

**DR. KENNETH
KAUNDA**
DISTRICT MUNICIPALITY



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

ANNUAL BUDGET

2020/2021 TO 2022/2023

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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ABBREVIATIONS AND ACRONYMS

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

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

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PART 1: ANNUAL BUDGET

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

The purpose of this report is to submit the Annual Budget for 2020/2021 to Council in line with the provisions of the Municipal Finance Management Act section 24(1) that stipulate that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

1.1. Mayor's Report

Honourable Speaker, Cllr. Patrick Masiu.
Single Whip of Council, Cllr Ntombi Koloti,
Whips of Opposition Parties
Members of the Mayoral Committee
Honourable Councillors
Municipal Manager, Mrs Shirley Lesupi
Senior Managers, and Officials,
Distinguished Guests, Ladies and Gentlemen
People of the Dr Kenneth Kaunda District Municipality

Good morning and thank you very much for affording me the opportunity to address Council as it considers the 2020/21 Annual Budget.

This morning, let us keep in our thoughts and prayers to all those who have been infected by the coronavirus, all those who have lost loved ones, and also those who have endured – and continue to endure – great hardship because of the pandemic.

OBSERVE MOMENT OF SILENCE TO HONOR THOSE WHO DIED FROM CORONA VIRUS.

I would like express my sincere gratitude and applaud man and women who have always been at frontline since the introduction of the lockdown for their sacrifice and time devoted to fighting the virus.

A special mention and salutation goes out to the District and Provincial COVID-19 Command Structures and frontline personnel for having been consistent on the ground and for being available 24/7 when needed.

Special thanks to the Department of Water and Sanitation (DWS) initially delivered 40 JOJOs at JB Marks, 10 at Matlosana and 8 at Maquassi Hills (all 5,000 litres capacity).

Special thanks to MMCs, my support staff that have been working with me daily at our Klerksdorp Disaster Centre. This team was comprised of several internal departments within the Dr KKDM and included personnel from the EM's office, Single Whip, Municipal Manager,

Communications unit, Corporate Services, Community Services and other Senior Managers. The team has always been involved in:

- Covid-19 Media and Awareness Campaigns;
- Distribution of washable 100% cotton masks to the elderly, children, Councillors as well as staff members.

I am grateful that all measures agreed upon with the Municipal manager and the team were put in place in order to curb the spread of COVID-19 and the safety of our employees.

- Contingency plans such as sanitization, fumigation and procurement of PPE has been completed and the screening of personnel entering the municipal building is done daily.
- In addition, Management has developed the Draft COVID-19 Workplace Plan which was discussed with the labour Unions.

I am also thankful that the Municipal Manager and her team for having made this arrangement which in line the 4th Industrial Revolution in order to comply with (GN. R43291) and these Directive provides for municipalities to amongst others do the following:

- Convene meetings of Council and committees of council to consider any council related business, including the adoption of IDPs;
- Ensuring that all meetings including councils' meetings be done using media platforms such as teleconferencing and video conferencing and viewing of this meeting by the Public has been facilitated through Live Streaming on Facebook;
- Ensuring that the communities are consulted using media platforms and alternative methods of consultations, instead of contact meetings, to provide comments on the draft IDP and Budget.

Subsequent to the President announced that South Africa would move from level 4 to level 3 lockdown, the number of infections has risen drastically in our province and also in our district. We appreciate the intervention by the minister of health, Dr Zweli Mkhize and MEC for health, Mr Madoda Sambatha for additional 6000 medical practitioner employed to assist the fight against COVID-19. The Department of health has deployed around 10 000 field workers to visit villages, towns and cities to screen resident for COVID-19 symptoms. We appreciate all businesses that have contributed towards the fight against COVID-19 including the Northwest University for donating a vehicle.

Based on the above-mentioned and consultation with the Speaker of Council, the following arrangements were made for the sitting of Council meeting this morning to comply with all related Municipal and Covid 19 Regulations as well as social distancing:

- That Councillors from Maquassi Hills Municipality would be accommodated at Orkney Council Chamber
- That Councillors from the City of Matlosana would be accommodated at the Disaster Management Centre in Klerksdorp;
- That Councillors from JB Marks Local Municipality (Ventersdorp) will be accommodated at Ventersdorp Council Chamber;

- That Councillors from JB Marks Local Municipality (Potchefstroom) will be accommodated at Orkney Council Chamber;
- That the Municipal Manager and other Senior Managers will be participating from various venues such as the Orkney Chambers and the Disaster Management Centre respectively.

THE OUTCOMES OF CONSULTATIVE PROCESS

The Dr KKDM had wished to host special sessions with community organisations, business organisations and public sector institutions prior to convening the hearings on the budget. Due to the outbreak of corona virus National Government had to put measure in place in order to contain the spread of the virus. The Minister of Cooperative Governance and Traditional Affairs (COGTA) issued Regulations through the Disaster Management Act which restrict public gathering amongst other matters. In it is under this environment that the municipality opted to engage local communities through media platforms.

After Council's tabling of the 2020/21 draft budget and IDP on the 18th May 2020, the following consultation processes and were held with identified stakeholders on the contents of the budget as well as on measurable performance indicators for the 2020/21 budget year:

- IDP / Budget Strategic Session.
- Budget Committee working sessions – Senior Managers / Unit Managers.
- Budget Steering Committee meetings.
- Advertisement on a local newspaper once the budget is approved by council.
- National Treasury and other sector departments as prescribed by section 23 of the MFMA.
- Consultation with Communities via community radios stations within Dr KKDM and about 300 inputs were received from the communities and other stakeholders.

The Mayor will be given an opportunity to respond to the recommendations (at that or a subsequent council meeting), and where necessary, to make revisions and amend the tabled budget.

As a further enhancement to this, quarterly service targets and monthly financial targets are to be contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.

Honourable Speaker, I am delighted to announce that in compiling the 2021 annual budget, we have followed the processes prescribed by legislation and we have adhered to the guidelines stipulated by the National treasury:

- Municipal Budget Reporting Regulation (MBRR) (32141 of 17 April 2009),
- The Municipal Budget Circular for 2020 / 2021 MTREF
- The Cost Containment Regulations (42514 of 07 June 2019).

Attention was given to Section 18(1) of the Municipal Finance Management Act, which states that an annual budget may only be funded from:

- ❖ Realistically anticipated revenue, Cash-backed accumulated funds from the previous financial year's surplus not committed;
- ❖ Borrowed funds, but only for capital budget referred to in Section 17(2) of the Municipal Finance Management Act.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. It is a really difficult fiscal environment the country is facing.

In view of afore mentioned, the 2020/21 Draft annual budget reflects the followings:

- ❖ The proposed operating revenue has grown by 3.06% or **Six million, two hundred thousand (R6,2 million)** as compared to the 2019/20 Adjustment budget. The 2020/21 Draft annual budget increased from **Two hundred and two million, seven hundred thousand (R202,7 million) to Two hundred and Eight million, nine hundred thousand (R208,9 million)**. For the two outer years, operational revenue will increase by 2.25% and 2.95% respectively outer years of the MTREF.
- ❖ The proposed operating expenditure has grown by 6.62 % or **Thirteen million, one hundred thousand (R13,1 million)** as compared to the 2019/20 Adjustment budget. The 2020/21 annual budget increased from **One hundred and ninety-eight million, five hundred thousand (R198,5 million) to Two hundred and eleven million, seven hundred thousand (R211,7 million)**. For the two outer years, operational expenditure will increase by 0.36% and 2.97% for each of the respective outer years of the MTRE.
- ❖ The proposed capital budget for the 2020/21 financial year is **Twenty-seven million, seven hundred thousand (R27.7 Million)**. The capital expenditure has grown by 616% or R23.88 Million when compared to the 2019/20 Adjustment Budget.

OPERATING REVENUE

Sources of revenue

- Operating Grants and Subsidies are as per Division of Revenue Act (Gazetted 2020).
- Interest on investment and Banks was calculated based on Current Interest rates taking into account the Inflation which is estimated at R5.2 Million.
- Other income consists of tender deposit, refund from insurance and skills levy from SETA, licenses of health certificates and Spatial Development Framework.

The Grants and subsidies amount to **Two hundred and two million, two hundred thousand (R202.2 million)** which it constitutes 96.8% of the total operating revenue of the municipality. This is the evidence that the municipality relies on grants and subsidies.

The remaining 3.2% of the total revenue comprises of the following,

- 2.49% or **Five million, two hundred thousand (R5.2 million)** from interest on investments and Bank accounts.
- The 0.47% or **R987 thousand** of the total revenue comprises of tender deposits, Spatial Development and Proceeds from sale of Assets.

- 0.24% or **R500 thousand** for Health certificates.

OPERATING EXPENDITURE

- Total employee related cost is budgeted at **One hundred and twelve million, eight hundred thousand (R112.8 million)** for the 2020/21 financial year, which is 53.32% of the total operating expenditure budget of the municipality. The percentage is far above the norm 34 percent of the total salary bill. It must be noted that the District municipality took over the municipal health service from the local municipalities with zero budget. The process of taking over the municipal health service during the 2007/08 financial year was not done in line with the requirements of Section 77 and 78(1) of the Municipal Systems Act of 2000. The Act requires the municipality to assess the direct and indirect costs and benefits associated with the project if the service is provided by the municipality through an internal mechanism. The employee related cost of municipal health service is budgeted at **Twenty-Nine million, five hundred thousand (R29.5 million)** which equals to 26.16% of the total employee related cost budget of the municipality.
- The District also took over the fire service from Maquassi Hills Local Municipality and the employee related cost is budgeted at **Six million (R6 million)**, which is 5.39% of the total employee related cost budget. Both services have placed a huge financial burden to the municipality considering the fact that the municipality is fully relying on grants and subsidies.
- Remuneration of councillors is budgeted at **Thirteen million, one hundred thousand (R13.1 million)** for the 2020/21 financial year which is 6.23% of the operating expenditure budget:
- The budget allocation towards employees related costs and remuneration of councillors took in to consideration, the annual increase as per SALGA Bargaining Council multi-year salary agreement. The salary increases have been factored into this budget at a percentage increase of 6.2 per cent for the 2021/21 financial year. 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 2020/21 annual budget.
- After consideration of employee related cost and the remuneration of Councillors the municipality is left with **Eighty-five million, six hundred thousand (R85.6 million)** from the total operating expenditure budget. The operational budget is then allocated to Outsource Services, Consultants and Professional Services, and Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.
- The operational budget includes programmes in the office of the Executive Mayor E.g. Disability, Youth Development, Gender Development, Children Development, Moral Regeneration, Elderly Development, Mandela Day, Woman's month and Poverty Relief Programme.
- The budget in the Speaker's Office budget caters for Anti-Corruption, MPAC, CBPs, Public Participation, District learning and Council Meetings).
- The expenditure on operating grants caters for Merit Bursaries in the office of the Executive Mayor to award study bursaries to deserving students within the Dr Kenneth Kaunda District Municipality, also to LED Support Grants and for Extended Public Works Programme for jobs creation and lastly the transfer to Dr Kenneth Kaunda District Municipality Agency.

- The allocation for Inventory amounts to **Five million, one hundred thousand (R5.1 million)** which is 39.3% increase as compared to the 2019/20 adjustment budget. Included in the budget of inventory is consumable stores, material, COVID-19 PPE, Sanitizers and Disinfectant cleaners, compliance with legislation as well as the Disaster Management Emergency fund.

CAPITAL BUDGET

The increase on capital budget is due to various capital projects identified to accelerate and contribute towards service delivery. The increase is due to various capital projects within the District:

- ❖ Boskuil Sanitation and Electricity Master Plan.
- ❖ IT Communication Equipment, Computer Equipment, Intangible Assets, Covid-19 Related Equipment.
- ❖ Fleet, including specialised Vehicle for Fire and disaster management services.
- ❖ Document Management System.
- ❖ Upgrading of the Disaster management centre and Building of new municipal offices. The **Twenty-seven million, seven hundred thousand (R27.7 Million)** capital budget is funded internally.

Based on the above-mentioned, the capital budget presented above presents an opportunity for Council to add value to our people. In addition, I am proposing that Council consider allocating some funds towards buying or building its new office park as the current condition of our municipal building is of great risk and also for the purpose of revenue enhancement for rental of municipal offices.

This building issue and related risks has been ventilated even at Audit Committee level and Council has been advised to look at this matter urgently. It is important to remember that this matter of the building has been before Council since 2007 and has never been finalised. Another important matter that needs our urgent attention and swift response is the issues around Sewage plant at the Maquassi Hills Local Municipality that is functional but require refurbishments and upgrading to mitigate all related sanitation issues and our response to Covid-19.

Honourable Speaker, as we are nearing the end of the current term of office, it will be an honour and privilege for me and to all Councillors I believe, to change gears and raise our level of commitment and service to our people by contributing towards improving their lives, and most importantly to leave an everlasting socio-economic impact and legacy. The 2020/21 Annual budget will also respond to the out-brake of COVID-19 to contain the spread of the virus. This pandemic has caused so much suffering in the country and the world at large.

BUDGET RELATED POLICIES

The purpose is to place before the Municipal Council of the Dr Kenneth Kaunda District Municipality the revised draft budget related policies for approval.

The review of the above-mentioned policies intends to amongst others:

- Enhance compliance to all legislative requirements by closing gaps identified during the audit review processes;
- Improve the existing controls in order to manage the potential risks identified;
- Modernize the current policies in line with the new regulations and any new developments within the three spheres of government;
- Regulatory and policy imperatives by infusing effective and efficient budget monitoring processes and procedures.

The following policies were revised and all Councillors were afforded the opportunity to comment.

- Asset Management Policy, Budget and Virement Policy, Cash Management Policy, Supply Chain Management Policy, Subsistence and Travelling Allowance Policy, Danger Allowance Policy, Cell-phone and Data Allowance Policy

LONG-TERM FINANCIAL PLANNING

The 2020/21 budget allocation to the Dr Kenneth Kaunda District Agency is budgeted at **Three million (R3 million)** however, the Agency has submitted a turn-around strategy that is estimated **Twenty-One Million (R21 million)**. Unfortunately, this could be catered for in the 2020/21 financial year. Provision was only made for operational budget.

Furthermore, the strategy proposed that the current business model of the Agency which is based on Section 86H of the Municipal Systems Amendment Act No. 44 of 2003 be changed to avoid red tapes governing the agency.

The proposed model that is recommended is that of Public Institutions listed in the PFMA Schedule 1,2,3A,3B, 3C and 3D. Thus, this exercise will require that the original Council Resolution that was taken to established the Agency be amended accordingly. It is against this backdrop that the Board has been advised to prepare a proper Council Item that proposes the amendments backed by scientific evidence and the Turn-around Strategy.

On the other hand, Small Enterprise Finance Agency (SEFA) is intending on handing over of the Plant, Machinery, and Equipment at the Klerksdorp Waste Facility previously known as Maarifa Waste Recycling Project. Sefa Exco has decided to release the original beneficiaries from the original contract and loan obligations.

Accordingly, this hand-over implies the following:

- Full control and management of the plant and equipment by the Dr KKDM;
- Sefa will remain the Title Holder of the said plant, machinery and equipment while the Dr KKDM will enjoy the right of use and operational benefit of the said plant.
- Dr KKDM will be required to place a Public Notice on local newspapers to invite new enterprises that are competent to take this project forward and bring about the necessary economic spin-off envisaged in the original proposal.
- Dr KKDM will be required to appoint new partners using internal SCM proposes as per MFMA.
- That once a new partner has been appointed, and project off the ground, the three

parties inclusive of Sefa and Dr KKDM will share profits as part of the Revenue Enhancement Strategy.

In conclusion, I am delighted to be placing before Council the Annual Budget for 2020/2021. I wish to thank the administration under the leadership of the municipal manager, the Budget and Treasury Office for preparing the 2020/2021 budget, the IDP unit for preparing the 2020/2021, the communication unit and the IT unit for the wonderful roles played in the process, Corporate Services for ensuring that agenda and items are prepared and sent on time. Finally, I cannot forget the MMCs for their participation during the budget preparation process and all councillors who participated during the Budget Steering Committee meeting of 18 June 2020. It is through your efforts and participation that today's council is considering the 2020/21 annual budget to be adopted before the beginning of the new financial year as stipulated in Section 24 of the Municipal Finance Management Act.

I therefore recommend that:

1. That the 2020/2021 total operating revenue budget of **R208 953 000.00 (TWO HUNDRED AND EIGHT MILLION, NINE HUNDRED AND FIFTY-THREE THOUSAND RAND)** in terms the MBRR A Schedule is tabled before council.
2. That the 2020/2021 total operating expenditure budget of **R211 707 806.00 (TWO HUNDRED AND ELEVEN MILLION, SEVEN HUNDRED AND SEVEN THOUSAND, EIGHT HUNDRED AND SIX RAND)** in terms of the MBRR A Schedule is tabled before council.
3. That the 2020/2021 total capital expenditure budget of **R27 760 000.00 (TWENTY-SEVEN MILLION, SEVEN HUNDRED AND SIXTY THOUSAND RAND)** in terms of the MBRR A Schedule is tabled before council.
4. That the 2020/2021 budget related policies as amended are tabled for approval.
5. That the 2020/2021-2022/2023 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council for approval.
6. That the 2020/2021 annual budget be submitted to the Provincial and National Treasury.

1.2. Council Resolutions and Items

Purpose

To place before the Municipal Council of the Dr Kenneth Kaunda District Municipality the 2020/2021-2022/2023 annual budget for tabling.

Background

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

“16. Annual Budgets

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

THEREFORE RECOMMENDED:

1. That the 2020/2021 total operating revenue budget of **R208 953 000.00** in terms of the MBRR A Schedule is tabled before council.
2. That the 2020/2021 total operating expenditure budget of **R211 707 806.00** in terms of the MBRR A Schedule is tabled before council.
3. That the 2020/2021 total capital expenditure budget of **R27 760 000.00** in terms of the MBRR A Schedule is tabled before council.
4. That the 2020/2021 budget related policies as amended are tabled for approval.
5. That the 2020/2021-2022/2023 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council for approval.
6. That the 2020/2021 annual budget be submitted to the Provincial and National Treasury.

1.3. Executive Summary

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

National Treasury's MFMA Circulars No. 28, 42, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94 and budget related regulation no 32141 of 17 April 2009 and Chapter 4, 7 etc. of the MFMA were used to guide the compilation of the 2020/21 MTREF.

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

DESCRIPTION	2018/19 Audited Outcome	Adjusted Budget 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue	-190 430	-202 756	-208 953	-213 649	-219 957
Total Operating Expenditure	171 736	198 572	211 708	212 475	218 777
(Surplus)/deficit for the year	-18 694	-4 184	2 755	-1 173	-1 180
Total Capital Expenditure	3 290	3 878	27 760	1 017	859
TOTAL BUDGET	175 026	202 450	239 468	213 492	219 636

- The proposed operating revenue for the 2020/21 financial year has grown by 3.06% or R6.2 Million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget. For the two outer years, operational revenue will increase by 2.25% and 2.95% respectively outer years of the MTREF.
- The proposed operating expenditure for the 2020/21 financial year has grown by 6.62% or R13.1 Million when compare to the Adjustment Budget. For the two outer years, operational expenditure will increase by 0.36% and 2.97% for each of the respective outer years of the MTREF.
- The proposed capital budget for the 2020/21 financial year is R27.7 Million. The capital expenditure has grown by 616% or R23.88 Million when compared to the 2019/20 Adjustment Budget. The increase is due to various capital projects within the District and IT related equipment. For the two outer years, capital expenditure will decrease to R1 Million and R859 thousand for each of the

respective outer years of the MTREF. The capital budget is funded from internally generated funds.

- The annual budget for 2020/21 budget year is to give effect to Dr Kenneth Kaunda District Municipality's service delivery priorities and objectives, thereby fulfilling the needs as depicted in the Integrated Development Plan (IDP).

Operating revenue

Sources of revenue

- Operating Grants and Subsidies are as per Division of Revenue Act (Gazetted 2020).
- Interest on investment and Banks was calculated based on Current Interest rates taking into account the Inflation which is estimated at R5.2 Million.
- Other income consists of tender deposit, refund from insurance and skills levy from SETA, licenses of health certificates and Spatial Development Framework.

The Grants and subsidies amount to R202.26 million which constitutes 96.8%. The grants and subsidies consists of Equitable share and RSC Replacement Grant, LGSETA Grant, EPWP Grant, Rural Roads Assets Management and FMG Grant.

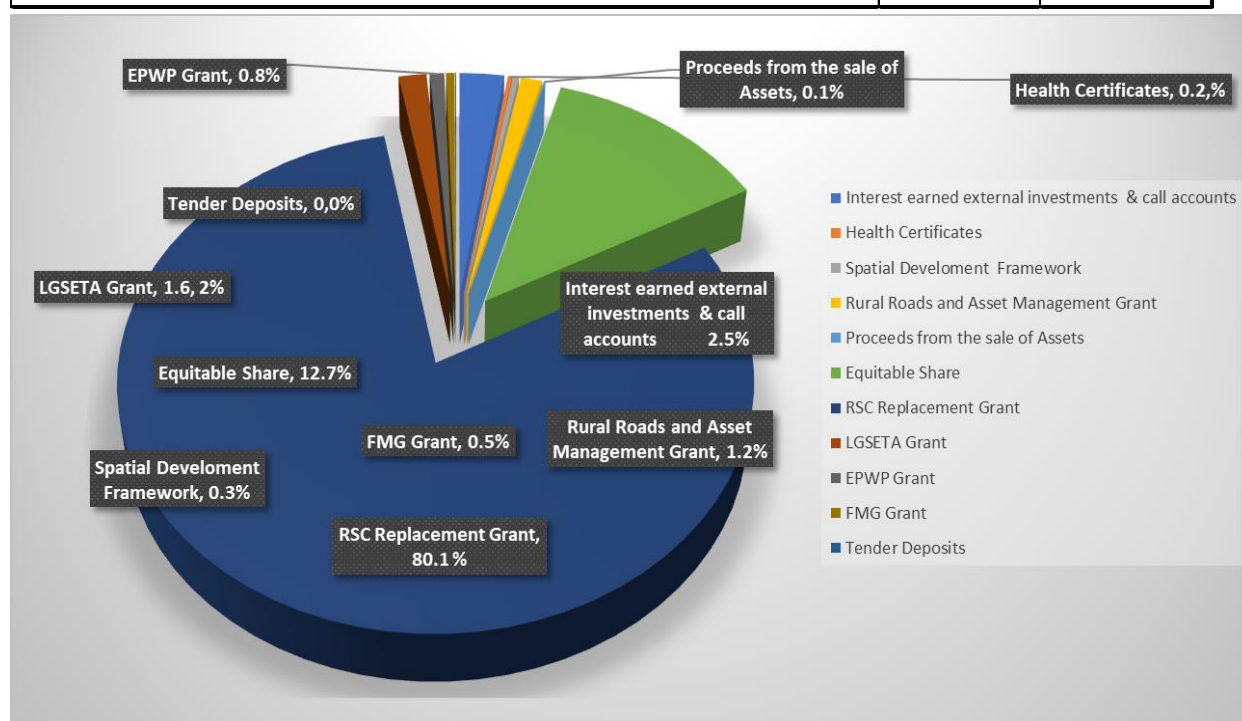
The remaining 3.2% of the total revenue comprises of the following,

- 2.49% or R5.2 million from interest on investments and Bank accounts.
- The 0.47% or R987 thousand of the total revenue comprises of tender deposits, Spatial Development and Proceeds from sale of Assets.
- 0.24% or R500 thousands is for Health certificates.

The table below provides a detailed summary in relation to revenue.

Table 2 is a summary of the 2020/21 MTREF (classified by main revenue source):

The following sources of funding forms part of funding as a percentage of total funding :		
		As % of
BUDGET FUNDING		Total funding
Interest earned external investments & call accounts	5 200 000	2.49
Health Certificates	500 000	0.24
Spatial Development Framework	697 000	0.33
Rural Roads and Asset Management Grant	2 480 000	1.19
Proceeds from the sale of Assets	200 000	0.10
Equitable Share	26 461 000	12.66
RSC Replacement Grant	167 384 000	80.11
LGSETA Grant	3 250 000	1.56
EPWP Grant	1 691 000	0.81
FMG Grant	1 000 000	0.48
Tender Deposits	90 000	0.04
TOTAL FUNDING	208 953 000	100.00



Summary of revenue classified by main revenue source

Operating Expenditure

Table 3 Operating expenditure can be summarised by expression of percentage in the table below:

DESCRIPTION	ADJUSTED BUDGET 2019/2020	BUDGET 2020/2021	GROWTH RATE	EXPENDITURE AS A% OF
EMPLOYEE RELATED COSTS	106 652 681.00	112 878 908.00	5.84	53.32
REMUNERATION OF COUNCILLORS	11 960 911.00	13 190 315.00	10.28	6.23
OUTSOURCED SERVICES	9 589 412.00	8 520 000.00	- 11.15	4.02
CONSULTANTS AND PROFESSIONAL SERVICES	14 428 000.00	13 894 000.00	- 3.70	6.56
CONTRACTORS	5 998 000.00	6 573 300.00	9.59	3.10
OPERATIONAL COSTS	28 748 684.00	35 257 850.00	22.64	16.65
INVENTORY	3 674 000.00	5 118 500.00	39.32	2.42
OPERATING LEASES	2 916 000.00	3 090 000.00	5.97	1.46
TRANSFER AND SUBSIDIES	9 144 000.00	7 691 000.00	- 15.89	3.63
DEPRECIATION AND AMORTISATION	5 231 949.00	5 298 933.00	1.28	2.50
GAINS AND LOSSES	228 000.00	195 000.00	- 14.47	0.09
TOTAL OPERATING EXPENDITURE	198 571 637.00	211 707 806.00		100.00

The allocation towards operating expenditure budget is as follows:

- Total employee related cost is budgeted at **R112.8 million** for the 2020/21 financial year, which is 53.32% of the total operating expenditure budget of the municipality. The percentage is far above the norm 34 percent of the total salary bill. It must be noted that the District municipality took over the municipal health service from the local municipalities with zero budget.
- The process of taking over the municipal health service during the 2007/08 financial year was not done in line with the requirements of Section 77 and 78(1) of the Municipal Systems Act of 2000. The Act requires the municipality to assess the direct and indirect costs and benefits associated with the project if the service is provided by the municipality through an internal mechanism. The employee related cost of municipal health service is budgeted at **R29.5 million**, which equals to 26.16% of the total employee related cost budget of the municipality.
- The District also took over the fire service from Maquassi Hills Local Municipality and the employee related cost is budgeted at **R6 million**, which is 5.39% of the total employee related cost budget. Both services have placed a huge financial burden to the municipality considering the fact that the municipality is fully relying on grants and subsidies.
- Remuneration of councillors is budgeted at **R13.1 million** for the 2020/21 financial year which is 6.23% of the operating expenditure budget.

- After consideration of employee related cost and remuneration the Municipality is left with **R85.6 million** from the total operating expenditure budget, which is then allocated to Outsource Services, Consultants and Professional Services, and Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.
- Contracted Services has three (3) categories namely, Outsource Services, Consultants and Professional Services, and Contractors. The proposed contracted service for the 2020/21 financial year is **R28.9 million** which consists of R8.5 million for Outsource services, R13.9 million for Consultants and Professional Services and 6.6 million for Contractors. There is a 3.43% decrease when compared to the 2019/20 Adjustments Budget.

Tables (a-c) below gives detailed breakdown of items under each category.

Table a: Detailed Outsources Services are as follows:

OUTSOURCE SERVICES	BUDGET 2020/2021
OS: BURIAL SERVICES	250 000.00
OS: CATERING SERVICES	1 335 000.00
OS: CLEANING SERVICES	35 000.00
OS: CLEARING & GRASS CUTTING SERVICES	150 000.00
OS: DRIVERS LICENSE CARDS	50 000.00
OS: HYGIENE SERVICES	135 000.00
OS: MEDICAL SERVICES [HEALTH SERV & SUP]	35 000.00
OS: PERSONNEL & LABOUR	6 050 000.00
OS: TRANSPORT SERVICES	330 000.00
SAMSRA	150 000.00
SUB TOTAL : OUTSOURCE SERVICES	8 520 000.00

- **R1.3 million** on catering services includes catering of programmes in the office of the Executive Mayor (Disability, Youth Development, Gender Development, Children Development, Moral Regeneration, Elderly Development, Mandela Day, Woman's month, Speaker's Office (Anti-Corruption, MPAC, CBPs, Public Participation, District learning and Council Meetings), Community Service (Disaster Awareness, Disaster Advisory, Risk Reduction, Air Quality)
- Budget for Personnel and Labour of **R6.05 million** comprises of R3 million wages for CBPs in the Office of the Speaker, R1.35 million for EPWP jobs created in the LED and Planning as well as R1.7 million EPWP in the Community Services.

Table b: Detailed Consultants and Professional Services

CONSULTANTS AND PROFESSIONAL SERVICES	BUDGET 2020/2021
C&PS: B&A ACCOUNTANTS & AUDITORS	150 000.00
C&PS: B&A AIR POLLUTION	92 000.00
C&PS: B&A AUDIT COMMITTEE	1 200 000.00
C&PS: B&A BUSINESS & FIN MANAGEMENT	2 000 000.00
C&PS: B&A HUMAN RESOURCES	15 000.00
C&PS: B&A MEDICAL EXAMINATIONS	50 000.00
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	125 000.00
C&PS: B&A ORGANISATIONAL	20 000.00
C&PS: B&A RESEARCH & ADVISORY	1 160 000.00
C&PS: B&A ACTUARIES	20 000.00
C&PS: I&P ECOLOGICAL	75 000.00
C&PS: I&P ENGINEERING CIVIL	10 000.00
C&PS: I&P GEOINFORMATIC SERVICES-DOLOMITE	2 000 000.00
C&PS: I&P LAND & QUANTITY SURVEYORS	3 177 000.00
C&PS: LAB SERV WATER	500 000.00
C&PS: LEGAL COST ADVICE & LITIGATION	3 000 000.00
ICT FRAMEWORK	300 000.00
SUB TOTAL : CONSULTANT AND PROF SERVICES	13 894 000.00

Table c: Detailed contractors

CONTRACTORS	BUDGET 2020/2021
CONTR: ARTISTS & PERFORMERS	135 000.00
CONTR: AUDIO-VISUAL SERVICES	50 000.00
CONTR: EMPLOYEE WELLNESS	200 000.00
CONTR: FIRE PROTECTION	6 000.00
CONTR: MAINTENANCE OF EQUIPMENT	2 682 300.00
CONTR: SAFEGUARD & SECURITY	3 500 000.00
SUB TOTAL : CONTRACTORS	6 573 300.00

- Other operational costs for 2020/21 financial year amounts to R35.3 million, it has grown by 22.64% as compared to the 2019/20 adjustment budget. Included in the operating costs are the day to day running of the municipality and the table below provides a detailed item in relation to the total operational costs.

Table d: Detailed operational cost

OPERATIONAL COSTS	BUDGET 2020/2021
OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	5 540 000.00
OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	342 000.00
OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	200 000.00
OC: HIRE CHARGES- AUDIO VISUAL	150 000.00
OC: ADV/PUB/MARK - SIGNS	100 000.00
OC: ADV/PUB/MARK - STAFF RECRUITMENT	200 000.00
OC: ADV/PUB/MARK - TENDERS	250 000.00
OC: AUDIT COST: EXTERNAL	3 500 000.00
OC: BC/FAC/C FEES - BANK ACCOUNTS	210 000.00
OC: BURSARIES (EMPLOYEES)	260 000.00
OC: CLEAN SERV - LAUNDRY SERVICES	1 000.00
OC: CLEAN SERV - CAR VALET/WASHING SERV	24 000.00
OC: ENTERTAINMENT - SENIOR MANAGEMENT	10 000.00
OC: COMM - LICENCES (RADIO & TELEVISION)	240 000.00
OC: COMM - RADIO & TV TRANSMISSIONS	705 000.00
OC: COMM - SMS BULK MESSAGE SERVICE	20 000.00
OC: COMM - PHONE FAX TELEGRAPH & TELEX	1 351 500.00
OC: ENTERTAINMENT - COUNCILLORS	100 000.00
OC: EXT COM SERV PROV - INTERNET CHARGE	1 495 000.00
OC: EXT COM SERV PROV - S/WARE LICENCES	6 000.00
OC: EXT COM SERV PROV - GPS LICENCE FEES	150 000.00
OC: EXT COM SERV PROV - NETWORK EXTENS	200 000.00
OC: EXT COM SERV PROV - SPEC COMPUT SERV	1 500 000.00
OC: HONORARIA (VOLUNTARILY WORKERS)	200 000.00
OC: HIRE CHARGES	903 000.00
OC: INSUR UNDER - EXCESS PAYMENTS	20 000.00
OC: INSUR UNDER - PREMIUMS	850 000.00
OC: LEARNERSHIPS & INTERNSHIPS	3 400 000.00
OC: LIC - VEHICLE LIC & REGISTRATIONS	100 000.00
OC: MUNICIPAL SERVICES	1 570 000.00
OC: PRINTING & PUBLICATIONS	482 000.00
OC: PROFESSIONAL BODIES M/SHIP & SUBS	1 306 000.00
OC: REG FEES NATIONAL	1 330 000.00
OC: SKILLS DEVELOPMENT FUND LEVY	823 300.00
OC: SIGNAGE	215 000.00
OC: STORAGE OF FILES (ARCHIVING)	30 000.00
OC: TOLL GATE FEES	80 000.00
OC: TRANSPORT - EVENTS	40 000.00
OC: T&S DOM - ACCOMMODATION	1 030 000.00
OC: T&S DOM - DAILY ALLOWANCE	141 220.00
OC: T&S DOM - FOOD & BEVERAGE (SERVED)	34 500.00
OC: T&S DOM TRP - WITHOUT OPR CAR RENTAL	23 800.00
OC: T&S DOM TRP - W/OUT OPR OWN TRANSPRT	95 000.00
OC: T&S DOM PUB TRP - AIR TRANSPORT	250 000.00
OC: TRANSPORT - MUNICIPAL ACTIVITIES	60 000.00
OC: UNIFORM & PROTECTIVE CLOTHING	465 000.00
OC: WET FUEL	60 000.00
OC: WORKMEN'S COMPENSATION FUND	500 000.00
OC: INDIGENT RELIEF	500 000.00
OC: MPAC CAMPAIGN	50 000.00
OC: MPAC- UIF & W BENCHMARKING	38 000.00
OTHER OPERATIONAL COSTS	106 530.00
TOWNSHIP TUCK SHOP ECONOMY	3 000 000.00
HOUSING MASTER PLAN	1 000 000.00
SUB TOTAL : OPERATIONAL COSTS	35 257 850.00

- Total Budget for Inventory amounts to R5.1 million which is 39.32% increase as compared to the 2019/20 adjustment budget. Included in the budget of inventory is consumable stores, material and supplies, Covid 19 PPE, Sanitizers and Disinfectant cleaners, compliance with legislation as well as the Disaster Management relief and Emergency fund.
- The budget for operating leases amounts to R3 million which is 5.97% increase as compared to the 2019/20 adjustment budget. It comprises of rental of photocopy machines and rental of municipal buildings.
- Transfers and Subsidies budget for 2020/21 financial amounts to R7.69 million which decreased by 15.89% as compared to the 2019/20 adjustment budget.
- The Transfers and Subsidies comprises of Merit Bursaries and Poverty Relief in the office of the Executive Mayor, LED Support Grants, EPWP Grant, Transfer to Dr Kenneth Kaunda District Municipality Economic Agency as well as other transfers relating to tourism in the Department of DED and Planning.
- Every year the Office of the Executive Mayor awards study bursaries to deserving Students within the Dr Kenneth Kaunda District Municipality for social contribution

Table e: Detailed Transfers and Subsidies

TRANSFERS AND SUBSIDIES	BUDGET 2020/2021
HH: BURSARIES NON-EMPLOYEE CASH	100 000.00
HH OTH TRANS: BURSARIES NON EMPLOYEE	1 100 000.00
HH OTH TRANS: EPWP - SKILL DEV & TRAIN	1 691 000.00
NON PROF: TOURISM	100 000.00
TS_O_M_MUNIC ENT	3 000 000.00
HH SSP SOC ASS: POVERTY RELIEF	200 000.00
HH OTH TRANS: RURAL DEV - FOOD PROD & SEC	1 500 000.00
SUB TOTAL : TRANSFERS & SUBSIDIES	7 691 000.00

- It is against this background that financial and technical support to Small Medium and Micro Enterprises and Cooperatives is an integral part of the Dr Kenneth Kaunda District Municipality's Local Economic Development strategy. The District is therefore supporting community-based initiatives through conditional grants for viable business plans. This will support a meaningful District Economic Development initiative that foster micro and small business opportunities and job creation.
- The objective of District Economic Development grant funding is to bring in new category of entrepreneurs presently constrained by limited access to funding. The

municipality has made provision of R4 million fund under the 2020/21 financial year to support the local SMMEs within the DR Kenneth Kaunda District Municipality. The grant is meant to support the Local SMMEs by:

- To promoting empowerment,
 - To create wealth,
 - To develop entrepreneurship
 - To generate employment
 - To ensure sustainability of projects receiving incentives
- 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, gender and war on poverty.

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

- The continued negative effect of the economic downturn due to the outbreak of COVID-19.
- The dependency on grants available for funding; operating grants and subsidies makes it difficult to contribute towards capital budget.
- The ongoing difficulties in the national and local economy due the persistent high unemployed remains one of the country's pressing challenges.
- A provision for contribution to the capital replacement reserve (CRR) in the operating budget has been made in order to grow our reserve.
- The need to reprioritise projects and expenditure within the limited existing resource envelope
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies

Table 4: Capital Expenditure

The proposed capital budget for the 2020/21 financial year is R27.7 Million which is 616% more when compared to the 2019/20 Adjustment Budget. The increase is due to various capital projects within the District (Boskuil Sanitation, Electricity Master Plan) and IT Communication Equipment, Computer Equipment, Intangible Assets, Covid 19 related assets, Fleet, Document Management System, Upgrade of Building, Specialised Vehicle and Municipal Building offices.

The table below summarises the capital budget of the Dr Kenneth Kaunda District Municipality as well as the source of funding:

Item No.	Description	Budget 2020/2021	Source of Funding
1	COMPUTER EQUIPMENT	170 000.00	Internally
2	OFFICE EQUIPMENT	150 000.00	Internally
3	INTANGIBLE ASSETS	1 320 000.00	Internally
4	OFFICE FURNITURE AND FITTINGS	35 000.00	Internally
5	COMUNICATION TOOLS	90 000.00	Internally
6	PEST CONTROL EQUIPMENT	20 000.00	Internally
7	SAMPLING KITS	100 000.00	Internally
8	TWO WAY RADIO	200 000.00	Internally
9	FIRE FIGHTING EQUIPMENT AND TOOLS	300 000.00	Internally
10	AIRCONDITIONING (Including Covid 19 vintilation)	515 000.00	Internally
11	ACTIVE DIRECTORY	50 000.00	Internally
12	INTERGRATION OF HR & PAYROLL	70 000.00	Internally
13	NETWORK UPGRADE	2 930 000.00	Internally
14	INDUSTRIAL VACUUM CLEANER	10 000.00	Internally
15	SOCIAL DISTANCING (OFFICES)	500 000	Internally
16	ELECTRONIC RECORDS SYSTEM	1 000 000	Internally
17	ELECTRONIC BIOMETRICT SYSTEM	1 000 000	Internally
18	FLEET	4 500 000	Internally
19	UPGRADE OF BUILDING	1 900 000	Internally
20	BOSKUIL SANITATION	2 400 000.00	Internally
21	ELECTRICITY MASTER PLAN (MAQUASSI HILLS)	1 500 000.00	Internally
22	MUNICIPAL BUILDING OFFICES	9 000 000.00	Internally
		27 760 000.00	

1.4. Annual Budget Tables (Parent Municipality)

(Table A1 Budget Summary)

DC40 Dr Kenneth Kaunda - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Transfers recognised - operational	174 536	179 654	185 179	196 082	196 082	196 082	196 082	202 266	207 383	213 403
Other own revenue	1 612	1 948	1 656	1 057	1 828	1 828	1 828	1 487	826	864
Total Revenue (excluding capital transfers and contributions)	178 479	184 374	190 430	200 089	202 756	202 756	202 756	208 953	213 649	219 957
Employee costs	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors	8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Depreciation & asset impairment	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges	421	849	-	-	-	-	-	-	-	-
Materials and bulk purchases	751	2 432	2 676	3 539	3 674	3 674	3 674	5 119	3 785	3 869
Transfers and grants	5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141
Other expenditure	68 403	72 054	55 624	62 842	61 700	61 700	61 700	67 530	65 394	65 228
Total Expenditure	173 963	186 825	171 736	196 732	198 572	198 572	198 572	211 708	212 475	218 777
Surplus/(Deficit)	4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Surplus/(Deficit) for the year	4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Capital expenditure & funds sources										
Capital expenditure	2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Total sources of capital funds	2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Financial position										
Total current assets	20 534	17 617	42 919	15 569	33 444	33 444	33 444	25 894	24 000	26 000
Total non current assets	35 639	31 724	25 473	54 959	25 473	25 473	25 473	32 789	31 490	31 332
Total current liabilities	30 485	25 325	23 856	15 000	15 243	15 243	15 243	16 878	17 470	17 970
Total non current liabilities	13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
Community wealth/Equity	12 417	9 966	30 070	41 478	29 208	29 208	29 208	27 338	23 153	24 495
Cash flows										
Net cash from (used) operating	12 831	2 655	27 167	8 817	9 644	9 644	9 644	2 739	6 911	7 172
Net cash from (used) investing	(2 719)	(5 917)	(1 051)	(3 010)	(3 878)	(3 878)	(3 878)	(27 760)	(1 017)	(859)
Net cash from (used) financing	(746)	(722)	153	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	13 745	9 761	36 031	15 569	33 444	33 444	33 444	23 423	29 317	35 631
Cash backing/surplus reconciliation										
Cash and investments available	13 745	9 762	36 031	15 569	33 444	33 444	33 444	25 894	24 000	26 000
Application of cash and investments	(16 145)	22 441	21 039	14 333	14 470	14 470	14 470	15 952	16 486	16 986
Balance - surplus (shortfall)	29 890	(12 679)	14 991	1 236	18 974	18 974	18 974	9 943	7 514	9 014
Asset management										
Asset register summary (WDV)	35 997	31 724	46 974	51 720	51 986	51 986	51 986	32 788	31 490	31 332
Depreciation	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	1 900	-	-
Repairs and Maintenance	751	184	1 198	2 406	2 406	2 406	2 406	2 072	2 112	1 936
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

MBRR Table A1 - Budget Summary

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

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

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

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

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

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

Compliance with section 18 of the MFMA is assumed because a surplus would directly indicate that the annual budget is appropriately funded and considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF was funded.

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

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

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

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
Revenue - Functional										
Governance and administration		175 694	179 547	190 035	194 787	197 454	197 454	203 585	210 510	216 642
Executive and council		-	47	-	-	-	-	-	-	-
Finance and administration		175 694	179 500	190 035	194 787	197 454	197 454	203 585	210 510	216 642
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	1 067	396	350	350	350	1 197	523	547
Community and social services		-	1 067	396	350	350	350	1 197	523	547
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 785	3 760	-	4 952	4 952	4 952	4 171	2 616	2 768
Planning and development		2 785	3 760	-	4 952	4 952	4 952	4 171	2 616	2 768
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	178 479	184 374	190 430	200 089	202 756	202 756	208 953	213 649	219 957
Expenditure - Functional										
Governance and administration		115 982	126 323	118 968	121 284	123 782	123 782	128 499	131 813	136 314
Executive and council		49 268	56 648	42 407	55 408	56 834	56 834	60 926	63 213	65 825
Finance and administration		62 200	65 732	71 611	60 560	61 216	61 216	61 525	62 329	63 989
Internal audit		4 514	3 943	4 950	5 315	5 732	5 732	6 049	6 271	6 500
Community and public safety		37 995	35 312	40 314	49 946	49 978	49 978	52 715	55 061	55 892
Community and social services		37 995	35 312	40 314	49 946	49 978	49 978	52 715	55 061	55 892
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		19 986	25 190	12 454	25 502	24 812	24 812	30 494	25 601	26 571
Planning and development		19 986	25 190	12 454	25 502	24 812	24 812	30 494	25 601	26 571
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	173 963	186 825	171 736	196 732	198 572	198 572	211 708	212 475	218 777
Surplus/(Deficit) for the year		4 516	(2 450)	18 694	3 357	4 184	4 184	(2 755)	1 173	1 180

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

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

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

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

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

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	47	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		110	98	3 649	3 228	3 228	3 228	3 250	3 250	3 250
Vote 4 - FINANCIAL SERVICES		175 584	179 402	186 385	191 559	194 225	194 225	200 335	207 260	213 392
Vote 5 - LED T AND PLANNING		2 785	3 760	-	4 952	4 952	4 952	4 171	2 616	2 768
Vote 6 - COMMUNITY SERVICES		-	1 067	396	350	350	350	1 197	523	547
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	178 479	184 374	190 430	200 089	202 756	202 756	208 953	213 649	219 957
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		15 111	17 301	16 340	22 615	22 645	22 645	23 600	24 581	25 712
Vote 2 - MUNICIPAL MANAGER		38 671	43 290	31 017	38 108	39 921	39 921	43 374	44 903	46 613
Vote 3 - CORPORATE SERVICES		19 989	19 301	32 816	26 818	27 080	27 080	30 203	29 686	30 394
Vote 4 - FINANCIAL SERVICES		42 211	46 431	38 795	33 743	34 136	34 136	31 322	32 643	33 595
Vote 5 - LED T AND PLANNING		19 986	25 190	12 454	25 502	24 812	24 812	30 494	25 601	26 571
Vote 6 - COMMUNITY SERVICES		37 995	35 312	40 314	49 946	49 978	49 978	52 715	55 061	55 892
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	173 963	186 825	171 736	196 732	198 572	198 572	211 708	212 475	218 777
Surplus/(Deficit) for the year	2	4 516	(2 450)	18 694	3 357	4 184	4 184	(2 755)	1 173	1 180

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 more than 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)

2018/19 Revenue & Expenditure Framework											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand	1										
Revenue By Source											
Property rates	2	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - water revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment					—	—	—	—			
Interest earned - external investments		2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Interest earned - outstanding debtors				—	—	—	—	—	—	—	—
Dividends received		2	2	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—
Licences and permits		—	313	396	—	—	—	—	500	523	547
Agency services		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		174 536	179 654	185 179	196 082	196 082	196 082	196 082	202 266	207 383	213 403
Other revenue	2	1 570	1 122	1 253	1 057	1 828	1 828	1 828	987	303	317
Gains		39	510	8	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		178 479	184 374	190 430	200 089	202 756	202 756	202 756	208 953	213 649	219 957
Expenditure By Type											
Employee related costs	2	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors		8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Debt impairment	3	311	121	—	—	—	—	—	—	—	—
Depreciation & asset impairment	2	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges		421	849	—	—	—	—	—	—	—	—
Bulk purchases	2	—	—	—	—	—	—	—	—	—	—
Other materials	8	751	2 432	2 676	3 539	3 674	3 674	3 674	5 119	3 785	3 869
Contracted services		35 568	43 519	33 201	28 150	30 015	30 015	30 015	28 987	29 886	28 987
Transfers and subsidies		5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141
Other expenditure	4, 5	31 346	26 979	21 463	34 672	31 665	31 665	31 665	38 348	35 314	36 045
Losses		1 177	1 434	960	20	20	20	20	195	195	195
Total Expenditure		173 963	186 825	171 736	196 732	198 572	198 572	198 572	211 708	212 475	218 777
Surplus/(Deficit)		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	—									
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & Taxation		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Surplus/(Deficit) after taxation		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		4 516	(2 450)	18 694	3 357	4 184	4 184	4 184	(2 755)	1 173	1 180

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

- The proposed operating revenue for the 2020/21 financial year has grown by 3.06% or R6.2 Million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget.
- The proposed operating expenditure for the 2020/21 financial year has grown by 6.62% or R13.1 Million when compare to the Adjustment Budget.
- Transfers recognised – operating includes the local government equitable share and other operating grants. It needs to be noted that in real terms of the grants receipts from national government are growing rapidly over the MTREF by 3.15% 2020/21, 2.53% in 2021/22 and 2.90% in 2022/23 budget year and the budget is primarily funded from grants receipts from National Treasury which forms a major portion of sources of revenue at 96.8 % of the total Revenue.

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - LED T AND PLANNING		-	-	-	-	-	-	-	-	-	-
Vote 6- COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		30	-	1 559	25	725	725	725	10	10	10
Vote 2 - MUNICIPAL MANAGER		60	19	112	165	335	335	335	415	140	100
Vote 3 - CORPORATE SERVICES		88	798	181	200	748	748	748	8 040	90	70
Vote 4 - FINANCIAL SERVICES		1 517	5 278	1 069	1 855	1 205	1 205	1 205	2 120	120	35
Vote 5 - LED T AND PLANNING		1 184	118	212	735	835	835	835	12 950	52	55
Vote 6- COMMUNITY SERVICES		-	-	157	30	30	30	30	4 225	604	589
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Total Capital Expenditure - Vote		2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Capital Expenditure - Functional											
Governance and administration		1 695	6 095	2 921	2 245	3 013	3 013	3 013	10 585	360	215
Executive and council		30	-	1 559	25	725	725	725	10	10	10
Finance and administration		1 651	6 095	1 362	2 190	2 088	2 088	2 088	10 375	310	175
Internal audit		14	-	-	30	200	200	200	200	40	30
Community and public safety		-	-	157	30	30	30	30	4 225	604	589
Community and social services		-	-	157	30	30	30	30	4 225	604	589
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 184	118	212	735	835	835	835	12 950	52	55
Planning and development		1 184	118	212	735	835	835	835	12 950	52	55
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Funded by:											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859
Total Capital Funding	7	2 879	6 213	3 290	3 010	3 878	3 878	3 878	27 760	1 017	859

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

Table A5 is a breakdown of the capital budget in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The Municipality has a Single-year capital expenditure which has been appropriated at R27.7 Million for the 2020/21 financial year. The capital expenditure has grown by 616% or R23.88 Million when compared to the 2019/20 Adjustment Budget and decreases relatively over the MTREF at levels of R1 Million and R859 thousand respectively for the two outer years. The capital budget is funded from internally generated funds from budget year surpluses.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
ASSETS											
Current assets											
Cash		3 745	3 761	18 031	569	18 444	18 444	18 444	7 200	9 000	11 000
Call investment deposits	1	10 000	6 000	18 000	15 000	15 000	15 000	15 000	18 694	15 000	15 000
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		6 789	7 855	6 889	-	-	-	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
Total current assets		20 534	17 617	42 919	15 569	33 444	33 444	33 444	25 894	24 000	26 000
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		0	0	0	0	0	0	0	0	0	0
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	33 969	30 171	24 824	51 720	24 824	24 824	24 824	27 249	25 650	25 612
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 607	1 554	649	3 239	649	649	649	5 539	5 839	5 719
Other non-current assets		63	-	-	-	-	-	-	-	-	-
Total non current assets		35 639	31 724	25 473	54 959	25 473	25 473	25 473	32 789	31 490	31 332
TOTAL ASSETS		56 173	49 341	68 393	70 528	58 917	58 917	58 917	58 683	55 490	57 332
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	489	864	154	-	-	-	-	154	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	29 515	24 461	22 929	14 333	14 470	14 470	14 470	15 952	16 486	16 986
Provisions		481	-	773	667	773	773	773	773	984	984
Total current liabilities		30 485	25 325	23 856	15 000	15 243	15 243	15 243	16 878	17 470	17 970
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
Total non current liabilities		13 271	14 050	14 467	14 050	14 467	14 467	14 467	14 467	14 867	14 867
TOTAL LIABILITIES		43 756	39 375	38 322	29 050	29 709	29 709	29 709	31 345	32 337	32 837
NET ASSETS	5	12 417	9 966	30 070	41 478	29 208	29 208	29 208	27 338	23 153	24 495
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		12 417	9 966	30 070	41 478	29 208	29 208	29 208	27 338	23 153	24 495
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	12 417	9 966	30 070	41 478	29 208	29 208	29 208	27 338	23 153	24 495

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

DC40 Dr Kenneth Kaunda - Table A/ Budgeted Cash Flows											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges									-	-	-
Other revenue		10 563	369	452	1 057	1 828	1 828	1 828	1 487	826	864
Transfers and Subsidies - Operational	1	174 983	178 821	185 290	196 082	196 082	196 082	196 082	202 266	207 383	213 403
Transfers and Subsidies - Capital	1				-	-	-	-	-	-	-
Interest		2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Dividends		2	2		-	-	-	-	-	-	-
Payments											
Suppliers and employees		(175 048)	(173 081)	(156 993)	(185 323)	(183 968)	(183 968)	(183 968)	(198 523)	(200 669)	(206 643)
Finance charges			(849)	-	-	-	-	-	-	-	-
Transfers and Grants	1		(5 380)	(5 178)	(5 949)	(9 144)	(9 144)	(9 144)	(7 691)	(6 069)	(6 141)
NET CASH FROM/(USED) OPERATING ACTIVITIES		12 831	2 655	27 167	8 817	9 644	9 644	9 644	2 739	6 911	7 172
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		160	669	1 023					-	-	-
Decrease (increase) in non-current receivables				1 216					-	-	-
Decrease (increase) in non-current investments			77						-	-	-
Payments											
Capital assets		(2 879)	(6 663)	(3 290)	(3 010)	(3 878)	(3 878)	(3 878)	(27 760)	(1 017)	(859)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 719)	(5 917)	(1 051)	(3 010)	(3 878)	(3 878)	(3 878)	(27 760)	(1 017)	(859)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(746)	(722)	153					-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(746)	(722)	153	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		9 366	(3 984)	26 269	5 807	5 766	5 766	5 766	(25 021)	5 894	6 314
Cash/cash equivalents at the year begin:	2	4 379	13 745	9 761	9 761	27 678	27 678	27 678	48 444	23 423	29 317
Cash/cash equivalents at the year end:	2	13 745	9 761	36 031	15 569	33 444	33 444	33 444	23 423	29 317	35 631

MBRR Table A7 - Budgeted Cash Flow Statement

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

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

As part of the 2020/21 Budget the unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.

The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

DC40 Dr Kenneth Raudina - Table A6 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Cash and investments available											
Cash/cash equivalents at the year end	1	13 745	9 761	36 031	15 569	33 444	33 444	33 444	23 423	29 317	35 631
Other current investments > 90 days		0	-	(0)	0	0	0	0	2 471	(5 317)	(9 631)
Non current assets - Investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		13 745	9 762	36 031	15 569	33 444	33 444	33 444	25 894	24 000	26 000
Application of cash and investments											
Unspent conditional transfers		-	1 021	1 164	1 021	1 052	1 052	1 052	1 052	986	986
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(16 145)	21 420	19 876	13 312	13 418	13 418	13 418	14 900	15 500	16 000
Other provisions									-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(16 145)	22 441	21 039	14 333	14 470	14 470	14 470	15 952	16 486	16 986
Surplus(shortfall)		29 890	(12 679)	14 991	1 236	18 974	18 974	18 974	9 943	7 514	9 014

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

Compliance with section 18 of the MFMA is assumed because a surplus would directly indicate that the annual budget is appropriately funded and considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF was funded.

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

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

Table A9 - Asset Management

DC40 Dr Kenneth Kaunda - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	2 879	6 213	3 290	3 010	3 878	3 878	25 860	1 017	859
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	1 500	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	2 400	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	5 396	-	-	-	-	-	-	-
Infrastructure		-	5 396	-	-	-	-	3 900	-	-
Community Facilities		-	-	-	100	182	182	400	359	349
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	100	182	182	400	359	349
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 538	1 190	1 048	1 048	9 500	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 538	1 190	1 048	1 048	9 500	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Serv itudes		-	-	-	-	-	-	-	-	-
Licences and Rights		723	817	62	1 120	490	490	4 890	190	70
Intangible Assets		723	817	62	1 120	490	490	4 890	190	70
Computer Equipment		202	-	-	310	660	660	1 480	-	-
Furniture and Office Equipment		1 111	-	403	290	449	449	920	247	220
Machinery and Equipment		843	-	-	-	319	319	270	220	220
Transport Assets		-	-	1 288	-	730	730	4 500	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	1 900	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	1 900	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	1 900	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Serv itudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Serv itudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4	2 879	6 213	3 290	3 010	3 878	3 878	27 760	1 017	859
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	1 500	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	2 400	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	5 396	-	-	-	-	-	-	-
Infrastructure		-	5 396	-	-	-	-	3 900	-	-
Community Facilities		-	-	-	100	182	182	400	359	349
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	100	182	182	400	359	349
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	1 538	1 190	1 048	1 048	11 400	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	1 538	1 190	1 048	1 048	11 400	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		723	817	62	1 120	490	490	4 890	190	70
Intangible Assets		723	817	62	1 120	490	490	4 890	190	70
Computer Equipment		202	-	-	310	660	660	1 480	-	-
Furniture and Office Equipment		1 111	-	403	290	449	449	920	247	220
Machinery and Equipment		843	-	-	-	319	319	270	220	220
Transport Assets		-	-	1 288	-	730	730	4 500	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2 879	6 213	3 290	3 010	3 878	3 878	27 760	1 017	859

ASSET REGISTER SUMMARY - PPE (WDV)	5	35 997	31 724	46 974	51 720	51 986	51 986	32 788	31 490	31 332
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure			14 095	11 912	11 912	21 488	21 488	2 130	15 230	15 230
Infrastructure		-	14 095	11 912	11 912	21 488	21 488	2 130	15 230	15 230
Community Assets			3 501	6 158	6 158	7 437	7 437	7 154	113	102
Heritage Assets						-	-	-		
Investment properties						-	-	-		
Other Assets		34 388	12 571	24 441	29 186	11 366	11 366	1 026	5 071	5 071
Biological or Cultivated Assets						-	-	-		
Intangible Assets		1 608	1 558	4 463	4 463	4 525	4 525	5 539	839	719
Computer Equipment						-	-	2 688	1 208	1 208
Furniture and Office Equipment						7 171	7 171	2 865	2 192	2 164
Machinery and Equipment								1 457	1 407	1 407
Transport Assets								9 930	5 430	5 430
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	35 997	31 724	46 974	51 720	51 986	51 986	32 788	31 490	31 332
EXPENDITURE OTHER ITEMS		7 970	9 091	8 959	7 846	7 846	7 846	7 371	7 655	7 733
Depreciation	7	7 219	8 908	7 760	5 440	5 440	5 440	5 299	5 543	5 798
Repairs and Maintenance by Asset Class	3	751	184	1 198	2 406	2 406	2 406	2 072	2 112	1 936
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	494	802	750	750	200	209	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	494	802	750	750	200	209	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		299	84	586	850	850	850	1 200	1 200	1 200
Furniture and Office Equipment		453	100	1	254	223	223	15	16	16
Machinery and Equipment		-	-	36	200	233	233	107	112	117
Transport Assets		-	-	82	300	350	350	550	575	602
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		7 970	9 091	8 959	7 846	7 846	7 846	7 371	7 655	7 733
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.8%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.9%	0.0%	0.0%
R&M as a % of PPE		2.2%	0.6%	4.8%	4.7%	9.7%	9.7%	7.6%	8.2%	7.6%
Renewal and upgrading and R&M as a % of PPE		2.0%	1.0%	3.0%	5.0%	5.0%	5.0%	12.0%	7.0%	6.0%

MBRR Table A9 - Asset Management

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

The District Municipality maintenance of equipment has increased compared to 2019/20 adjusted budget. Included in the repairs and maintenance of the municipality is, maintenance that needs to be done on municipal buildings, furniture, office equipment, machinery and other equipment. The new allocation towards assets management for 2020/21 financial year is R27.7 Million. Repairs and Maintenance amounts to R2 million for 2020/21 financial year.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Energy:										
Electricity (at least min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Electricity (< min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min. service level)		--	--	--	--	--	--	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Refuse:										
Removed at least once a week		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>		--	--	--	--	--	--	--	--	--
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
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)		--	--	--	--	--	--	--	--	--
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 (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		--	--	--	--	--	--	--	--	--
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		--	--	--	--	--	--	--	--	--

MBRR Table A10 - Basic Service Delivery Measurement

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

PART 2: SUPPORTING DOCUMENTATION

2.1. Overview of the annual budget process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2019.
- The 2020/21 Draft Budget was tabled on the 19th of May 2020 (**Council Resolution- ITEM A.11/05/2020**) together with the review of the IDP in council.
- The Final Budget will be tabled and approved by council not later than 31st of May 2020.

The Dr KKDM had wished to host special sessions with community organisations, business organisations and public sector institutions prior to convening the hearings on the budget. Due to the outbreak of corona virus National Government had to put measure in place in order to contain the spread of the virus. The Minister of Cooperative Governance and Traditional Affairs (COGTA) issued Regulations through the Disaster Management Act which restrict public gathering amongst other matters. It is under this environment that the municipality opted to engage local communities through media platforms.

OUTCOMES OF CONSULTATIVE PROCESS

After Council's approval of the adjustment budget on 27 February 2020, the following consultation processes and Meetings in terms of section 23 of the MFMA were held with identified stakeholders on the contents of the budget as well as on measurable performance indicators for the 2020/21 budget year:

- IDP / Budget Strategic Session
- Budget Committee working sessions – Senior Managers / Unit Managers
- Budget Steering Committee meetings
- Submission of the Draft IDP and Budget to Council was submitted to a special Council meeting held on the 19th of May 2020.
- Advertisement on a local newspaper once the budget is approved by council
- National Treasury and other sector departments as prescribed by section 23 of the MFMA.

The council has considered all the submissions and representations received during its hearings process. The Mayor will be given an opportunity to respond to the recommendations (at that or a subsequent council meeting), and where necessary, to make revisions and amend the tabled budget.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.

The District developmental model was launched during the 2019/20 financial year and Technical IGR forum meetings were resuscitated. The forum played a very important role for the alignment of three spheres of government's objectives, National, Provincial and Local government. The IDPs of three local and of the district are in fact the product of the collaboration of the Dr KKDM with the sector departments and the locals.

2.2.1. Schedule of Key deadline

DR. KENNETH
KAUNDA
DISTRICT MUNICIPALITY



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2570
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Website: www.kaundadistrict.gov.za

Civic Centre
Patmore Road
Orkney
2620
Fax: (018) 473 2523
Email: admin@kaundadistrict.gov.za

Our Ref:

Enquiries:

Your Reference:.....

ITEM A.252/09/2019

SCHEDULE OF BUDGET KEY DEADLINES - 2019/2020

CFO
5/1/1

PURPOSE

Time schedule of budget preparation key deadlines assist in the guidance of timely compliance with the Act and adopted/approved Council resolution on timeframes in the budget preparation process for the next financial/budget year 2019/2020.

BACKGROUND

The budget process for every budget year entails tabling the schedule of key budget deadlines for the preparation, tabling and approval of the next financial year budget. Municipal Finance Management Act, No. 56 of 2003 (MFMA), section 21(b) reads as follows:

21. (1) The Mayor of a municipality must –

- (b) at least 10 months before the start of the budget year, table in municipal council a time schedule outlining key deadlines for –
 - (i) the preparation, tabling and approval of the annual budget;
 - (ii) the annual review of –
 - aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - bb) the budget related policies;
 - (iii) the tabling and adoption of any amendments to the integrated development plan and the budget related policies ; and
 - (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)

EXPLORING PROSPERITY

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

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

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

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

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

THEREFORE RECOMMENDED

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


SM LESUPI
MUNICIPAL MANAGER

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

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
DR KENNETH KAUNDA SPATIAL RATIONALE GOOD GOVERNANCE AND MUNICIPAL FINANCIAL MUNICIPAL BASIC SERVICE DELIVERY					195 117 178 297 89 5 676	- - 185 339 - 5 091	- - 191 559 3 228 5 302	- - 194 225 3 228 5 302	- - 194 225 3 228 5 302	- - 200 335 3 250 5 368	- - 207 260 3 250 3 139	- - 213 392 3 250 3 315
Allocations to other priorities			2	178 479								
Total Revenue (excluding capital transfers and contributions)			1	178 479	184 374	190 430	200 089	202 756	202 756	208 953	213 649	219 959

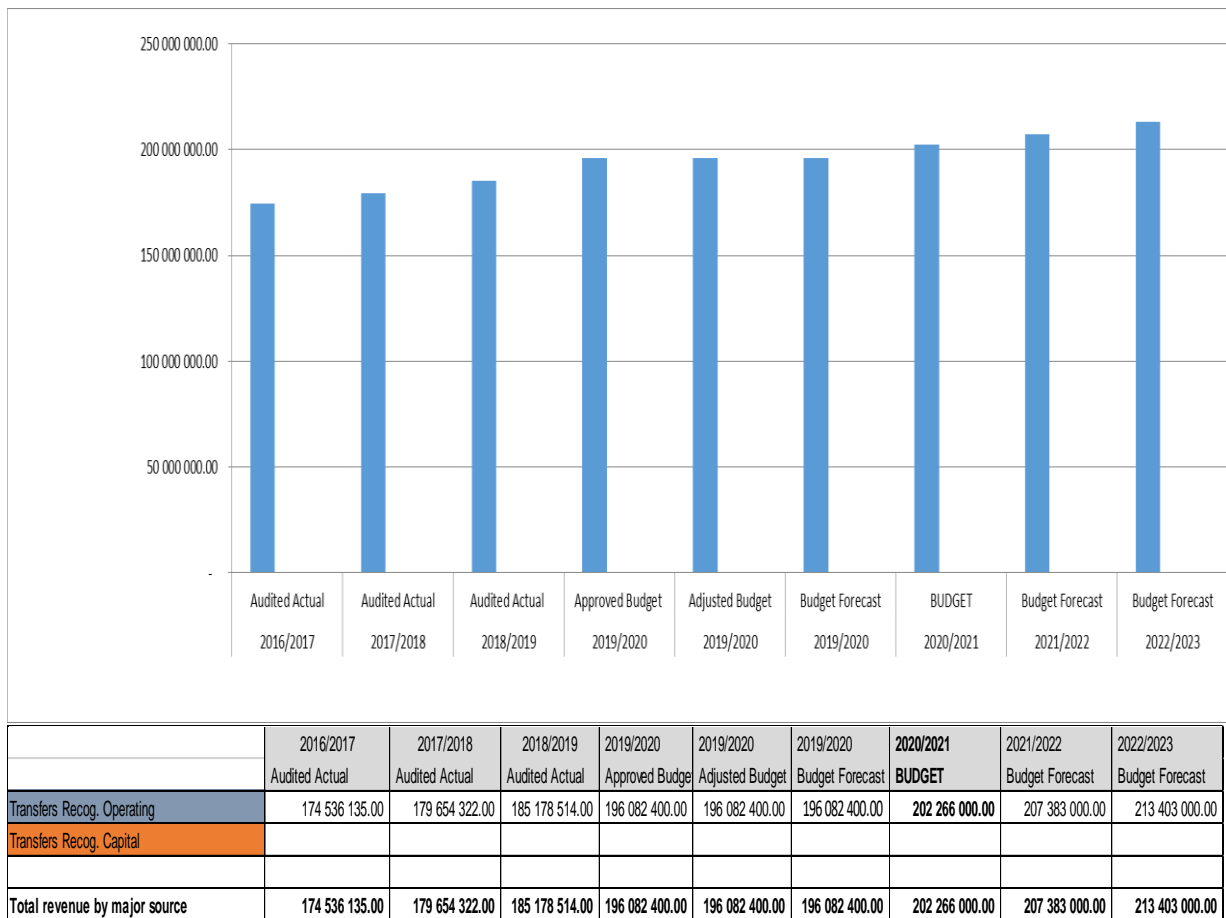
2.3. Measurable performance objectives and indicators

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

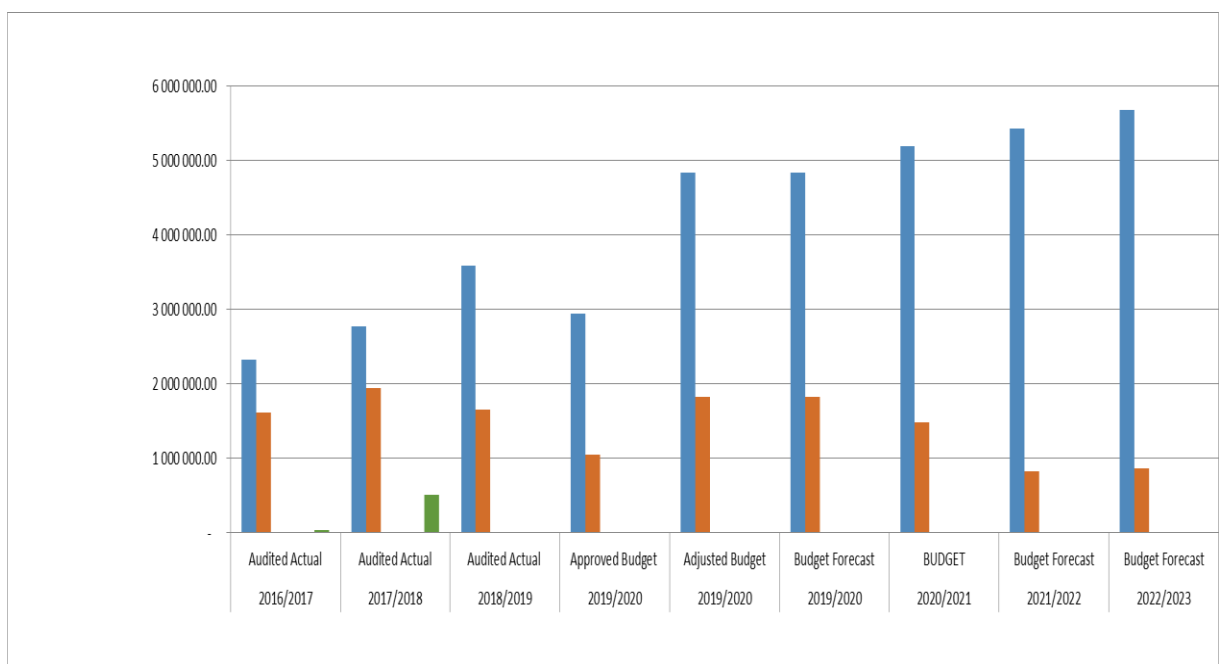
DC40 Dr Kenneth Kaunda - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
R thousand												
Dr Kenneth Kaunda District Economic Agency				10 759	19 058	4 842	15 343	15 127	15 127	21 317	16 002	16 690
Spatial Rationale				9 227	6 132	7 613	10 159	9 685	9 685	9 177	9 599	9 881
Good Governance And Public Participation				53 782	60 591	47 357	60 723	62 566	62 566	66 974	69 484	72 325
Municipal Financial Viability And Management				42 211	46 431	38 795	33 743	34 136	34 136	31 322	32 643	33 595
Municipal Transformation And Institutional Development				19 989	19 301	32 816	26 818	27 080	27 080	30 203	29 686	30 394
Basic Service Delivery And Infrastructure Development				37 995	35 312	40 314	49 946	49 978	49 978	52 715	55 061	55 892
Allocations to other priorities												
Total Expenditure			1	173 963	186 825	171 736	196 732	198 572	198 572	211 708	212 475	218 777

REVENUE BY MAJOR SOURCE

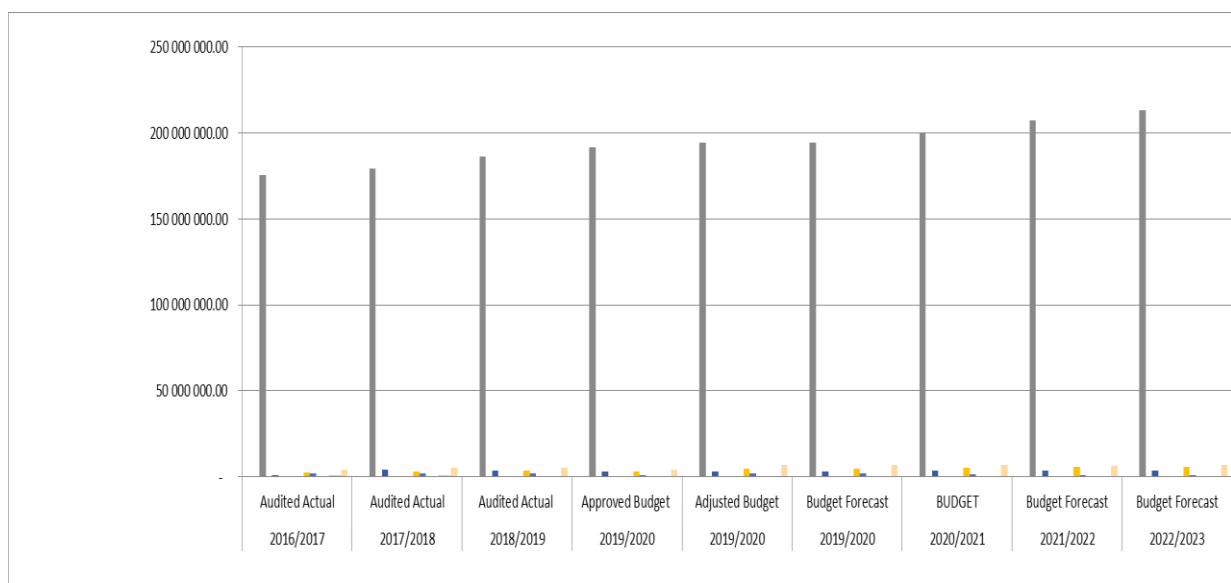


REVENUE BY MINOR SOURCE



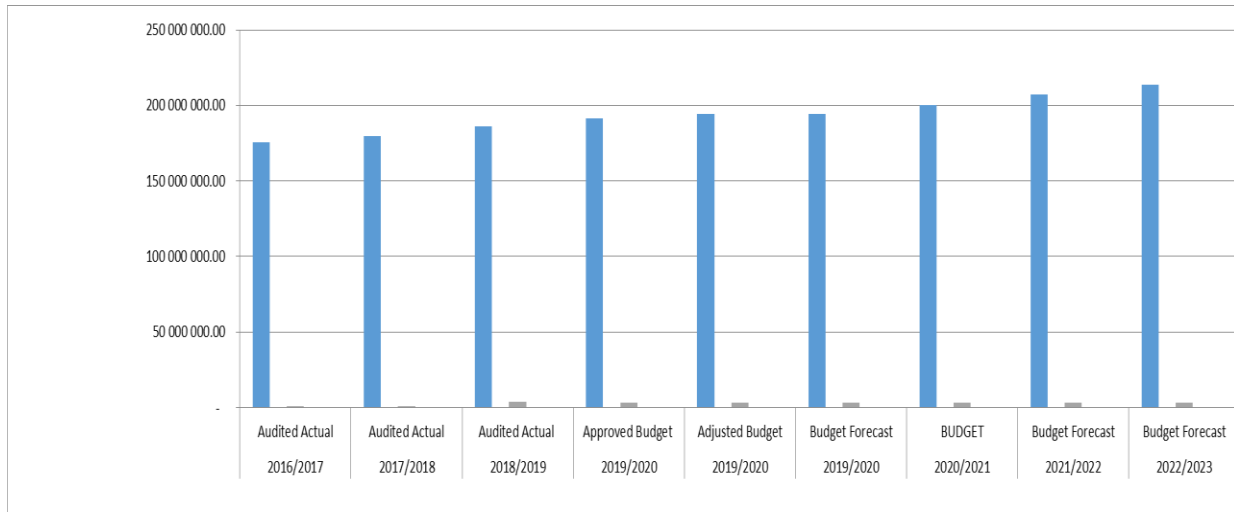
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Interest External Investmen	2 331 126.00	2 771 556.00	3 595 948.19	2 950 000.00	4 845 000.00	4 845 000.00	5 200 000.00	5 439 200.00	5 689 403.00
Other Revenue	1 612 018.00	1 948 501.00	1 655 803.00	1 057 000.00	1 828 352.00	1 828 352.00	1 487 000.00	826 340.00	864 352.00
Rental of Facilities	-	-	-	-	-	-	-	-	-
Interest Outstanding Debtor	-	-	-	-	-	-	-	-	-
Dividends Received	2 080.00	2 250.00	-	-	-	-	-	-	-
Gain on Disposal of PPE	39 442.00	510 362.00	-	-	-	-	-	-	-
Total revenue by minor source	3 984 666.00	5 232 669.00	5 251 751.19	4 007 000.00	6 673 352.00	6 673 352.00	6 687 000.00	6 265 540.00	6 553 755.00

REVENUE BY MUNICIPAL VOTE



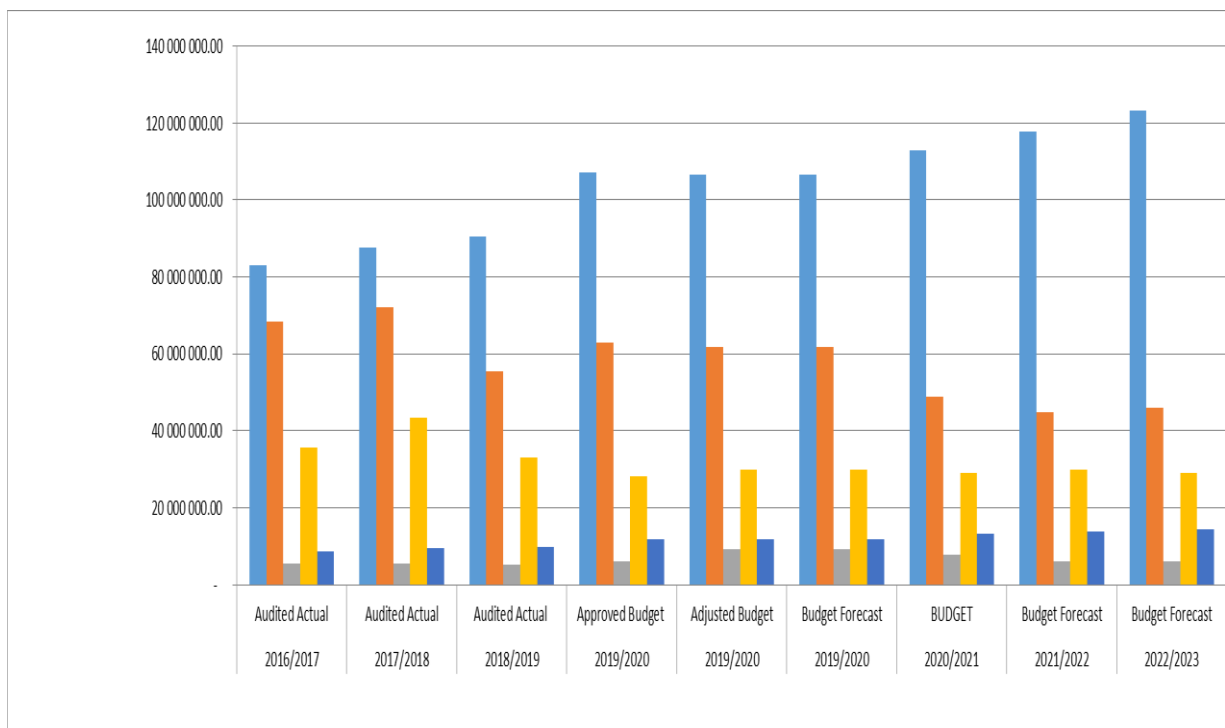
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Office of the Executive Mayor	-	-	-	-	-	-	-	-	-
Office of the Speaker	-	-	-	-	-	-	-	-	-
Budget and Treasury	175 584 344.00	179 402 335.00	186 385 433.19	191 559 000.00	194 225 352.00	194 225 352.00	200 335 000.00	207 259 540.00	213 391 697.00
Municipal Manager Admin.	-	-	-	-	-	-	-	-	-
Corporate Services	110 143.00	3 857 924.00	3 649 314.00	3 228 400.00	3 228 400.00	3 228 400.00	3 250 000.00	3 250 000.00	3 250 000.00
LEDT & Planning	2 784 792.00	-	-	4 952 000.00	4 952 000.00	4 952 000.00	4 868 000.00	2 616 000.00	2 768 000.00
Community Services	-	1 067 269.00	395 518.00	350 000.00	350 000.00	350 000.00	500 000.00	523 000.00	547 058.00
Total revenue by municipal vote	178 479 279.00	184 327 528.00	190 430 265.19	200 089 400.00	202 755 752.00	202 755 752.00	208 953 000.00	213 648 540.00	219 956 755.00

REVENUE BY STANDARD CLASSIFICATION



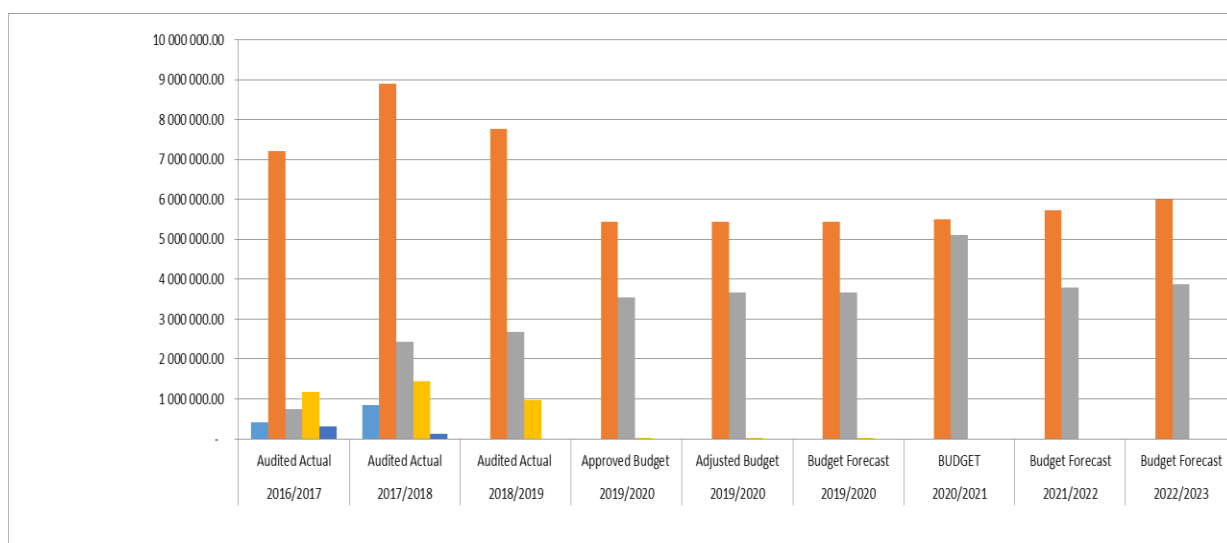
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive Mayor	-	46 851.32	-	-	-	-	-	-	-
Budget and Treasury	175 584 344.00	179 402 247.39	186 385 433.19	191 559 000.00	194 225 352.00	194 225 352.00	200 335 000.00	207 259 540.00	213 391 697.00
Municipal Manager	-	-	-	-	-	-	-	-	-
Corporate Services	110 143.00	97 666.00	3 649 314.00	3 228 400.00	3 228 400.00	3 228 400.00	3 250 000.00	3 250 000.00	3 250 000.00
LEDT & Planning	2 784 792.00	-	-	4 952 000.00	4 952 000.00	4 952 000.00	4 868 000.00	2 616 000.00	2 768 000.00
Community Services	-	1 067 269.00	395 518.00	350 000.00	350 000.00	350 000.00	500 000.00	523 000.00	547 058.00
Total revenue by standard class	178 479 279.00	180 614 033.71	190 430 265.19	200 089 400.00	202 755 752.00	202 755 752.00	208 953 000.00	213 648 540.00	219 956 755.00

OPERATING EXPENDITURE BY MAJOR TYPE



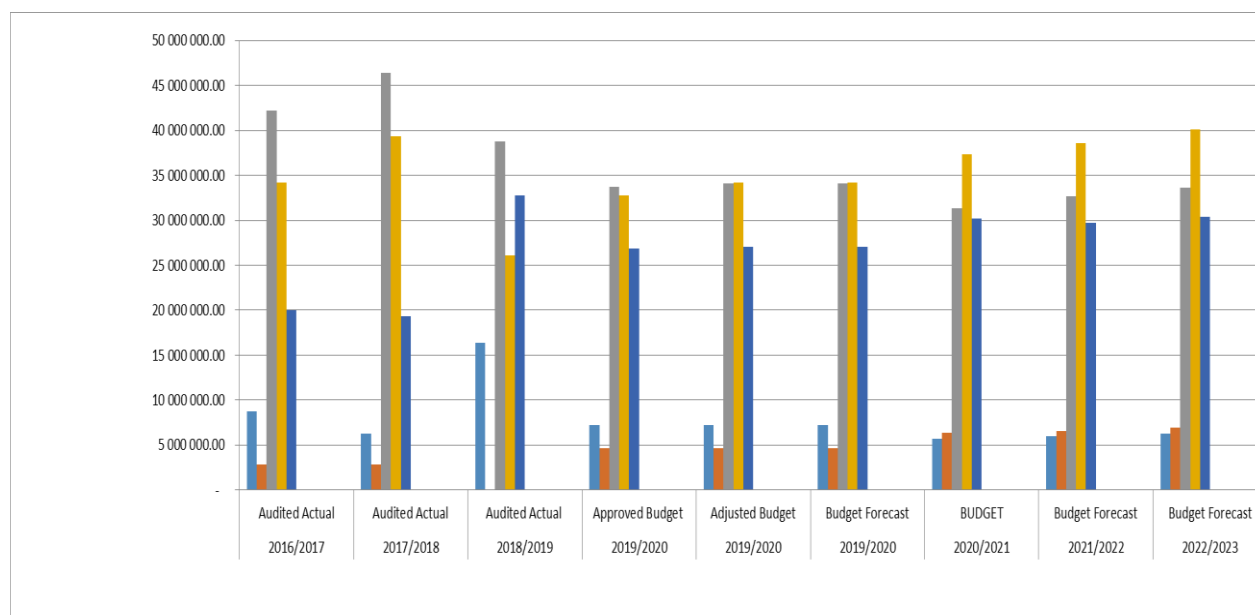
	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Employee Related Costs	83 018 024.00	87 581 740.00	90 647 860.00	107 119 966.00	106 652 681.00	106 652 681.00	112 878 908.00	117 887 283.00	123 310 099.00
Other expenditure	68 402 881.00	72 053 932.00	55 624 234.00	62 842 092.00	61 700 096.00	61 700 096.00	48 960 283.00	44 836 166.00	45 906 596.00
Grants&Subsidies Paid Operating	5 553 058.00	5 379 990.00	5 178 050.00	5 949 000.00	9 144 000.00	9 144 000.00	7 691 000.00	6 069 000.00	6 141 174.00
Contracted services	35 568 280.00	43 519 476.00	33 201 471.00	28 150 000.00	30 015 412.00	30 015 412.00	28 987 300.00	29 885 916.00	28 987 432.00
Remuneration of councillors	8 597 537.00	9 620 366.00	9 850 183.00	11 841 911.27	11 960 911.00	11 960 911.00	13 190 315.00	13 797 070.00	14 431 735.00
Total expenditure major type	201 139 780.00	218 155 504.00	194 501 798.00	215 902 969.27	219 473 100.00	219 473 100.00	211 707 806.00	212 475 435.00	218 777 036.00

OPERATING EXPENDITURE BY MINOR TYPE

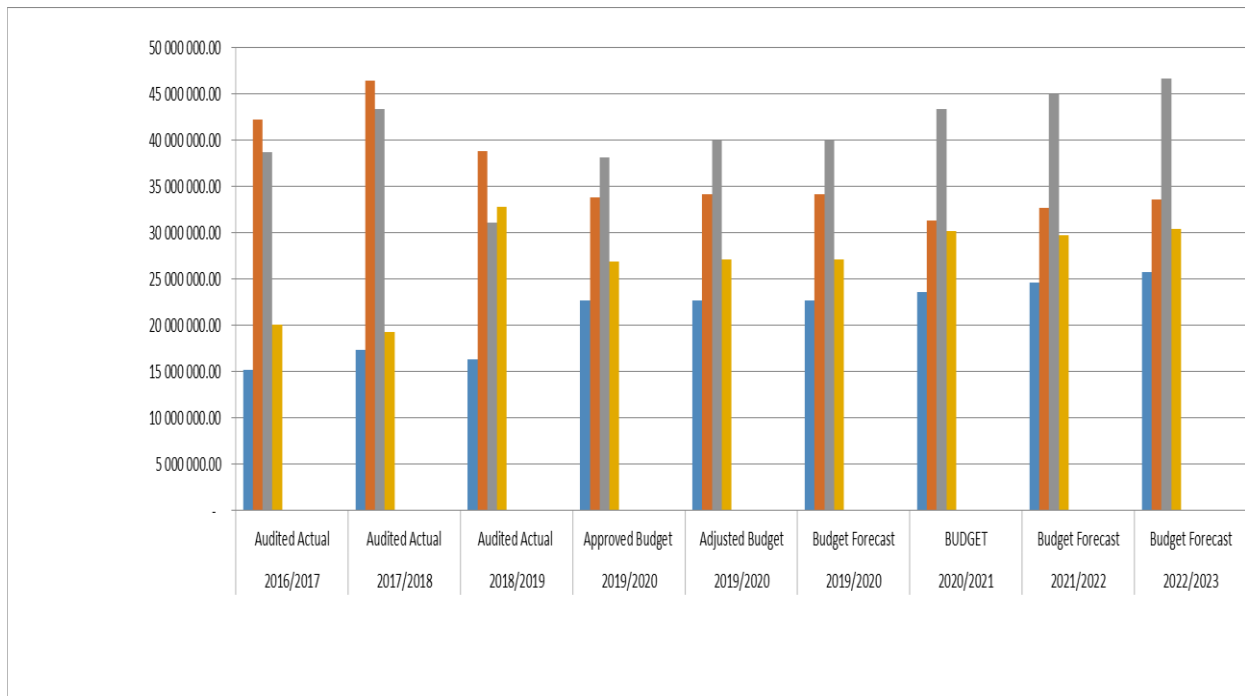


	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Finance charges	421 302.00	848 701.00	-	-	-	-	-	-	-
Depreciation & asset impairment	7 219 082.00	8 907 712.00	7 760 118.00	5 439 949.00	5 439 949.00	5 439 949.00	5 493 933.00	5 737 684.00	5 992 647.00
Other materials	751 367.00	2 432 337.00	2 675 615.00	3 539 000.00	3 674 000.00	3 674 000.00	5 118 500.00	3 784 951.00	3 868 772.00
Loss on disposal of PPE	1 177 371.00	1 433 859.00	959 539.00	20 000.00	20 000.00	20 000.00	-	-	-
Debt impairment	310 984.00	121 331.00	-	-	-	-	-	-	-
Total expenditure by minor type	9 880 106.00	13 743 940.00	11 395 272.00	8 998 949.00	9 133 949.00	9 133 949.00	10 612 433.00	9 522 635.00	9 861 419.00

OPERATING EXPENDITURE BY MUNICIPAL VOTE



OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

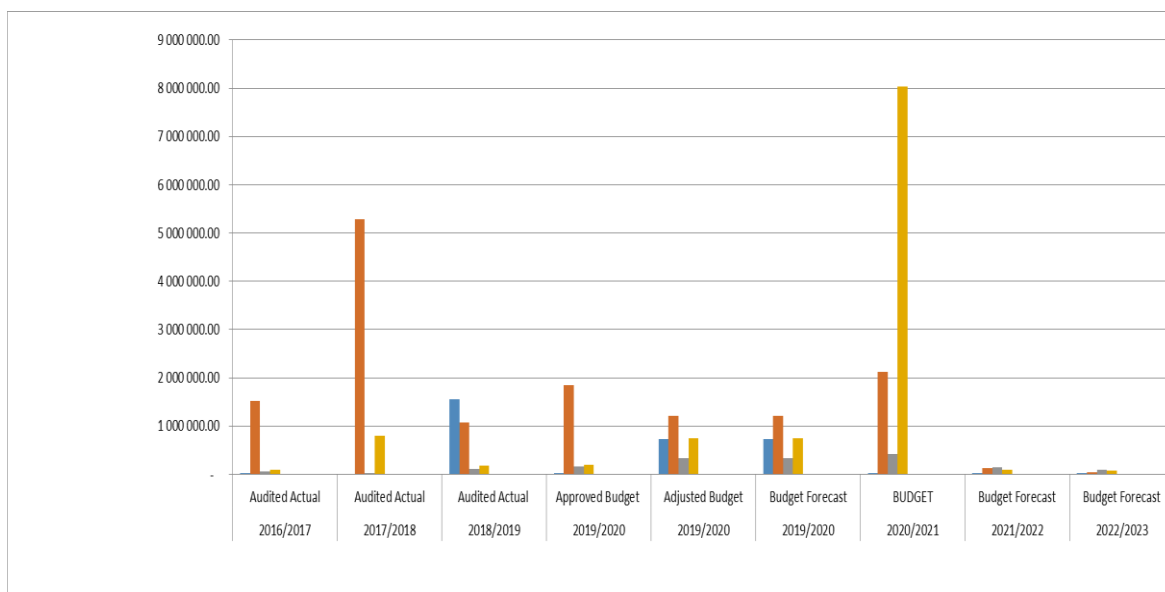


	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	15 110 785.40	17 300 836.54	16 340 490.00	22 615 080.27	22 645 080.10	22 645 080.10	23 600 405.00	24 581 424.00	25 712 169.00
Budget and Treasury	42 210 884.00	46 431 116.52	38 795 147.00	33 742 562.00	34 135 974.00	34 135 974.00	31 322 434.00	32 643 386.00	33 595 209.00
Municipal Manager Admin.	38 671 492.60	43 289 707.85	31 016 817.00	38 108 368.00	39 920 959.90	39 920 959.90	43 373 911.00	44 902 552.00	46 612 924.00
Corporate Services Admin.	19 989 230.00	19 301 080.61	32 815 516.00	26 817 728.00	27 079 728.00	27 079 728.00	30 202 680.00	29 685 769.00	30 394 022.00
LEDT & Planning	19 986 121.00	25 189 989.55	12 454 237.00	25 501 851.00	24 811 566.00	24 811 566.00	30 493 769.00	25 601 026.00	26 570 590.00
Community Services	37 994 738.00	35 311 957.04	40 313 853.00	49 946 329.00	49 978 329.00	49 978 329.00	52 714 607.00	55 061 279.00	55 892 123.00
TOTALS	173 963 251.00	186 824 688.11	171 736 060.00	196 731 918.27	198 571 637.00	198 571 637.00	211 707 806.00	212 475 436.00	218 777 037.00

CAPITAL EXPENDITURE BY VOTE AND FUNCTIONAL CLASSIFICATION

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

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



	2016/2017	2017/2018	2018/2019	2019/2020	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	30 238.00	-	1 559 411.16	25 000.00	725 000.00	725 000.00	10 000.00	10 000.00	10 000.00
Budget and Treasury	1 516 848.00	5 278 162.17	1 068 966.22	1 855 000.00	1 205 000.00	1 205 000.00	2 120 000.00	120 000.00	35 000.00
Municipal Manager Admin.	59 850.00	18 820.67	111 566.00	165 000.00	335 000.00	335 000.00	415 000.00	140 000.00	100 000.00
Corporate Services Admin.	88 001.00	797 700.00	181 031.00	200 000.00	748 000.00	748 000.00	8 040 000.00	90 000.00	70 000.00
LEDT & Planning	-	-	157 136.00	30 000.00	30 000.00	30 000.00	12 950 000.00	52 300.00	54 706.00
Community Services	1 184 183.00	118 141.21	212 243.79	735 000.00	835 000.00	835 000.00	4 225 000.00	604 200.00	588 823.00
TOTALS	2 879 120.00	6 212 824.05	3 290 354.17	3 010 000.00	3 878 000.00	3 878 000.00	27 760 000.00	1 016 500.00	858 529.00

2.4. Overview of Budget Related Policies

1) Revised Draft Budget and Virement policy

Purpose and objective of the policy

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

2) Revised Draft Subsistence and [Travelling Allowance Policy

Purpose and objective of the policy

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

3) Revised Draft Cash Management Policy

Introduction

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

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

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

3.1.1 Investments (Long Term and Short Term)

3.1.2 Cash and Cash Equivalents

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

3.2.1 Unspent Conditional Grants

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

3.2.2 Developers Contributions

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

3.2.3 Capital Replacement Reserve

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

3.2.4 Unspent Loan Funding

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

3.2.5 Deposits held

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

3.2.6 Retentions held

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

3. 3 Determination of minimum cash levels to retain: Part 2: Balance Sheet Provisions and Reserves

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

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

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

4) Revised Draft Supply Chain Management Policy

OBJECTIVES OF THIS POLICY

4.1 The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:

4.1.1 gives effect to:

4.1.2 section

4.1.3 217 of the Constitution; and

4.1.4 Part 1 of Chapter 11 and other applicable provisions of the MFMA;

4.2. is fair, equitable, transparent, competitive and cost effective;

4.3. complies with:

4.3.1. the regulatory framework prescribed in Chapter 2 of the SCMR; and

4.3.2. any minimum norms and standards that may be prescribed by means of regulations or guidelines as envisaged by the provisions of section 168 of the MFMA;

4.4. is consistent with other applicable legislation;

4.5. does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and

4.6. is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

4.7. The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:

4.7.1. procuring goods and/or services;

4.7.2. disposing of goods no longer needed

4.7.3. selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or

4.7.4. In the case of the Municipality selecting external mechanisms referred to in section 80(1)(b) of the MSA for the provision of municipal services in circumstances contemplated in section 83 of that Act

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

2.5. Overview of Budget Assumptions

- The 2020/21 Annual budget has been prepared in accordance with Municipal Budget and Reporting Regulations of 2009 and the guidelines as set out in MFMA Municipal budget circular for the 2020/21 MTREF - Circular 99 of 09 March 2020.
- National Treasury has set out the requirements for funding the budget and producing a credible budget. Attention was given to Section 18(1) of the MFMA, which states that an annual budget may only be funded from:
 - Realistically anticipated revenues to be collected;
 - Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - Borrowed funds, but only for the capital budget referred to in section 17(2).
- Achievement of this requirement in totality effectively means that a Council has "balanced" its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.
- The Municipalities must adopt a conservative approach when projecting their expected revenue and cash receipts as well as pay particular attention to managing of revenue effectively and carefully, evaluate all spending.
- The 2020/21 to 2022/23 calculations were based on Consumer Price Index of 4.5% 2020/21, 4.6% 2021/22 and 4.6% 2022/23 published on the MFMA Circular no. 99.

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

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2020/2021 budget year is provided on inflation related rate and as per Remuneration of Public Office Bearers Act, as published by the Minister of Local Government from time to time for the determination of upper limits of salaries, allowances and benefits of different members of municipal councils, Councillors Salaries.
- Employee related costs takes in to consideration The South African Local Government Bargaining Council Salary and Wage Collective Agreement.
- Other operating expenditure has been provided at increase as per the current inflation estimated targets of 4.5%, previous financial year performance and needs analysis and capital expenditure has been provided for at zero based budgeting and as per the needs analysis. The budget provided for were based on the departmental inputs in line with their IDP objectives of each department.
- In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures.
- Repairs and maintenance do not have the same impact as in the case of local municipalities. The provision made on the budgeted is sufficient to cover Repairs and Maintenance
- The 2020/21 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment measures which were approved by Council. Municipality has started to implement the cost containment measures on consultancy fees, travel and related costs, advertising, catering, events costs and accommodation.

2.6. Overview of Budget Funding

Operating Revenue Framework

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

Summary of revenue classified by main revenue source

The Grants and subsidies amount to R202.26 million to which it constitutes 96.8%. The grants and subsidies consists of Equitable share and RSC Replacement Grant, LGSETA Grant, EPWP Grant, Rural Roads Assets Management and FMG Grant.

The remaining 3.2% of the total revenue comprises of the following,

- 2.49% or R5.2 million from interest on investments and Bank accounts.
- The 0.47% or R987 thousand of the total revenue comprises of tender deposits, Spatial Development and Proceeds from sale of Assets.
- 0.24% or R500 thousands is for Health certificates.

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

Summary of revenue classified by main revenue source

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment					-	-	-	-			
Interest earned - external investments		2 331	2 772	3 596	2 950	4 845	4 845	4 845	5 200	5 439	5 689
Interest earned - outstanding debtors					-	-	-	-	-	-	-
Dividends received	2	2	2	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	313	396	-	-	-	-	500	523	547
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		174 536	179 654	185 179	196 082	196 082	196 082	196 082	202 266	207 383	213 403
Other revenue	2	1 570	1 122	1 253	1 057	1 828	1 828	1 828	987	303	317
Gains		39	510	8							
Total Revenue (excluding capital transfers and contributions)		178 479	184 374	190 430	200 089	202 756	202 756	202 756	208 953	213 649	219 957

Operating Expenditure Framework

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

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

2020/21 Medium Term Revenue & Expenditure Framework												
Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type												
Employee related costs		2	83 018	87 582	90 648	107 120	106 653	106 653	106 653	112 879	117 887	123 310
Remuneration of councillors			8 598	9 620	9 850	11 842	11 961	11 961	11 961	13 190	13 797	14 432
Debt impairment		3	311	121	-							
Depreciation & asset impairment		2	7 219	8 908	7 760	5 440	5 440	5 440	5 440	5 299	5 543	5 798
Finance charges			421	849	-							
Bulk purchases		2	-	-	-	-	-	-	-	-	-	-
Other materials		8	751	2 432	2 676	3 539	3 674	3 674	3 674	5 119	3 785	3 869
Contracted services			35 568	43 519	33 201	28 150	30 015	30 015	30 015	28 987	29 886	28 987
Transfers and subsidies			5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141
Other expenditure		4, 5	31 346	26 979	21 463	34 672	31 665	31 665	31 665	38 348	35 314	36 045
Losses			1 177	1 434	960	20	20	20	20	195	195	195
Total Expenditure			173 963	186 825	171 736	196 732	198 572	198 572	198 572	211 708	212 475	218 777

The budgeted allocation for employee related costs for the 2020/21 financial year totals to R112.8 million, which equals 53.32% of the total operating expenditure amounting to R211.7 million excluding Capital expenditure of R27.7 million.

The budgeted allocation for councillor's remuneration for the 2020/21 financial year totals to R13.1 million, which equals 6.23% of the total operating expenditure amounting to R211.7 million excluding Capital expenditure of R27.7 million.

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

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

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

2.7. Expenditure on Allocations and Grants Programme

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		174 290	178 673	184 532	192 854	192 854	192 854	199 016	204 133	210 153
Local Government Equitable Share		19 609	20 039	21 710	24 622	24 622	24 622	26 461	28 439	30 151
Expanded Public Works Programme Integrated Grant		1 479	1 292	1 151	1 649	1 649	1 649	1 691		-
Local Government Financial Management Grant		1 250	1 250	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Municipal Systems Improvement Grant				-						
RSC Levy Replacement		149 710	153 637	158 323	162 977	162 977	162 977	167 384	172 078	176 234
Rural Road Asset Management Systems Grant		2 242	2 455	2 348	2 606	2 606	2 606	2 480	2 616	2 768
Provincial Government:		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		1 182	981	646	3 228	3 228	3 228	3 250	3 250	3 250
Education Training and Development Practices Support Grant		110	98	150	3 228	3 228	3 228	3 250	3 250	3 250
Fire support grant			455							
DPSA (TIRELO BOSHA)		1 072	429	496						
Other capital transfers/grants [insert desc]										
Total operating expenditure of Transfers and Grants		175 472	179 654	185 179	196 082	196 082	196 082	202 266	207 383	213 403
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Education Training and Development Practices Support Grant										
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		175 472	179 654	185 179	196 082	196 082	196 082	202 266	207 383	213 403

2.8. Allocations or Grants made by the Municipality

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Municipal Entities											
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Municipal Entities		2 632	3 000	3 000	-	3 000	3 000	3 000	3 000	3 000	3 000
Total Cash Transfers To Entities/Ems'		2 632	3 000	3 000	-	3 000	3 000	3 000	3 000	3 000	3 000
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Non Profit Institution and Private Enterprise/SEC. COOPERATIVE/TOURISM SUBSIDIES</i>		337	(39)		100	100	100	100	100	105	109
Total Cash Transfers To Organisations		337	(39)	-	100	100	100	100	100	105	109
Cash Transfers to Groups of Individuals											
<i>Bursaries</i>		2 553	2 286	2 052	2 400	2 400	2 400	2 400	-	-	-
<i>Non Profit Institution and Private Enterprise</i>					300	300	300	300	100	105	109
Total Cash Transfers To Groups Of Individuals:		2 553	2 286	2 052	2 700	2 700	2 700	2 700	100	105	109
TOTAL CASH TRANSFERS AND GRANTS	6	5 521	5 247	5 052	2 800	5 800	5 800	5 800	3 200	3 209	3 219
Non-Cash Transfers to other municipalities											
<i>Local Municipality</i>	1	32									
Total Non-Cash Transfers To Municipalities:		32	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
<i>LED support grants</i>					1 000	1 000	1 000	1 000	1 500	1 500	1 500
Total Non-Cash Transfers To Entities/Ems'		-	-	-	1 000	1 000	1 000	1 000	1 500	1 500	1 500
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Bursaries</i>	5		133	126	200	200	200	200	1 100	1 151	1 204
<i>Other-EPWP</i>					1 649	1 844	1 844	1 844	1 691		
<i>Social Assistance/POVERTY RELIEF</i>					300	300	300	300	200	209	219
Total Non-Cash Grants To Groups Of Individuals:		-	133	126	2 149	2 344	2 344	2 344	2 991	1 360	1 422
TOTAL NON-CASH TRANSFERS AND GRANTS		32	133	126	3 149	3 344	3 344	3 344	4 491	2 860	2 922
TOTAL TRANSFERS AND GRANTS	6	5 553	5 380	5 178	5 949	9 144	9 144	9 144	7 691	6 069	6 141

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

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

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

Councillors

On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The provision made on the 2020/21 financial year amounting to R13.1 million which is 6.23% of the total operating expenditure budget is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase. The payment of allowances to councillors for 2020/21 will be made using the upper limit gazette available during payment of such allowances.

Senior Officials and Municipal Staff

The total budget for 2020/2021 employee related cost amounts R112.8 million which is 53.32% of the total operating expenditure budget of the municipality.

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

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

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year	Budget Year
Revenue By Source																
Property rates													-	-	-	-
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue													-	-	-	-
Rental of facilities and equipment													-	-	-	-
Interest earned - external investments		309	159	294	440	631	166	136	293	458	155	23	2 137	5 200	5 439	5 689
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		38	56	54	50	57	22	40	50	28	18	24	63	500	523	547
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		78 166	3 237	51	27	-	62 459	113	2 025	46 900	41	486	8 760	202 266	207 383	213 403
Other revenue		701	17	3	7	32	813	(63)	8	-	-	-	(532)	987	303	317
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		79 215	3 468	402	524	720	63 460	227	2 376	47 386	215	533	10 428	208 953	213 648	219 957
Expenditure By Type																
Employee related costs		7 260	7 431	7 276	7 738	7 661	8 094	7 787	7 864	8 048	7 991	7 878	27 849	112 879	117 887	123 310
Remuneration of councillors		833	822	820	928	815	848	756	841	949	794	749	4 036	13 190	13 797	14 432
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	3 289	-	-	1 930	80	5 299	5 543	5 798
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		182	242	228	205	293	202	172	433	381	346	262	2 172	5 119	3 785	3 869
Contracted services		1 204	1 445	2 132	3 852	1 939	2 914	1 497	2 065	2 860	944	1 093	7 043	28 987	29 886	28 987
Transfers and subsidies		16	73	78	329	786	610	239	3 247	239	117	224	1 733	7 691	6 069	6 141
Other expenditure		495	661	4 785	2 460	965	2 416	1 900	(1 115)	1 559	2 837	1 089	20 297	38 348	35 314	36 045
Losses		-	-	-	-	-	-	-	-	-	-	-	195	195	195	195
Total Expenditure		9 989	10 674	15 320	15 513	12 459	15 085	12 351	16 624	14 036	13 030	13 225	63 404	211 708	212 475	218 777
Surplus/(Deficit)		69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)													-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-	-	-	-
Transfers and subsidies - capital (in-kind - all)													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousand																
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	5	4	-	5	-	-	-	(14)	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	51	27	-	38	1	7	-	41	486	2 598	3 250	3 250	3 250
Vote 4 - FINANCIAL SERVICES		79 176	1 176	297	447	658	62 594	290	296	47 358	155	23	7 865	200 335	207 260	213 392
Vote 5 - LED T AND PLANNING		-	2 237	-	-	-	802	(105)	2 018	-	-	-	(781)	4 171	2 616	2 768
Vote 6 - COMMUNITY SERVICES		38	56	54	50	57	22	40	50	28	18	24	760	1 197	523	547
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		79 215	3 468	402	524	720	63 460	227	2 376	47 386	215	533	10 428	208 953	213 649	219 957
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		849	856	923	1 275	1 643	1 774	1 239	1 469	1 529	918	1 118	10 008	23 600	24 581	25 712
Vote 2 - MUNICIPAL MANAGER		2 266	2 256	2 758	2 574	3 772	2 887	2 641	3 123	2 832	2 712	2 710	12 841	43 374	44 903	46 613
Vote 3 - CORPORATE SERVICES		1 336	1 598	2 315	1 492	1 679	2 015	1 333	2 610	2 061	2 840	1 843	9 080	30 203	29 686	30 394
Vote 4 - FINANCIAL SERVICES		2 074	2 219	1 958	5 253	1 115	3 265	2 384	4 535	1 424	1 823	2 208	3 064	31 322	32 643	33 595
Vote 5 - LED T AND PLANNING		806	873	3 870	1 665	920	1 677	1 520	1 514	1 621	1 316	1 388	13 325	30 494	25 601	26 571
Vote 6 - COMMUNITY SERVICES		2 657	2 872	3 496	3 254	3 329	3 466	3 234	3 373	4 571	3 421	3 957	15 085	52 715	55 061	55 892
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		9 989	10 674	15 320	15 513	12 459	15 085	12 351	16 624	14 036	13 030	13 225	63 404	211 708	212 475	218 777
Surplus/(Deficit) before assoc.		69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year	Budget Year
Revenue - Functional																
Governance and administration		79 175	1 191	367	484	683	62 618	291	318	47 346	175	493	10 444	203 585	210 510	216 642
Executive and council														-	-	-
Finance and administration		79 175	1 191	367	484	683	62 618	291	318	47 346	175	493	10 444	203 585	210 510	216 642
Internal audit														-	-	-
Community and public safety		40	40	35	40	37	40	40	40	40	40	40	765	1 197	523	547
Community and social services		40	40	35	40	37	40	40	40	40	40	40	765	1 197	523	547
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		-	2 237	-	-	-	802	(105)	2 018	-	-	-	(781)	4 171	2 616	2 768
Planning and development		-	2 237	-	-	-	802	(105)	2 018	-	-	-	(781)	4 171	2 616	2 768
Road transport														-	-	-
Environmental protection														-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Revenue - Functional		79 215	3 468	402	524	720	63 460	227	2 376	47 386	215	533	10 428	208 953	213 649	219 957
Expenditure - Functional																
Governance and administration		6 957	7 448	8 447	11 839	8 764	11 088	8 709	11 301	8 895	9 027	8 750	27 273	128 499	131 813	136 314
Executive and council		849	856	923	1 275	1 643	1 774	1 239	1 469	1 529	918	1 118	47 333	60 926	63 213	65 825
Finance and administration		5 701	6 207	6 921	10 198	6 560	8 896	7 035	9 390	7 044	7 821	7 189	(21 436)	61 525	62 329	63 989
Internal audit		407	384	604	366	562	418	436	442	322	288	443	1 376	6 049	6 271	6 500
Community and public safety		2 657	2 872	3 496	3 254	3 329	3 466	3 234	4 773	4 571	3 421	3 957	13 685	52 715	55 061	55 892
Community and social services		2 657	2 872	3 496	3 254	3 329	3 466	3 234	4 773	4 571	3 421	3 957	13 685	52 715	55 061	55 892
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		375	354	3 376	420	365	531	408	550	570	582	518	22 446	30 494	25 601	26 571
Planning and development		375	354	3 376	420	365	531	408	550	570	582	518	22 446	30 494	25 601	26 571
Road transport														-	-	-
Environmental protection														-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Expenditure - Functional		9 989	10 674	15 320	15 513	12 459	15 085	12 351	16 624	14 036	13 030	13 225	63 404	211 708	212 475	218 777
Surplus/(Deficit) before assoc.		69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	69 226	(7 205)	(14 918)	(14 988)	(11 739)	48 375	(12 124)	(14 247)	33 350	(12 815)	(12 692)	(52 977)	(2 755)	1 173	1 180

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER													-	-	-	-
Vote 3 - CORPORATE SERVICES													-	-	-	-
Vote 4 - FINANCIAL SERVICES													-	-	-	-
Vote 5 - LED T AND PLANNING													-	-	-	-
Vote 6 - COMMUNITY SERVICES													-	-	-	-
Vote 7 - [NAME OF VOTE 10]													-	-	-	-
Vote 8 - [NAME OF VOTE 10]													-	-	-	-
Vote 9 - [NAME OF VOTE 10]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	10	-	-	-	-	10	10	10
Vote 2 - MUNICIPAL MANAGER		30	-	-	-	-	3	3	9	15	-	32	324	415	140	100
Vote 3 - CORPORATE SERVICES		-	-	78	-	-	3 000	568	(68)	68	2 000	38	2 356	8 040	90	70
Vote 4 - FINANCIAL SERVICES		51	-	103	-	-	563	(513)	64	8	4	319	1 521	2 120	120	35
Vote 5 - LED T AND PLANNING		-	-	4 000	-	200	4 000	-	-	4 000	-	-	750	12 950	52	55
Vote 6 - COMMUNITY SERVICES		-	73	16	29	10	1 006	2 000	-	25	-	-	1 067	4 225	604	589
Vote 7 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	80	73	4 197	29	210	8 572	2 058	14	4 115	2 004	389	6 018	27 760	1 017	859
Total Capital Expenditure	2	80	73	4 197	29	210	8 572	2 058	14	4 115	2 004	389	6 018	27 760	1 017	859

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		80	-	181	-	-	3 566	58	14	91	2 004	389	4 201	10 585	360	215
Executive and council		-	-	-	-	-	-	-	10	-	-	-	-	10	10	10
Finance and administration		80	-	181	-	(200)	3 566	58	4	91	2 004	389	4 201	10 375	310	175
Internal audit		-	-	-	-	200	-	-	-	-	-	-	-	200	40	30
Community and public safety		-	73	16	29	10	1 006	2 000	-	25	-	-	1 067	4 225	604	589
Community and social services		-	73	16	29	10	1 006	2 000	-	25	-	-	1 067	4 225	604	589
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	4 000	-	200	4 000	-	-	4 000	-	-	750	12 950	52	55
Planning and development		-	-	4 000	-	200	4 000	-	-	4 000	-	-	750	12 950	52	55
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	80	73	4 197	29	210	8 572	2 058	14	4 115	2 004	389	6 018	27 760	1 017	859
Funded by:																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		187	187	467	187	573	187	644	494	317	482	187	23 850	27 760	1 017	859
Total Capital Funding		187	187	467	187	573	187	644	494	317	482	187	23 850	27 760	1 017	859

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

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

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year	Budget Year
Cash Receipts By Source													1		
Property rates	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned - external investments	309	159	294	440	631	166	136	293	160	400	490	1 723	5 200	5 439	5 689
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	40	40	35	40	37	40	40	40	40	40	40	68	500	523	547
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	68 627	–	33	8	15	56 918	–	8	41 846	8	–	34 804	202 266	207 383	213 403
Other revenue	–	–	8	8	8	8	8	8	8	8	8	920	987	303	317
Cash Receipts by Source	68 976	199	370	496	690	57 131	184	348	42 054	455	538	37 514	208 953	213 649	219 957
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	68 976	199	370	496	690	57 131	184	348	42 054	455	538	37 514	208 953	213 649	219 957
Cash Payments by Type															
Employee related costs	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	9 407	112 879	117 887	123 310
Remuneration of councillors	833	822	820	928	815	848	756	841	848	848	848	3 983	13 190	13 797	14 432
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	182	242	228	205	293	202	172	433	202	202	202	2 555	5 119	3 785	3 869
Contracted services	1 204	1 445	2 132	3 852	1 939	2 914	1 497	2 065	2 914	2 914	2 914	3 198	28 987	29 886	28 987
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	16	73	78	329	786	239	3 247	610	610	610	610	1 093	7 691	6 069	6 141
Other expenditure	495	661	4 785	2 460	965	2 416	1 900	(1 115)	2 416	2 416	2 416	18 533	38 348	35 314	36 045
Cash Payments by Type	12 136	12 649	17 450	17 181	14 205	15 787	13 970	14 877	16 397	16 397	16 397	38 768	206 214	206 738	212 784
Other Cash Flows/Payments by Type															
Capital assets	326	326	326	326	326	326	326	326	326	326	326	24 176	27 760	1 017	859
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	12 461	12 975	17 775	17 507	14 531	16 113	14 296	15 203	16 723	16 723	16 723	62 944	233 974	207 754	213 643
NET INCREASE/(DECREASE) IN CASH HELD	56 515	(12 776)	(17 406)	(17 011)	(13 841)	41 018	(14 113)	(14 855)	25 331	(16 268)	(16 185)	(25 430)	(25 021)	5 894	6 314
Cash/cash equivalents at the monthly year begin:	48 444	104 958	92 152	74 776	57 765	43 925	84 943	70 830	55 975	81 306	65 038	48 853	48 444	23 423	29 317
Cash/cash equivalents at the monthly year end:	104 958	92 182	74 776	57 765	43 925	84 943	70 830	55 975	81 306	65 038	48 853	23 423	23 423	29 317	36 631

2.11. Annual budgets and SDBIP's – internal departments

Introduction

The purpose of this document is to present the Service Delivery and Delivery and Budget Implementation Plan (SDBIP) of the Dr Kenneth Kaunda District Municipality for 2020/21 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

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

The 2020/21 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2020/21 Financial Year.

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

Legislative framework

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

- a) Projections for each month of:-
 - I. Revenue to be collected, by source and
 - II. Operational and capital expenditure by vote
- b) Service delivery targets and performance indicators for each quarter and
- c) Any other matter that may prescribed and includes any revision of such plan by the mayor in terms of section 54(1) (c)

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

Components of the SDBIP

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

Monthly Projections of Expenditure and Revenue for each Vote

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

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

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

Detailed Capital Budget over Three Years

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

SDBIP Cycle

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

Planning:

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

Strategizing:

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

Tabling:

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

Adoption:

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

Publishing:

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



Implementation, Monitoring and Reporting:

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

2.12. Municipal Manager's quality certificate