

**DR. KENNETH
KAUNDA**
DISTRICT MUNICIPALITY



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

**DRAFT ANNUAL
BUDGET
2021/2022 TO 2023/24**

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

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

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

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PART 1: DRAFT ANNUAL BUDGET

Purpose of Tabling of the Draft Annual Budget for the Financial Year 2021/2022

The purpose of this report is to submit the Draft Annual Budget for 2021/2022 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

Thank you, Honourable Speaker, Cllr. Patrick Masiu.

Honourable Speaker, Cllr. Patrick Masiu

Single Whip, Cllr Ntombi Koloti,

Single Whips of opposition parties

Mayoral Committee Members

Fellow Councillors,

The Acting municipal manager, senior managers accountable to the municipal manager and other officials of the Dr Kenneth Kaunda District Municipality

Officials from other Government departments if any, **Good morning.**

Honourable members,

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

The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of the new financial year (at least 30 days before the start of the budgeted financial year – **(May 2021).**

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 2021)**

Honourable members, last year in October 2020 the house approved the 2021/22 annual budget schedule of key deadlines as per Chapter 4 of the MFMA (Municipal Finance Management Act – Act 56 of 2003) which regulates the process and existence of a municipal budget and also in line with Circular 10 of the Municipal Finance Management Act to provide guidance to municipalities on the budget processes.

I am presenting the 5th Draft annual budget of the current office term amid an economy ravaged by Covid-19 pandemic. Honourable members I wish to applaud men and women, frontline worker for their fearless sacrifice in the battle against Covid-19 virus. The country has lost **Fifty-Two Thousand Two-Hundred and Fifty-One** loved ones (**52 251**) as a result of Covid-19 virus. I also wish to congratulate the Minister of Health Dr Zweli Mkhize and the technical team working together to contain the spread of Covid-19 virus, to date it is reported that the recovery rate is nearly 95% and the active cases are **Seventy-Three Thousand Seven-Hundred and Fifty-Seven** (**73 757**). The pandemic has caused pains in many South-Africans who continue losing jobs.

Honorable members, the draft budget took in to consideration the highlights of the budget speech presented by the minister of finance, Mr. Tito Mboweni in February 2021. The followings were noted:

- I) R11 billion allocated to the Presidential Youth Employment Initiative bringing the funding for employment creation to close to R100 billion.
- II) Agriculture and Tourism allocation of R495 million.
- III) Real GDP is expected to grow by 3.3% in 2021 and then taper off to 2.2% in 2022 and 1.6% in 2023.
- IV) The South African economy is expected to rebound by 3.3 per cent this year, following a 7.2 per cent contraction in 2020 and average 1.9 per cent in the outer two years.
- V) Treasury expects a budget deficit of **14%** to GDP in 2020/21 due to the pressures of Covid-19. Consolidated spending will reach around **R2 trillion** each year over the medium term, with the bulk of this allocated to learning and culture, social development and health. More than R10 billion has been allocated to the purchase and delivery of Covid-19 vaccines over the next two years.
- VI) Government's borrowing will remain well above **R500 billion** per year in the medium term with gross loan debt to increase to **R5.2 trillion** in 2023/24.

The 2021/22 Medium-Term Revenue and Expenditure Frame-Work also took the followings in to consideration:

- i) The Circular 108 of the Municipal Finance Management Act to guide with regard to inflation targets, GDP growth.

- ii) The Division of Revenue Act, Government gazette no 44178 of February
- iii) 2021 for allocation of grants and subsidies to municipalities.

The 2021/22 MTREF can be summarised as follows:

The operating revenue has been appropriated at **Two-Hundred and Thirteen million (R213.6 Million)** and has decreased by 0.04% or **Seventy-Five Thousand** for the 2021/22 financial year when compared to the 2020/21 Adjustments Budget. For the two outer years, operating revenue will increase by 1.9% or **R4 million** and 2.1% or **R4.6 million** respectively. The reductions result from the followings:

- Equitable share has decrease by 10.19% or **R3.1 Million** as compared to the 2020/21 Adjustment Budget.
- Sale of Assets has decreased by 75% or R200 thousand as compared to the 2020/21 Adjustment Budget.
- LGSETA Grant has decreased by 37.03% or R1.2 Million.

The proposed operating expenditure for the 2021/22 financial year has been appropriated at **Two-Hundred and Twelve million (R212.3 Million)** and translates into a budgeted surplus of **R2.7 million**. The operating expenditure has decreased by 0.45% or **R949 thousand** in the 2021/22 financial year when compared to the 2020/21 Adjustments Budget. The increase and reductions results from the followings:

- The proposed employee related costs for the 2021/22 financial has been appropriated at **R119.8 Million**. The employee related costs have increased by 6.15% or **R6.9 Million**. The 6.15% estimate was made while waiting for the final pronouncement by the SALGA Bargaining Council multi-year salary agreement. The percentage of Employee related costs is far above the acceptable norm due to legacy issues of the past. The Dr Kenneth Kaunda District Municipality took over the municipal health services with zero budget. The District Municipality took over the municipal health service during the 2007/08 financial year and that was not done in line with Section 77 and 78(1) of Municipal Systems Act. The act requires the municipality to assess the direct and indirect cost associated with the service if the service is provided by the internal mechanism. The salary budget of the municipal health services amount to **R33.2 million** which represent 27,7 % of the total employee costs budget for the 2021/22 MTREF.
- The proposed remuneration of councillors for the 2021/22 financial has been appropriated at **R13 Million**. The remuneration of councillors remains unchanged as the 2020/21 Adjustment budget. The estimate is made while waiting for the final pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

- The proposed outsource services budget for the 2021/22 financial year has been appropriated at **R8.4 Million**. The outsource services has decreased by 2.48% or **R215 Thousand** when compared to the 2020/21 Adjustment Budget. For the two outer years, outsource services will increase by 2.69% or R227 thousand and 2.86% or R248 thousand respectively. There is reduction on catering services as well as burial services.
- The proposed budget on Consultants and Professional Services for the 2021/22 financial year has been appropriated at **R10.6 Million**. The Consultants and Professional Services has decreased by 32.8% or **R5.2 Million** when compared to the 2020/21 Adjustment Budget. For the two outer years, consultants and professional services will decrease by 9.6% or R1 Million and 3.6% or R348 thousand respectively. The following contributing factors has led to the 20.32% decrease: Audit Committee fees, Legal fees, Geoinformatics services and Consultants for the preparation of Annual Financial Statements.
- The proposed other operational costs budget for the 2021/22 financial year has been appropriated at R31.9 Million. The operational costs have decreased by 7.5% or R2.5 Million when compared to the 2020/21 Adjustment Budget. For the two outer years, operational costs will decrease by 1.4% or R451 thousand and 1.8% or R570 thousand respectively.
- The Covid-19 is budget **R3.8 Million**.
- The Draft budget also caters for mayoral outreach programmes, community-based planning, bursaries, grants to local SMMEs.

The proposed capital budget for the 2021/22 financial year has been appropriated at **R11.4 Million**. The capital expenditure has decreased by 60.50% or R17.5 Million when compared to the 2020/21 Adjustment Budget. The 2020/21 capital budget has provided **R9 million** for the Acquisition of land and other related cost. The 2021/22 final MTREF will allocate sufficient budget for the construction of the new municipal offices. The administration through the municipal manager will provide the estimated budget supported by the relevant information for tabling in council meeting scheduled for approval of the 2021/22 Annual budget. The municipality will follow the necessary processes to acquire a loan as a capital funding source for the municipal offices. The Acting municipal manager and other senior managers will facilitate the inputs on capital budget from the local municipalities to be included on the Final budget. Preference will be given to rural areas within the Dr Kenneth Kaunda District Municipality and prioritise water, sanitation, electricity and solid waste management. Honourable speaker The Dr Kenneth Kaunda District Municipality and the local municipalities are phasing a rapid development or growth which essentially means that whilst there is infrastructure that requires continued maintenance and / or rehabilitation,

there is a huge demand for new infrastructure to cater specially for backlog and previously under-serviced areas, especially challenges of the poor areas. The District Draft IDP has been based on an attempt to align it with the IDPs of the locals and priorities and strategies to National KPA'S, evaluating the existing spending trends against the IDP priorities and tracking the achievement of the legislative mandate.

Honourable members after tabling of the Draft 2021/22 MTREF, the office of the Speaker together with the office of the Executive Mayor will convene hearing on the Draft budget and revision of the Integrated Development Plan. The external consultation with the community to provide inputs on the Draft budget and Integrated Development Plan will be done using media platforms such as teleconferencing, Local Radio stations facilitated through live streaming on Facebook. The external consultation with the locals to submit their inputs on capital budget to ensure that the 2021/22 MTREF prioritised the needs of the community and allocates the budget towards service delivery.

I therefore, table the 2021/22 MTREF of Dr Kenneth Kaunda District Municipality in terms of MFMA Section 28, with the following recommendations:

THEREFORE RECOMMENDED:

1. That the 2021/2022-2023/2024 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.
2. That the draft annual budget for 2021/2022 operating revenue of **Two-Hundred and Thirteen Million Six-Hundred and Fifty-Two Thousand Four-Hundred (R213 652 400.00)** in terms of the MBRR A Schedule is tabled before council.
3. That the draft annual budget for 2021/2022 total operating expenditure of **Two-Hundred and Ten Million Eight-Hundred and Eighty-Eight Thousand Seven-Hundred and Ten (R210 888 710.00)** in terms of the MBRR A Schedule is tabled before council.
4. That the draft annual budget for 2021/2022 is funded with a surplus of **Two Million Seven-Hundred and Sixty-Three Thousand Six-Hundred and Ninety (R2 763 690.00)**.
5. That the draft annual budget for 2021/2022 capital expenditure of **Eleven Million Four-hundred and thirty-Five thousand (R11 435 000.00)** in terms of the MBRR A Schedule is tabled before council.

6. That the draft annual budget 2021/2022 of the Dr Kenneth Kaunda District Municipality be tabled before council and submitted to the relevant stakeholders.
7. That the Procurement plan for the 2021/22 be tabled for approval with the final annual budget for 2021/2022.

I thank you

1.2. Council Resolutions and Items

PURPOSE

To place before the Municipal Council of the Dr Kenneth Kaunda District Municipality the 2021/22-2023/24 draft annual budget for tabling.

BACKGROUND

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

“16. Annual Budgets

- (1) The Council of the municipality must for each financial year approve an annual budget for the municipality before the start of that financial year (at least 30 days before the start of the budgeted financial year – **(May 2021)**).
- (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 2021)**.

THEREFORE RECOMMENDED:

1. That the 2021/2022-2023/2024 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.
2. That the draft annual budget 2021/2022 revenue funding of **R213 652 400.00** in terms of the MBRR A Schedule is tabled before council.
3. That the draft annual budget 2021/2022 total operating expenditure of **R210 888 710.00** in terms of the MBRR A Schedule is tabled before council.
4. That the draft annual budget 2021/2022 is funded with **R2 763 690.00** surplus.
5. That the draft annual budget 2021/2022 capital expenditure of **R11 435 000.00** in terms of the MBRR A Schedule is tabled before council.
6. Approval of the budget policies as amended (Policies will be workshopped before the final annual budget will be approved).
7. That the draft annual budget 2021/2022 of the Dr Kenneth Kaunda District Municipality be tabled before council and submitted to the relevant stakeholders.
8. That the measurable performance objectives (IDP) for the 2021/2022 and for each year of the medium-term framework be tabled before council.
9. That the Draft Procurement plan be approved with the draft annual budget for 2021/2022.

1.3. Executive Summary

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

National Treasury's MFMA Circulars No. 28, 42, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 107, 108 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 2021/22-2023/2024 Medium-term Revenue and Expenditure Framework:

DISCRPTION	CURRENT YEAR 2020 / 2021				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
	APPROVED BUDGET	1ST ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEBRUARY 2021	2021 / 2022 BUDGET	GROWTH RATE	2022 / 2023 BUDGET	2023 / 2024 BUDGET
TOTAL REVENUE	- 208 953 000,00	- 213 728 000,00	- 213 728 000,00	- 156 551 533,59	- 213 652 400,00	- 0,04	-217 731 722,00	- 222 347 613,00
TOTAL EXPENDITURE	211 707 806,00	211 707 806,00	213 338 345,00	109 950 484,79	210 888 710,00	- 1,15	213 900 379,00	219 982 578,00
(SURPLUS)/DEFICIT FOR THE YEAR	2 754 806,00	- 2 020 194,00	- 389 655,00	- 46 601 048,80	- 2 763 690,00	- 1,18	- 3 831 343,00	- 2 365 035,00
TOTAL CAPITAL EXPENDITURE	27 760 000,00	27 760 000,00	28 950 000,00	2 755 665,66	11 435 000,00	- 60,50	5 134 690,00	3 739 014,00
TOTAL BUDGET	239 467 806,00	239 467 806,00	242 288 345,00	112 706 150,45	222 323 710,00		219 035 069,00	223 721 592,00

- The proposed operating revenue for the 2021/22 financial year has been appropriated at **R213.6 Million**. The operating revenue has decreased by 0.04% or R75 thousand for the 2021/22 financial year when compared to the 2020/21 Adjustment Budget. For the two outer years, operating revenue will increase by 1.9% or R4 million and 2.1% or R4.6 million respectively.
- The proposed operating expenditure for the 2021/22 financial year has been appropriated at **R210.8 Million** and translates into a budgeted surplus of R2.7 million. The operating expenditure has decreased by 1.15% or R2.4 Million in the 2021/22 financial year when compared to the 2020/21 Adjustment Budget. For the two outer years, operating expenditure will increase by 1.4% or R3 Million and 2.8% or R6 Million respectively.
- The proposed capital budget for the 2021/22 financial year has been appropriated at **R11.4 Million**. The capital expenditure has decreased by 60.50% or R17.5 Million when compared to the 2020/21 Adjustment Budget. For the two outer years, capital

expenditure will decrease by 55.09% or R6.3 Million and 27.18% or R1.3 Million respectively. The capital budget is funded from internally generated funds.

- Operating Grants and Subsidies are as per Division of Revenue Act (Gazetted 2020).
- Interest on investment was calculated based on Current Interest rates taking Inflation into account.
- Other income consists of proceeds from the sales of assets, tender deposit sales, skills levy from SETA and licenses fees of health certificates.

The draft annual budget for 2021/22 budget year is to give effect to Dr Kenneth Kaunda District Municipality`s service delivery priorities and objectives, thereby fulfilling the needs as depicted in the Integrated Development Plan (IDP).

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

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

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

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

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

The main challenges experienced during the compilation of the 2021/22 MTREF can be summarised as follows:

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

1.4. Annual Budget Tables (Parent Municipality)

(Table A1 Budget Summary)

DC40 Dr Kenneth Kaunda - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Transfers recognised - operational	179 967	185 029	193 506	202 266	207 041	207 041	149 919	207 812	211 646	215 995
Other own revenue	866	610	1 994	1 487	1 487	1 487	376	640	667	696
Total Revenue (excluding capital transfers and contributions)	183 605	189 234	201 177	208 953	213 728	213 728	151 888	213 652	217 732	222 348
Employee costs	86 772	89 696	96 365	112 879	112 879	112 879	69 808	119 816	124 848	130 341
Remuneration of councillors	9 661	9 850	10 257	13 190	13 075	13 075	6 663	13 075	13 624	14 223
Depreciation & asset impairment	8 908	7 760	6 931	5 494	5 494	5 494	-	6 704	6 986	7 249
Finance charges	849	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	6 609	4 333	6 919	7 691	8 691	8 691	2 494	6 122	4 021	4 044
Other expenditure	73 258	59 144	48 140	72 454	73 200	73 200	29 231	65 172	64 422	64 124
Total Expenditure	186 055	170 784	168 612	211 708	213 338	213 338	108 196	210 889	213 900	219 983
Surplus/(Deficit)	(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365
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	(2 450)	18 450	-	(2 755)	390	390	43 691	2 764	3 831	2 365
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 450)	18 450	-	(2 755)	390	390	43 691	2 764	3 831	2 365
Capital expenditure & funds sources										
Capital expenditure	6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Transfers recognised - capital	888	16	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5 669	2 500	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Total sources of capital funds	6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Financial position										
Total current assets	(43 973)	71 304	111 113	24 415	26 370	26 370	151 621	51 083	56 766	62 641
Total non current assets	31 724	25 521	20 743	53 233	54 423	54 423	23 499	36 908	30 608	1 573
Total current liabilities	(30 962)	55 497	58 468	20 687	20 687	20 687	59 794	26 949	26 641	26 641
Total non current liabilities	9 510	11 704	11 670	11 397	11 397	11 397	11 670	13 364	13 364	13 364
Community wealth/Equity	9 204	29 625	61 718	45 565	48 709	48 709	103 655	47 679	47 369	24 209
Cash flows										
Net cash from (used) operating	8 012	27 506	38 530	2 739	5 884	5 884	43 691	9 468	10 817	9 614
Net cash from (used) investing	(6 557)	(2 517)	(2 356)	(27 760)	(28 950)	(28 950)	(2 756)	(11 435)	(5 135)	(3 739)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	15 194	34 751	72 205	23 423	25 377	25 377	117 000	51 083	56 766	62 641
Cash backing/surplus reconciliation										
Cash and investments available	(50 207)	36 031	76 117	24 416	26 370	26 370	117 486	51 084	56 766	62 641
Application of cash and investments	(79 478)	(42 197)	(4 494)	7 519	7 519	7 519	(19 254)	23 479	23 479	23 479
Balance - surplus (shortfall)	29 271	78 228	80 611	16 897	18 851	18 851	136 740	27 605	33 287	39 163
Asset management										
Asset register summary (WDV)	31 724	25 521	20 743	53 233	54 423	54 423	54 423	36 908	30 608	3 739
Depreciation	8 908	7 760	6 931	5 494	5 494	5 494	5 494	6 704	6 986	7 249
Renewal and Upgrading of Existing Assets	-	1 288	212	-	-	-	-	-	-	-
Repairs and Maintenance	1 628	1 198	1 535	2 682	2 862	2 862	2 862	3 004	3 130	3 268
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

MBRR Table A1 - Budget Summary

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

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

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

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

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

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

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 2021/22 MTREF was funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue - Functional	1									
Governance and administration		182 381	188 839	200 252	203 585	208 360	208 360	208 516	214 638	219 163
Executive and council		117	—	5	—	—	—	—	—	—
Finance and administration		182 264	188 839	200 248	203 585	208 360	208 360	208 516	214 638	219 163
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		712	—	447	500	500	500	500	521	544
Community and social services		195	—	447	500	500	500	500	521	544
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		517	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		512	396	478	4 868	4 868	4 868	4 636	2 573	2 641
Planning and development		—	—	—	4 868	4 868	4 868	4 636	2 573	2 641
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		512	396	478	—	—	—	—	—	—
Trading services		—	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	183 605	189 234	201 177	208 953	213 728	213 728	213 652	217 732	222 348
Expenditure - Functional										
Governance and administration		138 034	121 976	117 319	128 501	133 146	133 146	134 154	137 447	140 534
Executive and council		55 357	41 184	44 766	60 927	63 043	63 043	62 793	65 346	68 329
Finance and administration		78 734	75 841	67 511	61 525	63 612	63 612	64 481	64 974	64 808
Internal audit		3 943	4 951	5 042	6 049	6 491	6 491	6 879	7 126	7 396
Community and public safety		10 348	11 101	14 777	52 715	51 249	51 249	50 982	53 135	55 376
Community and social services		6 648	7 613	8 275	52 715	51 249	51 249	50 982	53 135	55 376
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		3 700	3 489	6 502	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		37 674	37 706	36 516	30 492	28 943	28 943	25 753	23 318	24 073
Planning and development		12 594	10 212	8 503	30 492	28 943	28 943	25 753	23 318	24 073
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		25 079	27 494	28 013	—	—	—	—	—	—
Trading services		—	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
Other	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	186 055	170 784	168 612	211 708	213 338	213 338	210 889	213 900	219 983
Surplus/(Deficit) for the year		(2 450)	18 450	32 565	(2 755)	390	390	2 764	3 831	2 365

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote	1									
Vote 01 - Executive Council		117	-	5	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		89	-	205	3 250	3 250	3 250	2 046	2 136	2 233
Vote 04 - Financial Services		178 297	185 339	195 091	200 335	205 110	205 110	206 470	212 501	216 930
Vote 05 - Led & Planning		3 878	3 499	4 952	4 868	4 868	4 868	4 636	2 573	2 641
Vote 06 - Community Services		1 224	396	925	500	500	500	500	521	544
Vote 07 - -		-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	183 605	189 234	201 177	208 953	213 728	213 728	213 652	217 732	222 348
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive Council		17 357	16 890	15 957	23 600	24 545	24 545	24 501	25 446	26 478
Vote 02 - Municipal Manager		41 943	29 245	33 851	43 374	44 989	44 989	45 171	47 026	49 247
Vote 03 - Corporate Services		22 134	25 443	22 316	30 203	33 550	33 550	33 736	34 560	35 110
Vote 04 - Financial Services		45 688	41 560	34 994	31 322	30 062	30 062	30 746	30 414	29 698
Vote 05 - Led & Planning		23 506	19 050	18 705	30 494	28 943	28 943	25 753	23 318	24 073
Vote 06 - Community Services		35 427	38 595	42 790	52 715	51 249	51 249	50 982	53 135	55 376
Vote 07 - -		-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	186 055	170 784	168 612	211 708	213 338	213 338	210 889	213 900	219 983
Surplus/(Deficit) for the year	2	(2 450)	18 450	32 565	(2 755)	390	390	2 764	3 831	2 365

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)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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		2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Interest earned - outstanding debtors											
Dividends received	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		313	396	478	500	500	500	332	500	521	544
Agency services											
Transfers and subsidies		179 967	185 029	193 506	202 266	207 041	207 041	149 919	207 812	211 646	215 995
Other revenue	2	40	207	1 516	987	987	987	44	140	146	152
Gains		510	8	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		183 605	189 234	201 177	208 953	213 728	213 728	151 888	213 652	217 732	222 348
Expenditure By Type											
Employee related costs	2	86 772	89 696	96 365	112 879	112 879	112 879	69 808	119 816	124 848	130 341
Remuneration of councillors		9 661	9 850	10 257	13 190	13 075	13 075	6 663	13 075	13 624	14 223
Debt impairment	3	121	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	8 908	7 760	6 931	5 494	5 494	5 494	-	6 704	6 986	7 249
Finance charges		849	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	-	-	-	-	-	-	-
Contracted services		42 669	29 657	24 246	28 987	31 416	31 416	17 002	26 105	25 592	25 811
Transfers and subsidies		6 609	4 333	6 919	7 691	8 691	8 691	2 494	6 122	4 021	4 044
Other expenditure	4, 5	29 034	28 528	23 894	43 466	41 783	41 783	12 229	39 067	38 829	38 314
Losses		1 434	960	-	-	-	-	-	-	-	-
Total Expenditure		186 055	170 784	168 612	211 708	213 338	213 338	108 196	210 889	213 900	219 983
Surplus/(Deficit)		(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365
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 Corporators, Higher Educational Institutions)	6										
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365
Taxation											
Surplus/(Deficit) after taxation		(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(2 450)	18 450	32 565	(2 755)	390	390	43 691	2 764	3 831	2 365

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

The proposed operating revenue for the 2021/22 financial year has been appropriated at **R213.6 Million**. The operating revenue has decreased by 0.04% or R75 thousand for the 2021/22 financial year when compared to the 2020/21 Adjustment Budget.

- The proposed operating expenditure for the 2021/22 financial year has been appropriated at **R210.8 Million** and translates into a budgeted surplus of R2.7 million. The operating expenditure has decreased by 1.15% or R2.4 Million in the 2021/22 financial year when compared to the 2020/21 Adjustments Budget.

Transfers recognised – operating includes the local government equitable share and other operating grants. It needs to be noted that in real terms of the grants receipts from national government are growing rapidly over the MTREF by 1% 2021/22, 1.8% in 2022/23 and 2% in

2023/24 budget year and the budget is primarily funded from grants receipts from National Treasury which forms a major portion of sources of revenue at 96,31% of the total Revenue.

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
Vote 01 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Led & Planning		-	-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 07 - -		-	-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 01 - Executive Council		28	1 534	100	10	10	10	-	10	10	11
Vote 02 - Municipal Manager		38	60	282	415	915	915	31	245	57	60
Vote 03 - Corporate Services		38	132	645	8 040	7 255	7 255	1 058	4 710	1 665	831
Vote 04 - Financial Services		5 367	288	959	2 120	3 406	3 406	1 025	550	52	54
Vote 05 - Led & Planning		888	29	-	12 950	12 950	12 950	-	4 050	2 552	2 054
Vote 06 - Community Services		198	475	369	4 225	4 415	4 415	642	1 870	798	729
Vote 07 - -		-	-	-	-	-	-	-	-	-	-
Vote 08 - -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Total Capital Expenditure - Vote		6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Capital Expenditure - Functional											
Governance and administration		6 359	2 029	1 986	10 585	11 585	11 585	2 114	5 515	1 784	956
Executive and council		47	1 591	197	225	725	725	31	55	57	60
Finance and administration		6 293	436	1 604	10 160	10 660	10 660	2 083	5 260	1 717	885
Internal audit		19	3	185	200	200	200	-	200	10	11
Community and public safety		171	265	329	4 225	4 415	4 415	642	1 870	798	729
Community and social services		-	93	68	4 225	4 415	4 415	642	1 870	798	729
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		171	172	261	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		27	222	40	12 950	12 950	12 950	-	4 050	2 552	2 054
Planning and development		-	12	-	12 950	12 950	12 950	-	4 050	2 552	2 054
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		27	210	40	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Funded by:											
National Government		888	16	-	-	-	-	-	-	-	-
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	888	16	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		5 669	2 500	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739
Total Capital Funding	7	6 557	2 517	2 356	27 760	28 950	28 950	2 756	11 435	5 135	3 739

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 **R11.4 Million**. The capital expenditure has decreased by 60.50% when compared to the 2020/21 Adjustment Budget. For the two outer years, capital expenditure will decrease by 55.09% or R6.3 Million and 27.18% or R1.3 Million respectively. The capital budget is funded from internally generated funds.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Current assets											
Cash		(85 207)	18 031	46 117	9 415	11 370	11 370	17 486	15 310	21 624	21 624
Call investment deposits	1	35 000	18 000	30 000	15 000	15 000	15 000	100 000	35 774	35 142	41 018
Consumer debtors	1	751	(25)	(20)	-	-	-	(20)	-	-	-
Other debtors		5 483	35 299	35 016	-	-	-	34 155	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
Total current assets		(43 973)	71 304	111 113	24 415	26 370	26 370	151 621	51 083	56 766	62 641
Non current assets											
Long-term receivables		0	0	0	0	0	0	0	0	0	0
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	30 165	24 872	20 204	47 694	49 184	49 184	22 705	34 169	28 908	573
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		1 559	649	538	5 539	5 239	5 239	793	2 739	1 699	999
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		31 724	25 521	20 743	53 233	54 423	54 423	23 499	36 908	30 608	1 573
TOTAL ASSETS		(12 248)	96 826	131 856	77 649	80 793	80 793	175 120	87 992	87 374	64 214
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	494	494	48	263	263	263	48	308	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	(47 238)	40 798	41 126	5 930	5 930	5 930	42 453	22 746	22 746	22 746
Provisions		15 782	14 205	17 294	14 493	14 493	14 493	17 294	3 895	3 895	3 895
Total current liabilities		(30 962)	55 497	58 468	20 687	20 687	20 687	59 794	26 949	26 641	26 641
Non current liabilities											
Borrowing		149	154	-	(154)	(154)	(154)	-	-	-	-
Provisions		9 361	11 551	11 670	11 551	11 551	11 551	11 670	13 364	13 364	13 364
Total non current liabilities		9 510	11 704	11 670	11 397	11 397	11 397	11 670	13 364	13 364	13 364
TOTAL LIABILITIES		(21 452)	67 201	70 138	32 084	32 084	32 084	71 464	40 313	40 005	40 005
NET ASSETS	5	9 204	29 625	61 718	45 565	48 709	48 709	103 655	47 679	47 369	24 209
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		7 615	28 036	60 130	45 565	48 709	48 709	102 067	47 679	47 369	24 209
Reserves	4	1 588	1 588	1 588	-	-	-	1 588	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	9 204	29 625	61 718	45 565	48 709	48 709	103 655	47 679	47 369	24 209

MBRR Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

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

Table A7 - Budgeted Cash Flow Statement

DC40 Dr Kenneth Kaunda - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates											
Service charges											
Other revenue		866	946	1 028	1 487	1 487	1 487	376	640	667	696
Transfers and Subsidies - Operational	1	179 967	185 029	193 506	202 266	207 041	207 041	149 919	207 812	211 646	215 995
Transfers and Subsidies - Capital	1										
Interest		2 772	3 596	5 677	5 200	5 200	5 200	1 582	5 200	5 418	5 657
Dividends											
Payments											
Suppliers and employees		(168 984)	(157 731)	(154 762)	(198 523)	(199 153)	(199 153)	(105 702)	(198 063)	(202 894)	(208 689)
Finance charges											
Transfers and Grants	1	(6 609)	(4 333)	(6 919)	(7 691)	(8 691)	(8 691)	(2 494)	(6 122)	(4 021)	(4 044)
NET CASH FROM/(USED) OPERATING ACTIVITIES		8 012	27 506	38 530	2 739	5 884	5 884	43 691	9 468	10 817	9 614
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(6 557)	(2 517)	(2 356)	(27 760)	(28 950)	(28 950)	(2 756)	(11 435)	(5 135)	(3 739)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6 557)	(2 517)	(2 356)	(27 760)	(28 950)	(28 950)	(2 756)	(11 435)	(5 135)	(3 739)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		1 456	24 990	36 175	(25 021)	(23 066)	(23 066)	40 936	(1 967)	5 682	5 875
Cash/cash equivalents at the year begin:	2	13 739	9 761	36 031	48 444	48 444	48 444	76 064	53 051	51 083	56 766
Cash/cash equivalents at the year end:	2	15 194	34 751	72 205	23 423	25 377	25 377	117 000	51 083	56 766	62 641

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 2021/22 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 2021/22 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash and investments available											
Cash/cash equivalents at the year end	1	15 194	34 751	72 205	23 423	25 377	25 377	117 000	51 083	56 766	62 641
Other current investments > 90 days		(65 401)	1 279	3 912	993	993	993	486	(0)	(0)	(0)
Non current assets - Investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		(50 207)	36 031	76 117	24 416	26 370	26 370	117 486	51 084	56 766	62 641
Application of cash and investments											
Unspent conditional transfers		1 021	1 164	1 052	1 052	1 052	1 052	5 716	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(62 087)	(44 949)	(7 133)	4 879	4 879	4 879	(26 558)	21 890	21 890	21 890
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	1 588	1 588	1 588	1 588	1 588	1 588	1 588	1 588	1 588	1 588
Total Application of cash and investments:		(79 478)	(42 197)	(4 494)	7 519	7 519	7 519	(19 254)	23 479	23 479	23 479
Surplus(shortfall)		29 271	78 228	80 611	16 897	18 851	18 851	136 740	27 605	33 287	39 163

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 2021/22 MTREF was funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table A9 - Asset Management

DC40 Dr Kenneth Kaunda - Table A9 Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	6 557	1 229	2 143	27 760	28 950	28 950	11 435	5 135	3 739
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	1 500	1 500	1 500	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	2 400	2 400	2 400	4 000	2 500	2 000
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	3 900	3 900	3 900	4 000	2 500	2 000
<i>Community Facilities</i>		-	-	91	9 200	9 200	9 200	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	91	9 200	9 200	9 200	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		26	40	641	3 200	2 700	2 700	600	454	370
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		26	40	641	3 200	2 700	2 700	600	454	370
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		817	56	251	4 890	4 590	4 590	2 090	1 050	350
Intangible Assets		817	56	251	4 890	4 590	4 590	2 090	1 050	350
<i>Computer Equipment</i>		167	504	776	1 480	1 980	1 980	2 100	250	100
<i>Furniture and Office Equipment</i>		151	541	189	320	810	810	195	203	212
<i>Machinery and Equipment</i>		5 396	88	195	270	770	770	950	677	707
<i>Transport Assets</i>		-	-	-	4 500	5 000	5 000	1 500	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-

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 2020/21 adjusted budget. Included in the repairs and maintenance of the municipality is, maintenance that needs to be done on municipal buildings, furniture, office equipment, machinery and other equipment. Repairs and Maintenance amounts to R3 million for 2021/22.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)	2	--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	3	--	--	--	--	--	--	--	--	--
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	4	--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Sanitation/sewage:										
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	6									

MBRR Table A9 - Basic Service Delivery Measurement

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

PART 2: SUPPORTING DOCUMENTATION

2.1. Overview of the annual budget process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in October 2020.
- The 2021/22 Draft Budget will be tabled together with the review of the IDP in council.
- The Final Budget will be tabled and approved by council not later than 31st of May 2021.

OUTCOMES OF CONSULTATIVE PROCESS

- After Council's approval of the adjustment budget on 25 March 2021, 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 2021/22 budget year:
 - IDP / Budget Strategic Session
 - Budget Committee working sessions – HOD's / Unit Managers
 - Submission of the Draft IDP and Budget to Council (to be submitted to council meeting scheduled for May 2021)
 - Advertisement on a local newspaper once approved in council
 - National Treasury and other sector departments as prescribed by section 23 of the MFMA.
- As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.
- The District developmental model was launched during the 2019/20 financial year and Technical IGR forum meetings were resuscitated. The forum played a very important role for the alignment of three spheres of government's objectives, National, Provincial and Local government. The IDPs of three local and of the district are in fact the product of the collaboration of the Dr KKDM with the sector departments and the locals.

2.2.1. Schedule of Key deadline

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Our Ref:

Enquiries:

Your Reference:.....

ITEM A.32/10/2020

BUDGET AND TREASURY OFFICE
2021/22 BUDGET SCHEDULE OF KEY DEADLINES

THEREFORE RESOLVED

CFO
S/V

That the 2021/2022 Budget schedule of key deadlines is tabled before the Municipal Council for approval.

2.2. Overview of alignment of annual Budget with IDP

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

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

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand													
SPATIAL RATIONALE				195	2 348	447	-	-	-	-	-	-	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				117	-	5	-	-	-	-	-	-	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				178 297	185 339	195 091	200 335	205 110	205 110	206 470	212 501	216 930	
DISTRICT ECONOMIC DEVELOPMENT				-	-	-	4 868	4 868	4 868	4 636	2 573	2 641	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				89	-	205	3 250	3 250	3 250	2 046	2 136	2 233	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				4 907	1 547	5 430	500	500	500	500	521	544	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	183 605	189 234	201 177	208 953	213 728	213 728	213 652	217 732	222 348

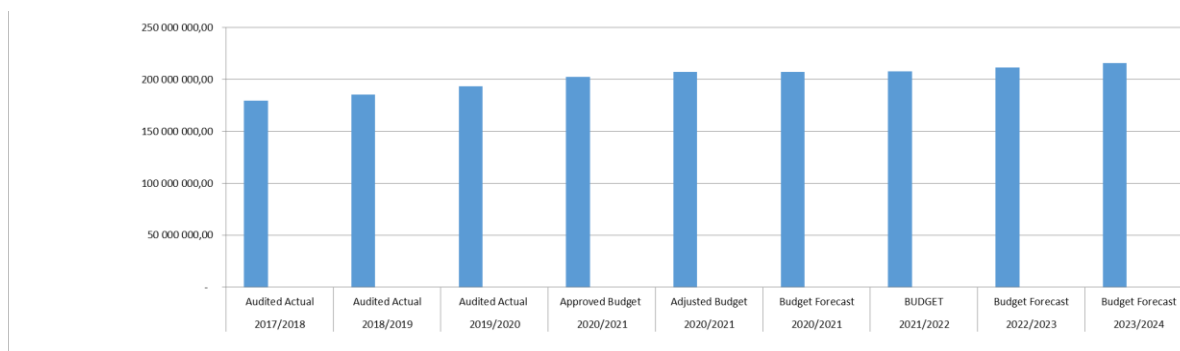
2.3. Measurable performance objectives and indicators

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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand													
SPATIAL RATIONALE				6 648	7 613	8 275	-	-	-	-	-	-	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				59 300	46 135	49 808	66 974	69 534	69 534	69 672	72 473	75 725	
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				45 688	41 560	34 994	31 322	30 062	30 062	30 746	30 414	29 698	
DISTRICT ECONOMIC DEVELOPMENT				12 594	10 212	8 503	30 494	28 943	28 943	25 753	23 318	24 073	
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				22 134	25 443	22 316	30 203	33 550	33 550	33 736	34 560	35 110	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				39 691	39 821	44 716	52 715	51 249	51 249	50 982	53 135	55 376	
Allocations to other priorities													
Total Expenditure				1	186 055	170 784	168 612	211 708	213 338	213 338	210 889	213 900	219 983

REVENUE BY MAJOR SOURCE

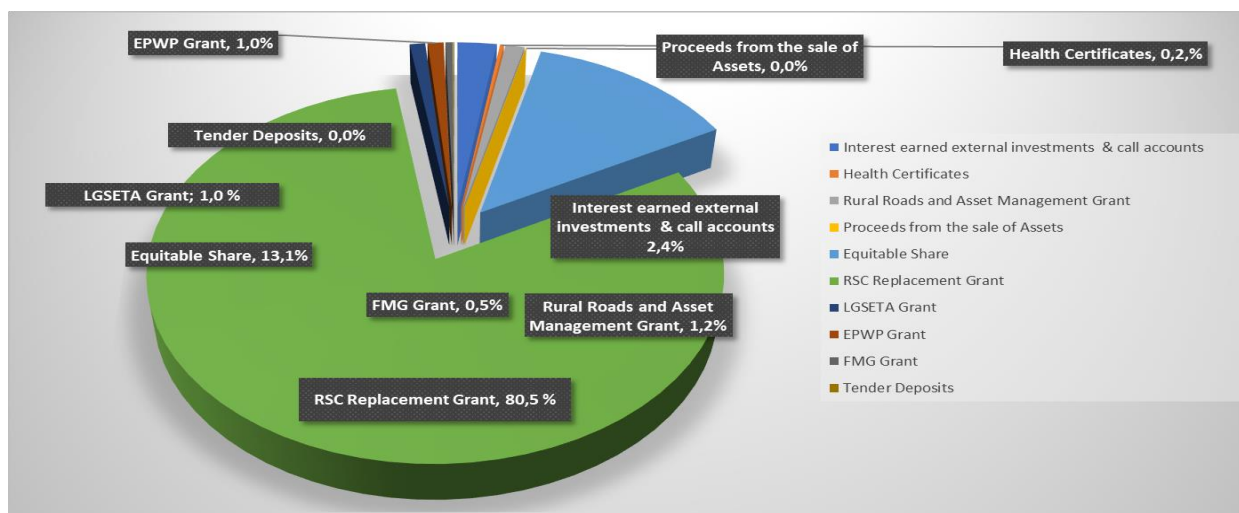


	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Transfers Recog. Operating	179 654 322,00	185 178 514,00	193 505 872,85	202 266 000,00	207 041 000,00	207 041 000,00	207 812 400,00	211 646 442,00	215 994 581,00
Transfers Recog. Capital	-	-	-	-	-	-	-	-	-
Total revenue by major source	179 654 322,00	185 178 514,00	193 505 872,85	202 266 000,00	207 041 000,00	207 041 000,00	207 812 400,00	211 646 442,00	215 994 581,00

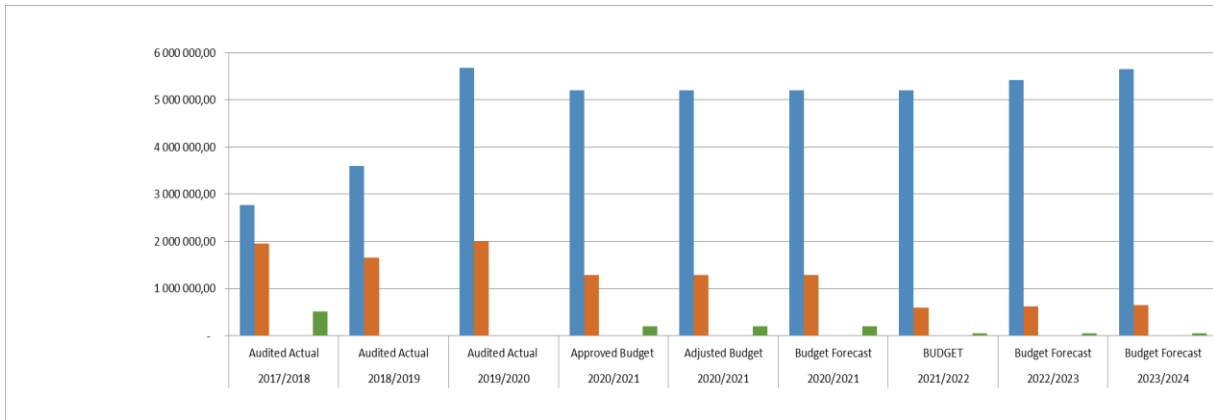
SOURCE OF FUNDING AS A PERCENTAGE (%)

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

		As % of Total funding
BUDGET FUNDING		
Interest earned external investments & call accounts	5 200 000	2,4
Health Certificates	500 000	0,2
Rural Roads and Asset Management Grant	2 514 000	1,2
Proceeds from the sale of Assets	50 000	0,0
Equitable Share	28 052 000	13,1
RSC Replacement Grant	172 078 000	80,5
LGSETA Grant	2 046 400	1,0
EPWP Grant	2 122 000	1,0
FMG Grant	1 000 000	0,5
Tender Deposits	90 000	0,0
TOTAL FUNDING	213 652 400	100,0

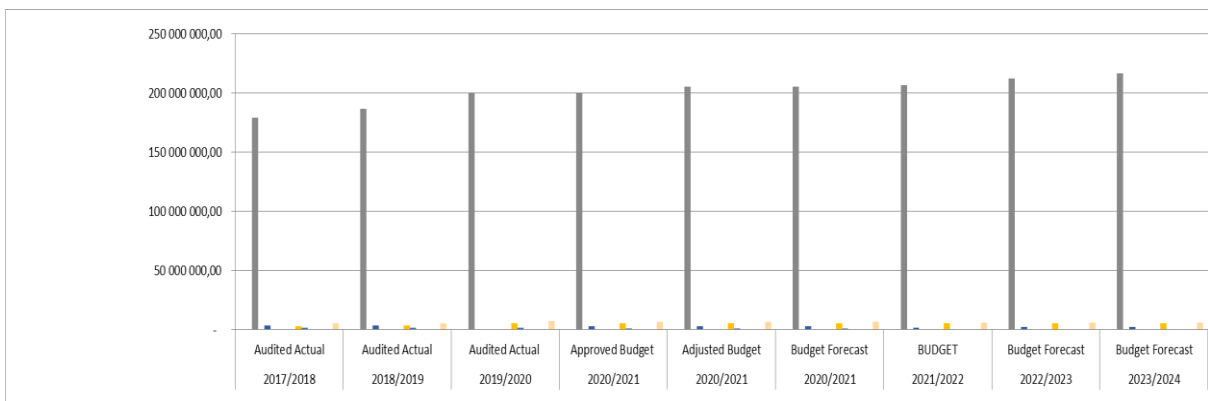


REVENUE BY MINOR SOURCE



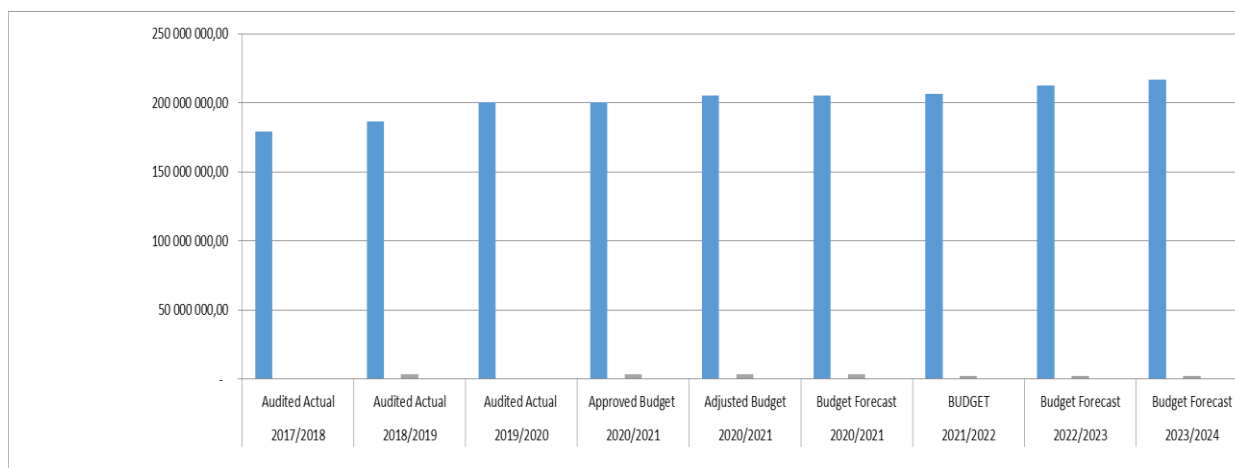
	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Interest External Investmen	2 771 556,00	3 595 948,19	5 677 254,14	5 200 000,00	5 200 000,00	5 200 000,00	5 200 000,00	5 418 400,00	5 656 810,00
Other Revenue	1 948 501,00	1 655 803,00	1 993 865,32	1 287 000,00	1 287 000,00	1 287 000,00	590 000,00	614 780,00	641 830,00
Rental of Facilities	-	-	-	-	-	-	-	-	-
Interest Outstanding Debtor	-	-	-	-	-	-	-	-	-
Dividends Received	2 250,00	-	-	-	-	-	-	-	-
Gain on Disposal of PPE	510 362,00	-	-	200 000,00	200 000,00	200 000,00	50 000,00	52 100,00	54 392,00
Total revenue by minor source	5 232 669,00	5 251 751,19	7 671 119,46	6 687 000,00	6 687 000,00	6 687 000,00	5 840 000,00	6 085 280,00	6 353 032,00

REVENUE BY MUNICIPAL VOTE



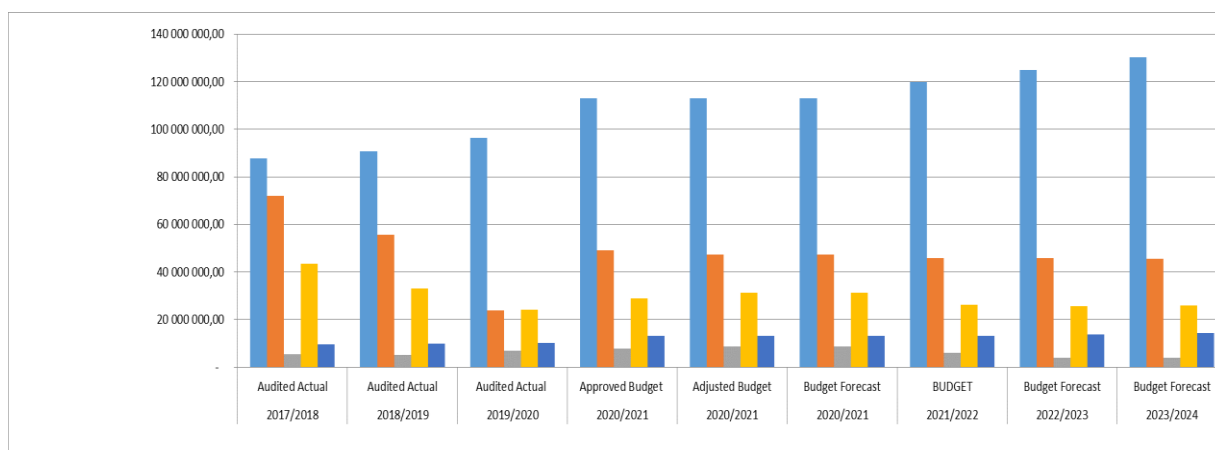
	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Office of the Executive Mayor	-	-	4 633,64	-	-	-	-	-	-
Office of the Speaker	-	-	-	-	-	-	-	-	-
Municipal Manager Admin.	-	-	-	-	-	-	-	-	-
Budget and Treasury	179 402 335,00	186 385 433,19	200 247 526,27	200 335 000,00	205 110 000,00	205 110 000,00	206 470 000,00	212 501 280,00	216 930 108,00
Corporate Services	3 857 924,00	3 649 314,00	-	3 250 000,00	3 250 000,00	3 250 000,00	2 046 400,00	2 136 442,00	2 232 581,00
LEDT & Planning	-	-	477 832,40	4 868 000,00	4 868 000,00	4 868 000,00	4 636 000,00	2 573 000,00	2 641 000,00
Community Services	1 067 269,00	395 518,00	447 000,00	500 000,00	500 000,00	500 000,00	500 000,00	521 000,00	543 924,00
Total revenue by municipal vote	184 327 528,00	190 430 265,19	201 176 992,31	208 953 000,00	213 728 000,00	213 728 000,00	213 652 400,00	217 731 722,00	222 347 613,00

REVENUE BY STANDARD CLASSIFICATION



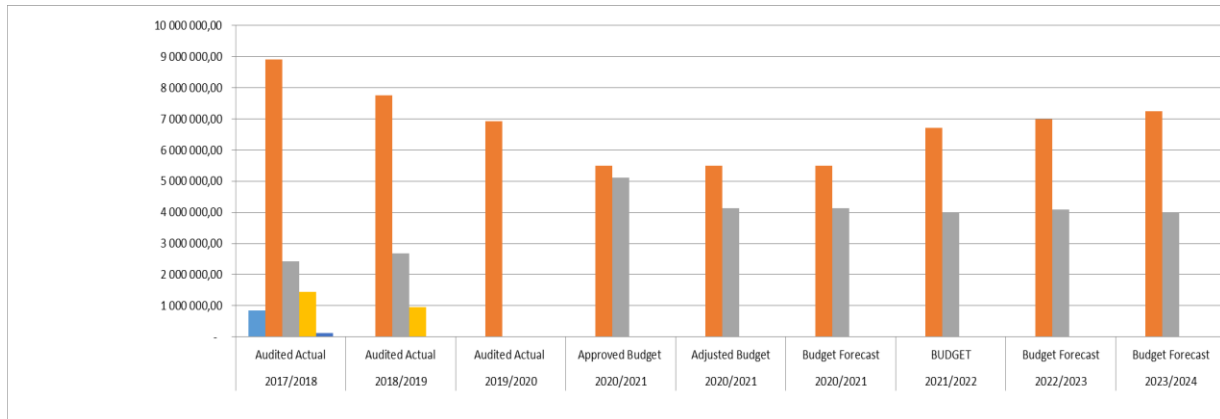
	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Executive Mayor	46 851,32	-	4 633,64	-	-	-	-	-	-
Municipal Manager	-	-	-	-	-	-	-	-	-
Budget and Treasury	179 402 247,39	186 385 433,19	200 247 526,27	200 335 000,00	205 110 000,00	205 110 000,00	206 470 000,00	212 501 280,00	216 930 108,00
Corporate Services	97 666,00	3 649 314,00	-	3 250 000,00	3 250 000,00	3 250 000,00	2 046 400,00	2 136 442,00	2 232 581,00
LEDT & Planning	-	-	477 832,40	4 868 000,00	4 868 000,00	4 868 000,00	4 636 000,00	2 573 000,00	2 641 000,00
Community Services	1 067 269,00	395 518,00	447 000,00	500 000,00	500 000,00	500 000,00	500 000,00	521 000,00	543 924,00
Total revenue by standard class	180 614 033,71	190 430 265,19	201 176 992,31	208 953 000,00	213 728 000,00	213 728 000,00	213 652 400,00	217 731 722,00	222 347 613,00

OPERATING EXPENDITURE BY MAJOR TYPE



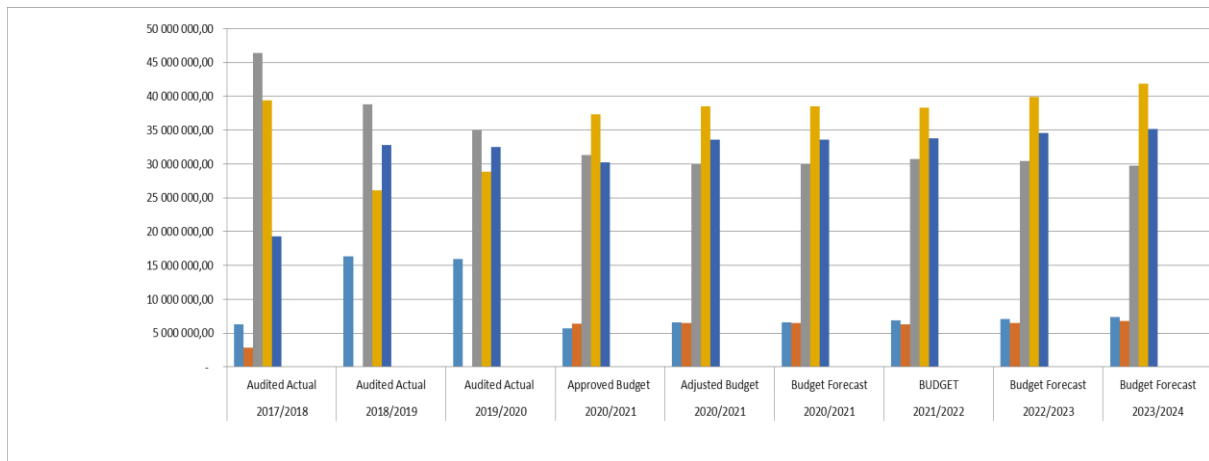
	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Employee Related Costs	87 581 740,00	90 647 860,00	96 365 441,29	112 878 907,00	112 878 907,00	112 878 907,00	119 815 734,00	124 847 999,00	130 341 309,00
Other expenditure	72 053 932,00	55 624 234,00	23 893 748,75	48 960 283,00	47 277 283,00	47 277 283,00	45 770 821,00	45 814 906,00	45 563 287,00
Grants & Subsidies Paid Operating	5 379 990,00	5 178 050,00	6 918 906,82	7 691 000,00	8 691 000,00	8 691 000,00	6 122 000,00	4 021 000,00	4 043 924,00
Contracted services	43 519 476,00	33 201 471,00	24 246 020,14	28 987 300,00	31 416 300,00	31 416 300,00	26 105 300,00	25 592 474,00	25 810 604,00
Remuneration of councillors	9 620 366,00	9 850 183,00	10 257 195,55	13 190 316,00	13 074 855,00	13 074 855,00	13 074 855,00	13 624 000,00	14 223 454,00
Total expenditure major type	218 155 504,00	194 501 798,00	161 681 312,55	211 707 806,00	213 338 345,00	213 338 345,00	210 888 710,00	213 900 379,00	219 982 578,00

OPERATING EXPENDITURE BY MINOR TYPE



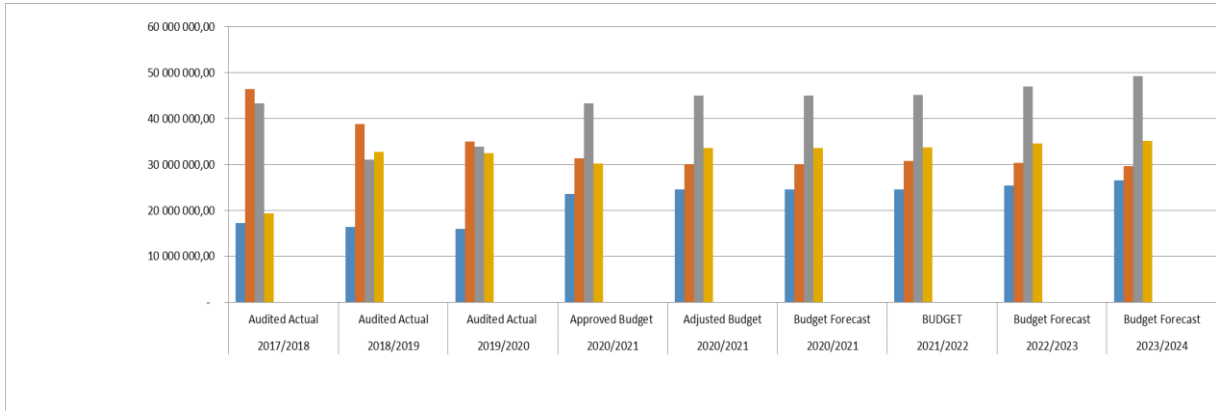
	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast	2023/2024 Budget Forecast
Finance charges	848 701,00	-	-	-	-	-	-	-	-
Depreciation & asset impairment	8 907 712,00	7 760 118,00	6 931 029,05	5 493 933,00	5 493 933,00	5 493 933,00	6 704 071,00	6 985 641,00	7 249 454,00
Other materials	2 432 337,00	2 675 615,00	-	5 118 500,00	4 125 500,00	4 125 500,00	4 010 000,00	4 094 580,00	4 008 742,00
Loss on disposal of PPE	1 433 859,00	959 539,00	-	-	-	-	-	-	-
Debt impairment	121 331,00	-	-	-	-	-	-	-	-
Total expenditure by minor type	13 743 940,00	11 395 272,00	6 931 029,05	10 612 433,00	9 619 433,00	9 619 433,00	10 714 071,00	11 080 221,00	11 258 196,00

OPERATING EXPENDITURE BY MUNICIPAL VOTE



	2017/2018 Audited Actual	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Approved Budget	2020/2021 Adjusted Budget	2020/2021 Budget Forecast	2021/2022 BUDGET	2022/2023 Budget Forecast
Office of the Executive Mayor	6 265 639,37	16 340 490,00	15 956 622,40	5 682 272,00	6 542 272,00	6 542 272,00	6 898 272,00	7 104 000,00
Office of the Speaker	2 809 164,51	-	-	6 396 767,00	6 461 767,00	6 461 767,00	6 261 581,00	6 524 567,00
Chief Whip	4 443 891,25	-	-	6 118 366,00	6 138 366,00	6 138 366,00	5 938 366,00	6 187 778,00
Councillors	3 782 141,41	-	-	5 403 000,00	5 403 000,00	5 403 000,00	5 403 000,00	5 629 926,00
Municipal Manager Admin.	39 347 130,63	26 066 807,00	28 809 390,39	37 325 224,00	38 497 844,00	38 497 844,00	38 291 753,00	39 900 007,00
Internal Audit	3 942 577,22	4 950 010,00	5 042 005,92	6 048 687,00	6 490 987,00	6 490 987,00	6 879 484,00	7 126 426,00
Corporate Services Admin.	19 301 080,61	32 815 516,00	32 517 538,01	30 202 680,00	33 549 679,00	33 549 679,00	33 735 501,00	34 560 343,00
Budget and Treasury	46 431 116,52	38 795 147,00	34 993 748,29	31 322 434,00	30 062 042,00	30 062 042,00	30 745 733,00	30 413 655,00
LEDT & Planning	25 189 989,55	12 454 237,00	36 516 282,75	30 493 769,00	28 943 081,00	28 943 081,00	25 752 772,00	23 318 376,00
Community Services	35 311 957,04	40 313 853,00	14 776 753,84	52 714 607,00	51 249 307,00	51 249 307,00	50 982 248,00	53 135 301,00
Total Operating Expenditure	186 824 688,11	171 736 060,00	168 612 341,60	211 707 806,00	213 338 345,00	213 338 345,00	210 888 710,00	213 900 379,00

OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

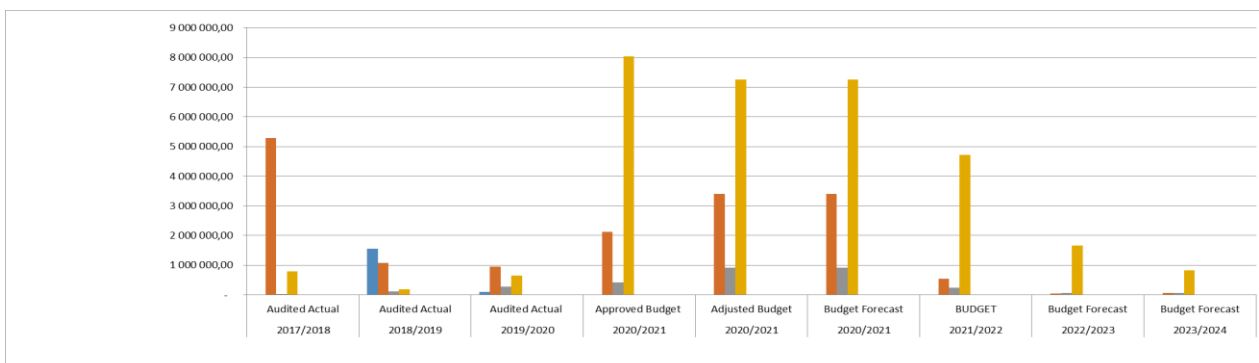


	2017/2018	2018/2019	2019/2020	2020/2021	2020/2021	2020/2021	2021/2022	2022/2023
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast
Executive and Council	17 300 836,54	16 340 490,00	15 956 622,40	23 600 101,00	24 545 404,00	24 545 404,00	24 501 219,00	25 446 271,00
Municipal Manager Admin.	43 289 707,85	31 016 817,00	33 851 396,31	43 373 911,00	44 988 831,00	44 988 831,00	45 171 237,00	47 026 433,00
Corporate Services Admin.	19 301 080,61	32 815 516,00	32 517 538,01	30 202 680,00	33 549 679,00	33 549 679,00	33 735 501,00	34 560 343,00
Budget and Treasury	46 431 116,52	38 795 147,00	34 993 748,29	31 322 434,00	30 062 042,00	30 062 042,00	30 745 733,00	30 413 655,00
LEDT & Planning	25 189 989,55	12 454 237,00	36 516 282,75	30 493 769,00	28 943 081,00	28 943 081,00	25 752 772,00	23 318 376,00
Community Services	35 311 957,04	40 313 853,00	14 776 753,84	52 714 607,00	51 249 307,00	51 249 307,00	50 982 248,00	53 135 301,00
TOTALS	186 824 688,11	171 736 060,00	168 612 341,60	211 707 502,00	213 338 344,00	213 338 344,00	210 888 710,00	213 900 379,00

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:



	2017/2018	2018/2019	2019/2020	2020/2021	2020/2021	2020/2021	2021/2022	2022/2023	2023/2024
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Adjusted Budget	Budget Forecast	BUDGET	Budget Forecast	Budget Forecast
Executive and Council	-	1 559 411,16	100 288,77	10 000,00	10 000,00	10 000,00	10 000,00	10 420,00	10 878,00
Municipal Manager Admin.	18 820,67	111 566,00	282 001,30	415 000,00	915 000,00	915 000,00	245 000,00	57 310,00	59 831,00
Corporate Services Admin.	797 700,00	181 031,00	644 902,83	8 040 000,00	7 254 500,00	7 254 500,00	4 710 000,00	1 664 620,00	830 663,00
Budget and Treasury	5 278 162,17	1 068 966,22	959 015,00	2 120 000,00	3 405 500,00	3 405 500,00	550 000,00	52 100,00	54 392,00
LEDT & Planning	-	157 136,00	-	12 950 000,00	12 950 000,00	12 950 000,00	4 050 000,00	2 552 100,00	2 054 392,00
Community Services	118 141,21	212 243,79	369 381,25	4 225 000,00	4 415 000,00	4 415 000,00	1 870 000,00	798 140,00	728 858,00
TOTALS	6 212 824,05	3 290 354,17	2 355 589,15	27 760 000,00	28 950 000,00	28 950 000,00	11 435 000,00	5 134 690,00	3 739 014,00

2.4. Overview of Budget Related Policies

Amongst other policies the below listed budget related policies will be work shopped to the elected councilors of Dr Kenneth Kaunda District Municipality before the approval of the final budget for 2021/22 MTREF.

1) Draft Budget and Virement policy

Purpose and objective of the policy

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

2) Draft Subsistence and |Travelling Allowance Policy

Purpose and objective of the policy

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

3) Cash Management Policy

Introduction

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

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

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

3.1.1 Investments (Long Term and Short Term)

3.1.2 Cash and Cash Equivalents

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

3.2.1 Unspent Conditional Grants

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

3.2.2 Developers Contributions

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

3.2.3 Capital Replacement Reserve

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

3.2.4 Unspent Loan Funding

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

3.2.5 Deposits held

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

3.2.6 Retentions held

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

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

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

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

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

4) Supply Chain Management Policy

OBJECTIVES OF THIS POLICY

- 4.1 The objectives of this policy are to implement the legislative provisions relating to the supply chain management of the Municipality, that:
 - 4.1.1 gives effect to:
 - 4.1.2 section
 - 4.1.3 217 of the Constitution; and
 - 4.1.4 Part 1 of Chapter 11 and other applicable provisions of the MFMA;
 - 4.2. is fair, equitable, transparent, competitive and cost effective;
 - 4.3. complies with:
 - 4.3.1. the regulatory framework prescribed in Chapter 2 of the SCMR; and
 - 4.3.2. any minimum norms and standards that may be prescribed by means of regulations or guidelines as envisaged by the provisions of section 168 of the MFMA;
 - 4.4. is consistent with other applicable legislation;

- 4.5. does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
- 4.6. is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- 4.7. The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when:
 - 4.7.1. procuring goods and/or services;
 - 4.7.2. disposing of goods no longer needed
 - 4.7.3. selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the MSA applies; or
 - 4.7.4. In the case of the Municipality selecting external mechanisms referred to in section 80(1)(b) of the MSA for the provision of municipal services in circumstances contemplated in section 83 of that Act

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

2.5. Overview of Budget Assumptions

- The 2021/22 Draft Annual budget has been prepared in accordance with Municipal Budget and Reporting Regulations of 2009 and the guidelines as set out in MFMA Municipal budget circular for the 2021/22 MTREF - Circular 108 of 08 March 2021.
- 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 2021/222 to 2023/24 calculations were based on Consumer Price Index of 3.9% 2021/22, 4.2% 2022/23 and 4.4% 2023/24 published on the MFMA Circular no. 108.

Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2021/2022 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 3.9%, previous financial year performance and needs analysis and capital expenditure has been provided for at zero based budgeting and as per the needs analysis. The budget provided for were based on the departmental inputs in line with their IDP objectives of each department.
- In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures.

- Repairs and maintenance do not have the same impact as in the case of local municipalities. The provision made on the budgeted is sufficient to cover Repairs and Maintenance
- The 2021/22 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 2021/22 MTREF (classified by main revenue source):

DISCRPTION	CURRENT YEAR 2020 / 2021				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
	APPROVED BUDGET	1ST ADJUSTMENT BUDGET	ADJUSTED BUDGET	ACTUALS AS AT FEBRUARY 2021	2021 / 2022 BUDGET	GROWTH RATE	2022 / 2023 BUDGET	2023 / 2024 BUDGET
OPERATIONAL GRANTS	- 202 266 000,00	- 207 041 000,00	- 207 041 000,00	- 154 583 000,00	- 207 812 400,00	0,37	- 211 646 442,00	- 215 994 581,00
INTEREST ON BANK ACCOUNTS	- 1 200 000,00	- 1 200 000,00	- 1 200 000,00	- 86 636,29	- 1 200 000,00	-	- 1 250 400,00	- 1 305 418,00
INTEREST ON SHORT TERM INVEST & CALL ACCOUNTS	- 4 000 000,00	- 4 000 000,00	- 4 000 000,00	- 1 505 590,11	- 4 000 000,00	-	- 4 168 000,00	- 4 351 392,00
MANAGEMENT FEES (SPARTIAL DEV FRAMEWORK)	- 697 000,00	- 697 000,00	- 697 000,00	-	-	- 100,00	-	-
HEALTH CERTIFICATES	- 500 000,00	- 500 000,00	- 500 000,00	- 332 007,19	- 500 000,00	-	- 521 000,00	- 543 924,00
SALE OF ASSET < CAP THRESH	- 200 000,00	- 200 000,00	- 200 000,00	-	- 50 000,00	- 75,00	- 52 100,00	- 54 392,00
TENDER DOCUMENTS	- 90 000,00	- 90 000,00	- 90 000,00	- 44 300,00	- 90 000,00	-	- 93 780,00	- 97 906,00
TOTAL REVENUE	- 208 953 000,00	- 213 728 000,00	- 213 728 000,00	- 156 551 533,59	- 213 652 400,00	- 0,04	- 217 731 722,00	- 222 347 613,00

Summary of revenue classified by main revenue source

- The proposed operating revenue for the 2021/22 financial year has been appropriated at **R213.6 Million**. The operating revenue has decreased by 0.04% or R75 thousand for the 2021/22 financial year when compared to the 2020/21 Adjustment Budget. **The following contributing factors has led to the reduction in the operating income:**
 - Equitable share has decreased by 10.19% or R3.1 Million as compared to the 2020/21 Adjustment Budget.
 - Sale of Assets has decreased by 75% or R200 thousand as compared to the 2020/21 Adjustment Budget. The municipality will auction vehicles in the 2020/21 financial year.
 - LGSETA Grant has decreased by 37.03% or R1.2 Million.
 - Spatial Development Framework decrease by 100% or R697 thousand. The income has been received.

The following table is a summary of the 2021/22 MTREF (classified by main revenue source):
Summary of revenue classified by main revenue source

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
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		2 772	3 596	5 677	5 200	5 200	5 200	1 592	5 200	5 418	5 657
Interest earned - outstanding debtors											
Dividends received		2	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		313	396	478	500	500	500	332	500	521	544
Agency services											
Transfers and subsidies		179 967	185 029	193 506	202 266	207 041	207 041	149 919	207 812	211 646	215 995
Other revenue	2	40	207	1 516	987	987	987	44	140	146	152
Gains		510	8	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		183 605	189 234	201 177	208 953	213 728	213 728	151 888	213 652	217 732	222 348

Operating Expenditure Framework

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type											
Employee related costs	2	86 772	89 696	96 365	112 879	112 879	112 879	69 808	119 816	124 848	130 341
Remuneration of councillors		9 661	9 850	10 257	13 190	13 075	13 075	6 663	13 075	13 624	14 223
Debt impairment	3	121	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	8 908	7 760	6 931	5 494	5 494	5 494	-	6 704	6 986	7 249
Finance charges		849	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	-	-	-	-	-	-	-
Contracted services		42 669	29 657	24 246	28 987	31 416	31 416	17 002	26 105	25 592	25 811
Transfers and subsidies		6 609	4 333	6 919	7 691	8 691	8 691	2 494	6 122	4 021	4 044
Other expenditure	4, 5	29 034	28 528	23 894	43 466	41 783	41 783	12 229	39 067	38 829	38 314
Losses		1 434	960	-	-	-	-	-	-	-	-
Total Expenditure		186 055	170 784	168 612	211 708	213 338	213 338	108 196	210 889	213 900	219 983

- The proposed operating expenditure for the 2021/22 financial year has been appropriated at **R210.8 Million** and translates into a budgeted surplus of R2.7 million. The operating expenditure has decreased by 1.15% or R2.4 Million in the 2021/22 financial year when compared to the 2020/21 Adjustments Budget.

The allocation towards operating expenditure budget is as follows:

- The proposed employee related costs for the 2021/22 financial has been appropriated at **R119.8 Million**. The employee related costs have increased by 6.15% or R6.9 Million. The

6.15% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council multi-year salary agreement.

- The proposed remuneration of councillors for the 2021/22 financial has been appropriated at **R13 Million**. The remuneration of councillors remains unchanged as the 2020/21 Adjustment budget. The estimate is made while waiting for the final pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- After consideration of employee related cost and the remuneration of Councillors the municipality is left with **R77.9 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.
- 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	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		178 673	184 532	193 301	199 016	203 791	172 876	205 766	209 510	213 762
Local Government Equitable Share		20 039	21 710	24 622	26 461	31 236	2 101	28 052	29 703	30 023
Expanded Public Works Programme Integrated Grant		1 292	1 151	1 649	1 691	1 691	-	2 122	-	-
Local Government Financial Management Grant		1 250	1 000	1 000	1 000	1 000	911	1 000	1 000	1 000
Municipal Disaster Relief Grant		-	-	447	-	-	-	-	-	-
RSC Levy Replacement		153 637	158 323	162 977	167 384	167 384	167 384	172 078	176 234	180 098
Rural Road Asset Management Systems Grant		2 455	2 348	2 606	2 480	2 480	2 480	2 514	2 573	2 641
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1 294	496	-	3 250	3 250	3 250	2 046	2 136	2 233
Education Training and Development Practices SETA		-	-	-	3 250	3 250	3 250	2 046	2 136	2 233
Local Government Water and Related Service SETA		98	-	-	-	-	-	-	-	-
Parent Municipality		1 196	496	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		179 967	185 029	193 301	202 266	207 041	176 126	207 812	211 646	215 995
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		179 967	185 029	193 301	202 266	207 041	176 126	207 812	211 646	215 995

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	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Ts_O_M_Munic Ent</i>	2	-	-	3 000	3 000	3 000	3 000	1 000	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	3 000	3 000	3 000	3 000	1 000	-	-	-
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Non Prof: Tourism</i>		135	-	-	100	100	100	-	100	104	109
<i>Non Prof: Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Priv Ent: Subs N-Fin Entpr - Product</i>		105	300	7	100	100	100	-	100	104	109
Total Cash Transfers To Organisations		240	300	7	200	200	200	-	200	208	218
Cash Transfers to Groups of Individuals											
<i>Hh Oth Trans: Bursaries Non Employee</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Oth Trans: Bursaries Non Employee</i>		2 286	2 052	1 813	1 000	2 000	2 000	654	2 000	2 000	2 000
<i>Hh Oth Trans: Epwp - Skill Dev & Train</i>		2 833	1 239	1 838	1 691	1 691	1 691	788	2 122	-	-
<i>Hh Oth Trans: Rural Dev - Food Prod &Sec</i>		914	367	-	1 500	1 500	1 500	-	1 500	1 500	1 500
<i>Hh Oth Trans: Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Poverty Relief</i>		124	250	200	200	200	200	-	200	208	218
<i>Ts_O_M_Hh_Cash_Unspecified</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		6 156	3 907	3 852	4 391	5 391	5 391	1 442	5 822	3 708	3 718
TOTAL CASH TRANSFERS AND GRANTS	6	6 397	4 207	6 859	7 591	8 591	8 591	2 442	6 022	3 917	3 935
Non-Cash Transfers to other municipalities											
<i>Dm Nw: Dr Kk - Environ Protection</i>	1	117	-	-	-	-	-	-	-	-	-
<i>Dm Nw: Dr Kk - Finance & Admin</i>		(39)	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		79	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Hh: Bursaries Non-Employee Cash</i>	5	133	126	60	100	100	100	52	100	104	109
<i>Ts_O_Ik_Hh_Soc Assis_Poverty Relief</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		133	126	60	100	100	100	52	100	104	109
TOTAL NON-CASH TRANSFERS AND GRANTS		212	126	60	100	100	100	52	100	104	109
TOTAL TRANSFERS AND GRANTS	6	6 609	4 333	6 919	7 691	8 691	8 691	2 494	6 122	4 021	4 044

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

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

Councillors

- On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The proposed remuneration of councillors for the 2021/22 financial has been appropriated at **R13 Million**. The remuneration of councillors remains unchanged as the 2020/21 Adjustment budget. The estimate is made while waiting for the final pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

Senior Officials and Municipal Staff

- The proposed employee related costs for the 2021/22 financial has been appropriated at **R119.8 Million**.

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

Summary of Employee and Councillor remuneration		Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
			A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)		1									
Basic Salaries and Wages			6 503	6 470	6 740	8 915	8 785	8 785	8 785	9 154	9 557
Pension and UIF Contributions			647	589	662	750	750	750	750	782	816
Medical Aid Contributions			203	263	230	434	384	384	384	400	418
Motor Vehicle Allowance			1 159	1 232	1 236	1 569	1 569	1 569	1 569	1 635	1 707
Cellphone Allowance			536	725	758	886	886	886	886	924	964
Housing Allowances											
Other benefits and allowances			614	571	631	635	700	700	700	729	761
Sub Total - Councillors			9 661	9 850	10 257	13 190	13 075	13 075	13 075	13 624	14 223
% increase		4		2,0%	4,1%	28,6%	(0,9%)	-	-	4,2%	4,4%
Senior Managers of the Municipality		2									
Basic Salaries and Wages			4 743	1 573	2 654	7 007	4 733	4 733	5 742	5 983	6 246
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	35	35	72	75	78
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	77	56	-	228	228	242	252	263
Motor Vehicle Allowance		3	182	48	172	-	696	696	889	926	967
Cellphone Allowance		3	46	22	40	91	119	119	150	156	163
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	-	-	1	-	-	-	-	-	-
Payments in lieu of leave			-	448	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			4 971	2 168	2 923	7 099	5 811	5 811	7 095	7 393	7 718
% increase		4		(56,4%)	34,8%	142,9%	(18,1%)	-	22,1%	4,2%	4,4%
Other Municipal Staff											
Basic Salaries and Wages			52 386	57 746	57 616	66 620	69 490	69 490	73 618	76 710	80 085
Pension and UIF Contributions			7 741	7 853	9 002	11 286	11 034	11 034	11 466	11 947	12 473
Medical Aid Contributions			2 991	3 147	4 022	4 189	4 195	4 195	4 405	4 590	4 792
Overtime			160	130	188	607	657	657	683	712	743
Performance Bonus			3 952	3 880	4 087	5 065	4 705	4 705	4 987	5 196	5 425
Motor Vehicle Allowance		3	7 978	8 331	8 607	10 518	8 821	8 821	9 086	9 467	9 884
Cellphone Allowance		3	874	848	927	1 201	1 236	1 236	1 261	1 314	1 372
Housing Allowances		3	395	456	519	832	604	604	616	642	670
Other benefits and allowances		3	516	559	1 610	1 635	2 194	2 194	2 271	2 366	2 470
Payments in lieu of leave		3	3 362	3 558	5 598	3 432	3 837	3 837	4 016	4 185	4 369
Long service awards			530	193	561	-	-	-	-	-	-
Post-retirement benefit obligations		6	916	828	706	396	296	296	314	327	341
Sub Total - Other Municipal Staff			81 801	87 528	93 442	105 780	107 067	107 067	112 721	117 455	122 623
% increase		4		7,0%	6,8%	13,2%	1,2%	-	5,3%	4,2%	4,4%
Total Parent Municipality			96 433	99 546	106 623	126 069	125 954	125 954	132 891	138 472	144 565
% increase				3,2%	7,1%	18,2%	(0,1%)	-	5,3%	4,2%	4,4%
Board Members of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Board Fees											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Board Members of Entities			-	-	-	-	-	-	-	-	-
% increase		4		-	-	-	-	-	-	-	-
Senior Managers of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Senior Managers of Entities			-	-	-	-	-	-	-	-	-
% increase		4		-	-	-	-	-	-	-	-
Other Staff of Entities											
Basic Salaries and Wages											
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		3									
Cellphone Allowance		3									
Housing Allowances		3									
Other benefits and allowances		3									
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations		6									
Sub Total - Other Staff of Entities			-	-	-	-	-	-	-	-	-
% increase		4		-	-	-	-	-	-	-	-
Total Municipal Entities			-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS			96 433	99 546	106 623	126 069	125 954	125 954	132 891	138 472	144 565
% increase		4		3,2%	7,1%	18,2%	(0,1%)	-	5,3%	4,2%	4,4%
TOTAL MANAGERS AND STAFF		5,7	86 772	89 696	96 365	112 879	112 879	112 879	119 816	124 848	130 341

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 2021/22												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand																	
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		433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 418	5 657	
Interest earned - outstanding debtors																	
Dividends received																	
Fines, penalties and forfeits																	
Licences and permits		42	42	42	42	42	42	42	42	42	42	42	42	500	521	544	
Agency services																	
Transfers and subsidies		14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	47 345	207 812	211 646	215 995
Other revenue		12	12	12	12	12	12	12	12	12	12	12	12	140	146	152	
Gains																	
Total Revenue (excluding capital transfers and contributions)		15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	47 831	213 652	217 732	222 348
Expenditure By Type																	
Employee related costs		9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 984	119 816	124 848	130 341	
Remuneration of councillors		1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 089	13 075	13 624	14 223	
Debt impairment																	
Depreciation & asset impairment		559	559	559	559	559	559	559	559	559	559	559	558	6 704	6 986	7 249	
Finance charges																	
Bulk purchases - electricity																	
Inventory consumed																	
Contracted services		2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	26 105	25 592	25 811	
Transfers and subsidies		510	510	510	510	510	510	510	510	510	510	510	510	6 122	4 021	4 044	
Other expenditure		3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 255	39 067	38 829	38 314	
Losses																	
Total Expenditure		17 574	17 574	17 574	17 574	17 574	17 574	17 574	17 574	17 574	17 574	17 574	17 572	210 869	213 900	219 983	
Surplus/(Deficit)		(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	30 259	2 764	3 831	2 365
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		(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	30 259	2 764	3 831	2 365	
Taxation																	
Attributable to minorities																	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	(2 500)	30 259	2 764	3 831	2 365	

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 2021/22												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand																	
Multi-year expenditure to be appropriated	1																
Vote 01 - Executive Council																	
Vote 02 - Municipal Manager																	
Vote 03 - Corporate Services																	
Vote 04 - Financial Services																	
Vote 05 - Led & Planning																	
Vote 06 - Community Services																	
Vote 07 - -																	
Vote 08 - -																	
Vote 09 - -																	
Vote 10 - -																	
Vote 11 - -																	
Vote 12 - -																	
Vote 13 - -																	
Vote 14 - -																	
Vote 15 - Other																	
Capital multi-year expenditure sub-total																	
Single-year expenditure to be appropriated	2																
Vote 01 - Executive Council		1	1	1	1	1	1	1	1	1	1	1	1	1	10	57	60
Vote 02 - Municipal Manager		20	20	20	20	20	20	20	20	20	20	20	20	20	245	1 065	851
Vote 03 - Corporate Services		393	393	393	393	393	393	393	393	393	393	393	393	392	4 710	1 955	631
Vote 04 - Financial Services		46	46	46	46	46	46	46	46	46	46	46	46	46	550	52	54
Vote 05 - Led & Planning		338	338	338	338	338	338	338	338	338	338	338	338	337	4 050	2 552	2 054
Vote 06 - Community Services		156	156	156	156	156	156	156	156	156	156	156	156	1 870	798	729	
Vote 07 - -																	
Vote 08 - -																	
Vote 09 - -																	
Vote 10 - -																	
Vote 11 - -																	
Vote 12 - -																	
Vote 13 - -																	
Vote 14 - -																	
Vote 15 - Other																	
Capital single-year expenditure sub-total	2	953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739	
Total Capital Expenditure	2	953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739	

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 2021/22												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand																	
Capital Expenditure - Functional	1																
Governance and administration		460	460	460	460	460	460	460	460	460	460	460	459	5 515	1 784	956	
Executive and council		5	5	5	5	5	5	5	5	5	5	5	5	55	57	60	
Finance and administration		438	438	438	438	438	438	438	438	438	438	438	438	5 260	1 717	885	
Internal audit		17	17	17	17	17	17	17	17	17	17	17	17	200	10	11	
Community and public safety		156	156	156	156	156	156	156	156	156	156	156	156	1 870	798	729	
Community and social services		156	156	156	156	156	156	156	156	156	156	156	156	1 870	798	729	
Sport and recreation																	
Public safety																	
Housing																	
Health																	
Economic and environmental services		338	338	338	338	338	338	338	338	338	338	338	337	4 050	2 552	2 054	
Planning and development		338	338	338	338	338	338	338	338	338	338	338	337	4 050	2 552	2 054	
Road transport																	
Environmental protection																	
Trading services																	
Energy sources																	
Water management																	
Waste water management																	
Waste management																	
Other																	
Total Capital Expenditure - Functional	2	953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739	
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																	
Borrowing																	
Internally generated funds		953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739	
Total Capital Funding		953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739	

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 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand															
Cash Receipts 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	433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 418	5 657
Interest earned - outstanding debtors													-		
Dividends received													-		
Fines, penalties and forfeits													-		
Licences and permits	42	42	42	42	42	42	42	42	42	42	42	42	600	521	544
Agency services													-		
Transfers and Subsidies - Operational	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	14 588	47 345	207 812	211 646	215 995
Other revenue	12	12	12	12	12	12	12	12	12	12	12	12	140	146	152
Cash Receipts by Source	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	47 831	213 652	217 732	222 348
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	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	15 075	47 831	213 652	217 732	222 348
Cash Payments by Type															
Employee related costs	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 985	9 984	119 816	124 848	130 341
Remuneration of councillors	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 090	1 089	13 075	13 624	14 223
Finance charges												-			
Bulk purchases - electricity												-			
Acquisitions - water & other inventory												-			
Contracted services	559	559	559	559	559	559	559	559	559	559	559	19 960	26 105	25 592	25 811
Transfers and grants - other municipalities												-			
Transfers and grants - other	510	510	510	510	510	510	510	510	510	510	510	510	6 122	4 021	4 044
Other expenditure	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 256	3 255	39 067	38 829	38 314
Cash Payments by Type	15 399	15 399	15 399	15 399	15 399	15 399	15 399	15 399	15 399	15 399	15 399	34 798	204 185	206 915	212 733
Other Cash Flows/Payments by Type															
Capital assets	953	953	953	953	953	953	953	953	953	953	953	953	11 435	5 135	3 739
Repayment of borrowing												-			
Other Cash Flows/Payments												-			
Total Cash Payments by Type	16 352	16 352	16 352	16 352	16 352	16 352	16 352	16 352	16 352	16 352	16 352	35 751	215 620	212 049	216 472
NET INCREASE/(DECREASE) IN CASH HELD	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	(1 277)	12 080	(1 967)	5 682	5 875
Cash/cash equivalents at the month/year begin:	53 051	51 774	50 497	49 220	47 943	46 666	45 388	44 111	42 834	41 557	40 280	39 003	53 051	51 083	56 766
Cash/cash equivalents at the month/year end:	51 774	50 497	49 220	47 943	46 666	45 388	44 111	42 834	41 557	40 280	39 003	51 083	56 766	62 641	

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 2021/22 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