

**DR. KENNETH
KAUNDA**
DISTRICT MUNICIPALITY



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

DRAFT ANNUAL BUDGET

2022/2023 TO 2024/2025

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

AMR -Automated Meter Reading	MEC - Member of the Executive Committee
ASGISA -Accelerated and Shared Growth Initiative	MFMA -Municipal Financial Management Act
BPC - Budget Planning Committee	Programme
CBD - Central Business District	MIG - Municipal Infrastructure Grant
CFO -Chief Financial Officer	MMC - Member of Mayoral Committee
CM -City Manager	MPRA - Municipal Properties Rates Act
CPI -Consumer Price Index	MSA - Municipal Systems Act
CRRF -Capital Replacement Reserve Fund	MTEF - Medium-term Expenditure Framework
DBSA -Development Bank of South Africa	MTREF - Medium-term Revenue and Expenditure Framework
DoRA -Division of Revenue Act	NERSA - National Electricity Regulator South Africa
DWA Department of Water Affairs	NGO -Non-Governmental organisations
EE Employment Equity	NKPIs - National Key Performance Indicators
EEDSM Energy Efficiency Demand Side Management	OHS -Occupational Health and Safety
EM Executive Mayor	OP -Operational Plan
FBS Free basic services	PBO - Public Benefit Organisations
GAMAP Generally Accepted Municipal Accounting Practice	PHC -Provincial Health Care
GDP Gross domestic product	PMS - Performance Management System
GDS Gauteng Growth and Development Strategy	PPE -Property Plant and Equipment
GFS Government Financial Statistics	PPP - Public Private Partnership
GRAP General Recognised Accounting Practice	PTIS -Public Transport Infrastructure System
HR - Human Resources	RG -Restructuring Grant
HSRC - Human Science Research Council	RSC Regional Services Council
IDP - Integrated Development Strategy	SALGA - South African Local Government Association
IT -Information Technology	SAPS - South African Police Service
Kl - kilolitre	SDBIP - Service Delivery Budget Implementation Plan
Km kilometre	SMME - Small Micro and Medium Enterprises
KPA - Key Performance Area	
KPI - Key Performance Indicator	
KWh - kilowatt	
L -litre	
LED - Local Economic Development	

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PART 1: DRAFT ANNUAL BUDGET

Purpose of Tabling of the Draft Annual Budget for the Financial Year 2022/2023

The purpose of this report is to submit the Draft Annual Budget for 2022/2023 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

2022/23-2024/25 MTREF- DRAFT BUDGET SPEECH BY HER WORSHIP EXECUTIVE MAYOR OF THE DR KENNETH KAUNDA DISTRICT MUNICIPALITY, COUNCILLOR NIKIWE NUM.

Honourable Speaker, Cllr. Xolile Nxozana, Single-Whip, Cllr J Lesie, Single whips of opposition parties, Members of Mayoral Committee, Fellow Councillors, the Acting Municipal Manager, Senior managers, officials of the Dr Kenneth Kaunda District Municipality, community members at the gallery and officials from other government stakeholders if any.

I am presenting the first Draft Budget for the 2022/2023 financial year as the new administration and it must be noted that this is not the final budget and still subject to public inputs and final adoption by Council. The Municipality will submit a draft budget to the community for its consideration and comments before a final budget can be presented and approved by Council. Key stakeholders like national and provincial departments will also be given an opportunity to submit written comments on the Draft Budget. The Dr KKDM will also host special sessions with community organizations, and public sector institutions prior to convening the hearings on the budget. The development and implementation phases of the IDP and Budget of the Dr KKDM for the period 2022/2023 and the two outer years comply with all legal requirements and especially those prescribed by the Local Government: Municipal Systems Act (Act 32 of 2000).

Honourable councillors, the Medium-term Revenue and Expenditure Framework (MTREF) for 2022/23 to 2024/25 has been compiled in line with the Municipal

Budget and Reporting regulation, Government Gazette number 32141 promulgated on the 17th of April 2009 and Chapter 4 of the MFMA (Municipal Finance Management Act – Act 56 of 2003) which regulates the process and existence of a municipal budget. Section 16 of the Municipal Finance Management Act, No.56 of 2003 (MFMA), requires:

- (1) 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 – **31 May 2022**).
- (2) In order for the municipality to comply with subsection (1), the mayor of the municipality must table the annual draft budget at a Council meeting at least 90 days before the start of the budget year (**31 March 2022**).

Honourable speaker we take cognisance of compliance with the MFMA with regard to the budget processes, however there is much more to be done to ensure full compliance with the Municipal Structures Act. As the new administration we should work together to perform our powers and functions and claim back the functions which are misplaced. The Dr Kenneth Kaunda District Municipality will go for strategic planning session to be able to reflect all other potential revenue strategies for the 2022/2023 budget year.

Honourable members, the tabling of the 2022/2023 Draft Budget follows the vigorous discussions amongst members of MAYCO and the Budget Steering Committee. The Executive Mayor, through the office of the Single-Whip will continue consulting the whips of the opposition parties for their inputs. budget consultation was done through the Budget Steering Committee Meeting and the extended Budget Steering Committee to accommodate Whips of opposition party and the Mayoral Committee.

The National Treasury has set out the requirements for funding the budget and producing a credible funded budget. Attention was given to Section 18(1) of the Municipal Finance Management Act, which states that an annual budget may only be funded from

- (i) Realistic anticipated revenue;

- (ii) Cash-backed accumulated funds from the previous financial year's surplus not committed;
- (iii) Borrowed funds, but only for Capital Budget referred to in Section 17(2) of the Municipal Finance Management Act.

Honourable Speaker, in compiling this draft budget, the management adhered to the guidelines stipulated by the National treasury and the following were considered:

- (i) Highlights of the 2022 Budget Speech by the Minister of Finance Mr Enoch Godongwana. We noted increasing brackets by inflation, Real GDP growth of 2.1 percent projection for 2022 and over the next three years, GDP of 1.8 percent average growth, huge Debt service costs, depleted contingency reserves, rising unemployment rate.
- (ii) The 2022 Division of Revenue Bill.
- (iii) The Municipal Budget Circular for 2022 / 2023 MTREF.
- (iv) The Cost Containment Regulations (42514 of 07 June 2019).
- (v) Manifesto of the Government.

Honourable members, the country is facing the immediate crisis of inflation rate, increasing percentage of job losses and unemployment rate. Dr KKDM in collaboration with the local municipalities and the Provincial Government need to create conditions for long-lasting stability and development. This milestone can be achieved through Public Private Partnership between the government and private sectors. With utmost difficulties and the current economic challenges, the Acting Municipal Manager with the assistance of her team, managed to allocate the limited resources to ensure that the municipality table a credible Draft Budget before the municipal council. This Budget seeks to lay the foundation and give a blueprint to steer the economy of the Dr KKDM over the next 5 years. This continues to guide us and remind us of the Manifesto of the government

Honourable Speaker, the 2022/23 Draft Budget of the Dr KKDM is estimated as follow:

Table 1

DISCRIPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
	APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
TOTAL REVENUE	- 211 606 000,00	- 211 689 263,00	- 156 227 383,37	- 219 065 000,00	3,48	- 222 795 960,00	- 229 319 793,00
TOTAL EXPENDITURE	211 602 710,00	211 687 710,00	122 575 024,27	215 380 545,00	1,74	217 197 770,00	224 326 395,00
(SURPLUS)/DEFICIT FOR THE YEAR	- 3 290,00	- 1 553,00		- 3 684 455,00		- 5 598 190,00	- 4 993 398,00
TOTAL CAPITAL EXPENDITURE	117 305 000,00	42 050 000,00	7 787 488,81	108 301 000,00	157,55	29 273 540,00	27 577 299,00
TOTAL BUDGET	328 907 710,00	253 737 710,00		323 681 545,00		246 471 310,00	251 903 694,00

- i. The proposed operating revenue for the 2022/23 financial year has been appropriated at **R219 Million**. The operating revenue has increased by 3.48% or **R7.3 Million** for the 2022/23 financial year when compared to the 2021/22 Adjustment Budget. For the two outer years, operating revenue will increase by 1.7% or R3.7 Million and 2.9% or R6.5 Million respectively.
- ii. The proposed operating expenditure for the 2022/23 financial year has been appropriated at **R215.3 Million** and translates into a budgeted surplus of **R3.6 Million**. The operating expenditure has increased by 1.74% or **R3.6 Million** in the 2022/23 financial year when compared to the 2021/22 Adjustment Budget. For the two outer years, operating expenditure will increase by 0.84% or **R1.8 Million** in 2023/24 and increase by 3.28% or **R7.1 Million** respectively.
- iii. The proposed capital budget for the 2022/23 financial year has been appropriated at **R108.3 Million**. The capital expenditure has increased by 157.55% or **R66.2 Million** when compared to the 2021/22 Adjustment Budget. The capital budget will be funded internally.
- iv. The following sources of revenue demonstrate an increase of 3.48% or **R7.3 Million** for the 2022/23 financial year when compared to the 2021/22 Adjustment Budget.
- Equitable share has increased by 8.66% or **R2.4 Million** as compared to the 2021/22 Adjustment Budget.
 - RSC Replacement Grant has increased by 2.42% or **R4.1 Million** as compared to the 2021/22 Adjustment Budget.
 - EPWP Grant has increased by 12.11% or **R257 Thousand** as compared to the 2021/22 Adjustment Budget.
 - Rural Roads Asset Management (RRAMS) has increased by 4.69% or **R118 Thousand** as compared to the 2021/22 Adjustment Budget.
 - Interest on short term investment and call accounts has increased by 37.50% or **R1.5 Million** as compared to the 2021/22 Adjustment Budget.
 - LGSETA Grant and commission on insurance are recognised as and when received.

- v. The proposed operating expenditure for the 2022/23 financial year of **R215.3 Million** is allocated as follows:
- The employee related costs for the 2022/23 financial has been appropriated at **R121.5 Million**. The employee related costs have increased by 4.74%. The 4.74% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council to finalise the multi-year salary agreement. The employee related cost budget constitutes 56.42 % of the total operating expenditure budget.
 - ❖ The proposed remuneration of councillors for the 2022/23 financial has been appropriated at **R13.5 Million**. The estimate is made while waiting for the final pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
 - ❖ After consideration of employee related cost and the remuneration of Councillors the municipality is left with **R80.2 Million** from the total operating expenditure budget. The **R80.2 Million** is then allocated to Outsource Services, Consultants and Professional Services, Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.
 - ❖ The proposed outsource services budget for the 2022/23 financial year has been appropriated at **R11.3 Million**. The outsource services has decreased by 1.36% or **R158 Thousand** when compared to the 2021/22 Adjustment Budget. For the two outer years, outsource services will decrease by 18.32% or **R2 Million** in 2023/24 and increase by 4.49% or **R418 Thousand** in 2024/25.
 - ❖ The proposed budget on Consultants and Professional Services for the 2022/23 financial year has been appropriated at **R14.4 Million**. The Consultants and Professional Services have increased by 11.74% or R1.5Million when compared to the 2021/22 Adjustment Budget. For the two outer years, consultants and professional services will decrease by 24.13 or R3.4 Million and 0.60% or R66 thousand respectively.

- ❖ The proposed contractors budget for the 2022/23 financial year has been appropriated at **R7.7 Million**. The contractors have decreased by 19.97% or **R1.9 Million** when compared to the 2021/22 Adjustment Budget. For the two outer years, contractors will increase by 3.04% or **R236 Thousand** and 3.82% or **R306 Thousand** respectively.
- ❖ The proposed capital budget for the 2022/23 financial year has been appropriated at **R108.3 Million**. The capital expenditure has increased by 157.55% or **R66.2 Million** when compared to the 2021/22 Adjustment Budget. It must be noted that the allocation on capital budget is still to be finalised later during the month of April before the final budget presented to municipal council for approval. The management is considering all viable funding options to ensure that the capital budget is funded internally. The management might acquire an affordable loan of which the cost of servicing the debt will be below the current operating lease expenditure.

RECOMMENDATIONS

I therefore, table the 2022/23-2024/25 Medium-term Revenue and Expenditure Framework (MTREF) of Dr Kenneth Kaunda District Municipality in terms of Chapter 4 of the MFMA, with the following recommendations.

1. Cognisance be taken that of:
 - 1.1. Sections 16 , 17 &18 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and the Municipal Budget Regulation, Government Gazette 32141 of 17 April 2009.
 - 1.2. The Budget related policies as approved with the 2020/21 MTREF presented for the review.
 - 1.3. The Draft Budget for 2022/2023 is funded with a surplus of **Three-Million Six-Hundred and Eighty-Four-Thousand Four-Hundred and Fifty-Six (R3 684 456.00)** as per the A Schedule.
2. That the Draft 2022/2023-2024/2025 MTREF of the Dr Kenneth Kaunda District Municipality is tabled before council.

3. That the 2022/2023 Draft Operating Revenue of **Two-Hundred and Nineteen Million and Sixty-Five Thousand (R219 065 000.00)** in terms of the MBRR A Schedule is tabled before council.
4. That the 2022/2023 Operating Expenditure of **Two-Hundred and Fifteen Million Three-Hundred and Eighty Thousand and Five-Hundred Forty-Five R215 380 545.00** in terms of the MBRR A Schedule is tabled before council.
5. That the 2022/2023 Draft Capital Expenditure of **One-Hundred and Eight Million Three-Hundred and One Thousand (R108 301 000.00)** in terms of the MBRR A Schedule is tabled before council.
6. That the budget related policies as amended to be work-shopped before the approval of the final annual budget).
7. That the Draft 2022/2023-2024/2025 MTREF of the Dr Kenneth Kaunda District Municipality once tabled before council be submitted to the relevant stakeholders.

I thank you

1.2. Council Resolutions and Items

The resolution for tabling of the Draft Annual Budget will be inserted once the Council has resolved.

1.3. Executive Summary

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

National Treasury's MFMA Circulars No. 28, 42, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94, 107, 108, 112, 115 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 2022/23 MTREF.

The following table is a consolidated overview of the proposed 2022/23-2024/2025 Medium-term Revenue and Expenditure Framework:

Table 1

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- The proposed operating expenditure for the 2022/23 financial year has been appropriated at **R215.3 Million** and translates into a budgeted surplus of **R3.6 Million**. The operating expenditure has increased by 1.74% or **R3.6 Million** in

the 2022/23 financial year when compared to the 2021/22 Adjustment Budget. For the two outer years, operating expenditure will increase by 0.84% or **R1.8 Million** in 2023/24 and increase by 3.28% or **R7.1 Million** respectively.

- The proposed capital budget for the 2022/23 financial year has been appropriated at **R108.3 Million**. The capital expenditure has increased by 157.55% or **R66.2 Million** when compared to the 2021/22 Adjustment Budget. The capital budget will be funded internally.
- 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, and licenses fees of health certificates.
- Commission on Insurance and LGSETA refunds will be recognised when received.

The draft annual budget for 2022/23 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 2022/23 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	3 596	5 677	4 186	5 200	5 200	5 200	2 590	5 700	5 951	6 219
Transfers recognised - operational	24 357	30 529	36 288	33 688	33 763	33 763	24 187	36 491	36 079	36 324
Other own revenue	158 933	164 971	188 138	172 718	172 726	172 726	129 454	176 874	180 766	184 777
Total Revenue (excluding capital transfers and contributions)	186 886	201 177	208 613	211 606	211 689	211 689	156 231	219 065	222 796	229 320
Employee costs	89 696	96 365	111 253	119 016	116 016	116 016	84 729	121 516	126 862	132 571
Remuneration of councillors	9 850	10 257	10 367	13 075	10 825	10 825	7 413	13 575	14 172	14 810
Depreciation & asset impairment	7 760	6 931	5 911	6 704	6 704	6 704	-	7 017	7 325	7 655
Finance charges	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	4 178	4 408	4 408	-	4 273	4 267	4 093
Transfers and grants	4 333	6 919	7 704	8 122	6 950	6 950	116	3 200	3 275	3 355
Other expenditure	56 469	44 572	56 097	60 508	66 785	66 785	41 971	65 800	61 296	61 842
Total Expenditure	168 108	165 045	191 331	211 603	211 688	211 688	134 229	215 381	217 198	224 326
Surplus/(Deficit)	18 778	36 132	17 282	3	2	2	22 002	3 684	5 598	4 993
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 348	-	-	-	-	-	-	-	-	-
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)	-	-	20	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	21 126	36 132	-	3	2	2	22 002	3 684	5 598	4 993
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	21 126	36 132	-	3	2	2	22 002	3 684	5 598	4 993
Capital expenditure & funds sources										
Capital expenditure	2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577
Transfers recognised - capital	16	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	90 000	-	-	-	-	-	-
Internally generated funds	2 500	2 356	2 550	27 305	42 050	42 050	9 291	108 301	29 274	27 577
Total sources of capital funds	2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577
Financial position										
Total current assets	71 740	108 935	(43 210)	52 906	48 811	48 811	151 015	1 741	-	-
Total non current assets	25 521	20 743	17 692	142 778	59 742	59 742	27 018	125 993	46 985	45 269
Total current liabilities	55 487	55 854	63 303	26 949	25 053	25 053	67 765	21 840	21 322	21 632
Total non current liabilities	11 704	11 670	14 351	103 364	14 351	14 351	14 351	20 045	20 045	18 644
Community wealth/Equity	32 365	66 033	90 442	65 371	69 148	69 148	99 883	85 849	5 598	4 993
Cash flows										
Net cash from (used) operating	-	-	100 000	-	(2)	(2)	333 920	10 701	12 923	7 248
Net cash from (used) investing	0	-	205	-	75 255	75 255	(7 702)	(108 301)	(29 274)	(27 577)
Net cash from (used) financing	-	-	-	-	(90 000)	(90 000)	-	-	-	-
Cash/cash equivalents at the year end	9 762	36 031	173 709	53 074	48 894	48 894	326 218	1 741	(14 609)	(34 938)
Cash backing/surplus reconciliation										
Cash and investments available	36 031	73 504	(81 015)	52 906	48 811	48 811	115 536	1 741	0	0
Application of cash and investments	13 226	10 941	(11 139)	21 890	23 254	23 254	(103 786)	20 985	20 313	20 468
Balance - surplus (shortfall)	22 805	62 563	(69 876)	31 016	25 557	25 557	219 322	(19 245)	(20 313)	(20 468)
Asset management										
Asset register summary (NDV)	25 521	20 743	16 639	142 778	58 689	58 689	58 689	124 939	45 912	44 216
Depreciation	7 760	6 931	5 911	6 704	6 704	6 704	6 704	7 017	7 325	7 655
Renewal and Upgrading of Existing Assets	1 288	212	-	3 300	3 500	3 500	3 500	3 500	5 000	6 000
Repairs and Maintenance	1 198	1 535	2 501	4 152	2 872	2 872	2 872	3 167	3 254	3 346
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

MBRR Table A1 - Budget Summary

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

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

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

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

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

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

As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional	1									
<i>Governance and administration</i>		188 838	200 252	204 055	206 470	206 553	206 553	213 554	219 632	226 036
Executive and council		-	5	-	-	-	-	-	-	-
Finance and administration		188 838	200 248	204 055	206 470	206 553	206 553	213 554	219 632	226 036
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	447	407	500	500	500	500	522	545
Community and social services		-	447	407	500	500	500	500	522	545
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		396	478	4 171	4 636	4 636	4 636	5 011	2 642	2 738
Planning and development		-	-	4 171	4 636	4 636	4 636	5 011	2 642	2 738
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		396	478	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	189 234	201 177	208 633	211 606	211 689	211 689	219 065	222 796	229 320
Expenditure - Functional										
<i>Governance and administration</i>		121 976	117 666	123 827	131 647	127 771	127 771	132 442	137 354	142 061
Executive and council		41 184	44 766	52 912	61 601	61 503	61 503	61 264	64 179	66 782
Finance and administration		75 841	67 858	65 355	63 166	59 389	59 389	64 292	65 987	67 767
Internal audit		4 951	5 042	5 561	6 879	6 879	6 879	6 885	7 188	7 512
<i>Community and public safety</i>		11 101	14 430	49 589	51 603	54 450	54 450	53 872	54 665	57 046
Community and social services		7 613	8 275	49 264	51 603	54 450	54 450	53 872	54 665	57 046
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3 489	6 155	324	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 706	36 516	21 301	28 353	29 467	29 467	29 067	25 179	25 220
Planning and development		10 212	8 503	21 084	28 353	29 467	29 467	29 067	25 179	25 220
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		27 494	28 013	217	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	170 784	166 612	194 717	211 603	211 688	211 688	215 381	217 198	224 326
Surplus/(Deficit) for the year		18 450	32 565	13 916	3	2	2	3 684	5 598	4 993

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 01 - Executive Council		--	5	--	--	--	--	--	--	--
Vote 02 - Municipal Manager		--	--	--	--	--	--	--	--	--
Vote 03 - Corporate Services		--	205	328	--	75	75	--	--	--
Vote 04 - Financial Services		185 339	195 091	203 726	206 470	206 478	206 478	213 554	219 632	226 036
Vote 05 - Led & Planning		3 499	4 952	4 171	4 636	4 636	4 636	5 011	2 642	2 738
Vote 06 - Community Services		396	925	407	500	500	500	500	522	545
Vote 07 - -		--	--	--	--	--	--	--	--	--
Vote 08 - -		--	--	--	--	--	--	--	--	--
Vote 09 - -		--	--	--	--	--	--	--	--	--
Vote 10 - -		--	--	--	--	--	--	--	--	--
Vote 11 - -		--	--	--	--	--	--	--	--	--
Vote 12 - -		--	--	--	--	--	--	--	--	--
Vote 13 - -		--	--	--	--	--	--	--	--	--
Vote 14 - -		--	--	--	--	--	--	--	--	--
Vote 15 - Other		--	--	--	--	--	--	--	--	--
Total Revenue by Vote	2	189 234	201 177	208 633	211 606	211 689	211 689	219 065	222 796	229 320
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive Council		16 890	15 957	17 078	22 909	20 256	20 256	23 497	24 470	25 562
Vote 02 - Municipal Manager		29 245	33 851	41 394	45 571	48 126	48 126	44 653	46 898	48 732
Vote 03 - Corporate Services		25 443	22 316	29 839	33 061	29 503	29 503	32 649	34 070	35 259
Vote 04 - Financial Services		41 560	35 340	35 490	30 106	29 886	29 886	31 443	31 917	32 508
Vote 05 - Led & Planning		19 050	18 705	21 110	28 353	29 467	29 467	29 067	25 179	25 220
Vote 06 - Community Services		38 595	42 443	49 806	51 603	54 450	54 450	53 872	54 665	57 046
Vote 07 - -		--	--	--	--	--	--	--	--	--
Vote 08 - -		--	--	--	--	--	--	--	--	--
Vote 09 - -		--	--	--	--	--	--	--	--	--
Vote 10 - -		--	--	--	--	--	--	--	--	--
Vote 11 - -		--	--	--	--	--	--	--	--	--
Vote 12 - -		--	--	--	--	--	--	--	--	--
Vote 13 - -		--	--	--	--	--	--	--	--	--
Vote 14 - -		--	--	--	--	--	--	--	--	--
Vote 15 - Other		--	--	--	--	--	--	--	--	--
Total Expenditure by Vote	2	170 784	168 612	194 717	211 803	211 688	211 688	215 381	217 198	224 326
Surplus/(Deficit) for the year	2	18 450	32 565	13 916	3	2	2	3 684	5 598	4 993

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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		3 598	5 677	4 186	5 200	5 200	5 200	2 590	5 700	5 951	6 219
Interest earned - outstanding debtors											
Dividends received				274							
Fines, penalties and forfeits											
Licenses and permits		396	478	407	500	500	500	300	500	522	545
Agency services											
Transfers and subsidies		24 357	30 529	36 288	33 688	33 763	33 763	24 187	36 491	36 079	38 324
Other revenue	2	158 530	164 493	167 448	172 218	172 228	172 228	129 153	176 374	180 244	184 232
Gains		8	–	9	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		186 886	201 177	208 613	211 606	211 689	211 689	156 231	219 065	222 796	229 320
Expenditure By Type											
Employee related costs	2	89 686	96 365	111 253	119 016	116 016	116 016	84 729	121 516	126 882	132 571
Remuneration of councillors		9 850	10 257	10 367	13 075	10 825	10 825	7 413	13 575	14 172	14 810
Debt impairment	3	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2	7 760	6 931	5 911	6 704	6 704	6 704	–	7 017	7 325	7 655
Finance charges		–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	–	–	–	4 178	4 408	4 408	–	4 273	4 267	4 093
Contracted services		29 657	24 246	29 693	27 698	34 343	34 343	23 278	33 583	28 251	28 909
Transfers and subsidies		4 333	6 919	7 704	8 122	6 950	6 950	116	3 200	3 275	3 355
Other expenditure	4, 5	25 852	20 326	25 868	32 810	32 442	32 442	18 691	32 217	33 046	32 893
Losses		960	–	536	–	–	–	–	–	–	–
Total Expenditure		168 108	165 045	191 331	211 603	211 688	211 688	134 229	215 381	217 198	224 326
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		18 778	36 132	17 282	3	2	2	22 002	3 684	5 598	4 993
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	2 348	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	20	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		21 126	36 132	17 302	3	2	2	22 002	3 684	5 598	4 993
Taxation											
Surplus/(Deficit) after taxation		21 126	36 132	17 302	3	2	2	22 002	3 684	5 598	4 993
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		21 126	36 132	17 302	3	2	2	22 002	3 684	5 598	4 993
Share of surplus/(deficit) of associate											
Surplus/(Deficit) for the year	7	21 126	36 132	17 302	3	2	2	22 002	3 684	5 598	4 993

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

- The proposed operating revenue for the 2022/23 financial year has been appropriated at **R219 Million**. The operating revenue has increased by 3.48% or **R7.3 Million** for the 2022/23 financial year when compared to the 2021/22 Adjustment Budget.
- The proposed operating expenditure for the 2022/23 financial year has been appropriated at **R215.3 Million** and translates into a budgeted surplus of **R3.6 Million**. The operating expenditure has increased by 1.74% or **R3.6 Million** in the 2022/23 financial year when compared to the 2021/22 Adjustment Budget. Transfers recognised – operating includes the local government equitable share and other operating grants. It needs to be noted that in real terms of the grants receipts from national government are growing rapidly over the

MTREF by 3.34% 2022/23, 1.62% in 2023/24 and 2.88% in 2024/25 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% of the total Revenue.

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote	1										
Multi-year expenditure to be appropriated	2										
Vote 01 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Led & Planning		-	-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 07 -		-	-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 01 - Executive Council		1 534	100	-	10	10	10	-	5 130	131	102
Vote 02 - Municipal Manager		60	282	60	265	350	350	-	741	258	221
Vote 03 - Corporate Services		132	645	247	11 510	12 800	12 800	3 970	10 050	5 194	4 659
Vote 04 - Financial Services		288	959	1 198	150	280	280	12	8 130	5 085	3 060
Vote 05 - Led & Planning		29	-	-	96 350	18 820	18 820	3 683	75 550	17 610	18 727
Vote 06 - Community Services		475	369	1 046	9 020	9 790	9 790	1 626	8 700	996	608
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		2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577
Total Capital Expenditure - Vote		2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577
Capital Expenditure - Functional											
Governance and administration		2 029	1 986	1 505	11 935	13 440	13 440	3 982	24 051	10 668	8 242
Executive and council		1 591	197	80	75	75	75	-	5 695	199	173
Finance and administration		436	1 604	1 445	11 680	13 080	13 080	3 982	18 180	10 279	9 719
Internal audit		3	185	-	200	285	285	-	176	190	150
Community and public safety		265	329	1 046	9 020	9 790	9 790	1 626	8 700	996	608
Community and social services		93	66	1 046	9 020	9 790	9 790	1 626	8 700	996	608
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		172	261	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		222	40	-	96 350	18 820	18 820	3 683	75 550	17 610	18 727
Planning and development		12	-	-	96 350	18 820	18 820	3 683	75 550	17 610	18 727
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		210	40	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577
Funded by:											
National Government		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	16	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	90 000	27 305	27 305	-	-	-	-
Internally generated funds		2 500	2 356	2 550	-	-	-	9 291	108 301	29 274	27 577
Total Capital Funding	7	2 517	2 356	2 550	117 305	42 050	42 050	9 291	108 301	29 274	27 577

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 appropriated at **R108.3 Million**. The capital expenditure has increased by 157.55% or **R66.2 Million** when compared to the 2021/22 Adjustment Budget. 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 72.97% or R79 Million and 5.79% or R1.6 Million respectively. The capital budget is funded from internally generated funds.
- It must be noted that the allocation on capital budget is still to be finalised later during the month of April before the final budget presented to municipal council for approval. The management is considering all viable funding options to ensure that the capital budget is funded internally. The management might acquire an affordable loan of which the cost of servicing the debt will be below the current operating lease expenditure.

Table A6 - Budgeted Financial Position

DC40 Dr Kenneth Kaunda - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		18 031	43 503	63 985	52 906	48 811	48 811	215 536	1 741	--	--
Call investment deposits	1	18 000	30 000	(145 000)	--	--	--	(100 000)	--	--	--
Consumer debtors	1	410	416	416	--	--	--	416	--	--	--
Other debtors		35 299	35 016	37 389	--	--	--	35 063	--	--	--
Current portion of long-term receivables		--	--	--	--	--	--	--	--	--	--
Inventory	2	--	--	--	--	--	--	--	--	--	--
Total current assets		71 740	108 935	(43 210)	52 906	48 811	48 811	151 015	1 741	--	--
Non current assets											
Long-term receivables		--	--	--	--	--	--	--	--	--	--
Investments		0	0	0	0	0	0	0	0	0	0
Investment property		--	--	--	--	--	--	--	--	--	--
Investment in Associate		--	--	--	--	--	--	--	--	--	--
Property, plant and equipment	3	24 872	20 204	17 237	134 739	53 112	53 112	25 318	111 912	38 241	38 446
Biological		--	--	--	--	--	--	--	--	--	--
Intangible		649	539	495	8 039	6 630	6 630	1 701	14 081	8 724	8 823
Other non-current assets		--	--	--	--	--	--	--	--	--	--
Total non current assets		25 521	20 743	17 692	142 778	59 742	59 742	27 018	125 993	46 965	45 269
TOTAL ASSETS		97 261	129 678	(25 518)	195 684	108 552	108 552	178 033	127 733	46 965	45 269
LIABILITIES											
Current liabilities											
Bank overdraft	1	--	--	--	--	--	--	--	--	--	--
Borrowing	4	494	335	370	308	--	--	370	--	--	--
Consumer deposits		--	--	--	--	--	--	--	--	--	--
Trade and other payables	4	40 798	38 512	42 600	22 746	24 109	24 109	47 062	20 986	20 313	20 468
Provisions		14 205	17 007	20 333	3 895	944	944	20 333	854	1 009	1 164
Total current liabilities		55 497	55 854	63 303	26 949	25 053	25 053	67 765	21 840	21 322	21 632
Non current liabilities											
Borrowing		154	--	--	90 000	--	--	--	--	--	--
Provisions		11 651	11 670	14 351	13 364	14 351	14 351	14 351	20 045	20 045	18 644
Total non current liabilities		11 704	11 670	14 351	103 364	14 351	14 351	14 351	20 045	20 045	18 644
TOTAL LIABILITIES		67 201	67 524	77 654	130 313	39 404	39 404	82 116	41 885	41 367	40 276
NET ASSETS	5	30 060	62 154	(103 172)	65 371	69 148	69 148	95 917	85 849	5 598	4 993
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		30 777	64 445	78 854	65 371	69 148	69 148	98 295	85 849	5 598	4 993
Reserves	4	1 588	1 588	1 588	--	--	--	1 588	--	--	--
TOTAL COMMUNITY WEALTH/EQUITY	5	32 365	66 033	80 442	65 371	69 148	69 148	99 883	85 849	5 598	4 993

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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates											
Service charges											
Other revenue				115 983		8	8	449 645	176 874	180 766	184 777
Transfers and Subsidies - Operational	1			516		75	75	3 122	36 491	36 079	38 324
Transfers and Subsidies - Capital	1							2 514			
Interest				2 594				101	5 700	5 951	819
Dividends				274							
Payments											
Suppliers and employees				(19 367)		(1 257)	(1 257)	(121 462)	(205 164)	(206 588)	(213 317)
Finance charges											
Transfers and Grants	1					1 172	1 172		(3 203)	(3 275)	(3 355)
NET CASH FROM/(USED) OPERATING ACTIVITIES				100 000		(2)	(2)	333 920	10 701	12 923	7 248
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments		0									
Payments											
Capital assets				205		75 255	75 255	(7 702)	(108 301)	(29 274)	(27 577)
NET CASH FROM/(USED) INVESTING ACTIVITIES		0		205		75 255	75 255	(7 702)	(108 301)	(29 274)	(27 577)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/financing						(90 000)	(90 000)				
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES						(90 000)	(90 000)				
NET INCREASE/ (DECREASE) IN CASH HELD		0		100 205		(14 747)	(14 747)	326 218	(97 600)	(16 350)	(20 329)
Cash/cash equivalents at the year begin:	2	9 761	36 031	73 503	53 074	63 641	63 641		99 341	1 741	(14 609)
Cash/cash equivalents at the year end:	2	9 762	36 031	173 709	53 074	48 894	48 894	326 218	1 741	(14 609)	(34 938)

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 2022/23 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 2022/23 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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	9 762	36 031	173 709	53 074	48 894	48 894	326 218	1 741	(14 609)	(34 938)
Other current investments > 90 days		26 269	37 473	(254 724)	(168)	(83)	(83)	(210 682)	-	14 609	34 938
Non current assets - Investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		36 031	73 504	(81 015)	52 906	48 811	48 811	115 536	1 741	0	0
Application of cash and investments											
Unspent conditional transfers		1 164	1 052	65	-	-	-	2 657	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	10 474	8 301	(12 793)	21 890	23 254	23 254	(108 031)	20 986	20 313	20 468
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	1 588	1 588	1 588	-	-	-	1 588	-	-	-
Total Application of cash and investments:		13 226	10 941	(11 139)	21 890	23 254	23 254	(103 786)	20 986	20 313	20 468
Surplus(shortfall)		22 805	62 563	(69 876)	31 016	25 557	25 557	219 322	(19 245)	(20 313)	(20 468)

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

Compliance with section 18 of the MFMA is assumed because a surplus would directly indicate that the annual budget is appropriately funded and considering the requirements of section 18 of the MFMA.

As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1 228	2 143	2 550	114 005	18 550	38 550	104 801	24 274	21 577
<i>Roads Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Storm water Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Electrical Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Water Supply Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Sanitation Infrastructure</i>		--	--	--	2 800	5 200	5 200	2 500	2 610	2 727
<i>Solid Waste Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Rail Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Coastal Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Information and Communication Infrastructure</i>		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	2 800	5 200	5 200	2 500	2 610	2 727
<i>Community Facilities</i>		--	91	100	90 800	10 800	10 800	70 200	10 170	10 150
<i>Sport and Recreation Facilities</i>		--	--	--	--	--	--	--	--	--
Community Assets		--	91	100	90 800	10 800	10 800	70 200	10 170	10 150
Heritage Assets		--	--	--	--	--	--	--	--	--
<i>Revenue Generating</i>		--	--	--	--	--	--	--	--	--
<i>Non-revenue Generating</i>		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
<i>Operational Buildings</i>		40	641	--	3 100	3 600	3 600	2 300	579	268
<i>Housing</i>		--	--	--	--	--	--	5 000	--	--
Other Assets		40	641	--	3 100	3 600	3 600	7 300	579	268
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
<i>Servitudes</i>		--	--	--	--	--	--	--	--	--
<i>Licences and Rights</i>		56	251	268	7 390	6 175	6 175	13 626	8 270	6 368
Intangible Assets		56	251	268	7 390	6 175	6 175	13 626	8 270	6 368
<i>Computer Equipment</i>		504	776	1 162	3 200	5 700	5 700	3 500	2 044	1 591
<i>Furniture and Office Equipment</i>		541	189	88	715	1 025	1 025	475	474	368
<i>Machinery and Equipment</i>		88	195	384	2 900	2 950	2 950	1 900	127	105
Transport Assets		--	--	547	3 100	3 100	3 100	5 300	--	--
<i>Land</i>		--	--	--	--	--	--	--	--	--
<i>Zoo's, Marine and Non-biological Animals</i>		--	--	--	--	--	--	--	--	--
Total Renewal of Existing Assets	2	--	--	--	3 300	3 500	3 500	3 000	5 000	6 000
<i>Roads Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Storm water Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Electrical Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Water Supply Infrastructure</i>		--	--	--	3 300	3 500	3 500	3 000	5 000	6 000
<i>Sanitation Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Solid Waste Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Rail Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Coastal Infrastructure</i>		--	--	--	--	--	--	--	--	--
<i>Information and Communication Infrastructure</i>		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	--	3 300	3 500	3 500	3 000	5 000	6 000
<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>		--	--	--	--	--	--	--	--	--

Total Operation of Existing Assets	6	1 288	212					500		
<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								500		
Community Facilities										
Sport and Recreation Facilities										
Community Assets								500		
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings										
Housing										
Other Assets										
Biological or Cultivated Assets										
Servitudes			212							
Licences and Rights										
Intangible Assets			272							
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets		1 288								
Land										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure	4	2 517	2 358	2 650	117 305	42 060	42 050	108 301	29 274	27 577
<i>Roads Infrastructure</i>										
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>										
<i>Water Supply Infrastructure</i>					3 300	3 500	3 500	3 000	5 000	6 000
<i>Sanitation Infrastructure</i>					2 600	5 200	5 200	2 500	2 610	2 727
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
Infrastructure					6 100	8 700	8 700	5 500	7 610	8 727
Community Facilities			91	100	90 800	10 800	10 800	70 700	10 170	10 150
Sport and Recreation Facilities										
Community Assets			91	100	90 800	10 800	10 800	70 700	10 170	10 150
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		40	641		3 100	3 800	3 800	2 300	579	269
Housing								5 000		
Other Assets		40	641		3 100	3 800	3 800	7 300	579	269
Biological or Cultivated Assets										
Servitudes										
Licences and Rights		56	463	268	7 390	6 175	6 175	13 626	8 270	6 368
Intangible Assets		56	463	268	7 390	6 175	6 175	13 626	8 270	6 368
Computer Equipment		504	776	1 162	3 200	5 700	5 700	3 800	2 044	1 691
Furniture and Office Equipment		541	189	88	715	1 025	1 025	475	474	365
Machinery and Equipment		88	196	384	3 900	2 950	2 950	1 900	127	108
Transport Assets		1 288		647	3 100	3 100	3 100	5 300		
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL CAPITAL EXPENDITURE - Asset class		2 517	2 358	2 650	117 305	42 050	42 050	108 301	29 274	27 577
ASSET REGISTER SUMMARY - PPE (WDV)	5	25 521	20 743	16 639	142 778	58 689	58 689	124 939	45 912	44 216
<i>Roads Infrastructure</i>										
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>										
<i>Water Supply Infrastructure</i>					3 300	3 500	3 500	3 000	5 000	6 000
<i>Sanitation Infrastructure</i>					2 600	5 200	5 200	2 500	2 610	2 727
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>		10 230	6 320	2 497	10 230	2 497	2 497	2 497	2 497	2 497
Infrastructure		10 230	6 320	2 497	16 330	11 197	11 197	7 997	10 107	11 225
Community Assets		4 533	3 984	4 096	90 554	14 696	14 696	74 796	14 266	14 248
Heritage Assets										
Investment properties										
Other Assets		134	641	641	8 171	4 241	4 241	7 941	1 220	910
Biological or Cultivated Assets										
Intangible Assets		640	538	455	9 039	6 530	6 530	14 091	8 724	6 823
Computer Equipment		1 208	1 374	1 949	4 408	7 543	7 543	5 343	3 987	3 434
Furniture and Office Equipment		2 087	1 751	924	2 550	1 948	1 948	1 399	1 398	1 292
Machinery and Equipment		1 192	1 429	1 409	4 087	4 369	4 369	3 309	1 537	1 514
Transport Assets		5 478	4 674	4 772	8 530	7 672	7 672	10 072	4 772	4 772
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	25 521	20 743	16 639	142 778	58 689	58 689	124 939	45 912	44 216
EXPENDITURE OTHER ITEMS		8 959	8 466	8 412	10 866	9 576	9 576	10 184	10 579	11 001
Depreciation	7	7 760	6 931	5 911	6 704	6 704	6 704	7 017	7 325	7 655
Repairs and Maintenance by Asset Class	3	1 198	1 535	2 501	4 162	2 872	2 872	3 167	3 254	3 346
<i>Roads Infrastructure</i>					1 000	800	800	700	731	764
<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					1 000	800	800	700	731	764
Community Facilities										
Sport and Recreation Facilities										
Community Assets										
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings		404	552	1 412	1 000	500	500	700	731	764
Housing										
Other Assets		404	552	1 412	1 000	500	500	700	731	764
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets										
Computer Equipment		590	801	783	1 300	1 020	1 020	1 200	1 200	1 200
Furniture and Office Equipment		1	6	12	102	102	102	187	174	182
Machinery and Equipment		41	1	8	200	100	100	300	313	327
Transport Assets		82	175	287	550	350	350	100	104	109
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL EXPENDITURE OTHER ITEMS		8 959	8 466	8 412	10 866	9 576	9 576	10 184	10 579	11 001
Renewal and upgrading of Existing Assets as % of total capex		51.2%	9.0%	0.0%	2.8%	8.3%	8.3%	3.2%	17.1%	21.8%
Renewal and upgrading of Existing Assets as % of deprec		16.6%	3.1%	0.0%	49.2%	52.2%	52.2%	49.9%	69.0%	78.4%
R&M as a % of PPE		4.8%	7.6%	14.5%	3.1%	5.4%	5.4%	2.8%	8.5%	8.7%
Renewal and upgrading and R&M as a % of PPE		10.0%	8.0%	15.0%	5.0%	11.0%	11.0%	5.0%	18.0%	21.0%

MBRR Table A9 - Asset Management

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

The District Municipality maintenance of equipment has increased compared to 2021/22 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 R3.1 million for 2022/23.

Table A10 - Basic Service Delivery Measurement

DC40 Dr Kenneth Kaunda - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household Service Levels	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min. service level)	4									
Other water supply (at least min. service level)										
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min. service level)	3									
Other water supply (< min. service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5									
Sanitation/coverage:										
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/Comal 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 (R/and 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 - for structure subsidies										
Other										
Total revenue cost of subsidised services provided										

MBRR Table A9 - Basic Service Delivery Measurement

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

PART 2: SUPPORTING DOCUMENTATION

2.1. Overview of the annual budget process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published on the 30th August 2021.
- The 2022/23 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 2022.

OUTCOMES OF CONSULTATIVE PROCESS

- After Council's approval of the adjustment budget on 28th February 2022, 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 2022/23 budget year:
 - 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 2022)
 - 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

ITEM A.182/08/2021

SCHEDULE OF BUDGET KEY DEADLINES - 2021/2022

5/1/1

THEREFORE RESOLVED

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

2.2. Overview of alignment of annual Budget with IDP

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

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
SPATIAL RATIONALE				-	447	-	-	-	-	-	-	-
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				-	5	-	-	-	-	-	-	-
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				185 339	195 091	203 706	206 470	206 478	206 478	213 554	219 632	226 036
DISTRICT ECONOMIC DEVELOPMENT				-	-	4 171	4 636	4 636	4 636	5 011	2 642	2 738
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				-	205	328	-	75	75	-	-	-
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				1 547	5 430	407	500	500	500	500	522	545
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	186 886	201 177	208 613	211 606	211 689	211 689	219 065	222 796	229 320

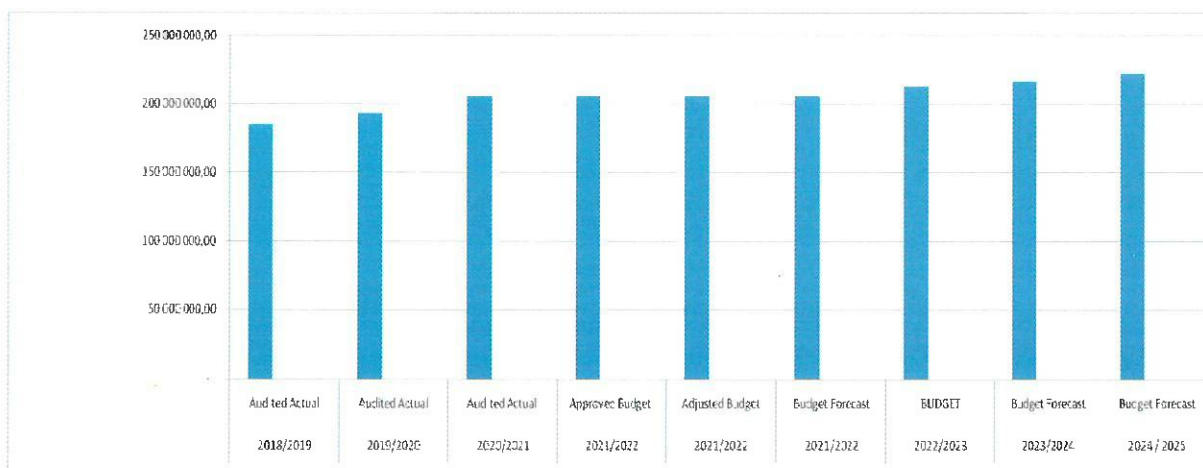
2.3. Measurable performance objectives and indicators

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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
SPATIAL RATIONALE				7 613	8 275	329	-	-	-	-	-	-
GOOD GOVERNANCE AND PUBLIC PARTICIPATION				46 135	49 808	58 472	68 480	68 382	68 382	66 150	71 388	74 294
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT				41 560	35 340	35 490	30 106	29 886	29 886	31 443	31 917	32 508
DISTRICT ECONOMIC DEVELOPMENT				10 212	8 503	21 084	28 353	29 467	29 467	29 067	25 179	25 220
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT				25 443	22 316	29 639	33 061	29 503	29 503	32 848	34 070	35 259
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT				38 821	44 368	49 503	51 603	54 450	54 450	53 872	54 665	57 046
Allocations to other priorities												
Total Expenditure			1	170 784	168 612	194 717	211 603	211 688	211 688	215 381	217 198	224 326

REVENUE BY MAJOR SOURCE

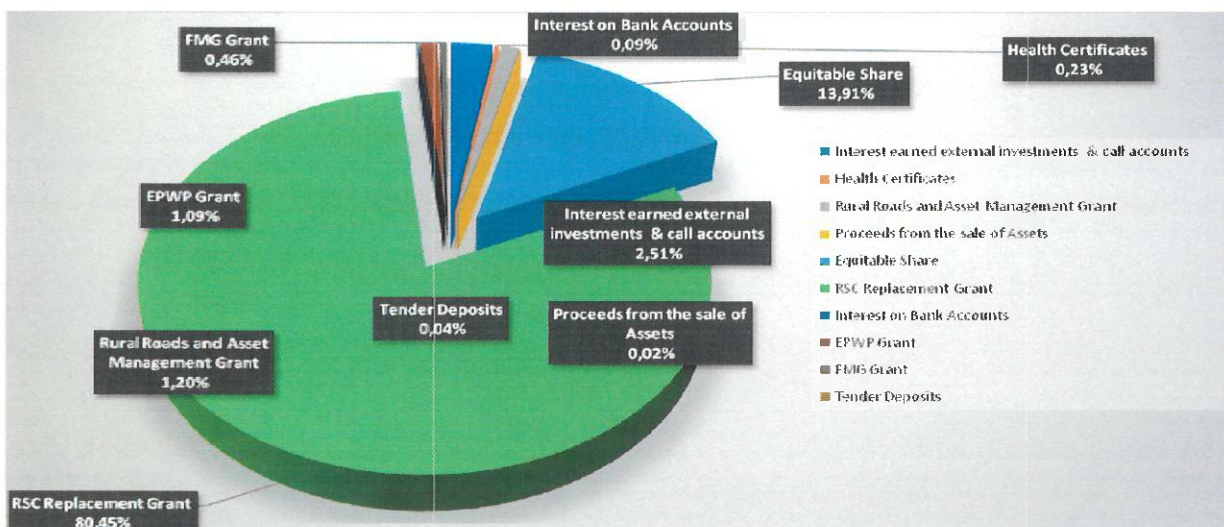


	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Transfers Recog. Operating	185 178 514,00	193 505 872,85	205 800 159,00	205 766 000,00	205 766 000,00	205 766 000,00	212 725 000,00	216 177 000,00	222 402 980,00
Transfers Recog. Capital	-	-	-	-	-	-	-	-	-
Total revenue by major source	185 178 514,00	193 505 872,85	205 800 159,00	205 766 000,00	205 766 000,00	205 766 000,00	212 725 000,00	216 177 000,00	222 402 980,00

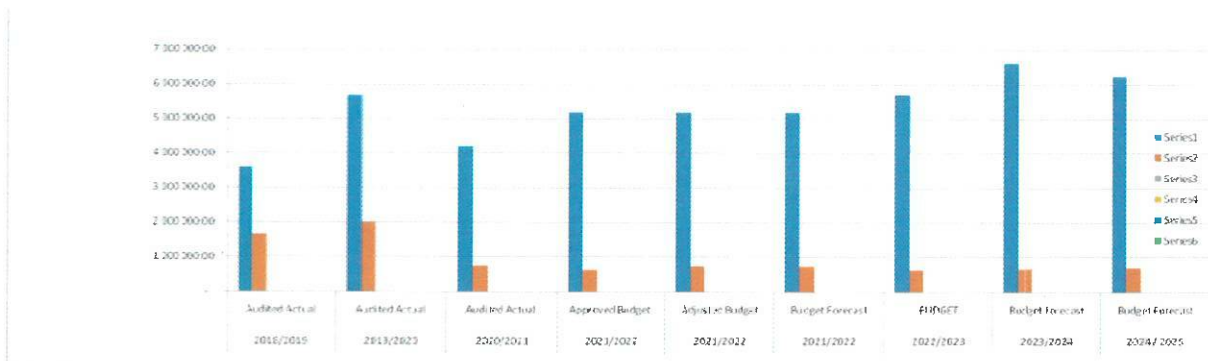
SOURCE OF FUNDING AS A PERCENTAGE (%)

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

BUDGET FUNDING		As % of Total funding
Interest earned external investments & call accounts	5 500 000	2,51
Health Certificates	500 000	0,23
Rural Roads and Asset Management Grant	2 632 000	1,20
Proceeds from the sale of Assets	50 000	0,02
Equitable Share	30 480 000	13,91
RSC Replacement Grant	176 234 000	80,45
Interest on Bank Accounts	200 000	0,09
EPWP Grant	2 379 000	1,09
FMG Grant	1 000 000	0,46
Tender Deposits	90 000	0,04
TOTAL FUNDING	219 065 000	100,00

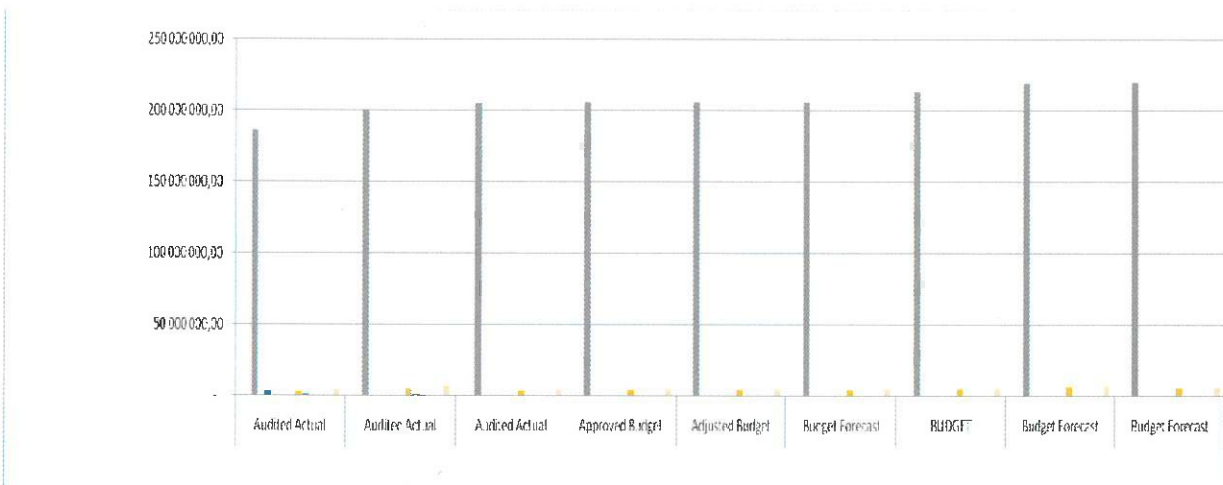


REVENUE BY MINOR SOURCE



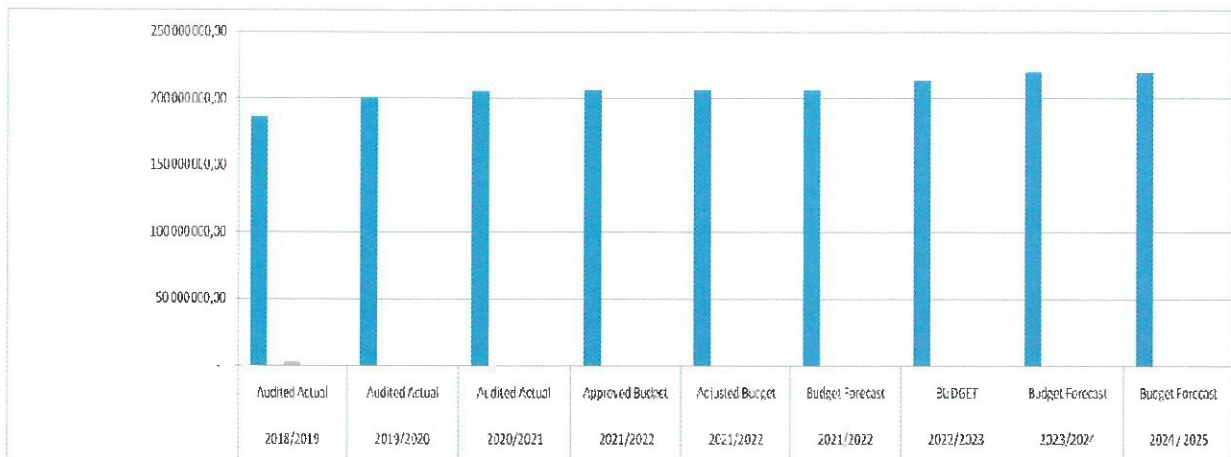
	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024 / 2025 Budget Forecast
Interest External Investment	3 595 948,19	5 677 254,00	4 201 606,00	5 200 000,00	5 200 000,00	5 200 000,00	5 700 000,00	6 618 960,00	6 218 686,00
Other Revenue	1 655 803,00	1 989 231,00	744 869,00	640 000,00	723 263,00	723 263,00	646 600,00	668 160,00	688 227,00
Rental of Facilities	-	-	-	-	-	-	-	-	-
Interest Outstanding Debtor	-	-	-	-	-	-	-	-	-
Dividends Received	-	-	-	-	-	-	-	-	-
Gain on Disposal of PPE	-	-	-	-	-	-	-	-	-
Total revenue by minor source	5 251 751,19	7 666 485,00	4 946 475,00	5 840 000,00	5 923 263,00	6 923 263,00	6 346 600,00	7 287 120,00	6 916 913,00

REVENUE BY MUNICIPAL VOTE



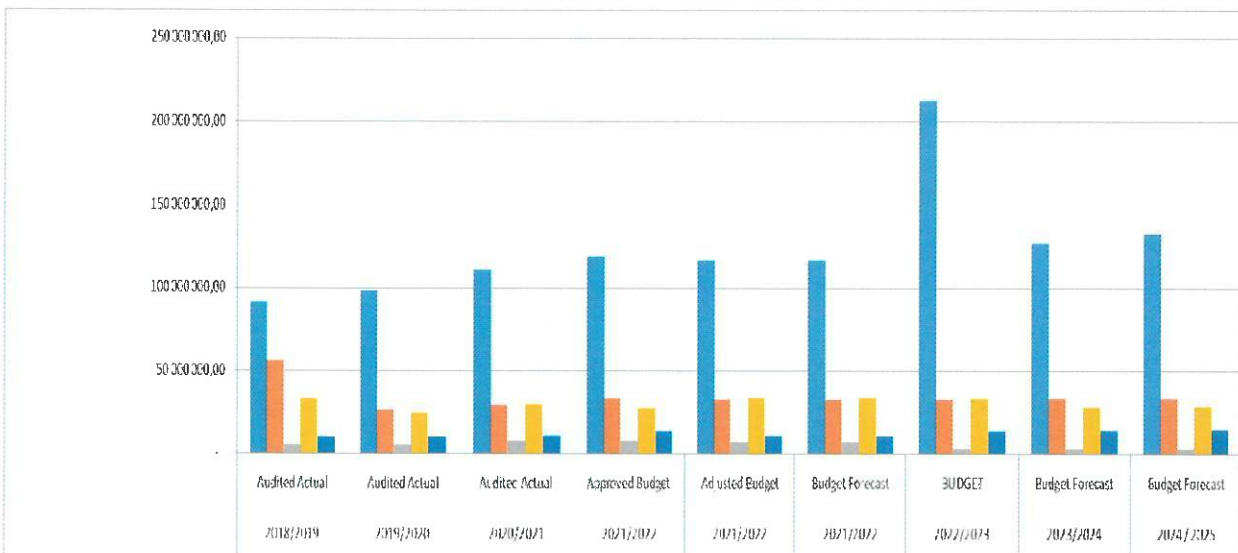
	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024 / 2025 Budget Forecast
Office of the Executive Mayor	-	4 633,64	-	-	-	-	-	-	-
Office of the Speaker	-	-	-	-	-	-	-	-	-
Municipal Manager Admin.	-	-	-	-	-	-	-	-	-
Budget and Treasury	186 386 433,19	200 247 526,27	205 839 850,50	206 470 000,00	206 478 385,00	206 478 385,00	213 554 000,00	219 631 960,00	220 636 303,00
Corporate Services	3 649 314,00	-	328 307,47	-	74 876,00	74 876,00	-	-	-
LEOT & Planning	-	477 832,40	4 171 000,00	4 636 000,00	4 636 000,00	4 636 000,00	5 011 000,00	2 642 000,00	2 738 000,00
Community Services	385 518,00	447 000,00	407 476,06	500 000,00	500 000,00	500 000,00	500 000,00	522 000,00	545 490,00
Total revenue by municipal vote	190 430 266,19	201 176 992,31	210 746 634,03	211 606 000,00	211 689 263,00	211 689 263,00	219 066 000,00	222 796 960,00	223 919 793,00

REVENUE BY STANDARD CLASSIFICATION



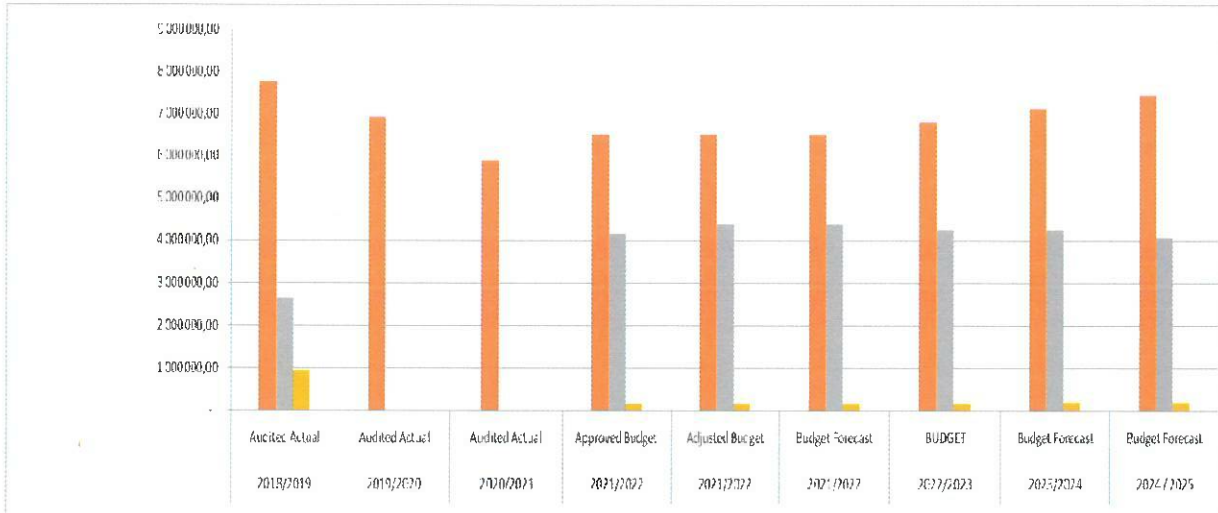
	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Executive Mayor	-	4 633,84	-	-	-	-	-	-	-
Municipal Manager	-	-	-	-	-	-	-	-	-
Budget and Treasury	186 385 433,19	200 247 526,27	205 839 850,50	206 470 000,00	206 478 385,00	206 478 385,00	213 554 000,00	219 631 960,00	220 636 303,00
Corporate Services	3 649 314,00	-	328 307,47	-	74 878,00	74 878,00	-	-	-
LEDT & Planning	-	477 832,40	4 171 000,00	4 636 000,00	4 636 000,00	4 636 000,00	5 011 600,00	2 642 000,00	2 738 000,00
Community Services	395 518,00	447 000,00	407 476,06	500 000,00	500 000,00	500 000,00	500 000,00	522 000,00	545 490,00
Total revenue by standard class	190 430 265,19	201 176 982,31	210 746 634,03	211 605 000,00	211 689 263,00	211 689 263,00	219 065 000,00	222 795 960,00	223 919 793,00

OPERATING EXPENDITURE BY MAJOR TYPE



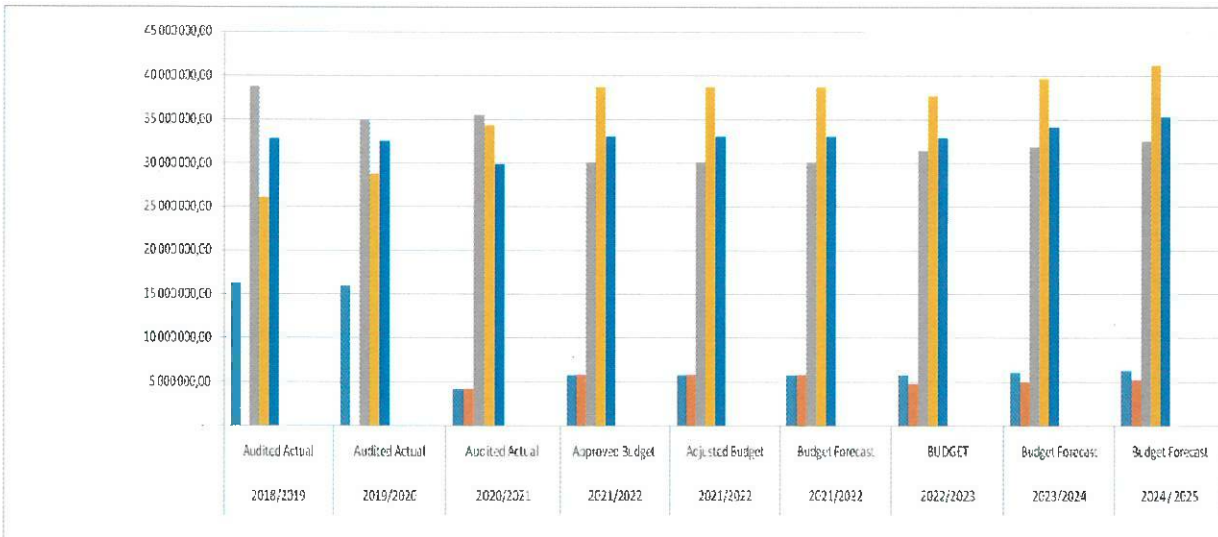
	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Employee Related Costs	90 647 860,00	97 442 027,00	110 330 545,00	119 015 734,00	116 015 734,00	116 015 734,00	212 515 734,00	126 862 433,00	132 571 236,00
Other expenditure	55 624 234,00	25 938 184,00	29 285 114,00	32 809 750,00	32 621 750,00	32 621 750,00	32 217 450,00	33 045 578,00	32 933 356,00
Grants&Subsidies Paid Operating	5 178 050,00	5 073 489,00	7 703 797,00	8 122 000,00	6 950 000,00	6 950 000,00	3 200 000,00	3 274 800,00	3 354 666,00
Contracted services	33 201 471,00	24 197 842,00	29 661 792,00	27 698 300,00	34 163 300,00	34 163 300,00	33 583 600,00	28 250 568,00	28 908 974,00
Remuneration of councillors	9 850 183,00	10 253 749,00	10 366 968,00	13 074 855,00	10 824 855,00	10 824 855,00	13 574 855,00	14 172 148,00	14 809 891,00
Total expenditure major type	194 501 798,00	162 905 291,00	187 348 216,00	200 720 639,00	200 575 639,00	200 575 639,00	295 091 639,00	205 605 527,00	212 578 123,00

OPERATING EXPENDITURE BY MINOR TYPE



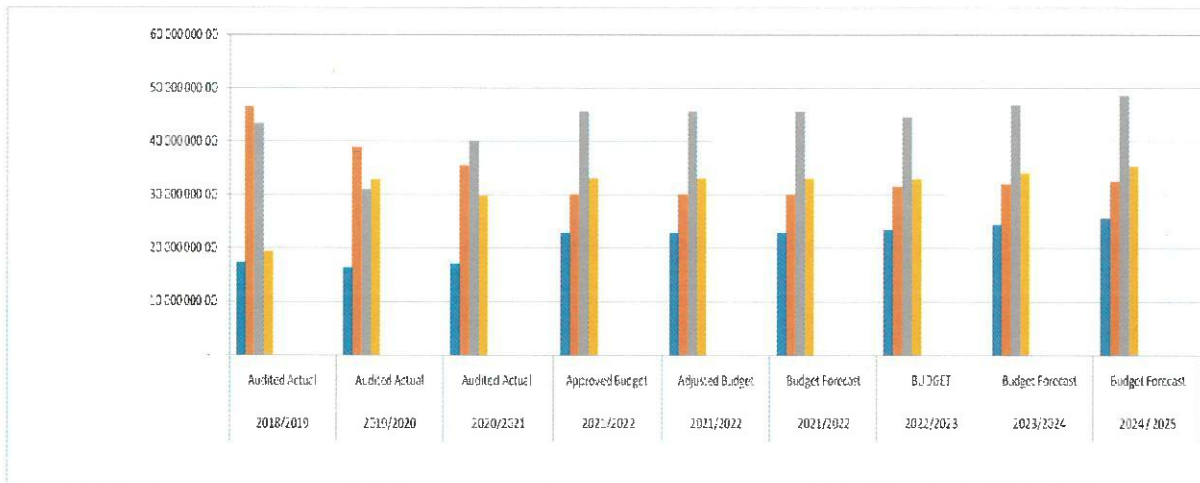
	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Finance charges	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	7 760 118,00	6 930 570,00	5 911 003,00	6 509 071,00	6 509 071,00	6 509 071,00	6 821 508,00	7 121 651,00	7 442 125,00
Other materials	2 675 615,00	-	-	4 178 000,00	4 408 000,00	4 408 000,00	4 273 000,00	4 287 012,00	4 093 407,00
Loss on disposal of PPE	959 539,00	-	-	195 000,00	195 000,00	195 000,00	195 000,00	203 580,00	212 740,00
Debt impairment	-	-	-	-	-	-	-	-	-
Total expenditure by minor type	11 395 272,00	6 930 570,00	5 911 003,00	10 882 071,00	11 112 071,00	11 112 071,00	11 289 506,00	11 592 243,00	11 748 272,00

OPERATING EXPENDITURE BY MUNICIPAL VOTE



	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Office of the Executive Mayor	16 340 490,00	15 956 622,40	4 163 100,31	5 726 272,00	5 726 272,00	5 726 272,00	5 754 632,00	5 999 036,00	6 259 593,00
Office of the Speaker	-	-	4 245 612,08	5 841 581,00	5 841 581,00	5 841 581,00	4 820 900,00	5 033 019,00	5 259 505,00
Chief Whip	-	-	4 698 438,72	5 938 366,00	5 938 366,00	5 938 366,00	2 208 480,00	2 263 453,00	2 354 858,00
Councillors	-	-	3 970 799,63	5 403 000,00	5 403 000,00	5 403 000,00	10 712 886,00	11 184 263,00	11 687 542,00
Municipal Manager Admin.	26 066 807,00	28 809 390,39	34 375 681,68	38 691 753,00	38 691 753,00	38 691 753,00	37 767 393,00	39 709 319,00	41 219 739,00
Internal Audit	4 950 010,00	5 042 005,92	5 560 553,76	6 879 484,00	6 879 484,00	6 879 484,00	6 885 460,00	7 188 423,00	7 511 900,00
Corporate Services Admin.	32 815 516,00	32 517 538,01	29 489 348,35	33 060 501,00	33 060 501,00	33 060 501,00	32 848 941,00	34 070 095,00	35 259 241,00
Budget and Treasury	38 795 147,00	34 993 748,29	35 489 796,41	30 105 733,00	30 105 733,00	30 105 733,00	31 443 177,00	31 916 678,00	32 507 839,00
LEDT & Planning	12 454 237,00	36 516 282,75	21 110 174,25	28 352 772,00	28 352 772,00	28 352 772,00	29 066 572,00	25 178 615,00	25 219 916,00
Community Services	40 313 853,00	14 776 753,84	49 805 713,83	51 603 248,00	51 603 248,00	51 603 248,00	53 872 104,00	54 664 879,00	57 045 862,00
Total Operating Expenditure	171 738 060,00	168 612 341,60	193 289 219,02	211 802 710,00	211 802 710,00	211 802 710,00	216 380 646,00	217 197 770,00	224 326 396,00

OPERATING EXPENDITURE BY STANDARD CLASSIFICATION

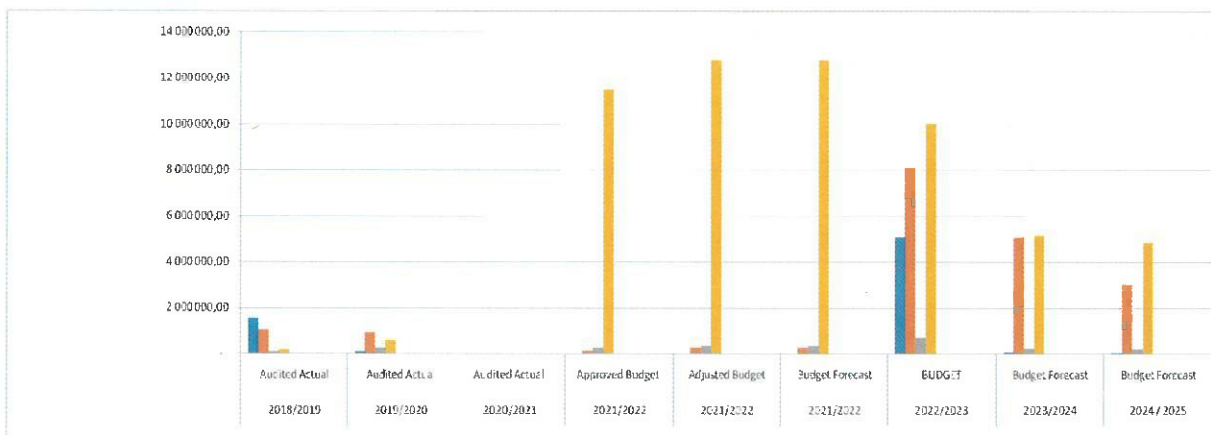


	2018/2019 Audited Actual	2019/2020 Audited Actual	2020/2021 Audited Actual	2021/2022 Approved Budget	2021/2022 Adjusted Budget	2021/2022 Budget Forecast	2022/2023 BUDGET	2023/2024 Budget Forecast	2024/2025 Budget Forecast
Executive and Council	17 300 836,54	16 340 490,00	17 077 950,74	22 909 219,00	22 909 219,00	22 909 219,00	23 496 898,00	24 469 761,00	25 561 898,00
Municipal Manager Admin.	43 289 707,85	31 016 817,00	39 936 235,44	45 571 237,00	45 571 237,00	45 571 237,00	44 652 853,00	46 697 742,00	48 731 639,00
Corporate Services Admin.	19 301 080,61	32 815 516,00	29 839 348,35	33 060 501,00	33 060 501,00	33 060 501,00	32 848 941,00	34 070 095,00	35 259 241,00
Budget and Treasury	46 431 116,52	38 795 147,00	35 489 796,41	30 105 733,00	30 105 733,00	30 105 733,00	31 443 177,00	31 916 678,00	32 507 839,00
LEDT & Planning	25 189 989,55	12 454 237,00	21 110 174,25	28 352 772,00	28 352 772,00	28 352 772,00	29 066 572,00	25 178 815,00	25 219 916,00
Community Services	35 311 967,04	40 313 863,00	49 805 713,83	51 603 248,00	51 603 248,00	51 603 248,00	53 872 104,00	54 684 879,00	57 045 862,00
TOTALS	186 824 688,11	171 736 060,00	193 259 219,02	211 602 710,00	211 602 710,00	211 602 710,00	215 380 545,00	217 197 770,00	224 326 395,00

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:



	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025
	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	5 060 000,00	60 000,00	46 000,00
Chief Whip	-	-	-	-	-	-	70 000,00	70 860,00	56 820,00
Municipal Manager Admin.	111 568,00	282 001,30		265 000,00	350 000,00	350 000,00	741 000,00	257 860,00	220 913,00
Corporate Services Admin.	181 031,00	644 902,83		11 510 000,00	12 800 000,00	12 800 000,00	10 050 000,00	5 133 800,00	4 858 371,00
Budget and Treasury	1 068 966,22	959 015,00		150 000,00	280 000,00	280 000,00	8 130 000,00	5 085 000,00	3 060 000,00
LEDT & Planning	157 136,00	-		96 350 000,00	18 820 000,00	18 820 000,00	75 550 000,00	17 610 000,00	18 727 450,00
Community Services	212 243,79	369 381,25		9 020 000,00	9 790 000,00	9 790 000,00	8 700 000,00	996 000,00	607 745,00
TOTALS	3 290 354,17	2 355 589,15	-	117 306 000,00	42 050 000,00	42 050 000,00	108 301 000,00	29 273 540,08	27 577 298,00

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 2022/23 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 Equivalent

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 2022/23 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 2022/23 MTREF - Circular 115 of 04 March 2022.
- 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 2022/23 to 2024/25 calculations were based on Consumer Price Index of 4.8% 2022/23, 4.4% 2023/24 and 4.5% 2024/25 published on the MFMA Circular no. 108.

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

- The Upper Limit Remuneration, Allowances and benefits of members of municipal council for 2022/23 budget year is provided on inflation related rate and as per Remuneration of Public Office Bearers Act, as published by the Minister of Local Government from time to time for the determination of upper limits of salaries, allowances and benefits of different members of municipal councils, Councillors Salaries.
- Employee related costs takes in to consideration The South African Local Government Bargaining Council Salary and Wage Collective Agreement.
- Other operating expenditure has been provided at increase as per the current inflation estimated targets of 4.4%, previous financial year performance and needs analysis and capital expenditure has been provided for at zero based budgeting and as per the needs analysis. The 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 2022/23 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 2022/23 MTREF (classified by main revenue source):

Table 2

	REVENUE BY SOURCE	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	- 1 000 000,00	- 1 000 000,00	- 404 389,04	- 1 000 000,00	-	- 1 044 000,00	- 1 090 980,00
2	TS_O_M_NRF_EQUITABLE SHARE	- 28 052 000,00	- 28 052 000,00	- 21 039 070,00	- 30 480 000,00	8,66	- 32 393 000,00	- 34 495 000,00
3	TS_O_M_NRF_FUEL LEVY	- 172 078 000,00	- 172 078 000,00	- 129 058 930,00	- 176 234 000,00	2,42	- 180 098 000,00	- 184 079 000,00
4	INTER: BANK ACCOUNTS	- 1 200 000,00	- 1 200 000,00	- 101 251,84	- 200 000,00	83,33	- 208 800,00	- 218 196,00
5	INTER: SHORT TERM INVEST & CALL ACCOUNTS	- 4 000 000,00	- 4 000 000,00	- 2 486 277,68	- 5 500 000,00	37,50	- 5 742 000,00	- 6 000 390,00
6	COMMISSION: INSURANCE	-	- 8 385,00	- 9 501,86	-	- 100,00	-	-
7	SALE OF: ASSET < CAP THRESH	- 50 000,00	- 50 000,00	- 18 599,00	- 50 000,00	-	- 52 200,00	- 54 549,00
8	SALE OF: PUBLICATION - TENDER DOCUMENTS	- 90 000,00	- 90 000,00	- 65 100,00	- 90 000,00	-	- 93 960,00	- 98 188,20
9	TS_O_M_DPAA_NDA_EDUC,TR&DEV SETA	-	- 74 878,00	- 104 365,12	-	- 100,00	-	-
10	TS_O_M_NG_EPWP GRANT	- 2 122 000,00	- 2 122 000,00	- 1 206 625,82	- 2 379 000,00	12,11	-	-
11	TS_O_M_NG_RURAL ROAD ASSET MNG SYS GRANT	- 2 514 000,00	- 2 514 000,00	- 1 432 962,50	- 2 632 000,00	4,69	- 2 642 000,00	- 2 738 000,00
12	HEALTH CERTIFICATES	- 500 000,00	- 500 000,00	- 300 310,51	- 500 000,00	-	- 522 000,00	- 545 490,00
	TOTAL : INCOME	- 211 606 000,00	- 211 689 263,00	- 156 227 383,37	- 219 065 000,00	3,48	- 222 795 960,00	- 229 319 793,20

Summary of revenue classified by main revenue source

- (i) The following sources of revenue demonstrate an increase of 3.48% or **R7.3 Million** for the 2022/23 financial year when compared to the 2021/22 Adjustment Budget.
 - Equitable share has increased by 8.66% or **R2.4 Million** as compared to the 2021/22 Adjustment Budget.
 - RSC Replacement Grant has increased by 2.42% or **R4.1 Million** as compared to the 2021/22 Adjustment Budget.
 - EPWP Grant has increased by 12.11% or **R257 Thousand** as compared to the 2021/22 Adjustment Budget.
 - Rural Roads Asset Management (RRAMS) has increased by 4.69% or **R118 Thousand** as compared to the 2021/22 Adjustment Budget.

- Interest on short term investment and call accounts has increased by 37.50% or **R1.5 Million** as compared to the 2021/22 Adjustment Budget.
- LGSETA Grant and commission on insurance are recognised as and when received

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
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		3 586	5 677	4 186	5 200	5 200	5 200	2 590	5 700	5 951	6 219
Interest earned - outstanding debtors											
Dividends received				274							
Fines, penalties and forfeits											
Licences and permits		396	478	407	500	500	500	300	500	522	545
Agency services											
Transfers and subsidies		24 357	30 529	36 288	33 688	33 763	33 763	24 187	36 491	36 079	38 324
Other revenue	2	156 530	164 493	167 448	172 218	172 226	172 226	129 153	176 374	180 244	184 232
Gains		8	-	9	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		186 886	201 177	208 613	211 606	211 689	211 689	156 231	219 065	222 796	229 320

Operating Expenditure Framework

The following table is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure).

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	89 886	96 365	111 253	119 016	116 016	116 016	84 729	121 516	126 862	132 571
Remuneration of councillors		9 850	10 257	10 367	13 075	10 825	10 825	7 413	13 575	14 172	14 810
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	7 760	6 931	5 911	6 704	6 704	6 704	-	7 017	7 325	7 655
Finance charges											
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	4 178	4 408	4 408	-	4 273	4 287	4 093
Contracted services		29 657	24 248	29 693	27 698	34 343	34 343	23 279	33 583	28 251	28 909
Transfers and subsidies		4 333	6 919	7 704	8 122	6 950	6 950	116	3 200	3 275	3 355
Other expenditure	4, 5	25 852	20 326	25 868	32 810	32 442	32 442	18 681	32 217	33 046	32 933
Losses		960	-	536	-	-	-	-	-	-	-
Total Expenditure		168 108	165 045	191 331	211 603	211 688	211 688	134 229	215 381	217 198	224 326

- The proposed operating expenditure for the 2022/23 financial year has been appropriated at **R215.3 Million** and translates into a budgeted surplus of **R3.6 Million**. The operating expenditure has increased by 1.74% or **R3.6 Million** in the 2022/23 financial year when compared to the 2021/22 Adjustment Budget.

The allocation towards operating expenditure budget is as follows:

(i) The proposed operating expenditure for the 2022/23 financial year of **R215.3 Million** is allocated as follows:

- The employee related costs for the 2022/23 financial has been appropriated at **R121.5 Million**. The employee related costs have increased by 4.74%. The 4.74% estimate is made while waiting for the final pronouncement by the SALGA Bargaining Council to finalise the multi-year salary agreement. The employee related cost budget constitutes 56.42 % of the total operating expenditure budget.
- The proposed remuneration of councillors for the 2022/23 financial has been appropriated at **R13.5 Million**. The estimate is made while waiting for the final pronouncement on the increase by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- After consideration of employee related cost and the remuneration of Councillors the municipality is left with **R80.2Million** from the total operating expenditure budget. The **R80.2 Million** is then allocated to Outsource Services, Consultants and Professional Services, Contractors, Operational Costs, Inventory, Operating leases, Transfers and Subsidies as well as Depreciation.

Table 3 Outsource Services

NO	DISCRIPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	OS: BURIAL SERVICES	250 000,00	300 000,00	292 700,00	400 000,00	33,33	417 600,00	436 392,00
2	OS: CATERING SERVICES	1 310 000,00	1 980 000,00	882 955,85	2 280 000,00	15,15	2 328 120,00	2 432 886,00
3	OS: CLEANING SERVICES	100 000,00	100 000,00	88 735,20	100 000,00	-	104 400,00	109 098,00
4	OS: CLEARING & GRASS CUTTING SERVICES	300 000,00	400 000,00	270 500,00	800 000,00	100,00	835 200,00	872 784,00
5	OS: DRIVERS LICENSE CARDS	50 000,00	50 000,00	-	50 000,00	-	52 200,00	54 549,00
6	OS: HYGIENE SERVICES	130 000,00	110 000,00	-	50 000,00	54,55	52 200,00	54 549,00
7	OS: MEDICAL SERVICES [HEALTH SERV & SUP]	35 000,00	65 000,00	31 649,74	50 000,00	23,08	-	-
8	OS: PERSONNEL & LABOUR	5 800 000,00	8 222 000,00	5 637 681,06	7 079 000,00	13,90	4 906 800,00	5 127 606,00
9	OS: TRANSPORT SERVICES	400 000,00	320 000,00	-	580 000,00	81,25	605 520,00	632 768,00
	SUB TOTAL : OUTSOURCE SERVICES	8 375 000,00	11 547 000,00	7 204 221,85	11 389 000,00	1,37	9 302 040,00	9 720 632,00

(a) The proposed outsource services budget for the 2022/23 financial year has been appropriated at **R11.3 Million**. The outsource services has decreased by 1.36% or **R158 Thousand** when compared to the 2021/22 Adjustment Budget.

For the two outer years, outsource services will decrease by 18.32% or R2 Million in 2023/24 and increase by 4.49% or R418 Thousand in 2024/25.

Table 4 Consultants and Professional Services

NO	CONSULTANTS AND PROFESSIONAL SERVICES DISCRPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	C&PS B&A ACCOUNTANTS & AUDITORS	100 000,00	90 000,00	-	-	100,00	-	-
2	C&PS B&A AIR POLLUTION	42 000,00	42 000,00	-	40 000,00	4,76	41 780,00	43 699,00
3	C&PS B&A AUDIT COMMITTEE	1 000 000,00	1 290 000,00	718 328,91	1 000 000,00	20,00	1 044 000,00	1 090 980,00
4	C&PS B&A BUSINESS & FIN. MANAGEMENT	2 110 000,00	2 130 000,00	1 859 542,95	2 300 000,00	99,00	2 605 200,00	2 718 274,00
5	C&PS B&A HUMAN RESOURCES	15 000,00	15 000,00	1 911,00	15 000,00	-	165 680,00	248 689,00
6	C&PS B&A MEDICAL EXAMINATIONS	50 000,00	30 000,00	-	-	100,00	-	-
7	C&PS B&A OCCUPATIONAL HEALTH & SAFE	100 000,00	80 000,00	155,94	-	100,00	-	-
8	C&PS B&A ORGANISATIONAL	20 000,00	20 000,00	-	20 000,00	-	20 890,00	21 820,00
9	C&PS B&A RESEARCH & ADVISORY	210 000,00	30 000,00	-	1 800 000,00	996,67	1 90 000,00	100 000,00
10	C&PS B&A ACTUARIES	20 000,00	20 000,00	18 300,00	20 000,00	-	20 880,00	21 820,00
11	C&PS B&P ENGINEERING CIVIL	30 000,00	-	-	-	-	-	-
12	C&PS B&P LAND & QUANTITY SURVEYORS	1 814 000,00	1 714 000,00	1 801 805,75	1 752 000,00	0,56	1 745 400,00	1 847 059,00
13	C&PS B&P ENGINEERING CIVIL, ROADS & STORMWATER	-	-	-	1 000 000,00	-	-	-
14	C&PS B&P ENGINEERING ELECTRICAL-DISTRICT ELECTRICITY MASTER PLAN	-	-	-	1 000 000,00	-	-	-
15	C&PS B&P SANITARY WATER	500 000,00	500 000,00	881,15	500 000,00	33,08	527 000,00	545 690,00
16	C&PS LEGAL COST ADVICE & LITIGATION	1 900 000,00	1 900 000,00	1 697 191,85	1 800 000,00	49,13	1 132 000,00	1 272 540,00
	SUB TOTAL : CONSULTANT AND PROF SERVICES	10 841 000,00	12 911 000,00	8 101 046,23	14 427 000,00	11,74	10 944 780,00	10 878 426,00

(a) The proposed budget on Consultants and Professional Services for the 2022/23 financial year has been appropriated at **R14.4 Million**. The Consultants and Professional Services have increased by 11.74% or R1.5 Million when compared to the 2021/22 Adjustment Budget. For the two outer years, consultants and professional services will decrease by 24.13 or R3.4 Million and 0.60% or R66 thousand respectively.

Table 5 Contractors

NO	CONTRACTORS DISCRPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	CONTR: ARTISTS & PERFORMERS	450 000,00	420 000,00	137 040,00	300 000,00	- 28,57	261 000,00	272 745,00
2	CONTR: EMPLOYEE WELLNESS	100 000,00	10 000,00	-	200 000,00	1 900,00	208 800,00	218 196,00
3	CONTR: FIRE PROTECTION	80 000,00	20 000,00	-	100 000,00	400,00	104 400,00	109 098,00
4	CONTR: MAINTENANCE OF EQUIPMENT	3 152 300,00	2 122 300,00	1 038 223,87	2 467 000,00	16,24	2 522 748,00	2 582 271,00
5	CONTR: MAINTENANCE OF UNSPECIFIED ASSETS	1 300 000,00	930 000,00	-	700 000,00	- 24,73	730 800,00	763 686,00
6	CONTR: SAFEGUARD & SECURITY	3 400 000,00	6 203 000,00	4 299 836,00	4 000 000,00	- 35,52	4 176 000,00	4 363 920,00
	SUB TOTAL : CONTRACTORS	8 482 300,00	9 705 300,00	5 475 099,87	7 767 000,00	- 19,97	8 003 748,00	8 309 916,00

(a) The proposed contractors budget for the 2022/23 financial year has been appropriated at **R7.7 Million**. The contractors have decreased by 19.97% or R1.9 Million when compared to the 2021/22 Adjustment Budget. For the two outer years, contractors will increase by 3.04% or R236 Thousand and 3.82% or R306 Thousand respectively.

Table 6 Operational Costs

NO	DISCRPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	DC ADV/PUB/MARK - CORR & MUN ACTIVITIES	3 613 000,00	3 475 000,00	1 211 200,41	4 350 000,00	30,19	1 761 600,00	2 977 371,00
2	DC ADV/PUB/MARK - GIFTS & PROMO ITEMS	2 320 000,00	2 320 000,00	8 29 730,79	2 310 000,00	12,55	2 296 240,00	2 566 331,00
3	DC ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	500 000,00	57 000,00	-	500 000,00	3,09	104 400,00	109 098,00
4	DC ADV/PUB/MARK - STAFF RECRUITMENT	150 000,00	70 000,00	17 919,18	100 000,00	26,57	51 200,00	54 549,00
5	DC ADV/PUB/MARK - TENDERS	150 000,00	150 000,00	49 542,42	100 000,00	33,11	104 400,00	109 098,00
6	DC AUDIT COST - EXTERNAL	1 500 000,00	3 480 000,00	1 452 424,25	1 700 000,00	6,12	1 951 600,00	1 900 000,00
7	DC BC/FACIL FEES - BANK ACCOUNTS	200 000,00	200 000,00	73 792,15	200 000,00	-	208 800,00	216 196,00
8	DC BUS/SALARIES (EMF/DUES)	600 000,00	600 000,00	328 793,11	600 000,00	11,11	655 200,00	671 764,00
9	DC CLEAN SERV - LAUNDRY SERVICES	1 000,00	1 000,00	-	1 000,00	-	1 044,00	1 091,00
10	DC CLEAN SERV - CAR VALET/WASHING SERV	24 000,00	24 000,00	10 900,00	20 000,00	16,57	20 680,00	21 620,00
11	DC COMM - LICENCES (RADIO & TELEVISION)	230 000,00	120 000,00	28 475,21	150 000,00	16,18	159 720,00	161 627,00
12	DC COMM - RADIO & TV TRANSMISSIONS	521 000,00	421 000,00	284 279,00	415 000,00	1,43	415 660,00	516 369,00
13	DC COMM - SMS BULK MESSAGING SERVICE	29 000,00	20 000,00	-	10 000,00	-	20 880,00	21 820,00
14	DC COMM - PHONE FAX TELEGRAPH & TELEX	1 036 000,00	1 048 500,00	594 330,10	915 000,00	-11,83	963 700,00	1 009 197,00
15	DC ENTERTAINMENT - EXEC MAYOR	40 000,00	40 000,00	51 766,49	40 000,00	-	41 760,00	41 639,00
16	DC ENTERTAINMENT - COUNCILLORS	90 000,00	90 000,00	19 099,70	110 000,00	11,11	125 280,00	130 917,00
17	DC ENTERTAINMENT - SENIOR MANAGEMENT	60 000,00	60 000,00	26 171,20	60 000,00	-	61 640,00	65 459,00
18	DC EXT COM SERV PROV - GPS LICENCE FEES	150 000,00	150 000,00	144 148,00	150 000,00	-	150 000,00	150 000,00
19	DC EXT COM SERV PROV - INTERNET CHARGE	84 750,00	74 750,00	338 054,92	80 000,00	19,73	926 400,00	654 588,00
20	DC EXT COM SERV PROV - NETWORK EXTENS	200 000,00	100 000,00	-	100 000,00	-	104 400,00	109 098,00
21	DC EXT COM SERV PROV - SOFTWARE LICENCES	76 000,00	76 000,00	-	70 000,00	7,69	73 080,00	76 569,00
22	DC EXT COM SERV PROV - SPEC COMPUT SERV	1 165 000,00	1 435 000,00	87 990,00	130 000,00	9,09	104 400,00	109 098,00
23	DC HONORARIA (VOLUNTARILY WORKERS)	100 000,00	100 000,00	-	100 000,00	100,00	104 400,00	109 098,00
24	DC HIRE CHARGES	1 473 000,00	1 061 000,00	233 665,00	1 230 000,00	13,71	1 264 120,00	1 514 611,00
25	DC INSUR UNDER - EXCESS PAYMENTS	25 000,00	15 000,00	4 147,83	25 000,00	-	26 100,00	27 173,00
26	DC INSUR UNDER - PREMIUMS	1 200 000,00	1 370 000,00	1 364 100,77	1 800 000,00	11,19	1 679 200,00	1 963 764,00
27	DC LEARNERSHIP & INTERNSHIP	1 346 400,00	1 346 400,00	10 111 312,07	1 746 400,00	8,16	1 746 074,00	1 646 479,00
28	DC LIC - VEHICLE LIC & REGISTRATIONS	200 000,00	199 000,00	84 873,44	200 000,00	5,26	208 800,00	218 196,00
29	DC MUNICIPAL SERVICES	1 770 000,00	1 485 000,00	791 422,71	1 510 000,00	2,16	1 586 680,00	1 658 790,00
30	DC PRINTING & PUBLICATIONS	370 000,00	5 200 000,00	21 200,09	330 000,00	47,37	261 000,00	272 745,90
31	DC PROFESSIONAL BODIES MESHIP & SUBS	1 665 000,00	1 693 000,00	1 237 176,13	1 725 000,00	2,97	1 811 340,00	1 892 351,00
32	DC REG FEES NATIONAL	1 460 000,00	1 310 000,00	330 922,15	1 950 000,00	19,06	1 626 640,00	1 701 938,00
33	DC SYSTEM ACCESS & INFORMATION FEES	18 000,00	36 000,00	-	60 000,00	110,53	83 320,00	87 178,00
34	DC SKILLS DEVELOPMENT FUND LEVY	762 500,00	760 500,00	607 255,15	855 000,00	12,46	892 620,00	931 788,00
35	DC SIGNAGE	900 000,00	1 700 000,00	27 900,00	880 000,00	24,32	292 320,00	305 474,00
36	DC STORAGE OF FILES (ARCHIVING)	10 000,00	10 000,00	-	30 000,00	20,00	51 320,00	32 729,00
37	DC TOLL GATE FEES	10 000,00	10 000,00	-	10 000,00	200,00	51 320,00	32 729,00
38	DC TRANSPORT - EVENTS	115 000,00	489 000,00	112 700,00	365 000,00	17,10	401 940,00	420 030,00
39	DC T&S DOM - ACCOMMODATION	450 000,00	1 010 000,00	611 613,06	1 110 000,00	20,79	1 273 680,00	1 330 995,00
40	DC T&S DOM - DAILY ALLOWANCE	119 450,00	1 714 920,00	11 471,19	97 450,00	-43,61	101 796,00	106 316,00
41	DC T&S DOM - FOOD & BEVERAGE (SERVED)	31 000,00	79 000,00	58 156,30	38 000,00	51,99	39 672,00	41 458,00
42	DC T&S DOM TRP - WITHOUT OPR CAR RENTAL	21 600,00	21 600,00	-	11 600,00	-	22 560,00	23 566,00
43	DC T&S DOM TRP - W/OUT OPR OWN TRANSPORT	92 000,00	132 000,00	81 693,45	119 000,00	12,66	137 420,00	160 004,00
44	DC T&S DOM PUB TRP - AIR TRANSPORT	80 000,00	180 000,00	81 920,00	100 000,00	48,44	100 000,00	200 000,00
45	DC TRANSPORT - MUNICIPAL ACTIVITIES	130 000,00	80 000,00	-	30 000,00	82,90	31 320,00	32 729,00
46	DC UNIFORM & PROTECTIVE CLOTHING	410 000,00	420 000,00	69 176,15	710 000,00	69,05	714 840,00	620 008,00
47	DC VEHICLE TRACKING	200 000,00	180 000,00	-	200 000,00	11,11	208 800,00	216 196,00
48	DC WET FUEL	10 000,00	80 000,00	-	10 000,00	-	51 200,00	54 549,00
49	DC WORKMEN'S COMPENSATION FUND	500 000,00	500 000,00	-	500 000,00	-	522 000,00	545 490,00
50	DC INCIDENT RELIEF	300 000,00	300 000,00	-	-	10,00	-	-
	SUB TOTAL - OPERATIONAL COST	29 429 750,00	29 031 750,00	14 466 581,51	29 347 450,00	1,09	30 049 298,00	29 802 243,00

a) The proposed operational costs budget for the 2022/23 financial year has been appropriated at **R29.3Million**. The operational costs have increased by 1.09% or R315 Thousand when compared to the 2021/22 Adjustment Budget. For the two outer years, operational costs will increase by 2.39% or R701 Thousand in 2023/24 and decrease 0.82% or R247 thousand in 2024/25.

Table 7 Inventory

NO	INVENTORY DISCRPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	INV - CONSUMABLE STORES - STANDARD RATED	1 303 000,00	1 503 000,00	1 036 084,34	1 373 000,00	- 8,65	1 433 412,00	1 511 524,00
2	INV - CONSUMABLE STORES - ZERO RATED	1 150 000,00	1 400 000,00	1 159 785,90	1 020 000,00	- 27,14	1 064 880,00	771 820,00
3	INVENTORY - MATERIALS & SUPPLIES	1 725 000,00	1 505 000,00	734 417,04	1 880 000,00	24,92	1 768 720,00	1 810 063,00
	SUB TOTAL - INVENTORY	4 178 000,00	4 408 000,00	2 930 287,28	4 273 000,00	- 3,06	4 267 012,00	4 093 407,00

(a) The proposed inventory budget for the 2022/23 financial year has been appropriated at **R4.2Million**. The inventory has decreased by 3.06% or R135 Thousand when compared to the 2021/22 Adjustment Budget. For the two outer

years, inventory will decrease by 0.14% or R5 thousand in 2023/24 and 4.06% or R173 thousand in 2024/25.

Table 8 Operating leases

OPERATING LEASES		CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
NO	DISCRIPTION	APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	OPR LEASES: COMPUTER EQUIPMENT	1 140 000,00	1 150 000,00	601 488,65	920 000,00	- 20,00	960 480,00	1 003 702,00
2	OPR LEASES: MACHINERY & EQUIPMENT	10 000,00	10 000,00	-	10 000,00	-	10 440,00	10 910,00
3	OPR LEASES: OTHER ASSETS	2 230 000,00	2 430 000,00	1 612 030,90	1 940 000,00	- 20,16	2 025 360,00	2 116 501,00
	SUB TOTAL : OPERATING LEASES	3 380 000,00	3 590 000,00	2 213 519,55	2 870 000,00	- 20,06	2 996 280,00	3 131 113,00

(a) The proposed budget on operating leases for the 2022/22 financial year has been appropriated at **R2.8Million**. The operating leases have increased by 20.06% or **R720 Thousand** when compared to the 2021/22 Adjustment Budget. For the two outer years, operating leases will increase by 4.4% or **R126 Thousand** and 4.5% or **R134 Thousand** respectively.

Table 9 Transfers and Subsidies

TRANSFERS AND SUBSIDIES		CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
NO	DISCRIPTION	APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	HH: BURSARIES NON-EMPLOYEE CASH	100 000,00	250 000,00	63 137,00	100 000,00	- 60,00	104 400,00	109 098,00
2	HH OTH TRANS: BURSARIES NON EMPLOYEE	1 500 000,00	2 400 000,00	-	1 500 000,00	- 37,50	1 566 000,00	1 636 470,00
3	HH OTH TRANS: EPWP - SKILL DEV & TRAIN	2 122 000,00	-	-	-	-	-	-
4	TS_O_M_HH_CASH_UNSPECIFIED	-	100 000,00	-	-	100,00	-	-
5	NON PROF: TOURISM	100 000,00	100 000,00	-	-	100,00	-	-
6	PRIV ENT: SUBS N-FIN ENTPR - PRODUCT	100 000,00	100 000,00	-	100 000,00	-	104 400,00	109 098,00
7	HH SSP SOC ASS: POVERTY RELIEF	200 000,00	-	-	-	-	-	-
8	LED SUPPORT GRANTS	4 000 000,00	4 000 000,00	-	1 500 000,00	- 62,50	1 500 000,00	1 500 000,00
9	FARMERS SUPPORT GRANTS	-	-	-	-	-	-	-
	SUB TOTAL : TRANSFERS & SUBSIDIES	8 122 000,00	6 950 000,00	63 137,00	3 200 000,00	- 53,96	3 274 800,00	3 354 666,00

(a) The proposed budget on transfers and subsidies for the 2022/23 financial year has been appropriated at **R3.2Million**. The transfers and subsidies have decreased by 53.96% or R3.7Million when compared to the 2021/22 Adjustment Budget. For the two outer years, transfers and subsidies will increase by 2.33% or R74 Thousand 2023/24 and 2.43% or R79 thousand respectively. The following factors has led to the .35% reduction:

- Classification error on the EPWP Conditional Grant and Poverty Relief
- Merit Bursaries
- SMMEs Support Grants

Table 10 Depreciation and Amortisation

NO	DEPRECIATION DISCRPTION	CURRENT YEAR 2021 / 2022			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			
		APPROVED BUDGET	ADJUSTMENT BUDGET	ACTUALS AS AT FEBRUARY 2022	2022 / 2023 BUDGET	GROWTH RATE	2023 / 2024 BUDGET	2024 / 2025 BUDGET
1	AMORTISATION INTANG COMPUTER SOFTWARE	1 005 000,00	1 005 000,00	-	1 053 240,00	4,80	1 099 583,00	1 149 063,00
2	DEPRECIATION COMPUTER EQUIPMENT	604 871,00	604 871,00	-	633 905,00	4,80	661 796,00	691 576,00
3	DEPRECIATION FURNITURE & OFFICE EQUIPM	947 170,00	947 170,00	-	992 634,00	4,80	1 036 310,00	1 082 943,00
4	DEPRECIATION LANDFILL SITES	45 000,00	45 000,00	-	47 160,00	4,80	49 235,00	51 451,00
5	DEPRECIATION MACHINERY & EQUIPMENT	3 234,00	3 234,00	-	3 389,00	4,79	3 538,00	3 697,00
6	DEPRECIATION TRANSPORT ASSETS	1 567 273,00	1 567 273,00	-	1 642 502,00	4,80	1 714 772,00	1 791 938,00
7	DEPRECIATION NETWORK & COMM DATA CENTRES	1 580 765,00	1 580 765,00	-	1 656 641,00	4,80	1 729 533,00	1 807 363,00
8	DEPRECIATION COMMUNITY HALLS	100 000,00	100 000,00	-	104 800,00	4,80	109 411,00	114 335,00
9	DEPRECIATION OP BUILDING MUNIC OFFICES	655 758,00	655 758,00	-	687 235,00	4,80	717 473,00	749 759,00
	SUB TOTAL : DEPRECIATION & AMORTISATION	6 509 071,00	6 509 071,00	-	6 821 506,00	4,80	7 121 651,00	7 442 125,00

(a) The proposed budget on depreciation and amortisation for the 2022/23 financial year has been appropriated at **R6.8Million**. The depreciation and amortisation have increased by 4.8% or **R312 Thousand** when compared to the 2021/22 Adjustment Budget. For the two outer years, depreciation and amortisation will increase by 4.4% or R300 thousand and 4.5% or **R320 Thousand** respectively.

2.7. Expenditure on Allocations and Grants Programme

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		1 000	1 000	1 000	29 052	29 052	29 052	31 480	33 437	35 586
Local Government Equitable Share		-	-	-	-	-	-	-	-	-
EX MSG: TRSF TO REV		-	-	-	-	-	-	-	-	-
LGFMG: TRSF TO REV		1 000	1 000	1 000	29 052	29 052	29 052	31 480	33 437	35 586
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		1 000	1 000	1 000	29 052	29 052	29 052	31 480	33 437	35 586
Capital expenditure of Transfers and Grants										
National Government:		2 348	2 606	2 480	-	-	-	-	-	-
RRAMS: TRSF TO REV		2 348	2 606	2 480	-	-	-	-	-	-
WSIG: TRSF TO REV		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		2 348	2 606	2 480	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		3 348	3 606	3 480	29 052	29 052	29 052	31 480	33 437	35 586

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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
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	2 284	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	3 000	2 284	-	-	-	-	-	-	-
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>		-	-	-	100	100	100	-	-	-	-
<i>Non Prof. Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Priv Ent. Subs N-Fin Enter - Product</i>		300	7	-	100	100	100	-	100	104	109
Total Cash Transfers To Organisations		300	7	-	200	200	200	-	100	104	109
Cash Transfers to Groups of Individuals											
<i>Hh Oth Trans: Bursaries Non-Employee</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Oth Trans: Bursaries Non-Employee</i>		2 052	1 813	1 995	1 500	2 400	2 400	-	1 500	1 588	1 638
<i>Hh Oth Trans: Equip - Skill Dev & Train</i>		1 238	1 838	1 691	2 122	-	-	9	-	-	-
<i>Hh Oth Trans: Rural Dev - Food Prod & Sec</i>		367	-	1 476	4 000	4 000	4 000	-	1 600	1 500	1 500
<i>Hh Oth Trans: Unspecified</i>		-	-	-	-	-	-	-	-	-	-
<i>Hh Ssp Soc Ass: Poverty Relief</i>		250	200	44	200	-	-	-	-	-	-
<i>Ts_O_M_Hh_Cash_Unspecified</i>		-	-	120	-	100	100	44	-	-	-
<i>Ts_O_M_Hh_Cash_Farmer Supp HH (Cash)</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		3 907	3 852	5 328	7 822	6 500	6 500	52	3 000	3 066	3 136
TOTAL CASH TRANSFERS AND GRANTS	6	4 207	6 859	7 610	8 022	6 700	6 700	52	3 100	3 170	3 246
Non-Cash Transfers to other municipalities											
<i>Dm Nw: Dr Kk - Environ Protection</i>	1	-	-	-	-	-	-	-	-	-	-
<i>Dm Nw: Dr Kk - Finance & Admin</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
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	126	60	94	100	250	250	63	100	104	109
<i>Ts_O_R_Hh_Soc Asses_Poverty Relief</i>		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		126	60	94	100	250	250	63	100	104	109
TOTAL NON-CASH TRANSFERS AND GRANTS		126	60	94	100	250	250	63	100	104	109
TOTAL TRANSFERS AND GRANTS	6	4 333	6 919	7 704	8 122	6 950	6 950	116	3 200	3 275	3 355

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 2022/23 financial has been appropriated at **R13.5 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 employee related costs for the 2022/23 financial has been appropriated at
R121.5 Million

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

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome A	Audited Outcome B	Audited Outcome C	Original Budget D	Adjusted Budget E	Full Year Forecast F	Budget Year 2022/23 G	Budget Year +1 2023/24 H	Budget Year +2 2024/25 I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6 470	6 740	6 518	8 785	7 091	7 091	9 285	9 693	10 130
Pension and UIF Contributions		589	662	866	750	467	467	750	763	819
Medical Aid Contributions		263	230	278	384	192	192	384	401	419
Motor Vehicle Allowance		1 232	1 236	1 281	1 559	1 639	1 639	1 639	1 638	1 712
Cellphone Allowance		725	758	756	888	836	836	888	825	967
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		571	631	748	700	600	600	700	731	764
Sub Total - Councillors		9 850	10 257	10 367	13 075	10 825	10 825	13 575	14 172	14 810
% Increase	4		4.1%	1.1%	28.1%	(17.2%)	-	25.4%	4.4%	4.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 573	2 654	4 106	5 742	5 617	5 617	5 742	5 994	6 264
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	72	-	-	72	75	79
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		77	56	228	242	299	299	242	253	264
Motor Vehicle Allowance	3	48	172	753	889	1 174	1 174	889	928	970
Cellphone Allowance	3	22	40	113	150	161	161	150	157	164
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	3	448	1	0	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 168	2 923	5 201	7 095	7 251	7 251	7 095	7 407	7 740
% Increase	4		34.8%	77.9%	36.4%	2.2%	-	(2.2%)	4.4%	4.6%
Other Municipal Staff										
Basic Salaries and Wages		57 748	57 269	62 668	72 818	65 399	65 399	73 653	76 934	80 354
Pension and UIF Contributions		7 853	9 002	10 405	11 468	11 378	11 378	11 468	11 670	12 509
Medical Aid Contributions		3 147	4 022	4 754	4 405	5 438	5 438	4 405	4 699	4 806
Overtime		130	188	623	683	741	741	650	678	709
Performance Bonus		3 880	4 687	4 967	4 987	4 820	4 820	4 987	5 206	5 441
Motor Vehicle Allowance	3	8 331	6 607	8 404	9 086	8 986	8 986	9 086	9 485	9 912
Cellphone Allowance	3	848	927	1 210	1 261	1 425	1 425	1 261	1 316	1 375
Housing Allowances	3	456	519	535	616	619	619	616	643	672
Other benefits and allowances	3	559	1 610	2 311	2 271	2 774	2 774	3 339	3 485	3 642
Payments in lieu of leave	3	3 558	5 598	6 741	4 016	6 241	6 241	4 016	4 193	4 361
Long service awards		193	605	227	-	555	555	630	658	687
Post-retirement benefit obligations	6	828	1 008	3 186	314	394	394	314	327	342
Sub Total - Other Municipal Staff		87 528	93 442	106 052	111 621	108 765	108 765	114 421	119 456	124 831
% Increase	4		8.8%	15.5%	5.5%	(2.8%)	-	5.2%	4.4%	4.5%
Total Parent Municipality		99 546	108 823	121 620	132 091	126 841	126 841	136 091	141 035	147 381
			7.1%	14.1%	8.6%	(4.0%)	-	6.5%	4.4%	4.5%
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	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	3	-	-	-	-	-	-	-	-	-
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	3	-	-	-	-	-	-	-	-	-
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	3	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		99 546	106 623	121 620	132 091	126 841	126 841	136 091	141 035	147 381
% Increase	4		7.1%	14.1%	8.6%	(4.0%)	-	6.5%	4.4%	4.5%
TOTAL MANAGERS AND STAFF	5,7	89 998	96 395	111 253	119 018	116 018	116 018	121 516	126 882	132 571

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 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year #1 2023/24	Budget Year #2 2024/25
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		475	475	475	475	475	475	475	475	475	475	475	475	6 700	5 561	6 219
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	522	545
Agency services																
Transfers and subsidies		3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	36 491	36 079	38 324
Other revenue		14 888	14 888	14 888	14 888	14 888	14 888	14 888	14 888	14 888	14 888	14 888	14 888	176 374	180 244	184 232
Gain																
Total Revenue (excluding capital transfers and contributions)		18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	219 065	222 796	229 320
Expenditure By Type																
Employee related costs		10 126	10 126	10 126	10 126	10 126	10 126	10 126	10 126	10 126	10 126	10 126	10 126	121 516	126 862	132 571
Remuneration of councillors		1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	1 131	13 575	14 172	14 810
Debt impairment																
Depreciation & asset impairment		585	585	585	585	585	585	585	585	585	585	585	585	7 017	7 325	7 655
Finance charges																
Bulk purchases - electricity																
Inventory consumed		356	356	356	356	356	356	356	356	356	356	356	356	4 273	4 267	4 093
Contracted services		2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	33 693	28 251	28 509
Transfers and subsidies		267	267	267	267	267	267	267	267	267	267	267	267	3 200	3 276	3 355
Other expenditure		2 685	2 685	2 685	2 685	2 685	2 685	2 685	2 685	2 685	2 685	2 685	2 684	32 217	33 046	32 933
Losses																
Total Expenditure		17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 948	215 381	217 198	224 326
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		307	307	307	307	307	307	307	307	307	307	307	309	3 684	5 598	4 993
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		307	307	307	307	307	307	307	307	307	307	307	309	3 684	5 598	4 993
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	307	307	307	307	307	307	307	307	307	307	307	309	3 684	5 598	4 993

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

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year #1 2023/24	Budget Year #2 2024/25
R thousand																
Revenue by Vote																
Vote 01 - Executive Council																
Vote 02 - Municipal Manager																
Vote 03 - Corporate Services																
Vote 04 - Financial Services		17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	213 554	219 632	226 056
Vote 05 - Led & Planning		418	418	418	418	418	418	418	418	418	418	418	418	5 011	2 842	2 738
Vote 06 - Community Services		42	42	42	42	42	42	42	42	42	42	42	42	500	522	545
Vote 07 -																
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
Total Revenue by Vote		18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	219 065	222 796	229 320
Expenditure by Vote to be appropriated																
Vote 01 - Executive Council		1 958	1 958	1 958	1 953	1 958	1 953	1 958	1 958	1 958	1 958	1 958	1 958	23 497	24 470	25 562
Vote 02 - Municipal Manager		3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	44 853	45 866	46 732
Vote 03 - Corporate Services		2 737	2 737	2 737	2 737	2 737	2 737	2 737	2 737	2 737	2 737	2 737	2 737	32 949	34 070	35 259
Vote 04 - Financial Services		2 620	2 620	2 620	2 620	2 620	2 620	2 620	2 620	2 620	2 620	2 620	2 620	31 443	31 917	32 508
Vote 05 - Led & Planning		2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	29 067	25 179	25 220
Vote 06 - Community Services		4 483	4 483	4 483	4 483	4 483	4 483	4 483	4 483	4 483	4 483	4 483	4 483	53 872	54 565	57 046
Vote 07 -																
Vote 08 -																
Vote 09 -																
Vote 10 -																
Vote 11 -																
Vote 12 -																
Vote 13 -																
Vote 14 -																
Vote 15 - Other																
Total Expenditure by Vote		17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 948	215 381	217 198	224 326
Surplus/(Deficit) before assoc.																
Taxation		307	307	307	307	307	307	307	307	307	307	307	309	3 684	5 598	4 993
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	307	307	307	307	307	307	307	307	307	307	307	309	3 684	5 598	4 993

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

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	213 554	219 632	226 036
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	17 796	213 554	219 632	226 036
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		42	42	42	42	42	42	42	42	42	42	42	42	500	522	545
Community and social services		42	42	42	42	42	42	42	42	42	42	42	42	500	522	545
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		418	418	418	418	418	418	418	418	418	418	418	418	5 011	5 043	5 076
Planning and development		418	418	418	418	418	418	418	418	418	418	418	418	5 011	5 043	5 076
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	219 065	222 786	229 320
Expenditure - Functional																
Governance and administration		11 037	11 037	11 037	11 037	11 037	11 037	11 037	11 037	11 037	11 037	11 037	11 037	132 442	137 354	142 061
Executive and council		5 105	5 105	5 105	5 105	5 105	5 105	5 105	5 105	5 105	5 105	5 105	5 105	61 264	64 179	66 782
Finance and administration		5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	5 368	64 292	65 987	67 767
Internal audit		574	574	574	574	574	574	574	574	574	574	574	574	6 885	7 188	7 512
Community and public safety		4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	53 872	54 665	57 046
Community and social services		4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	53 872	54 665	57 046
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	29 067	25 178	25 220
Planning and development		2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	2 422	29 067	25 178	25 220
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	17 949	215 381	217 198	224 328
Surplus/(Deficit) before assoc.		307	307	307	307	307	307	307	307	307	307	307	307	364	5 588	4 993
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	307	307	307	307	307	307	307	307	307	307	307	307	364	5 588	4 993

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 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure to be appropriated	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 01 - Executive Council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 02 - Municipal Manager		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 03 - Corporate Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 04 - Financial Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 05 - Led & Planning		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 06 - Community Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 07 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 08 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 09 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 10 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single-year expenditure to be appropriated																
Vote 01 - Executive Council		428	428	428	428	428	428	428	428	428	428	428	428	5 130	131	102
Vote 02 - Municipal Manager		62	62	62	62	62	62	62	62	62	62	62	62	741	259	221
Vote 03 - Corporate Services		836	836	836	836	836	836	836	836	836	836	836	836	10 053	5 194	4 169
Vote 04 - Financial Services		678	678	678	678	678	678	678	678	678	678	678	678	8 190	5 085	3 050
Vote 05 - Led & Planning		6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	76 595	17 810	18 727
Vote 06 - Community Services		725	725	725	725	725	725	725	725	725	725	725	725	8 700	965	608
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	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 677
Total Capital Expenditure	2	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 677

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 2022/23												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand																	
Capital Expenditure - Functional	1																
Government and administration		2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	24 091	10 668	8 242	
Executive and council		475	475	475	475	475	475	475	475	475	475	475	475	5 695	199	173	
Finance and administration		1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	1 515	18 193	10 279	7 919	
Internal audit		15	15	15	15	15	15	15	15	15	15	15	15	178	130	150	
Community and public safety		725	725	725	725	725	725	725	725	725	725	725	725	9 700	996	608	
Community and social services		725	725	725	725	725	725	725	725	725	725	725	725	9 700	996	608	
Sport and recreation																	
Public safety																	
Housing																	
Health																	
Economic and environmental services		6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	75 550	17 610	18 727	
Planning and development		6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	6 296	75 550	17 610	18 727	
Road transport																	
Environmental protection																	
Trading services																	
Energy services																	
Water management																	
Waste water management																	
Waste management																	
Other																	
Total Capital Expenditure - Functional	2	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 577	
Funded by:																	
National Government																	
Provincial Government																	
District Municipality																	
(14 other municipalities - 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		9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 577	
Total Capital Funding		9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 577	

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

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
MONTHLY CASH FLOWS																
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		475	475	475	475	475	475	475	475	475	475	475	475	5 700	5 951	819
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	522	545
Agency services																
Transfers and Subsidies - Operational		5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	5 581	(24 809)	36 491	36 079
Other revenue		12 158	12 158	12 158	12 158	12 158	12 158	12 158	12 158	12 158	12 158	12 158	12 158	42 636	178 374	163 243
Cash Receipts by Source		18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	219 065	222 796	223 920
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		18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	18 255	219 065	222 796	223 920
Cash Payments by Type																
Employee related costs		11 258	11 258	11 258	11 258	11 258	11 258	11 258	11 258	11 258	11 258	11 258	11 258	135 091	141 035	147 381
Remuneration of councillors																
Finance charges																
Bulk purchases - electricity																
Acquisitions - water & other inventory		356	356	356	356	356	356	356	356	356	356	356	356	4 273	4 267	4 003
Contracted services		2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	33 683	28 251	28 509
Transfers and grants - other municipalities		267	267	267	267	267	267	267	267	267	267	267	267	3 200	3 275	3 355
Transfers and grants - other																
Other expenditures		2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	32 217	33 046	32 933
Cash Payments by Type		17 369	17 369	17 369	17 369	17 369	17 369	17 369	17 369	17 369	17 369	17 369	17 369	208 964	209 873	216 872
Other Cash Flows/Payments by Type																
Capital assets		9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	9 025	108 301	29 274	27 577
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type		26 391	26 391	26 391	26 391	26 391	26 391	26 391	26 391	26 391	26 391	26 391	26 391	316 665	239 146	244 249
NET INCREASE/(DECREASE) IN CASH HELD		(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(8 136)	(97 600)	(16 350)	(20 329)
Cash/cash equivalents at the month/year begin		99 341	91 206	83 071	74 936	66 801	58 665	50 530	42 395	34 260	26 125	17 990	9 855	99 341	1 741	(14 609)
Cash/cash equivalents at the month/year end		91 206	83 071	74 936	66 801	58 665	50 530	42 395	34 260	26 125	17 990	9 855	1 741	(14 609)	(34 938)	

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 2022/23 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 2022/23 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 2022/23 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 be 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 decisions 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 projection 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 a 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 relate 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:

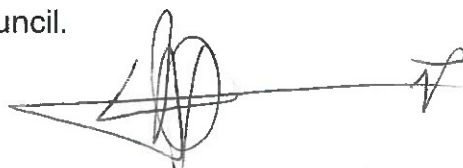
The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing:

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

Implementation, Monitoring and Reporting:

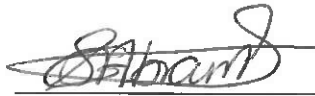
SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.



2.12. Municipal Manager's quality certificate

QUALITY CERTIFICATE

I S. C. ABRAMS, the **Acting Municipal Manager** of **Dr Kenneth Kaunda District Municipality**, hereby certify that the Draft Annual Budget and Supporting Documentation for 2022/2023 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



Acting Municipal Manager

(Dr Kenneth Kaunda District Municipality - DC 40)

29/03/2022

Date