Hessequa Municipality

2ND ADJUSTMENT BUDGET 2025/2026

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Glossary

Adjustments Budget – Prescribed in Section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Budget – The financial plan of the Municipality

Capital Expenditure – Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of Financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant **GFS** – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognized Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF - Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on fixed first year and indicative further two years' budget allocations. Also includes financial information of the previous and current year.

NDPG – Neighborhood Development Partnership Grant.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages, repairs, and maintenance etc.

Rates – Local Government tax based on the assessed value of property. To determine the rates payable, the assessed ratable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote – A main appropriation segment of the budget. In Hessequa Municipality this relates to the directorate level for operating expenditure and capital expenditure.

YTD – Year to date

Legislative Requirements

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act

Municipal adjustments budgets
(1) A municipality may revise an approved annual budget through an adjustments budget.
(2) An adjustments budget—
(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during
the current year;
(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget
but only to revise or accelerate spending programmes already budgeted for;
(c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor
of the municipality;
(d) may authorise the utilisation of projected savings in one vote towards spending under another vote
(e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending
could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current
year was approved by the council;
(f) may correct any errors in the annual budget; and
(g) may provide for any other expenditure within a prescribed framework.
(3) An adjustments budget must be in a prescribed form.
(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection
(2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency
(5) When an adjustments budget is tabled, it must be accompanied by—
(a) an explanation how the adjustments budget affects the annual budget;
(b) a motivation of any material changes to the annual budget;
(c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two
financial years; and
(d) any other supporting documentation that may be prescribed.
(6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery
plan.
(7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those
sections to an annual budget must be read as a reference to an adjustments budget.

Local Government: Municipal Finance Management Act,2003: Municipal Budget and Reporting Regulations

An adjustments budget and supporting documentation of a municipality must be in a format specified in Schedule B 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
Funding of adjustments budgets
(1) An adjustments budget of a municipality must be appropriately funded.
(2) The supporting documentation to accompany an adjustments budget in terms of section 28(5)of the Act must contain an
explanation of how the adjustments budget is funded.
Submission of tabled adjustments budgets
(1) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, read
together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the
municipal council.
(2) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of
section 28(7) of the Act, the municipal manager must submit in both printed and electronic form-
(a) the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget
being tabled in the municipal council; and
(b) any other information as may be required by the National Treasury
(3) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed form
and electronically
(a) any other municipality effected by that adjustments budget within ten working days of the adjustments budget being tabled
in the municipal council; and
(b) any other organ of state on receipt of a request from that organ of state

Section 1 – Mayor's Report

This report has been prepared in terms of the Local Government: Municipal Finance Management Act,2003 and the Municipal Budget and Reporting Regulations, Government 32141,17 April 2009.

The mayor's report accompanying an adjustments budget must provide:

(a) A summary of the reasons for the adjustments budget having regard to the material variances highlighted in the latest monthly budget statement including at least the following where applicable:
   i. New allocations of cash backed accumulated funds
   ii. Multi- year funds shifting in relation to the capital programme
   iii. Unforeseen and unavoidable expenditure; and
   iv. Allocations and grant adjustments

(b) A recommendation that the municipal council approves the adjustment budget

(c) A recommendation that the municipal council approves the revision to the service delivery targets and performance indicators in the service delivery and implementation plan if applicable; and

(d) Any other information considered relevant by the mayor.

Section 28 of the MFMA states the following:

"(1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget –

(a) must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

(c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

(d) may authorise the utilisation of projected savings in one vote towards spending under another vote

(e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;

(f) may correct any errors in the annual budget; and

(g) may provide for any other expenditure within a prescribed framework."

Section 23 of the MBRR states the following:

"(1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than February of the current year.

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when additional revenues contemplated in section 28 (2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, In which case subregulation (3) applies"

The 2nd Adjustment budget is tabled after the mid-year assessment and performance review was tabled to council for approval.

It should be noted that:

- No new allocations of cash backed accumulated funds are made. The funds are transferred from projects where savings were realised to projects that have shortages or projects that are projected to have shortages. Funds are also utilised to accelerate spending programmes already budgeted for.
- No multi- year funds shifting in relation to the capital programme with the approval of this adjustment budget
- No Unforeseen and unavoidable expenditure with the approval of this adjustment budget
- New allocations from the public and amendments and reductions in grant allocations with the approval of this adjustment budget
- No tariffs will be impacted with the approval of this adjustment budget

Adjustments will be discussed in further detail throughout the report. A brief summary of the 2nd Adjustment Budget follows:

1. Revenue increases from R807 340 166 to R847 377 139 (increase of R40 036 973)
2. Expenditure increases from R805 898 083 to R839 183 376 (increase of R33 285 293)
3. Capital Grants decreases from R62 341 400 to R55 169 275 (decrease of R7 172 125)

Description	1st Adjustment Budget	Virement	2nd Adjustment Budget
Revenue (Excl. Capital Grants)	807 340 166	40 036 973	847 377 139
Expenditure	805 898 083	33 285 293	839 183 376
Surplus/(Deficit)	**1 442 083**	**6 751 680**	**8 193 763**
Capital Grants	62 341 400	(7 172 125)	55 169 275
Surplus / (Deficit)	**63 783 483**	**(420 445)**	**63 363 038**

4. The Capital budget decreases from R189 560 222 to R182 378 119 (decrease of R7 182 103)

Funding	1st Adjustment Budget	Virement	2nd Adjustment Budget
CRR	77 218 822	(9 978)	77 208 844
External loans	50 000 000	0	50 000 000
Transfers & Subsidies	62 341 400	(7 811 000)	54 530 400
Public Contributions	0	638 875	638 875
TOTAAL	**189 560 222**	**(7 182 103)**	**182 378 119**

Complete detail is provided in Annexures A (Operating Budget) and B (Capital Budget)

It is hereby recommended that Council approve the 2nd Adjustment Budget for 2025/2026 as per the recommended council resolutions in Section 2 of this report and as per the item submitted to Council.

It is hereby also recommended that Council Approve the adjustment to the Service Delivery Targets and Performance Indicators in the Service Delivery and Budget Implementation Plan (SDBIP) if applicable.

Section 2 – Resolutions

Resolutions

Resolutions dealing with at least the following matters must be prepared and presented as part of the adjustments budget documentation:

(a) Approval of the adjustments budget
(b) Approval of any adjustments permitted in terms of section 28 of the Act
(c) Approval of revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan (SDBIP), if any, to correspond with the approval of the adjustments budget, and
(d) Approval of any adjustment budget-related policies necessitated by the adjustments budget, if any.

This is the resolution that will be presented to Council when the 2nd Adjustment Budget is tabled:

Recommendation

1. That Total Revenue (Excluding Capital Transfers & Contributions) increase with R40 036 973 from R807 340 166 to R847 377 139 (see Annexure A attached)
2. That Total Expenditure increase with R33 285 293 from R805 898 083 to R839 183 376 (see Annexure A attached)
3. That the capital budget is decreased by R7 182 103 from R189 560 222 to R182 378 119 (see Annexure B attached)
4. That the capital budget is financed as follows:

	R
External Loans	50 000 000

Capital Replacement Reserve	77 208 844
Transfers & Subsidies	54 530 400
Public Donations	638 875
	182 378 119

5. That all amendments in Annexures A and B be approved
6. That the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted in line with the adjustment budget
7. That the 2nd Adjustment budget (2025/2026) and National Treasury B- Schedules- Municipal Adjustment Budget & Supporting Tables be sent to the National- and Provincial Treasuries as required
8. That the 2nd Adjustment Budget for 2025/2026 be tabled to council for approval

Complete detail is provided in Annexures A (Operating Budget) and B (Capital Budget)

No tariffs will be impacted with the approval of this adjustments budget

Section 3 – Executive Summary

There are no material implications on service delivery for the remainder of this financial year as a result of this adjustments budget. The 2nd adjustment budget is tabled in terms of Section 28 of the MFMA.

Section 28 of the MFMA states the following:

"(1) *A municipality may revise an approved annual budget through an adjustments budget.*

(2) *An adjustments budget –*

(a) *must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year;*

(b) *may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

(c) *may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*

(d) *may authorise the utilisation of projected savings in one vote towards spending under another vote*

(e) *may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;*

(f) *may correct any errors in the annual budget; and* *(g) may provide for any other expenditure within a prescribed framework."*

Section 23 of the MBRR states the following:

"(1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than February of the current year.

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when additional revenues contemplated in section 28 (2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, In which case subregulation (3) applies"

The following adjustments are included in the operating budget for the 2nd adjustments budget:

Revenue Increases

1. Gains on Disposal of Assets — R4 000 000
    - Sale of land proceeds projected to increase

2. Traffic Fines Issues — R49 454 973
    - Projections for the year adjusted based on fines issued for the year-to-date

3. Electricity Revenue — R2 000 000
    - Adjusted on both the revenue and expenditure side to make provision for demand and bulk purchases for the rest of the year including a provisions journal that will be processed at year-end.

4. Library Adjustment (within gazetted allocation) — R3 930 000
    - Transfer from sale of goods to transfers & subsidies. The western cape premier (signed) proclaimed under section 36 of the Provincial Constitution and section 126 of the Constitution that the assignment of the administration of functions in terms of section 5 of the Act by the Provincial Minister (countersigned) to the respective municipal councils, as set out in the respective agreements, takes effect on the date of publication of this Proclamation in the *Provincial Gazette*.

5. Licences and Permits (Exchange) — R6 500
    - Budget allocated to cover the projected income for the rest of the financial year.

6. Donations to the Museum — R1 500
    - Budget allocated to provide for donations that the museum receives during the year. Julius Gordon Africana Centre received a donation from the Swellendam Heritage Association (R1 000).

Revenue Decreases

1. Informal Settlements Upgrading Partnership Grant — (R213 000)

- Correction of ISUPG allocation (R202 000) and reduction of allocation by the Western Cape Provincial Government (R11 000)

2. Title Deeds Restoration Grant (R3 000)
   - Allocation reduced by the Western Cape Provincial Government

3. Provincial Contribution towards the Acceleration of Housing Delivery (R7 422 000)
   - Allocation reduced by the Western Cape Provincial Government

4. Human Settlements Development Grant (Beneficiaries) (R8 038 000)
   - Allocation reduced by the Western Cape Provincial Government

5. Library Adjustment (within gazetted allocation) R3 930 000)
   - Transfer from sale of goods to transfers & subsidies. The western cape premier (signed) proclaimed under section 36 of the Provincial Constitution and section 126 of the Constitution that the assignment of the administration of functions in terms of section 5 of the Act by the Provincial Minister (countersigned) to the respective municipal councils, as set out in the respective agreements, takes effect on the date of publication of this Proclamation in the *Provincial Gazette*.

Total Revenue adjustments amounts to R40 036 973

Expenditure Increases

1. Bulk Purchases (Electricity) R2 000 000
   - Adjusted on both the revenue and expenditure side to make provision for demand and bulk purchases for the rest of the year including a provisions journal that will be processed at year-end.

2. Interest Non-Current Provision Landfill Sites R500 000
   - Correcting the projected shortage to avoid potential overexpenditure

3. Inventory Consumed (included water inventory, chemicals etc.) R2 411 543
   - Savings from contracted services are moved to inventory to cover expected shortages

4. Debt Impairment R89 800 000
   - Increased impairment resulting from increases fines being issued. The allocations for debt impairment and irrecoverable debts written off are also corrected.

5. Operational Costs R1 841 353
   - Savings are moved to operational costs to cover expected shortages.

6. Remuneration of Councillors R349 089
   - Correction of councillors' remuneration in line with the determined upper limits

7. Transfers and Subsidies Paid R6 600

- Savings are moved from contracted services to transfers and subsidies paid to cover expected shortages.

Expenditure reductions

1. Contracted Services (R16 255 593)
   - Includes the Housing Grant reductions and identified savings that are moved to other categories with expected shortages
2. Employee Related Cost (R739 563)
   - Savings identified on employee related cost
3. Irrecoverable debts written off (R46 628 136)
   - Correction of allocations between debt impairment and irrecoverable debts written off

Total expenditure adjustments amounts to R33 285 293

The effect of the 2nd Adjusted Budget on the 2025/2026 Capital Budget will be as follows:

Capital Budget

- The Capital Budget is decreased from R189 560 222 to R182 378 119 (decrease of R7 182 103)

Funding	1st Adjustment Budget	Virement	2nd Adjustment Budget
CRR	77 218 822	(9 978)	77 208 844
External loans	50 000 000	0	50 000 000
Transfers & Subsidies	62 341 400	(7 811 000)	54 530 400
Public Contributions	0	638 875	638 875
TOTAAL	**189 560 222**	**(7 182 103)**	**182 378 119**

The item will be tabled at the Executive Mayoral Committee on 25 February 2026 and feedback will be provided during the Special Council Meeting.

Section 4 – Adjustment Budget Tables

Table B1: Adjustment Budget Statement Summary

WC042 Hessequa - Table B1 Adjustments Budget Summary - 19/02/2026

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands	Original Budget A	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavoid. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	148 312	–	–	–	–	–	–	–	148 312	158 694	169 802
Service charges	384 481	–	–	–	–	–	2 000	2 000	386 481	409 259	435 267
Investment revenue	36 046	–	–	–	–	–	–	–	36 046	26 425	26 375
Transfers recognised - operational	75 755	–	–	–	–	–	3 977	3 977	79 731	74 727	77 894
Other own revenue	162 747	–	–	–	–	–	34 060	34 060	196 808	146 760	165 845
Total Revenue (excluding capital transfers and contributions)	807 340	–	–	–	–	–	40 037	40 037	847 377	815 864	875 183
Employee costs	270 128	–	–	–	–	–	(740)	(740)	269 389	282 696	296 867
Remuneration of councillors	9 690	–	–	–	–	–	349	349	10 039	10 174	10 683
Depreciation & asset impairment	56 202	–	–	–	–	–	89 800	89 800	146 002	60 249	63 609
Finance charges	19 809	–	–	–	–	–	500	500	20 309	23 515	24 824
Inventory consumed and bulk purchases	259 979	–	–	–	–	–	(166)	(166)	259 813	274 556	291 057
Transfers and subsidies	2 502	–	–	–	–	–	7	7	2 509	2 884	2 906
Other expenditure	187 587	–	–	–	–	–	(56 464)	(56 464)	131 123	165 196	185 670
Total Expenditure	805 898	–	–	–	–	–	33 285	33 285	839 183	819 273	875 616
Surplus/(Deficit)	1 442	–	–	–	–	–	6 752	6 752	8 194	(3 409)	(433)
Transfers and subsidies - capital (monetary allocations)	62 341	–	–	–	–	–	(7 811)	(7 811)	54 530	43 224	33 440
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	639	639	639	–	–
Surplus/(Deficit) after capital transfers & contributions	63 783	–	–	–	–	–	(420)	(420)	63 363	39 815	33 007
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	63 763	–	–	–	–	–	(420)	(420)	63 363	39 815	33 007
Capital expenditure & fund's sources											
Capital expenditure	187 628	–	–	–	–	–	(5 250)	(5 250)	182 378	153 499	145 712
Transfers recognised - capital	62 341	–	–	–	–	–	(7 172)	(7 172)	55 169	43 224	33 440
Borrowing	50 000	–	–	–	–	–	–	–	50 000	20 000	70 000
Internally generated funds	75 287	–	–	–	–	–	1 922	1 922	77 209	90 275	42 271
Total sources of capital funds	187 628	–	–	–	–	–	(5 250)	(5 250)	182 378	153 499	145 712
Financial position											
Total current assets	453 099	–	–	–	–	–	37 347	37 347	490 446	430 107	440 451
Total non current assets	1 471 771	–	–	–	–	–	(5 250)	(5 250)	1 466 521	1 513 353	1 586 799
Total current liabilities	146 405	–	–	–	–	–	(14 364)	(14 364)	132 040	149 782	161 904
Total non current liabilities	301 986	–	–	–	–	–	500	500	302 486	321 670	394 787
Community wealth/Equity	1 476 479	–	–	–	–	–	45 961	45 961	1 522 441	1 472 008	1 470 559
Cash flows											
Net cash from (used) operating	119 297	–	–	–	–	–	29 755	29 755	149 052	118 378	88 909
Net cash from (used) investing	(177 628)	–	–	–	–	–	9 250	9 250	(168 378)	(145 499)	(137 212)
Net cash from (used) financing	27 343	–	–	–	–	–	–	–	27 343	(335)	49 788
Cash/cash equivalents at the year end	361 587	–	–	–	–	–	85 387	85 387	446 974	419 518	421 004
Cash backing/surplus reconciliation											
Cash and investments available	361 587	–	–	–	–	–	34 472	34 472	396 059	370 572	374 354
Application of cash and investments	26 257	–	–	–	–	–	(19 372)	(19 372)	6 885	28 515	28 726
Balance - surplus (shortfall)	335 331	–	–	–	–	–	53 844	53 844	389 174	342 057	345 627
Asset Management											
Asset register summary (WDV)	1 471 771	–	–	–	–	–	(5 250)	(5 250)	1 466 521	1 513 353	1 586 799
Depreciation	52 188	–	–	–	–	–	–	–	52 188	56 192	59 461
Renewal and Upgrading of Existing Assets	56 179	–	–	–	–	–	(533)	(533)	55 646	94 634	69 613
Repairs and Maintenance	124 209	–	–	–	–	–	6 575	6 575	130 784	129 269	135 300
Free services											
Cost of Free Basic Services provided	9 343	–	–	–	–	–	–	–	9 343	9 930	10 580
Revenue cost of free services provided	51 287	–	–	–	–	–	–	–	51 287	54 006	58 412
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Table B2 Adjustments Budget Financial Performance (standard classification)

WC042 Hessequa - Table B2 Adjustments Budget Financial Performance (functional classification) - 19/02/2026

Standard Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		214 112	–	–	–	–	–	639	639	214 750	213 134	224 460
Executive and council		18 699	–	–	–	–	–	–	–	18 699	19 232	19 031
Finance and administration		195 413	–	–	–	–	–	639	639	196 052	193 903	205 429
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		119 533	–	–	–	–	–	34 026	34 026	153 559	102 846	108 591
Community and social services		12 970	–	–	–	–	–	2	2	12 972	13 152	13 923
Sport and recreation		15 737	–	–	–	–	–	–	–	15 737	16 844	16 844
Public safety		67 044	–	–	–	–	–	49 711	49 711	116 755	71 055	75 318
Housing		23 782	–	–	–	–	–	(15 687)	(15 687)	8 095	1 796	2 505
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		27 999	–	–	–	–	–	4 000	4 000	31 999	31 151	20 059
Planning and development		21 923	–	–	–	–	–	4 000	4 000	25 923	11 093	11 729
Road transport		5 342	–	–	–	–	–	–	–	5 342	19 571	7 813
Environmental protection		734	–	–	–	–	–	–	–	734	487	517
Trading services		507 569	–	–	–	–	–	(5 800)	(5 800)	501 769	502 194	534 665
Energy sources		306 808	–	–	–	–	–	2 000	2 000	308 808	288 925	311 865
Water management		89 874	–	–	–	–	–	(7 800)	(7 800)	82 074	94 940	88 197
Waste water management		57 513	–	–	–	–	–	–	–	57 513	61 076	73 911
Waste management		53 374	–	–	–	–	–	–	–	53 374	57 253	60 692
Other		469	–	–	–	–	–	–	–	469	–	–
Total Revenue - Functional	2	869 682	–	–	–	–	–	32 865	32 865	902 546	849 325	887 774
Expenditure - Functional												
Governance and administration		123 994	–	–	–	–	–	1 082	1 082	125 077	127 625	135 958
Executive and council		38 056	–	–	–	–	–	1 383	1 383	39 439	38 218	39 885
Finance and administration		83 523	–	–	–	–	–	(313)	(313)	83 210	86 856	93 415
Internal audit		2 414	–	–	–	–	–	13	13	2 427	2 551	2 657
Community and public safety		188 872	–	–	–	–	–	28 484	28 484	217 355	175 016	193 549
Community and social services		29 305	–	–	–	–	–	97	97	29 403	30 698	32 063
Sport and recreation		40 870	–	–	–	–	–	(464)	(464)	40 407	43 769	46 053
Public safety		93 526	–	–	–	–	–	44 624	44 624	138 149	94 199	98 075
Housing		25 170	–	–	–	–	–	(15 774)	(15 774)	9 396	6 350	17 358
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		92 464	–	–	–	–	–	2 030	2 030	94 495	95 871	99 667
Planning and development		16 367	–	–	–	–	–	11	11	16 378	17 282	18 103
Road transport		68 802	–	–	–	–	–	2 000	2 000	70 802	71 193	73 801
Environmental protection		7 295	–	–	–	–	–	19	19	7 315	7 396	7 764
Trading services		399 081	–	–	–	–	–	1 654	1 654	400 735	445 134	472 332
Energy sources		239 667	–	–	–	–	–	1 093	1 093	240 760	279 805	296 490
Water management		58 489	–	–	–	–	–	(10)	(10)	58 478	59 963	63 831
Waste water management		51 080	–	–	–	–	–	1 571	1 571	52 651	53 302	56 960
Waste management		49 845	–	–	–	–	–	(999)	(999)	48 846	52 063	55 052
Other		1 487	–	–	–	–	–	34	34	1 521	1 524	1 577
Total Expenditure - Functional	3	805 898	–	–	–	–	–	33 285	33 285	839 183	845 170	903 083
Surplus/ (Deficit) for the year		63 783	–	–	–	–	–	(420)	(420)	63 363	4 155	(15 309)

Table B3 Adjustments Budget Financial Performance

WC042 Hessequa - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 19/02/2026

Vote Description [Insert departmental structure etc] R thousands	Ref	Budget Year 2025/26 Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Budget Year +1 2026/27 Adjusted Budget	Budget Year +2 2027/28 Adjusted Budget
Revenue by Vote	1											
Vote 01 - Office Of The Mm		18 699	–	–	–	–	–	–	–	18 699	19 232	19 031
Vote 02 - Corporate Services		28 703	–	–	–	–	–	2	2	28 704	29 353	30 860
Vote 03 - Financial Services		189 357	–	–	–	–	–	–	–	189 357	189 367	200 666
Vote 04 - Community Services		91 050	–	–	–	–	–	34 024	34 024	125 074	72 925	77 899
Vote 05 - Technical Services		518 747	–	–	–	–	–	(5 161)	(5 161)	513 586	526 869	547 073
Vote 06 - Spatial Plannign & Environmental Management		23 126	–	–	–	–	–	4 000	4 000	27 126	11 580	12 245
Vote 07 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Planning And Development		–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Road Transport		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**869 682**	–	–	–	–	–	**32 865**	**32 865**	**902 546**	**849 325**	**887 774**
Expenditure by Vote	1											
Vote 01 - Office Of The Mm		44 066	–	–	–	–	–	1 371	1 371	45 437	44 554	46 515
Vote 02 - Corporate Services		68 293	–	–	–	–	–	880	880	69 173	71 902	75 158
Vote 03 - Financial Services		49 427	–	–	–	–	–	(1 168)	(1 168)	48 259	50 206	55 560
Vote 04 - Community Services		126 277	–	–	–	–	–	28 943	28 943	155 219	108 961	124 068
Vote 05 - Technical Services		496 281	–	–	–	–	–	3 170	3 170	499 452	519 955	549 508
Vote 06 - Spatial Plannign & Environmental Management		21 554	–	–	–	–	–	89	89	21 644	22 417	23 470
Vote 07 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Planning And Development		–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Road Transport		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**805 898**	–	–	–	–	–	**33 285**	**33 285**	**839 183**	**817 996**	**874 279**
Surplus/ (Deficit) for the year	2	**63 783**	–	–	–	–	–	**(420)**	**(420)**	**63 363**	**31 329**	**13 495**

Table B4 Adjustments Budget Financial Performance (revenue and expenditure)

WC042 Hessequa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	256 387	–	–	–	–	–	2 000	2 000	258 387	271 667	289 570
Service charges - Water	2	58 186	–	–	–	–	–	–	–	58 186	62 405	66 182
Service charges - Waste Water Management	2	32 413	–	–	–	–	–	–	–	32 413	34 879	36 867
Service charges - Waste Management	2	37 496	–	–	–	–	–	–	–	37 496	40 307	42 648
Sale of Goods and Rendering of Services		52 668	–	–	–	–	–	(19 401)	(19 401)	33 267	34 858	47 298
Agency services		3 716	–	–	–	–	–	–	–	3 716	3 932	4 168
Interest									–	–		
Interest earned from Receivables		3 019	–	–	–	–	–	–	–	3 019	3 236	3 430
Interest earned from Current and Non Current Assets		36 046	–	–	–	–	–	–	–	36 046	26 425	26 376
Dividends									–	–		
Rent on Land		–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		4 622	–	–	–	–	–	–	–	4 622	4 980	5 306
Licence and permits		–	–	–	–	–	–	7	7	7	–	–
Special rating levies									–	–		
Operational Revenue		11 390	–	–	–	–	–	–	–	11 390	9 732	10 199
Non-Exchange Revenue												
Property rates	2	148 312	–	–	–	–	–	–	–	148 312	158 694	169 802
Surcharges and Taxes									–	–		
Fines, penalties and forfeits		60 606	–	–	–	–	–	49 455	49 455	110 061	64 242	68 096
Licences or permits		2 552	–	–	–	–	–	–	–	2 552	2 700	2 862
Transfer and subsidies - Operational		75 755	–	–	–	–	–	3 977	3 977	79 731	74 727	77 894
Interest		911	–	–	–	–	–	–	–	911	1 021	1 082
Fuel Levy									–	–		
Operational Revenue		13 264	–	–	–	–	–	–	–	13 264	14 059	14 903
Gains on disposal of Assets		10 000	–	–	–	–	–	4 000	4 000	14 000	8 000	8 500
Other Gains		–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations									–	–		
Total Revenue (excluding capital transfers and contributions)		**807 340**	–	–	–	–	–	**40 037**	**40 037**	**847 377**	**815 864**	**875 183**
Expenditure By Type												
Employee related costs		270 128	–	–	–	–	–	(740)	(740)	269 389	282 696	296 867
Remuneration of councillors		9 690	–	–	–	–	–	349	349	10 039	10 174	10 683
Bulk purchases - electricity		212 192	–	–	–	–	–	2 000	2 000	214 192	223 566	237 405
Inventory consumed		47 787	–	–	–	–	–	(2 166)	(2 166)	45 620	50 990	53 652
Debt impairment		4 014	–	–	–	–	–	89 800	89 800	93 814	4 057	4 148
Depreciation and amortisation		52 188	–	–	–	–	–	–	–	52 188	56 192	59 461
Interest		19 809	–	–	–	–	–	500	500	20 309	23 515	24 824
Contracted services		81 852	–	–	–	–	–	(11 826)	(11 826)	70 026	56 030	71 269
Transfers and subsidies		2 502	–	–	–	–	–	7	7	2 509	2 884	2 906
Irrecoverable debts written off		56 546	–	–	–	–	–	(46 628)	(46 628)	9 918	59 939	63 535
Operational costs		49 189	–	–	–	–	–	1 990	1 990	51 179	49 228	50 866
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**805 898**	–	–	–	–	–	**33 285**	**33 285**	**839 183**	**819 273**	**875 616**
Surplus/(Deficit)		**1 442**	–	–	–	–	–	**6 752**	**6 752**	**8 194**	**(3 409)**	**(433)**
Transfers and subsidies - capital (monetary allocations)		62 341	–	–	–	–	–	(7 811)	(7 811)	54 530	43 224	33 440
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	639	639	639	–	–
Surplus/(Deficit) before taxation		**63 783**	–	–	–	–	–	**(420)**	**(420)**	**63 363**	**39 815**	**33 007**
Income Tax									–	–		
Surplus/(Deficit) after taxation		**63 783**	–	–	–	–	–	**(420)**	**(420)**	**63 363**	**39 815**	**33 007**
Share of Surplus/Deficit attributable to Joint Venture												
Share of Surplus/Deficit attributable to Minorities									–	–		
Surplus/(Deficit) attributable to municipality		**63 783**	–	–	–	–	–	**(420)**	**(420)**	**63 363**	**39 815**	**33 007**
Share of Surplus/Deficit attributable to Associate									–	–		
Intercompany/Parent subsidiary transactions									–	–		
Surplus/ (Deficit) for the year	1	**63 783**	–	–	–	–	–	**(420)**	**(420)**	**63 363**	**39 815**	**33 007**

Table B5 Adjustments Capital Expenditure Budget by vote and funding

WC042 Hessequa - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 01 - Office Of The Mm		–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		250	–	–	–	–	–	(20)	(20)	230	200	70
Vote 03 - Financial Services		–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Community Services		1 020	–	–	–	–	–	52	52	1 072	600	458
Vote 05 - Technical Services		126 801	–	–	–	–	–	3 195	3 195	129 997	101 982	101 808
Vote 06 - Spatial Plannign & Environmental Management		51	–	–	–	–	–	(2)	(2)	49	1	1
Vote 07 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Planning And Development		–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Road Transport		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	**128 122**	–	–	–	–	–	**3 225**	**3 225**	**131 347**	**102 783**	**102 337**
Single-year expenditure to be adjusted	2											
Vote 01 - Office Of The Mm		148	–	–	–	–	–	12	12	160	60	–
Vote 02 - Corporate Services		4 167	–	–	–	–	–	34	34	4 201	1 936	711
Vote 03 - Financial Services		758	–	–	–	–	–	(12)	(12)	746	191	308
Vote 04 - Community Services		3 171	–	–	–	–	–	1 579	1 579	4 750	4 575	5 146
Vote 05 - Technical Services		50 301	–	–	–	–	–	(10 636)	(10 636)	39 665	43 360	36 371
Vote 06 - Spatial Plannign & Environmental Management		961	–	–	–	–	–	547	547	1 508	595	838
Vote 07 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Planning And Development		–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Road Transport		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**59 505**	–	–	–	–	–	(8 475)	(8 475)	**51 031**	**50 716**	**43 376**
Total Capital Expenditure - Vote		**187 628**	–	–	–	–	–	(5 250)	(5 250)	**182 378**	**153 499**	**145 712**
Capital Expenditure - Functional												
Governance and administration		**15 417**	–	–	–	–	–	**(7 654)**	**(7 654)**	**8 764**	**2 944**	**1 638**
Executive and council		148	–	–	–	–	–	12	12	160	60	–
Finance and administration		16 269	–	–	–	–	–	(7 666)	(7 666)	8 603	2 884	1 638
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**7 982**	–	–	–	–	–	**4 854**	**4 854**	**12 836**	**27 926**	**16 952**
Community and social services		1 002	–	–	–	–	–	19	19	1 022	396	313
Sport and recreation		3 551	–	–	–	–	–	3 242	3 242	6 793	22 685	11 051
Public safety		1 183	–	–	–	–	–	1 606	1 606	2 789	3 518	3 388
Housing		2 246	–	–	–	–	–	(14)	(14)	2 232	1 328	2 200
Health									–	–		
Economic and environmental services		**34 928**	–	–	–	–	–	**1 540**	**1 540**	**36 468**	**27 788**	**27 334**
Planning and development		47	–	–	–	–	–	424	424	471	52	–
Road transport		34 386	–	–	–	–	–	995	995	35 361	27 193	26 594
Environmental protection		495	–	–	–	–	–	121	121	615	543	740
Trading services		**127 831**	–	–	–	–	–	**(3 990)**	**(3 990)**	**123 841**	**94 840**	**99 688**
Energy sources		78 821	–	–	–	–	–	(65)	(65)	78 756	34 184	33 356
Water management		21 900	–	–	–	–	–	(4 200)	(4 200)	17 700	31 790	33 700
Waste water management		18 530	–	–	–	–	–	778	778	19 308	27 875	20 800
Waste management		8 580	–	–	–	–	–	(503)	(503)	8 077	990	11 832
Other		470	–	–	–	–	–	–	–	470	1	99
Total Capital Expenditure - Functional	3	**187 628**	–	–	–	–	–	(5 250)	(5 250)	**182 378**	**153 499**	**145 712**
Funded by:												
National Government		15 021	–	–	–	–	–	–	–	15 021	18 971	23 658
Provincial Government		47 320	–	–	–	–	–	(7 811)	(7 811)	39 509	24 253	9 782
District Municipality		–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	639	639	639	–	–
Transfers recognised - capital	4	**62 341**	–	–	–	–	–	(7 172)	(7 172)	**55 169**	**43 224**	**33 440**
Borrowing		50 000	–	–	–	–	–	–	–	50 000	20 000	70 000
Internally generated funds		75 287	–	–	–	–	–	1 922	1 922	77 209	90 275	42 271
Total Capital Funding		**187 628**	–	–	–	–	–	(5 250)	(5 250)	**182 378**	**153 499**	**145 712**

Table B6 Adjustments Budget Financial Position

WC042 Hessequa - Table B6 Adjustments Budget Financial Position - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
ASSETS												
Current assets												
Cash and cash equivalents		361 587	–	–	–	–	–	34 472	34 472	396 059	334 132	335 617
Trade and other receivables from exchange transactions	1	39 333	–	–	–	–	–	–	–	39 333	40 201	44 818
Receivables from non-exchange transactions	1	34 634	–	–	–	–	–	2 875	2 875	37 509	36 440	38 736
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		4 509	–	–	–	–	–	–	–	4 509	4 728	4 961
VAT		11 975	–	–	–	–	–	–	–	11 975	13 467	15 095
Other current assets		1 060	–	–	–	–	–	–	–	1 060	1 139	1 224
Total current assets		453 099	–	–	–	–	–	37 347	37 347	490 446	430 107	440 451
Non current assets												
Investments									–	–		
Investment property		105 082	–	–	–	–	–	350	350	105 432	111 387	118 070
Property, plant and equipment	3	1 357 779	–	–	–	–	–	(5 600)	(5 600)	1 352 179	1 393 045	1 459 795
Biological assets									–	–		
Living and non-living resources									–	–		
Heritage assets		8 736	–	–	–	–	–	–	–	8 736	8 736	8 736
Intangible assets		174	–	–	–	–	–	–	–	174	185	196
Trade and other receivables from exchange transactions									–	–		
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets									–	–		
Total non current assets		1 471 771	–	–	–	–	–	(5 250)	(5 250)	1 466 521	1 513 353	1 586 799
TOTAL ASSETS		1 924 870	–	–	–	–	–	32 097	32 097	1 956 967	1 943 460	2 027 250
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Financial liabilities		24 300	–	–	–	–	–	–	–	24 300	19 069	22 058
Consumer deposits		12 676	–	–	–	–	–	–	–	12 676	13 436	14 242
Trade and other payables from exchange transactions		80 225	–	–	–	–	–	(14 364)	(14 364)	65 860	85 041	90 146
Trade and other payables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Provisions		18 787	–	–	–	–	–	–	–	18 787	21 191	23 747
VAT		10 417	–	–	–	–	–	–	–	10 417	11 046	11 711
Other current liabilities									–	–		
Total current liabilities		146 405	–	–	–	–	–	(14 364)	(14 364)	132 040	149 782	161 904
Non current liabilities												
Borrowing	1	126 032	–	–	–	–	–	–	–	126 032	126 780	177 636
Provisions	1	175 954	–	–	–	–	–	500	500	176 454	194 890	217 151
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities									–	–		
Total non current liabilities		301 986	–	–	–	–	–	500	500	302 486	321 670	394 787
TOTAL LIABILITIES		448 391	–	–	–	–	–	(13 864)	(13 864)	434 527	471 452	556 692
NET ASSETS	2	1 476 479	–	–	–	–	–	45 961	45 961	1 522 441	1 472 008	1 470 558
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 365 841	–	–	–	–	–	45 961	45 961	1 411 802	1 343 999	1 324 852
Funds and Reserves		110 639	–	–	–	–	–	–	–	110 639	128 009	145 707
Other									–	–		
TOTAL COMMUNITY WEALTH/EQUITY		1 476 479	–	–	–	–	–	45 961	45 961	1 522 441	1 472 008	1 470 558

Table B7 Adjustments Budget Cash Flows

WC042 Hessequa - Table B7 Adjustments Budget Cash Flows - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		145 346	–	–	–	–	–	–	–	145 346	155 520	166 406
Service charges		407 609	–	–	–	–	–	3 960	3 960	411 569	433 936	461 419
Other revenue		98 679	–	–	–	–	–	47 564	47 564	146 242	81 356	93 291
Transfers and Subsidies - Operational	1	107 341	–	–	–	–	–	(15 223)	(15 223)	92 118	88 718	104 088
Transfers and Subsidies - Capital	1	61 792	–	–	–	–	–	(7 811)	(7 811)	53 981	41 896	31 440
Interest		41 836	–	–	–	–	–	–	–	41 836	34 784	33 142
Dividends									–	–		
Payments												
Suppliers and employees		(729 494)	–	–	–	–	–	1 272	1 272	(728 222)	(701 038)	(783 870)
Finance charges		(11 309)	–	–	–	–	–	–	–	(11 309)	(14 038)	(14 257)
Transfers and Subsidies	1	(2 502)	–	–	–	–	–	(7)	(7)	(2 509)	(2 757)	(2 750)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**119 297**	**–**	**–**	**–**	**–**	**–**	**29 755**	**29 755**	**149 052**	**118 378**	**88 909**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		10 000	–	–	–	–	–	4 000	4 000	14 000	8 000	8 500
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(187 628)	–	–	–	–	–	5 250	5 250	(182 378)	(153 499)	(145 712)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(177 628)**	**–**	**–**	**–**	**–**	**–**	**9 250**	**9 250**	**(168 378)**	**(145 499)**	**(137 212)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing		50 000	–	–	–	–	–	–	–	50 000	20 000	70 000
Increase (decrease) in consumer deposits		1 594	–	–	–	–	–	–	–	1 594	1 690	1 792
Payments												
Repayment of borrowing		(24 251)	–	–	–	–	–	–	–	(24 251)	(22 025)	(22 003)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**27 343**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**27 343**	**(335)**	**49 788**
NET INCREASE/ (DECREASE) IN CASH HELD		**(30 988)**	**–**	**–**	**–**	**–**	**–**	**39 005**	**39 005**	**8 017**	**(27 456)**	**1 486**
Cash/cash equivalents at the year begin:	2	392 575	–	–	–	–	–	46 382	46 382	438 957	446 974	419 518
Cash/cash equivalents at the year end:	2	361 587	–	–	–	–	–	85 387	85 387	446 974	419 518	421 004

Table B8 Cash backed reserves/accumulated surplus reconciliation

WC042 Hessequa - Table B8 Cash backed reserves/accumulated surplus reconciliation - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
Cash and investments available												
Cash/cash equivalents at the year end	1	361 587	–	–	–	–	–	85 387	85 387	446 974	419 518	421 004
Other current investments > 90 days		–	–	–	–	–	–	(50 915)	(50 915)	(50 915)	(48 946)	(46 650)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**361 587**	**–**	**–**	**–**	**–**	**–**	**34 472**	**34 472**	**396 059**	**370 572**	**374 354**
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing									–	–		
Statutory requirements		(1 558)	–	–	–	–	–	–	–	(1 558)	(2 421)	(3 384)
Other working capital requirements	2	9 028	–					(19 372)	(19 372)	(10 344)	11 329	10 067
Other provisions		18 787	–	–	–	–	–	–	–	18 787	19 606	22 024
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
Total Application of cash and investments:		**26 257**	**–**	**–**	**–**	**–**	**–**	**(19 372)**	**(19 372)**	**6 885**	**28 515**	**28 726**
Surplus(shortfall)		**335 331**	**–**	**–**	**–**	**–**	**–**	**53 844**	**53 844**	**389 174**	**342 057**	**345 627**

Table B9 Asset Management

WC042 Hessequa - Table B9 Asset Management - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjusts. 12 F	Total Adjusts. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	131 449	–	–	–	–	–	(4 717)	(4 717)	126 732	58 865	76 099
Roads Infrastructure		3 614	–	–	–	–	–	–	–	3 614	2 300	7 540
Storm water Infrastructure		2 000	–	–	–	–	–	2 122	2 122	4 122	2 200	1 000
Electrical Infrastructure		61 408	–	–	–	–	–	(125)	(125)	61 283	3 420	11 500
Water Supply Infrastructure		14 914	–	–	–	–	–	(4 236)	(4 236)	10 678	17 270	22 450
Sanitation Infrastructure		11 914	–	–	–	–	–	(600)	(600)	11 314	14 000	13 200
Solid Waste Infrastructure		280	–	–	–	–	–	–	–	280	340	11 582
Information and Communication Infrastructure		3 130	–	–	–	–	–	(272)	(272)	2 858	950	200
Infrastructure		97 259	–	–	–	–	–	(3 111)	(3 111)	94 148	40 480	67 472
Community Facilities		2 502	–	–	–	–	–	(447)	(447)	2 055	660	50
Sport and Recreation Facilities		1 650	–	–	–	–	–	3 720	3 720	5 370	3 260	860
Community Assets		4 152	–	–	–	–	–	3 273	3 273	7 425	3 920	910
Operational Buildings		8 000	–	–	–	–	–	(8 000)	(8 000)	–	–	–
Other Assets	6	8 000	–	–	–	–	–	(8 000)	(8 000)	–	–	–
Computer Equipment		1 606	–	–	–	–	–	230	230	1 835	743	374
Furniture and Office Equipment		891	–	–	–	–	–	52	52	944	453	458
Machinery and Equipment		6 943	–	–	–	–	–	(40)	(40)	6 903	2 249	2 254
Transport Assets		12 600	–	–	–	–	–	2 877	2 877	15 477	11 020	4 630
Total Renewal of Existing Assets to be adjusted	2	7 148	–	–	–	–	–	1 207	1 207	8 355	17 834	17 150
Electrical Infrastructure		3 900	–	–	–	–	–	(159)	(159)	3 741	6 250	3 700
Water Supply Infrastructure		500	–	–	–	–	–	–	–	500	3 000	8 500
Sanitation Infrastructure		1 730	–	–	–	–	–	1 379	1 379	3 109	2 600	2 300
Infrastructure		6 130	–	–	–	–	–	1 221	1 221	7 351	13 850	14 500
Community Facilities		680	–	–	–	–	–	(5)	(5)	675	900	500
Sport and Recreation Facilities		250	–	–	–	–	–	–	–	250	2 884	2 100
Community Assets		930	–	–	–	–	–	(5)	(5)	925	3 784	2 600
Furniture and Office Equipment		88	–	–	–	–	–	(9)	(9)	79	–	50
Total Upgrading of Existing Assets to be adjusted	2a	49 031	–	–	–	–	–	(1 740)	(1 740)	47 291	76 800	52 463
Roads Infrastructure		24 651	–	–	–	–	–	(950)	(950)	23 701	34 206	23 832
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	2 000	1 000
Electrical Infrastructure		10 300	–	–	–	–	–	(1 320)	(1 320)	8 980	21 200	16 635
Water Supply Infrastructure		3 900	–	–	–	–	–	–	–	3 900	10 378	4 550
Sanitation Infrastructure		4 000	–	–	–	–	–	–	–	4 000	8 206	5 200
Infrastructure		42 851	–	–	–	–	–	(2 270)	(2 270)	40 581	75 990	51 218
Community Facilities		1 080	–	–	–	–	–	410	410	1 490	430	446
Sport and Recreation Facilities		4 200	–	–	–	–	–	(230)	(230)	3 970	380	300
Community Assets		5 280	–	–	–	–	–	180	180	5 460	810	745
Revenue Generating		–	–	–	–	–	–	350	350	350	–	–
Investment properties		–	–	–	–	–	–	350	350	350	–	–
Operational Buildings		900	–	–	–	–	–	–	–	900	–	500
Other Assets	6	900	–	–	–	–	–	–	–	900	–	500
Total Capital Expenditure to be adjusted	4	187 628	–	–	–	–	–	(5 250)	(5 250)	182 378	153 499	146 712
Roads Infrastructure		28 265	–	–	–	–	–	(950)	(950)	27 315	36 506	31 372
Storm water Infrastructure		2 000	–	–	–	–	–	2 122	2 122	4 122	4 200	2 000
Electrical Infrastructure		75 608	–	–	–	–	–	(1 604)	(1 604)	74 004	32 870	31 838
Water Supply Infrastructure		19 314	–	–	–	–	–	(4 236)	(4 236)	15 078	30 648	35 500
Sanitation Infrastructure		17 644	–	–	–	–	–	779	779	18 423	24 806	20 700
Solid Waste Infrastructure		280	–	–	–	–	–	–	–	280	340	11 582
Information and Communication Infrastructure		3 130	–	–	–	–	–	(272)	(272)	2 858	950	200
Infrastructure		146 240	–	–	–	–	–	(4 161)	(4 161)	142 080	130 320	133 190
Community Facilities		4 262	–	–	–	–	–	(41)	(41)	4 220	1 990	995
Sport and Recreation Facilities		6 100	–	–	–	–	–	3 490	3 490	9 590	6 524	3 260
Community Assets		10 362	–	–	–	–	–	3 449	3 449	13 810	8 514	4 255
Revenue Generating		–	–	–	–	–	–	350	350	350	–	–
Investment properties		–	–	–	–	–	–	350	350	350	–	–
Operational Buildings		8 900	–	–	–	–	–	(8 000)	(8 000)	900	–	500
Other Assets		8 900	–	–	–	–	–	(8 000)	(8 000)	900	–	500
Computer Equipment		1 606	–	–	–	–	–	230	230	1 835	743	374
Furniture and Office Equipment		979	–	–	–	–	–	44	44	1 023	453	508
Machinery and Equipment		6 943	–	–	–	–	–	(40)	(40)	6 903	2 449	2 264
Transport Assets		12 600	–	–	–	–	–	2 877	2 877	15 477	11 020	4 630
TOTAL CAPITAL EXPENDITURE *to be adjusted*	4	187 628	–	–	–	–	–	(5 250)	(5 250)	182 378	153 499	145 712

WC042 Hessequa - Table B9 Asset Management - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSET REGISTER SUMMARY - PPE (WDV)	6	1 471 771	–	–	–	–	–	(5 250)	(5 250)	1 466 521	1 513 353	1 586 799
Roads Infrastructure		224 981	–	–	–	–	–	(950)	(950)	224 031	244 716	252 260
Storm water Infrastructure		130 974	–	–	–	–	–	2 122	2 122	133 096	141 054	147 220
Electrical Infrastructure		223 381	–	–	–	–	–	(1 604)	(1 604)	221 777	189 331	197 496
Water Supply Infrastructure		143 595	–	–	–	–	–	(4 236)	(4 236)	139 359	162 241	174 803
Sanitation Infrastructure		174 835	–	–	–	–	–	779	779	175 614	191 149	196 907
Solid Waste Infrastructure		28 974	–	–	–	–	–	–	–	28 974	31 134	44 455
Information and Communication Infrastructure		2 989	–	–	–	–	–	(272)	(272)	2 717	740	(42)
Infrastructure		929 729	–	–	–	–	–	(4 161)	(4 161)	925 568	960 365	1 013 099
Community Assets		113 872	–	–	–	–	–	3 448	3 448	117 319	118 438	120 781
Heritage Assets		8 911	–	–	–	–	–	–	–	8 911	8 922	8 933
Investment properties		105 082	–	–	–	–	–	350	350	105 432	111 387	118 070
Other Assets		227 664	–	–	–	–	–	(8 000)	(8 000)	219 664	231 792	246 291
Computer Equipment		7 555	–	–	–	–	–	230	230	7 786	6 962	6 988
Furniture and Office Equipment		8 196	–	–	–	–	–	44	44	8 240	8 116	8 640
Machinery and Equipment		27 351	–	–	–	–	–	(40)	(40)	27 311	23 851	24 992
Transport Assets		43 413	–	–	–	–	–	2 877	2 877	46 290	43 520	38 996
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 471 771	–	–	–	–	–	(5 250)	(5 250)	1 466 521	1 513 353	1 586 799
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		52 188	–	–	–	–	–	–	–	52 188	56 192	59 461
Repairs and Maintenance by asset class	3	124 209	–	–	–	–	–	6 575	6 575	130 784	129 269	135 300
Roads Infrastructure		32 074	–	–	–	–	–	(87)	(87)	31 987	32 878	34 313
Storm water Infrastructure		300	–	–	–	–	–	(160)	(160)	140	371	393
Electrical Infrastructure		22 212	–	–	–	–	–	(109)	(109)	22 103	22 972	24 076
Water Supply Infrastructure		18 385	–	–	–	–	–	138	138	18 523	19 184	20 136
Sanitation Infrastructure		16 308	–	–	–	–	–	484	484	16 791	17 145	17 987
Solid Waste Infrastructure		3 712	–	–	–	–	–	(7)	(7)	3 705	3 910	4 099
Infrastructure		92 991	–	–	–	–	–	258	258	93 250	96 459	101 005
Community Facilities		4 629	–	–	–	–	–	(657)	(657)	3 972	4 327	4 502
Sport and Recreation Facilities		9 780	–	–	–	–	–	46	46	9 826	10 969	11 544
Community Assets		14 409	–	–	–	–	–	(611)	(611)	13 798	15 296	16 046
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		3 712	–	–	–	–	–	240	240	3 952	3 853	4 057
Other Assets		3 712	–	–	–	–	–	240	240	3 952	3 853	4 057
Computer Equipment		3 884	–	–	–	–	–	(22)	(22)	3 862	4 064	4 226
Furniture and Office Equipment		594	–	–	–	–	–	(137)	(137)	457	607	620
Machinery and Equipment		3 484	–	–	–	–	–	726	726	4 210	3 629	3 771
Transport Assets		5 135	–	–	–	–	–	6 121	6 121	11 256	5 361	5 575
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		176 398	–	–	–	–	–	6 575	6 575	182 973	185 461	194 761
Renewal and upgrading of Existing Assets as % of total cape		*29.9%*	*0.0%*							*30.5%*	*61.7%*	*47.8%*
Renewal and upgrading of Existing Assets as % of deprecn"		*107.6%*	*0.0%*							*108.6%*	*168.4%*	*117.1%*
R&M as a % of PPE		*8.4%*	*0.0%*							*8.9%*	*8.5%*	*8.5%*
Renewal and upgrading and R&M as a % of PPE		*12.3%*	*0.0%*							*12.7%*	*14.8%*	*12.9%*

Table B10 Basic service delivery measurement

WC042 Hessequa - Table B10 Basic service delivery measurement - 19/02/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjusts. 12 F	Total Adjusts. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
Household service targets	1											
Water:												
Piped water inside dwelling		15222	0	0	0	0	0	0	–	15	15322	15422
Piped water inside yard (but not in dwelling)		0	0	0	0	0	0	0	–	–	0	0
Using public tap (at least min.service level)	2	497	0	0	0	0	0	0	–	0	497	497
Other water supply (at least min.service level)									–	–		
Minimum Service Level and Above sub-total		16	–	–	–	–	–	–	–	16	16	16
Using public tap (< min.service level)	3								–	–		
Other water supply (< min.service level)	3,4								–	–		
No water supply									–	–		
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	16	–	–	–	–	–	–	–	16	16	16
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		13537	0	0	0	0	0	0	–	13 537	13637	13737
Flush toilet (with septic tank)		1824	0	0	0	0	0	0	–	1 824	1824	1824
Chemical toilet									–	–		
Pit toilet (ventilated)									–	–		
Other toilet provisions (> min.service level)		0	0	0	0	0	0	0	–	–	0	0
Minimum Service Level and Above sub-total		15 361	–	–	–	–	–	–	–	15 361	15 461	15 561
Bucket toilet									–	–		
Other toilet provisions (< min.service level)		0	0	0	0	0	0	0	–	–		
No toilet provisions									–	–	0	0
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	15 361	–	–	–	–	–	–	–	15 361	15 461	15 561
Energy:												
Electricity (at least min. service level)		3265	0	0	0	0	0	0	–	3 265	3365	3465
Electricity - prepaid (> min.service level)		11102	0	0	0	0	0	0	–	11 102	11202	11302
Minimum Service Level and Above sub-total		14 367	–	–	–	–	–	–	–	14 367	14 567	14 767
Electricity (< min.service level)		0	0	0	0	0	0	0	–	–	0	0
Electricity - prepaid (< min. service level)									–	–		
Other energy sources		0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	14 367	–	–	–	–	–	–	–	14 367	14 567	14 767
Refuse:												
Removed at least once a week (min.service)		16658	0	0	0	0	0	0	–	16 658	16758	16858
Minimum Service Level and Above sub-total		16 658	–	–	–	–	–	–	–	16 658	16 758	16 858
Removed less frequently than once a week									–	–		
Using communal refuse dump									–	–		
Using own refuse dump									–	–		
Other rubbish disposal		0	0	0	0	0	0	0	–	–		
No rubbish disposal									–	–	0	0
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	16 658	–	–	–	–	–	–	–	16 658	16 758	16 858
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		5	–	–	–	–	–	–	–	5	5	5
Sanitation (free minimum level service)		5	–	–	–	–	–	–	–	5	5	5
Electricity/other energy (50kwh per household per month)		5	–	–	–	–	–	–	–	5	5	5
Refuse (removed at least once a week)		5	–	–	–	–	–	–	–	5	5	5
Informal Settlements		–	–	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		3 560	–	–	–	–	–	–	–	3 560	3 802	4 049
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		5 775	–	–	–	–	–	–	–	5 775	6 119	6 522
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		9	–	–	–	–	–	–	–	9	9	9
Total cost of FBS provided		9 343	–	–	–	–	–	–	–	9 343	9 930	10 580
Highest level of free service provided												
Property rates (R'000 value threshold)		850000	0	0	0	0	0	0	–	850 000	850000	850000
Water (kilolitres per household per month)		6	0	0	0	0	0	0	–	6	6	6
Sanitation (kilolitres per household per month)		0	0	0	0	0	0	0	–	–	0	0
Sanitation (Rand per household per month)		398	0	0	0	0	0	0	–	398	424	452
Electricity (kw per household per month)		50	0	0	0	0	0	0	–	50	50	50
Refuse (average litres per week)		240	0	0	0	0	0	0	–	240	240	240
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		303	–	–	–	–	–	–	–	303	325	347
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		10 410	–	–	–	–	–	–	–	10 410	11 139	11 919
Water (in excess of 6 kilolitres per indigent household per month)		11 207	–	–	–	–	–	–	–	11 207	11 706	12 747
Sanitation (in excess of free sanitation service to indigent households)		13 828	–	–	–	–	–	–	–	13 828	14 506	15 729
Electricity/other energy (in excess of 50 kwh per indigent household per month)		381	–	–	–	–	–	–	–	381	404	431
Refuse (in excess of one removal a week for indigent households)		15 157	–	–	–	–	–	–	–	15 157	15 925	17 240
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		51 287	–	–	–	–	–	–	–	51 287	54 006	58 412

Section 5- Adjustments Budget assumptions

The most significant adjustments to the budget assumptions are as follows:

- Gains on disposal of assets were increased by R4,0 million due to a transaction that is expected to be finalised in the third quarter.
- Based on the mid-year and performance assessment amounts, an increase is expected in the total fines issued in the current year. Fines issued are adjusted with R49,5 million. Debt impairments are also adjusted to accommodate the increase in fines issued. The projected collection rate remains unchanged.
- Total revenue increases by R40,0 million to R847,4 million
- Total expenditure increases by R33,3 million to R839,1 million.
- The capital budget decreases by R7,1 million to R182,4 million.

Section 6- Adjustments to Budget Funding

6.1 Summary of the impact of the adjustments budget

6.1.1 Funding of operating and capital expenditure

There were no new allocations made from Cash backed accumulated funds.
The external loan to be taken up remains at a budgeted R50,0 million.
Capital transfers and subsidies reduces by R7,8 million to R54,5 million.
Public contributions (capital) increases by R638 875.

6.1.2 Financial plans

The current Medium-Term Revenue and Expenditure Framework is fully in line with the financial plans and strategies.

6.2 Expenditure funded in accordance with MFMA section 18

Refer to Annexure 1-'Supporting Table SB6 Adjustments Budget-funding measurement'.

6.3 Adjustments' to collection levels estimated

No adjustments are made to collection levels as all assumptions in this regard remains the same.

6.3 Adjustments related to allocations and grants to the municipality, distinguishing between operating and capital, from national government, provincial government and other municipalities and other donors.

Refer to Annexure 1-'Supporting Table SB7 Adjustments Budget -transfers and grants receipts'.

Section 7- Adjustments to expenditure on allocations and grant programmes

Disclosure on expenditure on allocations and grant programmes is done by way of the following tables in Annexure 1:

(i) Supporting Table SB7 Adjustments Budget-transfers and grant receipts

(ii) Supporting Table SB8 Adjustments Budget-expenditure on transfers and grant programme

(iii) Supporting Table SB9 Adjustments Budget-reconciliation of transfers, grant receipts , and unspent funds

Section 8- Adjustments to allocations or grants made by the municipality

Refer to Annexure 1, 'Supporting Table SB10 Adjustments Budget- transfers and grants made by the municipality.

Section 9- Adjustments to councillors and board members allowances and employee benefits
Refer to Annexure 1, 'Supporting Table SB11 Adjustments Budget- councillor and staff benefits.

Section 10- Adjustments to service delivery and budget implementation plan

10.1 Quarterly service delivery targets and performance indicators in the SDBIP
Performance indicators needs to be adjusted to include spending of additional and amended allocations.

10.2 Key financial indicators
Refer to Annexure 1'Supporting Table SB4: Adjustments to budgeted performance indicators and benchmarks'.

10.3 Monthly targets for revenue, expenditure and cash flow
Disclosure on monthly targets for revenue, expenditure and cash flow is made in Annexure 1 in the following Supporting Tables:

10.3.1 Monthly operating budget revenue and expenditure projections
Supporting Table SB12 Adjustments Budget -monthly revenue and expenditure (municipal vote)' and 'Supporting Table SB13 Adjustments Budget-monthly revenue and expenditure (functional classification) broken down per month for the budget year, and shown in total for the following two years.
Supporting Table SB14 Adjustments Budget -monthly revenue and expenditure ' reflects consolidated projections of revenue by source and expenditure by type for the budget year broken down per month for the budget year, and shown in total for the following two years.

10.3.2 Monthly capital budget revenue and expenditure projections
Supporting Table SB16 and SB17 Adjustments Budget-monthly capital expenditure (municipal vote) and 'functional classification' show capital expenditure broken down per month for the budget year, and shown in total for the following two years.

10.3.3 Monthly cash flow projections
Supporting Table SB15 Adjustments Budget- monthly Cash flow' sets out receipts by source and payments by type for both operating and capital, broken down per month for the budget year, and shown in total for the following two years.

Section 11- Adjustments to Capital Budget

The disclosure on the adjustments to the capital programme are provided in Annexure 1 in the following supporting tables:
Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote)
Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification)
Supporting Table SB18a Adjustments Budget-capital expenditure on new assets by asset class
Supporting Table SB 18b Adjustments Budget-capital expenditure on renewal of existing assets by asset class
Supporting Table SB 18c Adjustments Budget-expenditure on repairs and maintenance by asset class

Supporting Table SB 18d Adjustments Budget-depreciation by asset class
Supporting Table SB 18e Adjustments Budget-capital expenditure on upgrading of existing assets by asset class
Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget

Section 12- Other Supporting Documents

2025/2026 2nd Adjustment Budget

B Schedules

PT Grant Allocation Letter for Hessequa Municipality

Supporting documents for In-Kind Allocations

QUALITY CERTIFICATE

I, **ASA de Klerk**, the municipal manager of **Hesssequa Municipality**, hereby certify that –

- **The 2nd Adjustment Budget for 2025/2026**

Has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: **A S A de Klerk**

Municipal Manager of Hessequa Municipality – WC042

Signature ____________________

Date 20 February 2026