

ITEM

SEC 80: FIN, MC, WRDM

BUDGET AND TREASURY OFFICE: 2023/2024 ANNUAL DRAFT BUDGET

5/1

PURPOSE

To report to the Council on the 2023/2024 Annual Draft Budget report to be tabled to Council.

INTRODUCTION

Section 16(2) of Municipal finance management Act, 2003 states that the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

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 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 tabled to council by the 31 March 2023.

RECOMMENDATIONS THAT:

It is recommended –

1. Council to takes note of the tabling of the annual draft budget of the municipality 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 to takes note of the proposed changes to the draft budget related policies attached in Annexure B, which will be discussed during a workshop with Council on April 2022, and again re-submitted to Council on 25 May 2023 for final consideration.

3. The Mayoral Committee recommend to Council to approve the tabled tariffs as contained in Annexure C for the 2023/24 budget year;
4. Council takes note of the 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. That the Annual draft budget be published on the municipal website for public participation and be submitted to National and Provincial Treasury.
7. Council takes 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 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;
8. The municipality to amend on the draft annual budget to improve revenue in achieving a funded budget.
9. The Executive Mayor and MMC: Finance to engage with MEC of Finance concerning unfunded mandates as well as the powers and functions of the WRDM.
10. The item be tabled at the WRDM Council meeting.

WEST RAND DISTRICT MUNICIPALITY



ANNUAL DRAFT BUDGET REPORT 2023/2024 MTREF

23 MARCH 2023

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PART ONE: ANNUAL BUDGET

1. Section one: MMC Finance Budget Speech

The MMC Finance's budget speech for the 2023/24 Medium Term Budget and Expenditure Framework (MTREF) will be submitted to Council on 25 May 2023, after the public participation process has been completed, and when the annual budget is considered by Council for approval.

2. Section two: Resolutions

It is recommended –

11. That the tabling of the draft annual budget of the municipality be noted for the financial year 2023/24 and the two outer years 2024/25 and 2025/26 as per Annexure A
12. That Council take note of the proposed changes to the budget related policies attached in Annexure B, which will be discussed during a workshop with Council on April 2022, and again re-submitted to Council on 25 May 2023 for final consideration.
13. That Council approves the tabled tariffs as contained in Annexure C for the 2023/24 budget year;
14. That Council takes note of MFMA Budget Circular 123 attached as Annexure D;
15. That Council takes note that version 6.7 of the mSCOA classification framework was used to prepare the budget;
16. That the Annual tabled budget be published on the municipal website for public participation and be submitted to National and Provincial Treasury.
17. Council notes that 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 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;
18. The municipality to amend on the draft annual budget to improve revenue in achieving a funded budget.
19. The Executive Mayor and MMC: Finance to engage with MEC of Finance concerning unfunded mandates as well as the powers and functions of the WRDM.

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

Honorable Minister Enoch Godongwana delivered his budget speech on 22 February 2023.

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:

Table 1: Macroeconomic performance and projections 2021 - 2026					
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%
<i>Source: Budget review 2023</i>					

3.3. 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.

3.4. 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.

3.5. 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.

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

Description	Current Year 2022/23	2023/24 MTREF		
	Adjusted Budget	Budget Year +1 2023/24	Budget Year +2 2024/25	Budget Year +2 2025/26
Operating Revenue	36 216	20 685	21 345	22 343
Operating Grants	249 290	254 551	266 311	274 033
Capital grants	48 975	72 786	51 770	43 041
Total Revenue	334 481	348 022	339 426	339 416
Operating expenditure	287 365	294 418	301 050	313 494
Capital expenditure	47 100	70 350	49 109	40 250
Total Expenditure	334 465	364 768	350 159	353 744
Surplus/(deficit)	16	(16 747)	(10 733)	(14 328)

3.6. Operating budget

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

Table 2: Operating budget

Description	Ref	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	1					
Revenue By Source						
Rental of facilities and equipment		2 365	2 365	2 114	2 218	2 322
Interest earned - external investments		2 244	2 244	3 604	3 777	3 954
Interest earned - outstanding receivables		211	368	374	392	410
Licences and permits		250	774	738	775	811
Reversal on impairment of investment		3 600	3 600	3 600	3 776	3 954
Transfers and subsidies		246 405	249 290	254 551	266 311	274 033
Other revenue	2	24 185	35 910	20 335	21 345	22 343
Gains on disposal of PPE		560	306	350	-	-
Total Revenue (excluding capital transfers and contributions)		271 150	285 506	275 236	287 656	296 375
Expenditure By Type						
Employee related costs		211 367	214 744	222 569	232 362	242 819
Employee related costs		13 132	12 186	13 132	12 570	12 670
Debt impairment	3	650	650	650	500	350
Depreciation & asset impairment	2	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	8	250	250	250	300	350
Contracted services		11 358	11 022	10 714	11 239	11 767
Transfers and subsidies		11 932	13 192	11 932	10 756	11 257
Operating costs	4, 5	20 439	23 418	23 236	22 487	23 544
Loss on disposal of PPE						
Total Operating Expenditure		273 458	287 365	294 418	301 050	313 494
Capital expenditure		45 650	47 100	70 350	49 109	40 250
Capital Transfers and subsidies		47 975	48 975	72 786	51 770	43 041
Surplus/(Deficit) for the year	6	16	16	(16 747)	(10 733)	(14 328)

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

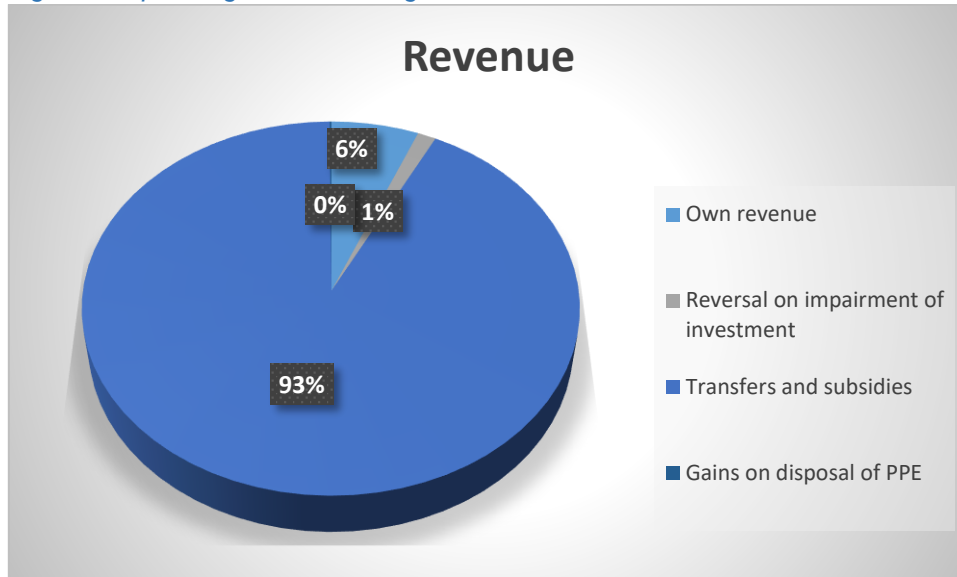
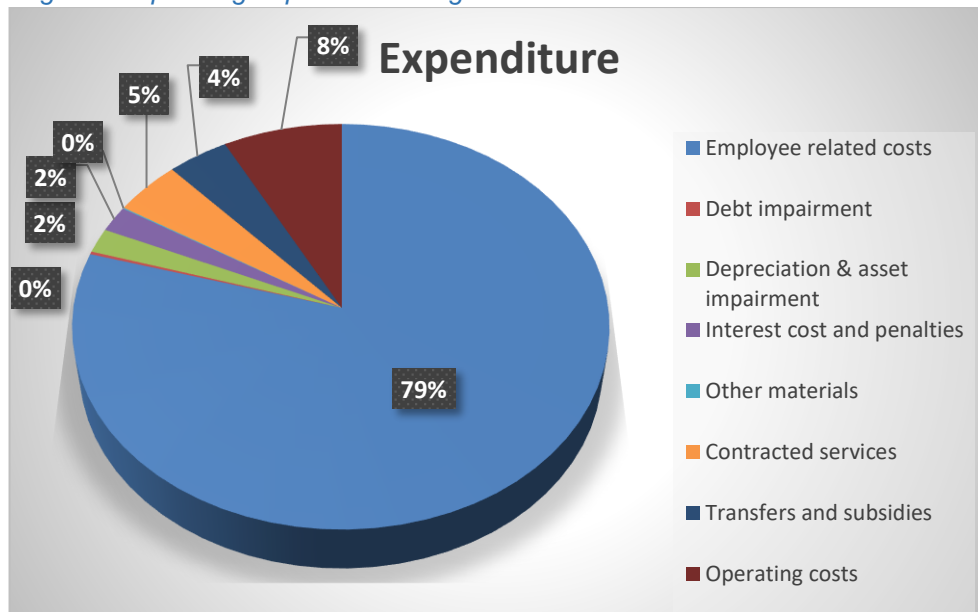


Figure 2: Operating Expenditure budget



3.7. Budgeted operating deficit

The budgeted operating deficit or surplus for the 3-year 2023/24 MTREF period is R16.7 million (deficit), R10.7 million (deficit) and R14.3 million (deficit) respectively. The reason that the municipality is budgeting for a deficit, inter alia, in 2023/24, 2023/24 and 2024/25 is that the depreciation charge is not fully cashed-back. The other reason relates to salaries and wages increment based on inflation increase which is 5.4% in 2023/24, 4.8% in 2023/24 and 4.7% in 2024/25. 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 and 2024 according to the Reserve Bank's Monetary Committee Statement for January 2023.

The salary has increased the operating deficit with R11.2 million from the original budget of 2022/23; depreciation with R2 million and interest on employee post benefit with R4.5 million.

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.

3.8. 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 has increased from 14% to 19% of the total municipal budget in 2023/24, 14% in 2024/25 and 11% in 2025/26 due to capital injection of Neighborhood Development Partnership grant (NDPG) from National government.

The construction of multi-purpose center is funded through neighborhood development partnership grant gazette in a DoRA bill.

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 centre at Finsbury	40 723	70 000	48 859	40 000
Road construction	3 277	-	-	-
Computer equipment	450	350	250	250
Purchase of motor vehicle	450	-	-	-
Fire service vehicles	2 200	-	-	-
Total capital expenditure	47 100	70 350	49 109	40 250
Total municipal expenditure	334 465	365 624	348 073	351 375
% of municipal expenditure	14%	19%	14%	11%

3.9. Repairs and maintenance expenditure

The budget for repairs and maintenance for 2023/24, 2024/25 and 2025/26 is R1.4 million, R1.46 million and R1.5 million respectively (see table below). The amounts reflected under 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 MTREF. The municipality is also intending to repair it's municipal buildings due to its current state to improve the working conditions of its employees. Due to financial constraints

with no funding assistance to repair the municipal building, the municipality has allocated a budget of R600 thousand for 2023/24 financial year.

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	510	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	1 200	1 400	1 469	1 538
Total municipal expenditure	334 465	365 624	348 073	351 375
% of municipal expenditure	0.4%	0.4%	0.4%	0.4%

3.10. 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	5.6%	3.5%	4.8%	4.8%
Emergency Service Fire risk management	5.6%	3.5%	10.0%	10.0%
Municipal health services	5.6%	3.5%	10.0%	10.0%
Environmental services air quality services	Per regulation	Per regulation	Per regulation	Per regulation
Donaldson Dam entrance fee	5.6%	3.5%	5.5%	5.5%
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	5.6%	3.5%	4.8%	4.8%
Sale of tender documents	5.6%	3.5%	4.8%	4.8%

The tariffs for 2022/23 and 2023/24 will increase with the inflation targets, except for rental of halls and commercial premises due to lease agreements held with commercial customers.

3.11. 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 20% of the operating budget. It is imperative that a permanent solution be sought to fund both unfunded and underfunded mandates.

3.12. 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.

3.13. 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	214 744	222 569	232 362	242 819
Remuneration of councilors	12 186	13 132	12 570	12 670
Other expenditure	34 440	33 950	33 726	35 311
Total operating expenditure	274 811	281 834	289 715	302 406
Suppliers and employees	(260 069)	(269 902)	(278 958)	(291 150)
Finance charges	(6 103)	(6 135)	(6 435)	(6 738)
Transfers and grants	(11 932)	(11 932)	(10 756)	(11 257)
Balance to settle creditors	(3 293)	(6 135)	(6 435)	(6 738)

The municipality will only have a surplus cash to settle its creditors in 2023/24 provided that is collecting from long outstanding debtors. The municipality is expected to incur cash shortfall of R16.7 million and R10,7 million in 2023/24 and 2024/25 respectively based on the negative impact of salary increment. This impact is expected to increase the creditors' book by R11 million owing to salary increment.

3.14. 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.

3.15. 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 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	31 August 2022
IDP public participation process	07 September 2022 to 30 September 2022
Budget steering committee meetings	09 February 2023 08 March 2023 12 May 2023
Departments requested to budget in accordance with IDP needs	29 November 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	31 Mar 2023
Advertise budget in the website and local newspaper	29 April 2023
Public participation and stakeholders engagement meetings	4 to 14 April 2023
Closing of comments and representations on the IDP and tabled budget	21 April 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	25 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

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. **(not yet issued)**
- VAT recovery is based on 15% of payments made to vatable suppliers
- Interest on investment is based on repo rate 7.25% and interest on outstanding debtors is based on prime lending rate of 10.5%.

Expenditure budget assumptions

- The average estimated CPIX which were used to determine the tariff increases was 5.3% for 2023/24, 4.9% for 2023/24 and 4.7% for 2024/25 as guided by MFMA Circular 123.
- Employee related cost based on Salary and Wage Collective Agreement implemented from effective 1 July 2023 and increment aligned to inflationary increases. Notch increment has been put on abeyance.
- Moratorium 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 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 2023/24 comprises R327 million, and for the two outer years are R318 million and R317 million respectively. The split between the various grants are listed below.

Table 8: Grants allocation

Description	Ref	Current Year 2022/23			2022/23 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	11 932	10 756	11 257
Health Subsidy		11 932	13 192	13 192	11 932	10 756	11 257
GRAP 17		-	425	425	-	-	-
Library Grant		-	-	-	-	-	-
Other transfers and grants							
		1 800	3 000	3 000	1 800		
LG SETA		1 800	3 000	3 000	1 800	-	-
Total Operating Transfers and Grants	5	246 405	249 290	249 290	254 551	266 311	274 033
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	-		
Fire Rescue Services		2 200	2 200	2 200	-	-	-
Total Capital Transfers and Grants	5	47 975	48 975	48 975	72 786	51 770	43 041
TOTAL RECEIPTS OF TRANSFERS & GRA	5	294 380	298 265	298 265	327 337	318 081	317 074

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

The total transfers and grants amount to R11.9 million in 2022/23, HIV/ Aids subsidy is made to local municipalities in two trenches.

Table 9: Transfers and grants

Description R thousand	Apportion	Budget 2023/24
Transfers and subsidies		
Mogale City Local Municipality	44%	5 250
Rand West City Local Municipality	32%	3 818
Merafong City Local Municipality	24%	2 864
		11 932

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)

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Interest earned	769	1 021	1 490	2 244	2 244	2 244	1 337	3 419	3 600	3 770
Transfers recognised - operational	271 478	244 857	249 737	246 405	249 290	249 290	238 490	254 551	266 311	274 033
Other own revenue	7 676	3 513	4 352	18 901	33 972	33 666	12 281	17 266	17 744	18 573
Total Revenue (excluding capital transfers and contributions)	279 924	249 391	255 580	267 550	285 506	285 200	252 108	275 236	287 656	296 375
Employee costs	181 591	195 838	196 012	211 367	214 744	214 744	196 198	222 569	232 362	242 819
Remuneration of councillors	13 244	12 572	11 118	13 132	12 186	12 186	10 406	13 132	12 570	12 670
Depreciation & asset impairment	4 454	4 520	4 831	4 450	6 450	6 450	6 345	6 450	4 900	4 350
Interest cost and penalties	8 400	8 454	8 944	530	6 103	6 103	746	6 135	6 435	6 738
Materials and bulk purchases	8 240	(2 852)	282	250	250	250	171	250	300	350
Transfers and grants	7 444	11 189	11 514	11 932	13 192	13 192	10 201	11 932	10 756	11 257
Other expenditure	48 091	26 819	32 881	31 797	34 440	34 440	32 474	33 950	33 726	35 311
Total Expenditure	271 462	256 540	265 581	273 458	287 365	287 365	256 540	294 418	301 050	313 494
Operating Surplus/(Deficit)	8 461	(7 150)	(10 001)	(5 909)	(1 859)	(2 164)	(4 433)	(19 183)	(13 394)	(17 119)
Transfers and subsidies - capital (monetary allocations) (National / Provincial)	-	-	7 000	47 975	48 975	48 975	72 786	72 786	51 770	43 041
Contributions recognised - capital & contributed assets	255	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 716	(7 150)	(3 001)	42 066	47 116	46 811	68 353	53 603	38 376	25 922
Capital expenditure	35	4 040	5 263	45 650	47 100	47 100	5 965	70 350	49 109	40 250
Surplus/(Deficit) for the year	8 681	(11 189)	(8 264)	(3 584)	16	(289)	62 388	(16 747)	(10 733)	(14 328)

Capital expenditure & funds sources										
Capital expenditure	35	25	4 040	45 650	47 100	47 100	5 965	70 350	49 109	40 250
Transfers recognised - capital	–	–	–	45 200	3 728	5 500	5 485	70 000	48 859	40 000
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	35	25	4 040	450	500	500	480	350	250	250
Total sources of capital funds	35	25	4 040	45 650	4 228	6 000	5 965	70 350	49 109	40 250
Financial position										
Total current assets	18 223	8 159	7 958	10 832	6 399	6 399	6 399	(8 727)	(19 588)	(35 042)
Total non current assets	74 487	70 626	71 973	63 297	71 973	71 973	71 973	62 044	64 934	67 986
Total current liabilities	126 605	120 956	119 034	81 579	86 089	86 089	86 089	90 083	92 260	94 766
Total non current liabilities	56 691	64 289	68 557	62 409	68 557	68 557	68 557	62 409	59 150	56 820
Community wealth/Equity	(90 586)	(106 460)	(107 660)	(69 859)	(76 275)	(76 275)	(76 275)	(99 174)	(106 064)	(118 641)
Cash flows										
Net cash from (used) operating	16 781	3 210	1 254	49 745	44 300	44 300	44 300	56 103	39 499	26 318
Net cash from (used) investing	(18)	(2 932)	65	(46 530)	(46 794)	(47 100)	(47 100)	(70 350)	(49 109)	(40 250)
Net cash from (used) financing	(13 217)	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	1 045	1 323	2 365	3 215	(1 171)	(1 477)	(1 477)	(11 605)	(21 214)	(35 146)
Cash backing/surplus reconciliation										
Cash and investments available	1 045	1 323	2 365	3 215	(1 171)	(1 477)	(1 477)	(11 605)	(21 214)	(35 146)
Application of cash and investments	91 631	107 783	110 024	73 075	75 104	74 798	74 798	87 569	84 850	83 495
Balance - surplus (shortfall)	(90 586)	(106 460)	(107 660)	(69 859)	(76 275)	(76 275)	(76 275)	(99 174)	(106 064)	(118 641)
Asset management										
Asset register summary (WDV)	59 389	70 457	71 745	62 906	71 745	71 745	71 745	61 901	64 934	67 986
Depreciation	4 454	4 520	4 831	3 800	5 800	5 800	4 000	5 800	4 400	4 000
Renewal and Upgrading of Existing Assets										
Repairs and Maintenance	1 000	–	–	–	1 000	1 000	1 000	1 400 000	1 456 000	1 514 240

DC48 West Rand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2022/23			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										
Governance and administration		104 030	74 981	82 348	81 968	96 779	96 779	83 166	81 271	84 645
Executive and council		20 360	20 999	22 031	22 141	21 886	21 886	22 647	23 451	24 461
Finance and administration		82 335	52 598	58 903	58 382	73 448	73 448	58 974	56 275	58 639
Internal audit		1 335	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545
Community and public safety		180 834	151 015	159 124	160 166	157 803	157 803	160 219	167 935	161 769
Community and social services										
Sport and recreation										
Public safety		152 994	103 888	113 111	113 446	109 300	109 300	111 823	117 237	121 990
Housing										
Health		27 840	47 127	46 013	46 720	48 504	48 504	48 396	50 698	39 779
Economic and environmental services		13 463	24 326	24 184	76 991	77 898	77 898	104 637	90 106	93 002
Planning and development		13 463	24 326	24 184	76 991	77 898	77 898	104 637	90 106	93 002
Road transport										
Environmental protection										
Trading services										
Energy sources										
Water management										
Waste water management										
Waste management										
Other	4									
Total Revenue - Functional	2	298 327	250 323	265 656	319 124	332 481	332 481	348 022	339 312	339 416
Expenditure - Functional										
Governance and administration		104 110	108 552	91 310	90 255	101 471	101 471	102 733	102 241	105 599
Executive and council		48 317	53 469	40 171	27 186	27 289	27 289	27 041	27 143	27 963
Finance and administration		54 471	53 699	49 724	61 625	72 738	72 738	74 148	73 554	76 092
Internal audit		1 323	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545
Community and public safety		152 839	142 219	155 378	152 561	153 701	153 701	159 955	166 331	172 979
Community and social services										
Sport and recreation										
Public safety		116 595	101 940	109 833	106 844	106 754	106 754	112 468	116 912	121 967
Housing										
Health		36 244	40 280	45 545	45 717	46 947	46 947	47 487	49 419	51 012
Economic and environmental services		17 627	19 363	20 168	76 293	77 293	77 293	102 080	81 586	75 166
Planning and development		17 627	19 363	20 168	76 293	77 293	77 293	102 080	81 586	75 166
Road transport										
Environmental protection										
Trading services										
Energy sources										
Water management										
Waste water management										
Waste management										
Other	4									
Total Expenditure - Functional	3	274 576	270 134	266 856	319 109	332 465	332 465	364 768	350 159	353 744
Surplus/(Deficit) for the year		23 751	(19 811)	(1 199)	16	16	16	(16 747)	(10 846)	(14 328)

Table A3 – Budgeted Financial Performance (Revenue and Expenditure by Vote)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2023/24			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1									
Revenue by Vote	1									
Corporate Governance		9 035	8 958	9 856	9 770	9 516	9 516	9 887	9 998	10 402
Municipal Manager & Support		12 659	13 425	13 589	13 815	13 815	13 815	14 305	14 997	15 604
Corporate Services		27 744	33 435	32 321	27 190	28 390	28 390	27 648	27 100	28 209
Budget & Treasury Office		54 591	19 163	26 582	31 192	45 058	45 058	31 327	29 176	30 430
Health & Social Development		27 840	47 127	46 013	46 720	48 504	48 504	48 396	50 698	39 779
Public safety		152 994	103 888	113 111	113 446	109 300	109 300	111 823	117 237	121 990
Regional planning & Economic Development		13 463	24 326	24 184	76 991	77 898	77 898	104 637	90 106	93 002
Total Revenue by Vote	2	298 327	250 323	265 656	319 124	332 481	332 481	348 022	339 312	339 416
Expenditure by Vote to be appropriated	1									
Corporate Governance		36 531	44 615	31 024	10 946	10 000	10 000	15 227	14 768	14 971
Municipal Manager & Support		13 109	10 238	10 562	17 684	18 734	18 734	13 358	13 920	14 536
Corporate Services		32 708	27 395	24 153	35 465	34 713	34 713	39 123	38 803	40 519
Budget & Treasury Office		21 763	26 303	25 571	26 160	38 025	38 025	35 025	34 751	35 573
Health & Social Development		36 244	40 280	45 545	45 717	46 947	46 947	47 487	49 419	51 012
Public safety		116 595	101 940	109 833	106 844	106 754	106 754	112 468	116 912	121 967
Regional planning & Economic Development		17 627	19 363	20 168	76 293	77 293	77 293	102 080	81 586	75 166
Total Expenditure by Vote	2	274 576	270 134	266 856	319 109	332 465	332 465	364 768	350 159	353 744
Surplus/(Deficit) for the year	2	23 751	(19 811)	(1 199)	16	16	16	(16 747)	(10 846)	(14 328)

Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1										
Revenue By Source											
Rental of facilities and equipment		1 830	1 762	1 988	2 365	2 365	2 365	2 365	2 006	2 104	2 203
Interest earned - external investments		769	1 021	1 490	2 244	2 244	2 244	2 244	3 419	3 600	3 770
Interest earned - outstanding receivables		533	258	278	211	368	368	368	355	372	389
Fines, penalties and forfeits								-			
Licences and permits		117	104	122	250	774	774	774	701	736	770
Reversal on impairment of investment		-	-	-	3 600	3 600	3 600	3 600	3 600	3 776	3 954
Transfers and subsidies		271 478	244 857	249 737	246 405	249 290	249 290	249 290	254 551	266 311	274 033
Other revenue	2	5 195	1 388	1 964	15 515	26 560	26 560	26 560	10 254	10 756	11 257
Gains on disposal of PPE		-	-	-	560	306	-	-	350	-	-
Total Revenue (excluding capital transfers and contributions)		279 924	249 391	255 580	271 150	285 506	285 200	285 200	275 236	287 656	296 375
Expenditure By Type											
Employee related costs	2	181 591	195 838	196 012	211 367	214 744	214 744	214 744	222 569	232 362	242 819
Remuneration of councillors		13 244	12 572	11 118	13 132	12 186	12 186	12 186	13 132	12 570	12 670
Debt impairment	3		-	-	650	650	650	650	650	500	350
Depreciation & asset impairment	2	4 454	4 520	4 831	3 800	5 800	5 800	4 000	5 800	4 400	4 000
Interest cost and penalties		8 400	8 454	8 944	530	6 103	6 103	6 103	6 135	6 435	6 738
Bulk purchases	2	8 240	(3 028)	(3 533)							
Other materials	8		176	3 815	250	250	250	171	250	300	350
Contracted services		17 946	5 532	11 065	11 358	11 022	11 022	11 022	10 714	11 239	11 767
Transfers and subsidies		7 444	11 189	11 514	11 932	13 192	13 192	13 192	11 932	10 756	11 257
Operating costs	4, 5	30 145	21 287	21 816	20 439	23 418	23 418	23 418	23 236	22 487	23 544
Loss on disposal of PPE											
Total Expenditure		271 462	256 540	265 581	273 458	287 365	287 365	285 486	294 418	301 050	313 494
Surplus/(Deficit)		8 461	(7 150)	(10 001)	(2 309)	(1 859)	(2 164)	(286)	(19 183)	(13 394)	(17 119)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	7 000	47 975	48 975	48 975	48 975	72 786	51 770	43 041
Transfers and subsidies - capital (in-kind - all)		255									
Surplus/(Deficit) after capital transfers & contributions		8 716	(7 150)	(3 001)	45 666	47 116	46 811	48 689	53 603	38 376	25 922
Capital expenditure		35	4 040	5 263	45 650	47 100	47 100	47 100	70 350	49 109	40 250
Surplus/(Deficit) after taxation		8 681	(3 110)	2 262	16	16	(289)	1 589	(16 747)	(10 733)	(14 328)
Surplus/(Deficit) for the year		8 681	(3 110)	2 262	16	16	(289)	1 589	(16 747)	(10 733)	(14 328)

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2	-	-	-	-	-	-	-	-	-	-
Multi-year expenditure appropriation		-	-	-	-	-	-	-	-	-	-
Vote 1 - Corporate Governance		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager & Support		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 5 - Health & Social Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Regional Planning & Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2	-	-	-	-	-	-	-	-	-	-
Multi-year expenditure appropriation		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager & Support		-	24	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		18	126	485	450	372	450	450	350	300	250
Vote 4 - Budget & Treasury Office		-	3 889	8	-	-	-	-	-	-	-
Vote 5 - Health & Social Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7	-	4 770	2 200	2 200	2 200	2 200	-	-	-
Vote 7 - Regional Planning & Economic Development		-	-	-	43 000	44 528	44 528	44 528	70 000	48 859	40 000
Capital single-year expenditure sub-total		25	4 040	5 263	45 650	47 100	47 178	47 178	70 350	49 159	40 250
Total Capital Expenditure - Vote		25	4 040	5 263	45 650	47 100	47 178	47 178	70 350	49 159	40 250
Capital Expenditure - Functional											
Governance and administration		25	4 040	493	450	372	372	480	350	250	250
Executive and council		-	24	-	-	-	-	-	-	-	-
Finance and administration		25	4 016	493	450	372	372	480	350	250	250
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	4 770	2 200	2 200	2 200	2 200	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	4 770	2 200	2 200	2 200	2 200	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	43 000	44 528	44 528	44 528	70 000	48 859	40 000
Planning and development		-	-	-	43 000	44 528	44 528	44 528	70 000	48 859	40 000
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	25	4 040	5 263	45 650	47 100	47 100	47 208	70 350	49 109	40 250
Funded by:											
National Government		-	-	-	43 000	1 528	-	-	70 000	48 859	40 000
Provincial Government		-	-	4 770	2 200	2 200	5 500	5 485	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	4 770	45 200	3 728	5 500	5 485	70 000	48 859	40 000
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		25	4 040	493	450	500	500	480	350	250	250
Total Capital Funding	7	25	4 040	5 263	45 650	4 228	6 000	5 965	70 350	49 109	40 250

Table A6 Consolidated Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1										
ASSETS											
Current assets											
Cash		1 045	1 323	2 642	7 714	2 642	2 642	2 642	(11 605)	(21 214)	(35 146)
Call investment deposits	1										
Other debtors		17 087	6 460	4 915	2 995	3 655	3 655	3 655	2 783	1 526	-
Inventory	2	90	376	402	122	102	102	102	95	100	104
Total current assets		18 223	8 159	7 958	10 832	6 399	6 399	6 399	(8 727)	(19 588)	(35 042)
Non current assets											
Long-term receivables		255	78	-	255	-	-	-	-	-	-
Investments											
Investment property		6 900	6 300	8 400	6 700	8 400	8 400	8 400	8 845	9 279	9 715
Investment in Associate											
Property, plant and equipment	3	52 489	64 157	63 345	56 206	63 345	63 345	63 345	53 056	55 656	58 272
Biological		264	91	228	136	228	228	228	143	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		14 579	-	-	-	-	-	-	-	-	-
Total non current assets		74 487	70 626	71 973	63 297	71 973	71 973	71 973	62 044	64 934	67 986
TOTAL ASSETS		92 710	78 785	79 931	74 129	78 371	78 371	78 371	53 318	45 346	32 945
LIABILITIES											
Current liabilities											
Trade and other payables	4	112 559	108 923	105 381	65 825	70 588	70 588	70 588	74 329	77 971	81 636
Provisions		14 046	12 034	13 653	15 754	15 502	15 502	15 502	15 754	14 289	13 130
Total current liabilities		126 605	120 956	119 034	81 579	86 089	86 089	86 089	90 083	92 260	94 766
Non current liabilities											
Provisions		56 691	64 289	68 557	62 409	68 557	68 557	68 557	62 409	59 150	56 820
Total non current liabilities		56 691	64 289	68 557	62 409	68 557	68 557	68 557	62 409	59 150	56 820
TOTAL LIABILITIES		183 296	185 245	187 591	143 988	154 646	154 646	154 646	152 492	151 410	151 586
NET ASSETS	5	(90 586)	(106 460)	(107 660)	(69 859)	(76 275)	(76 275)	(76 275)	(99 174)	(106 064)	(118 641)
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		(90 586)	(106 460)	(107 660)	(77 133)	(76 275)	(76 275)	(76 275)	(74 673)	(75 019)	(78 632)
TOTAL COMMUNITY WEALTH/EQUITY	5	(90 586)	(106 460)	(107 660)	(77 133)	(76 275)	(76 275)	(76 275)	(74 673)	(75 019)	(78 632)

DC48 West Rand - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2023/24				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Other revenue		21 735	16 694	7 877	22 130	23 156	23 156	23 156	13 316	13 968	14 619
Government - operating	1	231 101	241 318	247 776	246 405	249 290	249 290	249 290	254 551	266 311	274 033
Government - capital	1	2 245	3 118	2 518	47 975	48 975	48 975	48 975	72 786	51 770	43 041
Interest		769	1 021	1 490	2 244	2 244	2 244	2 244	3 419	3 600	3 770
Dividends											
Payments											
Suppliers and employees		(238 421)	(258 941)	(258 408)	(256 546)	(260 069)	(260 069)	(260 069)	(269 902)	(278 958)	(291 150)
Finance charges		(649)	-	-	(530)	(6 103)	(6 103)	(6 103)	(6 135)	(6 435)	(6 738)
Transfers and Grants	1	-	-	-	(11 932)	(13 192)	(13 192)	(13 192)	(11 932)	(10 756)	(11 257)
NET CASH FROM/(USED) OPERATING ACTIVITIES		16 781	3 210	1 254	49 745	44 300	44 300	44 300	56 103	39 499	26 318
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				5 328	(880)	306				-	-
Decrease (increase) in non-current investments			1 108	-							
Payments											
Capital assets		(18)	(4 040)	(5 263)	(45 650)	(47 100)	(47 100)	(47 100)	(70 350)	(49 109)	(40 250)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18)	(2 932)	65	(46 530)	(46 794)	(47 100)	(47 100)	(70 350)	(49 109)	(40 250)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-			
Payments											
Repayment of borrowing		(13 217)	-	-	-	-	-	-			
NET CASH FROM/(USED) FINANCING ACTIVITIES		(13 217)	-	-	-	-	-	-	-	-	-
26 NET INCREASE/ (DECREASE) IN CASH HELD		3 546	277	1 319	3 215	(2 494)	(2 800)	(2 800)	(14 247)	(9 610)	(13 932)
Cash/cash equivalents at the year begin:	2	(2 501)	1 045	1 045	-	1 323	1 323	1 323	2 642	(11 605)	(21 214)
Cash/cash equivalents at the year end:	2	1 045	1 323	2 365	3 215	(1 171)	(1 477)	(1 477)	(11 605)	(21 214)	(35 146)