTERPRISE PLAN LICENCE | - | - | - | - | - | - | - |
| 45 | SUPPORT TO LOCALS FOR RECORDS SECTIONS | - | - | - | - | - | - | - |
| 46 | OC: TRANSPORT - MUNICIPAL ACTIVITIES | 30 000.00 | 30 000.00 | - | 30 000.00 | - | 31 380.00 | 32 823.00 |
| 47 | OC: UNIFORM & PROTECTIVE CLOTHING | 1 100 000.00 | 750 000.00 | 365 768.35 | 980 000.00 | 30.67 | 797 480.00 | 665 764.00 |
| 48 | OC: WET FUEL | 2 000.00 | - | - | - | #DIV/0! | - | - |
| 49 | OC: WORKMEN'S COMPENSATION FUND | 300 000.00 | 300 000.00 | 1 295.30 | 500 000.00 | 66.67 | 523 000.00 | 547 058.00 |
| | SUB TOTAL : OPERATIONAL COST | 33 024 446.00 | 41 377 446.00 | 24 975 207.66 | 33 303 700.00 | - 19.51 | 34 033 270.00 | 33 374 000.00 |

- The proposed operational costs budget for the 2024/25 financial year has been appropriated at **R33.3 Million**. The operational costs have decreased by 19.51% or **R8 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operational costs will increase by 2.19% or **R729 Thousand** in 2025/26 and decrease 1.94% or **R659 Thousand** in 2026/27.

Table 9 Inventory

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|---|------------------------|---------------------|-----------------------------|---|----------------|---------------------|---------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | INV - CONSUMABLE STORES - STANDARD RATED | 1 671 120.00 | 1 680 000.00 | 1 082 118.18 | 1 465 000.00 | - 12.80 | 1 532 390.00 | 1 602 881.00 |
| 2 | INV - CONSUMABLE STORES - ZERO RATED (FUEL) | 2 520 000.00 | 2 500 000.00 | 1 452 207.41 | 2 020 000.00 | - 19.20 | 2 112 920.00 | 2 210 114.00 |
| 3 | INVENTORY - MATERIALS & SUPPLIES | 1 770 000.00 | 2 900 000.00 | 2 301 907.72 | 1 570 000.00 | - 45.86 | 1 642 220.00 | 1 717 762.00 |
| | SUB TOTAL - INVENTORY | 5 961 120.00 | 7 080 000.00 | 4 836 233.31 | 5 055 000.00 | - 28.60 | 5 287 530.00 | 5 530 757.00 |

- The proposed inventory budget for the 2024/25 financial year has been appropriated at **R5 Million**. The inventory has been reduced by 28.60% or **R2 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, inventory will increase by 4.9% or **R232 Thousand** in 2025/26 and 4.6% or **R243 Thousand** in 2026/27 respectively.

Table 10 Operating leases

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|---|------------------------|---------------------|-----------------------------|---|----------------|---------------------|---------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | OPR LEASES: COMPUTER EQUIPMENT-PHOTOCOPIERS | 935 000.00 | 1 515 000.00 | 966 702.11 | 1 000 000.00 | - 33.99 | 1 046 000.00 | 1 094 116.00 |
| 2 | OPR LEASES: MACHINERY & EQUIPMENT | 10 000.00 | - | - | - | #DIV/0! | - | - |
| 3 | OPR LEASES: OTHER ASSETS-BUILDING | 1 940 000.00 | 2 900 000.00 | 1 400 514.16 | 1 500 000.00 | - 48.28 | 1 569 000.00 | 1 641 174.00 |
| | SUB TOTAL : OPERATING LEASES | 2 885 000.00 | 4 415 000.00 | 2 367 216.27 | 2 500 000.00 | - 43.37 | 2 615 000.00 | 2 735 290.00 |

- The proposed budget on operating leases for the 2024/25 financial year has been appropriated at **R2.5 Million**. The operating leases have decreased by 43.37% or **R1.9 Million** when compared to the 2023/24 Adjustment Budget. For the two outer years, operating leases will increase by 4.6% or **R115 Thousand** in 2025/26 and 4.6% or **R120 Thousand** in 2026/27.

Table 11 Transfers and Subsidies

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|--|------------------------|---------------------|-----------------------------|---|--------------|---------------------|---------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | HH: BURSARIES NON-EMPLOYEE CASH | 100 000.00 | 120 000.00 | 57 892.00 | 100 000.00 | - 16.67 | 104 600.00 | 109 412.00 |
| 2 | TS_O_IK_HH_SOC ASSIS_SOCIAL RELIEF | 600 000.00 | 250 000.00 | 28 000.00 | 300 000.00 | 20.00 | 313 800.00 | 328 235.00 |
| 3 | HH OTH TRANS: BURSARIES NON EMPLOYEE | 1 000 000.00 | 800 000.00 | - | 1 000 000.00 | 25.00 | 1 046 000.00 | 1 094 116.00 |
| 4 | TS_O_M_HH_CASH_UNSPECIFIED-SPORTS | 200 000.00 | 100 000.00 | - | 100 000.00 | - | 104 600.00 | 109 412.00 |
| 5 | HH OTH TRANS:LED SUPPORT GRANTS | 2 900 000.00 | - | - | 2 900 000.00 | #DIV/0! | 3 033 400.00 | 2 500 000.00 |
| 6 | PRIV ENT: SUBS N-FIN ENTPR - PRODUCT | 30 000.00 | 30 000.00 | - | 30 000.00 | - | 31 380.00 | 32 823.00 |
| 7 | OTH TRF PE_UNSPECIFIED-STAKEHOLDER SUPPORT | 100 000.00 | 50 000.00 | - | - | - 100.00 | - | - |
| 8 | NON PROF: TOURISM | 100 000.00 | 100 000.00 | - | 100 000.00 | - | 104 600.00 | 109 412.00 |
| 9 | TS_O_M_MUNIC ENTITY | 1 800 000.00 | 2 200 000.00 | 2 080 133.05 | - | - 100.00 | - | - |
| | SUB TOTAL : TRANSFERS & SUBSIDIES | 6 830 000.00 | 3 650 000.00 | 2 166 025.05 | 4 530 000.00 | 24.11 | 4 738 380.00 | 4 283 410.00 |

- The proposed budget on transfers and subsidies for the 2024/25 financial year has been appropriated at **R5.3 Million**. The transfers and subsidies have increased by 24.11% or **R880 Thousand** when compared to the 2022/23 Adjustment Budget. For the two outer years, transfers and subsidies will increase by 4.6% or **R208 Thousand** in 2025/26 and will decrease in 2026/27 by 9.6% or **R454 Thousand**.

Table 12 Depreciation and Amortisation

| NO | DISCRIPTION | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|----|--|------------------------|---------------------|-----------------------------|---|-------------|---------------------|---------------------|
| | | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | AMORTISATION INTANG COMPUTER SOFTWARE | 923 840.00 | 923 840.00 | - | 923 840.00 | - | 966 336.00 | 1 010 789.00 |
| 2 | DEPRECIATION COMPUTER EQUIPMENT | 1 221 159.00 | 1 221 159.00 | - | 1 233 735.00 | 1.03 | 1 290 486.00 | 1 349 849.00 |
| 3 | DEPRECIATION FURNITURE & OFFICE EQUIPM | 798 968.00 | 798 968.00 | - | 956 168.00 | 19.68 | 1 000 152.00 | 1 046 158.00 |
| 4 | DEPRECIATION MACHINERY & EQUIPMENT | 321 706.00 | 321 706.00 | - | 321 706.00 | - | 336 504.00 | 351 984.00 |
| 5 | DEPRECIATION TRANSPORT ASSETS | 1 435 880.00 | 1 435 880.00 | - | 1 462 080.00 | 1.82 | 1 529 335.00 | 1 599 686.00 |
| 6 | DEPRECIATION NETWORK & COMM DATA CENTRES | 1 092 641.00 | 1 092 641.00 | - | 1 092 641.00 | - | 1 142 903.00 | 1 195 476.00 |
| 7 | DEPRECIATION COMMUNITY HALLS | 585 160.00 | 585 160.00 | - | 585 160.00 | - | 612 077.00 | 640 233.00 |
| 8 | DEPRECIATION OP BUILDING MUNIC OFFICES | 413 235.00 | 413 235.00 | - | 413 235.00 | - | 432 244.00 | 452 127.00 |
| | SUB TOTAL : DEPRECIATION & AMORTISATION | 6 792 589.00 | 6 792 589.00 | - | 6 988 565.00 | 2.89 | 7 310 037.00 | 7 646 302.00 |

- The proposed budget on depreciation and amortisation for the 2024/25 financial year has been appropriated at **R6.9 Million**. The depreciation and amortisation increased by 2.89% or **R195 Thousand** when compared to the 2023/24 Adjustment Budget. For the two outer years, depreciation and amortisation will increase by 4.6% or **R321 thousand** and 4.6% or **R336 Thousand** respectively.

Capital Expenditure Framework

The following table is a summary of the 2024/25 MTREF (classified per main type of capital expenditure)

Table 12: Capital Expenditure List

| CAPITAL EXPENDITURE LIST | | | CURRENT YEAR 2023/2024 | | | MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|--------------------------|--------------------|---|------------------------|----------------------|-----------------------------|---|--------------|---------------------|---------------------|
| NO | DEPARTMENT | DESCRIPTION | Budget | Adjusted Budget | ACTUALS AS AT FEBRUARY 2024 | 2024 / 2025 BUDGET | GROWTH RATE | 2025 / 2026 BUDGET | 2026 / 2027 BUDGET |
| 1 | EXECUTIVE MAYOR | OFFICE EQUIPMENT | 30 000.00 | - | - | - | - | - | - |
| 2 | CHIEF WHIP | OFFICE FURNITURE AND FITTINGS | 30 000.00 | - | - | - | - | - | - |
| 3 | CHIEF WHIP | OFFICE EQUIPMENT | 50 000.00 | - | - | - | - | - | - |
| 4 | MUNICIPAL MANAGER | PMS SYSTEM | 700 000.00 | 1 100 000.00 | 570 000.00 | - | 100.00 | - | - |
| 5 | MUNICIPAL MANAGER | OFFICE EQUIPMENT | 430 000.00 | - | - | - | - | - | - |
| 6 | MUNICIPAL MANAGER | COMMUNICATION EQUIPMENT | 1 400 000.00 | 900 000.00 | - | 300 000.00 | 66.67 | 150 000.00 | 100 000.00 |
| 7 | CORPORATE SERVICES | NETWORK UPGRADE | 500 000.00 | 300 000.00 | - | 800 000.00 | 166.67 | 200 000.00 | 100 000.00 |
| 8 | CORPORATE SERVICES | ELECTRONIC RECORD SYSTEM | 300 000.00 | - | - | 100 000.00 | - | 104 600.00 | 109 412.00 |
| 9 | CORPORATE SERVICES | FLEET | 1 000 000.00 | 3 000 000.00 | - | 2 000 000.00 | 33.33 | 1 000 000.00 | 600 000.00 |
| 10 | CORPORATE SERVICES | OFFICE FURNITURE AND FITTINGS | 100 000.00 | 100 000.00 | - | 1 000 000.00 | 900.00 | 500 000.00 | 200 000.00 |
| 11 | CORPORATE SERVICES | COMPUTER EQUIPMENT | 500 000.00 | 500 000.00 | 32 100.00 | 1 500 000.00 | 200.00 | 350 000.00 | 200 000.00 |
| 12 | CORPORATE SERVICES | TELEPHONE SYSTEM | 800 000.00 | 500 000.00 | - | 1 500 000.00 | 200.00 | 150 000.00 | - |
| 13 | CORPORATE SERVICES | SERVER ROOM UPGRADE | 500 000.00 | 300 000.00 | - | 200 000.00 | 33.33 | 150 000.00 | 50 000.00 |
| 14 | CORPORATE SERVICES | AIRCONDITIONING EQUIPMENT | 300 000.00 | 200 000.00 | 25 900.00 | 300 000.00 | 50.00 | 120 000.00 | 80 000.00 |
| 15 | CORPORATE SERVICES | Conference System | - | - | - | 1 100 000.00 | - | - | - |
| 16 | CORPORATE SERVICES | Cloud-Based Backup and Disaster Recovery | - | - | - | 200 000.00 | - | - | - |
| 17 | CORPORATE SERVICES | Unified Threat Management (UTM) - Security | - | - | - | 100 000.00 | - | - | - |
| 18 | CORPORATE SERVICES | Endpoint Protection and Patch Management | - | - | - | 250 000.00 | - | - | - |
| 19 | CORPORATE SERVICES | Firmware-embedded persistent endpoint security and management Software (Intangible) | - | - | - | 150 000.00 | - | - | - |
| 20 | CORPORATE SERVICES | High-Capacity UPS/inverters | - | - | - | 200 000.00 | - | - | - |
| 21 | CORPORATE SERVICES | IT Help Desk Services (Intangible) | - | - | - | 100 000.00 | - | - | - |
| 22 | CORPORATE SERVICES | License Management Software (Intangible) | - | - | - | 150 000.00 | - | - | - |
| 23 | BTO | FINANCIAL SYSTEM | 2 500 000.00 | 2 500 000.00 | 1 655 652.17 | 1 200 000.00 | 52.00 | 800 000.00 | 500 000.00 |
| 24 | BTO | OFFICE FURNITURE AND FITTINGS | 60 000.00 | - | - | - | - | - | - |
| 25 | LED & PLANNING | SPECIAL VEHICLE | 2 000 000.00 | - | - | - | - | - | - |
| 26 | LED & PLANNING | WATER PROJECTS | 1 500 000.00 | 1 430 000.00 | 199 436.61 | - | 100.00 | - | - |
| 27 | LED & PLANNING | SANITATION PROJECTS | 2 000 000.00 | 3 070 000.00 | 2 010 242.21 | - | 100.00 | - | - |
| 28 | LED & PLANNING | OFFICE FURNITURE AND FITTINGS | 50 000.00 | - | - | - | - | - | - |
| 29 | LED & PLANNING | CONSTRUCT MUNICIPAL OFFICES | 10 000 000.00 | 20 000 000.00 | - | - | 100.00 | - | - |
| 30 | | UPGRADE OF DISASTER CENTRE | - | - | - | 500 000.00 | - | - | - |
| 31 | | LIGHTING PROTECTION / CONDUCTOR | - | - | - | 900 000.00 | - | - | - |
| 32 | LED & PLANNING | AGRI-PARKS | - | - | - | 2 000 000.00 | - | - | - |
| 33 | LED & PLANNING | CULTURAL VILLAGE | 1 000 000.00 | - | - | 1 000 000.00 | - | - | - |
| 34 | LED & PLANNING | Establishment of District Livestock Handling Facility for Auctions | - | - | - | 1 000 000.00 | - | - | - |
| 35 | COMMUNITY SERVICES | DISASTER MANAGEMENT SPATIAL SYSTEM | 1 200 000.00 | - | - | 1 200 000.00 | - | 800 000.00 | 500 000.00 |
| 36 | COMMUNITY SERVICES | WATER TANKER TRUCK & EQUIPMENT | 2 200 000.00 | - | - | 5 000 000.00 | - | - | - |
| 37 | COMMUNITY SERVICES | FIRE BAY DOORS | - | - | - | 1 200 000.00 | - | - | - |
| 38 | COMMUNITY SERVICES | FLOODS AND DISASTER RESPONSE VEHICLE | 1 500 000.00 | - | - | 1 500 000.00 | - | - | - |
| 39 | COMMUNITY SERVICES | LANDFILL SITE DISTRICT | 3 400 000.00 | - | - | 1 500 000.00 | - | - | - |
| 40 | COMMUNITY SERVICES | TOOLS | 250 000.00 | 1 350 000.00 | - | 1 500 000.00 | 11.11 | 200 000.00 | 150 000.00 |
| 41 | COMMUNITY SERVICES | PEST CONTROL EQUIPMENT | 100 000.00 | 150 000.00 | - | 100 000.00 | 33.33 | 70 000.00 | 50 000.00 |
| 42 | COMMUNITY SERVICES | SAMPLING KITS | 50 000.00 | 50 000.00 | - | 50 000.00 | - | 30 000.00 | 30 000.00 |
| 43 | COMMUNITY SERVICES | BACK UP GENERATOR | 1 000 000.00 | 200 000.00 | - | - | 100.00 | - | - |
| 44 | COMMUNITY SERVICES | SOLID WASTE BULK CONTAINERS/WASTEBINS | 1 000 000.00 | 1 000 000.00 | - | 1 000 000.00 | - | 500 000.00 | - |
| 45 | COMMUNITY SERVICES | OFFICE FURNITURE AND FITTINGS | 350 000.00 | 50 000.00 | - | - | 100.00 | - | - |
| 46 | COMMUNITY SERVICES | CONSTRUCTION OF MHS OFFICE AT MHLM | 2 500 000.00 | - | - | - | - | - | - |
| 47 | COMMUNITY SERVICES | UPGRADE OF DISASTER CENTRE | 150 000.00 | 150 000.00 | - | - | 100.00 | - | - |
| 48 | COMMUNITY SERVICES | MOBILE JOC VEHICLE | - | - | - | 1 000 000.00 | - | - | - |
| 49 | COMMUNITY SERVICES | TWO WAY RADIO SYSTEM, FIRE EMERG SERVICES | - | - | - | 1 000 000.00 | - | - | - |
| | TOTAL | | 39 450 000.00 | 36 850 000.00 | 4 493 330.99 | 31 600 000.00 | 14.25 | 5 124 600.00 | 2 669 412.00 |

- The proposed capital budget for the 2024/25 financial year has been appropriated at **R31.6 Million**. The capital expenditure reduced by 14.25% or

R5.2 Million when compared to the 2023/24 Adjustment Budget. For the two outer years, operating expenditure will be reduce by 83.78% or R26.4 Million in 2025/26 and by 47.91% or R2.4 Million in 2026/27. The capital budget will be funded internally.

2.7. Expenditure on Allocations and Grants Programme

DC40 Dr Kenneth Kaunda - Supporting Table SA18 Transfers and grant receipts

| Description | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 35 960 | 33 688 | 36 554 | 38 097 | 38 097 | 38 097 | 47 917 | 45 797 | 41 444 |
| Local Government Equitable Share | | 30 789 | 28 052 | 30 480 | 32 150 | 32 150 | 32 150 | 33 503 | 32 664 | 30 822 |
| Expanded Public Works Programme Integrated Grant | | 1 691 | 2 122 | 2 379 | 2 306 | 2 306 | 2 306 | 1 452 | - | - |
| Local Government Financial Management Grant | | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 6 201 | 6 249 | 3 606 |
| Municipal Disaster Relief Grant | | - | - | 63 | - | - | - | - | - | - |
| Rural Road Asset Management Systems Grant | | 2 480 | 2 514 | 2 632 | 2 641 | 2 641 | 2 641 | 6 761 | 6 884 | 7 016 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| <i>Specify (Add grant description)</i> | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | 328 | 608 | 1 477 | 2 880 | 2 880 | 2 880 | 3 500 | 3 661 | 3 829 |
| <i>Education Training and Development Practices SETA</i> | | 328 | 608 | 1 477 | 2 880 | 2 880 | 2 880 | 3 500 | 3 661 | 3 829 |
| <i>Parent Municipality</i> | | - | - | - | - | - | - | - | - | - |
| <i>Production</i> | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | 5 | 36 288 | 34 296 | 38 030 | 40 977 | 40 977 | 40 977 | 51 417 | 49 458 | 45 273 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | - | - | - | - | - | - | - | - | - |
| Rural Road Asset Management Systems Grant | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | 20 | - | - | - | - | - | - | - | - |
| <i>Unspecified</i> | | 20 | - | - | - | - | - | - | - | - |
| Total Capital Transfers and Grants | 5 | 20 | - | - | - | - | - | - | - | - |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 36 309 | 34 296 | 38 030 | 40 977 | 40 977 | 40 977 | 51 417 | 49 458 | 45 273 |

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 | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| Cash Transfers to other municipalities | | | | | | | | | | | |
| <i>Insert description</i> | 1 | | | | | | | | | | |
| Total Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| <i>Ts_O_M_Munic Ent</i> | 2 | 2 284 | 3 446 | 5 692 | 1 800 | 2 200 | 2 200 | 2 193 | - | - | - |
| Total Cash Transfers To Entities/Ems' | | 2 284 | 3 446 | 5 692 | 1 800 | 2 200 | 2 200 | 2 193 | - | - | - |
| Cash Transfers to other Organs of State | | | | | | | | | | | |
| <i>Insert description</i> | 3 | | | | | | | | | | |
| Total Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Organisations | | | | | | | | | | | |
| <i>Non Prof. Tourism</i> | | - | - | - | 100 | 100 | 100 | - | 100 | 105 | 109 |
| <i>Non Prof. Unspecified</i> | | - | - | - | - | - | - | - | - | - | - |
| <i>Priv Ent. Subs N-Fin Enlpr - Product</i> | | - | - | - | 30 | 30 | 30 | - | 30 | 31 | 33 |
| <i>Ts_O_M_Pe_Oth Trf Pe Unspecified</i> | | - | - | - | 100 | 50 | 50 | - | - | - | - |
| Total Cash Transfers To Organisations | | - | - | - | 230 | 180 | 180 | - | 130 | 136 | 142 |
| Cash Transfers to Groups of Individuals | | | | | | | | | | | |
| <i>Hh Oth Trans: Bursaries Non Employee</i> | | - | - | - | - | - | - | - | - | - | - |
| <i>Hh Oth Trans: Bursaries Non Employee</i> | | 1 995 | 1 968 | - | 1 000 | 800 | 800 | - | 1 000 | 1 046 | 1 094 |
| <i>Hh Oth Trans: Epwp - Skill Dev & Train</i> | | 1 691 | - | - | - | - | - | - | - | - | - |
| <i>Hh Oth Trans: Rural Dev - Food Prod & Sec</i> | | 1 476 | 1 844 | 3 696 | 2 900 | - | - | - | 2 900 | 3 033 | 2 500 |
| <i>Hh Ssp Soc Ass: Poverty Relief</i> | | 44 | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_M_Hh_Cash_Farmer Supp HH (Cash)</i> | | - | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_M_Hh_Cash_Unspecified</i> | | 120 | 85 | 400 | 200 | 100 | 100 | - | 100 | 105 | 109 |
| Total Cash Transfers To Groups Of Individuals: | | 5 326 | 3 897 | 4 096 | 4 100 | 900 | 900 | - | 4 000 | 4 184 | 3 704 |
| TOTAL CASH TRANSFERS AND GRANTS | 6 | 7 610 | 7 343 | 9 788 | 6 130 | 3 280 | 3 280 | 2 193 | 4 130 | 4 320 | 3 846 |
| Non-Cash Transfers to other municipalities | | | | | | | | | | | |
| <i>Insert description</i> | 1 | | | | | | | | | | |
| Total Non-Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| <i>Insert description</i> | 2 | | | | | | | | | | |
| Total Non-Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other Organs of State | | | | | | | | | | | |
| <i>Insert description</i> | 3 | | | | | | | | | | |
| Total Non-Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Organisations | | | | | | | | | | | |
| <i>Insert description</i> | 4 | | | | | | | | | | |
| Total Non-Cash Grants To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Groups of Individuals | | | | | | | | | | | |
| <i>Hh: Bursaries Non-Employee Cash</i> | | 94 | 169 | 100 | 100 | 120 | 120 | 62 | 100 | 105 | 109 |
| <i>Ts_O_Itk_Hh_Soc Assis_Poverty Relief</i> | | - | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_Itk_Hh_Soc Assis_Social Relief</i> | | - | - | - | 600 | 250 | 250 | 28 | 300 | 314 | 328 |
| Total Non-Cash Grants To Groups Of Individuals: | | 94 | 169 | 100 | 700 | 370 | 370 | 90 | 400 | 418 | 438 |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | 94 | 169 | 100 | 700 | 370 | 370 | 90 | 400 | 418 | 438 |
| TOTAL TRANSFERS AND GRANTS | 6 | 7 704 | 7 512 | 9 888 | 6 830 | 3 650 | 3 650 | 2 283 | 4 530 | 4 738 | 4 283 |

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

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

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

| Summary of Employee and Councillor remuneration | Ref | 2020/21 | 2021/22 | 2022/23 | Current Year 2023/24 | | | 2024/25 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | 6 618 | 6 870 | 8 035 | 8 407 | 8 457 | 8 457 | 8 874 | 9 282 | 9 709 |
| Pension and UIF Contributions | | 686 | 326 | 427 | 390 | 380 | 380 | 580 | 607 | 635 |
| Medical Aid Contributions | | 278 | 121 | 84 | 296 | 88 | 88 | 115 | 120 | 126 |
| Motor Vehicle Allowance | | 1 281 | 1 255 | 1 231 | 1 570 | 1 328 | 1 328 | 1 401 | 1 466 | 1 533 |
| Cellphone Allowance | | 756 | 753 | 727 | 869 | 971 | 971 | 1 014 | 1 061 | 1 109 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | 748 | 642 | 1 094 | 900 | 1 208 | 1 208 | 1 208 | 1 264 | 1 322 |
| Sub Total - Councillors | | 10 367 | 9 969 | 11 600 | 12 432 | 12 432 | 12 432 | 13 192 | 13 799 | 14 433 |
| % increase | 4 | | (3.8%) | 16.4% | 7.2% | - | - | 6.1% | 4.6% | 4.6% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 4 106 | 4 764 | 4 584 | 5 625 | 5 025 | 5 025 | 5 691 | 5 952 | 6 226 |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | - | - | - | 72 | 72 | 72 | 72 | 75 | 79 |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | 228 | 274 | 257 | 169 | 335 | 335 | 385 | 403 | 422 |
| Motor Vehicle Allowance | 3 | 753 | 1 142 | 1 307 | 1 350 | 1 340 | 1 340 | 1 550 | 1 621 | 1 696 |
| Cellphone Allowance | 3 | 113 | 154 | 149 | 152 | 138 | 138 | 151 | 158 | 166 |
| Housing Allowances | 3 | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | 3 | 0 | - | 182 | - | 112 | 112 | 122 | 128 | 134 |
| Payments in lieu of leave | 3 | - | 269 | 188 | - | - | - | - | - | - |
| Long service awards | | - | - | - | - | - | - | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | - | - | - | - | - | - | - |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | - | - | 8 | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 5 201 | 6 603 | 6 675 | 7 369 | 7 022 | 7 022 | 7 971 | 8 338 | 8 722 |
| % increase | 4 | | 27.0% | 1.1% | 10.4% | (4.7%) | - | 13.5% | 4.6% | 4.6% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 61 874 | 64 272 | 70 915 | 73 702 | 72 974 | 72 974 | 79 904 | 83 580 | 87 424 |
| Pension and UIF Contributions | | 10 993 | 11 698 | 12 628 | 12 972 | 13 884 | 13 884 | 14 711 | 15 388 | 16 096 |
| Medical Aid Contributions | | 4 754 | 5 251 | 5 637 | 5 780 | 6 278 | 6 278 | 6 530 | 6 831 | 7 145 |
| Overtime | | 623 | 626 | 800 | 790 | 920 | 920 | 800 | 837 | 875 |
| Performance Bonus | | 4 987 | 4 956 | 5 189 | 6 574 | 5 424 | 5 424 | 5 080 | 5 314 | 5 558 |
| Motor Vehicle Allowance | | 8 404 | 8 095 | 8 956 | 9 005 | 9 185 | 9 185 | 9 185 | 9 607 | 10 049 |
| Cellphone Allowance | 3 | 1 210 | 1 250 | 1 145 | 1 182 | 1 263 | 1 263 | 1 233 | 1 289 | 1 349 |
| Housing Allowances | 3 | 535 | 557 | 551 | 658 | 651 | 651 | 681 | 713 | 745 |
| Other benefits and allowances | 3 | 1 723 | 1 999 | 1 269 | 1 423 | 1 327 | 1 327 | 1 396 | 1 460 | 1 527 |
| Payments in lieu of leave | | 6 741 | 4 372 | 3 069 | 4 492 | 3 722 | 3 722 | 4 042 | 4 228 | 4 423 |
| Long service awards | | 227 | 525 | 992 | 430 | 970 | 970 | 1 180 | 1 234 | 1 291 |
| Post-retirement benefit obligations | 6 | 3 186 | 2 666 | 3 227 | 350 | 430 | 430 | 430 | 450 | 470 |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | 794 | 672 | 958 | 969 | 1 646 | 1 646 | 1 346 | 1 408 | 1 472 |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 106 052 | 106 941 | 115 337 | 118 327 | 118 674 | 118 674 | 126 519 | 132 339 | 138 426 |
| % increase | 4 | | 0.8% | 7.9% | 2.6% | 0.3% | - | 6.6% | 4.6% | 4.6% |
| Total Parent Municipality | | 121 620 | 123 513 | 133 612 | 138 128 | 138 128 | 138 128 | 147 682 | 154 475 | 161 581 |
| | | | 1.6% | 8.2% | 3.4% | - | - | 6.9% | 4.6% | 4.6% |
| Board Members of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | - | - | - | - | - | - | - | - | - |
| Sub Total - Board Members of Entities | | - | - | - | - | - | - | - | - | - |
| % increase | 4 | | - | - | - | - | - | - | - | - |
| Senior Managers of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Senior Managers of Entities | | - | - | - | - | - | - | - | - | - |
| % increase | 4 | | - | - | - | - | - | - | - | - |
| Other Staff of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Staff of Entities | | - | - | - | - | - | - | - | - | - |
| % increase | 4 | | - | - | - | - | - | - | - | - |
| Total Municipal Entities | | - | - | - | - | - | - | - | - | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 121 620 | 123 513 | 133 612 | 138 128 | 138 128 | 138 128 | 147 682 | 154 475 | 161 581 |
| % increase | 4 | | 1.6% | 8.2% | 3.4% | - | - | 6.9% | 4.6% | 4.6% |
| TOTAL MANAGERS AND STAFF | 5.7 | 111 253 | 113 544 | 122 012 | 125 696 | 125 696 | 125 696 | 134 490 | 140 677 | 147 148 |

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 2024/25 financial has been appropriated at **R13.1 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 2024/25 financial has been appropriated at **R134.4 Million**. The employee related costs have increased by 7%. The 7% 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 54.64% of the total operating expenditure budget.

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 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|--|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|-----------------------|-----------------------|--|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2024/25 | Budget Year+1 2025/26 | Budget Year+2 2026/27 | |
| R thousand | | | | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | | | | | | |
| Service charges - Electricity | | | | | | | | | | | | | | | | | |
| Service charges - Water | | | | | | | | | | | | | | | | | |
| Service charges - Waste Water Management | | | | | | | | | | | | | | | | | |
| Service charges - Waste Management | | | | | | | | | | | | | | | | | |
| Sale of Goods and Rendering of Services | | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 200 | 160 | 140 | |
| Agency services | | | | | | | | | | | | | | | | | |
| Interest | | | | | | | | | | | | | | | | | |
| Interest earned from Receivables | | | | | | | | | | | | | | | | | |
| Interest earned from Current and Non Current Assets | | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 8 980 | 9 393 | 9 825 | |
| Dividends | | | | | | | | | | | | | | | | | |
| Rent on Land | | | | | | | | | | | | | | | | | |
| Rental from Fixed Assets | | | | | | | | | | | | | | | | | |
| Licence and permits | | | | | | | | | | | | | | | | | |
| Operational Revenue | | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 320 | 335 | 350 | |
| Non-Exchange Revenue | | | | | | | | | | | | | | | | | |
| Property rates | | | | | | | | | | | | | | | | | |
| Surcharges and Taxes | | | | | | | | | | | | | | | | | |
| Fines, penalties and forfeits | | | | | | | | | | | | | | | | | |
| Licences or permits | | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 650 | 680 | 711 | |
| Transfer and subsidies - Operational | | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 4 285 | 51 417 | 49 458 | 45 273 | |
| Interest | | | | | | | | | | | | | | | | | |
| Fuel Levy | | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 15 401 | 184 806 | 192 095 | 200 378 | |
| Operational Revenue | | | | | | | | | | | | | | | | | |
| Gains on disposal of Assets | | | | | | | | | | | | | | | | | |
| Other Gains | | | | | | | | | | | | | | | | | |
| Discontinued Operations | | | | | | | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contri | | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 246 373 | 252 121 | 256 678 | |
| Expenditure | | | | | | | | | | | | | | | | | |
| Employee related costs | | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 207 | 134 490 | 140 677 | 147 148 | |
| Remuneration of councillors | | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 13 192 | 13 799 | 14 433 | |
| Bulk purchases - electricity | | | | | | | | | | | | | | | | | |
| Inventory consumed | | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 5 055 | 5 288 | 5 531 | |
| Debt impairment | | | | | | | | | | | | | | | | | |
| Depreciation and amortisation | | 599 | 599 | 599 | 599 | 599 | 599 | 599 | 599 | 599 | 599 | 599 | 598 | 7 184 | 7 514 | 7 860 | |
| Interest | | | | | | | | | | | | | | | | | |
| Contracted services | | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 825 | 45 905 | 43 346 | 41 246 | |
| Transfer and subsidies | | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 377 | 4 530 | 4 738 | 4 283 | |
| Irrecoverable debts written off | | | | | | | | | | | | | | | | | |
| Operational costs | | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 983 | 35 804 | 36 648 | 36 109 | |
| Losses on disposal of Assets | | | | | | | | | | | | | | | | | |
| Other Losses | | | | | | | | | | | | | | | | | |
| Total Expenditure | | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 513 | 20 512 | 246 160 | 252 009 | 256 610 | |
| Surplus/(Deficit) | | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 213 | 111 | 68 | |
| Transfers and subsidies - capital (monetary allocations) | | | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (in-kind) | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 213 | 111 | 68 | |
| Income Tax | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 213 | 111 | 68 | |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 213 | 111 | 68 | |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) for the year | 1 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 20 | 213 | 111 | 68 | |

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 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|---|------------------------|------------------------|-------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | | |
| 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 | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Capital multi-year expenditure sub-total | 2 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | | | | | | | |
| Vote 01 - Executive Council | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 02 - Municipal Manager | | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 300 | 150 | 100 |
| Vote 03 - Corporate Services | | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 804 | 9 650 | 2 575 | 1 339 |
| Vote 04 - Financial Services | | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1 200 | 800 | 500 |
| Vote 05 - Led & Planning | | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 5 400 | -- | -- |
| Vote 06 - Community Services | | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 15 050 | 1 600 | 730 | |
| Vote 07 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 08 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 09 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 10 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 11 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 12 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 13 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 14 - - | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Vote 15 - Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Capital single-year expenditure sub-total | 2 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 | |
| Total Capital Expenditure | 2 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 | |

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 2024/25 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|---|------------------------|------------------------|----|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 | |
| R thousand | | | | | | | | | | | | | | | | | |
| Capital Expenditure - Functional | 1 | | | | | | | | | | | | | | | | |
| Governance and administration | | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 929 | 11 150 | 3 525 | 1 939 | |
| Executive and council | | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 300 | 150 | 100 | |
| Finance and administration | | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 904 | 10 850 | 3 375 | 1 839 | |
| Internal audit | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Community and public safety | | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 15 050 | 1 600 | 730 | |
| Community and social services | | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 1 254 | 15 050 | 1 600 | 730 | |
| Sport and recreation | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Public safety | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Housing | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Health | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Economic and environmental services | | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 5 400 | -- | -- | |
| Planning and development | | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 5 400 | -- | -- | |
| Road transport | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Environmental protection | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Trading services | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Energy sources | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Water management | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Waste water management | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Waste management | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Other | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | |
| Total Capital Expenditure - Functional | 2 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 | |
| Funded by: | | | | | | | | | | | | | | | | | |
| National Government | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Provincial Government | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| District Municipality transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Transfers recognised - capital | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Borrowing | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Internally generated funds | | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 | |
| Total Capital Funding | | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 | |

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

| Supporting Table SA30 Budgeted monthly cash flow | | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|
| MONTHLY CASH FLOWS | Budget Year 2024/25 | | | | | | | | | | | | Budget Year 2024/25 | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
| R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | | | |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | |
| 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 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 748 | 8 980 | 9 393 | 9 825 |
| Interest earned - outstanding debtors | | | | | | | | | | | | | - | | |
| Dividends received | | | | | | | | | | | | | - | | |
| Fines, penalties and forfeits | | | | | | | | | | | | | - | | |
| Licences and permits | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 680 | 680 | 711 |
| Agency services | | | | | | | | | | | | | - | | |
| Transfers and Subsidies - Operational | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 3 430 | 41 156 | 38 913 | 34 428 |
| Other revenue | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 15 735 | 188 826 | 196 251 | 204 698 |
| Cash Receipts by Source | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 19 968 | 239 612 | 245 237 | 249 662 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 6 761 | 6 884 | 7 016 |
| 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/financing | | | | | | | | | | | | | - | | |
| Increase (decrease) in consumer deposits | | | | | | | | | | | | | - | | |
| VAT Control (receipts) | | | | | | | | | | | | | - | | |
| Decrease (increase) in non-current receivables | | | | | | | | | | | | | - | | |
| Decrease (increase) in non-current investments | | | | | | | | | | | | | - | | |
| Total Cash Receipts by Source | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 20 531 | 246 373 | 252 121 | 256 678 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 11 208 | 134 490 | 140 677 | 147 148 |
| Remuneration of councillors | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 1 099 | 13 192 | 13 799 | 14 433 |
| Interest | | | | | | | | | | | | | - | | |
| Bulk purchases - electricity | | | | | | | | | | | | | - | | |
| Acquisitions - water & other inventory | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 5 065 | 5 288 | 5 531 |
| Contracted services | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 3 826 | 45 906 | 43 346 | 41 246 |
| Transfers and subsidies - other municipalities | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | (4 153) | | |
| Transfers and subsidies - other | | | | | | | | | | | | | 4 530 | 4 738 | 4 263 |
| Other expenditure | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 2 984 | 35 804 | 36 648 | 36 109 |
| Cash Payments by Type | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 19 915 | 238 976 435.00 | 244 495 361.00 | 248 750 259.00 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 2 633 | 31 600 | 5 125 | 2 669 |
| Repayment of borrowing | | | | | | | | | | | | | - | | |
| Other Cash Flows/Payments | | | | | | | | | | | | | - | | |
| Total Cash Payments by Type | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 22 548 | 270 576 | 249 620 | 251 420 |
| NET INCREASE/(DECREASE) IN CASH HELD | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 017) | (2 015) | (24 203) | 2 501 | 5 258 |
| Cash/cash equivalents at the month/year begin: | 52 922 | 50 905 | 48 887 | 46 870 | 44 853 | 42 836 | 40 819 | 38 802 | 36 785 | 34 768 | 32 751 | 30 733 | 52 922 | 28 718 | 31 219 |
| Cash/cash equivalents at the month/year end: | 50 905 | 48 887 | 46 870 | 44 853 | 42 836 | 40 819 | 38 802 | 36 785 | 34 768 | 32 751 | 30 733 | 28 718 | 28 718 | 31 219 | 36 477 |

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 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 2024/25 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 decision 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