

ITEM 41 (47)

MC, WRDM

BUDGET AND TREASURY OFFICE: 2023/2024 ANNUAL FINAL BUDGET

5/1

PURPOSE

To report to the WRDM Council on the 2023/2024 Annual Final Budget report to be tabled to Council for adoption.

INTRODUCTION

Section 24 (1) of the Municipal Finance Management Act states that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

- (2) An annual budget—
 - (a) must be approved before the start of the budget year;
 - (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
 - (c) must be approved together with the adoption of resolutions as may be necessary—
 - (i) imposing any municipal tax for the budget year;
 - (ii) setting any municipal tariffs for the budget year;
 - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
 - (iv) approving any changes to the municipality's integrated development plan; and
 - (v) approving any changes to the municipality's budget-related policies.
- (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

Format of the Annual Budget

Regulation 9 of the Municipal Budget and Reporting Regulations 2009 require that the annual budget be in a prescribed format:

“9 The format of the annual budget and its supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the minister in terms of Section 168(1) of the Act.”

The following budget tables have been completed and are attached as Annexure A:

- Table A1 – Budget Summary;
- Table A2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification);
- Table A3 – Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote);
- Table A4 – Budgeted Financial Performance (Revenue by Source and Expenditure by type);
- Table A5 – Budgeted Capital Expenditure by Vote, standard classification and funding;
- Table A6 – Budgeted Financial Position;
- Table A7 – Budgeted Cash Flows;
- Table A8 – Cash Backed reserves / accumulated surplus reconciliation;
- Table A9 – Asset Management; and
- Table A10 - Basic service delivery measurement.

The supporting schedules SA1 to SA 38 are also included as part of Annexure A.

DISCUSSION

Per Municipal Finance Management Act, MFMA budget circular 123 and the municipal compliance calendar, an annual budget is expected to be approved by council by the 31 May 2023.

RECOMMENDATIONS THAT:

- 1) The adoption of the annual budget of the municipality be considered for the financial year 2023/24 and the two outer years 2024/25 and 2025/26 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38);
- 2) Council approves the proposed changes to the budget related policies attached in Annexure B,
- 3) Council approves the tabled tariffs as contained in Annexure C for the 2023/24 budget year;
- 4) That Council takes note of MFMA Budget Circular 123 attached as Annexure D;
- 5) Council takes note that version 6.7 of the mSCOA classification framework was used to prepare the budget;
- 6) The approved annual budget be published on the municipal website.
- 7) Council approves the following annexures:
 - The quality certificate signed by the Accounting officer as per Annexure E

- The report from Gauteng Provincial Treasury on Budget Benchmark exercise.
- The 2023/24 MTREF Procurement Plan per Annexure F;
- The sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2023/24 MTEF, attached as Annexure G;
- The draft Top Layer SDBIP, attached as Annexure H;



WEST RAND FOR A BETTER LIFE FOR ALL



West Rand
District Municipality

WEST RAND DISTRICT MUNICIPALITY



ANNUAL FINAL BUDGET REPORT 2023/2024 MTREF

25 MAY 2023

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PART ONE: ANNUAL BUDGET**1. Section one: Executive Mayor's Budget Speech**

Honourable Speaker;
Council Whip;
Members of the Mayoral committee;
Chairperson of MPAC; AND
Honourable Councillors;

I am presenting an annual final budget for my very first time before this newly elected council, the 2023/2024 Medium Term Budget and Expenditure Framework (MTREF). The budget which is aimed to improve the lives of our people in the West Rand region.

Honourable Speaker, public participation and budget benchmarking exercise was done with all stakeholders and twenty one (21) notice period was granted to all stakeholders to submit comments on both the tabled budget and IDP. The 2023/2024 Medium Term Budget and Expenditure Framework (MTREF) with the incorporation of all comments is now being presented to council, to consider it for approval.

Honourable Speaker, I am relieved to be presenting a surplus budget for the current year, with deficits in the outer years. This means that the municipality still have work hard ensure that a funded budget is achieved in medium to long-term. The budgeted operating surplus or deficit for the 3-year 2023/2024 MTREF period is R2.321 thousand (surplus), R2.010 million (deficit) and R4.326 million (deficit) respectively. In other words the municipality is budgeting for a surplus, in 2023/2024, and then budgeting for a deficit in both 2024/2025 and 2025/2026 outer years.

Looking into our operating revenue, the District remains 91% grant dependent and the rest of 9% is the municipality's own generated revenue. The increase in total operating grants amounts to 6% from R246.4 million to R262.8 million including LG Seta grant and 3.5% increase when excluding LG Seta grant. The main drivers relates to equitable share and RSC levy replacement grant which constitutes 91% of total operating grants.

Speaker, the unfortunate part is that the district's operating expenditure by 9% from R273.4 million to R300.6 million. The main cost driver is employee related costs which has increased from R211.4 million to R222.7 million. The municipality has to apply for 5.4% salary increment as per Salary and Wage Collective Agreement. The municipality had previously tried the exemption application to implement 0% salary increment and it was dismissed by the bargaining council on the basis that it would be unfair to deprive the employees of the increase. This was decided without making a detail assessment that the district is unable to generate its own revenue and is presently carrying the unfunded and underfunded mandates.

Speaker, with regards to the capital budget, I am pleased to report that there is a provision made for R73.5 million in the current year, of which there is a significant increase from R45.7 million which was budgeted for in the previous financial year. This includes the construction of link road between Westonaria and Finsbury appropriated by National Neighborhood Development Partnership Grant and purchase of fire rescue equipment appropriated by Gauteng Department of Cooperative Governance and Traditional Affairs.

Honourable Speaker, in terms of the overall outlook, the municipality has a negative net asset value of R83.6 million due to liabilities amounting to R152.4 million. It is for this reason that the district's budget has been assessed unfunded by Gauteng Provincial Treasury. A funding plan must be put in place to ensure that the district achieves a funded budget in future. With the current financial resources allocated, it will be difficult to reduce the total liabilities of R152.4 million and reduce our negative net asset value. The district needs cash injection so that the working capital management plan can be realized. A permanent solution should be sought for both unfunded and underfunded mandates. The implementation of the financial recovery plan must also bear the fruits of which is intended for and turnaround the financial situation of the municipality.

Honourable Speaker, in closing I am tabling the following documents for approval:

- The Annual Final Budget report item, the 2023/2024 Medium Term Budget and Expenditure Framework (MTREF) with all recommendations and supporting schedules
- The reviewed budget related policies;
- The quality certificate signed by the Accounting officer
- The report from Gauteng Provincial Treasury on Budget Benchmark exercise
- The 2023/2024 MTREF Procurement Plan;
- The sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2023/2024 MTEF;
- The draft Top Layer SDBIP.

2. Section two: Resolutions

It is recommended –

- That the adoption of the annual budget of the municipality be considered for the financial year 2023/2024 and the two outer years 2024/2025 and 2025/2026 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38);
- That Council approves the proposed changes to the budget related policies attached in Annexure B,
- That Council approves the tabled tariffs as contained in Annexure C for the 2023/24 budget year;
- That Council takes note of MFMA Budget Circular 123 attached as Annexure D;
- That Council takes note that version 6.7 of the mSCOA classification framework was used to prepare the budget;
- That the approved annual budget be published on the municipal website.
- Council approves the following annexures:
 - The quality certificate signed by the Accounting officer as per Annexure E
 - The report from Gauteng Provincial Treasury on Budget Benchmark exercise.
 - The 2023/24 MTREF Procurement Plan per Annexure F;
 - The sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2023/24 MTEF, attached as Annexure G;
 - The draft Top Layer SDBIP, attached as Annexure H;

3. Section three: Executive summary

3.1. Introduction

In preparing this budget, all communities and stakeholders in the West Rand District will be 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.

This budget is tabled in a most difficult times where South Africans households are under pressure from the rising cost of living and unemployment. The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 percent and municipalities are required to justify all increases in excess of the projected inflation target for 2023/24 in consideration of socio-economic impact.

At the end of December 2022, South Africa's unemployment rate eased from 32.9 to 32.7%. This excludes those that are no longer seeking employment.

With the introduction of the District Development Model (DDM), 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. West Rand region aims to master it is integrated planning together with its local municipalities to ensure that the purpose of the DDM approach is achieved.

It is within this context that the municipal budget was prepared for the 2023/24 MTREF period. The objective for the municipality during the budget planning process was to keep the tariffs as low as possible to provide some relief in this uncertain economic environment

3.2. 2023/24 National budget

"We are tabling the 2023 Budget in a difficult domestic and global economic Environment. Domestically, load-shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival of many businesses."

This was perhaps the most significant message that came from his budget:

The gross debt stock is projected to increase from R4.73 trillion in 2022/23 to R5.84 trillion in 2025/26. And because debt is high, our debt-service costs are also high.

Debt-service costs are projected to average R366.8 billion annually over the medium term, reaching R397.1 billion in 2025/26. These are resources that could otherwise be used to address pressing social needs or to invest in our future.

Real Gross Domestic Product (GDP) growth is projected to average 1.4 per cent from 2023 to 2025, compared with 1.6 per cent estimated in October.

In summary, Tax revenue collections for 2022/23 are expected to total R1.69 trillion. This exceeds the 2022 Budget estimate by R93.7 billion, and the 2022 MTBPS estimate by R10.3 billion.

Over the medium-term, revenue projections are R6 billion higher than the estimates of the 2022 MTBPS.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets:

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	6.9%	5.3%	4.9	4.7%

Source: MFMA circular 123: Budget review 2023

3.3. 2023/24 Gauteng Provincial budget

Honourable MEC of Finance Jacob Mamabolo delivered the Gauteng Provincial budget speech on 9 March 2023

Some of the highlights of her budget speech is provided below:

In presenting this budget to the people of our province, let me be upfront and announce that we are injecting into the Gauteng economy a total of R493.4 billion over the Medium Term Expenditure Framework, of which a bigger share of it will go into supporting social services, the Township Economy, creating jobs, especially for the youth, empowerment of women and addressing the energy crisis.

The uncertain global economic environment has resulted in the downward revision of economic growth projections from 3.4 per cent for 2022 to 2.9 per cent for 2023 before rising to 3.1 per cent in 2024.

Education is due to receive R4.6bn while the Department of Health will get R5bn with focus on retaining part of the capacity taken on board to fight the COVID-19 pandemic, and which will go a long way in strengthening the health delivery platform.

The energy supply challenge facing our country has become the single biggest threat to our economic recovery and any potential future growth, if it continues to deepen over the short to medium term. This is not only because of its effects on the supply of electricity only, but also water and sewerage reticulation.

3.4. 2023/24 West Rand District Municipal budget

The first review of the approved 2022/23-2026-27 Integrated Development Plan (IDP) under the new administration, which is the 2023/24 IDP will also be considered by Council on 25 May 2023 and is included in a separate agenda item. This IDP will be supported by sector departmental plans from both National and provincial sphere of government. A perfect alignment is expected between the budget and IDP to ensure that all projects are sufficiently funded.

A high-level summary of the 2023/24 MTREF budget is provided in the table below:
Table 1: High level summary of the 2023/24 MTREF

Summary

Description	Adjusted budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands				
Operating Revenue	37 996	35 440	29 098	31 060
Operating Grants	270 938	262 852	268 018	276 276
Capital grant	48 975	75 786	51 770	43 041
Total Revenue	357 909	374 078	348 886	350 377
Operating expenditure	305 993	300 625	301 686	314 453
Capital Expenditure	51 900	73 450	49 209	40 250
Total Expenditure	357 893	374 075	350 895	354 703
Surplus/(Deficit)	16	2	(2 010)	(4 326)

3.5. Impact of District Development Model approach

The District Development Model is a new integrated planning model for Cooperative Governance which seeks to be a new integrated, district-based, service delivery approach aimed at fast-tracking service delivery and ensure that municipalities are adequately supported and resourced to carry out their mandate.

The implementation of the District Development Model enhances intergovernmental relations wherein different sector departments collaborate in the implementation of service delivery projects in different local municipalities within the West Rand Region. The District continues to play a coordination function in the implementation of the DDM to ensure that service delivery is not compromised.

The District Development Model (DDM) One Plan is in the process of being reviewed in line with the process plan developed by National and Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA) including other sector departments, wherein the current projects will be assessed and the new projects may be identified to accelerate service delivery. The process plan for the review of DDM One Plan will also be submitted to Council for endorsement before the commencement of 2023/24 financial year.

3.6. Municipal Regulations on a Standard Chart of Accounts (mSCOA)

The municipality has prepared its budget and A schedules on version 6.7 of the mSCOA classification framework.

3.7. Operating budget

A summary of the operating budget is provided in the table below:

Table 2: Operating budget

DC48 West Rand - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands					
Revenue By Source					
Rental of facilities and equipment	2 365	2 365	2 606	2 734	2 862
Interest earned - external investments	2 244	4 024	3 919	2 611	2 734
Interest earned - outstanding receivables	211	368	355	372	389
Licences and permits	250	774	701	736	770
Reversal on impairment of investment	3 600	3 600	4 600	3 825	3 005
Transfers and subsidies	246 405	270 938	262 852	268 018	276 276
Other revenue	24 185	26 560	22 709	18 821	21 300
Gains on disposal of PPE	560	306	550	-	-
Total Revenue (excluding capital transfers and contributions)	271 150	308 934	298 292	297 116	307 336
Expenditure By Type					
Employee related costs	211 367	215 074	222 569	232 362	242 819
Employee related costs	13 132	12 386	13 132	13 186	13 161
Debt impairment	650	650	650	500	350
Depreciation & asset impairment	3 800	5 800	5 800	4 400	4 000
Interest cost and penalties	530	6 103	6 135	6 435	6 738
Other materials	250	430	250	300	350
Contracted services	11 358	17 104	9 464	9 928	10 394
Transfers and subsidies	11 932	13 192	12 469	12 463	13 500
Operating costs	20 439	35 254	30 156	22 112	23 142
Loss on disposal of PPE					
Total Operating Expenditure	273 458	305 993	300 625	301 686	314 453
Operating Surplus/(Deficit) for the year	(2 309)	2 941	(2 334)	(4 571)	(7 117)

The main contributors to the operating revenue and operating expenditure of the 2023/24 financial year are as indicated in the two graphs below:

Figure 1: Operating Revenue budget

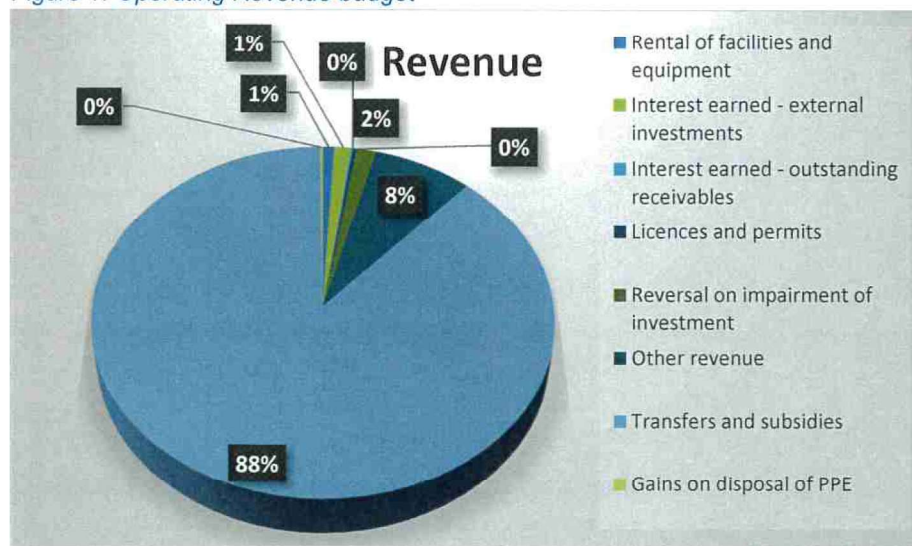
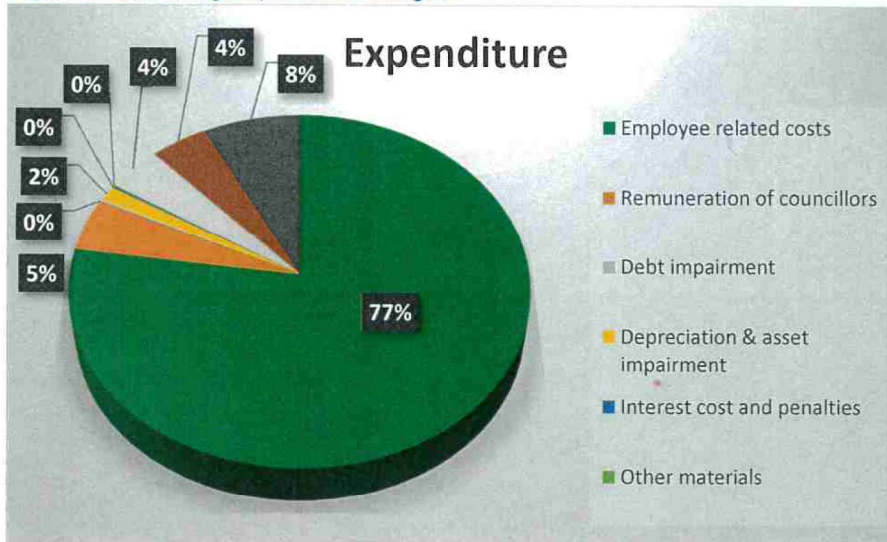


Figure 2: Operating Expenditure budget



3.8. Budgeted operating surplus/ (deficit)

The budgeted operating surplus or deficit for the 3-year 2023/24 MTREF period is R2 thousand (surplus), R2 million (deficit) and R4 million (deficit) respectively. The reason that the municipality is budgeting for a balanced budget, inter alia, in 2023/24, and then budgeting for a deficit in both 2024/25 and 2025/26 is that the depreciation charge is not fully cashed-back. The other reason that has put financial pressure relates to salaries and wages increment based on inflation increase which is 5.4% in 2023/24, 4.9% in 2024/23 and 4.7% in 2025/26. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023.

3.9. Capital budget

National Treasury has urged municipality to prioritize spending on infrastructure. The summary of capital projects over the MTREF is listed in the table below.

Capital expenditure comprise 20% of the total municipal budget in 2023/24, 14% in 2024/25 and 11% in 2025/26.

The construction of link road between Westonaria and Finsbury is funded through neighbourhood development partnership grant gazette in a DoRA bill. The provincial government appropriated R3 million to purchase fire services and rescue equipment while computer equipment will be funded by own revenue generated.

Table 3: Capital projects as % of total municipal budget

Description	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital projects				
Construction of multi-purpose	40 723	-	-	-
Road construction	3 277	70 000	48 859	40 000
Computer equipment	1 070	450	350	250
Purchase of motor vehicle	260	-	-	-
Fire service vehicles	2 200	-	-	-
ITC equipment public safety & disaster management	2 470	-	-	-
Disaster management equipment	1 500	-	-	-
Security systems - public safety	400	-	-	-
Fire services and rescue equipment	-	3 000	-	-
Total capital expenditure	51 900	73 450	49 209	40 250
Total municipal expenditure	357 893	374 075	350 895	354 703
% of municipal expenditure	15%	20%	14%	11%

3.10. Repairs and maintenance expenditure

The budget for repairs and maintenance for 2023/24, 2024/25 and 2025/26 is R1.4 million, R1.5 million and R1.5 million respectively (see table below). The amounts reflected as repairs and maintenance only represents contracted services on emergency vehicles maintenance in responding to service delivery. In terms of National Treasury norms repairs and maintenance must be 8% of total operating budget, however due financial challenges faced by the municipality repairs and maintenance comprise 0.4% of the total operating budget throughout the MTREF.

The municipality is intending to repair it's municipal buildings due to its current state to improve the working conditions of its employees and have agreed with the organised labour that assistance should be sought externally (both private and public sector) since the municipality does not have funds and expertise to assess the extent/depth of the damage.

Table 4: Repairs and maintenance expenditure

Description	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs of emergency vehicle	3 000	600	629	659
Repairs of pool vehicle	-	100	105	110
Computer equipment maintenance	90	100	105	110
Repairs of municipal building	600	600	629	659
Total capital expenditure	3 690	1 400	1 469	1 538
Total municipal expenditure	357 893	374 075	350 895	354 703
% of municipal expenditure	1.0%	0.4%	0.4%	0.4%

3.11. Tariffs and charges

The proposed 2023/24 tariff and charges increase percentages has been provided in the table below. For comparability the previous 4 years' increases are also provided.

Table 5: Tariffs for 2023/24

Description	Budget 2020/21	Budget 2022/22	Budget 2022/23	Budget 2023/24
Municipal own revenue tariffs				
Emergency Service Training Academy	3.5%	4.8%	4.8%	5.3%
Emergency Service Fire risk management	3.5%	10.0%	10.0%	10.0%
Municipal health services	3.5%	10.0%	10.0%	10.0%
Environmental services air quality services	Per regulation	Per regulation	Per regulation	Per regulation
Donaldson Dam entrance fee	3.5%	5.5%	5.5%	5.3%
Rental of land and commercial premises	8.0%	8.0%	8.0%	8.0%
Rental of halls	10.0%	10.0%	10.0%	10.0%
Sale of plant	3.5%	4.8%	4.8%	5.3%
Sale of tender documents	3.5%	4.8%	4.8%	5.3%

The tariffs for 2023/24 and 2024/25 will increase with the inflation targets, except for rental of halls and commercial premises due to lease agreements held with commercial customers.

3.12. Unfunded and underfunded mandates

The municipality continues to carry the firefighting and disaster management functions as unfunded mandates. These unfunded mandates constitutes more than 45% of the operating budget. The firefighting function is responsible for servicing all households, businesses and farms of the West Rand region and it is centralized at the district municipality. Municipal Health services focus on health inspections and environmental health is underfunded and constitutes more than 20% of the operating budget. It is imperative that a permanent solution be sought to fund both unfunded and underfunded mandates.

3.13. Powers and Functions

The restoration of Powers and functions in terms of section 84(1) of the Municipal structures Act remains a priority to the municipality to enable a sustainable financial position of the District. The financial situation of the municipality is mainly caused by the fact that the municipality is completely grant dependent due to it having been deprived of its powers and functions that would have allowed it to generate its own revenue. Several interactions with external stakeholders in National and Provincial Government to remedy the situation has not yet been achieved.

3.14. Working Capital analysis

Table 6: Working capital

Description	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Costs				
Employee costs	215 074	222 569	232 362	242 819
Remuneration of councilors	12 386	13 132	13 186	13 161
Materials	430	250	300	350
Transfers and grants	13 192	12 469	12 463	13 500
Other expenditure	52 358	39 620	32 040	33 536
Total operating expenditure	293 439	288 041	290 351	303 366
Suppliers and employees	(260 069)	(275 572)	(277 888)	(289 866)
Finance charges	(6 103)	(6 135)	(6 435)	(6 738)
Transfers and grants	(13 192)	(12 469)	(12 463)	(13 500)
Balance to settle creditors	14 075	(6 135)	(6 435)	(6 738)

The municipality will only have a surplus cash to settle its creditors in 2023/24 provided that there are collections from long outstanding debtors. The municipality is expected to incur a cash shortfall of R6.1 million over MTREF based on the negative impact of salary increment.

3.15. Financial recovery plan

The municipality has been under the financial recovery plan since 2018/19 financial year. On the 1st of February 2018, the municipality invoked section 135 of the Municipal Finance Management Act (MFMA). In May 2018, the predictions of the municipality being unable to meet its obligations realized. The financial situation of the Municipality having not improved, the Provincial Executive resolved to place the Municipality under administration as per section 139(5)(a) of the Constitution of the Republic of South Africa. This particular intervention imposes a financial recovery plan on a municipality. We therefore request that you consider affording the Municipality an opportunity to make an arrangement to settle its outstanding liability within the perimeters of the financial recovery plan to be implemented. The municipality prepared the financial turnaround strategy from 2019/20 financial year as plan in achieving a funded budget in future. The implementation of both the financial recovery plan and financial turnaround strategy managed to reduce the financial pressures of the municipality, however a permanent solution must be sought in resolving the challenges relating to unfunded and underfunded mandates.

3.16. Conclusion

Currently there are many economic uncertainties. Many households and businesses are in distress. The municipality is also operating in financial recovery mode without generating sufficient own revenue to meet its current obligations.

4. Section four: Annual budget tables

The following budget tables have been completed and are attached as **Annexure A**:

- Table A1 – Budget Summary;
- Table A2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification);
- Table A3 – Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote);
- Table A4 – Budgeted Financial Performance (Revenue by Source and Expenditure by type);
- Table A5 – Budgeted Capital Expenditure by Vote, standard classification and funding;
- Table A6 – Budgeted Financial Position;
- Table A7 – Budgeted Cash Flows;
- Table A8 – Cash Backed reserves / accumulated surplus reconciliation;
- Table A9 – Asset Management; and
- Table A10 - Basic service delivery measurement.

The supporting schedules SA1 to SA 38 are also included as part of **Annexure A**.

PART TWO: SUPPORTING DOCUMENTATION

5. Section five: Overview of annual budget process

The overview of the 2023/24 Budget and IDP process is provided in the table below:

Table 7: Overview of annual budget process

Activity	Date
Budget and IDP timetable approved by Council	30 August 2022
IDP public participation process	07 September 2022 to 30 September 2022
Budget steering committee meetings	07 February 2023 10 March 2023 12 May 2023
Departments requested to budget in accordance with IDP needs	01 December 2022 to February 2023
Tabling of DoRA Bill and Gauteng Provincial government appropriation bill	23 February 2023 to 09 March 2023
Table Budget and IDP to Council	24 Mar 2023
Advertise budget in the website and local newspaper	31 March 2023
Public participation and stakeholders engagement meetings	4 to 14 April 2023
Closing of comments and representations on the IDP and tabled budget	21 Apr 2023
Workshop with Council on budget related policies and public inputs	28 April 2023
Budget benchmarking exercise with Gauteng Provincial Treasury	6 May 2023
Consideration of final budget approval by Council	26 May 2023

6. Section six: Overview of the alignment of the annual budget with the IDP

The IDP serves as a guideline to the municipality for the correct budget and resource allocations in ensuring that it meets the needs of its residents. It is also an integrated inter-governmental system of planning which requires the involvement of all three spheres of government. Contributions are made by provincial and national government to assist municipal planning and therefore government has created a range of policies and strategies

to support and guide development and to ensure alignment between all spheres of government as stated by the section 24 of the Municipal Systems Act, No 32 of 2000.

The IDP drives the strategic development of WRDM. The Municipality's budget is influenced by the municipal strategic focus areas and strategic objectives identified in the IDP. The Service Delivery Budget Implementation Plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The budget has been compiled in accordance with the municipality's IDP document. Also refer to tables SA3, SA4 and SA5 which is aligned with the strategic objectives and goals of the municipality.

7. **Section seven: Measurable performance objectives and indicators**

This budget is indicative of our commitment to achieving the objectives of local government set out in the Constitution of the Republic of South Africa and to do so in an efficient, effective and sustainable manner. These commitments are entrenched in our mission, vision and value statements and as such are reflected so in our budget and services delivery processes.

The MTREF has been compiled in such a manner to ensure sustainable service delivery and to invest in infrastructure that will ensure growth over the medium term to long term. The measurable performance objectives are indicators included in the budget tables SA4 and SA7.

8. **Section eight: Overview of budget related policies**

The proposed amendments to the budget related policies are attached as Annexure B.

The following are key budget documents (strategies) and/or related policies that affect, or are affected, by the annual budget:

- Banking and investment policy
- Virement policy
- Credit control and debt management policy
- Supply chain management policy
- Supply chain management for infrastructure policy
- Fleet management policy
- Funding and Reserves policy
- Budget Management policy
- Asset management policy
- Unauthorized, irregular or fruitless and wasteful expenditure policy
- Unforeseen and unavoidable expenditure policy
- Revenue enhancement strategy
- 2023/24 Municipal tariff book
- Loss Control Policy
- Cost Containment policy
- Travel allowance policy
- 2023/24 Financial turnaround strategy/ Funding budget plan
- Unauthorized, irregular or fruitless and wasteful expenditure reduction plan or strategy
- Delegation of Powers

9. Section nine: Overview of budget assumptions

The following assumptions were used in the preparation of the budget:

Revenue budget assumptions

- The average estimated CPIX which were used to determine the tariff increases was 5.3% for 2023/24, 4.9% for 2024/25 and 4.7% for 2025/26 as guided by MFMA Circular 123.
- Refer to section 3.11 for more information about the tariff increases.
- Tariffs and charges are not cost reflective in compiling a funded budget due to unfunded mandates.
- Debtors payment rate of 70%.
- National grants was budgeted in accordance with Division of Revenue Bill and gazetted allocations.
- Provincial grants was budgeted in accordance with the Provincial Gazette.
- VAT recovery is based on 15% of payments made to vatiable suppliers
- Interest on investment is based on repo rate 7.75% and interest on outstanding debtors is based on prime lending rate of 11.25%.

Expenditure budget assumptions

- The average estimated CPIX which were used to determine the tariff increases was 5.3% for 2023/24, 4.9% for 2024/25 and 4.7% for 2025/26 as guided by MFMA Circular 123.
- Employee related cost based on Salary and Wage Collective Agreement implemented from effective 1 July 2022 and increment aligned to inflationary increases.
- Moritorium placed on filling of vacancies unless critical positions are approved by Council to be filled.
- Senior managers salaries not increased
- Councillor remuneration not increased
- Departments were required to budget in terms of general cost containment measures.

Capital budget assumptions

- Capital budget projects and funding sources based on capital programmes on Division of Revenue Bill and Gauteng gazetted allocations.
- ICT equipment based on the needs analysis and reports tabled to ICT steering committee.

10. Section ten: Receipts on allocations and grant programmes

The total grants to be received for 2023/24 comprises R339 million, and for the two outer years are R320 million and R319 million respectively. The split between the various grants are listed below.

Table 8: Grants allocation

DC48 West Rand - Supporting Table - Transfers and grant receipts							
Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
R thousands							
RECEIPTS:	1,2						
Operating Transfers and Grants							
National Government:		232 673	232 673	232 673	240 819	255 555	262 776
Local Government Equitable Share		48 516	48 516	48 516	51 355	54 504	52 936
RSC Levy Replacement		181 736	181 736	181 736	187 061	195 453	207 123
Municipal Systems Improvement		-	-	-	-	3 000	-
Finance Management		1 200	1 200	1 200	1 200	1 338	1 400
EPWP Incentive		1 221	1 221	1 221	1 203	1 260	1 317
Provincial Government:		11 932	13 617	13 617	12 469	12 463	13 500
Health Subsidy		11 932	13 192	13 192	12 469	12 463	13 500
GRAP 17		-	425	425	-	-	-
Library Grant		-	-	-	-	-	-
Other transfers and grants							
		1 800	3 000	3 000	9 564		
LG SETA		1 800	3 000	3 000	9 564	-	-
Total Operating Transfers and Grants	5	246 405	249 290	249 290	262 852	268 018	276 276
Capital Transfers and Grants							
National Government:		45 775	46 775	46 775	72 786	51 770	43 041
Neighbourhood Development Partnership		43 000	44 000	44 000	70 000	48 859	40 000
Rural Roads Asset Management Systems		2 775	2 775	2 775	2 786	2 911	3 041
Provincial Government:		2 200	2 200	2 200	3 000		
Fire Rescue Services		2 200	2 200	2 200	3 000	-	-
Total Capital Transfers and Grants	5	47 975	48 975	48 975	75 786	51 770	43 041
TOTAL RECEIPTS OF TRANSFERS & GRA	5	294 380	298 265	298 265	338 638	319 788	319 317

11. Section eleven: Transfers and grants made by the municipality

The total transfers and grants amount to R12.5 million in 2023/24, 2024/25 and R13 million over the one outer years concerning HIV/ Aids subsidy is made to local municipalities in two tranches.

Table 9: Transfers and grants

Description R thousand	Apportion	Budget 2023/24
Transfers and subsidies		
Mogale City Local Municipality	44%	5 486
Rand West City Local Municipality	32%	3 990
Merafong City Local Municipality	24%	2 993
		12 469

12. Section twelve: Budgeted cash flow and monthly targets for revenue expenditure and cash flows

This is contained in Table A7 of Annexure A as well as the supporting schedule table SA25 and SA30.

13. Section thirteen: Annual budgets and SDBIP

The final service delivery and budget implementation plans (SDBIP) will be dealt with after the budget is finally approved to be submitted to the Mayor within 14 days after the approval of the budget and approved by the Mayor within 28 days after the approval of the budget.

14. Section fourteen: Contracts having future budgetary implications

It is required to disclose in the budget documentation any contracts that will impose financial obligations on the municipality beyond the three years covered by the 2023/24 MTREF. The detail of this is included in supporting tables SA32 and SA33.

15. Section 19: Legislation compliance status

All relevant legislations and regulations have been implemented. The applicable legislation and circulars considered were:

- Sections 15 – 33 of the MFMA;
- MFMA circulars 10, 12, 13, 14, 19, 28, 31, 45, 48, 51, 54, 58, 59, 64, 66, 67, 70, 72, 74, 75, 78, 79, 82, 85, 86, 89, 91, 93 and 94, 98, 99, 107, 108, 115, 123.
- Municipal Budget and Reporting Regulations, 2009.
- Municipal Regulations on Standard Chart of Accounts as per gazette notice no. 37577, 22 April 2014.

The most recent MFMA Budget Circular no 123 is included in the budget documentation as Annexure G.

PART THREE: ANNEXURES

Annexure A- Budget tables (A schedule)
DC48 West Rand - Table A1 Consolidated Budget Summary

Description	2018/19		2019/20		2020/21		Current Year 2021/22			2022/23 Medium Term Expenditure Framework			Revenue & Expenditure Framework	
	Audited Outcome	Audited Outcome	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		
Financial Performance														
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned	411	769	1 021	1 021	1 021	750	1 303	1 303	1 337	2 244	2 345	2 448	2 448	2 448
Transfers recognised - operational	270 586	269 234	236 989	236 989	236 989	238 143	238 490	238 490	238 490	246 405	253 153	256 929	256 929	256 929
Other own revenue	28 131	26 079	9 194	9 194	9 194	10 350	12 728	12 728	12 281	22 500	25 065	24 164	24 164	24 164
	300 128	296 082	247 205	247 205	247 205	249 243	252 520	252 520	252 108	271 149	280 563	283 541	283 541	283 541
Total Revenue (excluding capital transfers and contributions)														
Employee costs	176 743	181 591	195 838	195 838	195 838	196 249	196 249	196 249	196 188	211 367	220 668	230 598	230 598	230 598
Remuneration of councillors	13 020	13 244	12 572	12 572	12 572	13 931	13 931	13 931	10 406	13 132	13 370	13 470	13 470	13 470
Depreciation & asset impairment	8 047	14 658	1 461	1 461	1 461	4 000	4 000	4 000	6 345	4 450	3 900	3 350	3 350	3 350
Interest cost and penalties	12 950	8 400	8 454	8 454	8 454	-	747	747	746	530	450	320	320	320
Materials and bulk purchases	100	129	184	184	184	220	220	220	171	250	300	350	350	350
Transfers and grants	13 144	7 444	9 562	9 562	9 562	11 364	10 201	10 201	10 201	11 932	12 469	12 469	12 469	12 469
Other expenditure	43 812	49 111	38 024	38 024	38 024	30 090	33 892	33 892	32 474	31 797	33 069	34 392	34 392	34 392
Total Expenditure	267 817	274 576	266 094	266 094	266 094	255 854	259 240	259 240	256 540	273 458	284 226	294 948	294 948	294 948
Operating Surplus/(Deficit)	32 311	21 505	(18 889)	(18 889)	(18 889)	(6 611)	(6 720)	(6 720)	(4 433)	(2 309)	(3 662)	(11 407)	(11 407)	(11 407)
Transfers and subsidies - capital (monetary allocations) (National / Contributions recognised - capital & contributed assets	2 598	2 245	3 118	3 118	3 118	9 651	9 651	9 651	9 651	47 975	41 999	42 887	42 887	42 887
Surplus/(Deficit) after capital transfers & contributions	255	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure	35 164	23 750	(15 771)	(15 771)	(15 771)	3 040	2 931	2 931	5 218	46 666	36 337	31 480	31 480	31 480
Surplus/(Deficit) for the year	35	25	4 040	4 040	4 040	7 600	6 000	6 000	5 965	45 650	39 513	40 250	40 250	40 250
	36 129	23 725	(19 811)	(19 811)	(19 811)	(4 560)	(3 069)	(3 069)	(747)	16	(1 176)	(8 770)	(8 770)	(8 770)

Description	2018/19		2019/20		2020/21		Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	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														
Capital expenditure & funds sources														
Capital expenditure	35	25	4 040	7 600	6 000	6 000	6 000	5 965	45 650	39 513	40 250	45 650	39 513	40 250
Transfers recognised - capital	-	-	-	7 000	5 500	5 500	5 500	5 485	45 200	39 213	40 000	45 200	39 213	40 000
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	35	25	4 040	600	500	500	500	480	450	300	250	450	300	250
Total sources of capital funds	35	25	4 040	7 600	6 000	6 000	6 000	5 965	45 650	39 513	40 250	45 650	39 513	40 250
Financial position														
Total current assets	37 993	18 223	8 159	11 215	10 024	10 024	10 024	8 589	10 832	16 087	21 003	10 832	16 087	21 003
Total non current assets	79 921	74 487	70 702	75 842	70 702	70 702	70 702	70 702	63 297	59 281	55 681	63 297	59 281	55 681
Total current liabilities	168 245	126 605	122 836	84 567	86 824	86 824	86 824	86 824	81 579	78 860	77 701	81 579	78 860	77 701
Total non current liabilities	53 787	56 691	62 409	56 637	62 409	62 409	62 409	62 409	62 409	59 150	56 820	62 409	59 150	56 820
Community wealth/Equity	(104 118)	(90 586)	(106 385)	(54 147)	(68 508)	(68 508)	(68 508)	(69 943)	(69 860)	(62 642)	(57 837)	(69 860)	(62 642)	(57 837)
Cash flows														
Net cash from (used) operating	24 442	16 781	3 210	6 800	7 416	7 416	7 416	5 638	49 745	46 156	46 749	49 745	46 156	46 749
Net cash from (used) investing	(35)	(18)	(2 932)	(6 800)	(6 000)	(6 000)	(6 000)	(5 485)	(44 770)	(39 513)	(40 250)	(44 770)	(39 513)	(40 250)
Net cash from (used) financing	(15 547)	(13 217)	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	2 747	1 045	1 323	-	2 739	2 739	2 739	1 476	7 714	14 358	20 856	7 714	14 358	20 856
Cash backing/surplus reconciliation														
Cash and investments available	2 747	1 045	1 323	-	2 739	2 739	2 739	1 476	7 714	14 358	20 856	7 714	14 358	20 856
Application of cash and investments	106 865	91 631	107 708	54 147	71 247	71 247	71 247	71 419	77 574	76 999	78 694	77 574	76 999	78 694
Balance - surplus (shortfall)	(104 118)	(90 586)	(106 385)	(54 147)	(68 508)	(68 508)	(68 508)	(69 943)	(69 860)	(62 642)	(57 837)	(69 860)	(62 642)	(57 837)
Asset management														
Asset register summary (WDV)	63 957	59 389	70 356	75 578	70 356	70 356	70 356	70 356	62 906	59 156	55 681	62 906	59 156	55 681
Depreciation	7 206	6 419	4 489	4 000	4 000	4 000	4 000	4 000	3 800	3 400	3 000	3 800	3 400	3 000
Renewal and Upgrading of Existing Assets														
Repairs and Maintenance	1 000	-	-	-	1 000	1 000	1 000	1 000	1 200	1 248	1 298	1 200	1 248	1 298

DC48 West Rand - Table A2 Budgeted Financial Performance (revenue and expenditure by 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													
Governance and administration		159 707	104 030	74 981	77 207	82 222	82 222	81 968	86 797	86 883				
Executive and council		97 784	20 310	20 969	22 108	22 108	22 108	22 041	22 194	22 542				
Finance and administration		60 588	82 335	52 598	53 655	58 670	58 670	58 382	63 059	62 797				
Internal audit		1 335	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545				
Community and public safety		105 720	180 834	151 015	158 270	156 558	156 558	160 166	163 143	165 524				
Public safety		74 311	152 994	103 888	112 214	110 702	110 702	113 446	114 766	116 611				
Health		31 409	27 840	47 127	46 056	45 856	45 856	46 720	48 377	48 913				
Economic and environmental services		37 555	13 463	24 326	23 417	23 391	23 391	23 391	23 391	23 391				
Planning and development		37 555	13 463	24 326	23 417	23 391	23 391	23 391	23 391	23 391				
Total Revenue - Functional	2	302 982	298 327	250 323	258 894	262 171	262 171	319 125	322 562	326 427				
Expenditure - Functional														
Governance and administration		102 556	104 110	108 552	96 780	100 895	100 895	90 255	93 355	96 429				
Executive and council		52 159	48 255	53 439	39 016	39 016	39 016	27 086	28 445	29 681				
Finance and administration		49 075	54 471	53 699	56 320	60 435	60 435	61 625	63 366	65 203				
Internal audit		1 323	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545				
Community and public safety		138 768	152 839	142 219	138 881	138 148	138 148	152 561	158 956	165 243				
Public safety		110 899	116 595	101 940	98 065	96 934	96 934	106 844	111 293	116 067				
Health		27 869	36 244	40 280	42 816	41 214	41 214	45 717	47 663	49 175				
Economic and environmental services		26 530	17 627	19 363	27 793	26 198	26 198	26 293	26 198	26 293				
Planning and development		26 530	17 627	19 363	27 793	26 198	26 198	26 293	26 198	26 293				
Total Expenditure - Functional	3	267 853	274 576	270 134	263 454	265 241	265 241	319 109	323 739	335 197				
Surplus/(Deficit) for the year		35 128	23 751	(19 811)	(4 560)	(3 070)	(3 070)	16	(1 176)	(8 770)				

DC48 West Rand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal 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	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												
Corporate Governance		91 487	9 035	8 958	9 651	9 651	9 651	9 651	9 770	9 495	9 634		
Municipal Manager & Support		7 632	12 659	13 425	13 901	13 901	13 901	13 901	13 815	14 243	14 452		
Corporate Services		25 538	27 744	33 435	30 252	30 274	30 274	30 274	27 190	28 393	29 245		
Budget & Treasury Office		35 050	54 591	19 163	23 403	28 396	28 396	28 396	31 192	34 666	33 552		
Health & Social Development		31 409	27 840	47 127	46 056	45 856	45 856	45 856	46 720	48 377	48 913		
Public safety		74 311	152 994	103 888	112 214	110 702	110 702	110 702	113 446	114 766	116 611		
Regional planning & Economic Development		30 913	13 463	24 326	23 417	23 391	23 391	23 391	76 991	72 622	74 021		
Development Agency		6 642	-	-	-	-	-	-	-	-	-		
Total Revenue by Vote	2	302 982	298 327	250 323	258 894	262 171	262 171	262 171	319 125	322 562	326 427		
Expenditure by Vote to be appropriated	1												
Corporate Governance		40 194	36 531	44 615	24 496	24 496	24 496	24 496	10 946	11 399	11 883		
Municipal Manager & Support		13 287	13 109	10 238	15 964	15 964	15 964	15 964	17 684	18 590	19 343		
Corporate Services		17 833	32 708	27 395	35 586	38 234	38 234	38 234	35 465	36 922	38 469		
Budget & Treasury Office		31 242	21 763	26 303	20 734	22 201	22 201	22 201	26 160	26 444	26 735		
Health & Social Development		27 869	36 244	40 280	42 816	41 214	41 214	41 214	45 717	47 663	49 175		
Public safety		110 899	116 595	101 940	96 065	96 934	96 934	96 934	106 844	111 293	116 067		
Regional planning & Economic Development		20 038	17 627	19 363	27 793	26 198	26 198	26 198	76 293	71 428	73 525		
Development Agency		6 492	-	-	-	-	-	-	-	-	-		
Total Expenditure by Vote	2	267 853	274 576	270 134	263 454	265 241	265 241	265 241	319 109	323 739	335 197		
Surplus/(Deficit) for the year	2	35 128	23 751	(19 811)	(4 560)	(3 070)	(3 070)	(3 070)	16	(1 176)	(8 770)		

DC48 West Rand - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

R thousands	Description	Ref	2020/21				Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			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											
	Rental of facilities and equipment		1 566	1 830	1 762	2 067	2 190	2 190	2 126	2 365	2 554	2 759
	Interest earned - external investments		411	769	1 021	750	1 303	1 303	1 337	2 244	2 345	2 448
	Interest earned - outstanding receivables		537	533	258	450	195	195	115	211	227	246
	Licences and permits		422	117	104	400	200	200	200	250	300	315
	Reversal of impairment on investment		-	-	-	-	5 328	5 328	5 328	3 600	7 328	6 790
	Transfers and subsidies		270 586	269 234	236 989	238 143	238 490	238 490	238 490	246 405	253 153	256 929
	Other revenue		26 607	23 598	7 070	7 434	4 814	4 814	4 512	15 515	14 655	14 055
	Gains on disposal of PPE		-	-	-	-	-	-	-	560	-	-
	Total Revenue (excluding capital transfers and contributions)		300 128	296 082	247 205	249 243	252 520	252 520	252 108	271 149	280 563	283 541
	Expenditure By Type											
	Employee related costs		176 743	181 591	195 838	196 249	196 249	196 249	196 198	211 367	220 668	230 598
	Remuneration of councillors		13 020	13 244	12 572	13 931	13 931	13 931	10 406	13 132	13 370	13 470
	Debt impairment		842	8 240	(3 028)	-	-	-	2 345	650	500	350
	Depreciation & asset impairment		7 206	6 419	4 489	4 000	4 000	4 000	4 000	3 800	3 400	3 000
	Interest cost and penalties		12 950	8 400	8 454	-	747	747	746	530	450	320
	Other materials		100	129	184	220	220	220	171	250	300	350
	Contracted services		17 241	17 946	5 532	8 961	12 255	12 255	11 503	11 358	11 812	12 285
	Transfers and subsidies		13 144	7 444	9 562	11 364	10 201	10 201	10 201	11 932	12 469	12 469
	Operating costs		26 571	31 165	32 492	21 129	21 636	21 636	20 971	20 439	21 257	22 107
	Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
	Total Expenditure		267 817	274 576	266 094	255 854	259 240	259 240	256 540	273 458	284 226	294 948
	Surplus/(Deficit)		32 311	21 505	(18 889)	(6 611)	(6 720)	(6 720)	(4 433)	(2 309)	(3 662)	(11 407)
	Transfers and subsidies - capital (monetary allocations) (National/ Provincial and District)		2 598	2 245	3 118	9 651	9 651	9 651	9 651	47 975	41 999	42 887
	Transfers and subsidies - capital (in-kind - all)		255	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit) after capital transfers & contributions		35 164	23 750	(15 771)	3 040	2 931	2 931	5 218	45 666	38 337	31 480
	Capital expenditure		35	25	4 040	7 600	6 000	6 000	5 985	45 650	39 513	40 250
	Surplus/(Deficit) for the year		35 128	23 725	(19 811)	(4 560)	(3 069)	(3 069)	(747)	16	(1 176)	(8 770)

DC48 West Rand - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

R thousands	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	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																
	Single-year expenditure to be appropriated																
	Multi-year expenditure appropriation	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 1 - Corporate Governance		-	-	24	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - Municipal Manager & Support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 3 - Corporate Services		35	18	126	600	500	500	500	450	300	250					
	Vote 4 - Budget & Treasury Office		-	-	3 889	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 5 - Health & Social Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - Public Safety		-	7	-	7 000	5 500	5 500	5 500	2 200	-	-	-	-	-	-	-
	Vote 7 - Regional Planning & Economic Development		-	-	-	-	-	-	-	43 000	39 213	40 000					
	Capital single-year expenditure sub-total		35	25	4 040	7 600	6 000	6 000	6 000	-	39 513	40 250					
	Total Capital Expenditure - Vote		35	25	4 040	7 600	6 000	6 000	6 000	-	39 513	40 250					
	Capital Expenditure - Functional																
	Governance and administration																
	Executive and council				24												
	Finance and administration		35	25	4 016	600	500	500	500	480	300	250					
	Community and public safety																
	Public safety		-	-	-	7 000	5 500	5 500	5 500	5 485	-	-					
	Economic and environmental services																
	Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Expenditure - Functional		35	25	4 040	7 600	6 000	6 000	6 000	5 965	39 213	40 000					
	Funded by:																
	National Government																
	Provincial Government					7 000	5 500	5 500	5 500	5 485	39 213	40 000					
	Transfers recognised - capital																
	Internally generated funds		35	25	4 040	600	500	500	500	480	300	250					
	Total Capital Funding		35	25	4 040	7 600	6 000	6 000	6 000	5 965	39 513	40 250					

DC48 West Rand - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2020/21			Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	2019/20 Audited Outcome	2020/21 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	1											
ASSETS												
Current assets												
Cash		2 747	1 045	1 323	-	2 739	2 739	1 476	7 714	14 358	20 856	
Other debtors		34 859	17 087	6 750	10 995	6 995	6 995	6 995	2 995	1 595	-	
Inventory	2	387	90	86	220	290	290	118	122	135	147	
Total current assets		37 993	18 223	8 159	11 215	10 024	10 024	8 589	10 832	16 087	21 003	
Non current assets												
Long-term receivables		1 055	255	255	-	255	255	255	255	125	-	
Investment property		5 100	6 900	6 300	7 200	6 300	6 300	6 300	6 700	7 050	7 325	
Property, plant and equipment	3	58 857	52 489	64 056	68 378	64 056	64 056	64 056	56 206	52 106	48 356	
Biological		331	264	91	264	91	91	91	136	-	-	
Other non-current assets		14 579	14 579	-	-	-	-	-	-	-	-	
Total non current assets		79 921	74 487	70 702	75 842	70 702	70 702	70 702	63 297	59 281	55 681	
TOTAL ASSETS		117 914	92 710	78 860	87 057	80 726	80 726	79 290	74 128	75 368	76 684	
LIABILITIES												
Current liabilities												
Borrowing	4	13 095	-	-	-	-	-	-	-	-	-	
Trade and other payables	4	151 232	112 559	108 923	69 741	71 070	71 070	71 070	65 825	64 571	64 571	
Provisions		3 919	14 046	13 913	14 826	15 754	15 754	15 754	15 754	14 289	13 130	
Total current liabilities		168 245	126 605	122 836	84 567	86 824	86 824	86 824	81 579	78 860	77 701	
Non current liabilities												
Provisions		53 787	56 691	62 409	56 637	62 409	62 409	62 409	62 409	59 150	56 820	
Total non current liabilities		53 787	56 691	62 409	56 637	62 409	62 409	62 409	62 409	59 150	56 820	
TOTAL LIABILITIES		222 032	183 296	185 245	141 204	149 233	149 233	149 233	143 988	138 010	134 521	
NET ASSETS	5	(104 118)	(90 586)	(106 385)	(54 147)	(68 508)	(68 508)	(69 943)	(69 860)	(62 642)	(57 837)	
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		(104 118)	(90 586)	(106 385)	(54 147)	(68 508)	(68 508)	(69 943)	(69 860)	(62 642)	(57 837)	
TOTAL COMMUNITY WEALTH/EQUITY	5	(104 118)	(90 586)	(106 385)	(54 147)	(68 508)	(68 508)	(69 943)	(69 860)	(62 642)	(57 837)	

DC48 West Rand - Table A7 Consolidated 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											
Other revenue	1	24 634	21 735	16 694	14 350	9 579	9 579	8 143	22 130	18 910	20 628
Government - operating	1	276 412	231 101	241 318	238 143	238 490	238 490	238 490	246 405	253 153	256 929
Government - capital	1	-	2 245	3 118	9 651	9 651	9 651	9 651	47 975	41 999	42 887
Interest		411	769	1 021	750	1 498	1 498	1 421	2 244	2 345	2 448
Payments											
Suppliers and employees		(275 276)	(238 421)	(258 941)	(244 730)	(241 601)	(241 601)	(241 866)	(256 546)	(257 332)	(263 355)
Finance charges		(1 739)	(649)	-	-	-	-	-	(530)	(450)	(320)
Transfers and Grants	1	-	-	-	(11 364)	(10 201)	(10 201)	(10 201)	(11 932)	(12 469)	(12 469)
NET CASH FROM/(USED) OPERATING ACTIVITIES		24 442	16 781	3 210	6 800	7 416	7 416	5 638	49 745	46 156	46 749
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				1 108	800				880		
Decrease (increase) in non-current investments											
Payments											
Capital assets		(35)	(18)	(4 040)	(7 600)	(6 000)	(6 000)	(5 485)	(45 650)	(39 513)	(40 250)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35)	(18)	(2 932)	(6 800)	(6 000)	(6 000)	(5 485)	(44 770)	(39 513)	(40 250)
CASH FLOWS FROM FINANCING ACTIVITIES											
Payments											
Repayment of borrowing		(15 547)	(13 217)								
NET CASH FROM/(USED) FINANCING ACTIVITIES		(15 547)	(13 217)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		8 860	3 546	277	-	1 416	1 416	153	4 975	6 643	6 499
Cash/cash equivalents at the year begin:	2	(6 113)	(2 501)	1 045	-	1 323	1 323	1 323	2 739	7 714	14 358
Cash/cash equivalents at the year end:	2	2 747	1 045	1 323	-	2 739	2 739	1 476	7 714	14 358	20 856