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REPOSITIONING THE **WEST RAND** FOR A BETTER LIFE FOR ALL



West Rand
District Municipality

2023/2024 Quarterly Financial Report 30 June 2024



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IN-YEAR BUDGET STATEMENT TABLES: QUARTER ENDED 30 JUNE 2024

The financial results for the quarter ended 30 JUNE 2024 are attached and consists of the following tables:

MBRR TABLES:

- 1) Table C3: Quarter 3 Budget Statement - Financial Performance (Revenue and Expenditure by Municipal vote)
- 2) Table C4: Quarter 3 Budget Statement – Financial Performance (Revenue and Expenditure)
- 3) Table C5: Quarter 3 Budget Statement – Capital Expenditure by vote, standard classification and funding
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- 11) Table 16: Councillors remuneration.

Abbreviations

MFMA	Municipal Finance Management Act
MWIG	Municipal Water Infrastructure Grant
GDARD	Gauteng Department of Agriculture and Rural Development
EPWP	Expanded Public Works Programme
FMG	Financial Management Grant
GIFA	Gauteng Infrastructure Financing Agency
MSIG	Municipal Systems Improvement Grant
RSC	Regional Services Council
WRDM	West Rand District Municipality
WRDA	West Rand Development Agency
DoRA	Division of Revenue Act
mSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
MMC	Member of Mayoral Committee
CPIX	Consumer Price Inflation Index
GDP	Gross Domestic Product
FFC	Financial and Fiscal Commission
IDP	Integrated Development Plan
SDBIP	Service Delivery Budget Implementation Plan
MFRS	Municipal Financial Recovery Services
FRP	Financial Recovery Plan
MEC	Member of Executive Council
NPG	Neighbourhood development partnership grant
GRAP 17	General Reporting Accounting Practices
LG SETA	Local Government Sector Education and Training Authority
CCTV	Closed Circuit Television
YTD	Year to date

1 INTRODUCTION

1.1. PURPOSE

The purpose of this report is to inform the Section 80 Finance portfolio committee about the Financial Status quo of West Rand District Municipality and to comply with **Section 52(d) of the MFMA** and the requirements as promulgated in the Government Gazette No 32141 of 17th April 2009

1.2. STRATEGIC OBJECTIVE

The application of sound financial management principles for the compilation of West Rand District Municipality financial plan is essential and critical to ensure that the municipality remains financially viable, and those sustainable municipal services are provided economically and equitably to all communities

1.3. Legislative Background

Sections of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Regulations” necessitates those specific financial particulars be reported on and in the format prescribed.

Sections 52 (d) of the MFMA states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to the Council on the implementation of the budget and the financial status of the affairs of the municipality

2 STATEMENT OF FINANCIAL PERFORMANCE

2.1 TABLE 1: SUMMARY OF THE TOTAL BUDGET PERFORMANCE

	2023/24 Adjusted Budget (R'000)	Actual performance to date (in R and as a % of the Original budget)		YTD Adjusted Budget (R'000)
		(R'000)	%	
TOTAL REVENUE COLLECTED	407,425	352,742	86%	407,425
TOTAL REVENUE RECOGNISED	407,425	352,742	86%	407,425
TOTAL EXPENDITURE	(418,608)	(342,013)	82%	(418,608)
Operational expenditure	(409,706)	(337,452)	82%	(409,706)
Capital expenditure	(8,902)	(4,561)	51%	(8,902)
SURPLUS/(DEFICIT)	(11,183)	10,729		(11,183)

Note: Capitalised expenditure excluded, refer to table 4.1
Positive Revenue & Negative (Expenditure)

- 2.1.1 During the 2023/24 financial year the municipality has anticipated to raise **R407,4** million in revenue which is inclusive of operational and capital grants.
- 2.1.2 The total revenue of **R352,7** million has been recognised (representing 86%) of the total adjusted revenue budget. This amount is mainly contributed by revenue received from grants (National and Provincial). The municipality is mostly funded by transfers and subsidies from National and Provincial Government. The SC6 table as part of the annexure has been attached detailing the performance of the grants.

Description	Monthly	Year to date
	Actual 2023/2024 R0'000	Actual 2023/2024 R0'000
Interest on primary bank account	7	1 555
Interest on Short Term Investments and Call Accounts	127	4 758
Licences or Permits	22	455
Interest on debtors	35	353
Rental	167	2 079
Building Plans Approval	19	54
Fire Prevention Fees	152	1 231
Health Certificates	22	455
Commission	13	293
Donaldson Dam	22	125
Tender documents	-	37
Electricity	42	514
Sale of plants	-	5
Transfers and Subsidies:Rural Road Asset Management Systems Grant	475	2 786
LG Seta	572	3 310
Transfers and Subsidies:Local Government Financial Management Grant	48	1 200
Transfers and Subsidies:Fire Services Grant	1 212	9 274
Transfers and Subsidies:Expanded Public Works Programme	21	1 203
Transfers and Subsidies: Neighbourhood Partnership Development Grant	6 478	73 429
Transfers and Subsidies: HIV & Aids Grant	-	11 508
Transfers and Subsidies:Equitable Share	-	238 118
	9 433	352 742

2.1.3 The summary of statement of financial performance in Table 4 is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.

2.1.4 To date, a total of **R337,4** million has been spent on the operational adjusted budget and **R4,5** million was spent on capital expenditure to date. (this amounts to **82%** of the total approve expenditure budget for the year).

2.1.5 The main cost drivers of the expenditure are **employee related costs**.

2.2 Table 2: FINANCIAL PERFORMANCE (INCOME AND EXPENDITURE BY MUNICIPAL VOTE)

DC48 West Rand - Table C3 Quarterly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q04

Vote Description	Ref	Budget Year 2023/24							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Corporate Governance	1	13 171	15 898	-	9 525	15 898	(6 373)	-40%	15 898
Vote 2 - Municipal Manager & Support		21 481	21 658	-	14 287	21 658	(7 371)	-34%	21 658
Vote 3 - Corporate Services		42 663	49 867	781	29 712	49 867	(20 154)	-40%	49 867
Vote 4 - Budget & Treasury Office		30 556	41 386	231	24 868	41 386	(16 518)	-40%	41 386
Vote 5 - Health & Social Development		55 074	47 988	49	47 986	47 988	(1)	0%	47 988
Vote 6 - Public safety		128 598	130 668	3 329	119 851	130 668	(10 817)	-8%	130 668
Vote 7 - Regional planning & Economic Development		82 535	99 961	6 989	106 514	99 961	6 553	7%	99 961
Total Revenue by Vote	2	374 078	407 425	11 380	352 742	407 425	(54 683)	-13%	407 425
Expenditure by Vote									
Vote 1 - Corporate Governance	1	13 171	15 897	3 649	16 952	15 897	(1 055)	-7%	15 897
Vote 2 - Municipal Manager & Support		21 480	26 658	1 749	23 544	26 658	3 114	12%	26 658
Vote 3 - Corporate Services		42 663	49 867	5 401	40 525	49 867	9 342	19%	49 867
Vote 4 - Budget & Treasury Office		30 556	50 286	1 911	23 669	50 286	26 616	53%	50 286
Vote 5 - Health & Social Development		55 074	48 988	3 159	47 909	48 988	1 078	2%	48 988
Vote 6 - Public safety		128 597	128 468	10 427	109 746	128 468	18 721	15%	128 468
Vote 7 - Regional planning & Economic Development		82 534	98 445	6 968	79 668	98 445	18 777	19%	98 445
Total Expenditure by Vote	2	374 075	418 608	33 264	342 014	418 608	76 594	18%	418 608
Surplus/ (Deficit) for the year	2	3	(11 183)	(21 884)	10 728	(11 183)	(131 277)	1174%	(11 183)

2.2.1 The above income and expenditure summary table indicates that to date, the municipality is at a surplus of R10,728 million in overall summary per municipal votes.

2.2.2 Public Safety contributes the largest year-to-date expenditure with a total of **R109,7 million** (32%) from the overall year-to-date expenditure of **R342 million** per total expenditure by vote.

2.2.3 The Regional Planning and Economic Development function reported a year-to-date total expenditure of **R79,6 million** (23%) of the year to date total expenditure. The main expenditure contributor to date is contracted services expenditure of R 73,429 million for the Neighbourhood Development Partnership Grant programmes.

2.2.4 The profitability ratio presented below, is at a positive (**3%**). This indicates that the municipality's year to date financial performance is at a surplus as at 30 June 2024.

Description	Basis of calculation	% Profit/ (Deficit)
Profitability ratio	Surplus/ Total revenue	3%

2.3 Table 3: FINANCIAL PERFORMANCE REVENUE BY TYPE

This table shows income raised by the municipality for the quarter ended 30 June 2024

DC48 West Rand - Table C4 Quarterly Budget Statement - Financial Performance (revenue and expenditure) - Q04

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Rental of facilities and equipment		2 027	2 606	2 606	167	2 079	2 606	(527)	-20%	2 606
Interest earned - external investments		3 076	3 919	6 642	135	6 312	6 642	(330)	-5%	6 642
Interest earned - outstanding debtors		258	355	814	35	353	814	(461)	-57%	814
Licences and permits		542	701	701	22	455	701	(246)	-35%	701
Reversal on impairment of investment		-	4 600	4 600	-	-	4 600	(4 600)	-100%	4 600
Transfers and subsidies		296 122	270 138	274 619	10 175	340 922	274 619	66 303	24%	274 619
Other revenue		5 341	22 709	35 702	833	2 621	35 702	(33 081)	-93%	35 702
Gains on disposal of PPE		6	550	650	-	-	650	(650)	-100%	650
Total Revenue (excluding capital transfers and contributions)		307 372	305 578	326 333	11 367	352 742	326 333	26 409	8%	326 333

- 2.3.1 The total year-to-date operational revenue recognised for the period ended 30 June 2024 amounted to R352,7 million. The overall collections of total revenue for the quarter was mainly contributed by the operational grants with only a small portion from operational revenue consisting of fire prevention fees and rental of facilities.
- 2.3.2 Transfers and subsidies are made up of conditional grants namely: Rural Asset Management Grant, Financial Management Grant, Expanded Public Works Programme Grant, Fire and Rescue Services Grant, and Neighbourhood Development Partnership Grant. Revenue from these grants is recognised monthly as the funds are spent in line with stipulated grant conditions. The municipality also received its third tranche of the Equitable Share.
- 2.3.3 The interest received was realised from external short-term investments to date amounts to R6,3 million. The over collections are due to grants received and not yet utilised, however, the funds are always available for withdrawal as and when needed.
- 2.3.4 The municipality is at 80% of the total adjusted budget amount for rental collections in the current financial year. The municipality is of the opinion that the implementation of the credit control policy will assist the municipality to realised revenue as projected.
- 2.3.5 Grants are fully disclosed in Table 4. (SC6)
- 2.3.6 The breakdown of other revenue for the quarter ended 30 June 2024 is made up from the following sources as presented on the table below:

Item Description	Monthly Income	Quarterly Income
Sales of Goods and Rendering of Services: Fire Services	151,683	371,815
Building Plan Fees	18,595	20,343
Sale of tender documents	-	6,087
LG SETA	572,015	1,209,913
Electricity	41,766	134,097
Health Clearance Certificates	27,348	72,088
Donaldson Dam	21,913	21,913
TOTAL	833,320	1,836,256

The breakdown of Donaldson Dam revenue as at 30 June 2024 is made up from the following sources as presented on the table below:

Item Description	Monthly Income	Quarterly Income
Donaldson Dam	21,913	21,913
TOTAL	21,913	21,913

Table 4: GRANTS RECEIVED FOR THE QUARTER ENDED 30 JUNE 2024

The table for transfers and subsidies received by the municipality as at the quarter ended 30 JUNE 2024

DC48 West Rand - Supporting Table SC6 Quarterly Budget Statement - Transfers and Grant Receipts - Q04

Description	Ref	Original Budget	Adjusted budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		240 819	240 819	-	240 521	240 819	(298)	-0.12%	240 819
Local Government Equitable Share		51 355	51 355	-	51 355	51 355	-		51 355
RSC Levy Replacement		187 061	187 061	-	186 763	187 061	(298)	-0.16%	187 061
Finance Management		1 200	1 200	-	1 200	1 200	-		1 200
EPWP Incentive		1 203	1 203	-	1 203	1 203	-		1 203
Provincial Government:		12 469	24 236	-	24 969	24 236	734	3.0%	24 236
Health Subsidy		12 469	11 735	-	12 469	11 735	734	6.3%	11 735
Fire Rescue Services			9 866	-	9 866	9 866	-		9 866
Disaster management			2 635	-	2 635	2 635			2 635
Other grant providers:		9 564	9 564	572	3 310	9 564	(6 254)	-65.4%	9 564
LG SETA		9 564	9 564	572	3 310	9 564	(6 254)	-65.4%	9 564
Total Operating Transfers and Grants	5	262 852	274 619	572	268 800	274 619	(5 819)	-2.1%	274 619
Capital Transfers and Grants									
National Government:		72 786	81 091	-	76 215	76 215	-	-	76 215
Neighbourhood Development Partnership		70 000	73 429	-	73 429	73 429	-	-	73 429
Rural Roads Asset Management Systems		2 786	2 786	-	2 786	2 786	-	-	2 786
Provincial Government:		3 000	4 876	-	4 876	4 876			
Fire Rescue Services		3 000	4 876	-	4 876	4 876			4 876
Total Capital Transfers and Grants	5	75 786	81 091	-	76 215	76 215	-	-	76 215
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	338 638	355 710	572	345 015	350 834	(5 819)	-1.7%	350 834

2.3.7 The total year-to-date transfers and subsidies received for the 2023/24 financial year amount to **R345 million** which is made up of R268,8 million and R76,2 million for operational and capital commitments respectively. The grants are the main revenue contributor which is an indication that the municipality is grant dependent while seeking other sources of revenue to maintain financial stability.

2.3.8 The table below presents the total conditional grant transfers and unspent grants as per their conditions:

Grants for the month ended 30 June 2024

Grants	(A) Gazetted 2023/2024	(B) Roll-over 2023/2024	(C) Received per bank statement 2023/2024	(D) Spent to date 2023/2024	(E) Unspent 2023/2024 (B+C-D)	(F) % Spent to date 2023/2024 (D/C+B)
FMG	1 200 000	-	1 200 000	1 200 000	-	100%
EPWP	1 203 000	-	1 203 000	1 203 000	-	100%
Health subsidy	12 469 000	-	12 469 000	12 469 000	-	100%
Fire & Rescue Services Capital	3 000 000	1 876 408	3 000 000	2 994 572	1 881 836	61%
Fire & Rescue Services Operational	-	9 865 754	-	6 722 358	3 143 396	68%
Rural Asset Management Grants	2 786 000	-	2 786 000	2 786 000	0	100%
Disaster Management	-	2 634 508	-	906 833	1 727 675	34%
Neighbourhood Development Partnership	70 000 000	-	73 429 000	73 429 000	-	100%
TOTAL "R"	90 658 000	14 376 670	94 087 000	101 710 763	6 752 907	

2.3.8.1 The above table depicts year to date conditional grants movement. The municipality has received **R94 million**, which is made up of the 100% of the total conditional grants gazetted during the year and an additional R3,4 million for the Neighbourhood Development Partnership grant. MFMA prescribes that, therefore, the additional funds will be accommodate by a special adjustment in accordance with section of the MFMA.

2.3.8.2 The unspent operational grant for Fire and rescue services and disaster management of R4 million is for maintenance of fire stations, the supplier is at the final stage to complete the project.

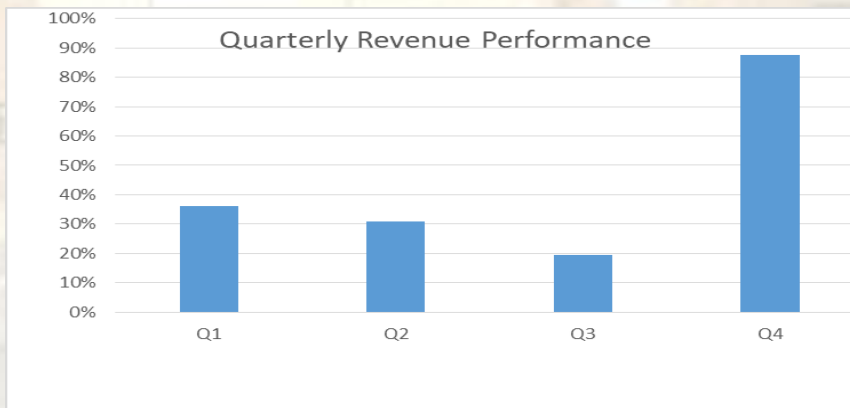
2.3.8.3 The unspent portion relates to the fire and rescue capital grant is due to service provider failing to deliver fire and disaster equipment as per specification. The service provider subsequently committed to deliver the correct equipment.

2.3.8.4 In terms of mSCOA reporting classification, revenue recognition for conditional grants is only considered once the expense has been incurred by the municipality (grants spent). In turn, a liability (unspent grants) was initially recognised for the particular grant amount not yet spent therefore only R100,9 million spent to date can be recognised as revenue and unspent portion of R6,7 million be recorded as a liability until the conditions are met.

2.3.8.5 The table below indicates the portion of unspent grant from Public safety department due delays from the services providers

Fire & Disaster management grant	Invoice amount for revenue recognition	Reasons for delays
Capital	R450 000.00	The Water Trailers was returned back to the supplier due to being unsatisfactory by the user department. A new delivery date was rescheduled.
Capital	R480 000.00	The vehicle is delivered but there was price discrepancy between quotation and invoice. The municipality will settle the amount as quoted.
Capital	R400 000 .00	The communication radios are not yet delivered. The municipality is currently engaging the service provider
Capital	R500 000.00	Computer equipment not yet delivered
Operational	R2 800 000.00	The maintenance of fire stations and disaster management centre is ongoing.
TOTAL	4 630 000.00	

CHART 1: QUARTER FOUR REVENUE PERFORMANCE



The above chart represents the quarter four revenue % of the total revenue raised as at 30 June 2024

Table 5: FINANCIAL PERFORMANCE EXPENDITURE BY TYPE

This table shows expenditure incurred by the municipality for the quarter ended 30 June 2024

DC48 West Rand - Table C4 Quarterly Budget Statement - Financial Performance (revenue and expenditure) - Q04

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		209 338	223 021	232 156	18 249	212 994	232 156	19 162	8%	232 156
Remuneration of councillors		11 978	13 132	14 117	1 047	13 011	14 117	1 106	8%	14 117
Debt impairment		(859)	650	3 150	-	-	3 150	3 150	100%	3 150
Depreciation & asset impairment		5 072	5 800	6 531	-	1 698	6 531	4 833	74%	6 531
Interest cost and penalties		9 095	6 135	13 341	27	1 413	13 341	11 929	89%	13 341
Other materials			429	476	58	475	476	1	0%	476
Contracted services		46 666	79 722	87 452	7 267	72 313	87 452	15 139	17%	87 452
Transfers and subsidies		11 932	12 469	11 486	-	11 508	11 486	(23)	0%	11 486
Operational expenditure		21 902	30 156	40 992	6 727	28 600	40 992	12 392	30%	40 992
Disposal of PPE		156	650	-	-	-	-	-	-	-
Total Expenditure		315 279	372 164	409 702	33 376	342 013	409 702	67 689	17%	409 702

2.3.9 The total year-to date operating expenditure for the period ended 30 June 2024 amounts to **R342 million** which represents 83% of the approved operational adjusted budget.

2.3.10 The total employee related costs including councillors' remuneration is 55% of the total adjusted budget of operating expenditure was incurred as 30 June 2024. The major portion of equitable share is utilised for employee costs due to limited revenue streams in the municipality.

2.3.11 The reported year to date interest charges of R1,4 million on overdue account was billed by Rand West City LM for utilities, however the amount will be written off after receiving a credit note on amount paid as per payment arrangement. The remaining adjusted budget is appropriated for interests cost on employee benefits that would be determined by the actuarial results.

2.3.12 The amount spent on contracted services and other operational expenditure for the month are listed are listed below.

The breakdown of contracted services for the quarter ended 30 June 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	Quarterly Expenditure
Construction of recreation centre	5,632,666	11,361,679
Security Services	347,921	1,043,763
Burial Services	83,391	-
Maintenance of buildings (Disaster Management Centre)	65,101	-
Maintenance of equipment	985,275	1,605,316

Maintenance of computer equipment	12,350	24,700
Maintenance vehicles (finance)	27,300	58,183
Maintenance of vehicles (fire)	10,474	10,474
Legal advice and ligation	24,236	24,236
Audit Committee	78,684	165,330
TOTAL CONTRACTED SERVICES	7,267,398	14,293,681

The breakdown of other expenditure for the quarter ended 30 June 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	Quarterly Expenditure
Bank charges	2,164	6,661
Operating lease: Office Equipment	32,948	103,947
Communication (Telephone & Cellular)	91,690	278,108
Software licences	-	826,903
Professional Bodies Membership Fees	2,519,349	2,522,239
Motor Vehicles Licences Registrations	7,370	13,199
Wet fuel	156,632	410,000
Learnerships and Internships	572,015	1,106,015
Skills Development Fund Levy	156,363	456,580
Insurance	12,588	13,045
Workmen's Compensation Fund	2,711,637	2,711,637
Travel and Subsistence	8,650	8,650
Transport for Municipal Activities	126,565	205,258
Municipal Services	329,289	984,962
TOTAL OTHER EXPENDITURE	6,727,260	9,647,204

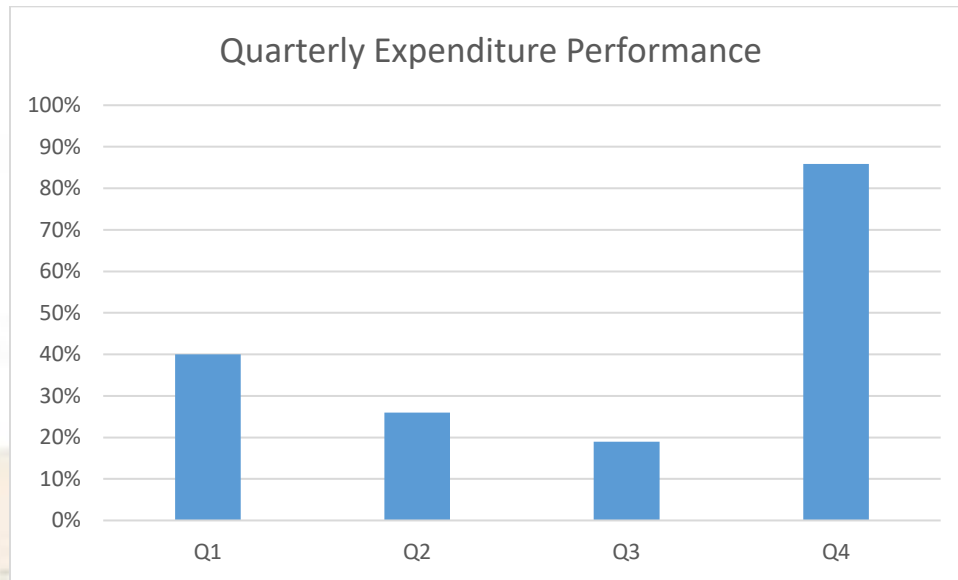
The breakdown of Donaldson Dam expenditure for the quarter ended 30 June 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	Quarterly Expenditure
Employee Cost	33,465	100,395
Security Services	80,022	240,065
TOTAL EXPENDITURE	113,487	340,461

The breakdown of Merafong flora expenditure for the quarter ended 30 June 2024 is made up of the following sources presented below:

Item Description	Monthly Expenditure	Quarterly Expenditure
Employee Cost	90,236	279,056
Security Services	80,022	240,065
TOTAL EXPENDITURE	170,258	519,122

Chart 1: QUARTER FOUR EXPENDITURE PERFORMANCE



The above chart represents the Quarter four expenditure % of the total expenditure as at the 30 June 2024.

3 DEBTORS AND CREDITORS

3.1 TABLE 6: DEBTORS AGE ANALYSIS – QUARTER ENDED 30 JUNE 2024

Description	NT Code	Budget Year 2023/24									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Other	1900	83	151	138	137	136	444	584	10 640	12 313	11 941	–	7 226
Total By Income Source	2000	83	151	138	137	136	444	584	10 640	12 313	11 941	–	7 226
107656.6 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	–	–	–	–	–	–	–	7 226	7 226	7 226	–	7 226
Commercial	2300	83	151	138	137	136	444	584	3 414	5 087	4 715	–	–
Total By Customer Group	2600	83	151	138	137	136	444	584	10 640	12 313	11 941	–	7 226

3.1.1 Debtors who are 90 days and older for WRDM is **R12,3 million** as at 30 June 2024. The longer an account is outstanding, it imposes high risk of collection to the municipality and can be

reviewed as impaired if non-payment status persist, below is a detailed aging analysis per debtor.

Debtors ageing analysis breakdown

Debtors Name	Description of services rendered	Total
Adel	Rental	443,261
Adel JUT 2	Rental	1,210,089
Adel JUT 3	Rental	43,650
NYDA	Rental	64,841
Jumbo Liquors	Rental	-
Capitec Bank Limited	Rental	313,075
BP South Africa (PTY) LTD	Rental	65,443
United Meat and Chicken	Rental	1,895,313
Department of Health	Rental	174,879
South African Municipal Workers (Vacant)	Rental	678,524
Jumbo Furniture (Vacant)	Rental	198,495
Rand West City Local Municipality	Contributions	1,825,500
Merafong City Local Municipality	Contributions	5,400,000
Total		12,313,070

3.2 TABLE 7: CREDITORS AGE ANALYSIS – QUARTER ENDED 30 JUNE 2024

DC48 West Rand - Supporting Table SC4 Budget Quarterly Statement - aged creditors - Q04											
Description	NT Code	Budget Year 2023/24									Total
		0 Days	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands											
Creditors Age Analysis By Customer Type											
Trade Creditors	0700	-	5 698	1 213	514	24 364	-	-	-	-	31 789
Auditor General	0800	-	38	-	-	-	-	-	-	-	38
Other	0900	-	25 530	-	-	-	-	-	-	42 078	67 609
Total By Customer Type	1000	-	31 266	1 213	514	24 364	-	-	-	42 078	99 436

- 3.2.1 The municipality is currently owing the suppliers a total amount of **R99,4 million** as at 30 June 2024. The main contribution is from the creditors within 120 days which constitutes 58% of the total creditors. The main creditor is local municipality for utilities. Other suppliers are paid timeously, within 30 days as and when there is cash available to meet short term commitments.
- 3.2.2 The municipality has payment arrangements with those creditors that are in arrears to comply with and improve adherence to section 65(2) (e) of the MFMA. The institution is obliged to honour payment arrangement terms as the interest charges will remain suspended.
- 3.2.3 The municipality has payment arrangements with all creditors that are in arrears.

The breakdown of the creditors' age analysis by customer balance for the quarter ended 30 June 2024 is made up as follows:

Creditor Code 202402	Creditor Name	Description of services rendered	30days	60days	90days	120days	Total
7230	APEX BUSINESS SYSTEMS	Printing machines	37,889	-	-	-	37,889
437	AUDITOR GENERAL SOUTH AFRICA	External Audit Services	-	-	-	157,172	157,172
6677	CTRACK MZANSI	Vehicle Tracking Services	10,698	-	-	-	10,698
6763	ILANGA CONSULTING TRADING	Learnerships and Internships	522,000	-	-	-	522,000
7384	KONAR DEENADAYALEN	Committee Member	9,174	-	-	-	9,174
99348	MABOTWANE SECURITY SERVICES CC	Security Services	400,109	400,109	-	177,821	978,040
6683	MANGQUKU LUYANDA MANSFIELD	Committee Member	5,892	-	-	-	5,892
99290	MARCE PROJECTS PTY LTD	Maintenance of vehicles	47,071	-	-	-	47,071
7270	MASEKO MAPHANGA	Committee Member	5,892	-	-	-	5,892
99179	MOIKETSI M J MOHLAKOANA	Committee Member	3,273	-	-	-	3,273
6685	MONGALO MAKGOBA PERCY	Committee Member	3,273	-	-	-	3,273
5927	MUNSOFT	Financial system	361,980	-	-	-	633,960
2077	NOZUKO NXUSANI INCORPORATED	Legal Services	-	-	-	570,024	570,024

7446	NTSHOVELO BUSINESS ENTERPRISE		65,101	-	-	-	65,101
99339	PK FINANCIAL CONSULTANTS	VAT review services				320,460	320,460
6857	RAND WEST C L M (DONALDSON)	Municipal Services	46,236	50,218	50,594	1,363,738	1,510,786
99902	RAND WEST CITY LOCAL MUNICIPAL	Municipal Services	464,036	446,040	463,683	16,086,532	17,460,291
7268	RAVHUHALI LUFUNO	Committee Member	5,892	-	-	-	5,892
13852	SALGA	Membership fees	2,503,221				2,503,221
6867	SOFTWARE & TELECOM SOLUTIONS	Software licences	14,213	-	-	-	14,213
98736	TRIVIRON PROJECT MANAGEMENT	Contractor (Finsbury Sports Complex)	1,152,537	-	-	-	1,152,537
185	VODACOM SERVICE PROVIDER CO	Communication services	91,656	-	-	-	91,656
Total			5,375,673	1,213,347	514,277	24,363,790	31,827,087

3.2.4 Other payables on accruals and deferred income on unspent conditional grants breakdown is presented below:

Creditors (other accrual)	Amount
Leave payable (days not taken)	25,530,130
Human Settlement Grant	30,444,000
Department of Labour – Compensation Fund	11,634,111
Total	67,608,241

Unspent conditional grants	Amount
Disaster Management Grant and Fire services grant	1,727,675
Fire Services Grant (Capital)	1,881,836
Fire Services Grant (Operational)	3,727,675
Total unspent grants	6,752,907

- 3.2.1 The municipality has a leave payable balance of R25 million by 30 June 2024 due to accumulated leave accrued to employees in terms of the main collective agreement. The accumulated leave payables is limited to 48 days per employee.
- 3.2.2 The municipality’s employees are encouraged to take leave to reduce the liability.

4 SUMMARY OF CAPITAL BUDGET

4.1 CAPITAL BUDGET PERFORMANCE FOR THE QUARTER ENDED 30 JUNE 2024

	2023/24 Approved Adjusted Budget	Actual spend to date (in R and as a % of the Approved Budget)		Pro rata Adjusted Budget to date
	R	R	%	R
EXPENDITURE (Excl. VAT)	7,740,869	4,561,000	54%	7,740,869
VAT @ 15%	1,161,130	684,150	-	1,161,130
EXPENDITURE (Incl. VAT)	8,901,999	5,245,150	54%	8,901,999

4.1.1 The table below represents the capital expenditure as at 30 June 2024 per functional classification and funding:

DC48 West Rand - Table C5 Quarterly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q04

Vote Description	Ref	2022/23	Budget year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		894	450	900	11	264	900			900
Finance and administration		894	450	900	11	264	900	(636)	-71%	900
<i>Community and public safety</i>		966	3 000	7 552	635	4 031	7 552			7 552
Public safety		966	3 000	7 552	635	4 031	7 552	(3 521)	-47%	7 552
<i>Economic and environmental services</i>		270	70 000	450	-	266	450			450
Planning and development		270	70 000	450	-	266	450	(184)	-41%	450
Total Capital Expenditure - Functional Classification	3	2 130	73 450	8 902	645	4 561	8 902	(4 341)	-49%	8 902
Funded by:										
National Government		298	70 000	900	-	266	900	634	70%	900
Provincial Government		121	3 000	7 552	635	4 031	7 552	3 521	47%	7 552
Transfers recognised - capital		419	73 000	8 452	635	4 297	8 452	4 155	49%	8 452
Internally generated funds		-	450	450	11	264	450	186	41%	450
Total Capital Funding		-	73 450	8 902	645	4 561	8 902	4 341	49%	8 902

4.1.2 The municipality has a total budget of R8,9 million for capital expenditure. This excludes R70 million, which is now transferred to operational expenditure and to be spent on construction of a multi-purpose centre that is funded through the Neighbourhood Development Partnership Grant gazette in a DoRA. The capital expenditure to date which includes fire equipment and ITC equipment is at R4,8 million for the quarter ended 30 June 2024.

4.1.3 The fire and disaster equipment were returned back to the supplier due to unsatisfactory by the user department. The municipality is liaising with the supplier to make another delivery as indicated from additional unspent grant table.

5 CASH FLOW POSITION

5.1 CASH FLOW – QUARTER ENDED 30 JUNE 2024

DC48 West Rand - Table C7 Quarterly Budget Statement - Cashflow - Q04

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts		318 837	368 928	390 934	2 156	345 483	390 934			390 934
Other revenue		4 852	26 371	33 309	1 574	14 699	33 309	(18 610)	-56%	33 309
Government - operating	1	261 934	262 852	274 619	572	250 143	274 619	(24 476)	-9%	274 619
Government - capital	1	48 975	75 786	77 364	-	75 379	77 364	(1 985)	-3%	77 364
Interest		3 076	3 919	5 642	11	5 262	5 642	(380)	-7%	5 642
Payments		(301 698)	(294 175)	(398 402)	(25 990)	(351 298)	(398 402)			(398 402)
Suppliers and employees		(289 766)	(275 572)	(376 169)	(25 990)	(339 562)	(376 169)	36 607	-10%	(376 169)
Finance charges		-	(6 135)	(10 498)	-	-	(10 498)	10 498	-100%	(10 498)
Transfers and Grants		(11 932)	(12 469)	(11 735)	-	(11 735)	(11 735)	(0)	0%	(11 735)
NET CASH FROM/(USED) OPERATING ACTIVITIES		17 139	74 752	(7 468)	(23 833)	(5 815)	(7 468)	1 654	-22%	(7 468)
Payments										
Capital assets		(1 255)	(73 450)	(8 378)	(12)	(3 115)	(8 378)	5 263	-63%	(8 378)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 255)	(73 450)	(8 378)	(12)	(3 103)	(8 378)	5 263	-63%	(8 378)
NET INCREASE/ (DECREASE) IN CASH HELD		15 883	1 302	(15 846)	(23 845)					
Cash/cash equivalents at beginning:	2	2 642	2 642	2 642		18 503				2 642
Cash/cash equivalents at month/year end:	2	18 526	3 944	(13 204)		9 585				(13 204)

5.2 FREE CASH FLOW ANALYSIS

Total Application of cash and investments:	Closing balance (R '000)
WRDM (FNB transactional account)	1,519
WRDM (Standard bank transactional accounts)	1,398
Call Account Investment – WRDM (Standard bank)	6,118
Call Account Investment – WRDM (FNB)	548
Standard bank Fixed Deposit Account	-
Total cash available	9,583
Unspent conditional grants	(6,752)
Free cash flow surplus	2,831
Cash flow surplus by 30 June 2024	2,831

5.2.1 A summary of the cash flow for the quarter ended 30 June 2024 is reflected in the table above.

5.2.2 The table in short indicates affordability status and confirms that the municipality is in financial distress hence the implementation of the financial recovery plan and the financial turnaround strategy.

5.2.3 The free cash flow for the quarter ended 30 June 2024 after deducting unspent conditional grants is at surplus of R2,8 million.

5.2.4 The municipality had received all the grant as they were gazetted which assisted in running daily operations and honour commitments in the current financial year.

5.3 SHORT TERM INVESTMENT AND RESERVE FOR THE QUARTER ENDED 30 JUNE 2024

DC48 West Rand - Supporting Table SC5 Quarterly Budget Statement - investment portfolio - Q04

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
FNB Call Account		N/A	Call account	Yes	Fixed					545	4	-	-	549
Standardbank Fixed Deposit		3 months	Fixed Deposit	Yes	Fixed					-	-	-	-	-
Standardbank Call Account		N/A	Call account	Yes	Fixed					31 878	-	(25 760)	-	6 119
TOTAL INVESTMENTS AND INTEREST	2									32 424	4	(25 760)	-	6 668

5.3.1 During the quarter ended 30 June 2024, withdrawals of R25,7 million were made from the Standard Bank Call Account for operational expenditure. The call account type is available on demand while ring-fencing conditional grants

6. FINANCIAL POSITION

6.1 FINANCIAL POSITION FOR THE QUARTER ENDED 30 JUNE 2024

DC48 West Rand - Table C6 Quarterly Budget Statement - Financial Position - Q04

Description	Ref	2022/23	Budget year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		12 079	–	–	2 918	–
Call investment deposits		5 901	–	–	6 668	–
Consumer debtors		3 697	2 783	2 783	12 313	2 783
Receivables from non-exchange transactions		734	–	–	734	–
Inventory		238	95	95	266	95
Total current assets		22 648	2 878	2 878	22 898	2 878
Non current assets						
Investment property		9 200	8 845	8 845	9 200	8 845
Property, plant and equipment		59 631	53 056	53 056	59 631	53 056
Biological		162	143	143	162	143
Total non current assets		68 992	62 044	62 044	68 992	62 044
TOTAL ASSETS		91 640	64 922	64 922	91 891	64 922
LIABILITIES						
Current liabilities						
Trade and other payables		119 779	74 329	106 188	106 188	74 329
Provisions		12 409	15 754	15 754	12 409	15 754
Total current liabilities		132 187	90 083	121 942	118 597	90 083
Non current liabilities						
Provisions		73 890	62 409	62 409	73 890	62 409
Total non current liabilities		73 890	62 409	62 409	73 890	62 409
TOTAL LIABILITIES		206 077	152 492	184 351	192 487	152 492
NET ASSETS	2	(114 437)	(87 569)	(119 429)	(100 596)	152 492
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(114 437)	(87 569)	(119 429)	(100 596)	(87 569)
TOTAL COMMUNITY WEALTH/EQUITY	2	(114 437)	(87 569)	(119 429)	(100 596)	(87 569)

The following table sets out consolidated financial performance indicators of the municipality:

Number	Description	Basis of calculation	YTD 2023/24
1	Current ratio	Current assets/ Current liabilities	0,19:1
2	Liquidity ratio	(Current assets – Inventory)/ Current liabilities	0,19:1
3	Working capital	Current assets – Current liabilities	(R95,6) million

7

The **current ratio** is a financial ratio that measures whether or not the municipality has enough resources to pay its debts over the next 12 months. It compares the municipality's current assets to its current liabilities with a standard norm of 1.5 and 3. The ratio of 0,19:1 shows that the municipality's ability to meet its short term obligation for the reporting period is slightly below the norm. This ratio will vary from month to month and it expected to decrease due to nature of municipal revenue sources.

Liquidity ratios attempt to measure the municipality's ability to pay off its short-term debt obligations. This is done by comparing the municipality's most liquid assets (or, those that can be easily converted to cash), to its short-term liabilities. The ratio of 0,19:1 shows that the municipality will partially be able to meet its current obligations within the period of one month .

Working Capital is a measure of both the municipality's efficiency and its short-term financial health. Working capital is calculated as: Working Capital = Current Assets - Current Liabilities.

6 STAFF EXPENDITURE REPORT

The staff expenditure report is submitted in terms of section 66 of the Municipal Finance Management Act, which states that the accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely-

- (a) Salaries and wages;
- (b) Contributions for pensions and medical aid;
- (c) Travel, motor car, accommodation, subsistence and other allowances;
- (d) Housing benefits and allowances;
- (e) Overtime payments;
- (f) Loans and advances; and
- (g) Any other type of benefit or allowance related to staff

6.1 KEY DATA: HUMAN RESOURCES

Details	Annual Budget	YTD 2023/2024
Employee costs as % of total expenditure	74%	62%
Number of permanent employees	362	341
Number of temporary employees	50	18

6.2 Table 15: COUNCILLORS AND STAFF BENEFITS

DC48 West Rand - Supporting Table SC8 Quarterly Budget Statement - Councillor and Staff Benefits - Q04

Summary of Employee and Councillor remuneration R thousands	Ref	2022/23	Budget year 2023/24							
		Audited Outcome	Original Budget	Adjusted budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B							D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		8 501	9 321	10 086		9 994	9 321	673	7%	9 321
Motor Vehicle Allowance		1 856	2 035	2 035		192	2 035	(1 843)	-91%	2 035
Cellphone Allowance		1 347	1 477	1 477		1 908	1 477	432	29%	1 477
Other benefits and allowances		274	300	300	-	-	300	(300)	-100%	300
Sub Total - Councillors		11 978	13 132	13 897	-	12 094	13 132	(1 038)	-8%	13 132
% increase	4									
<u>Senior Managers of the Municipality</u>										
Basic Salaries and Wages		6 219	7 071	7 071		4 896	7 071	(2 174)	-31%	7 071
Other benefits and allowances		714	1 361	1 361		968	1 361	(393)	-29%	1 361
Sub Total - Senior Managers of Municipality		6 934	8 431	8 431	-	5 864	8 431	(2 567)	-30%	8 431
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		125 318	138 573	141 073		119 250	138 573	(19 324)	-14%	138 573
Pension and UIF Contributions		25 121	28 978	28 978		25 329	28 978	(3 649)	-13%	28 978
Medical Aid Contributions		12 505	12 933	12 933		13 707	12 933	775	6%	12 933
Overtime		9 821	8 566	8 566		7 427	8 566	(1 139)	-13%	8 566
Performance Bonus		9 809	10 639	10 639		8 038	10 639	(2 601)	-24%	10 639
Motor Vehicle Allowance		10 862	10 391	10 391		11 183	10 391	792	8%	10 391
Cellphone Allowance			16	16		14	16	(1)	-9%	16
Housing Allowances		1 161	1 211	1 211		677	1 211	(534)	-44%	1 211
Other benefits and allowances		7 669	2 827	2 827		603	2 827	(2 224)	-79%	2 827
Payments in lieu of leave		137	4	4		1 485	4	1 482	38463%	4
Sub Total - Other Municipal Staff		202 404	214 138	216 638	-	187 713	214 138	(26 424)	-12%	214 138
Total Parent Municipality		221 315	235 701	238 966	-	205 671	235 701	(30 030)	-13%	235 701

6.3 Table 16: COUNCILLORS REMUNERATION

PUBLIC OFFICE-BE+B1:J21ARERS ACT, ACT NO. 20 of 1998								
MONTHLY COUNCILLOR								
requested to submit a completed								
DECLARATION: The Municipal Manager (or a delegate) is required to certify the correctness and accuracy of information provided in this report.								
Municipal Name:	West Rand DM			Mun Code		DC48		
Municipal Grading:	Grade 4			Financial Year:		2023/24		
Reporting Month:	JUNE			Total Number of Councillors:		44		
Contact Person:	Sam Ramaele			Telephone:		011 411 5010		
E-Mail Address:	sramaele@wrdm.gov.za			Fax:				
Description	No. of Councillors	A. Basic salary	B. Cellphone and data allowances	C. Sitting allowances	D. Travelling expenses	E. Special risk insurance	F. Other benefits and allowances	F. Total monthly expenditure
Municipal Councillors: Full-Time								
Executive Mayor	1	79 637.58	3 917.00	-	-	-	-	83 554.58
Speaker	1	34 189.50	2 117.00	-	-	-	-	36 306.50
Member of Mayoral Committee	8	408 170.63	27 736.00	-	14 932.05	-	-	450 838.68
Chief Whips	1	59 728.17	3 917.00	-	-	-	-	63 645.17
Chairperson of Section 79 Committees	1	57 976.00	3 917.00	-	-	-	-	61 893.00
Municipal Councillors: Part-Time								
Councillors	32	163 815.16	80 027.00	69 590.50	37 803.48	-	-	351 236.14
TOTAL		803 517.04	121 631.00	69 590.50	52 735.53	0	-	1 047 474.07
Comments:								
Municipal Manager :	ME Koloj				Date:	2024/06/30		

Table 17: WITHDRAWAL STATEMENT
WITHDRAWAL STATEMENT FOR THE QUARTER ENDED 30 JUNE 2024

Primary bank account refers to any bank accounts as defined in terms of Section 8 of the MFMA.

	Consolidated	Bank 1	Bank 4	Primary Bank Account	Bank 2	Bank 3
Bank:		First National Bank (WRDM)	First National Bank - Call Account (WRDM)	Standard Bank (WRDM)	Standard Bank Fixed Investment (WRDM)	Standard Bank Call Account (WRDM)
Account number:		62277660872	62835844334	21307350	658833952	658833952
Bank reconciliation/s compiled and attached		Yes		Yes		
Month:	June	June	June	June	June	June
Opening cash book balance at beginning of month	33 426 451.56	761 154.04	545 123	241 741.8	-	31 878 433
Add Receipts for month	27 920 109.69	758 857	3 629	27 157 624	-	-
Less Payments for month	(51 761 313.12)	-344		-26 001 308	-	-25 759 661
Closing cash book balance at end of month	9 585 248.13	1 519 667	548 752	1 398 057	-	6 118 772
GL Account Balance						
Payments for the month	-51 761 313	-344	0	-26 001 308	-	-25 759 661
Recoveries from Employees / Suppliers (Amount to be entered as negative)	-					
Non cash items (for the period)	-					
Commitments (for the period)	-					
Input VAT (for the period) (Amount to be entered as negative)	-					
Accruals at end of month	-					
Accruals at beginning of month (Amount to be entered as negative)	-					
Total	-51 761 313	-344	0	-26 001 308	-	-25 759 661
Actual capital expenditure for the month	-	-	-	-	-	-
Actual operating expenditure for the month	-25 760 005	-344	-	-26 001 308	-	-25 759 661
Section 11(4) expenditure	-	-	-	-	-	-
Total	-25 760 005	-344	-	-26 001 308	-	-25 759 661