

"Exploring Prosperity through sustainable service delivery for all"

FINAL ANNUAL BUDGET

2019 / 2020

FINAL ANNUAL BUDGET

DR KENNETH KAUNDA DISTRICT MUNICIPALITY

2019/20 TO 2021/22

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Table of	contents		Page
PART 1	– ANNUAL	BUDGET	1
1.1	MAYOR'S	REPORT & SPEECH	1
1.2	COUNCIL	RESOLUTIONS AND ITEMS	6
1.3	EXECUTI	8	
	1.3.1 1.3.2	BUDGET PROCESS-SCHEDULE OF KEYDEALINES BUDGET ASSUMPTIONS	9 12
1.4	OPERATI	ON REVENUE FRAMEWORK	14
1.5	OPERATI	ON EXPENDITURE FRAMEWORK	15
1.6	16		
1.7	ANNUAL	BUDGET TABLE (A1 SCHEDULE)	17
PART 2	- SUPPOR	TING DOCUMENTATION	30
2.1. OV	ERVIEW OF	THE ANNUAL BUDGET PROCESS	30
2.2. DIS	SCLOSURE	OF SALARIES; ALLOWANCES AND OTHER BENEFITS	30
2.3. ME	ASURABLE	PERFORMANCE OBJECTIVES AND INDICATORS	30
2.4. OV	ERVIEW OF	BUDGET RELATED POLICIES	30
2.5. OV	ERVIEW OF	FALIGNMENT OF ANNUAL BUDGET WITH IDP	33
2.6. GF	RANTS ALLO	DCATED TO LOCAL MUNICIPALTIES AND DRKKDMEA	37
2.7. OV	ERVIEW OI	F BUDGET FUNDING	38
2.8. RE	VENUE BY	MAJOR SOURCE	39
2.9. OF	PERATING E	EXPENDITURE BY MAJOR SOURCE	40
2.10. C	APITAL EXF	PENDITURE DETAILS	41
2.11. A	NNUAL BUI	DGETS AND SDBIP 'S – INTERNAL DEPARTMENTS	42
ANNE	KURE A: PR	OCUREMENT PLAN (p.45)	
A NNE	XURE B: A	SCHEDULE: (p.48)	
ANNE	XURE C: DE	PARTMENTAL BUDGETS (EXCEL) (p.49)	
ANNE	XURE D: MI	JNICIPAL MANAGER'S QUALITY CERTIFICATE (p.50)	



Purpose of the Approval of the Annual Budget for the Financial Year 2019/2020

The purpose of this report is to submit the Final Annual Budget for 2019/2020 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

Good morning, honourable Speaker, MMC's, Councillors, Municipal Manager, members of staff, stakeholders and community members present, all protocol observed.

We are gathered today in this august house amongst other things to comply with legislative prescripts that guides municipalities on how to go about using public funds, transparently and to be accountable while we implement the mandate of our district municipality by ensuring that in turn, It benefits our beloved brother and sisters, our elders and the generation to come.

Before I touch on the detail of the final annual budget, I would like to convey the following:

We as councillors and officials must always remember that we are here to serve the community. They are not here to serve us and or remind us of commitments that we may have failed to keep.

Chapter 4 of the MFMA (Municipal Finance Management Act – Act 56 of 2003) regulates the process and existence of a municipal budget.

Section 16(1) stipulates that council must approve an annual budget before the start of that financial year.

Section 17(1) regulates the process, the formats; require realistically calculated revenue as well as the appropriating of expenditure under the different votes.

Section 17(1)c, however, ensures that the process also includes the indicative figures for the next two financial years as well.

The overriding factor is, however, the fact that it is critical that municipalities adopt and implement funded budgets – as per section 18 of the MFMA.

It also requires that the actual figures of the preceding year be included in the budget documents.

You will know that the budget is divided into a capital- as well as an operating budget (per section 17(2) – in the case of Dr Kenneth Kaunda District Municipality the capital budget is not that significant.

Honourable Speaker, apart from the legislation, National Treasury also supply municipalities with circulars in respect of the budget process – in the current situation it is MFMA Circular number 94, dated 8 March 2019

Circular 94 cover the following areas:

- 1. The South African economy and inflation targets;
- 2. The key focus areas for the 2019/20 budget process;
- 3. Revenue Budget;
- 4. Conditional grant transfers to municipalities;

- 5. Municipal budget and reporting regulations;
- 6. Municipal Chart of Accounts (mSCOA)
- 7. Budget process and submissions for the 2019/20 MTREF.

1. A budget has the following four key attributes:

1.1. The budget is a legal instrument:

- It has the same status as a policy of Council
- · It giver authority for the appropriation of money, and
- It is an instrument of legislative powers of the municipal council.

1.2. The budget is a policy instrument:

- It is the financial plan that gives effect to the policies and priorities of council;
- It informs on the impact of policy changes on operations, service levels and financial health;
- It informs management of policy parameters and financial constraints within which they are to operate.

1.3. The budget is a management tool:

- It establishes planned financial outcomes and parameters to guide managers;
- It establishes measures for managers' financial accountability;
- It provides financial control parameters;
- It provides financial analysis of developmental plans and how these can be sustained financially;

1.4. The budget is a governance mechanism:

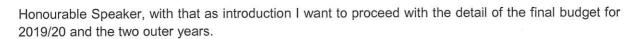
- The budget provides a mechanism for open, democratic and transparent municipal government;
- If implemented as part of a continuous strategic planning cycle it serves to close the gap between policy, planning and financial sustainability.

Honourable Speaker, the budget process must be seen as a continuous cycle of planning, implementing, monitoring and reporting.

Management encourage in Circular 94 to:

- Increasing productivity;
- Increasing revenue through innovative service delivery, and
- Re-prioritizing the developments and services.

Honourable Speaker, let me assure the community that Dr Kenneth Kaunda District Municipality is responsible for this budget and this document is the result of many hours of careful consideration, applied knowledge, caution and above all – hard work.



1. Revenue:

The following allocations and funds will be available to Council:

Revenue by Source	Amount	Amount in Words
Equitable Share	R24 622 000	TWENTY FOUR MILLION SIX HUNDRED AND TWENTY TWO THOUSAND
Finance Management Grant	R1 000 000	ONE MILLION
Regional Services Levy (Replacement Grant)	R162 977 000	HUNDRED AND SIXTY TWO MILLION NINE HUNDRED AND SEVENTY SEVEN THOUSAND
Rural Road Assets management	R2 606 000	TWO MILLION SIX HUNDRED AND SIX THOUSAND
Expanded Public Works Programme	R1 649 000	ONE MILLION SIX HUNDRED AND FORTY NINE THOUSAND
LGSETA Mandatory Grant	R100 000	ONE HUNDRED THOUSAND
LGSETA Discretionary Grant	R690 000	SIX HUNDRED AND NINETY THOUSAND
LGSETA Discretionary Grant	R1 738 400	ONE MILLION SEVEN HUNDRED AND THIRTY EIGHT THOUSAND FOUR HUNDRED
LGSETA Discretionary Grant	R700 000	SEVEN HUNDRED THOUSAND
Interest (Investment)	R2 500 000	TWO MILLION FIVE HUNDRED
Interest (Bank Account)	R450 000	FOUR HUNDRED AND FIFTY THOUSAND
Licence Fee (EHS)	R350 000	THREE HUNDRED AND FIFTY THOUNSAND
Tender Deposits	R10 000	TEN THOUSAND
Total	R200 089 400	TWO HUNDRED MILLION AND EIGHT NINE THOUSAND FOUR HUNDRED

2. MAJOR EXPENDITURE ITEM ON THE BUDGET

2.1. Employee Related and Councillors Remuneration Cost

Total Councillor Remuneration amounts to :	R 11.8 Million	ELEVEN MILLION EIGHT HUNDRED
Total Employee cost amounts to :	R 107 Million	HUNDRED AND SEVEN MILLION

Total Councillors and	R 118.8 Million	HUNDRED AND EIGHTEEN
Employee related Costs		MILLION EIGHT HUNDRED

The Employee related cost is at 54% and Councillors Remuneration is at 6% which is above the 51% that the Council expected. This is due to the fact that the annual increase for Equitable Share is lower than the annual % increase of salaries and that of Upper Limits

2.2. Contracted Services: Theses expenditures are: R 28 Million

- Outsource services;
- Professional services and Consultants:
- Contractors

In the 2018/2019 this expenditure was R36 Million, the reduction we see in 2019/20 budget is as a result of some major contracts that ended and the municipality has no intention of renewing them, such as the Wi-Fi.

The District Call Centre still remains in the 2019/20 budget until September 2019.

2.3. Operational Cost is 31 Million

With major expenses like:

• Printing and Stationery, Audit Fees, Subsistence and Travel, Legal fees, Annual insurance, Security, Telephones, Fuel, Repairs and maintenance; and Depreciation.

This expenditure increased with a R1 million compared to 2018/2019 financial year.

2.4. Capital expenditure is R 3 million

As already indicated capital expenditure is significant and is mainly operational capital projects such as laptops, printers and furniture. We must take note that capital projects can only be funded from reserves or surplus .We need to focus on our powers and functions, implement the revenue enhancement strategy in order to rebuild our reserves.

Changes effected on the budget since the tabling of the draft on 28 March 2019 is as follows:

- Some projects and programmes in the office of the Executive Mayor were cut.
- There is a R 2 million decrease in capital expenditure compared to the tabled draft budget
- The Annual Financial Statements were budgeted for an amount of R1.2 million in the draft budget and now increased to R3 Million after the market has be tested.
- Accommodation and Air Transport is now being centralised in the office of the Municipal Manager.
- Training is now centralised in Corporate services.
- Computer Equipment centralised to Budget and Treasury Office.

Honourable councillors, I therefore table to you the 2019/20 Budget with the following recommendations:

 That the annual budget 2019/2020 is cash funded with R347 482 (THREE HUNDRED AND FOURTY SEVEN THOUSAND FOUR HUNDRED AND EIGHTY TWO) surplus in terms of the MBRR A Schedule be tabled before council for approval.

- That the annual budget 2019/2020 operating expenditure of R196 403 918 (ONE HUNDRED AND NINETY SIX MILLIONFOUR HUNDRED THREE THOUSAND NINE HUNDRED AND EIGHTEEN) in terms of the MBRR A Schedule be tabled before council for approval.
- That the annual budget 2019/2020 capital expenditure of R3 010 000 (THREE MILLION TEN THOUSAND) for the current year and multi-year capital in terms of the MBRR A Schedule be tabled before council for approval.
- 4. That the annual budget 2019/2020 revenue funding of R200 089 400 (TWO HUNDRED MILLION EIGHTY NINE THOUSAND FOUR HUNDRED) in terms of the MBRR A Schedule be tabled before council for approval
- 5. That the annual budget 2019/2020 funding from depreciation: non-cash item of R5 231 949 (FIVE MILLION TWO HUNDRED THIRTY ONE THOUSAND NINE HUNDRED AND FORTY NINE) in terms of the MBRR A Schedule be tabled before council for approval.
- 6. Approval of the budget policies as amended.
- 7. That the procurement plan be approved with the final budget as required in circular 94.
- 8. That the annual budget that will be inclusive of the R3 000 000 (THREE MILLION) budget of the Dr Kenneth Kaunda District Economic Agency be tabled before council for approval and submitted to the relevant stakeholders.
- 9. That the measurable performance objectives in Chapter 4 of IDP for the 2019/2020 and for each year of the medium-term framework be tabled before council for approval.
- 10. That council rescind Council resolution ITEM A.284/06/2017 which reads as "that the ratio of the combined councilor remuneration and employee related costs to total budget be limited to 51%."
- 11. That the ratio of the total employee related costs to total budget be limited to 54%."

I thank you..!!!

1.2 COUNCIL RESOLUTIONS AND ITEM

Draft budget resolution: Item A.115/03/2019

DRAFT ANNUAL BUDGET - 2019/2020

THEREFORE RESOLVED

- 1. That the annual draft budget 2019/2020 is cash funded with R4 496.92 surplus.
- 2. That the annual draft budget 2019/2020 operating expenditure of **R200 061 852.25** in terms of the A Schedule is tabled before council.
- 3. That the budget 2019/2020 capital expenditure of **R5 027 000.00** for the current year and multi-year capital in terms of the A Schedule is tabled before council.
- 4. That the annual draft budget 2019/2020 revenue funding of **R200 089 400.00** in terms of the A Schedule is tabled before council.
- 5. That the annual draft budget 2019/2020 funding from reversal of depreciation: non-cash item of **R5 231 949.17** in terms of the A Schedule is tabled before council.
- 6. Approval of the budget policies as amended.
- 7. That a consolidated budget that will be inclusive of the 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 2019/2020 and for each year of the medium-term framework be tabled before council.



PURPOSE

To place before the Municipal Council of the Dr Kenneth Kaunda District Municipality the 2019/2020 annual budget for approval.

BACKGROUND

Municipal Finance Management Act, No.56 of 2003 (MFMA), section 16 and 21 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.
- (2) In order for the municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

21. Budget Preparation Process

- (2) When preparing the annual budget, the mayor of a municipality must -
 - (a) take into account the municipality's integrated development plan.

THEREFORE RECOMMENDED

- 1. That the annual budget 2019/2020 is cash funded with **R347 482** surplus in terms of the MBRR A Schedule be tabled before council for approval.
- 2. That the annual budget 2019/2020 operating expenditure of **R196 503 918** in terms of the MBRR A Schedule be tabled before council for approval.
- 3. That the annual budget 2019/2020 capital expenditure of **R3 010 000** for the current year capital in terms of the MBRR A Schedule be tabled before council for approval.
- 4. That the annual budget 2019/2020 revenue funding of **R200 089 400** in terms of the MBRR A Schedule be tabled before council for approval.
- 5. That the annual budget 2019/2020 funding from depreciation: non-cash item of **R5 231 949** in terms of the MBRR A Schedule be tabled before council for approval.
- 6. Approval of the budget policies as amended.
- 7. That the procurement plan be approved with the final budget as required in circular 94.
- 8. That the annual budget that will be inclusive of the R3 000 000 budget of the Dr Kenneth Kaunda District Economic Agency be tabled before council for approval and submitted to the relevant stakeholders.
- 9. That the measurable performance objectives (IDP) for the 2019/2020 and for each year of the medium-term framework be tabled before council for approval.
- 10. That council rescind Council resolution ITEM A.284/06/2017 which reads as "that the ratio of the combined councilor remuneration and employee related costs to total budget be limited to 51%."
- 11. That the ratio of the total employee related costs to total budget be limited to 54%."

Vision

Exploring prosperity through sustainable service delivery for all.

Mission

To provide an integrated district management framework in support of quality service delivery.

1.3 Executive Summary

The budget for the 2019/20 financial year has been drawn up in terms of chapter 4 of the Municipal Finance

Management Act no.56 of 2003 (MFMA) and the Municipal Systems Act no. 32 of 2000 (MSA) on matters specifically related to the budget as well as direction from National Treasury on policy guidelines (MFMA Circulars).

The Medium Term Budget Policy Statement October 2018 notes that the South African GDP economic growth for 2019 is 1.5%, on average; the growth outlook is 4 percentage points higher than projected in October 2018.

However the economic statistics showed an unexpected improvement in the economic outlook.

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 annual budget in respect of the 2019/ 2020 financial year has been prepared according to the approved IDP

The annual budget for 2019/2020 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.

The allocation which totals to **R5 949 000** for the current budget year 2019/2020. Transfers and subsidies for District Economic Development and Tourism are for District economic agency, SMME's and cooperatives development awareness and the need to invest in sustainable social and economic development and the Office of the Executive Mayor are for Bursaries for non-employees (Financial assistance for students from poor backgrounds) and Poverty alleviation programmes.

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 initiatives 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. This assistance is for the students to study further at tertiary institutions within the Republic of South Africa.

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.

1.3.1 BUDGET PROCESS TABLED TO COUNCIL

COUNCIL ITEM RESOLUTION A.297/09/2018

DR KENNETH KAUNDA DISTRICT MUNICIPALITY - DC40

TIME SCHEDULE OF KEY DEADLINES AS APPROVED BY THE MUNICIPAL COUNCIL 2018/19 BUDGET YEAR

The budget preparation process was compiled in line with the time schedule of budget preparation key deadlines as tabled by the municipal council 10 months before the beginning of the current budget preparation process.

The schedule outlines the preparation, tabling and approval of the annual and adjustment budget, including IDP review

The current budget preparation process was driven by the budget steering committee as established

by the Executive Mayor and the Municipal Council of the Dr Kenneth Kaunda District Municipality as per the budget Regulations.

The draft budget of Dr Kenneth Kaunda District Municipality to be tabled before 31 March, at least 90 days before the start of the budgeted financial year, and the approval of the budget at least 30 days before beginning of the budget year.

The preparation and consultation process for the budget preparation and IDP review were combined one process.

The budget for 2018/2019 to be placed in the Dr Kenneth Kaunda Municipal website, designated public institutions and distributed to the local municipalities within the district for views and recommendations from stakeholders.

The tabled budget to be submmitted to both Provincial and National Treasuries to solocite their views and recommendation regarding the tabled budget for 2018/2019.

DR KENNETH KAUNDA DISTRICT MUNICIPALITY - DC40

TIME SCHEDULE OF KEY DEADLINES AS APPROVED BY THE MUNICIPAL COUNCIL 2018/19 BUDGET YEAR

MONTH	DUTIES MAYOR AND COUNCIL	DUTIES ADMINISTRATION
July	Mayor to begin planning and co-ordinating for the next	Accounting officer and senior officials of a municipality
	three year budget.MFMA Sec. 53	begin planning for the next three year budget.
		MFMA Sec. 68,77
		No contracts exist for service delivery.
August	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	Mayor considers any proposed changes to the reviewed	Accounting Officer and Senior Officials of the
acoute Magniture No. 2 to 100 No. 10 No. 1	budget related policies as submitted by the Accounting	Municipality reviews the budget related policies.
	Officer for incorporation into the Annual Draft Budget	
		Mid year budget and performance assessment by the
January		Accounting Officerin 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
PERMITOR SOUTH STATES OF THE SOUTH STATES		Provincial allocations to municipality for incorporation
		into the draft budget for tabling.MFMA Sec.36

January		Accounting Officer finalises and submits to Mayor
		proposed budgets and plans for next three year budge
		taking into account the recent mid-year review and
		any corrective measures proposed as part of the
		oversight report for the previous years audited
		financial statements and annual report.
		Accounting Officer to notify relevant municipalities of
		projected allocations for next 3 yrs 120 days prior
		to start of a budget year. MFMA Sec.42
MONTH	DUTIES MAYOR AND COUNCIL	DUTIES ADMINISTRATION
ebruary	Mayor tables municipality budget,resolutions, plans	Accounting Officer publishes tabled budget, plans
	and proposed revisions to IDP at least 90 days	and proposed revisions to IDP, invites the local
	before the start of the budget year.	community to comment and submits to NT, PT and
	MFMA Sec. 16,22,23,87 ; MSA Sec. 34	other stakeholders.MFMA Sec.22&37 MSA Ch 4
March		Accounting Officer assists the Mayor in revising
VIGIOII		budget documentation in accordance with consultative
		processes and taking into account the results of
		the third quaterly review of the current year.
		the time quaterly review of the editional year.
March/April	Public hearings on the budget, and council debate.	Accounting Officer assist the Mayor in preparing the
	Council considers views of the local community,NT,PT	final budget documentation for consideration for
	Mayor to be provided with an opportunity to respond	approval at least 30 days before the start of the budge
THE RESERVE OF THE PARTY OF THE	to submissions during consultations and table	year taking into account consultative processes
	amendments for council consideration. Concil consider	and any other new information of a material nature.
	approval of the budget and plans at least 30 days	
	before the start of the budget year. MFMA Sec. 23,24	
	MSA Ch 4 as amended.	
April	Council approve annual budget by resolution, approving	Accounting Officer submits to the Mayor no later than
-	changes to IDP and budget related policies, approving	14 days after approval of the budget a draft of the
	measurable performance objectives for revenue by	SDBIP and annual performance agreements required
	revenue source and expenditure by vote before start	by Sec. 57(1) (b) of the MSA.
	of budget year. 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.	
	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)	

SDBIP- Service Delivery and Budget Implementation Plan; IDP-Integrated Development Plan.

1.3.2 Budget Assumptions

The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2019/2020 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.

The Salaries, Allowances and related benefits of Personnel for 2019/2020 budget financial year are provided at 1.5% plus March 2019 estimated inflation rate as per the agreement between employee unions and South African Local Government Association (SALGA).

Other operating expenditure has been provided at increase as per the current inflation estimated targets of 5.4%, previous financial year performance and needs analysis and capital expenditure has been provided for at zero based budgeting and as per the needs analysis.

The current budget has been prepared in accordance with Municipal Budget and Reporting Regulations of 2009.

The following table is a consolidated overview of the proposed 2019/2020 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2019/20 MTREF

	2017/18		2019/20 Medium	Term Revenue & Exper	nditure Framework
DESCRIPTION	Audited Outcome	Adjusted Budget 2018/19	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Operating Revenue	-184 374 379	-188 448 200	-200 089 400	-201 020 510	-208 002 647
Total Operating Expenditure	186 824 778	189 964 340	196 731 918	197 542 843	207 043 283
(Surplus)/deficit for the year	2 450 399	1 516 140	(3 357 482)	(3 477 667)	(959 364)
Total Capital Expenditure	6 556 693	3 279 000	3 010 000	1 896 350	595 773

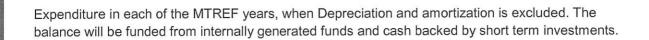
Total operating revenue has grown by 6.18 per cent for the 2019/20 financial Year when compared to the 2018/19 Adjusted Budget. For the two outer years, operational Revenue will increase as per DORA.

Total operating expenditure for the 2019/20 financial year has been appropriated at R196 731 918 and translates into a budgeted Surplus of R3 357 482 before capital expenditure.

The capital budget of R3 010 000 for 2019/20 has decreased when compared to the R3 297 000 2018/19 Adjusted Budget and R5 027 000 in the draft budget, this was due to the fact that ICT Improvements were prioritized. The capital Expenditure estimate decreases to R1 896 350, 00 in the 2020/21 financial year and R595 773 in the 2021/22 year.

The Capital budget will be funded from internally generated funds over MTREF with no anticipated borrowings in each of the financial years of the MTREF.

The municipality currently has no Borrowings that will contribute to the capital



1.4 Operating Revenue Framework (Table A4)

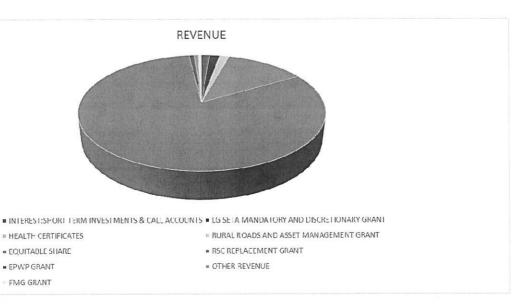
The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Description	Ref	2015/16	2016/17	2017/18		Current Yea	ar 2018/19		2019/20 Medium Term Revenue & Expenditure Framework			
Rthousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 B 2020/21	udget Year+2 2021/22	
Revenue By Source										1		
Propertyrates	2	-	- 2	-	-	-	(<u>-</u>	-	-	-	-	
Service charges - electricity revenue	2	:		-	-	-	-	-	r=	-	-	
Service charges - vater revenue	2	-	-		8-	-	-	50	-	= :	S - -	
Service charges - sanitation revenue	2	i=1	1	-		-	-	-	-	==1	12	
Service charges - refuse revenue	2	_	-	_	-	-	1=	-	-	-	-	
Fental of facilities and equipment												
Interest earned - external investments		3 996	2 331	2 772	2 380	2950	2 950	2 950	2 950	3 109	3 277	
Interest earned - outstanding debtors												
Dividends received		2	2	2						1 1		
Fines, penalties and forfets										1 1		
Licences and permits	1 1			313						1 1		
Agency services					T-11	- 2						
Transfers and subsidies		171 857	174 536	179 654	184 644	182 680	185 140	185 140	196 082	206 671	217 831	
Other revenue	2	9 240	1 570	1 122	108	358	358	358	1 057	1 076	1 096	
Gains on disposal of PPE			39	510								
Total Revenue (excluding capital transfers and contributions)		185 105	178 479	184 374	187 132	185 988	188 448	188 448	200 089	210 856	222 205	

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 2019/20 financial year.

More than 90% of revenue results from equitable share.



		As % of
BUDGET FUNDING		Total funding
INTEREST:SHORT TERM INVESTMENTS & CALL ACCOUNTS	2 500 000	1.2
LG SETA MANDATORY AND DISCRETIONARY GRANT	3 228 400	
HEALTH CERTIFICATES	350 000	0.2
RURAL ROADS AND ASSET MANAGEMENT GRANT	2 606 000	1.3
EQUITABLE SHARE	24 622 000	12.3
RSC REPLACEMENT GRANT	162 977 000	81.5
EPWP GRANT	1 649 000	8.0
OTHER REVENUE	1 157 000	0.6
FMG GRANT	1 000 000	0.5
TOTAL FUNDING	200 089 400	100.00

1.5 Operating Expenditure Framework (Table A4)

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of **operating expenditure**). Monthly Expenditure projections as Table A4.

SUMMARY OF EXPENDITURE BY TYPE

Description	Ref	2015/16 Audited Outcome	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework			
R thousand	1		Audite d Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year+1 2020/21	Budget Year +2 2021/22	
Expenditure By Type	1 1	1	1	1	1	1	1		I	ı	I	
Employ ee related costs	2	74 911	83 018	87 582	98 519	95 143	95 143	95 143	107 120	114 218	121 787	
Remuneration of councillors		8 966	8 598	9 620	9 372	10 209	10 209	10 209	11 842	12 478	13 148	
Debt impairment	3	65	311	121								
Depreciation & asset impairment	2	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6 043	
Finance charges		401	421	849								
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-	
Other materials	8	1 260	751	2 432	3 429	3 279	3 279	3 279	3 539	3 730	3 932	
Contracted services		20 832	35 568	43 519	35 664	36 767	36 767	36 767	28 150	23 880	22 792	
Transfers and subsidies		69 309	5 553	5 380	5 751	6 511	6 511	6 511	5 949	4 473	4 655	
Other ex penditure	4, 5	99 060	31 346	26 979	29 895	33 022	33 022	33 022	34 672	33 009	34 665	
Loss on disposal of PPE		27	1 177	1 434	20	20	20	20	20	21	22	
Total Expenditure		279 339	173 963	186 825	187 663	189 964	189 964	189 964	196 732	197 543	207 043	

The budgeted allocation for employee related costs for the 2019/20 financial year totals R107 119 965, which equals 54 per cent of the total operating expenditure amounting to R196 731 918.00 excluding Capital expenditure of R3 010 000.00. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 1.5% plus inflation rate for the 2019/20 financial year. An annual increase of 6.4 per cent has been included in the two outer years of the MTREF.

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.

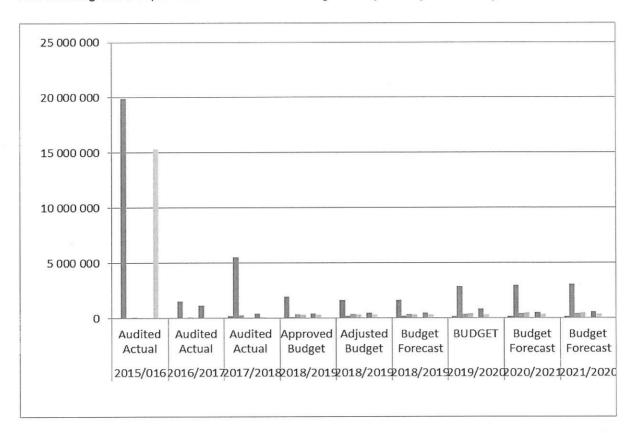
Other materials comprises of amongst others the purchase of fuel, diesel, materials for Maintenance, cleaning materials and chemicals.

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.

1.6 CAPITAL EXPENDITURE BY VOTE AND FUNCTIONAL CLASSIFICATION

The capital needs of the municipality consist of Computer equipment, office furniture and equipment for the new Staff and the need for team mate software.

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



	2015/016 Audited Actual	2016/2017 Audited Actual	2017/2018 Audited Actual	2018/2019 Approved Budget	2018/2019 Adjusted Budget	2018/2019 Budget Forecast	2019/2020 BUDGET	2020/2021 Budget Forecast	2021/2020 Budget Forecast
Executive and Council	40 174	30 238	190 000	1 970 000	1 630 000	1 630 000	25 000	26 350	27 773
Budget and Treasury	19 903 942	1 516 848	5 521 693	85 000	185 000	185 000	1 855 000	1 025 000	75 000
Municipal Manager Admin.	43 926	59 850	260 000	340 000	340 000	340 000	165 000	130 000	120 000
Corporate Services Admin.	95 933	88 001	60 000	330 000	330 000	330 000	200 000	180 000	130 000
Planning and Development- Economic	0	20 000	20 000	20 000	20 000	20 000	20 000	10 000	10 000
Public Safety	36 543	1 161 574	410 000	400 000	465 000	465 000	540 000	375 000	148 000
Health	42 390	22 609	85 000	317 000	317 000	317 000	195 000	140 000	75 000
Planning and Development- Technical	15 329 771	0	10 000	10 000	10 000	10 000	10 000	10 000	10 000
TOTALS	35 492 679	2 899 120	6 556 693	3 472 000	3 297 000	3 297 000	3 010 000	1 896 350	595 773



(Table A1 Budget Summary)

Description	2015/16	2016/17	2017/18		Current Ye	ar 2018/19	2019/20 Medium Term Revenue & Expenditure Framework			
	Audited	Audited	Audited	Original Adjusted Full Year Pre-audi					Budget Year	
R thousands	Outcome	Outcome	Outcome	Budget	Budget	Forecast	outcome	2019/20	+1 2020/21	+2 2021/2
Financial Performance								3.00		
Property rates	-	-	-	-	-	-		-	-	
Service charges	-	-	-	-	-	-	-	-		
Investment revenue	3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 2
Transfers recognised - operational	171 867	174 536	179 654	184 644	182 680	185 140	185 140	196 082	197 551	204 3
Other own revenue	9 242	1 612	1 949	108	358	358	358	1 057	360	3
Total Revenue (excluding capital transfers and	185 105	178 479	184 374	187 132	185 988	188 448	188 448	200 089	201 021	208 0
contributions)										
Employ ee costs	74 911	83 018	87 582	98 519	95 143	95 143	95 143	107 120	114 218	121 7
Remuneration of councillors	8 966	8 598	9 620	9 372	10 209	10 209	10 209	11 842	12 478	13 1
Depreciation & asset impairment	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6.0
Finance charges	401	421	849	-	-	_	<u>=</u> 1	82	-	87
Materials and bulk purchases	1 260	751	2 432	3 429	3 279	3 279	3 279	3 539	3 730	3 9
Transfers and grants	69 309	5 553	5 380	5 751	6 511	6 511	6 511	5 949	4 473	4.6
Other expenditure	119 984	68 403	72 054	65 579	69 809	69 809	69 809	62 842	56 911	57 4
	279 339	173 963	186 825	187 663	189 964	189 964	189 964	196 732	197 543	207 0
Total Expenditure	(94 235)	4 516	(2 450)	(531)	(3 976)	(1 516)	(1 516)	3 357	3 478	g
Surplus/(Deficit)		4 3 10	(2 450)	(331)	2 460	(1010)	(1010)	-		
Transfers and subsidies - capital (monetary allocation	100 700 000		_	_	2 400	_	122 S	_	_	
Contributions recognised - capital & contributed asset			_				(4.540)		3 478	9
Surplus/(Deficit) after capital transfers &	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516)	3 357	3 4/6	,
contributions										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516)	3 357	3 478	(
Capital expenditure & funds sources	25 402	0.070	6 557	3 472	3 297	3 297	3 297	3 010	1 896	
Capital expenditure	35 493	2 879	2775230		2 017	2 980	4 544	0010	-	,
Transfers recognised - capital	35 493	-	-	-			4 544	- T	1	
Borrowing	-	-	-	-	-	-	-			
Internally generated funds	-	2 879	6 557	3 472	3 297	3 297	3 297	3 010	1 896	5
Total sources of capital funds	35 493	2 879	6 557	3 472	5 314	6 277	7 841	3 010	1 896	
Financial position	40.707	00.504	47.047	31 415	13 965	13 965	13 965	15 569	22 905	29 :
Total current assets	18 727	20 534	17 617				55 164	54 959	54 321	53 6
Total non current assets	33 408	35 639	31 724	30 868	50 213	50 213			15 000	15 (
Total current liabilities	37 992	30 485	25 325	30 501	20 874	20 874	20 874	15 000		1 3372
Total non current liabilities	13 369	13 271	14 050	15 767	10 687	10 687	10 687	14 050	14 050	14 (
Community wealth/Equity	773	12 417	9 966	16 015	34 205	34 205	39 156	41 478	48 176	53 9
Cash flows	(44.200)	12 831	2 655	4 502	3 517	3 517	3 517	8 817	9 232	7.0
Net cash from (used) operating	(44 309)	8000000000000				(3 297)	(3 297)			100
Net cash from (used) investing	(34 539)	(2 719)	(5 917)	(3 472)	(3 297)	(3 291)	(3 291)	(3010)	(1000)	1
Net cash from (used) financing	(667)		(722)	-	-	40.005	42.005	45 500	22.005	29
Cash/cash equivalents at the year end	4 379	13 745	9 761	15 542	13 965	13 965	13 965	15 569	22 905	29
Cash backing/surplus reconciliation				000000000000000000000000000000000000000						
Cash and investments available	4 438	13 745	9 762	30 542	13 965	13 965	13 965	15 569	22 905	29
Application of cash and investments	18 110	(16 145)	22 441	28 550	20 874	20 874	20 874		15 000	15
Balance - surplus (shortfall)	(13 672)	29 890	(12 679)	1 992	(6 909)	(6 909)	(6 909)	569	7 905	14
Asset management		200000000		2000 10000			928020			
Asset register summary (WDV)	33 349	35 997	31 724	23 169	46 974	46 974	46 974		51 082	50
Depreciation	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	_	_	
Repairs and Maintenance	-	-	-	1 447	-	-	_	2 048	2 159	2
Free services										
Cost of Free Basic Services provided	-	-	-	1-	-	-		1.7	_	1
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	
	1	1						1		1
Households below minimum service level										
Water:	_		-	-	-	-	-	-	-	
Water:	-	-	-	-	-	_	-		-	
	-	-	-	-			-		-	

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:

This does not place the municipality in a very vulnerable financial position as the other working capital (Table A8) relates to staff leave and long service award liability non- current liability amounting to R 14 million as per AFS 2017/18. The municipality pays its creditors within 30 days of the date of the invoice thus there are no creditors due long outstanding.

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.

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

DC40 Dr Kenneth Kaunda - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Cur	rent Year 2018	/19		edium Term R nditure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea
R thousand	1	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2019/20	+1 2020/21	+2 2021/22
Revenue - Functional				400000000000000000000000000000000000000			100.100.001.100.000			
Governance and administration		177 401	175 694	183 307	183 421	184 487	184 487	194 787	195 480	202 19
Executive and council		-	-	47	=	-	-	=	-	-
Finance and administration		177 401	175 694	183 260	183 421	184 487	184 487	194 787	195 480	202 19
Internal audit		-	-		-	-	-	-	-	-
Community and public safety		2 276	-	650	-	-	-	-	-	-
Community and social services		-	-	195	-	-	-	-	-	-
Sport and recreation		-	-	-	- 1	-	· -	-	-	-
Public safety		2 276	-	455	- 1	-			-	-
Housing		-	-	-	- 0	-		-	-	-
Health		-	-		-	-		-	-	-
Economic and environmental services		7 580	2 785	417	3 711	3 961	3 961	5 302	5 541	5 81
Planning and development		7 580	2 785	-	3 611	3 611	3 611	4 952	5 182	5 42
Road transport		_	-			_	-	-	-	-
Environmental protection		_	_	417	100	350	350	350	359	38
Trading services			_	-	-	-	-	-	-	
Energy sources			_	-	-	_	-	-	-	-
Water management			_	-	-	-	_	-	-	١.
Waste water management		-0	_	_	- 1	_	_	_	-	
Waste management		_	_	-	- 1	_	-	_	_	-
Other	4	_	_	_	_	_	_	_	_	-
Total Revenue - Functional	2	187 257	178 479	184 374	187 132	188 448	188 448	200 089	201 021	208 00
Expenditure - Functional		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			***************************************					
Governance and administration		231 132	115 982	137 236	117 659	131 501	131 501	120 774	119 370	124 08
Executive and council		84 176	53 782	60 591	58 658	57 933	57 933	59 309	59 189	62 49
Finance and administration		146 956	62 200	76 645	59 002	73 568	73 568	61 465	60 181	61 5
Internal audit		_	-	-		_	_	-	-	
Community and public safety		13 767	10 413	10 350	15 699	14 827	14 827	16 700	17 628	18 6
Community and social services		-	-	6 650	-	9 209	9 209	10 159	10 667	11 2
Sport and recreation		_		-		-	_	-	-	l
Public safety		13 767	10 413	3 700	15 699	5 617	5 617	6 541	6 960	7.4
Housing		-	-	-	-	-	-	-	-	'
Health		_	_	_	_	_	_	_	_	
Economic and environmental services		34 440	47 568	39 239	54 304	43 637	43 637	59 258	60 545	64 3
Planning and development		6 873	19 986	14 277	21 830	12 224	12 224	26 022	25 164	26 6
ů .		0 073	13 300	17211	21000	12 22-1	-	20 022	20 10.	
Road transport		27 567	27 582	24 962	32 474	31 413	31 413	33 237	35 381	37 6
Environmental protection		27 307	21 302	24 302	52 474	01.110	01 110	00 20,		0,0
Trading services		pour	_	_	_		_	_	[
Energy sources			_		_	_	_	_	-	
Water management		_		_	_	_	_	_	_	
Waste water management			1		_	_	_	_	_	
Waste management	4	_	15	.]	_		5	_	_	
Other	3	279 339	173 963	186 825	187 663	189 964	189 964	196 732	197 543	207 0
Total Expenditure - Functional	13	2/9 339	4 516	(2 450)	(531)	(1 516)	(1 516)		3 478	207 0

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 if 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)

DC 40 Dr Kenneth Kaunda - Table A3 B	udgete	d Financial	Performance	(revenue an	a expenditui	re by municip	oai vote)	2019/20 M	ledium Term F	Pavanija &
Vote Description	Ref	2015/16	2016/17	2017/18	Cur	rrent Year 2018	/19	100000000000000000000000000000000000000	nditure Frame	
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Yea
R thousand		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2019/20	+1 2020/21	+2 2021/22
Revenue by Vote	11									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-		-	-
Vote 2 - MUNICIPAL MANAGER	1 1	-	-	47	:-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	1 1	(33)	110	3 858	:-	-	-	3 228	3 403	3 586
Vote 4 - FINANCIAL SERVICES		177 433	175 584	179 402	183 421	184 487	184 487	191 559	194 153	200 770
Vote 5 - PLANNING AND DEVELOPMENT	- 1	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY	1 1	2 276	-	650	- 1	-	-	20	-	-
Vote 7 - TECHNICAL SERVICES	1 1	7 580	2 785	-	3 611	3 611	3 611	4 952	3 106	3 257
Vote 8 - MUNICIPAL HEALTH SERVICES	1 1	-	=	417	100	350	350	350	359	389
Vote 9 - [NAME OF VOTE 9]		-	=:	-	-		-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-			-	-	-
Vote 11 - [NAME OF VOTE 11]		-		-		-			-	-
Vote 12 - [NAME OF VOTE 12]	1 1		-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	_	_	-	-
Vote 14 - [NAME OF VOTE 14]		_	_	-	-	-	_	-	-	-
Vote 15 - [NAME OF VOTE 15]		_	_	_	-	-	-	-	-	-
Total Revenue by Vote	2	187 257	178 479	184 374	187 132	188 448	188 448	200 089	201 021	208 003
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		43 158	15 111	20 762	21 038	21 678	21 678	22 615	23 834	25 119
Vote 2 - MUNICIPAL MANAGER	1 1	38 538	38 671	36 743	37 620	36 261	36 261	38 088	40 173	42 504
Vote 3 - CORPORATE SERVICES		32 518	19 989	30 214	19 627	21 495	21 495	26 738	25 045	26 569
Vote 4 - FINANCIAL SERVICES		114 437	42 211	46 431	39 375	42 732	42 732	33 863	30 935	30 605
Vote 5 - PLANNING AND DEVELOPMENT		2 480	11 156	3 976	12 789	12 284	12 284	13 790	14 564	15 386
Vote 6 - PUBLIC SAFETY	- 1 - 1	13 767	10 413	10 350	15 699	14 767	14 767	16 700	17 628	18 614
Vote 7 - TECHNICAL SERVICES		6 873	8 830	10 301	9 041	9 335	9 335	11 702	9 982	10 582
Vote 8 - MUNICIPAL HEALTH SERVICES		27 567	27 582	28 048	32 474	31 413	31 413	33 237	35 381	37 665
Vote 9 - [NAME OF VOTE 9]		_	-	_	-	_	_	-	-	-
Vote 10 - [NAME OF VOTE 10]		_	-	_	_	_	_	_	-	_
Vote 11 - [NAME OF VOTE 11]		20	_	_		_	_	_	_	-
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	279 339	173 963	186 825	187 663	189 964	189 964	196 732	197 543	207 04
Surplus/(Deficit) for the year	2	(92 083)		(2 450)	(531)	(1 516)	(1 516	3 357	3 478	95

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)	DC40 Dr Kenneth	Kaunda - Table A4 Budgeted	Financial Performance	(revenue and expenditure)
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Description	Ref	2015/16	2016/17	2017/18		Current Ye	ar 2018/19		555000000000000000000000000000000000000	edium Term R nditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rales	2	-	-	-	-	:- I	-	-	-	-	-
Service charges - electricity revenue	2		_	-	=	84	-	-	-	-	-
Service charges - water revenue	2	=	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	_	_	_	-	- PE	-	-	-	-	-
Service charges - refuse revenue	2	12	(2)	-	_	14	_	-	-	-	-
Rental of facilities and equipment	-										
		3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 277
Interest earned - external investments		2 990	2 331	2112	2 300	2 930	2 550	2 330	2 330	3 103	3211
Interest earned - outstanding debtors		_									
Dividends received		2	2	2							
Fines, penalties and forfeits											
Licences and permits				313							
Agency services											
Transfers and subsidies		171 867	174 536	179 654	184 644	182 680	185 140	185 140	196 082	197 551	204 365
Other revenue	2	9 240	1 570	1 122	108	358	358	358	1 057	360	360
Gains on disposal of PPE			39	510							
Total Revenue (excluding capital transfers		185 105	178 479	184 374	187 132	185 988	188 448	188 448	200 089	201 021	208 003
and contributions)											
Expenditure By Type											
Employee related costs	2	74 911	83 018	87 582	98 519	95 143	95 143	95 143	107 120	114 218	121 787
Remuneration of councillors	1 - 1	8 966	8 598	9 620	9 372	10 209	10 209	10 209	11 842	12 478	13 148
Debt impairment	3	65	311	121							
Depreciation & asset impairment	2	4 508	7 219	8 908	5 013	5 013	5 013	5 013	5 440	5 734	6 043
Finance charges		401	421	849							
Bulk purchases	2	-	-	-	-	-		-	-	-	-
Other materials	8	1 260	751	2 432	3 429	3 279	3 279	3 279	3 539	3 730	3 932
Contracted services		20 832	35 568	43 519	35 664	36 767	36 767	36 767	28 150	23 880	22 792
Transfers and subsidies		69 309	5 553	5 380	5 751	6 511	6 511	6 511	5 949	4 473	4 655
Other expenditure	4, 5	99 060	31 346	26 979	29 895	33 022	33 022	33 022	34 672	33 009	34 665
Loss on disposal of PPE		27	1 177	1 434	20	20	20	20	20	21	22
Total Expenditure		279 339	173 963	186 825	187 663	189 964	189 964	189 964	196 732	197 543	207 043
Surplus/(Deficit) - I ransters and subsidies - capital (monetary		(94 235)	4 516	(2 450)	(531)	(3 976)	(1 516)	(1 516)	3 357	3 478	959
allocations) (National / Provincial and District) Transfers and subsidies - capital (monetary		2 152				2 460					
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,											
Priv ale Enterprises, Public Corporatons, Higher Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-		-	-	-		-
Surplus/(Deficit) after capital transfers & contributions Tax alion		(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516)	3 357	3 478	959
Surplus/(Deficit) after taxation Altributable to minorities		(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516	3 357	3 478	959
Surplus/(Deficit) attributable to municipality Share of surplus/ (deficil) of associate	7	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516	3 357	3 478	959
Surplus/(Deficit) for the year	H	(92 083)	4 516	(2 450)	(531)	(1 516)	(1 516)	(1 516	3 357	3 478	959

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

Total operating revenue has significantly increased by to R11 641 200 in the 2019/2020 financial year when compared to the 2018/19 Adjustment Budget.

Total operating expenditure for the 2018/19 financial year has been appropriated at R200 661 852 non-cash items. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by R10m in the 2019/20 budget which is the 5.44 growth.

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

Vote Description	Ref	2015/16	2016/17	2017/18		Current Ye	ar 2018/19		Chome transfer in con-	ledium Term R nditure Frame	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Yea +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL	1 1	_	-	-	-	-	-	_	-	-	-
Vote 2 - MUNICIPAL MANAGER		:	-	-				-	-	-	-
Vote 3 - CORPORATE SERVICES			-	-		-	1 1 1 T	=	-	-	-
Vote 4 - FINANCIAL SERVICES		-	- 1		-	-	-		-	-	-
Vote 5 - PLANNING AND DEVELOPMENT	1 1	:	-	-	-	-	-		-	-	-
Vote 6 - PUBLIC SAFETY		1-1	-	177		-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		-	-	120	_	-	-	-	-	-	
Vote 8 - MUNICIPAL HEALTH SERVICES	1 1	-	-	-	:	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]	1 1	175	-	177	9 5	-	=	-	-	-	
Vote 10 - [NAME OF VOTE 10]	1 1	-	-	=	-	-	-	_	-	-	
Vote 11 - [NAME OF VOTE 11]		-	- 1	(=)	1	1-1	-	77.3	877.	-	
Vote 12 - [NAME OF VOTE 12]	1 1	-	-		-	-	-	-		-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	/	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-		-			-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	2	_	N=2	-	-
Capital multi-year expenditure sub-total	7	-	-	-		-	-	-	_	i -	
W 153 5					1						
Single-year expenditure to be appropriated	2	40	90	400	4.070	4 000	4 000	4 000	455	163	17
Vote 1 - EXECUTIVE AND COUNCIL		40	30	190	1 970	1 630	1 630	1 630	155 380	401	4
Vote 2 - MUNICIPAL MANAGER		44	60	260	340	340	340	340	1000000	0.00000	10 20
Vote 3 - CORPORATE SERVICES		96	88	60	330	330	330	330	430	453	4
Vote 4 - FINANCIAL SERVICES		19 904	1 517	5 522	85	185	185	185	2 855	2 963	30
Vote 5 - PLANNING AND DEVELOPMENT		-		20	20	20	20	20	20	21	
Vote 6 - PUBLIC SAFETY		37	1 162	410	400	465	465	465	840	510	5
Vote 7 - TECHNICAL SERVICES		15 330		10	10	10	10	10	30	32] ;
Vote 8 - MUNICIPAL HEALTH SERVICES		42	23	85	317	317	317	317	317	334	3
Vote 9 - [NAME OF VOTE 9]		-		-	-	-	-	-	- 1	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	=		===	=	.=	-	
Vote 11 - [NAME OF VOTE 11]		-	= .	-	-	_	-	-	_	=	
Vote 12 - [NAME OF VOTE 12]		-	-0	-	-	-	-	-	-	1-1	
Vote 13 - [NAME OF VOTE 13]		-	-	-		1-	-	-	-	1.75	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	_	-	120	-	_	
Vote 15 - [NAME OF VOTE 15]		_	_	-	-	-	-	-	_	-	
Capital single-year expenditure sub-total		35 493	2 879	6 557	3 472	3 297	3 297	3 297	5 027	4 877	5 14
Total Capital Expenditure - Vote		35 493	2 879	6 557	3 472	3 297	3 297	3 297	5 027	4 877	5 14
Capital Expenditure - Functional	\top										
Governance and administration		20 084	1 706	6 359	2 735	2 495	2 495	2 495	1 833	1 031	1
Executive and council		85	90	66	2 290	1 970	1 970	1 970		501	:
		19 903	1 532	5 367	425	185	185	185		467	
Finance and administration		96	83	926	20	340	340	340		63	
Internal audit		37	316	171	400	465	465	465		510	1
Community and public safety		31	310	11/1	20	45	45	45	5	21	'
Community and social services					20	45	45	45	20	21	
Sport and recreation		0.7	245	474	200	400	420	420	820	489	
Public safety		37	316	171	380	420	420	420	020	409	
Housing											
Health							227		227	255	١ .
Economic and environmental services		15 372	858	27	337	337	337	337	(A)	355	3
Planning and development		15 330			20	20	20	20	20	21	
Road transport											
Environmental protection		42	858	27	317	317	317	317		334	3
Trading services		_	_	-	-	-	-	-	-	-	
Energy sources											
Water management											
Waste water management											
Waste management										1	
Other											
Total Capital Expenditure - Functional	3	35 493	2 879	6 557	3 472	3 297	3 297	3 297	3 010	1 896	5
	\top										
Funded by:		25 402									
National Government		35 493				2.047	2 980	4 544			
Provincial Government						2 017	2 980	4 544			
District Municipality							100				
Other transfers and grants											
	4	35 493		-	-	2 017	2 980	4 544	-	-	
Transfers recognised - capital			,				1	1		1	1
Fransfers recognised - capital Borrowing	6						113				1
100 March 100 Ma	6		2 879	6 557	3 472	3 297	3 297	3 297	3 010	1 896	. 5

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

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard

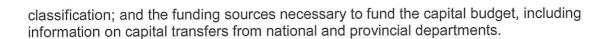


Table A6 - Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18		Current Ye	ar 2018/19			ledium Term F nditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets					45.545	2.005	0.005	2.005	500	7.005	14 224
Cash		4 379	3 745	3 761	15 542	3 965	3 965	3 965	569 15 000	7 905 15 000	14 334 15 000
Call investment deposits	1	-	10 000	6 000	15 000	10 000	10 000	10 000		1	15 000
Consumer debtors	1	-	- 0.700	7.055	072	-	-	1. T.	-	-	-
Other debtors	1 1	14 347	6 789	7 855	873						
Current portion of long-term receivables											
Inventory	2	18 727	20 534	17 617	31 415	13 965	13 965	13 965	15 569	22 905	29 334
Total current assets	_	10 /2/	20 554	17 617	31413	10 300	13 303	10 303	10 303	22 000	20 004
Non current assets											
Long-lerm receiv ables											
Investments	1 1	59	0	0							
Investment property											0
Investment in Associate		0				40.074	40.074	F4 00F	0 51 720	51 082	50 410
Property, plant and equipment	3	32 900	33 969	30 166	29 389	46 974	46 974	51 925	51 /20	51 062	30 4 10
Biological		V1.50		97229						0.000	2 000
Intangible		450	1 607	1 558	1 479	3 239	3 239	3 239	3 239	3 239	3 239
Other non-current assets			63			50.010		55 164	54 959	54 321	53 649
Total non current assets		33 408	35 639	31 724 49 341	30 868 62 283	50 213 64 178	50 213 64 178	69 129	70 528	77 226	82 983
TOTAL ASSETS		52 135	56 173	49 341	62 283	64 178	04 178	09 129	70 328	17 220	02 303
LIABILITIES											
Current liabilities											
Bank overdraft	1 1										
Borrowing	4	785	489	197		-	-		5.774	-	-
Consumer deposits				01.101	00.050	00.000	00 200	00.000	44 222	44 222	14 333
Trade and other pay ables	4	36 749	29 515	24 461	29 956	20 329 546	20 329 546	20 329 546	14 333 667	14 333 667	667
Provisions		458 37 992	481 30 485	667 25 325	546 30 501	20 874	20 874	20 874	15 000	15 000	15 000
Total current liabilities		31 992	30 403	23 323	30 301	20 014	20 074	20 074	10 000	10 000	10 000
Non current liabilities											
Borrowing		485	-	-	178					-	
Provisions		12 883	13 271	14 050	15 589	10 687	10 687 10 687	10 687	14 050	14 050	10000000
Total non current liabilities		13 369	13 271	14 050	15 767	10 687		10 687 31 561	14 050 29 050	14 050 29 050	
TOTAL LIABILITIES		51 361	43 756	39 375	46 269	31 561	31 561			+	
NET ASSETS	5	773	12 417	9 966	16 015	32 617	32 617	37 568	41 478	48 176	53 933
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		773	12 417	9 966	16 015	32 617	32 617	37 568	41 478	48 176	53 933
Reserves	4	-	_	-	_	1 588	1 588	1 588	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	773	12 417	9 966	16 015	34 205	34 205	39 156	41 478	48 176	53 933

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	2015/16	2016/17	2017/18		Current Ye	ar 2018/19			ledium Term F Inditure Frame	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts				- 1							
Property rales				- 1					-	-	-
Service charges									-	-	-
Other revenue		12 004	10 563	369	108	358	358	358	1 057	1 076	1 096
Government - operating	1	172 008	174 983	178 821	184 644	185 140	185 140	185 140	196 082	196 835	203 629
Government - capital	1	2 152							-	-	-
Interest		3 996	2 331	2 772	2 380	2 950	2 950	2 950	2 950	3 109	3 277
Dividends		2	2	2					- 1	-	-
Payments											
Suppliers and employees		(234 470)	(175 048)	(173 081)	(176 879)	(178 420)	(178 420)	(178 420)	(185 323)	(187 315)	(196 323)
Finance charges				(849)					_	_	-
Transfers and Grants	1			(5 380)	(5 751)	(6 511)	(6 511)	(6 511)	(5 949)	(4 473)	(4 655)
NET CASH FROM/(USED) OPERATING ACTIVIT	IES	(44 309)	12 831	2 655	4 502	3 517	3 517	3 517	8 817	9 232	7 025
CASH FLOWS FROM INVESTING ACTIVITIES Receipts Proceeds on disposal of PPE		726	160	669					_	ı	-
Decrease (Increase) in non-current debtors									_	_	=
Decrease (increase) other non-current receiv able	es es								=	-	-
Decrease (increase) in non-current investments	1	(65)		77					-	-	-
Payments											
Capital assets		(35 199)	(2 879)	(6 663)	(3 472)	(3 297)	(3 297)	(3 297)			
NET CASH FROM/(USED) INVESTING ACTIVITI	ĖS	(34 539)	(2 719)	(5 917)	(3 472)	(3 297)	(3 297)	(3 297)	(3 010)	(1 896)	(596)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts Short term loans									_	-	_
Borrowing long term/refinancing									_	=	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(667)	(746)	(722)			1		-	_	-
NET CASH FROM/(USED) FINANCING ACTIVIT	İES	(667)	(746)	(722)	-	_	-		-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	Γ	(79 514)	9 366	(3 984)	1 030	220	220	220	5 807	7 336	6 429
Cash/cash equivalents at the year begin:	2	83 894	4 379	13 745	14 512	13 745	13 745	13 745	9 761	15 569	22 905
Cash/cash equivalents at the year end:	2	4 379	13 745	9 761	15 542	13 965	13 965	13 965	15 569	22 905	29 334

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.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

Description	Ref	2015/16	2016/17	2017/18	17/18 Current Year 2018/19					2019/20 Medium Term Revenue & Expenditure Framework		
thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Cash and investments available								Macana	moranite si			
Cash/cash equivalents at the year end	1	4 379	13 745	9 761	15 542	13 965	13 965	13 965	15 569	22 905	29 334	
Other current investments > 90 days		-	0	-	15 000	(0)	(0)	(0)	0	-	-	
Non current assets - Investments	11	59	0	0	-	-	-	-	-	-	-	
Cash and investments available:	$\dagger \dagger \dagger$	4 438	13 745	9 762	30 542	13 965	13 965	13 965	15 569	22 905	29 334	
Application of cash and investments												
Unspent conditional transfers	1 1	-	-	-	-	1-1	-	-	1 021	1 021	1 021	
Unspent borrowing	1 1	-	-	-	-	-			12	-	-	
Statutory requirements	2				(1 079)				-	-	-	
Other working capital requirements	3	18 110	(16 145)	22 441	29 083	20 329	20 329	20 329	13 312	13 312	13 312	
Other provisions					546	546	546	546	667	667	667	
Long term investments committed	4	-	-	-	- :	- S=	-	-	-	-	-	
Reserves to be backed by cash/investments	5			eren er								
Total Application of cash and investments:		18 110	(16 145)	22 441	28 550	20 874	20 874	20 874	15 000	15 000	15 000	
Surplus(shortfall)		(13 672)	29 890	(12 679)	1 992	(6 909)	(6 909)	(6 909)	569	7 905	14 334	

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

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

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

This does not place the municipality in a very vulnerable financial position as the other working capital (Table A8) comprises of staff leave and long service award liability non- current liability amounting to R 14 million as per AFS 2017/18. The municipality pays its creditors within 30 days of the date of the invoice thus there are no creditors due long outstanding.

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

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

This does not place the municipality in a very vulnerable financial position as the other working capital (Table A8) comprises of provision made for staff leave and long service award liability non- current liability amounting to R 14 million as per AFS 2017/18. The municipality pays its creditors within 30 days of the date of the invoice thus there are no creditors due long outstanding.

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

Table A9 - Asset Management

Description	Ref	2015/16	2016/17	2017/18	Cur	rent Year 2018	/19		edium Term R nditure Frame	
R thousand		Audited Outcome	Au dited Outcome	Au dited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	35 493	2 879	6 557	3 472	3 297	3 297	5 027	4 877	5 140
Roads Infrastructure		1 096	-		- 1	_	_	_	_	_
Storm water Infrastructure		_		_	-		_	_	_	
Electrical Infrastructure		2 008	_		_	_	_	_		_
Water Supply Infrastructure		5 335	_			_		_	_	_
Sanitation Infrastructure Solid Waste Infrastructure		6 867	_	5 396	150	150	150	_	_	_
Rail Infrastructure		-	_	-	-	-	-	-	_	_
Coastal infrastructure		-	_	_	_	_		_	_	_
Information and Communication Infrastructure			_	-	_	-	_	-	_	
Infrastructure		15 306	-	5 396	150	150	150	-	-	l -
Community Facilities		-	- 1	- 1	100	100	100	100	105	11
Sport and Recreation Facilities		=	-	-	-	-	-	-	-	-
Community Assets		-	-	- I	100	100	100	100	105	11
Heritage Assets			-0	-	-	-	= 1	-	-	-
Revenue Generating		-	-		-	-	20	-	-	-
Non-revenue Generating		-	-	-	-	-	-	_		_
In vestment properties		-	-	-	-	7.71	-	-	-	-
Operational Buildings		-	-	- 1	-	-	===	-	-	-
Housing		_	-	-		_	-	_		
Other Assets		-	-		-	_	-	-	-	-
Biological or Cultivated Assets		-	=	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-		- 020	-
Licences and Rights		8	723	817	220	220	220	220	232	24
Intangible Assets		8	723	817	220	220	220	220	1	1
Computer Equipment		1 526	202	167	752	797	797	3 0 3 0	3 147	3 27
Furniture and Office Equipment		156	1 111	151	550	690	690	1 527	1 234	134
Machinery and Equipment		16 796	843	26	-	-		150	158	16
Transport Assets		1 701	-	-	1 700	1 340	1 340	-	-	-
Land Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	_	
Total Renewal of Existing Assets	2	-	-	-	-		-	-	-	-
Roads Infrastructure		-	-		- 1	-	-	-	-	-
Storm water Infrastructure		-	-		- 1		-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	=	-	-
Water Supply Infrastructure		-	(=)	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-		-	-	-	=	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	_	-	-	-
Information and Communication Infrastructure		-		-	-	-	-	-		-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities				-		-		-	-	
Community Assets		_	_	_	_	_	_	_		
Heritage Assets		_	_	_	_	_	_	_	_	
Revenue Generating	1	_	_	_	_	_] [_
Non-revenue Generating	1		-					ļ	-	-
Investment properties Operational Buildings	1	_	_	_	_	_	-	_	_	1 :
Operational buildings Housing	l	_	_	_	_	_	_	_	_	-
Other Assets				_	-	-	-	-	-	-
Biological or Cultivated Assets	1	-	_	-	_	_	-	-	-	-
Servitudes		_	_	_	_	_	_	_	_	l .
Licences and Rights		_	_	_	-	-	_	_	-	-
Intangible Assets			-	-	-	-	-	-	<u> </u>	-
Computer Equipment		_	-	-	-	_	-	-	-	
Furniture and Office Equipment	1	_	_	_	_	-	_	_	_	
	1	l _		_	_	_	1 _	_	-	
Machinery and Equipment	1			1 -	-					
Machinery and Equipment		_	_	_	_	_	_	_	_	-
Machinery and Equipment Transport Assets Land		-			_		-	-	-	

Total Upgrading of Existing Assets	6	-	-	-	- [-	- [-	-]	- [
Roads Infrastructure		-	-	-	-	-	-	-	- 1	-
Storm water Infrastructure Electrical Infrastructure		-	-	-	-	_	-	_	-	_
Water Supply Infrastructure		-	-	-	-	-	7-0	-	-	1 -
Sanitation Infrastructure		1-1	-	1-1	-	-	-	-	-	45
Solid Waste Infrastructure		-	-		-	- 1	-	-	-	_
Rail Infrastructure		-	-	-	-	-	-	-	- 1	
Coastal Infrastructure Information and Communication Infrastructure		-	-	-	-	-	-	-	-	_
Infrastructure	1 1	-		-	-	-		-	-	_
Community Facilities		-	-	_	-	-	::=	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	
Heritage Assets Revenue Generating		-	_	-	_		-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	= 2
Housing		-							-	-
Other Assets Biological or Cultivated Assets		-	-	-	-	_		-	-	_
Servitudes Servitudes		-	-	1-	-	-	- :	-	-	
Licences and Rights		-	-		-	-		-	_	200
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		10-	-	-	-	-1	-1	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	- 1	-
Machinery and Equipment		-	-	-	-	- 1	-	- 1	- 1	-
Transport Assets Land		-	-	- 1	-	-	-	-		-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	
17	4	35 493	2 879	6 557	3 472	3 297	3 297	5 027	4 877	5 140
Total Capital Expenditure Roads Infrastructure	4	1 096	2015	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-		-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-		-
Water Supply Infrastructure		2 008	-			-	-	-		-
Sanitation Infrastructure		5 335 6 867	-	5 396	150	150	150	-	_	
Solid Waste Infrastructure Rail Infrastructure		0 007	-	3 350	-	-	-	-	-	=
Coastal Infrastructure		-	-		-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		15 306	-	5 396	150	150	150	-	-	
Community Facilities		-	-	-	100	100	100	100	105	111
Sport and Recreation Facilities		-			100	100	100	100	105	111
Community Assets Heritage Assets			_	_	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	=	-	-	-
Non-revenue Generating		-	-	=	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	_
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-								
Other Assets Biological or Cultivated Assets		_	-	_	-	-	-	-	-	-
Servitudes		- 1	-	-	-	_		-	-	12
Licences and Rights		8	723	817	220	220	220	220	232	244
Intangible Assets		8	723	817	220	220	220	220	232	244
Computer Equipment		1 526	202	167	752	797	797	3 030	3 147 1 234	3 271 1 347
Furniture and Office Equipment		156 16 796	1 111 843	151 26	550	690	690	1 527 150	1 234	1 347
Machinery and Equipment		16 796	843	-	1 700	1 340	1 340	-	-	-
Transport Assets Land		1701	_	-	-	- 1 340	-	-	-	_
Zoo's, Marine and Non-biological Animals		-	_	-	-	-	_	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	\top	35 493	2 879	6 557	3 472	3 297	3 297	5 027	4 877	5 140
ASSET REGISTER SUMMARY - PPE (WDV)	5	33 349	35 997	31 724	23 169	46 974	46 974	51 720	51 082	50 410
Roads Infrastructure	1	1 096	20 001	37.000			- America (1)			v.=stavi1988)
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure		2 008								
Sanitation Infrastructure		5 335								
Solid Waste Infrastructure Rail Infrastructure										
Coastal Infrastructure	l									
Information and Communication Infrastructure	I	6 867		14 095	7 844	11 912	11 912	11 912	11 912	11 912
Infrastructure		15 306	- 1	14 095	7 844	11 912	11 912	11 912	11 912	11 912
Community Assets		5		3 501	267	6 158	6 158	6 158	6 158	6 158
Heritage Assets	1									
Investment properties								00.100	00.540	07 077
Other Assets		17 589	34 388	12 571	13 676	24 441	24 441	29 186	28 549	27 877
Biological or Cultivated Assets		450	4.000	4 550	1 381	4 463	4 463	4 463	4 463	4 463
Intangible Assets		450	1 608	1 558	1 361	4 403	4 403	4 403	4 403	4 403
Computer Equipment Furniture and Office Equipment						-				
Machinery and Equipment		-								-
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals							1, ,	E) 484	E2 000	EA 11A
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	33 349	35 997	31 724	23 169	46 974	46 974	51 720	51 082	50 410

XPENDITURE OTHER ITEMS	4 508	7 219	8 908	6 460	5 013	5 013	7 488	7 892	8 318
Depreciation 7		7 219	8 908	5 013	5 013	5 013	5 440.	5 734	6 043
Repairs and Maintenance by Asset Class 3	-	-	-	1 447	-	-	2 048	2 159	2 27
Roads Infrastructure	-	-	1 m	-	-	-	-	-	-
Storm water Infrastructure	-	-	7-	-	-	-	-	-	-
Electrical Infrastructure	- 1	-	1-	1-1	-	1-	1-1	-	-
Water Supply Infrastructure	-	-	1.71		- 1	100	1.00	-	0.77
Sanitation Infrastructure	-	-	-	-	-	=	-	-	_
Solid Waste Infrastructure	-	-	12	-	-	-	-	-	
Rail Infrastructure		-	2=	-	-	-		-	18 27
Coastal Infrastructure		-	:=		-	-	-	-	0.2
Information and Communication Infrastructure	-	-	-	-	-	1=		-	7-
Infrastructure	-	- i	-	-	-	-	-	-	-
Community Facilities	1-1	-	-	1-0	-			-	-
Sport and Recreation Facilities	-	-	-	-	-	12	7-1	-	
Community Assets	-	- 1	-	-	-	-	- 1	1-1	-
Heritage Assets	-	-		-	-		-	-	-
Revenue Generating	-	-		-	-	-	-	-	-
Non-rev enue Generating	-	-	12	-	-	% <u>—</u>	-	-	-
Investment properties	-	-	-	-	-	-	- [-	-
Operational Buildings		-		650	-	-	444	468	49
Housing	-	-	-	-	-		-	1-1	-
Other Assets	- 1	- 1	-	650	-	-	444	468	45
Biological or Cultivated Assets	-	-	- 1	-	-	-	1-	-	
Serv itudes	- 1	-	-	-	-	12	-	-	
Licences and Rights	-	-	:=	-	-	-	-	-	
Intangible Assets	-	- 1	- 1	-	-	-	-	-	
Computer Equipment	_	-	-	250	-	- 1	850	896	94
Furniture and Office Equipment	_	-	-	254	-	- 1	254	268	2
Machinery and Equipment	_	_	-	93	-	-	200	211	2:
Transport Assets		- 1	_	200	_	-	300	316	33
Land	_	_	- 1	_	-	- 1	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	
OTAL EXPENDITURE OTHER ITEMS	4 508	7 219	8 908	6 460	5 013	5 013	7 488	7 892	8 3
	ex 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 total cap	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 deprecn	1	0.0%	0.0%	4.9%	0.0%	0.0%	4.0%	4.2%	4.5%
R&M as a % of PPE	0.0%	(100 to 100 to 1		6.0%	0.0%	0.0%	4.0%	4.2%	5.0%
Renewal and upgrading and R&M as a % of PPE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.076	4.076	3.0%

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 by 41.53 Per cent compared to 2018/19 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 of an amount of R850 000 relating to computers is for Mscoa Solar system.

Table A10 - Basic Service Delivery Measurement

OCAN Dr Konnoth Kaunda	Table A10 Basic service delivery	maggirament
JC40 DI Kenneth Kaunua -	I able Win Dagic gernice delinel	Illeasurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measuremen	Ref	2015/16	2016/17	2017/18	Cur	rrent Year 2018	W19		ledium Term R nditure Frame	
Description	Kei	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	+1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water: Piped water inside dwelling	ll	_	_	_	_	_		_	-	_
Piped water inside yard (but not in dwelling)		-	_	_	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	(5)	1.7	- 1	-	-	-	-	-
Other water supply (at least min.service level) Minimum Service Level and Above sub-total	4	-					-			
Using public tap (< min.service level)	3	-	-	_	-	_	-	_	_	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	1-	-
No water supply		-	-	-	-	-		-	-	-
Below Minimum Service Level sub-total Total number of households	5					-			 	-
Sanitation/sewerage:										
Flush toilet (connected to sew erage)		-	-	-	-	-		-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	=	-	-	-	-	-	-
Pit toilet (ventilated) Other toilet provisions (> min.service level)		-	-	_	_	_	_	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-		-
Bucket toilet		-	-	_	-	-	-	-	_	-
Other billet provisions (< min.service level) No billet provisions		-	-	-	-	_	_	_	_	_
No ibilet provisions Below Minimum Service Level sub-total				-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	5 -	_	_
Electricity - prepaid (min.service level) Minimum Service Level and Above sub-total				-			-		 	-
Electricity (< min.service level)		_	_	_	_	_	_	_	_	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	95	-	-
Other energy sources		-	-	-	-	-	<u> </u>	-	<u> </u>	
Below Minimum Service Level sub-total Total number of households	5	-		-		=			 	-
	١١							****		
Refuse: Removed at least once a week		_	_	_	_	_	_	12	_	
Minimum Service Level and Above sub-total		-	-	-	-	-	-		-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	_	-
Using communal refuse dump		-	-	-	-	-	-		_	-
Using own refuse dump Other rubbish disposal		-	_	_	_	_	-	_	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total	5		-			<u> </u>			 -	-
Total number of households										
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		_	_	_	_	_	-	_		_
Sanitation (free minimum lev el 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)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	_
Sanitation (free sanitation service to indigent households) Electricity/other energy (50kwh per indigent household per month)		_	-	_	-	_	_	1 -	_	_
Refuse (removed once a week for indigent households)		_	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)			_			-				
Total cost of FBS provided	+	-	-	-	-	-	-	_	-	-
Highest level of free service provided per household										
Property rates (R value threshold) Water (kilolites per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month) Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9							1		
Revenue cost of subsidised services provided (Kruuu)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissable values in										
excess of section 17 of MPRA)		-	-	-	=	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		_	-	-	1	_	-	_	-	
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	6									

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

PART 2: SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

Section 21 - Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2018
- The 2018/19 Draft Budget was tabled together with the review of the IDP in council on the 28 March 2019.
- The public participation meetings were held during May 2019.

OUTCOMES OF CONSULTATIVE PROCESS

After Council's approval of the draft annual budget on 28 March 2019, the following consultation processes and Meetings in terms of section 23 of the MFMA were held or still to be held with identified stakeholders on the contents of the budget as well as on measurable

Performance indicators for the 2019/ 2020 budget year:

- IDP / Budget Strategic Session
- Budget Committee working sessions HOD's / Unit Managers
- · Workshop with Council
- · Submission of the Draft IDP and Budget to Council
- Advertisement on a local newspaper
- Provincial engagement on the draft budget
- National Treasury and other sector departments as prescribed by section 23 of the MFMA

2.2 Disclosure on Salaries, Allowance and Benefits

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 2018/2019 financial year amounting to R11 841 911 is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase. The payment of allowances to councillors for 2018/2019 will be made using the upper limit gazette available during payment of such allowances.

Senior Officials and Municipal Staff

The total budget for 2019/2020 employee related cost amounts R107 119 965.

2.3 Measurable performance objectives.

A detailed service delivery and budget implementation plan on the IDP which is to be approved by the Mayor shows the measurable performance objectives and annual target that each directorate should achieve and become part of the performance agreement for all sections of employees.

2.4 Overview of Budget Related Policies

The following policies were work shopped to the elected councilors of Dr Kenneth Kaunda District Municipality on the 20th of March 2019.

Credit Control and Debt Collection Policy

This adopted policy is credible, sustainable, manageable and informed by affordability and value for money and there was no need to review the policy. New Indigent threshold is published in the Tariff Schedule which equals to 2 state pensions.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, regular Indigent Register Campaigns will be arranged throughout the year.

The 2018/19 MTREF has been prepared on the basis of achieving an average debtors" collection rate of 70% on current billings.

Asset Management Policy

The objectives of this policy of the Municipality are:

- a) to maximise the service potential of existing assets by ensuring that they are appropriately used, maintained, safeguarded and that risks are mitigated;
- b) to optimise the life cycle costs of owning and using these assets by seeking costeffective options throughout an asset's life cycle;
- c) to reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;
- d) to establish clear lines of accountability and responsibility for performance, safe custody and use of assets within the Municipality;
- e) to establish sound risk-based internal controls supporting all asset management practices within the Municipality.

Supply Chain Management Policy

- (1) The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:
 - (a) gives effect to:
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the MFMA;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) complies with:
 - (i) the regulatory framework prescribed in Chapter 2 of the SCMR; and
 - (ii) 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;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:
 - (a) procuring goods and/or services;
 - (b) disposing of goods no longer needed;
 - selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or 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.

(3) 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 this policy, together with the Code of Conduct for Municipal Staff Members as contained in Schedule 2 of the MSA.

Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable senior managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28(2)(c) MFMA).

Cash Management and Investment Policy

The objective of this policy is

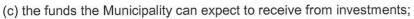
- 1. To ensure compliance with the relevant legal and statutory requirements relating to cash management and investments.
- 2. To ensure that investment of surplus funds of the Municipality forms part of the financial system of the Municipality.
- 3. To create consistency in that the same procedure is followed in respect of each investment so as to conform to the requirements of transparency, equitability and fairness. In each case the preservation and safety of investments is a primary aim.
- 4. To promote and ensure the need for investment diversification of the Municipality's investment portfolio across acceptable investees permitted types of investments and investment maturities.
- 5. To ensure the liquidity needs of the Municipality are duly discounted and provided for.
- 6. To ensure timeous reporting of the investment portfolio as required by the MFMA and in accordance with the General Recognized Accounting Practices (GRAP).
- 7. To establish a minimum acceptable credit rating and requirements for investments including:

 (a) a list of approved investment types that may be made, subject to the provisions of
 - (a) a list of approved investment types that may be made, subject to the provisions of this policy; and
 - (b) a list of approved institutions where or through which investments may be made, subject to the provision of this policy.
- 8. To provide measures for ensuring implementation of this policy and internal control over, investment made as well as procedures for reporting on and monitoring of all investments made procedure for benchmarking and performance evaluation.
- 9. To provide the assignment of roles and functions, any delegation of decision-making powers including the conditions for the use of investment managers, and their liability in the event of non-compliance with the provisions of this policy.

Funding & Reserve Policy

The aim and purpose of this policy is to:

- (1) ensure that the Municipality has sufficient and cost-effective cash funding in order to achieve its objectives through the implementation of its operating and capital budgets; and
- the objectives of this policy are to set out the assumptions and methodology for estimating the following:
 - (a) projected billings, collections and all direct revenues;
 - (b) the provision for revenue that will not be collected;



- (d) the proceeds the Municipality can expect to receive from the transfer or disposal of assets;
- (e) the Municipality's borrowing requirements; and
- (f) the funds to be set aside in reserves.

2.5 Overview of Alignment of Annual Budget with IDP

DR KENNETH KAUNDA DISTRICT MUNICIPALITY	
ANNUAL BUDGET 2019/2020	
GRANTS AND SUBSIDIES OPERATING TOURISM, ECONOMIC, COMMUNITY AND SOCIAL PROJECTS	
ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN	
Alignment Integrated Development Plan and the Budget 2019/2020 with regard to grants and subsidies operating	
targeting Tourism, Economic Development, Community and Social Services within the District.	
	BUDGET
OPEARATING PROJECTS	
OFFICE OF THE EXECUTIVE MAYOR (ALLOCATION 2019/2020)	
Merit Bursary Community	2 400 000
Youth Development	400 000
Woman's Month	150 000
Mandela Day	250 000
Gender Development	300 000
Disability Development	300 000
Children Development	200 000
Elderly Development	250 000
Education	200 000
Moral Regeneration	300 000
Poverty Relief	250 000
TOTAL	5 000 000

	BUDGET
OPERATING PROJECTS	
OFFICE OF THE SPEAKER (ALLOCATION 2019/2020)	
Community Based Plan	2 000 000
TOTAL	2 000 000
OPERATING PROJECTS	
OFFICE OF THE WHIP (ALLOCATION 2019/2020)	
Constituency Fund Women Caucus	250 000 300 000
TOTAL	550 000
	BUDGET
OPERATING PROJECTS	
BUDGET AND TREASURY (ALLOCATION 2019/2020)	
District Call centre operations	4 000 000
TOTAL	4 000 000

PROJECT ALLOCATION	BUDGET
INFRASTRUCTURE CAPITAL PROJECTS 2019/2020 ALLOCATIONS	
Expanded Public Work Programme Grant	1 649 000
Rural Roads Assets Management System	2 606 000
GRAND TOTAL ALL PROJECTS	4 255 000
DR KENNETH KAUNDA DISTRICT MUNICIPALITY	
ANNUAL BUDGET 2019/2020	
GRANTS AND SUBSIDIES OPERATING TOURISM, ECONOMIC, COMMUNITY AND SOCIAL PROJECTS	
ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN	
Alignment Integrated Development Plan and the Budget 2019/2020 with regard to grants and subsidies operating targeting Tourism, Economic Development, Community and Social Services within the District.	
	BUDGET
OPERATING PROJECTS	***************************************
DISTRICT ECONOMIC DEVELOPMENT AND TOURISM (ALLOCATION 2019/2020)	
LED Direct Support Grants to SMMEs	1 000 000
EPWP EPWP	700 000
Sports, Arts and Culture	500 000
LED Initiatives	800 000
Dr KKD Secondary Co-operative	50 000
Trade and Investments	400 000
Agency	3 000 000
	6 450 000
OFFICE OF THE MUNICIPAL MANAGER	
CCTV Cameras	2 110 000
TOTAL	2 110 000

	BUDGET
OPEARTING PROJECTS	
DISASTER MANAGEMENT AND CCTV CAMERAS (ALLOCATION 2019/20)	20)
Disaster Management Plan	80 000
Disaster management aw arenes	250 000
Disaster management relief	100 000
Disaster Management Research	80 000
Disaster management advisory forum	20 000
Emeregency Funding major incident	500 000
District Public Safety Promotion	110 000
Risk Reduction Project	50 000
Regional Dolomite study	2 000 000
TOTAL	3 190 000

2.6 Grant Allocation to Local Municipalities and the DRKKDM Economic Agency

ANNUAL DRAFT BUDGET 2019/2020 DR KENNETH KAUNDA DISTRICT MUNICIPALITY GRANT ALLOCATIONS TO LOCAL MUNICIPALITIES AND THE DKKDM ECONOMIC AGENCY

The allocations are made on condition that the projects are in line with the Intergarted

Development Plan of the local municipalities and the business plan of the DrKKDM Economic Agency as aligned with the Dr Kenneth Kaunda 's Integrated Development Plan and also to avoid duplication of implementation and Budgeting.

The proposed projects are approved by the relevant local municipality's council or by the District municipality's council if part of the original IDP, any changes to the approved budgeted projects will only be effected through the municipality's council resolution subject to the municipality's delegation to the Mayor regarding approval of such changes and in consultation with the affected local municipality.

The capital projects allocations by Dr Kenneth Kaunda District Municipality to the DrKKDM Economic Agency is done by transferring of the allocated funds directly to the Dr KKDM Economic Agency for implementation of the projects processes by the Dr Kenneth Kaunda District Municipal Economic Agency.

DR KENNETH KAUNDA DISTRICT ECONOMIC AGENCY

BUDGET	
3 000 000	
	3 000 000

2.7 Overview of Budget Funding

DR KENNETH KAUNDA DISTRICT MUNICIPALITY ANNUAL DRAFT BUDGET 2019/2020 OVERVIEW OF BUDGET FUNDING

The total revenue of Dr Kenneth Kaunda District Municipality for the budget year 2019/2020 is **R 200 089 400.00**

The budget is primarily funded from government grants and subsidies from National Treasury which forms a major portion of sources of revenue, since the abolishment of Regional Services Council Levies as replaced by RSC Replacement Grant.

Administration Capital budget is funded by Capital Replacement Reserve as created and cash backed by short term investments in financial institutions.

The other grants are conditional grants for specific purposes as outlined in the Division of Revenue Bill of 2018, any unspent portion of a conditional grant as at the end of the financial year revert to the National Treasury, unless a roll-over is approved fo further implementation of the grant.

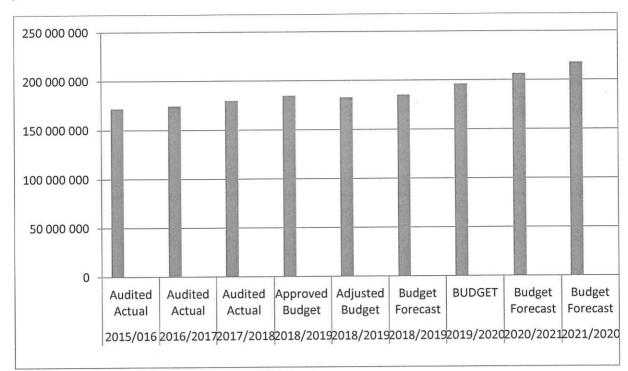
As the non-conditional grants are transferred on quaterly basis, the portion that is not needed immediately is invested on a short term fixed deposit with four main financial institutions to earn interest.

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

		As % of
BUDGET FUNDING	_	Total funding
INTEREST:SHORT TERM INVESTMENTS & CALL ACCOUNTS	2 500 000	1.2
LG SETA MANDATORY AND DISCRETIONARY GRANT	3 228 400	1.6
HEALTH CERTIFICATES	350 000	0.2
RURAL ROADS AND ASSET MANAGEMENT GRANT	2 606 000	1.3
EQUITABLE SHARE	24 622 000	12.3
RSC REPLACEMENT GRANT	162 977 000	81.5
EPWP GRANT	1 649 000	0.8
OTHER REVENUE	1 157 000	0.6
FMG GRANT	1 000 000	0.5
TOTAL FUNDING	200 089 400	100.00

2.8 REVENUE BY MAJOR SOURCE

The following graph indicates the main categories of revenue for the 2019/2020 financial year:

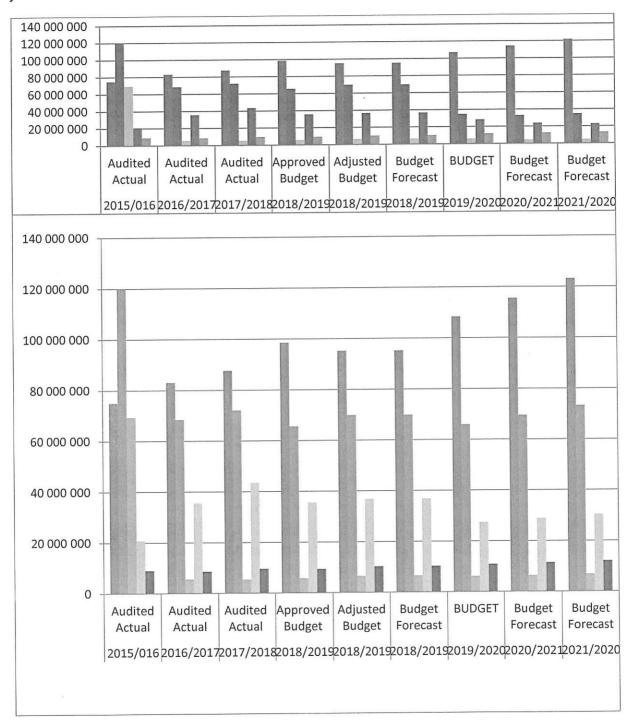


	2015/016 Audited	2016/2017 Audited				2018/2019 Budget			2021/2020 Budget
	Actual					AUSTRALIE STATE			Forecast
Transfers Recog. Operating	171 867 151	174 536 135	179 654 322	184 644 000	182 680 200	185 140 200	196 082 400	206 670 850	217 831 075
Transfers Recog. Capital									
Total revenue by major source	171 867 151	174 536 135	179 654 322	184 644 000	182 680 200	185 140 200	196 082 400	206 670 850	217 831 075

The main source of revenue is still operating grants from National government. The growth in income is limited to the current inflation rate and an increase in the GDP that is expected to be 1.5%. The low economic growth have a negative impact on the operations of the municipality's ability to sustain a high level of involvement in the district.

2.9 OPERATING EXPENDITURE BY MAJOR TYPE

The following graph indicates the main categories of expenditure for the 2019/2020 financial year



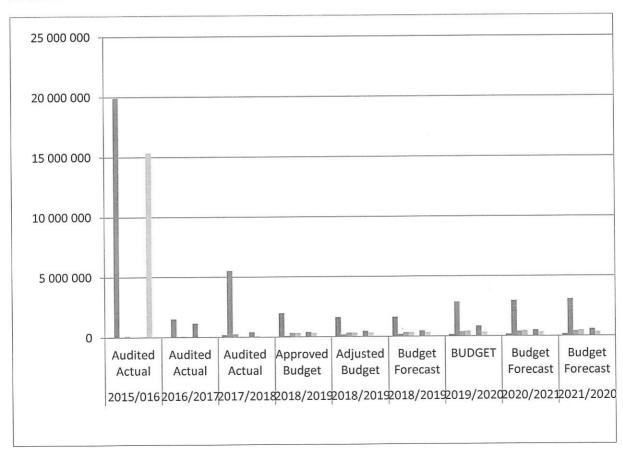
	2015/016 Audited Actual	2016/2017 Audited Actual	2017/2018 Audited Actual	2018/2019 Approved Budget	2018/2019 Adjusted Budget	2018/2019 Budget Forecast	2019/2020 BUDGET	2020/2021 Budget Forecast	2021/2020 Budget Forecast
Employee Related Costs	74 911 231	83 018 024	87 581 740	98 519 010	95 142 565	95 142 565	107 119 965	114 217 996	121 786 673
Other expenditure	119 983 814	68 402 881	72 053 932	65 578 593	69 809 346	69 809 346	34 672 092	33 009 252	34 664 751
Grants&Subsidies Paid Operating	69 308 669	5 553 058	5 379 990	5 751 000	6 511 000	6 511 000	5 949 000	4 472 800	4 654 931
Contracted services	20 832 189	35 568 280	43 519 476	35 663 799	36 766 899	36 766 899	28 150 000	23 880 276	22 792 178
Remuneration of councillors	8 966 268	8 597 537	9 620 366	9 372 056	10 208 956	10 208 956	11 841 911	12 477 627	13 147 674
Total expenditure major type	294 002 171	201 139 780	218 155 504	214 884 458	218 438 766	218 438 766	187 732 968	188 057 951	197 046 207

Graph clearly illustrates the increasing trends in employee related costs increasd for 19/20 as opposed to 18/19 financial year. The effect of the slow economic growth and free education can be seen in the proposed expenditure for Transfers and subsidies allocations to that decreased drastically.

Councillor's remuneration reflects a fair increase over the past years based on the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998).

2.10 CAPITAL EXPENDITURE BY VOTE AND FUNCTIONAL CLASSIFICATION

The capital needs of the municipality consists of Computer equipment, office furniture and equipment for the new Staff and the need for team mate software.



	2015/016 Audited Actual	2016/2017 Audited Actual	2017/2018 Audited Actual	2018/2019 Approved Budget	2018/2019 Adjusted Budget	2018/2019 Budget Forecast	2019/2020 BUDGET	2020/2021 Budget Forecast	2021/2020 Budget Forecast
Executive and Council	40 174	30 238	190 000	1 970 000	1 630 000	1 630 000	25 000	26 350	27 773
Budget and Treasury	19 903 942	1 516 848	5 521 693	85 000	185 000	185 000	1 855 000	1 025 000	75 000
Municipal Manager Admin.	43 926	59 850	260 000	340 000	340 000	340 000	165 000	130 000	120 000
Corporate Services Admin.	95 933	88 001	60 000	330 000	330 000	330 000	200 000	180 000	130 000
Planning and Development-Economic	0	20 000	20 000	20 000	20 000	20 000	20 000	10 000	10 000
Public Safety	36 543	1 161 574	410 000	400 000	465 000	465 000	540 000	375 000	148 000
Health	42 390	22 609	85 000	317 000	317 000	317 000	195 000	140 000	75 000
Planning and Development-Technical	15 329 771	0	10 000	10 000	10 000	10 000	10 000	10 000	10 000
TOTALS	35 492 679	2 899 120	6 556 693	3 472 000	3 297 000	3 297 000	3 010 000	1 896 350	595 773

Capital Expenditure is funded from Internal Funding

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 2019/20 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.

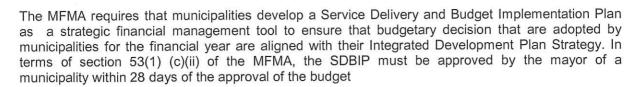
The 2019/20 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2019/20 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)



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 asses performance on the SDBIP, the document is amended, where applicable and adopted by Council.