

FEBRUARY 19, 2021



**2020/2021 ADJUSTMENT BUDGET  
REPORT**  
2020/21 – 2022/23 MEDIUM TERM REVENUE EXPENDITURE  
FRAMEWORK

WEST RAND DISTRICT MUNICIPALITY  
Cnr 6th & Park Street, Randfontein, 1760

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## 1. Purpose

To seek approval from the Council on the adjustments proposed to the 2020/2021 Adjustment Budget.

## 2. Legislative Background

Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved annual budget through an adjustment budget.

- 1) A municipality may revise an approved annual budget through an adjustments budget.
- 2) An adjustments budget-
  - a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
  - b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
  - c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
  - d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
  - e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
  - f) may correct any errors in the annual budget; and
  - g) may provide for any other expenditure within a prescribed framework.
- 3) An adjustments budget must be in a prescribed form.
- 4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.
- 5) When an adjustments budget is tabled, it must be accompanied by-
  - a) an explanation how the adjustments budget affects the annual budget;
  - b) a motivation of any material changes to the annual budget;
  - c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
  - d) any other supporting documentation that may be prescribed.
- 6) Municipal tax and tariffs may not be increased during a financial year.
- 7) [Sections 22\(b\)](#), [23\(3\)](#) and [24\(3\)](#) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

Section 241(1) of the Constitution of the Republic of South Africa (Constitution) provides that an act of Parliament must provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government. Section 214(2) of the Constitution provides that the Act referred to in subsection (1) may be enacted only after the provincial governments, organized local government and the Financial and Fiscal Commission (FFC) have been consulted, and any recommendations of the Commission have been taken into consideration, and must take into account-

- a) The national interest;
- b) Any provision that must be made in respect of the national debt and other obligations;
- c) The needs and interests of the national government, determined by objective criteria;
- d) The need to ensure that the provinces and municipalities are able to provide basic services and perform the functions allocated to them;
- e) The fiscal capacity and efficiency of the provinces and municipalities;
- f) Developmental and other needs of provinces, local government and municipalities;
- g) Economic disparities within and among the provinces;
- h) Obligations of the provinces and municipalities in terms of national legislation;
- i) The desirability of stable and predictable allocations of revenue shares; and
- j) The need for flexibility in responding to emergencies or other temporary needs, and other factors based on similar objective criteria.

Section 16(3) provides that budget in each sphere of government must contain-

- a) Estimates of revenue and expenditure, differentiating between capital and current expenditure;
- b) Proposals of financing any anticipated deficit for the period which they apply; and
- c) An indication of intentions regarding borrowings and other forms of public liability that will increase public debt during the ensuing year.

### 3. Executive Summary

In preparing this budget, all communities and stakeholders in the West Rand District were consulted as required by Chapter 5 of the Local Government: Municipal Systems Act. Strategic alignment of the West Rand Integrated Development Plan (IDP) with the National Development Plan, Provincial Strategic Objectives as well as the District Vision to integrated district governance to achieve a better life for all and further guided by our available resources to achieve our goals in reducing poverty, unemployment and inequality within our region. Our country has been negatively impacted by COVID-19 pandemic which heavily affects the whole world. In this regard consultations were made with various stakeholders by utilizing e-consultations platforms. Public notice on budget and IDP were issued on two occasions through municipal website and local newspapers to solicit public comments through e-consultations platforms and engagements were held through Microsoft Teams and Social media platforms. All stakeholders were granted a minimum of 21 days and were further graced with 15 days to submit written proposals which may give effect to the budget preparation.

We have in the budget preparation process, made a detailed assessment of our capabilities, resources and competencies. We have identified Critical Success Factors (CSFs) which are essential areas that must be performed well if the mission, objectives and goals of the municipality are to be achieved. Critical Success Factors (CSFs) are performance requirements that are fundamental to an organization's success. In this context CSFs should thus be viewed as those features that are particularly valued by the people of the West Rand. With the introduction of the District Development Model, we undertook an intensive strategic session workshop in determining the strategic position of West Rand District Municipality in this regard. The District Development Model has been approved by government structures, including

Cabinet to integrate service delivery that will be more practical, achievable, implementable, measurable and clearly aligned to the key priorities of the government. The model seeks to change the face of rural and urban landscapes by ensuring complementarity between urban and rural development, with a deliberate emphasis on local economic development.

The total adjusted proposed medium term revenue is R261 million.

### 4. Overview of Budget Assumptions

The recent CPIX was taken into consideration when determining the inflationary increase in the 2019/2020 fiscal year and the outer years:

**Table 1: Macroeconomic performance and projections 2018 -2021**

Fiscal Year	2018/19 Estimates	2020/21		
		2019/20	Forecast	2021/22
Consumer Price Inflation (CPI)	4.7%	5.2%	5.4%	5.4%
Real GDP Growth	0.7%	1.5%	1.7%	2.1%

Source: 2019 Budget Review.

<b>Value Added Tax (VAT)</b>	-	<b>Unchanged at 15%</b>
<b>Prime Lending Rate</b>	-	<b>Changed from 7.75% to 7.00%</b>
<b>Repo Rate</b>	-	<b>Decreased from 5.25% to 3.5%</b>

*Other budget assumptions are stated within the summary of the budget section.*

## 4.1 Budget Allocations Per MSCOA

The West Rand District Municipality and its entity have compiled the adjusted budget in terms of mSCOA and has complied with the requirements of mSCOA version 6.4 as published by National Treasury on the 09<sup>th</sup> March 2020 for implementation on the 2020/21 MTREF.

## 4.2 Summary of the Budget

Table 1: Adjustments Budget Summary

<b>DC48 West Rand - Table B1 Consolidated Adjustments Budget Summary - 28 February 2021</b>						
Description	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
<b>Financial Performance</b>						
Investment revenue	750	-	-	750	750	750
Transfers recognised - operational	239 295	(726)	(726)	238 569	236 516	244 581
Other own revenue	19 297	(333)	(333)	18 964	17 884	17 296
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>259 342</b>	<b>(1 059)</b>	<b>(1 059)</b>	<b>258 283</b>	<b>255 150</b>	<b>262 627</b>
Employee costs	189 656	200	200	189 856	201 713	211 084
Remuneration of councillors	13 931	-	-	13 931	13 931	13 931
Depreciation & asset impairment	7 000	(2 960)	(2 960)	4 040	5 600	4 480
Materials and bulk purchases	220	-	-	220	250	270
Transfers and grants	11 223	-	-	11 223	11 364	11 932
Other expenditure	38 765	(5 052)	(5 052)	33 713	33 355	34 749
<b>Total Expenditure</b>	<b>260 795</b>	<b>(7 812)</b>	<b>(7 812)</b>	<b>252 983</b>	<b>266 213</b>	<b>276 446</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 615	503	503	3 118	2 759	2 919
<b>Surplus/ (Deficit) for the year</b>	<b>1 162</b>	<b>7 256</b>	<b>7 256</b>	<b>8 419</b>	<b>(8 304)</b>	<b>(10 900)</b>

**DC48 West Rand - Table B1 Consolidated Adjustments Budget Summary - 28 February 2021**

Description	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-	-	-	-	-	-
Internally generated funds	4 650	350	350	5 000	-	-
<b>Total sources of capital funds</b>	<b>4 650</b>	<b>350</b>	<b>350</b>	<b>5 000</b>	-	-
<b>Financial position</b>						
Total current assets	18 131	(2 850)	(2 850)	15 281	12 136	9 136
Total non current assets	88 859	(16 916)	(16 916)	71 942	68 304	64 958
Total current liabilities	113 067	(25 294)	(25 294)	87 772	79 686	72 374
Total non current liabilities	56 637	-	-	56 637	56 637	56 637
<b>Community wealth/Equity</b>	<b>(62 715)</b>	<b>5 528</b>	<b>5 528</b>	<b>(57 186)</b>	<b>(55 885)</b>	<b>(54 918)</b>
<b>Cash flows</b>						
Net cash from (used) operating	3 850	(2 195)	(2 195)	1 655	(0)	0
Net cash from (used) investing	(3 850)	1 150	1 150	(2 700)	-	-
Net cash from (used) financing	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>0</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	-	-	-	-	(0)	0
Application of cash and investments	78 552	(19 710)	(19 710)	58 843	60 948	55 843
<b>Balance - surplus (shortfall)</b>	<b>(78 552)</b>	<b>19 710</b>	<b>19 710</b>	<b>(58 843)</b>	<b>(60 948)</b>	<b>(55 843)</b>

The computation of the adjusted budget summary has taken into account both income and expenditure according to the Municipality's mid-year figures. Therefore, the current budget indicates that the municipality should adopt better financial management decisions in order to provide for functions that are either funded or under-funded to reduce the budget deficit and to improve overall liquidity of the municipality until the situation is resolved



### 4.3 Financial Performance

Table 2: Adjustments Budgeted Financial Performance by Revenue and Expenditure type

DC48 West Rand - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2021

Description	Ref	Budget Year 2020/21				Budget Year	Budget Year
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2021/22	+2 2022/23
R thousands	1	A	F	G	H		
<b>Revenue By Source</b>							
Rental of facilities and equipment		1 961	-	-	1 961	2 067	2 178
Interest earned - external investments		750	-	-	750	750	750
Interest earned - outstanding debtors		427	-	-	427	450	474
Licences and permits		400	-	-	400	422	444
Transfers and subsidies		239 295	(726)	(726)	238 569	236 516	244 581
Other revenue	2	16 510	(333)	(333)	16 177	14 946	14 199
Gains		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>259 342</b>	<b>(1 059)</b>	<b>(1 059)</b>	<b>258 283</b>	<b>255 150</b>	<b>262 627</b>
<b>Expenditure By Type</b>							
Employee related costs		189 656	200	200	189 856	201 713	211 084
Remuneration of councillors		13 931	-	-	13 931	13 931	13 931
Depreciation & asset impairment		7 000	(2 960)	(2 960)	4 040	3 838	3 646
Other materials		220	-	-	220	250	270
Contracted services		9 324	(126)	(126)	9 198	9 129	9 382
Transfers and subsidies		11 223	-	-	11 223	11 364	11 932
Other expenditure		29 441	(5 246)	(5 246)	24 195	24 226	25 368
Losses		-	320	320	320	-	-
<b>Total Expenditure</b>		<b>260 795</b>	<b>(7 812)</b>	<b>(7 812)</b>	<b>252 983</b>	<b>264 451</b>	<b>275 612</b>
<b>Surplus/(Deficit)</b>		<b>(1 453)</b>	<b>6 753</b>	<b>6 753</b>	<b>5 301</b>	<b>(9 301)</b>	<b>(12 985)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 615	503	503	3 118	2 759	2 919
<b>Surplus/ (Deficit) for the year</b>		<b>1 162</b>	<b>7 256</b>	<b>7 256</b>	<b>8 419</b>	<b>(6 542)</b>	<b>(10 066)</b>

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 services are provided sustainably, economically and equitably to all communities. It is our view that the 2020/21 mid-year should be approached with realism and a tightening fiscal discipline and we further believe that we should guard against unrealistic demands and concentrate on our key role of uplifting our communities in the West Rand Region as a whole.

## Revenue

Total operational revenue decreased from 259 342 million to 258 283 and capital revenue increased from R2 615 million to R3 118 million. The reasons for the significant adjustments are as follows:

- **Operational revenue** – The amounts as per the gazette published by Gauteng Provincial Treasury were budgeted for the 2021/2022 financial year.
- **Capital revenue** – As at 30 June 2020, the RRAMS grant had an unspent amount. The roll-over application for the RRAMS grant was approved to be spent during the 2020/2021 financial year.

Amounts included in other revenue are shown below:

Description	Original R	Adjustments R	Adjusted R	Reasons for adjustments
Sale of Mayor's house	800 000	-	800 000	
Sale of other assets	200 000	-	200 000	
Sale of other plants	200 000	(190 000)	10 000	Based on past trends and 6 months performance
Fire prevention fee	1 950 000	-	1 950 000	
WRDA revenue	450 000	(203 000)	247 000	The WRDA winding-up process will be complete by 31 March 2020. Therefore revenue has been adjusted for 9 months from 1 July 2020.
Vat recovery	12 409 800	-	12 409 800	
Donaldson dam fees	-	60 000	60 000	
Fines & penalties	500 000	-	500 000	
<b>Total</b>	<b>16 509 800</b>	<b>(333 000)</b>	<b>16 176 800</b>	

## Expenditure

The municipality's operational expenditure has decreased from R260 796 million to R253 509 million for the 2020/2021 financial year. The reasons for the significant adjustments are as follows:

- Depreciation was adjusted based on the past trend of the 2019/2020 financial year.
- A detailed table listing the adjusted items for contracted services and other expenditure has been presented below.

The contracted services for the 2020/21 financial year have been adjusted as follows: -

<b>Description</b>	<b>Budget R</b>	<b>Adjustments R</b>	<b>Adjusted R</b>	<b>Reasons for adjustments</b>
Security Services	2 950 000	-	2 950 000	
Actuarial valuations	21 000	-	21 000	
Rural Asset Management Expenditure	2 615 000	-	2 615 000	
Performance management	726 000	(726 000)	-	The funding for this expenditure will be received during the 2021/2022 financial year.
VAT review	500 000	600 000	1 100 000	The agreed rate is 9% of the total amount of VAT recovered from SARS.
Asset verification	905 000	-	905 000	.
Legal fees	800 000	-	800 000	
Maintenance of municipal assets	375 000	-	375 000	
Pauper burials	211 000	-	211 000	
Audit committee	221 000	-	221 000	
<b>Total</b>	<b>9 324 000</b>	<b>(126 000)</b>	<b>9 198 000</b>	

The other expenditures for the 2020/21 financial year projections are made up as follows: -

Description	Budget R	Adjustments R	Adjusted R	Reasons for adjustments
Audit fees	3 281 000	-	3 281 000	
Membership fees	1 800 000	-	1 800 000	
Training	1 000 000	-	1 000 000	
Insurance Underwriting: Excess Payment	15 000	-	15 000	
Professional institutes	90 000	-	90 000	
WRDA Expenditure	2 577 000	-	2 577 000	
Fuel and oil	1 300 000	(300 000)	1 000 000	Based on past trends and 6 months performance
Telephone Fax Telegraph and Telex	944 000		944 000	
Municipal charges	4 810 000	-	4 810 000	
Lease of equipment	1 120 000	(770 000)	350 000	WRDM has reduced the number of printers in use as a measure to reduce operational expenses
Software Licenses	2 604 635	-	2 604 635	
Insurance Underwriting: Premiums	3 524 300	(1 024 300)	2 500 000	Based on the once-off expenditure incurred for the year
Advertising costs	421 000	(121 000)	300 000	Based on past trends and 6 months performance
Travelling costs	50 000	-	50 000	
Uniform	833 000	(333 000)	500 000	Based on the received quotes
COVID-19 PPE	1 012 000	-	1 012 000	
Workmans Compensation Act	1 270 000	-	1 270 000	
Arbitration Awards	2 698 000	(2 698 000)	-	No arbitration awards expenditure is anticipated to be incurred by the WRDM in the 2020/2021 financial year
Bank charges	42 000	-	42 000	
SPLUMA Compliance	50 000	-	50 000	
<b>Total</b>	<b>29 441 000</b>	<b>(5 246 300)</b>	<b>24 194 700</b>	

Table 3: Adjustments Budgeted Financial Performance by Municipal Vote

**DC48 West Rand - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28 February 2021**

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	F	G	H		
<b>R thousands</b>							
<b>Revenue by Vote</b>	1						
Vote 1 - Corporate Governance		9 750	-	-	9 750	8 928	9 214
Vote 2 - Municipal Manager & Support		14 151	(726)	(726)	13 425	12 666	13 060
Vote 3 - Corporate Services		30 817	-	-	30 817	30 246	31 394
Vote 4 - Budget & Treasury Office		30 022	-	-	30 022	30 991	30 868
Vote 5 - Health & Social Development		47 422	-	-	47 422	47 499	49 232
Vote 6 - Public safety		104 873	-	-	104 873	104 309	107 682
Vote 7 - Regional planning & Economic Development		24 472	373	373	24 845	23 269	24 095
Vote 8 - Development Agency		450	(203)	(203)	247	-	-
<b>Total Revenue by Vote</b>	2	<b>261 957</b>	<b>(556)</b>	<b>(556)</b>	<b>261 402</b>	<b>257 908</b>	<b>265 546</b>
<b>Expenditure by Vote</b>	1						
Vote 1 - Corporate Governance		24 364	-	-	24 364	24 815	25 164
Vote 2 - Municipal Manager & Support		16 244	(726)	(726)	15 518	16 418	17 166
Vote 3 - Corporate Services		38 953	(5 949)	(5 949)	33 004	38 265	40 029
Vote 4 - Budget & Treasury Office		21 441	(1 004)	(1 004)	20 437	22 452	23 308
Vote 5 - Health & Social Development		42 552	-	-	42 552	43 361	45 231
Vote 6 - Public safety		94 723	(333)	(333)	94 390	97 840	102 544
Vote 7 - Regional planning & Economic Development		19 942	200	200	20 142	21 300	22 171
Vote 8 - Development Agency		2 577	-	-	2 577	-	-
<b>Total Expenditure by Vote</b>	2	<b>260 795</b>	<b>(7 812)</b>	<b>(7 812)</b>	<b>252 983</b>	<b>264 451</b>	<b>275 612</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>1 162</b>	<b>7 256</b>	<b>7 256</b>	<b>8 418</b>	<b>(6 542)</b>	<b>(10 067)</b>

## 4.5 Grants and Subsidies

Table 4: Adjustments Budgeted Transfers and Grants Receipts

DC48 West Rand - Supporting Table SB7 Consolidated Adjustments Budget - transfers and grant receipts - 28 February 2021

Description	Ref	Budget Year 2020/21				Budget Year	Budget Year
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2021/22	+2 2022/23
R thousands		A	D	E	F		
<b>RECEIPTS:</b>	1, 2						
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>		225 766	-	-	225 766	225 152	232 649
Local Government Equitable Share		42 470	-	-	42 470	45 757	48 638
RSC Levy Replacement	3	181 276	-	-	181 276	177 450	181 711
Municipal Systems Improvement		-	-	-	-	945	1 100
Finance Management		1 000	-	-	1 000	1 000	1 200
EPWP Incentive		1 020	-	-	1 020	-	-
<b>Provincial Government:</b>		11 949	(726)	(726)	11 223	11 364	11 932
Health Subsidy		11 223	-	-	11 223	11 364	11 932
Performance Management Services		726	(726)	(726)	-	-	-
<b>Other grant providers:</b>		1 580	-	-	1 580	-	-
LG SETA		1 580	-	-	1 580	-	-
<b>Total Operating Transfers and Grants</b>	6	239 295	(726)	(726)	238 569	236 516	244 581
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>		2 615	503	503	3 118	2 759	2 919
Roads Rural Asset Management Systems		2 615	503	503	3 118	2 759	2 919
<b>Total Capital Transfers and Grants</b>	6	2 615	503	503	3 118	2 759	2 919
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		241 910	(223)	(223)	241 687	239 275	247 500

## 4.5 Summary of Capital Budget

Table 5: Adjustments Capital Budget

DC48 West Rand - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 28 February 20:

Description	Ref	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	F	G	H		
<b>Capital Expenditure - Functional</b>							
<i>Governance and administration</i>		4 650	350	350	5 000	-	-
Finance and administration		4 650	350	350	5 000	-	-
<b>Total Capital Expenditure - Functional</b>	3	4 650	350	350	5 000	-	-
<b>Funded by:</b>							
Internally generated funds		4 650	350	350	5 000	-	-
<b>Total Capital Funding</b>		4 650	350	350	5 000	-	-

- 4.5.1 WRDM plans to improve its computer equipment by purchasing laptops in order to ensure workflow by employees working from home due to the faced COVID-19 pandemic.

## 4.6 Cash Flow

Table 6: Adjustments Budget Cash Flow

DC48 West Rand - Table B7 Consolidated Adjustments Budget Cash Flows - 28 February 2021

Description	Ref	Budget Year 2020/21				Budget Year	Budget Year
		Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2021/22	+2 2022/23
		A	F	G	H		
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Other revenue		19 297	(190)	(190)	19 107	8 358	7 796
Transfers and Subsidies - Operational	1	239 295	(726)	(726)	238 569	236 516	244 581
Transfers and Subsidies - Capital	1	2 615	-	-	2 615	2 759	2 919
Interest		-	750	750	750	-	-
<b>Payments</b>							
Suppliers and employees		(246 134)	(2 029)	(2 029)	(248 163)	(236 269)	(243 363)
Transfers and Grants	1	(11 223)	-	-	(11 223)	(11 364)	(11 932)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 850</b>	<b>(2 195)</b>	<b>(2 195)</b>	<b>1 655</b>	<b>(0)</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE		800	-	-	800	-	-
Decrease (increase) in non-current investments		-	1 500	1 500	1 500	-	-
<b>Payments</b>							
Capital assets		(4 650)	(350)	(350)	(5 000)	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 850)</b>	<b>1 150</b>	<b>1 150</b>	<b>(2 700)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>-</b>	<b>(1 045)</b>	<b>(1 045)</b>	<b>(1 045)</b>	<b>(0)</b>	<b>0</b>
Cash/cash equivalents at the year begin:	2	-	1 045	1 045	1 045	-	(0)
Cash/cash equivalents at the year end:	2	-	-	-	-	(0)	0

The municipality is anticipating that a balanced cash flow balance will be reported at the end of the 2020/21 financial year.



## 4.7 Financial Position

Table 7: Adjustments Budget Financial Position

### DC48 West Rand - Table B6 Consolidated Adjustments Budget Financial Position - 28 February 2021

Description	Ref	Budget Year 2020/21				Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget A	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash		-	-	-	-	(0)	0
Other debtors		17 995	(3 000)	(3 000)	14 995	12 000	9 000
Inventory		136	150	150	286	136	136
<b>Total current assets</b>		<b>18 131</b>	<b>(2 850)</b>	<b>(2 850)</b>	<b>15 281</b>	<b>12 136</b>	<b>9 136</b>
<b>Non current assets</b>							
Investment property		5 800	1 100	1 100	6 900	7 100	7 400
Property, plant and equipment	1	68 141	(3 363)	(3 363)	64 778	60 940	57 294
Biological		338	(74)	(74)	264	264	264
Other non-current assets		14 579	(14 579)	(14 579)	-	-	-
<b>Total non current assets</b>		<b>88 859</b>	<b>(16 916)</b>	<b>(16 916)</b>	<b>71 942</b>	<b>68 304</b>	<b>64 958</b>
<b>TOTAL ASSETS</b>		<b>106 989</b>	<b>(19 766)</b>	<b>(19 766)</b>	<b>87 223</b>	<b>80 440</b>	<b>74 094</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables		96 547	(22 596)	(22 596)	73 951	66 556	59 900
Provisions		16 520	(2 698)	(2 698)	13 822	13 131	12 474
<b>Total current liabilities</b>		<b>113 067</b>	<b>(25 294)</b>	<b>(25 294)</b>	<b>87 772</b>	<b>79 686</b>	<b>72 374</b>
<b>Non current liabilities</b>							
Provisions	1	56 637	-	-	56 637	56 637	56 637
<b>Total non current liabilities</b>		<b>56 637</b>	<b>-</b>	<b>-</b>	<b>56 637</b>	<b>56 637</b>	<b>56 637</b>
<b>TOTAL LIABILITIES</b>		<b>169 704</b>	<b>(25 294)</b>	<b>(25 294)</b>	<b>144 410</b>	<b>136 324</b>	<b>129 011</b>
<b>NET ASSETS</b>	2	<b>(62 715)</b>	<b>5 528</b>	<b>5 528</b>	<b>(57 187)</b>	<b>(55 884)</b>	<b>(54 918)</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)		(62 715)	5 528	5 528	(57 186)	(55 884)	(54 918)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>(62 715)</b>	<b>5 528</b>	<b>5 528</b>	<b>(57 186)</b>	<b>(55 884)</b>	<b>(54 918)</b>

Audited consolidated annual financial statements and year to date actual figures were taken into account when determining adjustments on financial position.

### Annexures:

- Schedule B – Version 6.4
- Schedule E – Version 6.4
- Adjusted SDBIP – 2020/2021

### Recommendation

In terms of the Municipal Finance Management Act, 2003 (Act no 56 of 2003); Municipal Council should approve 2020/ 2021 Adjustments Budget of West Rand District Municipality and West Rand Development Agency:

- That the operational expenditure budget be adjusted from R260 796 million to R252 783 million.
- That the operational revenue budget be adjusted from 259 342 million to 258 283.
- That the capital revenue budget be adjusted from R2 615 million to R3 118 million.
- That the capital expenditure budget be adjusted from R4 650 million to R5 million.
- That the item be tabled to Council for approval.