

ITEM 18**BUDGET AND TREASURY OFFICE: 2025/2026 ANNUAL FINAL BUDGET****5/1****PURPOSE**

To table the 2025/2026 Annual Budget for Council to approval.

INTRODUCTION

Section 24(1) of Municipal Finance Management Act, 2003 states that the Municipal Council must at least 30 days before the start of the budget year consider approval of the Annual Budget.

Section 17 of MFMA further states that

- (1) An annual budget of a municipality must be a schedule in the prescribed format—
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
 - (d) setting out—
 - (i) estimated revenue and expenditure by vote for the current year; and
 - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- (2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

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 functional classification);
- 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 (will be part of the final budget);
- Table A9 – Asset Management (will be part of the final budget); and
- Table A10 - Basic service delivery measurement (will be part of the final budget).

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

DISCUSSION

Per Municipal Finance Management Act, MFMA budget circular 130 and the municipal compliance calendar, an annual budget is expected to be tabled to council by the 31 May 2025.

RECOMMENDATIONS THAT:

1. Council approve the annual final budget for approval for the financial year 2025/26 and the two outer years 2026/27 and 2027/28 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38). The omitted tables will be generated by the system and be part of the final budget Annexures.
2. to consider the approval of the final budget related policies attached in Annexure B;
3. Council approve the tabled final tariffs as contained in Annexure C for the 2025/26 budget year;
4. to take note of the MFMA Budget Circular 130 attached as Annexure D;

5. Council take note that version 6.9 of the mSCOA classification framework was used to prepare the budget;
6. Council take note of the following annexures will be submitted when the final annual budget is considered for approval:
 - The quality certificate signed by the Accounting officer as per Annexure E
 - The final 2025/26 MTREF Procurement Plan per Annexure F;
 - The final sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2025/26 MTEF, attached as Annexure G;
 - The final Top Layer SDBIP, attached as Annexure H;
7. That the Annual final budget be published on the municipal website and be submitted to National and Provincial Treasury.
8. The municipality to amend the final annual budget to improve revenue in achieving a funded budget.
9. The municipality to engage relevant spheres of government to address unfunded mandate.
10. The item be tabled at the WRDM Council meeting.

WEST RAND DISTRICT MUNICIPALITY



FINAL ANNUAL BUDGET REPORT 2025/2026 MTREF

27 MAY 2024

TABLE OF CONTENTS

PART ONE: ANNUAL BUDGET	2
1. Section one: MMC Finance Budget Speech.....	2
2. Section two: Resolutions	4
3. Section three: Executive summary	5
Table 1: High level summary of the 2025/26 MTREF	6
Table 2: Operating Budget by Functional Classification	7
Table 3: Operating budget by Revenue Source and Expenditure Type	8
Table 4: Capital projects as % of total municipal budget.....	10
Table 4: Repairs and maintenance expenditure	11
Table 5: Tariffs for 2025/26	11
Table 6: Cash flow analysis	12
4. Section four: Annual budget tables	13
PART TWO: SUPPORTING DOCUMENTATION	14
5. Section five: Overview of annual budget process	14
Table 7: Overview of annual budget process	14
6. Section six: Overview of the alignment of the annual budget with the IDP.....	14
7. Section seven: Measurable performance objectives and indicators.....	14
8. Section eight: Overview of budget related policies.....	15
9. Section nine: Overview of budget assumptions	15
10. Section ten: Expenditure on allocations and grant programmes.....	16
Table 8: Grants allocation.....	16
11. Section eleven: Transfers and grants made by the municipality.....	17
Table 9: Transfers and grants to local municipalities	17
12. Section twelve: Budgeted cash flow and monthly targets for revenue expenditure and cash flows	17
13. Section thirteen: Annual budgets and SDBIP.....	17
14. Section fourteen: Contracts having future budgetary implications	17
15. Section 19: Legislation compliance status.....	17
PART THREE: ANNEXURES	18

PART ONE: ANNUAL BUDGET

1. Section one: MMC Finance Budget Speech

The MMC Finance's budget speech for the 2025/26 Medium Term Budget and Expenditure Framework (MTREF)

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

I am presenting an annual final budget for before this council, the 2025/2026 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 2025/2026 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 balanced budget for the current year and 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 for the 3-year 2025/2026 MTREF period is R52 thousand surplus, R585 thousand surplus and R975 thousand (deficit) respectively. In other words the municipality is budgeting at a break-even point in 2025/2026, and then slowly improving in 2026/2027 and regresses in 2027/2028 outer year.

Looking into our operating revenue (excluding non-cash items revenue), the District remains 91% grant dependent and the rest of 9% is the municipality's own generated revenue. The main drivers relates to equitable share and RSC levy replacement grant which constitutes 83% of total operating grants with 2.8% increase from R244.1 million to R251.1.

Speaker, the unfortunate part is that the NDPG allocation has drastically decreased by 53% from 64.3 million to R30.4 million in next budget year. This grant assists the municipality to maintain and improve operations for service delivery.

Speaker, moving to the total expenditure, the main cost driver is employee related costs which has increased from R236.4 million to R248.3 million from the total operating expenditure of R371.9 million. The municipality has to apply for inflation rate of 5.01% of salary increment as per Salary and Wage Collective Agreement with effect from 1 July 2025. 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, there is a provision made for R4.1 million in the current year. This includes the 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 R112.7 million due to liabilities amounting to R182.6 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.

In addition to the above, through political oversight and portfolio committee meetings commitments to MFMA has been made to the Auditor General SA (AGSA) which includes:

- Engaging with the MEC of Finance and MEC CoGTA concerning Powers and Functions of the District. This will assist the municipality to source grant funding and address the unfunded budget
- To implement the revenue enhancement strategy by enforcing the Credit Control Policy to ensure that Legal Department take actions against long outstanding debts
- Leasing of the assets that requires more funds for maintenance (Donaldson Dam) to improve financial health of the municipality
- To ensure the implementation of the financial recovery plan ultimately reaches its completion stage.
- Filing of critical position to address challenges around separate of duties to strengthen improvement in internal controls and sustaining the good audit outcome on the audit of annual performance report

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

- The Annual Final Budget report item, the 2025/2026 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 2025/2026 MTREF Procurement Plan;
- The sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2025/2026 MTEF;
- The draft Top Layer SDBIP.

2. Section two: Resolutions

1. Council approve the annual final budget for approval for the financial year 2025/26 and the two outer years 2026/27 and 2027/28 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38). The omitted tables will be generated by the system and be part of the final budget Annexures.
2. to consider the approval of the final budget related policies attached in Annexure B;
3. Council approve the tabled final tariffs as contained in Annexure C for the 2025/26 budget year;
4. to take note of the MFMA Budget Circular 130 attached as Annexure D;
5. Council take note that version 6.9 of the mSCOA classification framework was used to prepare the budget;
6. Council take note of the following annexures will be submitted when the final annual budget is considered for approval:
7. The quality certificate signed by the Accounting officer as per Annexure E
8. The final 2025/26 MTREF Procurement Plan per Annexure F;
9. The final sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2025/26 MTEF, attached as Annexure G;
10. The final Top Layer SDBIP, attached as Annexure H;
11. That the Annual final budget be published on the municipal website and be submitted to National and Provincial Treasury.
12. The municipality to amend the final annual budget to improve revenue in achieving a funded budget.
13. The municipality to engage relevant spheres of government to address unfunded mandate.
14. The item be tabled at the WRDM Council meeting.
- 15.

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 2025/26 in consideration of socio-economic impact.

At the end of December 2024, South Africa's unemployment rate eased from 32.1% to 31.9%. This excludes those that are no longer seeking employment.

This budget seeks to provide resources towards objectives depicted in the municipality's Integrated Developmental Plan (IDP). The IDP process in the South African context is amongst others, an approach to planning aimed at involving the municipality and stakeholders such as private sector, government departments and the community to jointly find the best solutions towards sustainable development. Therefore, the IDP provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

Furthermore, it is important that municipal IDPs correlate with national and provincial priorities. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of lives of the communities. The West Rand Region aims to master the integrated planning process by collaborating with local municipalities, sector departments and private sector amongst others, to ensure improved service delivery and economic development.

It is within this context that the municipal budget was prepared for the 2025/26 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

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets:

Table 1: Macroeconomic performance and projections 2022 - 2027					
Fiscal year	2023/24	2024/25	2025/26	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6	4.4%
Source: Budget review 2023					

3.2. 2025/26 West Rand District Municipal budget

The third review of the approved 2022/23-2026/27 Integrated Development Plan (IDP) under the new administration, which is the 2025/26 IDP will also be considered by Council on the 27 May 2025 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.

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

The municipality has prepared its budget and A schedules on version 6.9 of the mSCOA classification framework.

A high-level summary of the 2025/26 MTREF budget is provided in the table below:

Table 1: High level summary of the 2025/26 MTREF

Description	Current year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
Rand	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue				
Transfer and subsidies - Operational	304 587 792	303 767 988	318 269 039	330 686 960
Transfer and subsidies - Capital	3 600 000	3 000 000	3 138 000	3 276 072
Other Revenue	67 321 388	69 340 200	72 529 850	75 721 163
Total Revenue	375 509 180	376 108 188	393 936 889	409 684 195
Expenditure				
Operational costs	369 509 674	371 908 567	389 016 361	406 133 081
Capital Expenditure	5 700 004	4 147 304	4 335 080	4 528 956
Total Expenditure	375 209 678	376 055 872	393 351 442	410 662 037
Surplus/(Deficit) for the year	299 502	52 317	585 447	(977 842)

3.4. Operating budget

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

Table 2: Operating Budget by Functional Classification

Gauteng: West Rand (DC48) - Table A2 Budgeted Financial Performance by Functional Classification

Description R thousands	Current year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<u>Revenue - Functional</u>					
<i>Municipal governance and administration</i>	124 516	133 148	134 770	140 970	145 587
Executive and council	40 118	40 118	41 843	43 767	45 693
Finance and administration	84 399	93 030	92 927	97 202	99 894
<i>Community and public safety</i>	185 848	185 848	193 239	202 128	211 022
Public safety	134 051	134 051	139 215	145 619	152 026
Health	51 797	51 797	54 024	56 510	58 996
<i>Economic and environmental services</i>	83 425	55 674	47 220	49 919	52 116
Planning and development	83 425	55 674	47 220	49 919	52 116
<i>Trading services</i>	840	840	879	919	959
Energy sources	840	840	879	919	959
Total Revenue - Functional	394 629	375 509	376 108	393 936	409 684
<u>Expenditure - Functional</u>					
<i>Municipal governance and administration</i>	124 453	131 632	136 924	143 085	147 796
Executive and council	42 360	42 620	44 453	46 453	48 497
Finance and administration	82 093	89 012	92 471	96 633	99 299
<i>Community and public safety</i>	185 570	185 553	188 613	197 100	205 773
Public safety	134 035	134 035	134 879	140 949	147 150
Health	51 535	51 518	53 734	56 152	58 622
<i>Economic and environmental services</i>	84 414	58 024	50 519	53 166	57 093
Planning and development	84 414	58 024	50 519	53 166	57 093
Total Expenditure - Functional	394 437	375 209	376 056	393 351	410 662
Surplus/(Deficit)	192	300	52	584	(978)

Table 3: Operating budget by Revenue Source and Expenditure Type

Gauteng: West Rand (DC48) - Table A4 Budgeted Financial Performance

Description	Current year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands					
Revenue					
Exchange Revenue					
Service charges - Electricity	840	840		-	-
Sale of Goods and Rendering of Services	11 038	11 038	11 513	12 043	12 572
Interest earned from Current and Non Current Assets	6 759	7 482	7 804	8 163	8 522
Rental from Fixed Assets	3 252	3 471	3 620	3 787	3 954
Licence and permits	734	734	766	801	836
Operational Revenue	23 042	30 146	31 442	32 889	34 336
Transfer and subsidies - Operational	331 755	304 588	303 768	318 269	330 687
Gains on disposal of Assets	1 426	1 426	1 488	1 556	1 625
Other Gains	12 183	12 183	12 707	13 291	13 876
Total Revenue (excluding capital transfers and contributions)	391 029	371 909	373 108	390 799	406 408
Expenditure					
Employee related costs	238 454	236 454	248 301	259 722	271 150
Remuneration of councillors	14 809	14 809	15 446	16 156	16 867
Inventory consumed	410	611	638	667	696
Debt impairment	(1 869)	(1 869)	(1 949)	(2 039)	(2 129)
Depreciation and amortisation	6 594	6 594	6 878	7 194	7 510
Interest	11 747	12 247	12 773	13 361	13 949
Contracted services	73 056	52 517	39 606	41 428	43 251
Transfers and subsidies	12 807	11 631	12 131	12 689	13 247
Operational costs	33 730	36 516	38 086	39 838	41 591
Total Expenditure	389 737	369 510	371 909	389 016	406 133
Surplus/(Deficit)	1 292	2 400	1 200	1 783	275
Transfers and subsidies - capital (monetary allocations)	3 600	3 600	3 000	3 138	3 276
Capital Expenditure	4 700	5 700	4 147	4 335	4 529
Surplus/(Deficit) after capital transfers and contributions	192	300	52	585	(978)
Surplus/(Deficit) for the year	192	300	52	585	(978)

The main contributors to the operating revenue and operating expenditure of the 2025/26 financial year are as indicated in the two graphs below:

Figure 1: Operating Revenue budget

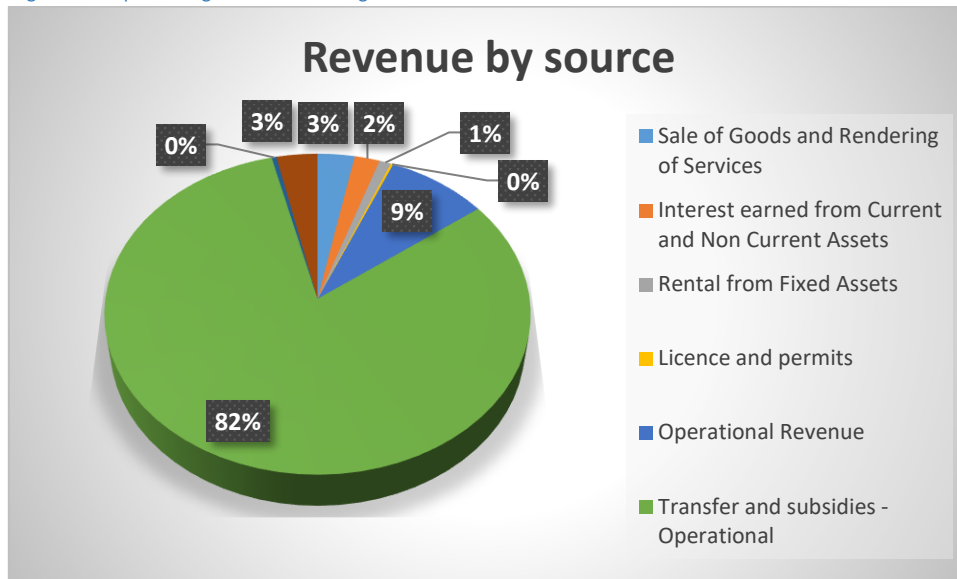
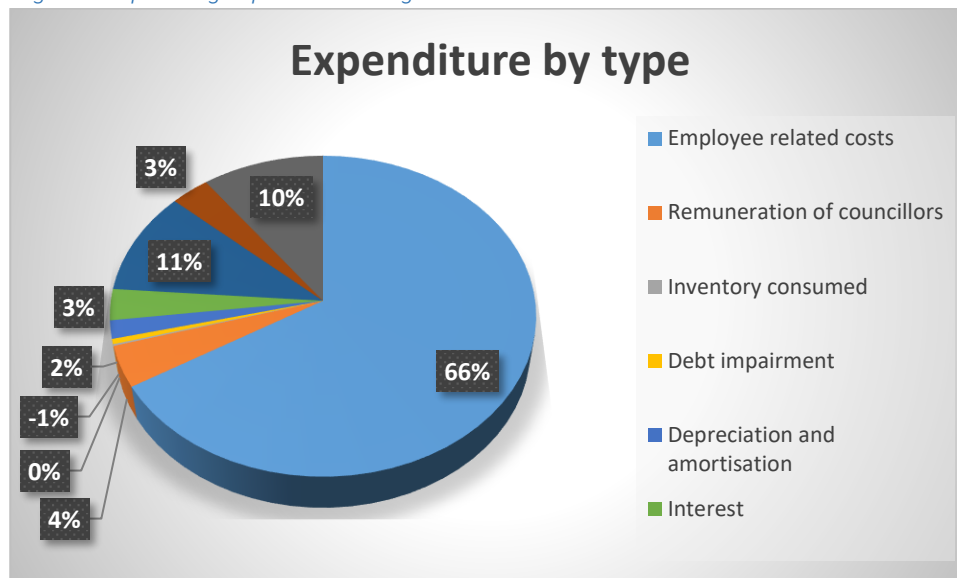


Figure 2: Operating Expenditure budget



3.5. Budgeted operating deficit

- The budgeted operating surplus for the budget year 2025/26 is at R52 thousand (surplus) which is regarded as the break-even point and for two outer years is R585 thousand (surplus) and R978 thousand (deficit) respectively.
- The reason that the municipality is budgeting for a balanced budget and deficit, inter alia, in 2025/26, 2026/27 and 2027/28 is that the depreciation charge is not fully cashed-back and increase on interest charges from the valuation of employee benefits.
- The contracted services is mainly contributed by NDPG programme of R30.8 million.
- The salary and wage increase, in terms of clauses 6.3 of the Collective Agreement shall be 5.01% with effect from 01 July 2025. is determined by the South African Local Government

Bargaining Council (SALGBC). The municipality used 5,01% for budget purposes though it has been observed over the previous years that salary increases are above inflation and has posed challenges to municipality's sustainability.

- Councilor's remuneration to be budgeted at an actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils.

3.6. Capital budget

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

Capital expenditure has decreased from 2% to 1% of the total municipal budget in 2025/26.

The municipality has allocated R4,1 million to capital expenditure which is inclusive of R3 million for fire services equipment that will be funded by provincial government. The other portion of R1,1 million is for computers and ICT equipment that would be funded by internally generated funds.

The provincial gazette is not yet published to confirm additional grants for capital expenditure.

Table 4: Capital projects as % of total municipal budget

Gauteng: West Rand (DC48) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

Description R thousands	Current year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<u>Capital Expenditure - Functional</u>					
<i>Municipal governance and administration</i>	1 100	2 100	1 147	1 200	1 253
Executive and council					
Finance and administration	1 100	2 100	1 147	1 200	1 253
Internal audit					
<i>Community and public safety</i>	3 600	3 600	3 000	3 135	3 276
Public safety	3 600	3 600	3 000	3 138	3 276
Total Capital Expenditure - Functional	4 700	5 700	4 147	4 335	4 529
<u>Funded by</u>					
Provincial Government	3 600	3 600	3 000	3 135	3 276
Transfers recognised - capital	3 600	3 600	3 000	3 135	3 276
Borrowing					
Internally generated funds	1 100	2 100	1 147	1 200	1 253
Total Capital Funding	4 700	5 700	4 147	4 335	4 529
Total expenditure	385 037	375 210	376 056	393 351	410 662
% of municipal expenditure	0.01	2%	1%	1%	1%

3.7. Repairs and maintenance expenditure

The budget for repairs and maintenance for 2025/26 is R4.8 million and R5 million throughout MTREF. The amounts reflected under repairs and maintenance represents contracted services on emergency vehicles maintenance in responding to service delivery and municipal properties.

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 1.3% of the total operating budget throughout MTREF due to financial constraints.

Table 4: Repairs and maintenance expenditure

Repairs and maintenance				
Description	Current year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
Rand	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs of equipment	170 000	177 310	185 466	193 627
Repairs and maintenance of unspecified assets: Municipal properties	3 729 000	3 889 347	4 068 257	4 247 260
Repairs of emergency vehicles	729 000	760 347	795 323	830 317
Repairs of other municipal vehicles	150 000	156 450	163 647	170 847
Total Revenue	4 628 000	4 827 004	5 049 046	5 271 204
Total Municipal Expenditure	375 209 678	376 055 872	393 351 442	410 662 037
% of municipal expenditure	1.2%	1.3%	1.3%	0.0%

3.8. Tariffs and charges

The proposed 2025/26 tariff and charges increase percentages has been provided in the table below. For comparability the previous 4 years' increases are also provided. The presented information is based on the current financial year.

Table 5: Tariffs for 2025/26

Description	Budget 2022/24	Budget 2023/24	Budget 2024/25	Budget 2025/26
Municipal own revenue tariffs				
Emergency Service Training Academy	4.8%	4.8%	5.3%	10.0%
Emergency Service Fire risk management	10.0%	10.0%	7.0%	10.0%
Municipal health services	10.0%	10.0%	10.0%	10.0%
Environmental services air quality services	Per regulation	Per regulation	Per regulation	Per regulation
-New activity R10 000 and Renewal per activity R5 000	R10 000/R5 000	R10 000/R5 000	R10 000/R5 000	R10 000/R5 000
Donaldson Dam entrance fee	5.5%	5.5%	5.3%	Event price Schedule
Rental of land and commercial premises	8.0%	8.0%	R100m2	R100m2
Residential Accommodation	-	-	Market related	5.0%
Rental of halls	10.0%	10.0%	10.0%	10.0%
Sale of flora	4.8%	4.8%	5.3%	5.3%
Sale of tender documents	4.8%	4.8%	R350	R500
Parking fees	R25	R25	R25	R100

The tariffs for 2025/26 will increase with the inflation targets, except for rental of commercial premises that will remain at a market related value of R100 per square meter and environmental services that is determined by the Regulation.

3.9. Unfunded and underfunded mandates

The municipality continues to carry the fire fighting 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 15% of the operating budget. It is imperative that a permanent solution be sought to fund both unfunded and underfunded mandates.

3.10. 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.

3.11. Working Capital analysis

Table 6: Cash flow analysis

Equitable share and Employee costs analysis				
Rand	Adjusted Budget	Budget Year 2025/26	R' Increase	% Increase
Equitable share	244 123 008	251 141 988	7 018 980	2.88%
Employee costs	(236 454 304)	(248 300 665)	(11 846 361)	5.01%
Remuneration of Councilors	(14 808 732)	(15 489 934)	(681 202)	4.60%
Surplus/(Shortfal)	(7 140 028)	(12 648 610)	(5 508 582)	

The municipality will have a shortfall of R12 million emanating from the employee related costs in 2025/26 excluding suppliers and creditors. The municipality can only settle its creditors in 2025/26 provided that is collecting from long outstanding debtors and cash injection. The municipality is expected to incur a shortfall in the budget year due to the negative impact of non-cash items and salaries being the highest expenditure with no additional revenue streams.

3.12. 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 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.

3.13. Conclusion

Currently there are much economic uncertainties. Many households and businesses are in distress. The municipality is also operating the financial recovery mode without generating sufficient own revenue to meet its current obligations. It is important to note that expenditure required to address the challenges facing the municipality and our communities will always exceed the available funding, hence the implementation of the financial strategies to achieve the balance to expenditure against realistically anticipated revenue as stipulated in Section 18 of the MFMA.

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 functional classification);
- 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 2025/26 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	31 August 2024
IDP public participation process	07 September 2024 to 30 September 2024
Budget steering committee meetings	09 February 2025 08 March 2025 12 May 2025
Departments requested to budget in accordance with IDP needs	29 November 2025 to February 2025
Tabling of DoRA Bill and Gauteng Provincial government appropriation bill	23 February 2025 to 09 March 2025
Table Budget and IDP to Council	31 Mar 2025
Advertise budget in the website and local newspaper	29 April 2025
Public participation and stakeholders engagement meetings	4 to 14 April 2025
Closing of comments and representations on the IDP and tabled budget	21 April 2025
Workshop with Council on budget related policies and public inputs	30 April 2025
Budget benchmarking exercise with Gauteng Provincial Treasury	15 May 2025
Consideration of final budget approval by Council	27 May 2025

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
- 2025/26 Municipal tariff book
- Loss Control Policy
- Cost Containment policy
- Travel allowance policy
- 2025/26 Financial turnaround strategy/ Funding budget plan

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 revenue increases was 4.3% for 2025/26, 4.6% for 2026/27 and 4.4% for 2027/28 as guided by MFMA Circular 130.
- Refer to section 3.9 for more information about the tariff increases.
- Tariffs and charges are not cost reflective in compiling a budget due to unfunded mandates.
- National grants was budgeted in accordance with Division of Revenue Bill and gazetted allocations.
- Provincial grants are budgeted in accordance with the Provincial Gazette.
- VAT recovery is based on 15% of payments made to vatable suppliers

Expenditure budget assumptions

- The average estimated CPIX which were used to determine the tariff increases was 4.3% for 2025/26, 4.6% for 2026/27 and 4.4% for 2027/28 as guided by MFMA Circular 130.
- Employee related cost based on Salary and Wage Collective Agreement implemented from effective 1 July 2025 and increment aligned to inflationary increases. Notch increment has been put on abeyance.
- **Senior managers salaries not increased**
- Councillor remuneration is informed by upper limit (CPIX provision is made along with other expenditure)
- 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 gazetted allocations.
- ICT equipment based on the needs analysis and reports tabled to ICT steering committee.

10. Section ten: Expenditure on allocations and grant programmes

The total grants to be received for 2025/26 comprises R306.7 million, and for the two outer years are R321.4 million and R333.9 million respectively. The split between the various grants are listed below.

Table 8: Grants allocation

Gauteng: West Rand (DC48) - Table SA18 Transfers and Grant Receipts										
Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
RECEIPTS										
Operating										
National Government										
Equitable Share		222 589	230 252	238 416	244 123	244 123	244 123	251 141 988	262 694 519	274 253 078
Expanded Public Works Programme Integrated Grant		1 090	1 221	1 203	1 250	1 250	1 250	1 649 004	1 724 858	1 800 752
Local Government Financial Management Grant		1 000	1 200	1 200	1 200	1 122	1 122	1 299 996	1 359 796	1 419 627
Neighbourhood Development Partnership Grant					64 367	38 483	38 483	30 417 996	31 817 224	33 217 182
Road Asset Management Systems Grant (Schedule 5B)				2 647	2 911	2 911	2 911	3 041 004	3 180 890	3 320 849
Total Operating/National Government		224 679	232 673	243 466	313 851	287 889	287 889	287 549 988	300 777 287	314 011 488
Provincial Government										
Capacity Building and Other		11 514	14 229	20 749	13 068	13 068	13 068	13 068 000	14 215 752	13 552 352
Total Operating/Provincial Government		11 514	14 229	20 749	13 068	13 068	13 068	13 068 000	14 215 752	13 552 352
Other Grant Providers										
Education, Training and Development Practices SETA				3 182	3 000	3 000	3 000	3 150 000	3 276 000	3 123 120
Unspecified					1 836	1 836	1 836			
Total Operating/Other Grant Providers		-	-	3 182	4 836	4 836	4 836	3 150 000	3 276 000	3 123 120
Total Operating		236 193	246 902	267 396	331 755	305 793	305 793	303 767 988	318 269 039	330 686 960
Capital										
National Government										
Neighbourhood Development Partnership Grant			44 000	73 429						
Rural Road Asset Management Systems Grant		2 518	2 338							
Total Capital/National Government		2 518	46 338	73 429	-	-	-	-	-	-
Provincial Government										
Capacity Building and Other		7 000	324	5 975	3 600	3 600	3 600	3 000 000	3 138 000	3 276 072
Total Capital/Provincial Government		7 000	324	5 975	3 600	3 600	3 600	3 000 000	3 138 000	3 276 072
Total Capital		9 518	46 662	79 404	3 600	3 600	3 600	3 000 000	3 138 000	3 276 072
TOTAL		245 712	293 563	346 801	335 355	309 393	309 393	306 767 988	321 407 039	333 963 032

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

The total transfers and grants amount to R13,068 million in 2025/26, HIV/ Aids subsidy is made to local municipalities in two trenches.

Table 9: Transfers and grants to local municipalities

Description R thousand	Apportion	Budget 2023/24
Transfers and subsidies		
Mogale City Local Municipality	44%	5 750
Rand West City Local Municipality	32%	4 182
Merafong City Local Municipality	24%	3 136
		13 068

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 2025/26 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, 128, 129, 130.
- 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 130 is included in the budget documentation as Annexure G.

PART THREE: ANNEXURES

Annexure A- Budget tables (A schedule)

Gauteng: West Rand (DC48) - Table A1 Budget Summary Revenue & Expenditure

Description	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands									
<u>Financial Performance</u>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	519	568	514	840	840	840	-	-	-
Investment revenue	1 495	3 334	6 665	6 759	7 482	7 482	7 804	8 163	8 522
Transfer and subsidies - Operational	239 794	249 460	267 522	331 755	304 588	304 588	303 768	318 269	330 687
Other own revenue	5 840	5 090	4 254	51 676	58 999	58 999	61 536	64 367	67 199
Total Revenue (excluding capital transfers and contributions)	247 648	258 452	278 955	391 029	371 909	371 909	373 108	390 799	406 408
Employee costs	199 954	210 246	216 278	238 454	236 454	236 454	248 301	259 722	271 150
Remuneration of councillors	11 019	11 978	13 155	14 809	14 809	14 809	15 446	16 156	16 867
Depreciation and amortisation	6 030	5 123	5 350	6 594	6 594	6 594	6 878	7 194	7 510
Finance charges	3 476	2 545	2 774	11 747	12 247	12 247	12 773	13 361	13 949
Inventory consumed and bulk purchases	267	475	740	410	611	611	638	667	696
Transfers and subsidies	11 363	11 932	12 242	12 807	11 631	11 631	12 131	12 689	13 247
Other expenditure	26 046	70 817	106 344	104 916	87 164	87 164	75 743	79 227	82 713
Total Expenditure	258 156	313 115	356 882	389 737	369 510	369 510	371 909	389 016	406 133
Surplus/(Deficit)	(10 508)	(54 663)	(77 927)	1 292	2 400	2 400	1 200	1 783	275
Transfers and subsidies - capital (monetary allocations)	9 518	46 662	79 404	3 600	3 600	3 600	3 000	3 138	3 276
Transfers and subsidies - capital (in-kind)	9	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(980)	(8 001)	1 477	4 892	6 000	6 000	4 200	4 921	3 551
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(980)	(8 001)	1 477	4 892	6 000	6 000	4 200	4 921	3 551
<u>Capital expenditure & funds sources</u>									
Capital expenditure	5 259	2 130	5 998	4 700	5 700	5 700	3 000	12 131	12 664
Transfers recognised - capital	4 758	419	5 717	3 678	3 678	3 678	3 000	3 138	3 276
Internally generated funds	-	921	517	1 022	2 022	2 022	1 147	1 200	1 253
Total sources of capital funds	4 758	1 340	6 234	4 700	5 700	5 700	5 985	4 338	4 529

<u>Financial position</u>									
Total current assets	45 094	61 360	53 081	27 999	28 466	28 466	29 690	31 055	32 422
Total non current assets	71 438	68 433	68 855	67 598	69 355	69 355	72 338	75 665	78 995
Total current liabilities	167 927	183 858	169 491	130 892	116 466	116 466	121 474	127 062	132 653
Total non current liabilities	56 372	59 856	64 889	73 704	78 810	78 810	82 199	85 980	89 763
Community wealth/Equity	(107 933)	(113 921)	(112 444)	(108 999)	(97 455)	(97 455)	(101 645)	(106 321)	(110 999)
<u>Cash flows</u>									
Net cash from (used) operating	456 097	558 344	1 316 809	(17 222)	(2 885)	(2 885)	(6 004)	(6 299)	(6 873)
Net cash from (used) investing	(7 655)	(1 137)	(4 391)	(4 700)	(5 700)	(5 700)	(4 147)	(4 338)	(4 529)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	449 688	559 848	1 330 942	(3 397)	1 030	(5 938)	(9 121)	(19 754)	(31 153)
<u>Asset management</u>									
Asset register summary (WDV)	71 997	68 992	69 415	67 598	69 355	69 355	72 338	75 665	78 995
Depreciation	4 831	5 123	5 350	6 594	6 594	6 594	6 878	7 194	7 510
Renewal and Upgrading of Existing Assets	293	324	-	-	-	-	-	-	-
Repairs and Maintenance	263	1 204	4 279	1 629	4 629	4 629	4 363	4 564	4 765
<u>Free services</u>									
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-
<u>Households below minimum service level</u>	-	-	-	-	-	-	-	-	-
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

Gauteng: West Rand (DC48) - Table A2 Budgeted Financial Performance by Functional Classification

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
Revenue - Functional										
<i>Municipal governance and administration</i>		74 401	72 673	77 756	124 516	133 148	133 148	134 770	140 970	145 587
Executive and council		9 012	23 025	16 671	40 118	40 118	40 118	41 843	43 767	45 693
Finance and administration		56 455	49 648	53 944	84 399	93 030	93 030	92 927	97 202	99 894
<i>Community and public safety</i>		158 257	156 378	173 794	185 848	185 848	185 848	193 239	202 128	211 022
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		112 162	109 393	125 075	134 051	134 051	134 051	139 215	145 619	152 026
Housing		-	-	-	-	-	-	-	-	-
Health		46 095	46 984	48 720	51 797	51 797	51 797	54 024	56 510	58 996
<i>Economic and environmental services</i>		23 999	75 495	106 295	83 425	55 674	55 674	47 220	49 919	52 116
Planning and development		23 999	75 495	106 295	83 425	55 674	55 674	47 220	49 919	52 116
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		519	568	514	840	840	840	879	919	959
Energy sources		519	568	514	840	840	840	879	919	959
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	257 176	305 114	358 359	394 629	375 509	375 509	376 108	393 936	409 684
Expenditure - Functional										
<i>Municipal governance and administration</i>		95 386	108 012	109 348	124 453	131 632	131 632	136 924	143 085	147 796
Executive and council		21 979	26 155	35 761	42 360	42 620	42 620	44 453	46 453	48 497
Finance and administration		59 716	72 741	69 790	82 093	89 012	89 012	92 471	96 633	99 299
<i>Community and public safety</i>		141 660	151 687	167 800	185 570	185 553	185 553	188 613	197 100	205 773
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		100 000	105 666	118 912	134 035	134 035	134 035	134 879	140 949	147 150
Housing		-	-	-	-	-	-	-	-	-
Health		41 660	46 021	48 889	51 535	51 518	51 518	53 734	56 152	58 622
<i>Economic and environmental services</i>		21 110	53 416	79 734	84 414	58 024	58 024	50 519	53 166	57 093
Planning and development		21 110	53 416	79 734	84 414	58 024	58 024	50 519	53 166	57 093
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	258 156	313 115	356 882	394 437	375 209	375 209	376 056	393 351	410 662
Surplus/(Deficit)		(980)	(8 001)	1 477	192	300	300	52	584	(978)

Gauteng: West Rand (DC48) - Table A4 Budgeted Financial Performance

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	519	568	514	840	840	840	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 459	1 604	1 466	11 038	11 038	11 038	11 513	12 043	12 572
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		1 495	3 334	6 665	6 759	7 482	7 482	7 804	8 163	8 522
Dividends		183	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		(1 827)	2 027	2 094	3 252	3 471	3 471	3 620	3 787	3 954
Licence and permits		30	421	533	734	734	734	766	801	836
Operational Revenue		215	232	224	23 042	30 146	30 146	31 442	32 889	34 336
Non-Exchange Revenue								-	-	-
Property rates	2	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		239 794	249 460	267 522	331 755	304 588	304 588	303 768	318 269	330 687
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	6	-	1 426	1 426	1 426	1 488	1 556	1 625
Other Gains		5 775	800	(63)	12 183	12 183	12 183	12 707	13 291	13 876
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		247 648	258 452	278 955	391 029	371 909	371 909	373 108	390 799	406 408

Gauteng: West Rand (DC48) - Table A4 Budgeted Financial Performance

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
Expenditure										
Employee related costs	2	199 954	210 246	216 278	238 454	236 454	236 454	248 301	259 722	271 150
Remuneration of councillors		11 019	11 978	13 155	14 809	14 809	14 809	15 446	16 156	16 867
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-
Inventory consumed	8	267	475	740	410	611	611	638	667	696
Debt impairment	3	(9 391)	(859)	536	(1 869)	(1 869)	(1 869)	(1 949)	(2 039)	(2 129)
Depreciation and amortisation		6 030	5 123	5 350	6 594	6 594	6 594	6 878	7 194	7 510
Interest		3 476	2 545	2 774	11 747	12 247	12 247	12 773	13 361	13 949
Contracted services		11 215	46 291	74 084	73 056	52 517	52 517	39 606	41 428	43 251
Transfers and subsidies		11 363	11 932	12 242	12 807	11 631	11 631	12 131	12 689	13 247
Irrecoverable debts written off		-	156	716	-	-	-	-	-	-
Operational costs		24 359	25 163	30 988	33 730	36 516	36 516	38 086	39 838	41 591
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		(137)	66	21	-	-	-	-	-	-
Total Expenditure		258 156	313 115	356 882	389 737	369 510	369 510	371 909	389 016	406 133
Surplus/(Deficit)		(10 508)	(54 663)	(77 927)	1 292	2 400	2 400	1 200	1 783	275
Transfers and subsidies - capital (monetary allocations)	6	9 518	46 662	79 404	3 600	3 600	3 600	3 000	3 138	3 276
Capital Expenditure	6	9	-	-	4 700	5 700	5 700	4 147	4 335	4 529
Surplus/(Deficit) after capital transfers and contributions		(980)	(8 001)	1 477	192	300	300	52	585	(978)
Surplus/(Deficit) for the year		(980)	(8 001)	1 477	192	300	300	52	585	(978)

Gauteng: West Rand (DC48) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
Capital Expenditure - Functional										
<i>Municipal governance and administration</i>		493	894	501	1 100	2 100	2 100	1 147	1 200	1 253
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		493	894	501	1 100	2 100	2 100	1 147	1 200	1 253
<i>Community and public safety</i>		4 758	966	5 457	3 600	3 600	3 600	3 000	3 135	3 276
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 758	966	5 457	3 600	3 600	3 600	3 000	3 138	3 276
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9	270	39	-	-	-	-	-	-
Planning and development		9	270	39	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	5 259	2 130	5 998	4 700	5 700	5 700	4 147	4 335	4 529
Funded by	-	-	-	-	-	-	-	-	-	-
National Government		-	298	276	-	-	-	-	-	-
Provincial Government		4 758	121	5 441	3 600	3 600	3 600	3 000	3 135	3 276
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	4 758	419	5 717	3 600	3 600	3 600	3 000	3 135	3 276
Borrowing	6									
Internally generated funds			921	517	1 100	2 100	2 100	1 147	1 200	1 253
Total Capital Funding	7	4 758	1 340	6 234	4 700	5 700	5 700	4 147	4 335	4 529

Gauteng: West Rand (DC48) - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1									
ASSETS										
Current assets										
Cash and cash equivalents		2 640	18 524	9 612	5 906	9 615	3 163	10 029	10 490	10 951
Trade and other receivables from exchange transactions	1	1 480	3 339	3 742	3 054	4 100	3 274	4 276	4 473	4 670
Receivables from non-exchange transactions	1	1 618	1 091	358	4 334	-	4 334	-	-	-
Inventory	2	402	238	265	238	283	238	295	309	323
VAT		38 424	37 639	38 574	14 468	14 468	14 468	15 090	15 784	16 478
Total current assets		45 094	61 360	53 081	27 999	28 466	25 476	29 690	31 055	32 422
Non current assets										
Investment property		8 400	9 200	9 200	9 700	9 200	9 700	9 596	10 037	10 479
Property, plant and equipment	3	63 269	59 530	60 036	57 737	60 077	58 737	62 660	65 543	68 427
Biological assets		228	162	78	162	78	162	82	86	89
Total non current assets		71 438	68 433	68 855	67 598	69 355	68 598	72 338	75 665	78 995
TOTAL ASSETS		116 532	129 793	121 936	95 597	97 821	94 075	102 027	106 721	111 416
LIABILITIES										
Current liabilities										
Trade and other payables from exchange transactions	4	90 754	75 649	71 927	87 060	66 533	84 045	69 394	72 586	75 779
Trade and other payables from non-exchange transactions	5	(1 064)	27 423	15 108	29 446	33 034	29 524	34 454	36 039	37 625
Provision		35 530	37 463	38 469	12 409	15 194	12 909	15 847	16 576	17 306
VAT		39 000	39 616	40 280	1 977	1 706	1 977	1 779	1 861	1 943
Total current liabilities		167 927	183 858	169 491	130 892	116 466	128 455	121 474	127 062	132 653
Non current liabilities										
Provision	7	4 793	12 322	14 348	33 267	28 382	33 267	29 602	30 964	32 327
Other non-current liabilities		51 579	47 534	50 541	40 438	50 428	40 438	52 596	55 016	57 437
Total non current liabilities		56 372	59 856	64 889	73 704	78 810	73 704	82 199	85 980	89 763
TOTAL LIABILITIES		224 299	243 714	234 380	204 596	195 276	202 159	203 673	213 042	222 416
NET ASSETS	10	(107 767)	(113 921)	(112 444)	(108 999)	(97 455)	(108 085)	(101 645)	(106 321)	(110 999)
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	8	(107 933)	(113 921)	(112 444)	(108 999)	(97 455)	(108 085)	(101 645)	(106 321)	(110 999)
TOTAL COMMUNITY WEALTH/EQUITY	10	(107 933)	(113 921)	(112 444)	(108 999)	(97 455)	(108 085)	(101 645)	(106 321)	(110 999)

Gauteng: West Rand (DC48) - Table A7 Budgeted Cash Flows

Description	Ref	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates		-	-	-	-	-	-
Service charges		-	-	-	-	-	-
Other revenue		25 416	46 230	46 230	47 342	49 519	51 698
Transfers and Subsidies - Operational	1	323 607	304 588	304 588	303 768	318 269	330 687
Transfers and Subsidies - Capital	1	-	3 600	3 600	3 000	3 138	3 276
Interest		6 759	7 482	7 482	7 804	8 163	8 522
Dividends		-	-	-	-	-	-
Payments							
Suppliers and employees		(350 854)	(340 907)	(340 907)	(342 076)	(357 812)	(373 556)
Finance charges		(2 584)	(12 247)	(12 247)	(12 773)	(13 361)	(13 949)
Transfers and Subsidies	1	(12 807)	(11 631)	(11 631)	(13 068)	(14 216)	(13 552)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(10 464)	(2 885)	(2 885)	(6 004)	(6 299)	(6 873)
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE		-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-
Payments							
Capital assets		(4 700)	(5 700)	(5 700)	(4 147)	(4 334)	(4 525)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 700)	(5 700)	(5 700)	(4 147)	(4 334)	(4 525)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans		-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-
Payments							
Repayment of borrowing		-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(15 164)	(8 585)	(8 585)	(10 151)	(10 633)	(11 398)
Cash/cash equivalents at the year begin:	2	18 526	9 615	9 615	1 030	(9 121)	(19 754)
Cash/cash equivalents at the year end:	2	3 362	1 030	1 030	(9 121)	(19 754)	(31 153)