

DR. KENNETH
KAUNDA
DISTRICT MUNICIPALITY



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

DRAFT ANNUAL BUDGET 2020/2021 TO 2022/23

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Table of Contents

ABBREVIATIONS AND ACRONYMS	3
LIST OF TABLES	2
PART 1: DRAFT ANNUAL BUDGET	3
1.1. Mayor's Report (To be inserted)	3
1.2. Council Resolutions and Items	4
1.3. Executive Summary	5
1.4. Annual Budget Tables (Parent Municipality)	7
PART 2: SUPPORTING DOCUMENTATION	24
2.1. Overview of the annual budget process	24
2.2. Overview of alignment of annual Budget with IDP	29
2.3. Measurable performance objectives and indicators	30
2.4. Overview of Budget Related Policies	39
2.5. Overview of Budget Assumptions	43
2.6. Overview of Budget Funding	44
2.7. Expenditure on Allocations and Grants Programme	47
2.8. Allocations or Grants made by the Municipality	48
2.9. Disclosure on Salaries, Allowance and Benefits (SA22)	49
2.10. Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30)	51
2.11. Annual budgets and SDBIP's – internal departments	56
2.12. Municipal Manager's quality certificate	59

ABBREVIATIONS AND ACRONYMS

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

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

LIST OF TABLES

Table 1 MBRR Table A1 Budget Summary

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

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

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

Table 5 MBRR Table A5 Budget Capital Expenditure by Vote

Table 6 MBRR Table A6 Budgeted Financial Position

Table 7 MBRR Table A7 Budgeted Cash Flow Statement

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

Table 9 MBRR Table A9 Asset Management

Table 10 MBRR Table A10 Basic Service Delivery Measurement

Table 11 Revenue by Major Source

Table 12 Source of funding

Table 13 Revenue by Minor Source

Table 14 Revenue by Municipal Vote

Table 15 Revenue by Standard Classification

Table 16 Operating Expenditure by Major Type

Table 17 Operating Expenditure by Minor Type

Table 18 Operating Expenditure by Municipal Vote

Table 19 Operating Expenditure by Standard Classification

Table 20 Capital Expenditure by Vote and Function

Table 21 Consolidated Overview of the proposed 2020/21 MTREF

Table 22 MBRR Table 19 Expenditure on Transfer and Grants Programme

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

Table 24 MBRR Table SA25 Budgeted Monthly Revenue & Expenditure

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

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

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

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

Table 29 MBRR Table SA30 Budgeted Monthly Cash Flow

PART 1: DRAFT ANNUAL BUDGET

Purpose of Tabling of the Draft Annual Budget for the Financial Year 2020/2021

The purpose of this report is to submit the Draft Annual Budget for 2020/2021 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 (To be inserted)

1.2. Council Resolutions and Items

PURPOSE

To place before the Municipal Council of the Dr Kenneth Kaunda District Municipality the 2020/21-2022/23 draft annual budget for tabling.

BACKGROUND

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

“16. Annual Budgets

- (1) The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year (at least 30 days before the start of the budgeted financial year – **(May 2020)**).
- (2) In order for the municipality to comply with subsection (1), the mayor of the municipality must table the Draft Annual Budget at a Council meeting at least 90 days before the start of the budget year. **(31 March 2020)**.

THEREFORE RECOMMENDED:

1. That the draft annual budget 2020/2021 revenue funding of **R204 806 000.00** in terms of the MBRR A Schedule is tabled before council.
2. That the draft annual budget 2020/2021 total operating expenditure of **R201 891 805.80** in terms of the MBRR A Schedule is tabled before council.
3. That the draft annual budget 2020/2021 is funded with **R2 914194.18** surplus.
4. That the budget 2020/2021 capital expenditure of **R3 910 000.00** in terms of the MBRR A Schedule is tabled before council.

5. That the additional capital budget allocation estimated at THIRTY MILLION (R30 million) from the current year's savings and accumulated surplus will be directed towards capital budget. The Municipal manager will be mandated to engage with the locals to assess what could possibly be contributed to local projects as contained on their respective Integrated Development Plan.
6. Approval of the budget policies as amended (Policies will be workshopped before the final annual budget will be approved).
7. That the draft annual budget of the Dr Kenneth Kaunda District Municipality be tabled before council and submitted to the relevant stakeholders.
8. That the measurable performance objectives (IDP) for the 2020/2021 and for each year of the medium-term framework be tabled before council.
9. That the Draft Procurement plan be approved with the Final Annual budget for 2020/2021 financial year.

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 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 2020/21 MTREF.

The following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

DESCRIPTION	2018/19 Audited Outcome	Adjusted Budget 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue	-190 430	-202 756	-204 808	-210 189	-216 488
Total Operating Expenditure	171 736	198 572	201 892	208 303	215 826

(Surplus)/deficit for the year	-18 694	-4 184	-2 914	-1 886	-662
Total Capital Expenditure	3 290	3 878	3 910	755	585
TOTAL BUDGET	175 026	202 450	205 802	209 058	216 411

- The proposed operating revenue has grown by 1% or R2 Million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget. For the two outer years, operational revenue will increase by 2.6 % and 2.9% respectively.
- The proposed operating expenditure for the 2020/21 financial year has been appropriated at R201.8 Million and translates into a budgeted surplus of R2.9 million. When compared to the 2019/20 Adjustments Budget, operational expenditure has grown by 1.6 per cent in the 2020/21 budget and by 3.1% and 3.5% for each of the respective outer years of the MTREF.
- The operating surplus for the 2020/21 is at R2.9 million these surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.
- The proposed capital budget of R3.9 Million for 2020/21 is 0.82% more when compared to the 2019/20 Adjustment Budget. The increase is due to various IT Equipment's budgeted for in the current budget. The capital programme decreased to R755 thousand in the 2021/22 financial year and 2022/23 also decreased to R585 thousand. The capital budget is funded from internally generated funds.
- Operating Grants and Subsidies are as per Division of Revenue Act (Gazetted 2020).
- Interest on investment was calculated based on Current Interest rates taking Inflation into account.
- Other income consists of tender deposit, refund from insurance and skills levy from SETA, licenses of health certificates.

The Draft annual budget for 2020/21 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 DED 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.

Every year the Office of the Executive Mayor awards study bursaries to deserving Students within the Dr Kenneth Kaunda District Municipality for social contribution.

There is a portion allocated for Special projects in the Office of the Executive Mayor for other community projects which deals with challenges such as children, elderly, youth, women and war on poverty.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- The continued negative effect of the economic downturn due to the outbreak of COVID-19.
- 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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	2 331	2 772	3 598	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Transfers recognised - operational	174 535	179 854	185 175	186 052	186 052	186 052	186 052	31 632	32 085	33 919
Other own revenue	1 612	1 948	1 856	1 257	1 825	1 825	1 825	167 374	172 685	176 880
Total Revenue (excluding capital transfers and contributions)	176 479	184 574	190 430	189 059	192 725	192 725	192 725	284 806	290 189	296 488
Employee costs	83 018	87 582	90 848	107 129	136 653	136 653	136 653	112 879	117 587	123 310
Remuneration of councillors	5 585	9 620	9 850	11 942	11 981	11 981	11 981	13 190	13 797	14 432
Depreciation & asset impairment	7 219	8 935	7 705	5 443	5 440	5 440	5 440	5 299	5 543	5 795
Finance charges	421	849	–	–	–	–	–	–	–	–
Materials and bulk purchases	751	2 432	2 678	3 539	3 674	3 674	3 674	3 619	3 785	3 959
Transfers and grants	5 553	5 380	5 175	5 949	9 144	9 144	9 144	6 691	5 023	5 047
Other expenditure	68 403	72 054	55 624	62 942	61 700	61 700	61 700	60 214	62 285	63 280
Total Expenditure	175 983	198 825	171 736	186 152	186 512	186 512	186 512	261 892	265 363	275 826
Surplus/(Deficit)	4 516	(2 450)	18 694	3 257	4 184	4 184	4 184	2 914	1 586	682
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 516	(2 450)	18 694	3 257	4 184	4 184	4 184	2 914	1 586	682
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 516	(2 450)	18 694	3 257	4 184	4 184	4 184	2 914	1 586	682
Capital expenditure & funds sources										
Capital expenditure	2 679	6 213	3 290	3 010	3 676	3 676	3 676	3 910	785	585
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	2 679	6 213	3 290	3 010	3 676	3 676	3 676	3 910	785	585
Total sources of capital funds	2 679	6 213	3 290	3 010	3 676	3 676	3 676	3 910	785	585
Financial position										
Total current assets	20 534	17 617	42 919	15 569	33 444	33 444	33 444	37 952	43 789	44 935
Total non current assets	35 639	31 724	25 473	54 259	25 473	25 473	25 473	22 323	17 789	13 052
Total current liabilities	30 485	25 325	23 856	15 000	15 243	15 243	15 243	16 354	16 424	16 424
Total non current liabilities	13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
Community wealth/Equity	12 417	9 995	30 075	41 479	29 205	29 205	29 205	30 034	30 275	26 730
Cash flows										
Net cash from (used) operating	12 831	2 895	27 167	8 817	9 644	9 644	9 644	8 428	7 644	6 675
Net cash from (used) investing	(2 719)	(5 917)	(1 051)	(3 010)	(3 676)	(3 676)	(3 676)	(3 910)	(735)	(585)
Net cash from (used) financing	(749)	(722)	153	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	13 745	9 791	36 031	15 569	33 444	33 444	33 444	37 952	44 851	50 940
Cash backing/surplus reconciliation										
Cash and investments available	13 745	9 792	36 031	15 569	33 444	33 444	33 444	37 952	43 800	44 935
Application of cash and investments	(16 145)	22 441	21 038	14 333	14 470	14 470	14 470	15 506	15 440	15 440
Balance - surplus (shortfall)	29 890	(12 649)	14 993	1 236	18 974	18 974	18 974	22 446	28 359	29 495
Asset management										
Asset register summary (RDN)	35 967	31 724	48 974	51 720	51 986	51 986	51 986	22 045	17 585	12 911
Depreciation	7 219	8 935	7 705	5 443	5 440	5 440	5 440	5 299	5 543	5 795
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	751	194	1 198	2 405	2 405	2 405	2 405	2 632	2 685	2 589
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
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.

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, it can be concluded that the adopted 2020/21 MTREF was funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 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 R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		175 684	183 307	180 035	188 738	202 406	202 406	204 300	208 666	215 941
Executive and council		-	47	-	-	-	-	-	-	-
Finance and administration		175 684	183 260	180 035	188 738	202 406	202 406	204 300	208 666	215 941
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	650	-	-	-	-	-	-	-
Community and social services		-	195	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	455	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 755	417	395	350	350	350	300	523	547
Planning and development		2 755	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	417	395	350	350	350	300	523	547
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	175 479	184 374	180 430	200 088	202 756	202 756	204 600	210 189	216 488
Expenditure - Functional										
Governance and administration		115 952	137 235	115 985	132 986	135 453	135 453	135 573	138 220	144 231
Executive and council		49 265	56 645	42 407	55 405	56 534	56 534	61 920	64 296	66 700
Finance and administration		62 200	76 645	71 611	72 262	72 917	72 917	67 599	66 653	71 030
Internal audit		4 514	3 943	4 950	5 315	5 732	5 732	6 049	6 271	6 500
Community and public safety		10 413	10 350	11 101	16 700	17 207	17 207	16 432	17 166	17 519
Community and social services		9 227	6 650	7 613	10 158	9 655	9 655	9 177	9 569	9 551
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 156	3 700	3 409	6 541	7 522	7 522	7 255	7 569	7 935
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		47 565	39 238	41 667	47 047	45 562	45 562	49 555	51 555	53 776
Planning and development		19 955	14 277	12 454	13 500	13 110	13 110	14 913	15 391	15 581
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		27 552	24 952	29 212	33 247	32 772	32 772	34 973	36 504	37 555
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	175 985	184 625	171 736	188 732	189 572	189 572	201 595	206 503	210 626
Surplus/(Deficit) for the year		4 516	(2 455)	18 694	3 357	4 184	4 184	2 914	1 686	662

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		—	47	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE SERVICES		110	96	3 649	3 225	3 225	3 225	—	—	—
Vote 4 - FINANCIAL SERVICES		175 554	179 402	195 355	191 559	194 225	194 225	200 135	207 050	213 173
Vote 5 - TECHNICAL SERVICES		2 755	3 700	—	4 952	4 952	4 952	4 171	2 616	2 765
Vote 6 - PLANNING AND DEVELOPMENT		—	—	—	—	—	—	—	—	—
Vote 7 - MUNICIPAL HEALTH SERVICES		—	417	396	350	350	350	500	523	547
Vote 8 - PUBLIC SAFETY		—	650	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	176 475	184 374	190 430	200 089	202 756	202 756	204 806	210 189	216 485
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		15 111	17 301	16 340	22 615	22 645	22 645	25 100	26 150	27 353
Vote 2 - MUNICIPAL MANAGER		35 671	43 290	31 017	35 105	39 921	39 921	42 574	44 416	45 547
Vote 3 - CORPORATE SERVICES		19 969	19 301	32 516	26 515	27 050	27 050	25 523	26 509	27 466
Vote 4 - FINANCIAL SERVICES		42 211	46 431	35 795	33 743	34 136	34 136	31 342	32 653	33 615
Vote 5 - TECHNICAL SERVICES		5 530	10 913	—	11 702	11 702	11 702	10 734	9 451	9 949
Vote 6 - PLANNING AND DEVELOPMENT		11 156	14 277	12 454	13 500	13 110	13 110	14 913	15 391	15 591
Vote 7 - MUNICIPAL HEALTH SERVICES		27 552	24 902	29 212	33 247	32 772	32 772	34 973	36 504	37 555
Vote 8 - PUBLIC SAFETY		10 413	10 350	11 101	16 700	17 207	17 207	16 432	17 158	17 519
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	175 983	188 825	171 732	199 732	199 572	199 572	201 582	208 303	215 525
Surplus/(Deficit) for the year	2	4 516	(2 450)	18 698	3 357	4 184	4 184	2 914	1 886	662

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 90% 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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment					–	–	–	–			
Interest earned - external investments		2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–
Dividends received	2	2	2	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–
Licences and permits		–	313	396	–	–	–	–	500	523	547
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		174 536	179 654	185 179	196 082	196 082	196 082	196 082	31 632	32 055	33 919
Other revenue	2	1 570	1 122	1 253	1 057	1 826	1 826	1 826	167 474	172 172	176 332
Gains		38	510	8							
Total Revenue (excluding capital transfers and contributions)		178 479	184 374	190 430	200 089	202 756	202 756	202 756	204 806	210 189	216 488
Expenditure By Type											
Employee related costs	2	83 018	87 582	90 848	107 120	136 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors		8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Debt impairment	3	311	121	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2	7 219	8 906	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges		421	846	–	–	–	–	–	–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	751	2 432	2 676	3 539	3 674	3 674	3 674	3 619	3 785	3 969
Contracted services		35 568	43 519	33 201	28 150	30 015	30 015	30 015	29 790	30 726	31 015
Transfers and subsidies		5 583	5 380	5 178	5 949	9 144	9 144	9 144	6 691	5 623	5 047
Other expenditure	4, 5	31 346	26 979	21 463	34 672	31 685	31 685	31 685	30 209	31 327	32 050
Losses		1 177	1 434	960	20	20	20	20	215	215	215
Total Expenditure		173 963	186 625	171 736	186 732	188 572	188 572	188 572	201 892	208 303	215 628
Surplus(Deficit)		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	2 914	1 886	662
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–									
Transfers and subsidies - capital (in-kind - all)											
Surplus(Deficit) after capital transfers & contributions		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	2 914	1 886	662
Taxation											
Surplus(Deficit) after taxation		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	2 914	1 886	662
Attributable to minorities											
Surplus(Deficit) attributable to municipality		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	2 914	1 886	662
Share of surplus/ (deficit) of associate	7										
Surplus(Deficit) for the year		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	2 914	1 886	662

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

Total operating revenue has significantly increased by R2 050 248 in the 2020/2021 financial year when compared to the 2019/20 Adjusted Budget.

Total operating expenditure for the 2020/21 financial year has been estimated at R201.8 Million which is an increase of R3 320 168.82 compared to 2019/20 Adjusted 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 1.49 per cent 2020/21, 1.25 per cent in 2021/22 and 4.28 per cent in 2022/23 budget year and the budget is primarily funded from grants receipts from National Treasury which forms a major portion of sources of revenue at 93, 8 per cent of the total Revenue.

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

Vote Description	Net	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - MUNICIPAL HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	3										
Vote 1 - EXECUTIVE AND COUNCIL		38	-	1 358	28	725	725	725	10	18	10
Vote 2 - MUNICIPAL MANAGER		88	19	112	165	335	335	335	415	148	180
Vote 3 - CORPORATE SERVICES		88	788	161	308	748	748	748	2 340	98	70
Vote 4 - FINANCIAL SERVICES		1 517	5 278	1 868	1 888	1 285	1 285	1 285	520	128	38
Vote 5 - TECHNICAL SERVICES		-	-	107	18	10	10	10	200	-	-
Vote 6 - PLANNING AND DEVELOPMENT		-	-	-	28	20	20	20	-	-	-
Vote 7 - MUNICIPAL HEALTH SERVICES		41	-	100	740	490	490	490	124	138	130
Vote 8 - PUBLIC SAFETY		1 182	118	87	848	580	580	580	395	268	240
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 878	6 213	3 298	3 018	3 878	3 878	3 878	3 910	758	585
Total Capital Expenditure - Vote		2 878	6 213	3 298	3 018	3 878	3 878	3 878	3 910	758	585
Capital Expenditure - Functional											
Revenue and administration		1 178	6 085	3 878	2 258	3 025	3 025	3 025	3 385	388	275
Executive and council		88	-	1 358	168	725	725	725	10	18	10
Finance and administration		1 533	6 085	1 519	2 088	2 088	2 088	2 088	3 175	318	175
Internal audit		81	-	-	28	280	280	280	200	18	20
Community and public safety		318	118	87	848	580	580	580	395	268	240
Community and social services		-	-	-	178	170	170	170	38	9	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		318	118	87	318	420	420	420	380	358	240
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		888	-	168	318	285	285	285	130	138	130
Planning and development		-	-	-	28	20	20	20	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		888	-	168	198	245	245	245	130	138	130
Trading services		-	-	-	-	-	-	-	-	-	-
Energy services		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	2 878	6 213	3 298	3 018	3 878	3 878	3 878	3 910	758	585
Funded by:											
External Government											
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (National / Provincial)											
Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
Transfers recognised - capital	4	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Revenue generated from		4 018	6 413	4 298	3 118	3 010	3 010	3 010	4 810	730	580
Total Capital Funding	7	2 878	6 213	3 298	3 018	3 878	3 878	3 878	3 910	758	585

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 Municipality has a Single-year capital expenditure which has been appropriated at R3 910 Million for the 2020/21 financial year and decreases relatively over the MTREF at levels of R755 thousand and R585 thousand respectively for the two outer years and the capital budget is funded from internally generated funds from budget year surpluses.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		3 745	3 761	15 031	569	15 444	15 444	15 444	19 515	25 356	26 485
Call investment deposits	1	10 000	6 000	15 000	15 000	15 000	15 000	15 000	15 444	15 444	15 444
Consumer debtors	1	—	—	—	—	—	—	—	—	—	—
Other debtors		6 739	7 555	6 599	—	—	—	—	—	—	—
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	—	—	—	—	—	—	—	—	—	—
Total current assets		20 534	17 317	42 915	15 569	35 444	35 444	35 444	37 962	45 799	44 955
Non-current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		0	0	0	0	0	0	0	0	0	0
Investment property		—	—	—	—	—	—	—	—	—	—
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	33 969	30 171	24 624	51 720	24 634	24 624	24 634	22 045	17 593	12 911
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		1 007	1 554	649	3 239	649	649	649	579	171	171
Other non-current assets		63	—	—	—	—	—	—	—	—	—
Total non-current assets		35 039	31 724	25 473	54 959	25 473	25 473	25 473	22 623	17 763	13 082
TOTAL ASSETS		55 573	49 041	68 388	70 528	60 917	60 917	60 917	60 585	63 562	58 037
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	459	564	154	—	—	—	—	—	—	—
Consumer deposits		—	—	—	—	—	—	—	—	—	—
Trade and other payables	4	29 515	24 461	22 929	14 333	14 470	14 470	14 470	15 566	15 440	15 440
Provisions		451	—	773	667	773	773	773	579	954	954
Total current liabilities		30 425	25 025	23 856	15 000	15 243	15 243	15 243	16 145	16 424	16 424
Non-current liabilities											
Borrowing		—	—	—	—	—	—	—	—	—	—
Provisions		13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 567	14 567
Total non-current liabilities		13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 567	14 567
TOTAL LIABILITIES		43 696	39 075	38 323	29 050	29 709	29 709	29 709	30 612	31 291	31 291
NET ASSETS	5	12 417	9 966	30 070	41 478	29 208	29 208	29 208	30 034	30 275	26 730
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		12 417	9 966	30 070	41 478	29 208	29 208	29 208	30 034	30 275	26 730
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	12 417	9 966	30 070	41 478	29 208	29 208	29 208	30 034	30 275	26 730

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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates											
Service charges											
Other revenue		10 563	369	452	1 057	1 525	1 525	1 525	167 974	617	646
Transfers and Subsidies - Operational	1	174 953	175 321	155 290	196 052	196 052	196 052	196 052	31 632	204 133	210 153
Transfers and Subsidies - Capital	1										
Interest		2 331	2 772	3 596	2 550	4 545	4 545	4 545	5 200	5 438	5 659
Dividends	2		2								
Payments											
Suppliers and employees		(175 045)	(173 051)	(156 993)	(135 323)	(153 955)	(153 955)	(153 955)	(158 657)	(197 522)	(204 766)
Finance charges			(549)								
Transfers and Grants	1		(5 350)	(5 175)	(5 949)	(9 144)	(9 144)	(9 144)	(5 691)	(5 023)	(5 047)
NET CASH FROM/(USED) OPERATING ACTIVITIES		12 831	2 655	27 167	5 617	9 544	9 544	9 544	5 425	7 644	6 675
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		160	669	1 023							
Decrease (increase) in non-current receivables				1 216							
Decrease (increase) in non-current investments			77								
Payments											
Capital assets		(2 575)	(6 063)	(3 290)	(3 010)	(3 575)	(3 575)	(3 575)	(3 910)	(755)	(555)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 719)	(5 917)	(1 051)	(3 010)	(3 575)	(3 575)	(3 575)	(3 910)	(755)	(555)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(746)	(722)	153							
NET CASH FROM/(USED) FINANCING ACTIVITIES		(746)	(722)	153	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		9 366	(3 984)	26 269	5 507	5 969	5 969	5 969	4 515	6 889	6 090
Cash/cash equivalents at the year begin:	2	4 379	13 745	9 761	9 761	27 676	27 676	27 676	33 444	37 962	44 551
Cash/cash equivalents at the year end:	2	13 745	9 761	36 031	15 569	33 444	33 444	33 444	37 962	44 551	50 940

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 2020/21 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.

In addition, the interventions translated into a net cash position of R33 .4 Million for the 2020/21 financial year and cash and cash equivalents totalled R37.9 Million at year end.

The 2020/21 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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	13 745	9 761	36 031	15 569	33 444	33 444	33 444	37 962	44 851	50 940
Other current investments > 90 days		0	-	(0)	0	0	0	0	(0)	(1 051)	(6 002)
Non current assets - investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		13 745	9 762	36 031	15 569	33 444	33 444	33 444	37 962	43 800	44 938
Application of cash and investments											
Unspent conditional transfers		-	1 021	1 164	1 021	1 052	1 052	1 052	1 052	986	986
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(16 145)	21 420	19 876	13 312	13 418	13 418	13 418	14 454	14 454	14 454
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(16 145)	22 441	21 039	14 333	14 470	14 470	14 470	15 506	15 440	15 440
Surplus(shortfall)		29 890	(12 679)	14 991	1 236	18 974	18 974	18 974	22 456	28 359	29 498

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".

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

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, it can be concluded that the adopted 2020/21 MTREF was funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

As can be seen the budget has been modeled to progressively since 2018/19 to a surplus by 2020/21.

Table A9 - Asset Management

DC40 Dr Kenneth Kaunda - Table A9 Asset Management

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year at 2021/22	Budget Year at 2022/23
CAPITAL EXPENDITURE											
Total New Assets	1		2 879	6 213	3 230	3 010	3 878	3 878	3 910	765	686
Roads Infrastructure			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Sewerage Infrastructure			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Canal Infrastructure			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	6 396	—	—	—	—	—	—	—
Infrastructure			—	2 230	—	—	—	—	—	—	—
Community Facilities			—	—	—	106	162	162	200	160	130
Sport and Recreation Facilities			—	—	—	—	—	—	—	—	—
Community Assets			—	—	—	760	162	162	200	160	130
Heritage Assets			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Operational Buildings			—	—	1 638	1 196	1 618	1 618	135	81	80
Housing			—	—	—	—	—	—	—	—	—
Other Assets			—	—	1 638	1 196	1 618	1 618	135	81	80
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			720	811	82	1 126	408	408	1 290	190	70
Intangible Assets			200	811	82	1 126	408	408	1 290	190	70
Computer Equipment			200	—	—	316	668	668	1 680	—	—
Furniture and Office Equipment			1 111	—	483	296	449	449	645	710	186
Machinery and Equipment			649	—	—	—	319	319	210	200	230
Transport Assets			—	—	1 288	—	738	738	—	—	—
Land			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2		—	—	—	—	—	—	—	—	—
Roads Infrastructure			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Sewerage Infrastructure			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Canal Infrastructure			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Infrastructure			—	—	—	—	—	—	—	—	—
Community Facilities			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	—	—	—	—	—	—	—	—
Community Assets			—	—	—	—	—	—	—	—	—
Heritage Assets			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Operational Buildings			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Other Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Computer Equipment			—	—	—	—	—	—	—	—	—
Furniture and Office Equipment			—	—	—	—	—	—	—	—	—
Machinery and Equipment			—	—	—	—	—	—	—	—	—
Transport Assets			—	—	—	—	—	—	—	—	—
Land			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	3		—	—	—	—	—	—	—	—	—
Roads Infrastructure			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			—	—	—	—	—	—	—	—	—
Sewerage Infrastructure			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Canal Infrastructure			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Infrastructure			—	—	—	—	—	—	—	—	—
Community Facilities			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	—	—	—	—	—	—	—	—
Community Assets			—	—	—	—	—	—	—	—	—
Heritage Assets			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Operational Buildings			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Other Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Computer Equipment			—	—	—	—	—	—	—	—	—
Furniture and Office Equipment			—	—	—	—	—	—	—	—	—
Machinery and Equipment			—	—	—	—	—	—	—	—	—
Transport Assets			—	—	—	—	—	—	—	—	—
Land			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—

Total Capital Expenditure	4	2 879	6 213	3 290	3 010	3 878	3 878	3 910	755	585
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	5 398	-	-	-	-	-	-	-
Infrastructure		-	5 398	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	100	182	182	200	150	130
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	100	182	182	200	150	130
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	1 538	1 190	1 048	1 048	125	85	60
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 538	1 190	1 048	1 048	125	85	60
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		723	817	62	1 120	490	490	1 290	190	70
Intangible Assets		723	817	62	1 120	490	490	1 290	190	70
<i>Computer Equipment</i>		202	-	-	310	660	660	1 480	-	-
<i>Furniture and Office Equipment</i>		1 111	-	403	290	449	449	545	110	105
<i>Machinery and Equipment</i>		843	-	-	-	319	319	270	220	220
<i>Transport Assets</i>		-	-	1 288	-	730	730	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2 879	6 213	3 290	3 010	3 878	3 878	3 910	755	585

ASSET REGISTER SUMMARY - PPE (WCV)	5	35 967	31 724	46 974	51 720	51 988	51 988	22 045	17 595	12 911
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sewerage Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure			14 095	11 912	11 912	21 488	21 488	10 157	7 657	5 657
Infrastructure			14 095	11 912	11 912	21 488	21 488	10 157	7 657	5 657
Community Assets			3 501	6 158	6 158	7 437	7 437	4 533	4 033	3 033
Heritage Assets										
Investment properties										
Other Assets		34 388	12 571	24 441	29 186	11 368	11 368	3 971	3 971	2 383
Biological or Cultivated Assets										
Intangible Assets		1 668	1 558	4 463	4 463	4 525	4 525	879	171	171
Computer Equipment										
Furniture and Office Equipment						7 171	7 171	2 506	1 786	1 700
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WCV)	5	35 967	31 724	46 974	51 720	51 988	51 988	22 045	17 595	12 911
EXPENDITURE OTHER ITEMS		7 973	9 091	8 959	7 848	7 848	7 848	7 931	8 241	8 387
Depreciation	7	7 219	8 908	7 760	5 440	5 440	5 440	5 299	5 543	5 795
Repairs and Maintenance by Asset Class	3	751	184	1 198	2 408	2 408	2 408	2 632	2 698	2 592
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sewerage Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure										
Community Facilities										
Sport and Recreation Facilities										
Community Assets										
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings				494	832	750	750	450	471	328
Housing										
Other Assets				494	832	750	750	450	471	328
Biological or Cultivated Assets										
Services										
Licences and Rights										
Intangible Assets										
Computer Equipment		299	84	586	850	850	850	1 200	1 290	1 260
Furniture and Office Equipment		453	100	1	254	223	223	199	208	218
Machinery and Equipment				36	290	233	233	233	244	241
Transport Assets				82	390	380	380	550	575	602
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL EXPENDITURE OTHER ITEMS		7 973	9 091	8 959	7 848	7 848	7 848	7 931	8 241	8 387
Renewal and upgrading of Existing Assets as % of total capital expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of depreciation		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		2.2%	0.6%	4.8%	4.7%	9.7%	8.7%	11.9%	15.3%	20.7%
Renewal and upgrading and R&M as a % of PPE		2.0%	1.0%	3.0%	5.0%	5.0%	5.0%	12.0%	15.0%	20.0%

MBRR Table A9 - Asset Management

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

The District Municipality maintenance of equipment has increased compared to 2019/20 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 R2.6 million for 2020/21.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Unit	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets										
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Living public tap (at least min. service level)										
Other water supply (at least min. service level)										
<i>Minimum Service Level and Above sub-total</i>										
Living public tap (> min. service level)										
Other water supply (> min. service level)										
No water supply										
<i>Below Minimum Service Level sub-total</i>										
Total number of households										
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Latrine toilet										
Pit toilet (if entitled)										
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										
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										
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week										
Living communal refuse dump										
Living semi refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>										
Total number of households										
Households receiving Free Basic Service										
Water (5 kilolitre per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (5 kilolitre 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 Settlements (R'000)										
Total cost of FBS provided										
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitre per household per month)										
Sanitation (kilolitre 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)										
Property rates (after adjustment) / impermissible values per section 17 of MPPA										
Property rates - ex-empted, reductions and rebates and impermissible rebates in excess of section 17 of MPPA										
Water (in excess of 5 kilolitre per indigent household per month)										
Sanitation (in excess of free sanitation service to indigent households)										
Electricity/other energy (in excess of 50 kwh per indigent household per month)										
Refuse (in excess of one removal a week for indigent households)										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided										

MBRR Table A9 - 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 2019.
- The 2020/21 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 2020.

OUTCOMES OF CONSULTATIVE PROCESS

- After Council's approval of the adjustment budget on 27 March 2020, 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 2020/ 21 budget year:
 - IDP / Budget Strategic Session
 - Budget Committee working sessions – HOD's / Unit Managers
 - Submission of the Draft IDP and Budget to Council (to be submitted to a special council meeting scheduled for May 2020)
 - Advertisement on a local newspaper once approved in council
 - 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.

DR KENNETH KAUNDA DISTRICT MUNICIPALITY - DC40
TIME SCHEDULE OF BUDGET KEY DEADLINES
2019/2020

MONTH	DUTIES MAYOR AND COUNCIL	DUTIES ADMINISTRATION
July 2019	Mayor to begin planning and coordinating for the next three year budget. MFMA Sec. 53	Accounting officer and senior officials of a municipality begin planning for the next three year budget. MFMA Sec. 68,77 No contracts exist for service delivery.
August 2019	Mayor tables in Council a time schedule outlining key deadlines for preparing, tabling and approving the budget, reviewing the IDP and budget related policies and consultation process at least 10 months before the start of budget year. MFMA Sec.21,22,23 MSA Sec. 34, Ch 4 as amended	
October 2019	Mayor considers any proposed changes to the reviewed budget related policies as submitted by the Accounting Officer for incorporation into the Annual	Accounting Officer and Senior Officials of a municipality reviews the budget related policies.
	Draft Budget.	
January 2020		Mid-year budget and performance assessment by the Accounting Officer in accordance with MFMA Sec.72 Accounting Officer finalizes and submits to the Mayor any proposed changes to the approved budget as per MFMA Sec.72 assessment.
		Accounting Officer reviews proposed National and Provincial allocations to municipality for incorporation into the draft budget for tabling. MFMA Sec.36
Feb.2020	Mayor tables the adjustment budget for approval.	Accounting Officer finalizes and submits to Mayor proposed budgets and plans for next three year budget taking into account the recent mid-year review and any corrective measures proposed years audited financial statements and annual report.
		Accounting Officer to notify relevant municipalities of projected allocations for next 3 years, 120 days prior to start of the budget year MFMA Sec.42

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EXPLORING PROSPERITY


2.2.1. Schedule of Key deadline

DR KENNETH KAUNDA DISTRICT MUNICIPALITY - DC40 TIMED SCHEDULE OF BUDGET KEY DEADLINES 2019/2020		
MONTH	DUTIES MAYOR AND COUNCIL	DUTIES ADMINISTRATION
March 2020	Mayor tables municipality budget, resolutions, plans and proposed revisions to IDP, budget related policies at least 90 days before the start of the budget year. MFMA Sec. 16, 22, 23, 27 ; MSA Sec. 34	Accounting Officer publishes tabled budget, plans and proposed revisions to IDP, invites the local Community to comment and submits to NT, PT and other stakeholders. MFMA Sec. 22 & 37 MSA Ch 4
April 2020		Accounting Officer assists the Mayor in revising budget documentation in accordance with consultative process and taking into account the results of the quarterly review of the current Financial year.
April/May 2020	Public hearings on the budget, and Council debate. Council considers views of the local Community, National Treasury and Provincial Treasury. Mayor to be provided with an opportunity to respond to submissions during consultations and table amendments for council consideration. Council consider approval of the budget and plans at least 30 days before the start of the budget year. MFMA Sec. 23, 24	Accounting Officer assist the Mayor in preparing the final budget documentation for consideration and approval at least 30 days before the start of the budget year taking into account consultative process and any other new material information.
May/June 2020	Council approve annual budget by resolution, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by revenue source and expenditure by vote before start of budget year.	Accounting Officer submits to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by Sec. 57(1) (b) of the MSA .

	<p>MFMA Sec.16,24,26,53 Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with Sec. 57(2) of the MSA.</p>	
	<p>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA Sec.53; MSA Sec. 38-45, 57(2)</p>	
<p>Abbreviations : MFMA – Municipal Finance Management Act, No. 56 of 2003; MSA – Municipal Systems Act, No.32 of 2000 as amended; SDBIP – Service Delivery and Budget Implementation Plan; IDP – Integrated Development Plan.</p>		

THEREFORE RECOMMENDED

That the time schedule of budget key deadlines for 2019/2020 budget year is tabled before the Municipal Council for approval.


SM LESUPI
MUNICIPAL MANAGER

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

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
DR KENNETH KAUNDA DISTRICT ECONOMIC AGENCY												
SPATIAL RATIONALE					195	—	—	—	—	—	—	—
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					117	—	—	—	—	—	—	—
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT					175 297	155 339	191 058	194 225	194 225	200 135	207 060	213 171
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT					99	—	3 225	3 225	3 225	—	—	—
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT					5 678	5 891	5 302	5 302	5 302	4 671	3 139	3 315
Allocations to other priorities			2		179 479							
Total Revenue (excluding capital transfers and contributions)			1		179 479	194 374	190 430	200 058	202 750	202 750	210 199	216 486

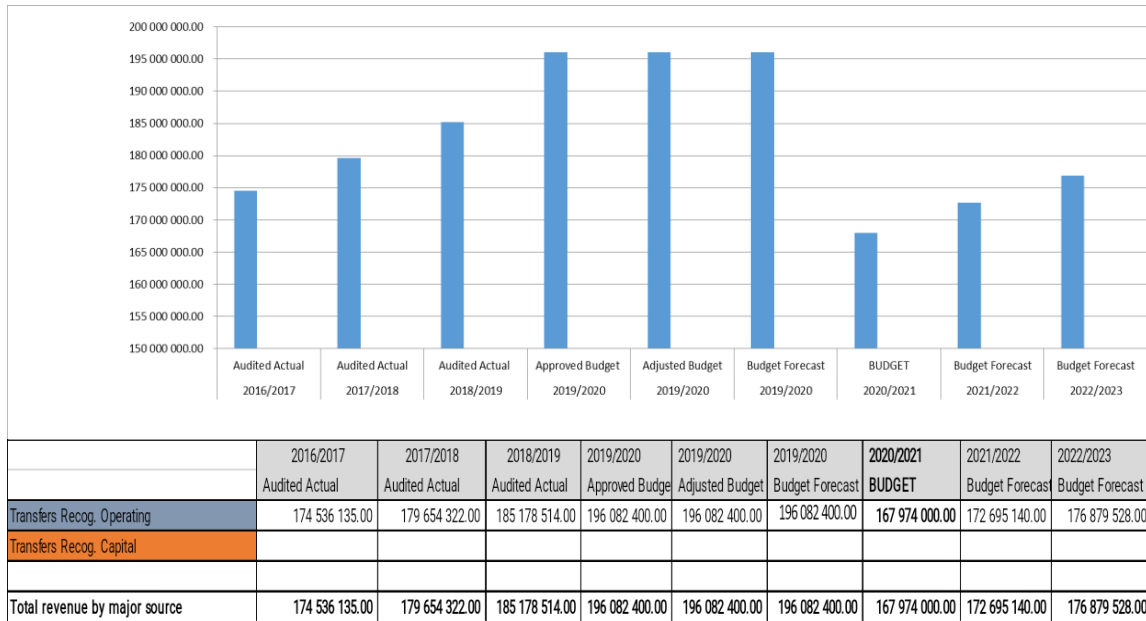
2.3. Measurable performance objectives and indicators

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)

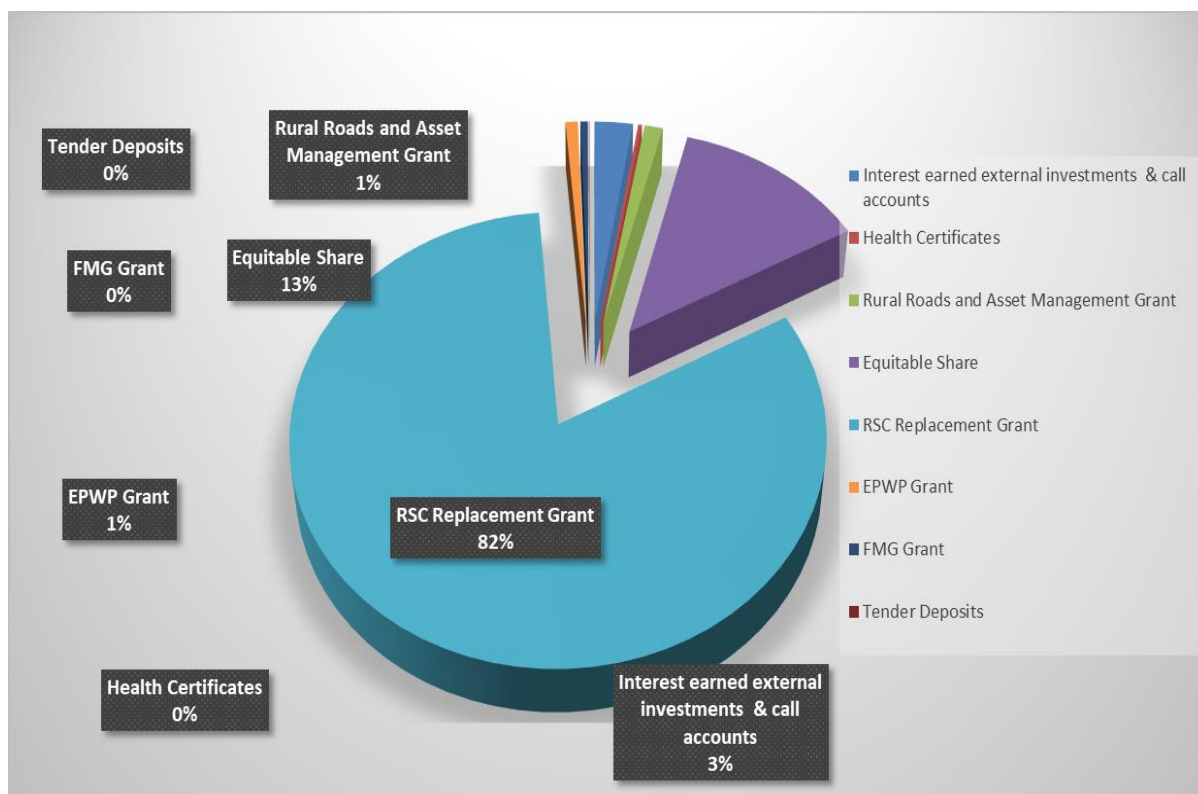
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
				R thousand									
Dr Kenneth Kaunda District Economic Agency				11 158	12 515	12 454	14 320	13 110	13 110	14 513	15 391	15 581	
Spatial Rationale				9 227	8 132	7 813	10 159	9 685	9 685	9 177	9 589	9 551	
Good Governance And Public Participation				49 265	63 352	42 407	59 309	56 534	56 534	67 574	70 567	73 200	
Municipal Financial Viability And Management				42 211	43 930	38 756	33 863	34 136	34 136	31 342	32 603	33 615	
Municipal Transformation And Institutional Development				19 889	21 826	32 516	27 602	27 050	27 060	25 523	26 509	27 466	
Basic Service Delivery And Infrastructure Development				42 112	35 916	37 651	51 479	57 727	57 727	52 963	53 574	55 771	
Allocations to other priorities													
Total Expenditure				1	173 863	196 825	171 736	196 732	196 572	196 572	201 882	208 303	215 526

REVENUE BY MAJOR SOURCE



SOURCE OF FUNDING AS A PERCENTAGE (%)

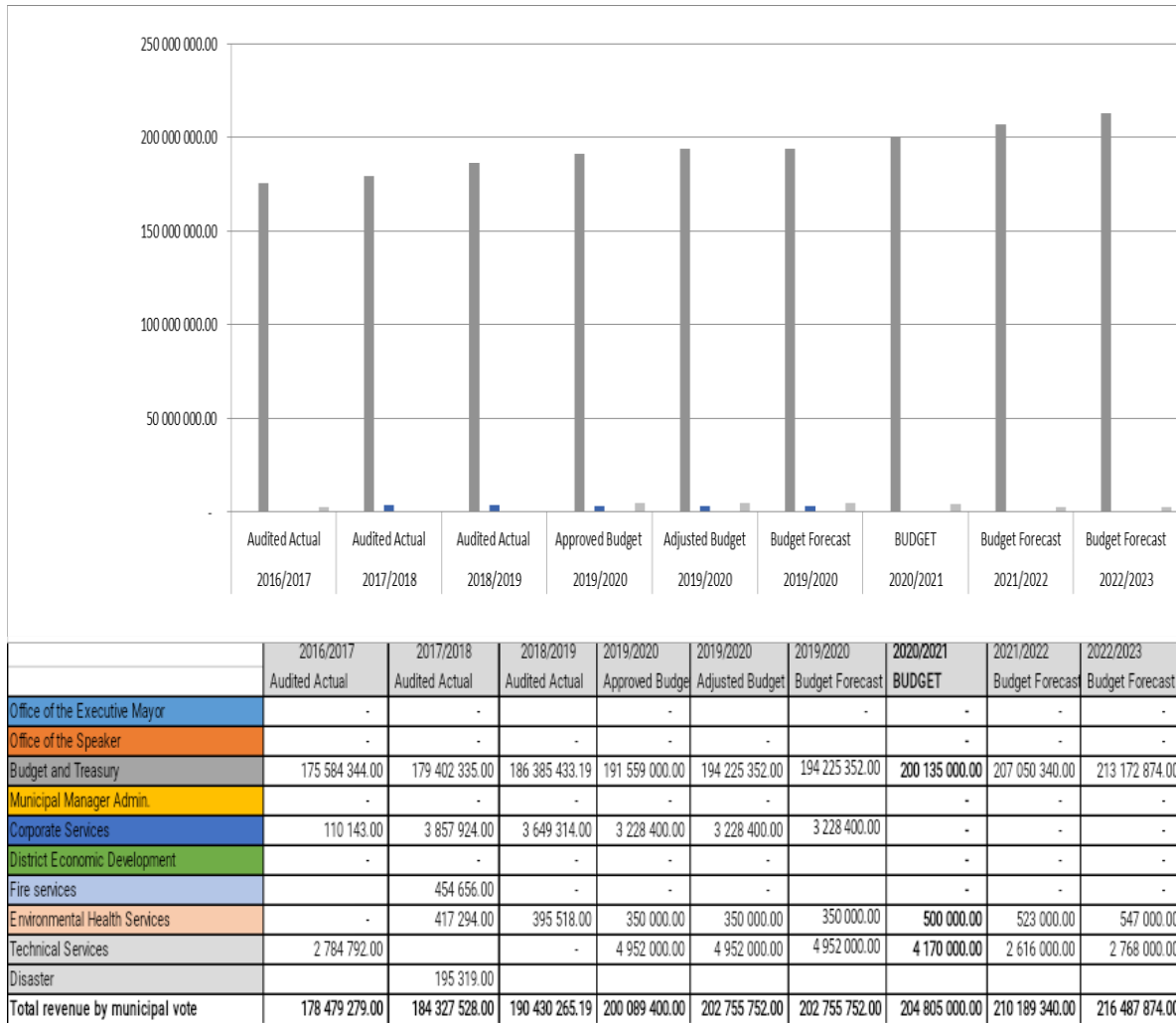
The following sources of funding forms part of funding as a percentage of total funding :		
		As % of
BUDGET FUNDING		Total funding
Interest earned external investments & call accounts	5 200 000	2.5
Health Certificates	500 000	0.2
Rural Roads and Asset Management Grant	2 480 000	1.2
Equitable Share	26 461 000	12.9
RSC Replacement Grant	167 384 000	81.7
EPWP Grant	1 691 000	0.8
FMG Grant	1 000 000	0.5
Tender Deposits	90 000	0.0
TOTAL FUNDING	204 806 000	100.00



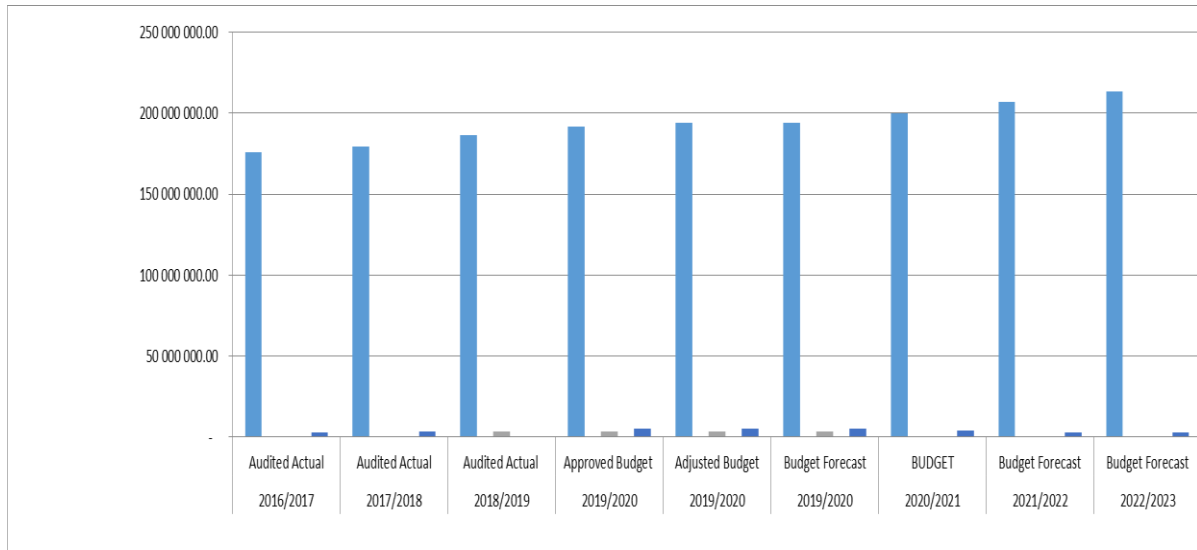
REVENUE BY MINOR SOURCE



REVENUE BY MUNICIPAL VOTE

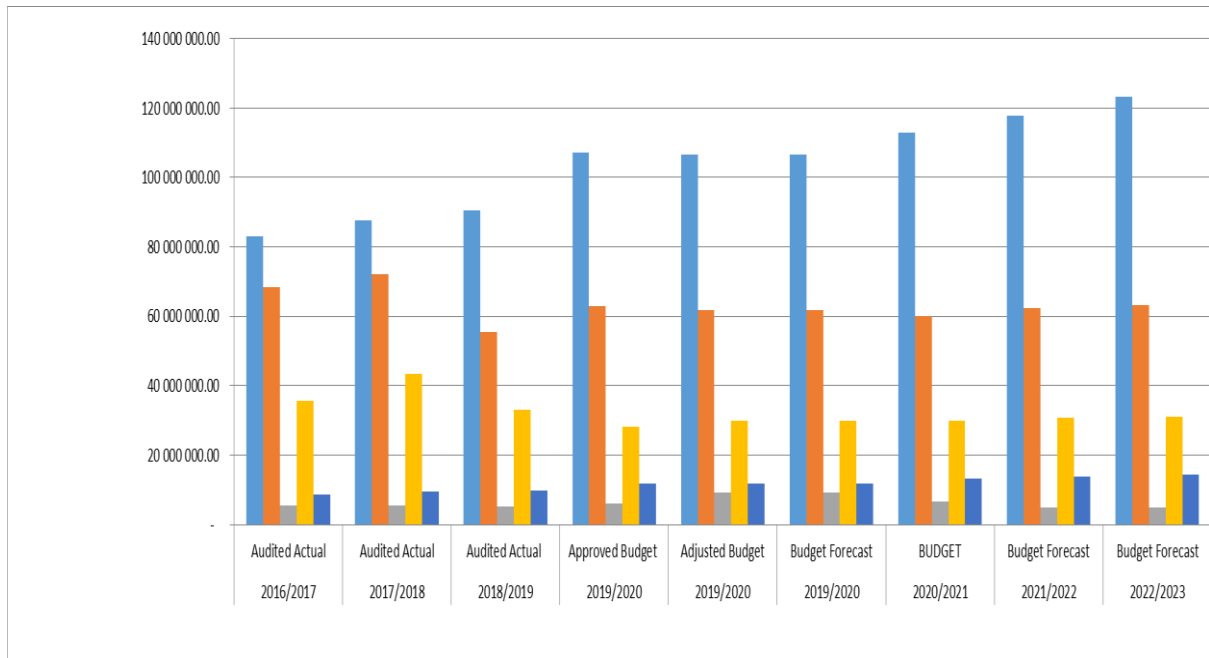


REVENUE BY STANDARD CLASSIFICATION



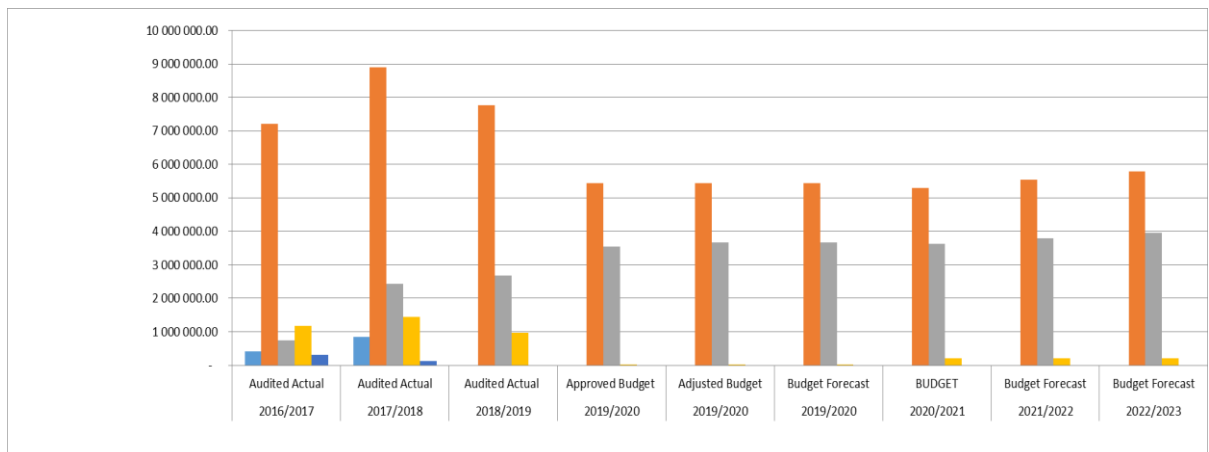
	2016/2017 Audited Actual	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Approved Budget	2019/2020 Adjusted Budget	2019/2020 Budget Forecast	2020/2021 BUDGET	2021/2022 Budget Forecast	2022/2023 Budget Forecast
Executive Mayor	-	46 851.32	-	-	-	-	-	-	-
Budget and Treasury	175 584 344.00	179 402 247.39	186 385 433.19	191 559 000.00	194 225 352.00	194 225 352.00	200 135 000.00	207 050 340.00	213 172 873.00
Municipal Manager	-	-	-	-	-	-	-	-	-
Corporate Services	110 143.00	97 666.00	3 649 314.00	3 228 400.00	3 228 400.00	3 228 400.00	-	-	-
Public Safety	-	649 975.35	-	-	-	-	-	-	-
Planning and Development-Technical	2 784 792.00	3 760 258.34	-	4 952 000.00	4 952 000.00	4 952 000.00	4 171 000.00	2 616 000.00	2 768 000.00
Environmental Health Services	-	417 293.61	395 518.00	350 000.00	350 000.00	350 000.00	500 000.00	523 000.00	547 058.00
Total revenue by standard class	178 479 279.00	184 374 292.01	190 430 265.19	200 089 400.00	202 755 752.00	202 755 752.00	204 806 000.00	210 189 340.00	216 487 931.00

OPERATING EXPENDITURE BY MAJOR TYPE



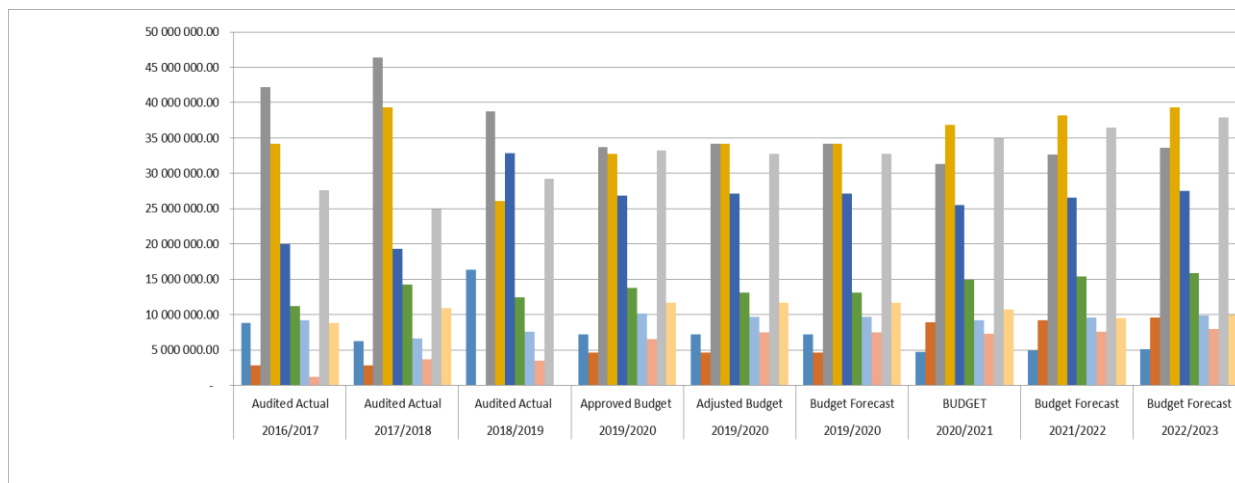
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Employee Related Costs	83 018 024.00	87 581 740.00	90 647 860.00	107 119 966.00	106 652 681.00	106 652 681.00	112 878 908.00	117 887 283.00	123 310 098.00
Other expenditure	68 402 881.00	72 053 932.00	55 624 234.00	62 842 092.00	61 700 096.00	61 700 096.00	60 214 150.00	62 268 191.00	63 280 108.00
Grants&Subsidies Paid Operating	5 553 058.00	5 379 990.00	5 178 050.00	5 949 000.00	9 144 000.00	9 144 000.00	6 691 000.00	5 023 000.00	5 047 058.00
Contracted services	35 568 280.00	43 519 476.00	33 201 471.00	28 150 000.00	30 015 412.00	30 015 412.00	29 790 300.00	30 725 854.00	31 014 829.00
Remuneration of councillors	8 597 537.00	9 620 366.00	9 850 183.00	11 841 911.27	11 960 911.00	11 960 911.00	13 190 315.00	13 797 070.00	14 431 735.00
Total expenditure major type	201 139 780.00	218 155 504.00	194 501 798.00	215 902 969.27	219 473 100.00	219 473 100.00	222 764 673.00	229 701 398.00	237 083 828.00

OPERATING EXPENDITURE BY MINOR TYPE



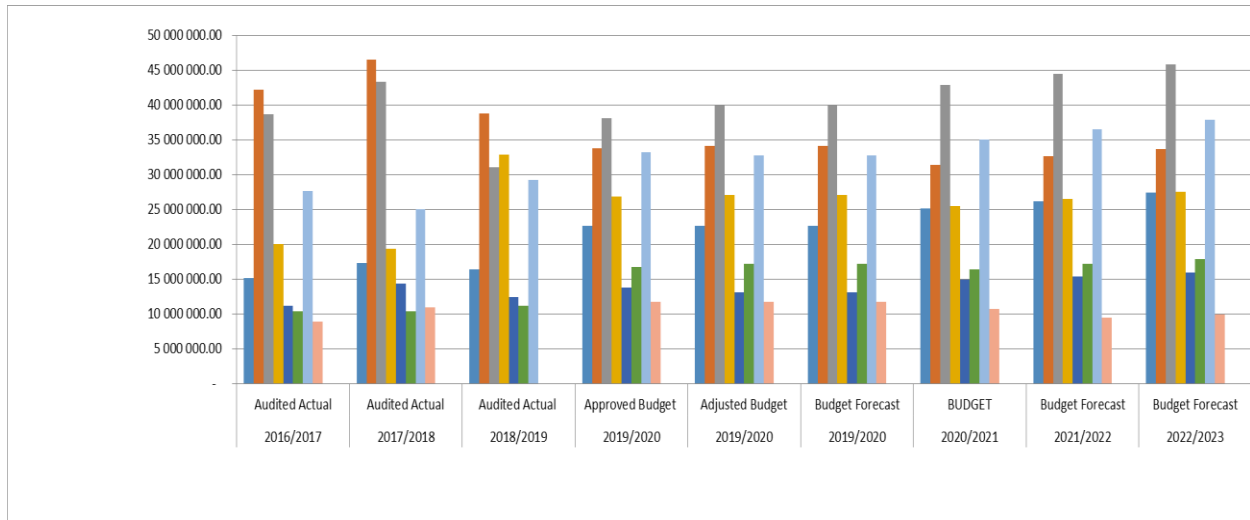
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Finance charges	421 302.00	848 701.00	-	-	-	-	-	-	-
Depreciation & asset impairment	7 219 082.00	8 907 712.00	7 760 118.00	5 439 949.00	5 439 949.00	5 439 949.00	5 298 933.00	5 542 684.00	5 797 647.00
Other materials	751 367.00	2 432 337.00	2 675 615.00	3 539 000.00	3 674 000.00	3 674 000.00	3 618 500.00	3 784 951.00	3 959 059.00
Loss on disposal of PPE	1 177 371.00	1 433 859.00	959 539.00	20 000.00	20 000.00	20 000.00	215 000.00	215 000.00	215 000.00
Debt impairment	310 984.00	121 331.00	-	-	-	-	-	-	-
Total expenditure by minor type	9 880 106.00	13 743 940.00	11 395 272.00	8 998 949.00	9 133 949.00	9 133 949.00	9 132 433.00	9 542 635.00	9 971 706.00

OPERATING EXPENDITURE BY MUNICIPAL VOTE



	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Office of the Executive Mayor	8 787 358.36	6 265 639.37	16 340 490.00	7 215 030.00	7 230 030.00	7 230 030.00	4 682 271.68	4 897 656.00	5 122 948.00
Office of the Speaker	2 851 519.30	2 809 164.51	-	4 600 072.00	4 615 072.00	4 615 072.00	8 896 767.38	9 201 419.00	9 624 684.00
Chief Whip	-	4 443 891.25	-	5 849 579.27	5 849 579.10	5 849 579.10	6 118 365.86	6 399 811.00	6 694 202.00
Councillors	3 471 907.74	3 782 141.41	-	4 950 399.00	4 950 399.00	4 950 399.00	5 403 000.00	5 651 538.00	5 911 509.00
Budget and Treasury	42 210 884.00	46 431 116.52	38 795 147.00	33 742 562.00	34 135 974.00	34 135 974.00	31 342 433.97	32 663 384.00	33 615 208.00
Municipal Manager Admin.	34 157 365.12	39 347 130.63	26 066 807.00	32 793 320.00	34 188 912.00	34 188 912.00	36 825 224.42	38 145 545.00	39 346 723.00
Internal Audit	4 514 127.48	3 942 577.22	4 950 010.00	5 315 048.00	5 732 047.90	5 732 047.90	6 048 686.95	6 270 807.00	6 500 320.00
Corporate Services Admin.	19 989 230.00	19 301 080.61	32 815 516.00	26 817 728.00	27 079 728.00	27 079 728.00	25 522 680.34	26 508 989.00	27 466 490.00
District Economic Development	11 156 254.18	14 277 267.09	12 454 237.00	13 800 056.00	13 110 056.00	13 110 056.00	14 912 820.76	15 391 121.00	15 891 422.00
Disaster Management Services	9 226 646.99	6 650 260.58	7 612 532.00	10 158 841.00	9 684 841.00	9 684 841.00	9 176 803.56	9 598 937.00	9 880 725.00
Fire Emergency Services	1 185 904.01	3 699 797.28	3 488 888.00	6 540 882.00	7 521 882.00	7 521 882.00	7 255 349.72	7 589 096.00	7 938 194.00
Environmental Health Services	27 582 187.00	24 961 899.18	29 212 433.00	33 246 606.00	32 771 606.00	32 771 606.00	34 973 453.38	36 504 032.00	37 884 654.00
Technical Services	8 829 866.82	10 912 722.46	-	11 701 795.00	11 701 510.00	11 701 510.00	10 733 947.98	9 480 844.00	9 948 626.00
Total Operating Expenditure	173 963 251.00	186 824 688.11	171 736 060.00	196 731 918.27	198 571 637.00	198 571 637.00	201 891 806.00	208 303 179.00	215 825 705.00

OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

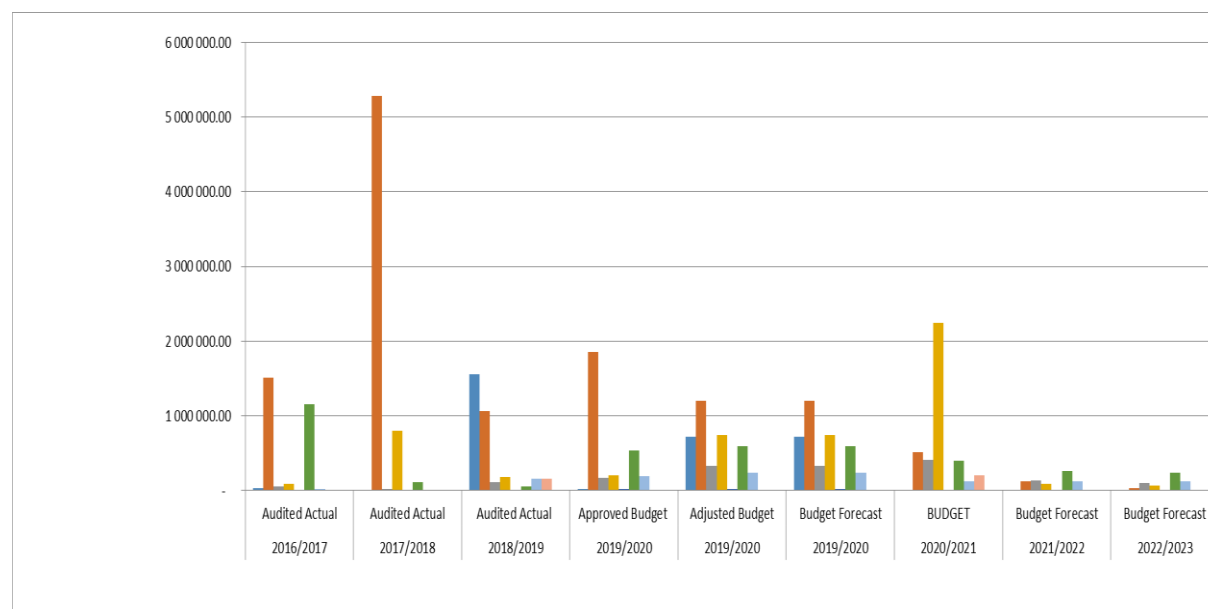


	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	15 110 785.40	17 300 836.54	16 340 490.00	22 615 080.27	22 645 080.10	22 645 080.10	25 100 404.92	26 150 424.00	27 353 343.00
Budget and Treasury	42 210 884.00	46 431 116.52	38 795 147.00	33 742 562.00	34 135 974.00	34 135 974.00	31 342 433.97	32 663 384.00	33 615 208.00
Municipal Manager Admin.	38 671 492.60	43 289 707.85	31 016 817.00	38 108 368.00	39 920 959.90	39 920 959.90	42 873 911.37	44 416 352.00	45 847 043.00
Corporate Services Admin.	19 989 230.00	19 301 080.61	32 815 516.00	26 817 728.00	27 079 728.00	27 079 728.00	25 522 680.34	26 508 989.00	27 466 490.00
Planning&Development-Economic	11 156 254.18	14 277 267.09	12 454 237.00	13 800 056.00	13 110 056.00	13 110 056.00	14 912 820.76	15 391 121.00	15 891 422.00
Public Safety	10 412 551.00	10 350 057.86	11 101 420.00	16 699 723.00	17 206 723.00	17 206 723.00	16 432 153.28	17 188 033.00	17 818 919.00
Municipal Health Services	27 582 187.00	24 961 899.18	29 212 433.00	33 246 606.00	32 771 606.00	32 771 606.00	34 973 453.38	36 504 032.00	37 884 654.00
Planning&Development-Technical	8 829 866.82	10 912 722.46	-	11 701 795.00	11 701 510.00	11 701 510.00	10 733 947.98	9 480 844.00	9 948 626.00
TOTALS	173 963 251.00	186 824 688.11	171 736 060.00	196 731 918.27	198 571 637.00	198 571 637.00	201 891 806.00	208 303 179.00	215 825 705.00

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:



	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	30 238.00	-	1 559 411.16	25 000.00	725 000.00	725 000.00	10 000.00	10 000.00	10 000.00
Budget and Treasury	1 516 848.00	5 278 162.17	1 068 966.22	1 855 000.00	1 205 000.00	1 205 000.00	520 000.00	120 000.00	35 000.00
Municipal Manager Admin.	59 850.00	18 820.67	111 566.00	165 000.00	335 000.00	335 000.00	415 000.00	140 000.00	100 000.00
Corporate Services Admin.	88 001.00	797 700.00	181 031.00	200 000.00	748 000.00	748 000.00	2 240 000.00	90 000.00	70 000.00
Planning and Development-Economic	-	-	-	20 000.00	20 000.00	20 000.00	-	-	-
Public Safety	1 161 574.00	118 141.21	56 800.00	540 000.00	590 000.00	590 000.00	395 000.00	265 000.00	240 000.00
Health	22 609.00	-	155 443.79	195 000.00	245 000.00	245 000.00	130 000.00	130 000.00	130 000.00
Planning and Development-Technical	-	-	157 136.00	10 000.00	10 000.00	10 000.00	200 000.00	-	-
TOTALS	2 879 120.00	6 212 824.05	3 290 354.17	3 010 000.00	3 878 000.00	3 878 000.00	3 910 000.00	755 000.00	585 000.00

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 2020/21 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 2020/21 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 2020/21 MTREF - Circular 99 of 09 March 2020.
- 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 2020/21 to 2022/23 calculations were based on Consumer Price Index of 4.5% 2020/21, 4.6% 2021/22 and 4.6% 2022/23 published on the MFMA Circular no. 99.

Fiscal Year	2019	2020	2021	2022
	Estimate	Forecast		
CPI Inflation	4.1%	4.5%	4.6%	4.6%

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2020/2021 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 4.5%, 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 2020/21 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 2020/21 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Revenue generated from Health certificates forms a significant percentage of the Revenue basket for the district. Health certificates comprises of 0.2% of the total revenue mix as depicted below in the 2020/21 financial year.

More than 90% of revenue results from equitable share.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment					-	-	-	-			
Interest earned - external investments		2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Interest earned - outstanding debtors				-	-	-	-	-		-	-
Dividends received	2	2	2	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	313	396	-	-	-	-	500	523	547
Agency services		-	-	-	-	-	-	-		-	-
Transfers and subsidies		174 536	179 654	185 179	196 082	196 082	196 082	196 082	31 632	32 055	33 919
Other revenue	2	1 570	1 122	1 253	1 057	1 828	1 828	1 828	167 474	172 172	176 332
Gains		39	510	8							
Total Revenue (excluding capital transfers and contributions)		178 479	184 374	190 430	200 089	202 756	202 756	202 756	204 806	210 189	216 488

Operating Expenditure Framework

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure).

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Expenditure By Type											
Employee related costs	2	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors		8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Debt impairment	3	311	121	–							
Depreciation & asset impairment	2	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges		421	849	–							
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	751	2 432	2 676	3 539	3 674	3 674	3 674	3 619	3 785	3 959
Contracted services		35 568	43 519	33 201	28 150	30 015	30 015	30 015	29 790	30 726	31 015
Transfers and subsidies		5 553	5 380	5 178	5 949	9 144	9 144	9 144	6 691	5 023	5 047
Other expenditure	4, 5	31 346	26 979	21 463	34 672	31 665	31 665	31 665	30 209	31 327	32 050
Losses		1 177	1 434	960	20	20	20	20	215	215	215
Total Expenditure		173 963	186 825	171 736	196 732	198 572	198 572	198 572	201 892	208 303	215 826

The budgeted allocation for employee related costs for the 2020/21 financial year totals R112.8 million, which equals 55.9 per cent of the total operating expenditure amounting to R201.8 million excluding Capital expenditure of R3.9 million.

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the District budget.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for Maintenance, cleaning materials and chemicals.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings can be achieved.

2.7. Expenditure on Allocations and Grants Programme

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

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:		1									
Operating expenditure of transfers and grants											
National Government:			174 280	175 673	184 532	192 654	192 654	192 654	31 632	32 055	33 919
Local Government Equitable Share			19 608	20 039	21 710	24 622	24 622	24 622	26 481	26 438	30 151
Expanded Public Works Programme Integrated Unit			1 418	1 262	1 101	1 049	1 049	1 049	1 091		-
Local Government Financial Management Grant			1 200	1 200	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement Grant					-						
RSC Levy Replacement			149 710	153 637	158 323	162 977	162 977	162 977			
Rural Road Asset Management Systems Grant			2 242	2 455	2 345	2 606	2 606	2 606	2 480	2 616	2 765
Provincial Government:			-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant											
District Municipality:			-	-	-	-	-	-	-	-	-
(insert description)											
Other grant providers:			1 162	981	646	3 225	3 225	3 225	-	-	-
Education Training and Development Practices			110	96	100	3 225	3 225	3 225			
HR support grant				400							
UNISA (mheku/busha)			1 052	429	486						
Other capital transfers/grants (insert desc)											
Total operating expenditure of Transfers and Grants			175 472	179 654	185 179	196 052	196 032	196 052	31 632	32 055	33 919
Capital expenditure of Transfers and Grants											
National Government:			-	-	-	-	-	-	-	-	-
Other capital transfers/grants (insert desc)											
Provincial Government:			-	-	-	-	-	-	-	-	-
Other capital transfers/grants (insert description)											
District Municipality:			-	-	-	-	-	-	-	-	-
(insert description)											
Other grant providers:			-	-	-	-	-	-	-	-	-
Education Training an											
Total capital expenditure of Transfers and Grants			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			175 472	179 654	185 179	196 052	196 032	196 052	31 632	32 055	33 919

2.8. Allocations or Grants made by the Municipality

DC40 Dr Kenneth Kaunda - Supporting Table SA21 Transfers and grants made by the municipality

Description	Fy1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Fall Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Transfers to other municipalities <i>Insert description</i> Municipal Entities	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>	2	2 832	3 880	3 880	-	3 080	3 080	3 080	3 080	3 080	3 080
Total Cash Transfers To Entities/Other		2 832	3 880	3 880	-	3 080	3 080	3 080	3 080	3 080	3 080
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 Profit Institutions and Private Enterprises/SEC/COOP/BNF/IN/VO/NGO/SM</i>	50	337	(29)	-	100	100	100	100	100	105	109
Total Cash Transfers To Organisations		337	(29)	-	100	100	100	100	100	105	109
Cash Transfers to Groups of Individuals <i>Summarise</i> <i>Non Profit Institutions and Private Enterprises</i>		2 953	2 285	2 852	2 480	2 480	2 480	2 480	-	-	-
Total Cash Transfers To Groups Of Individuals:		2 953	2 285	2 852	2 760	2 760	2 760	2 760	180	185	189
TOTAL CASH TRANSFERS AND GRANTS	6	5 921	5 247	5 852	2 800	5 800	5 800	5 800	3 200	3 209	3 279
Non-Cash Transfers to other municipalities <i>Insert Municipality</i>	1	32									
Total Non-Cash Transfers To Municipalities:		32	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i> LED support grants	2				1 880	1 080	1 080	1 080	1 580	1 580	1 580
Total Non-Cash Transfers To Entities/Other		-	-	-	1 880	1 080	1 080	1 080	1 580	1 580	1 580
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>Summarise</i> Other-EPWP Social Assistance/POVERTY RELIEF	5		133	125	280	280	280	280	180	185	189
Total Non-Cash Grants To Groups Of Individuals:		-	133	125	2 749	2 344	2 344	2 344	1 961	1 974	1 925
TOTAL NON-CASH TRANSFERS AND GRANTS		32	133	125	3 749	3 344	3 344	3 344	3 491	3 514	3 425
TOTAL TRANSFERS AND GRANTS	6	5 953	5 380	5 975	5 949	9 144	9 144	9 144	6 691	6 723	6 704

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

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

Councillors

On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The provision made on the 2020/21 financial year amounting to R13.1 million. is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase. The payment of allowances to councillors for 2020/21 will be made using the upper limit gazette available during payment of such allowances.

Senior Officials and Municipal Staff

The total budget for 2020/2021 employee related cost amounts R112.8 million.

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

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		8 598	9 620	6 470	8 466	8 085	8 085	8 915	9 325	9 755
Pension and UIF Contributions		—	—	589	371	709	709	750	785	855
Medical Aid Contributions		—	—	263	308	260	260	434	454	314
Motor Vehicle Allowance		—	—	1 232	1 523	1 503	1 503	1 569	1 641	1 813
Cellphone Allowance		—	—	725	688	808	808	886	927	975
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	571	486	596	596	635	665	720
Sub Total - Councillors		8 598	9 620	9 850	11 842	11 961	11 961	13 190	13 797	14 432
% increase	4		11.9%	2.4%	20.2%	1.0%	—	10.3%	4.6%	4.6%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7 973	7 237	1 552	9 135	5 753	5 753	7 007	7 319	7 655
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	77	—	—	—	—	—	—
Motor Vehicle Allowance	3	290	—	48	—	—	—	—	—	—
Cellphone Allowance	3	47	—	22	102	68	68	91	95	100
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	961	—	21	—	—	—	—	—	—
Payments in lieu of leave	3	39	—	448	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		9 311	7 237	2 168	9 238	5 821	5 821	7 099	7 414	7 755
% increase	4		(22.3%)	(70.0%)	326.1%	(37.0%)	—	21.9%	4.4%	4.6%
Other Municipal Staff										
Basic Salaries and Wages		45 137	48 340	57 705	62 299	63 149	63 149	65 619	68 529	71 681
Pension and UIF Contributions		7 236	7 741	7 853	11 249	10 607	10 607	11 286	11 787	12 329
Medical Aid Contributions		2 982	2 991	3 147	3 922	4 404	4 404	4 189	4 375	4 577
Overtime		150	160	130	192	242	242	257	268	280
Performance Bonus		—	—	3 880	4 206	4 680	4 680	5 065	5 290	5 533
Motor Vehicle Allowance	3	7 183	8 200	8 331	9 127	9 668	9 668	10 518	10 985	11 491
Cellphone Allowance	3	847	920	848	686	1 140	1 140	1 201	1 254	1 312
Housing Allowances	3	443	395	456	844	654	654	832	868	908
Other benefits and allowances	3	6 377	3 362	2 318	2 003	2 755	2 755	2 987	3 119	3 263
Payments in lieu of leave		2 829	7 705	3 558	2 981	3 159	3 159	3 432	3 584	3 749
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	524	530	255	373	373	373	396	413	432
Sub Total - Other Municipal Staff		73 708	80 345	88 480	97 882	100 831	100 831	105 780	110 473	115 555
% increase	4		9.0%	10.1%	10.6%	3.0%	—	4.9%	4.4%	4.6%
Total Parent Municipality		91 616	97 202	100 498	118 962	118 614	118 614	126 069	131 684	137 742
			6.1%	3.4%	18.4%	(0.3%)	—	6.3%	4.5%	4.6%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% increase	4		—	—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		91 616	97 202	100 498	118 962	118 614	118 614	126 069	131 684	137 742
% increase	4		6.1%	3.4%	18.4%	(0.3%)	—	6.3%	4.5%	4.6%
TOTAL MANAGERS AND STAFF	5,7	83 018	87 582	90 648	107 120	106 653	106 653	112 879	117 887	123 310

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	R/ thousand	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property sales														--	--	--
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		309	159	294	440	631	186	138	293	180	408	490	1 723	5 203	5 438	5 808
Interest earned - outstanding debtors														--	--	--
Dividends received														--	--	--
Fines, penalties and forfeits														--	--	--
Licences and permits		40	40	35	40	37	40	40	40	40	40	40	68	500	523	547
Agency services														--	--	--
Transfers and subsidies		13 141	2 159	--	--	762	7 701	--	1 250	8 616	--	--	4	31 632	32 055	33 919
Other revenue		68 627	--	33	0	15	58 916	--	8	41 646	--	8	12	187 474	172 172	176 332
Gains														--	--	--
Total Revenue (excluding capital transfers and costs)		82 117	2 358	352	480	1 444	64 824	178	1 590	48 662	448	530	1 806	204 808	210 189	219 488
Expenditure By Type																
Employee related costs		9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 408	112 879	117 867	123 318
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	13 190	13 797	14 432
Debt impairment		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Depreciation & asset impairment		456	456	456	456	456	456	456	456	456	456	456	263	5 269	5 543	5 798
Finance charges		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Bulk purchases		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other materials		302	302	302	302	302	302	302	302	302	302	302	301	3 619	3 768	3 909
Contracted services		2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 483	2 482	29 790	30 726	31 815
Transfers and subsidies		558	558	558	558	558	558	558	558	558	558	558	558	6 691	5 023	5 047
Other expenditure		2 526	2 526	2 526	2 526	2 526	2 526	2 526	2 526	2 526	2 526	2 526	2 405	30 209	31 327	32 036
Losses		2	2	2	2	2	2	2	2	2	2	2	197	215	215	215
Total Expenditure		18 833	18 833	18 833	18 833	18 833	18 833	18 833	18 833	18 833	18 833	18 833	18 833	201 862	209 303	215 826
Surplus/(Deficit)		63 284	(14 474)	(18 471)	(18 344)	(15 388)	47 991	(16 657)	(15 243)	31 829	(18 385)	(16 303)	(14 926)	2 914	1 886	862
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)														--	--	--
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)														--	--	--
Transfers and subsidies - capital (in-kind - all)														--	--	--
Surplus/(Deficit) after capital transfers & contributions		63 284	(14 474)	(18 471)	(18 344)	(15 388)	47 991	(16 657)	(15 243)	31 829	(18 385)	(16 303)	(14 926)	2 914	1 886	862
Taxation														--	--	--
Attributable to minorities														--	--	--
Share of surplus/ (deficit) of associate														--	--	--
Surplus/(Deficit)	1	63 284	(14 474)	(18 471)	(18 344)	(15 388)	47 991	(16 657)	(15 243)	31 829	(18 385)	(16 303)	(14 926)	2 914	1 886	862

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

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

Description														Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23														
Revenue by Vote																													
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-														
Vote 2 - MUNICIPAL MANAGER													-	-	-														
Vote 3 - CORPORATE SERVICES													-	-	-														
Vote 4 - FINANCIAL SERVICES	82 077	159	327	448	646	94 754	136	301	48 622	435	498	1 735	200 135	207 050	213 173														
Vote 5 - TECHNICAL SERVICES		2 160			762			1 250					4 171	2 616	2 768														
Vote 6 - PLANNING AND DEVELOPMENT													-	-	-														
Vote 7 - MUNICIPAL HEALTH SERVICES	40	40	35	40	37	40	40	40	40	40	40	65	500	523	547														
Vote 8 - PUBLIC SAFETY													-	-	-														
Vote 9 - [NAME OF VOTE 9]													-	-	-														
Vote 10 - [NAME OF VOTE 10]													-	-	-														
Vote 11 - [NAME OF VOTE 11]													-	-	-														
Vote 12 - [NAME OF VOTE 12]													-	-	-														
Vote 13 - [NAME OF VOTE 13]													-	-	-														
Vote 14 - [NAME OF VOTE 14]													-	-	-														
Vote 15 - [NAME OF VOTE 15]													-	-	-														
Total Revenue by Vote	82 117	2 358	362	488	1 444	94 824	176	1 551	48 662	445	536	1 806	204 666	210 189	216 488														
Expenditure by Vote to be appropriated																													
Vote 1 - EXECUTIVE AND COUNCIL	2 092	2 062	2 092	2 062	2 092	2 092	2 092	2 092	2 092	2 092	2 092	2 090	25 100	26 150	27 353														
Vote 2 - MUNICIPAL MANAGER	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	3 581	42 674	44 416	45 847														
Vote 3 - CORPORATE SERVICES	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	25 523	26 509	27 466														
Vote 4 - FINANCIAL SERVICES	2 612	2 612	2 612	2 612	2 612	2 612	2 612	2 612	2 612	2 612	2 612	2 612	31 342	32 663	33 615														
Vote 5 - TECHNICAL SERVICES	894	894	894	894	894	894	894	894	894	894	894	894	10 734	9 481	9 949														
Vote 6 - PLANNING AND DEVELOPMENT	1 243	1 243	1 243	1 243	1 243	1 243	1 243	1 243	1 243	1 243	1 243	1 243	14 913	15 391	15 891														
Vote 7 - MUNICIPAL HEALTH SERVICES	2 914	2 914	2 914	2 914	2 914	2 914	2 914	2 914	2 914	2 914	2 914	2 914	34 972	36 504	37 885														
Vote 8 - PUBLIC SAFETY	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	1 369	16 432	17 198	17 819														
Vote 9 - [NAME OF VOTE 9]													-	-	-														
Vote 10 - [NAME OF VOTE 10]													-	-	-														
Vote 11 - [NAME OF VOTE 11]													-	-	-														
Vote 12 - [NAME OF VOTE 12]													-	-	-														
Vote 13 - [NAME OF VOTE 13]													-	-	-														
Vote 14 - [NAME OF VOTE 14]													-	-	-														
Vote 15 - [NAME OF VOTE 15]													-	-	-														
Total Expenditure by Vote	16 833	16 833	16 833	16 833	16 833	16 833	16 833	16 833	16 833	16 833	16 833	16 730	201 662	208 303	215 626														
Surplus/(Deficit) before assoc.	65 284	(14 474)	(16 471)	(16 345)	(15 389)	47 991	(16 657)	(15 243)	31 829	(16 385)	(16 303)	(14 925)	2 914	1 886	662														
Taxation													-	-	-														
Attributable to minorities													-	-	-														
Share of surplus/(deficit) of associate													-	-	-														
Surplus/(Deficit)	65 284	(14 474)	(16 471)	(16 345)	(15 389)	47 991	(16 657)	(15 243)	31 829	(16 385)	(16 303)	(14 925)	2 914	1 886	662														

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

DC40 Dr Kenneth Kaunda - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)	0	10 204	(19 414)	(10 411)	(10 244)	(10 305)	41 391	(10 057)	(10 243)	21 039	(10 265)	(10 303)	(19 563)	2 914	1 080	856
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Budget Year 2023/21															Medium Term Revenue and Expenditure Framework		
Description	Ref	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Multi-year expenditure to be appropriated	1																
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-	
Vote 2 - MUNICIPAL MANAGER														-	-	-	
Vote 3 - CORPORATE SERVICES														-	-	-	
Vote 4 - FINANCIAL SERVICES														-	-	-	
Vote 5 - TECHNICAL SERVICES														-	-	-	
Vote 6 - PLANNING AND DEVELOPMENT														-	-	-	
Vote 7 - MUNICIPAL HEALTH SERVICES														-	-	-	
Vote 8 - PUBLIC SAFETY														-	-	-	
Vote 9 - (NAME OF VOTE 9)														-	-	-	
Vote 10 - (NAME OF VOTE 10)														-	-	-	
Vote 11 - (NAME OF VOTE 11)														-	-	-	
Vote 12 - (NAME OF VOTE 12)														-	-	-	
Vote 13 - (NAME OF VOTE 13)														-	-	-	
Vote 14 - (NAME OF VOTE 14)														-	-	-	
Vote 15 - (NAME OF VOTE 15)														-	-	-	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - EXECUTIVE AND COUNCIL				10										-	10	10	
Vote 2 - MUNICIPAL MANAGER								235	235					-	415	140	
Vote 3 - CORPORATE SERVICES		187	187	187	187	373	187	187	187	187	187	187		-	2 240	80	
Vote 4 - FINANCIAL SERVICES				70				150		100	200			-	520	120	
Vote 5 - TECHNICAL SERVICES						280								-	280	-	
Vote 6 - PLANNING AND DEVELOPMENT														-	-	-	
Vote 7 - MUNICIPAL HEALTH SERVICES								130		30				-	130	130	
Vote 8 - PUBLIC SAFETY				200					100		95			-	385	240	
Vote 9 - (NAME OF VOTE 9)														-	-	-	
Vote 10 - (NAME OF VOTE 10)														-	-	-	
Vote 11 - (NAME OF VOTE 11)														-	-	-	
Vote 12 - (NAME OF VOTE 12)														-	-	-	
Vote 13 - (NAME OF VOTE 13)														-	-	-	
Vote 14 - (NAME OF VOTE 14)														-	-	-	
Vote 15 - (NAME OF VOTE 15)														-	-	-	
Capital single-year expenditure sub-total	3	187	187	467	187	573	187	644	434	317	482	187	-	3 915	755	585	
Total Capital Expenditure	3	187	187	467	187	573	187	644	434	317	482	187	-	3 915	755	585	

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 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional	1															
Governance and administration		187	187	267	187	573	187	544	304	287	387	187	-	3 385	385	215
Executive and council				10										10	10	10
Finance and administration		187	187	257	187	373	187	544	304	257	387	187	-	3 175	310	175
Internal audit						230								200	40	30
Community and public safety		-	-	200	-	-	-	-	100	-	95	-	-	395	285	240
Community and social services				20					15					35	5	-
Sport and recreation														-	-	-
Public safety				100					85		95			360	260	240
Housing														-	-	-
Health														-	-	-
Economic and environmental services		-	-	-	-	-	-	100	-	30	-	-	-	130	130	130
Planning and development														-	-	-
Road transport														-	-	-
Environmental protection								100		30				130	130	130
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy services														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Capital Expenditure - Functional	2	187	187	467	187	573	187	644	404	317	482	187	-	3 910	755	585
Funded by:																
National Government														-	-	-
Provincial Government														-	-	-
District Municipality														-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)														-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public														-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing														-	-	-
Internally generated funds		187	187	467	187	573	187	644	404	317	482	187	-	3 910	755	585
Total Capital Funding		187	187	467	187	573	187	644	404	317	482	187	-	3 910	755	585

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

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

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
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	308	158	294	440	620	168	138	283	960	400	490	1 723	5 200	5 438	5 688
Interest earned - outstanding debits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	48	48	35	40	37	48	48	40	40	40	48	88	580	523	547
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	13 141	2 158	-	-	762	7 701	-	1 280	6 816	-	-	4	31 832	304 130	218 153
Other revenue	58 627	-	33	6	15	58 918	-	6	41 846	6	-	12	167 474	94	86
Cash Receipts by Source	82 117	2 358	362	486	1 444	64 524	176	1 580	48 852	446	538	1 588	204 805	310 158	218 485
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of fixed and tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	82 117	2 358	362	486	1 444	64 524	176	1 580	48 852	446	538	1 588	204 805	310 158	218 485
Cash Payments by Type															
Employee related costs	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	112 879	117 887	123 318
Remuneration of councillors	533	533	533	533	533	533	533	533	533	533	533	533	13 180	13 180	14 432
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	182	242	226	205	290	202	172	433	202	202	202	1 095	3 819	3 155	3 958
Contracted services	1 294	1 448	2 132	3 852	1 938	2 984	1 487	2 885	2 814	2 814	2 814	4 001	29 790	30 126	31 015
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	16	73	76	329	158	-	238	3 247	810	810	810	83	6 881	5 023	5 947
Other expenditure	495	681	4 785	2 403	965	2 416	1 990	17 155	2 416	2 416	2 416	11 384	30 285	31 327	33 050
Cash Payments by Type	12 137	12 946	17 463	17 181	14 258	15 187	13 910	14 871	16 267	16 267	16 267	28 933	186 315	202 548	218 813
Other Cash Flows/Payments by Type															
Capital assets	328	328	328	328	328	328	328	328	328	328	328	328	3 910	155	585
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	12 465	13 274	17 791	17 509	14 586	15 515	14 238	15 200	16 595	16 595	16 595	29 261	190 225	202 703	219 398
NET INCREASE/DECREASE IN CASH HELD	58 686	(10 417)	(17 413)	(17 015)	(13 088)	48 711	(14 120)	(3 613)	31 585	(16 215)	(16 190)	(27 482)	4 515	5 689	6 086
Cash cash equivalents at the monthly year begin	30 994	192 189	82 182	16 869	28 051	14 965	82 515	18 238	82 942	91 854	91 854	98 419	33 994	31 962	44 551
Cash cash equivalents at the monthly year end	112 189	82 189	(17 289)	(30 021)	44 963	162 619	(19 208)	80 942	91 854	91 854	98 419	31 962	44 551	44 551	50 637

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 2020/21 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

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

The 2020/21 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 2020/21 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

I **Shirly Mabedi Lesupi**, municipal manager of **Dr Kenneth Kaunda District Municipality (DC40)**, hereby certify that the Draft Annual Budget and supporting documentation for 2020/21 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : **Shirley Mabedi Lesupi**

Municipal manager : **Dr Kenneth Kaunda District Municipality (DC40)**

Signature : _____

Date : _____