

**ITEM 15 (48)****BUDGET AND TREASURY OFFICE: 2024/2025 ANNUAL DRAFT BUDGET****5/1****PURPOSE**

To report to the Council on the 2024/2025 Annual Draft Budget to recommend to Council for tabling.

**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 (will be part of the final draft budget);
- Table A9 – Asset Management (will be part of the final draft budget); and
- Table A10 - Basic service delivery measurement (will be part of the final draft 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 126 and the municipal compliance calendar, an annual budget is expected to be tabled to council by the 31 March 2024.

### ***RECOMMENDATIONS THAT:***

It is recommended –

1. The Council to take note of the tabling of the annual draft budget of the municipality for the financial year 2024/25 and the two outer years 2025/26 and 2026/27 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38) The omitted annexures will be part of the final draft budget as Annexures;
2. The Council to take note of the proposed changes to the draft budget related policies attached in Annexure B, of which changes to these policies will be

discussed during a workshop with Council during the month of April 2024, and again be re-submitted to Council on 23 May 2024 for final consideration.

3. The Council to take note of the tabled draft tariffs as contained in Annexure C for the 2024/25 budget year;
4. The Council to take note of the MFMA Budget Circular 126 attached as Annexure D;
5. The Council to take note that version 6.8 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. The Council to 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 draft 2024/25 MTREF Procurement Plan per Annexure F;
  - The draft sector department projects of the Gauteng Provincial Government in West Rand District municipality for the 3 year 2024/25 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 and MEC CoGTA 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



## DRAFT ANNUAL BUDGET REPORT 2024/2025 MTREF

27 MARCH 2024

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## PART ONE: ANNUAL BUDGET

### 1. **Section one: MMC Finance Budget Speech**

The MMC Finance's budget speech for the 2024/25 Medium Term Budget and Expenditure Framework (MTREF) will be submitted to Council on 23 May 2024, 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 –

1. The Council to take note of the tabling of the annual draft budget of the municipality for the financial year 2024/25 and the two outer years 2025/26 and 2026/27 as per Annexure A (Budget schedules A1 to A10 and SA1 to SA 38). The omitted annexures will be part of the final draft budget as Annexures;
2. The Council to take note of the proposed changes to the draft budget related policies attached in Annexure B, of which changes to these policies will be discussed during a workshop with Council during the month of April 2024, and again be re-submitted to Council on 23 May 2024 for final consideration.
3. The Council to take note of the tabled draft tariffs as contained in Annexure C for the 2024/25 budget year;
4. The Council to take note of the MFMA Budget Circular 126 attached as Annexure D;
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6. That the Annual draft budget be published on the municipal website for public participation and be submitted to National and Provincial Treasury.
7. The Council to 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 draft 2024/25 MTREF Procurement Plan per Annexure F;
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  - 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 and MEC: CoGTA concerning unfunded mandates as well as the powers and functions of the WRDM.
10. The item be tabled at the WRDM Council meeting.

### **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 2024/25 in consideration of socio-economic impact.

At the end of December 2023, South Africa's unemployment rate eased from 32.6% 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 2024/25 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. 2024/25 National budget

Honorable Minister Enoch Godongwana delivered his budget speech on 21 February 2024.

Our mission over the past 30 years has been to restore both social and economic justice to our nation, and to decisively address the inequality that was the hallmark of systemic discrimination and dispossession.

The budgets we have tabled since 1994, have been about securing the goal of growing the economy, so that we can do more to address the inequalities and deprivation that still scar our society and undermine the promise of democracy.

Global growth is forecast to increase, from 3.1 per cent this year to 3.2 per cent in 2025. The moderate improvement is due to growth in the United States and several large emerging economies.

Compared to a year ago, the budget deficit for 2023/24 is estimated to worsen from 4 per cent to 4.9 per cent of GDP.

The higher budget deficit means that debt-service costs in 2023/24 have been revised higher, by R15.7 billion to R356 billion.

Load shedding is a problem that confronts all South Africans. It disrupts production, operations and livelihoods. To promote further investments in renewable energy, this budget proposes an increase in the limit for renewable energy projects that can qualify for the carbon offsets regime, from 15 megawatts to 30 megawatts

The Public Procurement Bill was expeditiously passed by the National Assembly. The amended Bill has now been referred to the National Council of Provinces for concurrence. National Treasury is supporting provincial legislatures as they process the Bill and conduct nationwide public hearings.

The Bill provides for transformation measures through set asides, pre-qualification and advancement of persons disadvantaged by unfair discrimination. These measures would be applicable to specified categories of persons including small enterprises owned by black people, black women, black youth, black people with disabilities, and enterprises within a particular geographical area including enforcement of transformation through the BBBEE level status.

R61.4 billion is allocated for employment programmes over the medium term. R7.4 billion has been identified for the Presidential Employment Initiative.

Government is also prioritising fighting crime and corruption with a focus on enhancing law enforcement agencies. A total of R765 billion is allocated to the peace and security cluster.

R2.8 trillion, or 51.1 per cent, of total non-interest expenditures, is allocated to provinces and municipalities over the next three years.

R531.7 billion is allocated to local governments, and R2.3 trillion for provinces.

An additional R105.5 billion rand is allocated to provinces over the next three years to cover the cost of implementing the 2023 public-service wage agreement, mainly in the education and health sectors.



In conclusion, government is making the most out of very limited resources. We continue to:

- Support economic growth;
- Reduce the growth of government debt and the cost of debt; and
- Allocate more funds for core services, provide for the social wage and preserve infrastructure budgets.

The following macro-economic forecasts must be considered when preparing the 2024/25 MTREF municipal budgets:

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
<b>CPI Inflation</b>	6.9%	6.0%	4.9%	4.6	4.5%

*Source: Budget review 2023*

### 3.3. 2024/25 West Rand District Municipal budget

The second review of the approved 2022/23-2026/27 Integrated Development Plan (IDP) under the new administration, which is the 2024/25 IDP will also be considered by Council on 23 May 2024 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. Municipal Regulations on a Standard Chart of Accounts (mSCOA)

The municipality has prepared its budget and A schedules on version 6.8 of the mSCOA classification framework.

A high-level summary of the 2024/25 MTREF budget is provided in the table below:

Table 1: High level summary of the 2024/25 MTREF

Description	Adjusted budget 2023/24	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>				
Operating Revenue	50 715	59 692	63 793	65 669
Operating Grants	274 619	272 332	273 064	279 352
Capital grant	77 364	67 378	65 381	54 501
<b>Total Revenue</b>	<b>402 698</b>	<b>399 402</b>	<b>402 238</b>	<b>399 523</b>
Operating expenditure	394 318	398 302	411 403	416 135
Capital Expenditure	8 378	1 100	450	350
<b>Total Expenditure</b>	<b>402 696</b>	<b>399 402</b>	<b>411 853</b>	<b>416 485</b>
<b>Surplus/(Deficit)</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>

### 3.5. Operating budget

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

Table 2: Operating budget

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

Description	Current Year 2024/25		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>					
<b>Revenue By Source</b>					
Rental of facilities and equipment	2 606	2 606	2 867	2 998	3 133
Interest earned - external investments	3 919	5 642	5 907	6 178	6 456
Interest earned - outstanding receivables	355	814	852	891	931
Licences and permits	701	701	734	768	802
Reversal on impairment of investment	4 600	4 600	3 600	2 776	1 907
Transfers and subsidies	262 852	274 619	272 332	273 064	279 352
Other revenue	22 709	35 702	45 083	49 801	52 042
Gains on disposal of PPE	550	650	650	380	397
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>298 292</b>	<b>325 333</b>	<b>332 024</b>	<b>336 857</b>	<b>345 022</b>
<b>Expenditure By Type</b>					
Employee related costs	222 569	225 169	238 454	249 423	260 647
Councilors remuneration	13 132	14 117	14 809	15 490	16 187
Debt impairment	650	1 650	1 731	1 810	1 892
Depreciation & asset impairment	5 800	6 000	6 294	6 584	6 880
Interest cost and penalties	6 135	11 198	11 747	12 287	12 840
Other materials	250	410	410	300	350
Contracted services	9 464	83 819	75 381	73 757	63 259
Transfers and subsidies	12 469	11 486	12 469	13 043	13 629
Operating costs	30 156	40 469	37 007	38 709	40 451
Loss on disposal of PPE					
<b>Total Operating Expenditure</b>	<b>300 625</b>	<b>394 318</b>	<b>398 302</b>	<b>411 403</b>	<b>416 135</b>
<b>Operating Surplus/(Deficit) for the year</b>	<b>(2 334)</b>	<b>(68 985)</b>	<b>(66 278)</b>	<b>(74 546)</b>	<b>(71 113)</b>
Capital Transfers and subsidies	75 786	77 364	67 378	65 381	54 501
Capital expenditure	73 450	8 378	1 100	450	350
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>

The main contributors to the operating revenue and operating expenditure of the 2024/25 financial year are as indicated in the two graphs below:

Figure 1: Operating Revenue budget

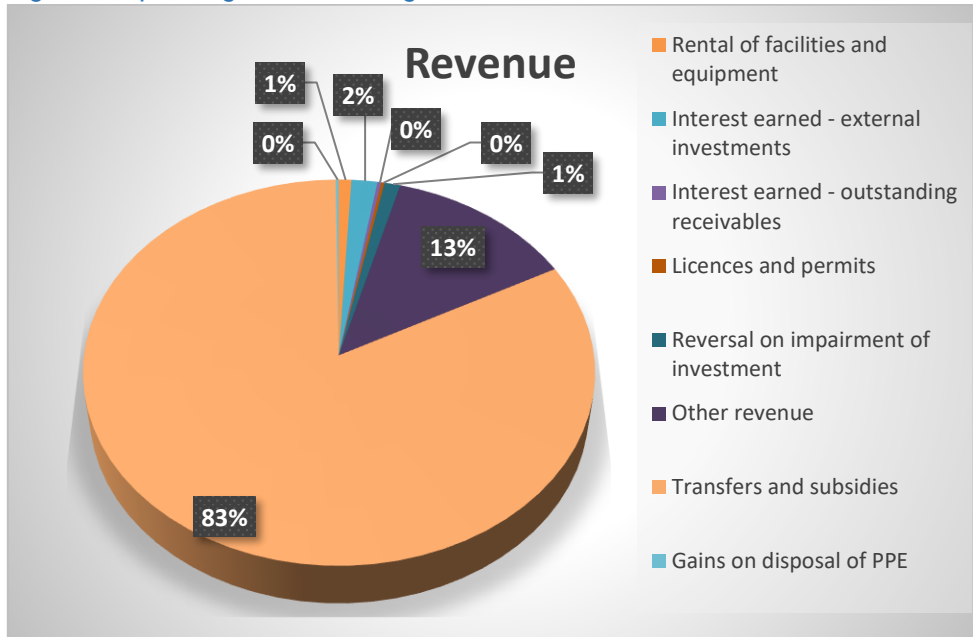
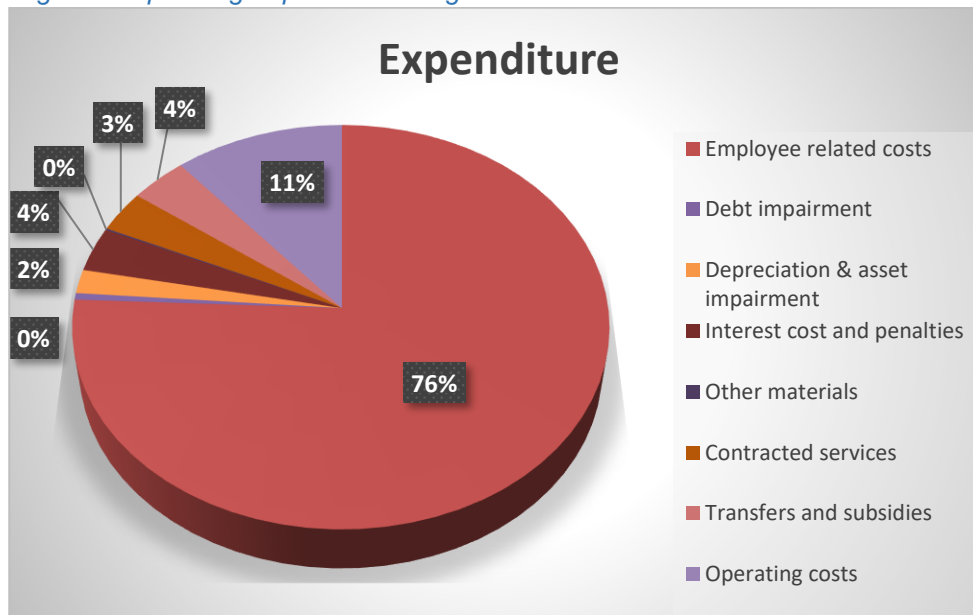


Figure 2: Operating Expenditure budget



**3.6. Budgeted operating deficit**

The budgeted operating deficit or surplus for the budget year 2024/25 is at the break-even point and for two outer years is R9,6 million (deficit) and R16,9 million (deficit) respectively. The reason that the municipality is budgeting for a balanced budget and deficit, inter alia, in 2024/25, 2024/25 and 2024/25 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 R64,4 million.

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is

anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), the municipality used an average CPIX for budget purposes though it has been observed over the previous years that salary increases were 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.

Considering the above information, the employee related cost and councilor's remuneration are subject to change in final budget.

### 3.7. 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 increased from 2% to 0% of the total municipal budget in 2024/25, and throughout MTREF due to capital expenditure of Neighborhood Development Partnership grant (NDPG) from National government being redirected to operational expenditure.

The municipality has allocated R1,1 million to ICT equipment and municipal vehicle that would be funded by internally generated funds.

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

Table 3: Capital projects as % of total municipal budget

Description	Adjusted Budget 2023/24	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2026/27
<b>Capital projects</b>				
Computer equipment	2 767	650	450	350
Purchase of motor vehicles	1 876	450	-	-
Fire service equipment	3 000	-	-	-
Disaster management equipment	735	-		
<b>Total capital expenditure</b>	<b>8 378</b>	<b>1 100</b>	<b>450</b>	<b>350</b>
<b>Total municipal expenditure</b>	<b>402 696</b>	<b>399 402</b>	<b>411 853</b>	<b>416 485</b>
<b>% of municipal expenditure</b>	<b>2.08%</b>	<b>0.28%</b>	<b>0.11%</b>	<b>0.08%</b>

### 3.8. Repairs and maintenance expenditure

The budget for repairs and maintenance for 2024/25, 2025/26 and 2026/27 is R1.6 million, R1.7 million and R1.7 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 municipal properties due to its current state to improve the working conditions of the employees. Due to financial constraints with no funding assistance to repair the municipal building, the municipality has allocated a budget of R729 thousand for 2024/25 financial year.

**Table 4: Repairs and maintenance expenditure**

Description	Adjusted Budget 2023/24	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs of emergency vehicles	2 264	629	658	688
Repairs of municipal vehicles	100	100	105	109
Computer equipment maintenance	170	170	178	186
Repairs and maintenance of unspecified assets: Municipal properties	600	729	763	797
<b>Total capital expenditure</b>	<b>3 134</b>	<b>1 629</b>	<b>1 704</b>	<b>1 780</b>
<b>Total municipal expenditure</b>	<b>402 696</b>	<b>399 402</b>	<b>411 853</b>	<b>416 485</b>
<b>% of municipal expenditure</b>	<b>0.78%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.43%</b>

### 3.9. Tariffs and charges

The proposed 2024/25 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 2024/25**

Description	Budget 2022/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
<b>Municipal own revenue tariffs</b>				
Emergency Service Training Academy	3.5%	4.8%	4.8%	5.3%
Emergency Service Fire risk management	3.5%	10.0%	10.0%	7.0%
Municipal health services	3.5%	10.0%	10.0%	10.0%
Environmental services air quality services	Per regulation	Per regulation	Per regulation	Per regulation
Donaldson Dam entrance fee	3.5%	5.5%	5.5%	5.3%
Rental of land and commercial premises	8.0%	8.0%	8.0%	8.0%
Rental of halls	10.0%	10.0%	10.0%	10.0%
Sale of plant	3.5%	4.8%	4.8%	5.3%
Sale of tender documents	3.5%	4.8%	4.8%	10.0%

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

### 3.10. 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.

### 3.11. 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.

### 3.12. Working Capital analysis

Table 6: Working capital

Description	Adjusted Budget 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>Costs</b>				
Employee costs	225 169	236 203	247 068	258 186
Remuneration of councilors	14 117	14 809	15 490	16 187
Materials	410	410	300	350
Transfers and grants	11 486	12 469	13 043	13 629
Other expenditure	124 288	112 388	112 466	103 710
<b>Total operating expenditure</b>	<b>375 470</b>	<b>376 279</b>	<b>388 367</b>	<b>392 062</b>
Suppliers and employees	(351 517)	(363 810)	(375 324)	(378 433)
Finance charges	(11 198)	(11 747)	(12 287)	(12 840)
Transfers and grants	(11 486)	(12 469)	(13 043)	(13 629)
<b>Balance to settle creditors</b>	<b>1 269</b>	<b>(11 747)</b>	<b>(12 287)</b>	<b>(12 840)</b>

The municipality will only have a surplus cash to settle its creditors in 2024/25 provided that is collecting from long outstanding debtors. The municipality is expected to incur a shortfall of R11,7 million in budget year and R12 million for the outer years 2025/26 and 2026/27 due to the negative impact of non-cash items and salaries being the highest expenditure with no additional revenue streams.

### 3.13. Financial recovery plan

The municipality has been under the financial recovery plan since 2018/19 financial year. On the 1<sup>st</sup> 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.

### 3.14. 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);
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- Table A6 – Budgeted Financial Position;
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- Table A8 – Cash Backed reserves / accumulated surplus reconciliation;
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- 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 2024/25 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 2023
IDP public participation process	07 September 2023 to 30 September 2023
Budget steering committee meetings	09 February 2024 08 March 2024 12 May 2024
Departments requested to budget in accordance with IDP needs	29 November 2023 to February 2024
Tabling of DoRA Bill and Gauteng Provincial government appropriation bill	23 February 2024 to 09 March 2024
Table Budget and IDP to Council	31 Mar 2024
Advertise budget in the website and local newspaper	29 April 2024
Public participation and stakeholders engagement meetings	4 to 14 April 2024
Closing of comments and representations on the IDP and tabled budget	21 April 2024
Workshop with Council on budget related policies and public inputs	28 April 2024
Budget benchmarking exercise with Gauteng Provincial Treasury	6 May 2024
Consideration of final budget approval by Council	23 May 2024

### 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
- 2024/25 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 4.9% for 2024/25, 4.6% for 2025/26 and 4.5% for 2026/27 as guided by MFMA Circular 126.
- 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.
- National grants was budgeted in accordance with Division of Revenue Bill and gazetted allocations.
- Provincial grants are budgeted in accordance with the Provincial Gazette. **(not yet issued)**
- 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 4.9% for 2024/25, 4.6% for 2025/26 and 4.5% for 2026/26 as guided by MFMA Circular 126.
- Employee related cost based on Salary and Wage Collective Agreement (under negotiations) implemented from effective 1 July 2024 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 2024/25 comprises R339 million, and for the two outer years are R338 million and R333 million respectively. The split between the various grants are listed below.

Table 8: Grants allocation

DC48 West Rand - Supporting Table - Transfers and grant receipts							
Description	Ref	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>RECEIPTS:</b>	1,2						
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>		240 819	240 819	240 819	250 299	260 021	265 723
Local Government Equitable Share		51 355	51 355	51 355	53 548	52 595	50 209
RSC Levy Replacement		187 061	187 061	187 061	190 575	198 092	206 608
Municipal Systems Improvement		-	-	-	3 726	4 034	2 406
Finance Management		1 200	1 200	1 200	1 200	1 300	1 500
Energy Efficiency and Demand -Side Management Grant					-	4 000	5 000
EPWP Incentive		1 203	1 203	1 203	1 250	-	-
<b>Provincial Government:</b>		12 469	24 236	24 236	12 469	13 043	13 629
Health Subsidy		12 469	11 735	11 735	12 469	13 043	13 629
Fire and rescue services		-	9 866	9 866	-	-	-
Disaster management		-	2 635	2 635	-	-	-
<b>Other grant providers</b>		9 564	9 564	9 564	9 564		
LG SETA		9 564	9 564	9 564	9 564	-	-
<b>Total Operating Transfers and Grants</b>	5	262 852	274 619	274 619	272 332	273 064	279 352
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>		72 786	72 488	72 488	67 378	65 381	54 501
Neighbourhood Development Partnership		70 000	70 000	70 000	64 467	62 340	51 320
Rural Roads Asset Management Systems		2 786	2 488	2 488	2 911	3 041	3 181
<b>Provincial Government:</b>		3 000	4 876	4 876	-		
Fire Rescue Services		3 000	4 876	4 876	-	-	-
<b>Total Capital Transfers and Grants</b>	5	75 786	77 364	77 364	67 378	65 381	54 501
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRA</b>	5	338 638	351 983	351 983	339 710	338 445	333 853

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

The total transfers and grants amount to R12,469 million in 2023/24, HIV/ Aids subsidy is made to local municipalities in two trenches.

Table 9: Transfers and grants

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

**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 2024/25 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 126 is included in the budget documentation as Annexure G.

## PART THREE: ANNEXURES

### Annexure A- Budget tables (A schedule)

DC48 West Rand - Table A1 Consolidated Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Interest earned	1 021	1 490	3 076	3 919	5 642	5 642	5 642	5 907	6 178	6 456
Transfers recognised - operational	244 857	242 737	251 798	262 852	274 619	274 619	274 619	272 332	273 064	279 352
Other own revenue	3 513	4 352	5 110	26 921	45 073	45 073	45 073	53 785	57 615	59 213
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>249 391</b>	<b>248 580</b>	<b>259 984</b>	<b>293 692</b>	<b>325 333</b>	<b>325 333</b>	<b>325 333</b>	<b>332 024</b>	<b>336 857</b>	<b>345 022</b>
Employee costs	195 838	196 012	209 338	222 569	225 169	225 169	225 169	238 454	249 423	260 647
Remuneration of councillors	12 572	11 118	11 978	13 132	14 117	14 117	14 117	14 809	15 490	16 187
Depreciation & asset impairment	4 520	768	4 369	6 450	7 650	7 650	7 650	8 025	8 394	8 772
Interest cost and penalties	8 454	7 271	9 095	6 135	11 198	11 198	11 198	11 747	12 287	12 840
Materials and bulk purchases	(2 852)	3 815	-	250	410	410	410	410	300	350
Transfers and grants	11 189	11 363	11 932	12 469	11 486	11 486	11 486	12 469	13 043	13 629
Other expenditure	26 819	33 032	68 568	39 620	124 288	124 288	124 288	112 388	112 466	103 710
<b>Total Expenditure</b>	<b>256 540</b>	<b>263 378</b>	<b>315 279</b>	<b>300 625</b>	<b>394 318</b>	<b>394 318</b>	<b>394 318</b>	<b>398 302</b>	<b>411 403</b>	<b>416 135</b>
<b>Operating Surplus/(Deficit)</b>	<b>(7 150)</b>	<b>(14 799)</b>	<b>(55 295)</b>	<b>(6 934)</b>	<b>(68 985)</b>	<b>(68 985)</b>	<b>(68 985)</b>	<b>(66 278)</b>	<b>(74 546)</b>	<b>(71 113)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial)	-	7 000	44 324	75 786	77 364	77 364	77 364	67 378	65 381	54 501
Contributions recognised - capital & contributed assets	255	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(6 895)	(7 799)	(10 972)	68 852	8 380	8 380	8 380	1 100	(9 165)	(16 612)
Capital expenditure	4 040	5 263	1 561	73 450	8 378	8 378	8 378	1 100	450	350
<b>Surplus/(Deficit) for the year</b>	<b>(10 934)</b>	<b>(13 061)</b>	<b>(12 532)</b>	<b>(4 598)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>

<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	25	4 050	5 255	73 450	8 378	8 378	5 965	1 100	450	350
Transfers recognised - capital	-	-	4 770	73 000	7 928	7 928	7 928	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	25	4 050	485	450	450	450	450	1 100	450	350
<b>Total sources of capital funds</b>	<b>25</b>	<b>4 050</b>	<b>5 255</b>	<b>73 450</b>	<b>8 378</b>	<b>8 378</b>	<b>8 378</b>	<b>1 100</b>	<b>450</b>	<b>350</b>
<b><u>Financial position</u></b>										
Total current assets	<b>8 159</b>	7 958	7 958	3 532	6 916	6 916	6 916	7 102	7 426	(33 624)
Total non current assets	<b>70 626</b>	71 973	71 973	62 052	72 706	72 706	72 706	70 360	73 775	77 220
Total current liabilities	<b>120 956</b>	119 034	119 034	81 579	116 779	116 779	116 779	122 501	128 136	133 902
Total non current liabilities	<b>64 289</b>	68 557	68 557	62 409	73 890	73 890	73 890	77 511	81 076	84 725
Community wealth/Equity	<b>(106 460)</b>	(107 660)	(107 660)	(78 404)	(111 046)	(111 046)	(111 046)	(122 550)	(128 011)	(175 031)
<b><u>Cash flows</u></b>										
Net cash from (used) operating	<b>3 210</b>	1 254	17 138	76 504	8 247	8 247	8 247	(5 125)	(13 928)	(20 145)
Net cash from (used) investing	<b>(2 932)</b>	65	(1 255)	(73 450)	(8 378)	(8 378)	(8 378)	(1 100)	(450)	(350)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>1 323</b>	2 642	18 525	5 696	2 986	2 986	2 986	(3 108)	(17 485)	(37 980)
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	<b>1 323</b>	2 642	18 525	5 696	2 986	2 986	2 986	(3 108)	(17 485)	(37 980)
Application of cash and investments	<b>107 783</b>	110 302	126 185	84 099	114 032	114 032	114 032	119 442	110 526	137 051
<b>Balance - surplus (shortfall)</b>	<b>(106 460)</b>	(107 660)	(107 660)	(78 404)	(111 046)	(111 046)	(111 046)	(122 550)	(128 011)	(175 031)
<b><u>Asset management</u></b>										
Asset register summary (WDV)	<b>70 457</b>	71 745	71 745	61 901	72 545	72 545	72 545	70 201	73 610	77 047
Depreciation	<b>4 520</b>	4 831	5 229	5 800	6 000	6 000	6 000	6 294	6 584	6 880
Renewal and Upgrading of Existing Assets										
Repairs and Maintenance	<b>1 000</b>	-	-	-	1 000	1 000	1 000	1 200 000	1 248 000	1 297 920

DC48 West Rand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		74 049	77 272	79 168	98 753	124 168	124 168	127 971	135 507	133 605
Executive and council		21 049	22 061	23 375	22 947	30 199	30 199	31 650	33 177	34 739
Finance and administration		51 666	53 827	54 379	74 361	92 524	92 524	94 777	100 786	97 321
Internal audit		1 335	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545
<b>Community and public safety</b>		151 015	154 124	158 537	170 508	176 714	176 714	167 723	164 253	163 844
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		103 888	108 111	110 923	121 255	128 255	128 255	116 539	112 915	114 096
Housing		-	-	-	-	-	-	-	-	-
Health		47 127	46 013	47 614	49 253	48 459	48 459	51 183	51 338	49 748
<b>Economic and environmental services</b>		24 326	24 184	66 603	104 817	101 817	101 817	103 708	102 479	102 090
Planning and development		24 326	24 184	66 603	104 817	101 817	101 817	103 708	102 479	102 090
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	0	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		<b>249 391</b>	<b>255 580</b>	<b>304 308</b>	<b>374 078</b>	<b>402 699</b>	<b>402 699</b>	<b>399 402</b>	<b>402 238</b>	<b>399 539</b>

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>	1									
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		94 958	90 035	94 938	109 503	124 165	124 165	128 501	132 114	136 861
Executive and council		43 531	40 201	39 330	27 046	30 100	30 100	31 545	34 068	36 671
Finance and administration		50 105	48 449	54 194	81 013	92 621	92 621	95 412	96 501	98 646
Internal audit		1 323	1 384	1 415	1 445	1 445	1 445	1 545	1 545	1 545
<b>Community and public safety</b>		142 219	155 378	159 716	162 752	176 716	176 716	169 096	172 780	170 555
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		101 940	109 833	111 616	114 478	128 256	128 256	116 262	117 610	117 902
Housing		-	-	-	-	-	-	-	-	-
Health		40 280	45 545	48 100	48 274	48 460	48 460	52 835	55 170	52 653
<b>Economic and environmental services</b>		19 363	20 168	62 185	101 820	101 816	101 816	101 805	106 960	109 085
Planning and development		19 363	20 168	62 185	101 820	101 816	101 816	101 805	106 960	109 085
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
<b>Energy sources</b>		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	#	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	#	256 540	265 581	316 839	374 075	402 697	402 697	399 402	411 854	416 501
<b>Surplus/(Deficit) for the year</b>		(7 149)	(10 000)	(12 531)	2	2	2	(0)	(9 615)	(16 962)

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



Financial Performance (revenue and expenditure by municipal vote)								
2020/21	2021/22	2022/23	Current Year 2024/25			2024/25 Medium Term Revenue & Expenditure Framework		
Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
8 958	9 856	9 842	10 087	15 516	15 516	16 276	17 025	17 791
13 425	13 589	14 948	14 305	16 128	16 128	16 918	17 697	18 493
33 435	32 321	30 553	36 622	51 692	51 692	53 225	53 912	49 338
18 231	21 506	23 826	37 740	40 832	40 832	41 552	46 874	47 983
47 127	46 013	47 614	49 253	48 459	48 459	51 183	51 338	49 748
103 888	108 111	110 923	121 255	128 255	128 255	116 539	112 915	114 096
24 326	24 184	66 603	104 817	101 817	101 817	103 708	102 479	102 090
<b>249 391</b>	<b>255 580</b>	<b>304 308</b>	<b>374 078</b>	<b>402 699</b>	<b>402 699</b>	<b>399 402</b>	<b>402 238</b>	<b>399 539</b>
34 615	31 024	29 126	15 132	15 515	15 515	16 275	17 025	18 791
10 238	10 562	11 618	13 358	16 029	16 029	16 814	18 588	19 424
27 395	24 153	26 568	45 988	51 789	51 789	52 327	52 395	51 752
22 709	24 296	27 626	35 025	40 832	40 832	43 085	44 107	46 894
40 280	45 545	48 100	48 274	48 460	48 460	52 835	55 170	52 653
101 940	109 833	111 616	114 478	128 256	128 256	116 262	117 610	117 902
19 363	20 168	62 185	101 820	101 816	101 816	101 805	106 960	109 085
<b>256 540</b>	<b>265 581</b>	<b>316 839</b>	<b>374 075</b>	<b>402 697</b>	<b>402 697</b>	<b>399 402</b>	<b>411 854</b>	<b>416 501</b>
<b>(7 149)</b>	<b>(10 000)</b>	<b>(12 531)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>	1										
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 762	1 988	2 027	2 606	2 606	2 606	2 606	2 867	2 998	3 133
Interest earned - external investments		1 021	1 490	3 076	3 919	5 642	5 642	5 642	5 907	6 178	6 456
Interest earned - outstanding receivables		258	278	258	355	814	814	814	852	891	931
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		104	122	515	701	701	701	701	734	768	802
Reversal on impairment of investment		-	-	-	4 600	4 600	4 600	4 600	3 600	2 776	1 907
Transfers and subsidies		244 857	242 737	251 798	262 852	274 619	274 619	274 619	272 332	273 064	279 352
Other revenue	2	1 388	1 964	2 310	22 709	35 702	35 702	35 702	45 083	49 801	52 042
Gains on disposal of PPE		-	-	-	550	650	650	650	650	380	397
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>249 391</b>	<b>255 580</b>	<b>259 984</b>	<b>298 292</b>	<b>325 333</b>	<b>325 333</b>	<b>325 333</b>	<b>332 024</b>	<b>336 857</b>	<b>345 022</b>
<b>Expenditure By Type</b>											
Employee related costs	2	195 838	196 012	209 338	222 569	225 169	225 169	225 169	238 454	249 423	260 647
Remuneration of councillors		12 572	11 118	11 978	13 132	14 117	14 117	14 117	14 809	15 490	16 187
Debt impairment	3	-	(4 063)	(859)	650	1 650	1 650	1 650	1 731	1 810	1 892
Depreciation & asset impairment	2	4 520	4 831	5 229	5 800	6 000	6 000	6 000	6 294	6 584	6 880
Interest cost and penalties		8 454	7 271	9 095	6 135	11 198	11 198	11 198	11 747	12 287	12 840
Bulk purchases	2	(3 028)	-	-	-	-	-	-	-	-	-
Other materials	8	176	3 815	-	250	410	410	410	410	300	350
Contracted services		5 532	11 215	46 286	9 464	83 819	83 819	83 819	75 381	73 757	63 259
Transfers and subsidies		11 189	11 363	11 932	12 469	11 486	11 486	11 486	12 469	13 043	13 629
Operating costs	4, 5	21 287	21 816	22 282	30 156	40 469	40 469	40 469	37 007	38 709	40 451
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>256 540</b>	<b>263 378</b>	<b>315 279</b>	<b>300 625</b>	<b>394 318</b>	<b>394 318</b>	<b>394 318</b>	<b>398 302</b>	<b>411 403</b>	<b>416 135</b>
<b>Surplus/(Deficit)</b>		<b>(7 150)</b>	<b>(7 799)</b>	<b>(55 295)</b>	<b>(2 334)</b>	<b>(68 985)</b>	<b>(68 985)</b>	<b>(68 985)</b>	<b>(66 278)</b>	<b>(74 546)</b>	<b>(71 113)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	7 000	44 324	75 786	77 364	77 364	77 364	67 378	65 381	54 501
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(7 150)</b>	<b>(799)</b>	<b>(10 972)</b>	<b>73 452</b>	<b>8 380</b>	<b>8 380</b>	<b>8 380</b>	<b>1 100</b>	<b>(9 165)</b>	<b>(16 612)</b>
Capital expenditure		4 040	5 263	1 561	73 450	8 378	8 378	8 378	1 100	450	350
<b>Surplus/(Deficit) after taxation</b>		<b>(3 110)</b>	<b>(6 061)</b>	<b>(9 411)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>(3 110)</b>	<b>2 262</b>	<b>(9 411)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>(0)</b>	<b>(9 615)</b>	<b>(16 962)</b>

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

Vote 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
<b>R thousands</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	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		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Multi-year expenditure appropriation		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager & Support		-	24	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		18	126	485	450	2 767	2 767	2 767	1 100	450	350
Vote 4 - Budget & Treasury Office		-	3 899	-	-	-	-	-	-	-	-
Vote 5 - Health & Social Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7	-	4 770	3 000	5 611	5 611	5 611	-	-	-
Vote 7 - Regional Planning & Economic Development		-	-	-	70 000	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		25	4 050	5 255	73 450	8 378	8 378	8 378	1 100	450	350
<b>Total Capital Expenditure - Vote</b>		25	4 050	5 255	73 450	8 378	8 378	8 378	1 100	450	350
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		18	4 050	485	450	2 767	2 767	480	1 100	450	350
Executive and council		-	24	-	-	-	-	-	-	-	-
Finance and administration		18	4 025	485	450	2 767	2 767	480	1 100	450	350
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		7	-	4 770	3 000	5 611	5 611	5 485	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		7	-	4 770	3 000	5 611	5 611	5 485	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	70 000	-	-	-	-	-	-
Planning and development		-	-	-	70 000	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	25	4 050	5 255	73 450	8 378	8 378	5 965	1 100	450	350
<b>Funded by:</b>											
National Government		-	-	-	70 000	-	-	-	-	-	-
Provincial Government		-	-	4 770	3 000	7 928	7 928	7 928	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	4 770	73 000	7 928	7 928	7 928	-	-	-
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		25	4 050	485	450	450	450	450	1 100	450	350
<b>Total Capital Funding</b>	7	25	4 050	5 255	73 450	8 378	8 378	8 378	1 100	450	350

Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>	1										
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		1 323	2 642	2 642	654	3 117	3 117	3 117	3 117	3 258	(33 164)
Call investment deposits	1										
Other debtors		6 460	4 915	4 915	2 783	3 697	3 697	3 697	3 878	4 056	4 239
Inventory	2	376	402	402	95	102	102	102	107	112	117
<b>Total current assets</b>		<b>8 159</b>	<b>7 958</b>	<b>7 958</b>	<b>3 532</b>	<b>6 916</b>	<b>6 916</b>	<b>6 916</b>	<b>7 102</b>	<b>7 426</b>	<b>(28 808)</b>
<b>Non current assets</b>											
Long-term receivables		78	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		6 300	8 400	8 400	8 845	9 200	9 200	9 200	10 571	11 057	11 555
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	64 157	63 345	63 345	53 056	63 345	63 345	63 345	59 631	62 553	65 493
Biological		91	228	228	151	162	162	162	158	165	173
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>70 626</b>	<b>71 973</b>	<b>71 973</b>	<b>62 052</b>	<b>72 706</b>	<b>72 706</b>	<b>72 706</b>	<b>70 360</b>	<b>73 775</b>	<b>77 220</b>
<b>TOTAL ASSETS</b>		<b>78 785</b>	<b>79 931</b>	<b>79 931</b>	<b>65 584</b>	<b>79 623</b>	<b>79 623</b>	<b>79 623</b>	<b>77 462</b>	<b>81 201</b>	<b>48 412</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Trade and other payables	4	108 923	105 381	105 381	65 825	102 035	102 035	102 035	107 035	111 959	116 997
Provisions		12 034	13 653	13 653	15 754	14 744	14 744	14 744	15 466	16 177	16 905
<b>Total current liabilities</b>		<b>120 956</b>	<b>119 034</b>	<b>119 034</b>	<b>81 579</b>	<b>116 779</b>	<b>116 779</b>	<b>116 779</b>	<b>122 501</b>	<b>128 136</b>	<b>133 902</b>
<b>Non current liabilities</b>											
Provisions		64 289	68 557	68 557	62 409	73 890	73 890	73 890	77 511	81 076	84 725
<b>Total non current liabilities</b>		<b>64 289</b>	<b>68 557</b>	<b>68 557</b>	<b>62 409</b>	<b>73 890</b>	<b>73 890</b>	<b>73 890</b>	<b>77 511</b>	<b>81 076</b>	<b>84 725</b>
<b>TOTAL LIABILITIES</b>		<b>185 245</b>	<b>187 591</b>	<b>187 591</b>	<b>143 988</b>	<b>190 669</b>	<b>190 669</b>	<b>190 669</b>	<b>200 012</b>	<b>209 212</b>	<b>218 627</b>
<b>NET ASSETS</b>	5	<b>(106 460)</b>	<b>(107 660)</b>	<b>(107 660)</b>	<b>(78 404)</b>	<b>(111 046)</b>	<b>(111 046)</b>	<b>(111 046)</b>	<b>(122 550)</b>	<b>(128 011)</b>	<b>(170 215)</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		(106 460)	(107 660)	(107 660)	(77 133)	(111 046)	(111 046)	(111 046)	(116 488)	(121 846)	(127 329)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>(106 460)</b>	<b>(107 660)</b>	<b>(107 660)</b>	<b>(77 133)</b>	<b>(111 046)</b>	<b>(111 046)</b>	<b>(111 046)</b>	<b>(116 490)</b>	<b>(121 846)</b>	<b>(127 329)</b>

DC48 West Rand - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year +2 2026/27
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Other revenue		16 694	7 877	4 852	16 371	24 823	24 823	24 823	37 283	44 458	46 909
Government - operating	1	241 318	243 294	266 585	262 852	274 619	274 619	274 619	272 332	273 064	279 352
Government - capital	1	3 118	7 000	44 324	75 786	77 364	77 364	77 364	67 378	65 381	54 501
Interest		1 021	1 490	3 076	3 919	5 642	5 642	5 642	5 907	6 178	6 456
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(258 941)	(258 408)	(301 698)	(276 090)	(351 517)	(351 517)	(351 517)	(363 810)	(375 324)	(378 433)
Finance charges		-	-	-	6 135	(11 198)	(11 198)	(11 198)	(11 747)	(12 287)	(12 840)
Transfers and Grants	1	-	-	-	(12 469)	(11 486)	(11 486)	(11 486)	(12 469)	(13 043)	(13 629)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3 210</b>	<b>1 254</b>	<b>17 138</b>	<b>76 504</b>	<b>8 247</b>	<b>8 247</b>	<b>8 247</b>	<b>(5 125)</b>	<b>(11 572)</b>	<b>(17 683)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	5 328	306	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		1 108	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(4 040)	(5 263)	(1 561)	(73 450)	(8 378)	(8 378)	(8 378)	(1 100)	(450)	(350)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(2 932)</b>	<b>65</b>	<b>(1 255)</b>	<b>(73 450)</b>	<b>(8 378)</b>	<b>(8 378)</b>	<b>(8 378)</b>	<b>(1 100)</b>	<b>(450)</b>	<b>(350)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>277</b>	<b>1 319</b>	<b>15 883</b>	<b>3 054</b>	<b>(131)</b>	<b>(131)</b>	<b>(131)</b>	<b>(6 225)</b>	<b>(12 022)</b>	<b>(18 033)</b>
Cash/cash equivalents at the year begin:	2	1 045	1 323	2 642	2 642	3 117	3 117	3 117	3 117	(3 108)	(15 130)
Cash/cash equivalents at the year end:	2	1 323	2 642	18 525	5 696	2 986	2 986	2 986	(3 108)	(15 130)	(33 164)

