Hessequa Municipality

Monthly Budget Statement
July 2026

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 July 2009.

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Glossary

Adjustments Budget – Prescribed in Section 28 of the MFMA. The formal means by which a municipality August 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

Section 1 – Mayor's Report

1.1 In-Year Report – Monthly Budget Statement

The monthly budget statement for **July 2026** has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations.

Section 2 – Resolutions

In-year Reports 2025/2026

This is the resolution that will be presented to Council when the In-Year Report is tabled:

Recommendation

(a) That Council notes the monthly budget statement and supporting documentation for July **2026.**
(b) That the reasons given for the deviations below, be approved.
(c) That Council notes the investments the municipality has at banks and the money market at 31 July 2026.
(d) That Council notes the instances of Unauthorized, Irregular, Fruitless and Wasteful (UIF&W) expenditure for the period ended 31 July 2026.

Section 3 – Executive Summary

3.1 Introduction

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires the Mayor to Consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP).

Section 4

4.1 Consolidated Monthly Budget Summary C1 (refer to Table C1 below)

Total Revenue

The year-to-date revenue excluding Capital Transfers at the end of July 2026 is R98,728 million, compared to the SDBIP budget of R96,171 million, resulting in a variance of 6%. When including Transfers recognized – capital, the revenue to date is R98,728 million compared to An SDBIP budget of R96,171 million.

Total Expenditure

The expenditure to date is R42,739 million compared to an SDBIP budget of R51,779 million.

Capital Expenditure

The year-to-date expenditure on capital is R0,014 million against an SDBIP budget of R1,818 million.

Cash flow

Cash/cash equivalents at the end of July 2026 is R509,641 million.

Debtors Ageing

Debtors outstanding at the end of July 2026 is R102,839 million.

Creditors Ageing

Creditors outstanding at the end of July 2026 amount to R84,766 million.

The details of the above figures is explained throughout the report.

Table C1: Monthly Budget Statement Summary

WC042 Hessequa - Table C1 Monthly Budget Statement Summary - M01 July

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	151 838	156 655	156 655	26 188	26 188	13 055	13 133	101%	156 655
Service charges	384 339	411 463	411 463	33 263	33 263	34 289	(1 025)	-3%	411 463
Investment revenue	37 626	31 761	31 761	3 299	3 299	2 647	652	25%	31 761
Transfers and subsidies - Operational	80 021	89 081	89 081	29 626	29 626	30 080	(454)	(0)	89 081
Other own revenue	183 634	193 432	193 432	6 352	6 352	16 102	(9 750)	-61%	193 432
Total Revenue (excluding capital transfers and contributions)	**837 458**	**882 392**	**882 392**	**98 728**	**98 728**	**96 171**	**2 557**	**3%**	**882 392**
Employee costs	253 962	290 063	290 063	20 196	20 196	21 601	(1 404)	-7%	290 063
Remuneration of Councillors	9 599	10 537	10 537	804	804	878	(74)	-8%	10 537
Depreciation, amortisation and impairment	46 864	54 556	54 556	–	–	–	–		54 556
Interest, Dividends and Rent on Land	11 386	23 438	23 438	–	–	–	–		23 438
Inventory consumed and bulk purchases	255 751	272 653	272 907	16 213	16 213	20 939	(4 726)	-23%	272 907
Transfers and subsidies	2 295	2 775	2 775	158	158	184	(26)	-14%	2 775
Other expenditure	128 100	227 743	227 490	5 368	5 368	8 178	(2 810)	-34%	227 490
Total Expenditure	**707 956**	**881 766**	**881 766**	**42 739**	**42 739**	**51 779**	**(9 040)**	**-17%**	**881 766**
Surplus/(Deficit)	**129 502**	**625**	**625**	**55 989**	**55 989**	**44 393**	**11 596**	**26%**	**625**
Transfers and subsidies - capital (monetary	53 284	55 799	55 799	–	–	–	–		55 799
Transfers and subsidies - capital (in-kind)	1 325	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**184 111**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**26%**	**56 424**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**184 111**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**26%**	**56 424**
Capital expenditure & funds sources									
Capital expenditure	**166 025**	**176 398**	**176 398**	**14**	**14**	**1 818**	**(1 804)**	**-99%**	**176 398**
Capital transfers recognised	54 593	55 799	55 799	–	–	818	(818)	-100%	55 799
Borrowing	46 499	20 000	20 000	–	–	1 000	(1 000)	-100%	20 000
Internally generated funds	**64 934**	**100 599**	**100 599**	**14**	**14**	**–**	**14**	**#DIV/0!**	**100 599**
Total sources of capital funds	**166 025**	**176 398**	**176 398**	**14**	**14**	**1 818**	**(1 804)**	**-99%**	**176 398**
Financial position									
Total current assets	650 485	499 419	499 419		664 497				499 419
Total non current assets	1 588 224	1 809 994	1 809 994		1 592 313				1 809 994
Total current liabilities	182 630	164 841	164 841		158 890				164 841
Total non current liabilities	301 819	297 474	297 474		301 819				297 474
Community wealth/Equity	**1 755 703**	**1 848 575**	**1 848 575**		**1 796 102**				**1 848 575**
Cash flows									
Net cash from (used) operating	647 431	179 652	179 652	12 832	12 832	37 474	24 642	66%	179 652
Net cash from (used) investing	(132 188)	(194 857)	(194 857)	209	209	(1 151)	(1 360)	118%	(194 857)
Net cash from (used) financing	52 192	(224)	(224)	92	92	(1 685)	(1 777)	105%	(224)
Cash/cash equivalents at the month/year end	**1 006 387**	**380 583**	**380 583**	**509 641**	**509 641**	**430 650**	**(78 991)**	**-18%**	**481 079**
Debtors & creditors analysis	**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**
Debtors Age Analysis									
Total By Income Source	42 390	5 889	3 644	3 037	2 682	2 540	12 423	30 234	102 839
Creditors Age Analysis									
Total Creditors	84 766	–	–	–	–	–	–	–	84 766

4.2 Operating Revenue and Expenditure

Table C2: Reflects the Operating Revenue and Operating Expenditure in the Standard Classifications

WC042 Hessequa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**215 322**	**216 336**	**216 336**	**48 403**	**48 403**	**34 105**	14 298	42%	**216 336**
Executive and council		17 406	19 141	19 141	17 779	17 779	17 892	(113)	-1%	19 141
Finance and administration		197 915	197 195	197 195	30 624	30 624	16 213	14 412	89%	197 195
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**126 443**	**162 077**	**162 077**	**2 655**	**2 655**	**13 403**	(10 748)	-80%	**162 077**
Community and social services		12 826	13 342	13 342	116	116	1 110	(994)	-90%	13 342
Sport and recreation		15 176	16 447	16 447	240	240	1 365	(1 126)	-82%	16 447
Public safety		95 579	110 413	110 413	2 279	2 279	9 131	(6 852)	-75%	110 413
Housing		2 862	21 876	21 876	21	21	1 797	(1 776)	-99%	21 876
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**31 113**	**48 638**	**48 638**	**700**	**700**	**1 695**	(995)	-59%	**48 638**
Planning and development		24 712	20 055	20 055	677	677	1 654	(977)	-59%	20 055
Road transport		5 713	27 764	27 764	4	4	1	3	482%	27 764
Environmental protection		688	820	820	19	19	40	(21)	-53%	820
Trading services		**499 007**	**511 139**	**511 139**	**46 970**	**46 970**	**46 968**	**2**	0%	**511 139**
Energy sources		294 813	290 203	290 203	22 078	22 078	23 634	(1 556)	-7%	290 203
Water management		86 349	95 666	95 666	17 025	17 025	16 738	287	2%	95 666
Waste water management		60 130	68 603	68 603	3 616	3 616	3 223	393	12%	68 603
Waste management		57 715	56 667	56 667	4 251	4 251	3 373	878	26%	56 667
Other	4	**453**	–	–	–	–	–	–		–
Total Revenue - Functional	2	**872 337**	**938 191**	**938 191**	**98 728**	**98 728**	**96 171**	**2 557**	**3%**	**938 191**
Expenditure - Functional										
Governance and administration		**122 023**	**132 088**	**132 082**	**9 224**	**9 224**	**10 607**	(1 382)	-13%	**132 082**
Executive and council		48 026	39 555	39 555	2 115	2 115	2 138	(23)	-1%	39 555
Finance and administration		71 712	89 763	89 757	6 927	6 927	8 281	(1 354)	-16%	89 757
Internal audit		2 284	2 770	2 770	182	182	188	(6)	-3%	2 770
Community and public safety		**113 749**	**232 094**	**232 099**	**6 821**	**6 821**	**7 376**	(555)	-8%	**232 099**
Community and social services		28 731	33 409	33 409	2 075	2 075	2 088	(14)	-1%	33 409
Sport and recreation		35 592	41 712	41 718	2 221	2 221	2 335	(114)	-5%	41 718
Public safety		43 334	132 358	132 358	2 328	2 328	2 743	(415)	-15%	132 358
Housing		6 091	24 615	24 615	197	197	210	(12)	-6%	24 615
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**128 564**	**96 590**	**96 590**	**4 818**	**4 818**	**5 340**	(522)	-10%	**96 590**
Planning and development		14 787	16 610	16 610	1 057	1 057	1 126	(69)	-6%	16 610
Road transport		106 945	72 195	72 195	3 369	3 369	3 713	(344)	-9%	72 195
Environmental protection		6 832	7 785	7 785	392	392	501	(109)	-22%	7 785
Trading services		**411 607**	**419 144**	**419 144**	**21 770**	**21 770**	**26 119**	**(4 349)**	-17%	**419 144**
Energy sources		252 947	264 931	264 931	16 835	16 835	19 866	(3 031)	-15%	264 931
Water management		65 495	55 333	55 333	1 103	1 103	2 026	(923)	-46%	55 333
Waste water management		54 729	48 169	48 169	2 156	2 156	2 135	22	1%	48 169
Waste management		38 436	50 711	50 711	1 676	1 676	2 093	(417)	-20%	50 711
Other		**1 813**	**1 851**	**1 851**	**106**	**106**	**122**	**(16)**	**-13%**	**1 851**
Total Expenditure - Functional	3	**777 757**	**881 766**	**881 766**	**42 739**	**42 739**	**49 564**	**(6 825)**	**-14%**	**881 766**
Surplus/ (Deficit) for the year		**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**46 607**	**9 382**	**0.201293**	**56 424**

Table C3: Reflects the Operating Revenue and Operating Expenditure by Municipal Vote/Director

WC042 Hessequa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Office Of The Mm		17 406	19 141	19 141	17 779	17 779	17 892	(113)	-0.6%	19 141
Vote 02 - Corporate Services		27 732	29 592	29 592	328	328	2 446	(2 119)	-86.6%	29 592
Vote 03 - Financial Services		178 541	193 005	193 005	29 695	29 695	15 883	13 812	87.0%	193 005
Vote 04 - Community Services		98 694	132 341	132 341	2 302	2 302	10 931	(8 629)	-78.9%	132 341
Vote 05 - Technical Services		524 113	543 236	543 236	47 930	47 930	47 325	605	1.3%	543 236
Vote 06 - Spatial Plannign & Environmental Management		25 852	20 875	20 875	696	696	1 694	(999)	-58.9%	20 875
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	**872 337**	**938 191**	**938 191**	**98 728**	**98 728**	**96 171**	**2 557**	**2.7%**	**938 191**
Expenditure by Vote	1									
Vote 01 - Office Of The Mm		53 378	46 054	46 054	2 535	2 535	2 597	(63)	-2.4%	46 054
Vote 02 - Corporate Services		57 573	78 715	78 709	5 474	5 474	6 958	(1 484)	-21.3%	78 709
Vote 03 - Financial Services		42 711	50 632	50 632	2 724	2 724	5 024	(2 300)	-45.8%	50 632
Vote 04 - Community Services		58 242	166 156	166 156	3 023	3 023	3 567	(544)	-15.2%	166 156
Vote 05 - Technical Services		545 488	517 694	517 699	27 666	27 666	32 154	(4 488)	-14.0%	517 699
Vote 06 - Spatial Plannign & Environmental Management		20 365	22 517	22 517	1 317	1 317	1 478	(161)	-10.9%	22 517
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	**777 757**	**881 766**	**881 766**	**42 739**	**42 739**	**51 779**	**(9 040)**	**-17.5%**	**881 766**
Surplus/ (Deficit) for the year	2	**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**26.1%**	**56 424**

Table C4: Reflects Revenue and Expenditure by Source

WC042 Hessequa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		244 962	276 282	276 282	21 249	21 249	23 024	(1 775)	-8%	276 282
Service charges - Water		62 591	61 386	61 386	4 756	4 756	5 115	(359)	-7%	61 386
Service charges - Waste Water Management		35 116	34 195	34 195	3 083	3 083	2 850	233	8%	34 195
Service charges - Waste management		41 669	39 599	39 599	4 176	4 176	3 300	876	27%	39 599
Sale of Goods and Rendering of Services		27 921	20 711	20 711	650	650	1 720	(1 070)	-62%	20 711
Agency services		3 335	3 884	3 884	229	229	324	(95)	-29%	3 884
Interest								–		
Interest earned from Receivables		3 611	3 511	3 511	311	311	293	18	6%	3 511
Interest from Current and Non Current Assets		22 264	31 761	31 761	3 299	3 299	2 647	652	25%	31 761
Dividends								–		
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4 779	4 992	4 992	1 057	1 057	416	642	154%	4 992
Licence and permits		2	2	2	0	0	0	(0)	-41%	2
Special rating levies								–		
Construction Contract Revenue		–	21 100	21 100	–	–	1 758			21 100
Development Charges		6 086	8 800	8 800	169	169	733			8 800
Operational Revenue		1 167	2 493	2 493	67	67	196	(128)	-66%	2 493
Non-Exchange Revenue								–		
Property rates		151 838	156 655	156 655	26 188	26 188	13 055	13 133	101%	156 655
Surcharges and Taxes								–		
Fines, penalties and forfeits		89 767	102 834	102 834	1 849	1 849	8 569	(6 720)	-78%	102 834
Licence and permits		2 394	2 691	2 691	171	171	224	(53)	-24%	2 691
Transfers and subsidies - Operational		80 021	89 081	89 081	29 626	29 626	30 080	(454)	-2%	89 081
Interest		805	1 021	1 021	67	67	85	(18)	-21%	1 021
Fuel Levy								–		
Operational Revenue		11 791	13 396	13 396	1 558	1 558	1 116	441	40%	13 396
Gains on disposal of Fixed and Intangible Assets		15 626	8 000	8 000	223	223	667	(444)	-67%	8 000
Other Gains		11 981	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**817 728**	**882 392**	**882 392**	**98 728**	**98 728**	**96 171**	**2 557**	**3%**	**882 392**
Expenditure By Type										
Employee related costs		253 962	290 063	290 063	20 196	20 196	21 601	(1 404)	-7%	290 063
Remuneration of councillors		9 599	10 537	10 537	804	804	878	(74)	-8%	10 537
Bulk purchases - electricity		200 125	223 018	223 018	15 507	15 507	18 585	(3 078)	-17%	223 018
Inventory consumed		47 334	49 636	49 889	706	706	2 354	(1 648)	-70%	49 889
Debt impairment		2 163	82 667	82 667	–	–	–	–		82 667
Depreciation, amortisation and impairment		42 788	54 556	54 556	–	–	–	–		54 556
Interest, Dividends and Rent on Land		11 386	23 438	23 438	–	–	–	–		23 438
Contracted services		56 581	82 827	82 573	417	417	1 553	(1 136)	-73%	82 573
Transfers and subsidies		2 268	2 775	2 775	158	158	184	(26)	-14%	2 775
Irrecoverable debts written off		16 895	10 473	10 473	316	316	744	(427)	-57%	10 473
Operational costs		40 764	51 776	51 776	4 634	4 634	5 881	(1 247)	-21%	51 776
Disposal of Fixed and Intangible Assets		84 215	–	–	–	–	–	–		–
Other Losses		9 677	–	–	–	–	–	–		–
Total Expenditure		**777 757**	**881 766**	**881 766**	**42 739**	**42 739**	**51 779**	**(9 040)**	**-17%**	**881 766**
Surplus/(Deficit)		**39 972**	**625**	**625**	**55 989**	**55 989**	**44 393**	**11 596**	**0**	**625**
Transfers and subsidies - capital (monetary allocations)		53 284	55 799	55 799	–	–	–	–		55 799
Transfers and subsidies - capital (in-kind)		1 325	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**0**	**56 424**
Income Tax								–		
Surplus/(Deficit) after income tax		**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**0**	**56 424**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	11 596	0	**56 424**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		
Surplus/ (Deficit) for the year		**94 581**	**56 424**	**56 424**	**55 989**	**55 989**	**44 393**	**11 596**	**0**	**56 424**

Revenue by Source (Table C4)

Exchange Revenue

Service Levies:

Electricity Service:

Levies for the year-to-date stand at R21,249 million, in comparison with the budgeted SDBIP amount of R23,024 million. The deviation is due to electricity usage being less than anticipated during the month of July. No material deviations are expected at this stage.

Water Service:

Levies for the year-to-date stands at R4,756 million, in comparison with the budgeted SDBIP projection of R5,115 million. No material deviations are expected at this stage.

Sewerage Service:

Levies for the year-to-date stands at R3,083 million, in comparison with the budgeted SDBIP projection of R2,850 million. No material deviations are expected at this stage.

Refuse Removal Service:

Levies for the year-to-date stands at R4,176 million, in comparison with the budgeted SDBIP projection of R3,300 million. No material deviations are expected at this stage.

Sale of Goods and Rendering of Services:

Revenue for the year-to-date stands at R0,650 million, in comparison with the budgeted SDBIP projection of R1,720 million. The deviation is due to the SDBIP budget being spread out evenly over the year. Revenue is expected to be relatively low during the winter months and higher during the summer season, especially during the December 2026 and January 2027 holiday periods. The SDBIP allocation will be corrected during the adjustments budget. No material deviations are expected at this stage.

Agency Services:

Revenue for the year-to-date stands at R0,229 million, in comparison with the budgeted SDBIP projection of R0,324 million. No deviation is expected at this stage.

Interest earned from Receivables:

Levies for the year-to-date stands at R0,311 million, in comparison with the budgeted SDBIP projection of R0,293 million. No deviation is expected at this stage.

Interest earned from Current and Non- Current Assets:

Revenue for the year-to-date amounts to R3,299 million, in comparison with the budgeted SDBIP projection of R2,647 million. No material deviation is expected at year- end at this stage.

Rental from Fixed Assets:

Levies and revenue for the year-to-date stands at R1,057 million, in comparison with the budgeted SDBIP projection of R0,416 million. No deviation is expected at this stage.

Licenses & Permits:

Revenue for the year-to-date stands at R0,0 million, in comparison with the budget of R0,0 million.

Construction Contract Revenue:

Revenue for the year-to-date stands at R0,0 million, in comparison with the budget of R1,758 million. Construction contract revenue is recognized after the conditions of the contract have been met, similar to grants.

Development Charges:

Revenue for the year-to-date stands at R0,169 million, in comparison with the budget of R0,733 million. No material deviation is expected at this stage.

Operational Revenue:

Revenue for the year-to-date stands at R0,067 million, in comparison with the budgeted SDBIP projection of R0,196 million. No material deviation is expected at this stage.

Non- Exchange Revenue

Property Rates:

Levies for the year-to-date amounts to R26,188 million, in comparison with the budget of R13,055 million. The deviation is attributed to a misalignment of the SDBIP distribution in July 2026 when compared to the rest of the financial year. The deviation is expected to decrease over the coming months. No deviation is expected at year-end.

Fines, penalties and forfeits

Revenue for the year-to-date stands at R1,849 million, in comparison with the budgeted SDBIP projection of R8,569 million. Fines may take up to 30 days to be issued. The report for July 2026 will thus only be journalized during August 2026. No material deviation is expected at year- end at this stage.

Licenses & Permits:

Revenue for the year-to-date stands at R0,171 million, in comparison with the budgeted SDBIP projection of R0,224 million. No deviation is expected at this stage.

Grants & Subsidies - Operating:

Revenue for the year-to-date stands at R29,626 million, in comparison with the budgeted SDBIP projection of R30,080 million. Income is only recognized after the conditions of a grant are met. No deviation is expected at this stage.

Grants & Subsidies - Capital:
Revenue for the year-to-date stands at R0,0 million, in comparison with the budgeted SDBIP projection of R0,0 million.

Interest earned from Receivables:
Levies for the year-to-date stands at R0,067 million, in comparison with the budgeted SDBIP projection of R0,085 million. No deviation is expected at this stage.

Operational Revenue:
Revenue for the year-to-date stands at R1,558 million, in comparison with the budgeted SDBIP projection of R1,116 million. No deviation is expected at this stage.

Sale of land and PPE:
Revenue for the year-to-date stands at R0,223 million, in comparison with the budgeted SDBIP projection of R0,667 million.

Expenditure by Type

Personnel Expenditure:
The year-to-date expenditure amounts to R20,196 million, in comparison with the budgeted SDBIP projection of R21,601 million. No material deviations are expected at this stage.

Councillors' Remuneration:
The expenditure for the period to date amounts to R0,804 million in comparison with the budgeted SDBIP projection of R0,878 million. No material deviations are expected at this stage.

Bulk purchases- electricity:
The expenditure for the year-to-date is R15,507 million, in comparison with the budgeted SDBIP projection of R18,585 million. The deviation can be attributed to an invoice in respect of July 2026 only being received in August 2026. No material deviations are expected at this stage.

Inventory Consumed:
The expenditure for the year-to-date is R0,706 million, in comparison with the budgeted SDBIP projection of R2,354 million. The deviation can be attributed to expenditure not being in line with the budgeted projections. Expenditure will increase as the quarter progresses, which will result in the deviation decreasing.

Debt Impairment:
The expenditure for the period to date amounts to R0,0 million, in comparison with the budgeted SDBIP projection of R0,0 million. No deviation is expected at this stage.

Depreciation:
The year-to-date expenditure is R0,0 million, in comparison with the budgeted SDBIP projection of R0,0 million.

Interest on External Borrowing:

The year-to-date expenditure is R0,0 million in comparison with the budgeted SDBIP projection of R0,0 million. Interest payments are made bi- annually in December and June.

Contracted Services:

The expenditure for the year-to-date is R0,417 million, in comparison with the budgeted SDBIP projection of R1,553 million. The deviation can be attributed to expenditure not being in line with the budgeted projections. Expenditure will increase as the quarter progresses, which will result in the deviation decreasing.

Transfers & Grants:

The expenditure for the year-to-date amounts to R0,158 million in comparison with the budgeted SDBIP projection of R0,184 million. No material deviations are expected at this stage.

Irrecoverable debts written off:

The expenditure for the period to date amounts to R0,316 million, in comparison with the budgeted SDBIP projection of R0,744 million. No material deviations are expected at this stage.

Operational Costs:

The year-to-date expenditure is R4,634 million, in comparison with the budgeted SDBIP projection of R5,881 million. The deviation can be attributed to expenditure not being in line with the budgeted projections. Expenditure will increase as the quarter progresses, which will result in the deviation decreasing.

4.3 Capital Expenditure and Source of Funding

Table C5: Reflects Capital Expenditure and Funding Sources by Vote/Director and GFS classification

WC042 Hessequa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 01 - Office Of The Mm		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		208	1 300	1 300	–	–	–	–		1 300
Vote 03 - Financial Services		–	–	–	–	–	–	–		–
Vote 04 - Community Services		842	1 150	1 150	–	–	–	–		1 150
Vote 05 - Technical Services		114 401	111 834	111 834	–	–	1 818	(1 818)	-100%	111 834
Vote 06 - Spatial Plannign & Environmental Management		48	–	–	–	–	–	–		–
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 Capital Multi-year expenditure	4,7	**115 500**	**114 284**	**114 284**	–	–	**1 818**	**(1 818)**	**-100%**	**114 284**
Single Year expenditure appropriation	2									
Vote 01 - Office Of The Mm		148	631	631	13	13	–	13	#DIV/0!	631
Vote 02 - Corporate Services		4 175	2 169	2 169	–	–	–	–		2 169
Vote 03 - Financial Services		738	510	510	–	–	–	–		510
Vote 04 - Community Services		3 126	4 425	4 425	–	–	–	–		4 425
Vote 05 - Technical Services		41 341	54 188	54 188	–	–	–	–		54 188
Vote 06 - Spatial Plannign & Environmental Management		997	190	190	1	1	–	1	#DIV/0!	190
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 Capital single-year expenditure	4	50 526	62 113	62 113	14	14	–	**14**	**#DIV/0!**	62 113
Total Capital Expenditure		**166 025**	**176 398**	**176 398**	**14**	**14**	**1 818**	**(1 804)**	**-99%**	**176 398**
Capital Expenditure - Functional Classification										
Governance and administration		**9 980**	**15 781**	**15 781**	**13**	**13**	–	13	#DIV/0!	**15 781**
Executive and council		148	626	626	13	13	–	13	#DIV/0!	626
Finance and administration		9 832	15 155	15 155	–	–	–	–		15 155
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**10 821**	**40 960**	**40 960**	–	–	**818**	(818)	-100%	**40 960**
Community and social services		902	506	506	–	–	–	–		506
Sport and recreation		6 638	35 279	35 279	–	–	818	(818)	-100%	35 279
Public safety		2 312	3 676	3 676	–	–	–	–		3 676
Housing		968	1 500	1 500	–	–	–	–		1 500
Health								–		
Economic and environmental services		**38 460**	**22 254**	**22 254**	–	–	–	–		**22 254**
Planning and development		31	57	57	–	–	–	–		57
Road transport		37 868	22 094	22 094	–	–	–	–		22 094
Environmental protection		561	103	103	–	–	–	–		103
Trading services		**106 312**	**97 368**	**97 368**	–	–	**1 000**	(1 000)	-100%	**97 368**
Energy sources		70 096	32 536	32 536	–	–	–	–		32 536
Water management		15 175	34 732	34 732	–	–	–	–		34 732
Waste water management		13 134	29 739	29 739	–	–	1 000	(1 000)	-100%	29 739
Waste management		7 906	360	360	–	–	–	–		360
Other		452	35	35	1	1	–	1	#DIV/0!	35
Total Capital Expenditure - Functional Classification	3	**166 025**	**176 398**	**176 398**	**14**	**14**	**1 818**	**(1 804)**	**-99%**	**176 398**
Funded by:										
National Government		15 009	24 477	24 477	–	–	818	(818)	-100%	24 477
Provincial Government		38 259	31 322	31 322	–	–	–	–		31 322
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		1 325	–	–	–	–	–	–		–
Transfers recognised - capital		**54 593**	**55 799**	**55 799**	–	–	**818**	**(818)**	**-100%**	**55 799**
Borrowing	6	46 499	20 000	20 000	–	–	1 000	(1 000)	-100%	20 000
Internally generated funds		64 934	100 599	100 599	14	14	–	14	#DIV/0!	100 599
Total Capital Funding		**166 025**	**176 398**	**176 398**	**14**	**14**	**1 818**	**(1 804)**	**-99%**	**176 398**

Capital Expenditure:

The total capital expenditure for the year amounts to R0,014 million in comparison with the budgeted SDBIP projection of R1,818 million. Capital projects are currently in planning and tender phases, and spending will increase during the year.

External Loans:

The total financing for the year-to-date is R0,0 million in comparison with the budgeted SDBIP projection of R1,000 million.

Internal Financing:

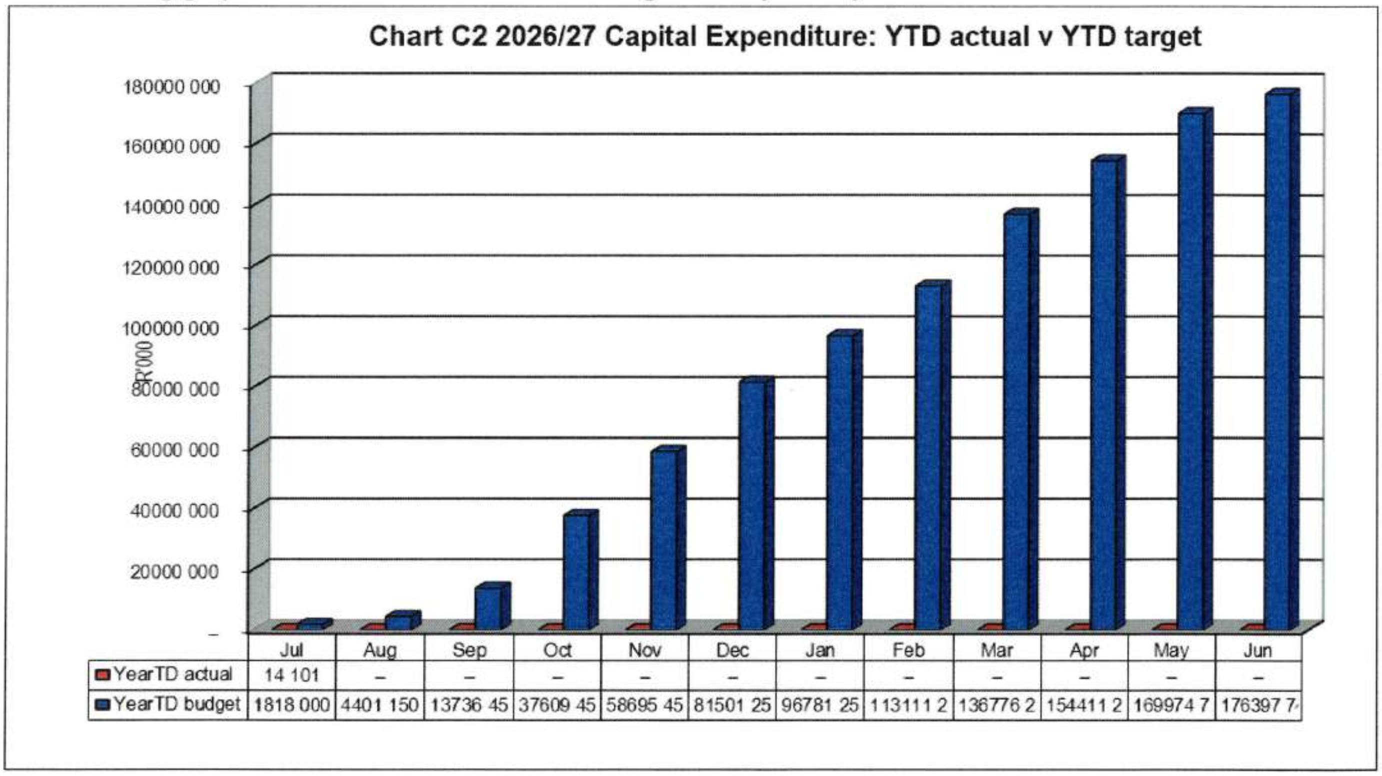
The total financing for the year-to-date is R0,014 million, in comparison with the budgeted SDBIP projection of R0,0 million. Capital projects are financed as expenditure is incurred.

Grants and Subsidies:

The total year to date capital expenditure, financed by grants, is R0,0 million in comparison with the budgeted SDBIP projection of R0,818 million. Funds are accounted for when received. Funds are transferred from the grant receipts once expenditure is incurred.

Capital Commitments on 31 July 2026 were R0,051 million.

The following graph shows the YTD actual v YTD target for Capital Expenditure



The following tables provide details for the Capital Expenditure to date:

Table SC13a (Capital expenditure on new assets by asset class)

Table SC13b (Capital expenditure on renewal of existing assets by asset class)

Table SC13e (Capital expenditure on upgrading of existing assets by asset class)

WC042 Hessequa - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**78 045**	**39 664**	**39 664**	**–**	**–**	**1 000**	1 000	**100.0%**	**39 664**
Roads Infrastructure		154	300	300	–	–	–	–		300
Road Furniture		154	300	300	–	–	–	–		300
Storm water Infrastructure		3 385	1 620	1 620	–	–	–	–		1 620
Drainage Collection		3 385	1 620	1 620	–	–	–	–		1 620
Electrical Infrastructure		53 834	5 772	5 772	–	–	–	–		5 772
Power Plants		52 051	2 500	2 500	–	–	–	–		2 500
HV Substations		585	–	–	–	–	–	–		–
HV Transmission Conductors		398	250	250	–	–	–	–		250
MV Substations		800	650	650	–	–	–	–		650
LV Networks		–	2 372	2 372	–	–	–	–		2 372
Water Supply Infrastructure		8 251	24 882	24 882	–	–	–	–		24 882
Boreholes		7 993	2 000	2 000	–	–	–	–		2 000
Reservoirs		58	9 000	9 000	–	–	–	–		9 000
Water Treatment Works		–	13 582	13 582	–	–	–	–		13 582
Distribution		200	300	300	–	–	–	–		300
Sanitation Infrastructure		9 362	6 500	6 500	–	–	1 000	1 000	**100.0%**	6 500
Pump Station		6 599	3 000	3 000	–	–	1 000	1 000	**100.0%**	3 000
Reticulation		2 763	3 500	3 500	–	–	–	–		3 500
Solid Waste Infrastructure		234	–	–	–	–	–	–		–
Waste Drop-off Points		234	–	–	–	–	–	–		–
Information and Communication Infrastructure		2 825	590	590	–	–	–	–		590
Core Layers		2 730	590	590	–	–	–	–		590
Distribution Layers		95	–	–	–	–	–	–		–
Community Assets		**7 365**	**15 858**	**15 858**	**–**	**–**	**818**	**818**	**100.0%**	**15 858**
Community Facilities		2 044	1 700	1 700	–	–	–	–		1 700
Cemeteries/Crematoria		52	–	–	–	–	–	–		–
Public Open Space		1 479	1 700	1 700	–	–	–	–		1 700
Nature Reserves		69	–	–	–	–	–	–		–
Public Ablution Facilities		60	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		384	–	–	–	–	–	–		–
Sport and Recreation Facilities		5 321	14 158	14 158	–	–	818	818	**100.0%**	14 158
Outdoor Facilities		5 321	14 158	14 158	–	–	818	818	100.0%	14 158
Other assets		**–**	**10 000**	**10 000**	**–**	**–**	**–**	**–**		**10 000**
Operational Buildings		–	10 000	10 000	–	–	–	–		10 000
Municipal Offices		–	10 000	10 000	–	–	–	–		10 000
Computer Equipment		**1 767**	**1 084**	**1 084**	**–**	**–**	**–**	**–**		**1 084**
Computer Equipment		1 767	1 084	1 084	–	–	–	–		1 084
Furniture and Office Equipment		**905**	**827**	**827**	**–**	**–**	**–**	**–**		**827**
Furniture and Office Equipment		905	827	827	–	–	–	–		827
Machinery and Equipment		**5 332**	**2 883**	**2 883**	**1**	**1**	**–**	**(1)**	#DIV/0!	**2 883**
Machinery and Equipment		5 332	2 883	2 883	1	1	–	(1)	#DIV/0!	2 883
Transport Assets		**15 169**	**9 230**	**9 230**	**–**	**–**	**–**	**–**		**9 230**
Transport Assets		15 169	9 230	9 230	–	–	–	–		9 230
Total Capital Expenditure on new assets	1	**108 583**	**79 547**	**79 547**	**1**	**1**	**1 818**	**1 817**	**99.9%**	**79 547**

WC042 Hessequa - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**6 998**	**14 750**	**14 750**	**–**	**–**	**–**	–		**14 750**
Roads Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		3 663	8 250	8 250	–	–	–	–		8 250
MV Networks		3 663	4 700	4 700	–	–	–	–		4 700
LV Networks		–	3 550	3 550	–	–	–	–		3 550
Water Supply Infrastructure		500	5 000	5 000	–	–	–	–		5 000
Pump Stations		–	1 000	1 000	–	–	–	–		1 000
Water Treatment Works		500	1 000	1 000	–	–	–	–		1 000
Distribution		–	3 000	3 000	–	–	–	–		3 000
Sanitation Infrastructure		2 835	1 500	1 500	–	–	–	–		1 500
Pump Station		453	1 000	1 000	–	–	–	–		1 000
Waste Water Treatment Works		2 382	500	500	–	–	–	–		500
Community Assets		**678**	**4 900**	**4 900**	**–**	**–**	**–**	**–**		**4 900**
Community Facilities		437	2 600	2 600	–	–	–	–		2 600
Public Open Space		389	2 600	2 600	–	–	–	–		2 600
Nature Reserves		48	–	–	–	–	–	–		–
Sport and Recreation Facilities		241	2 300	2 300	–	–	–	–		2 300
Outdoor Facilities		241	2 300	2 300	–	–	–	–		2 300
Computer Equipment		**–**	**48**	**48**	**–**	**–**	**–**	**–**		**48**
Computer Equipment		–	48	48	–	–	–	–		48
Furniture and Office Equipment		**79**	**544**	**544**	**13**	**13**	**–**	**(13)**	#DIV/0!	**544**
Furniture and Office Equipment		79	544	544	13	13	–	(13)	#DIV/0!	544
Machinery and Equipment		**–**	**200**	**200**	**–**	**–**	**–**	**–**		**200**
Machinery and Equipment		–	200	200	–	–	–	–		200
Total Capital Expenditure on renewal of existing ass	1	**7 755**	**20 442**	**20 442**	**13**	**13**	**–**	**(13)**	#DIV/0!	**20 442**

WC042 Hessequa - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M01

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**42 451**	**74 129**	**74 129**	**–**	**–**	**–**	–		**74 129**
Roads Infrastructure		30 192	34 240	34 240	–	–	–	–		34 240
Roads		30 183	34 240	34 240	–	–	–	–		34 240
Road Furniture		8	–	–	–	–	–	–		–
Storm water Infrastructure		–	1 500	1 500	–	–	–	–		1 500
Storm water Conveyance		–	1 500	1 500	–	–	–	–		1 500
Electrical Infrastructure		8 360	17 200	17 200	–	–	–	–		17 200
HV Substations		850	4 200	4 200	–	–	–	–		4 200
HV Transmission Conductors		–	1 000	1 000	–	–	–	–		1 000
MV Networks		7 510	12 000	12 000	–	–	–	–		12 000
Water Supply Infrastructure		3 900	1 800	1 800	–	–	–	–		1 800
Boreholes		–	500	500	–	–	–	–		500
Water Treatment Works		1 000	800	800	–	–	–	–		800
Distribution		2 900	500	500	–	–	–	–		500
Sanitation Infrastructure		–	19 389	19 389	–	–	–	–		19 389
Pump Station		–	500	500	–	–	–	–		500
Reticulation		–	17 159	17 159	–	–	–	–		17 159
Waste Water Treatment Works		–	1 000	1 000	–	–	–	–		1 000
Toilet Facilities		–	730	730	–	–	–	–		730
Community Assets		**5 803**	**780**	**780**	**–**	**–**	**–**	**–**		**780**
Community Facilities		1 737	260	260	–	–	–	–		260
Centres		489	–	–	–	–	–	–		–
Public Open Space		379	230	230	–	–	–	–		230
Nature Reserves		–	30	30	–	–	–	–		30
Public Ablution Facilities		214	–	–	–	–	–	–		–
Markets		655	–	–	–	–	–	–		–
Sport and Recreation Facilities		4 065	520	520	–	–	–	–		520
Outdoor Facilities		4 065	520	520	–	–	–	–		520
Investment properties		**606**	**–**	**–**	**–**	**–**	**–**	–		**–**
Revenue Generating		606	–	–	–	–	–	–		–
Unimproved Property		606	–	–	–	–	–	–		–
Other assets		**828**	**1 500**	**1 500**	**–**	**–**	**–**	**–**		**1 500**
Operational Buildings		828	1 500	1 500	–	–	–	–		1 500
Municipal Offices		310	1 500	1 500	–	–	–	–		1 500
Workshops		234	–	–	–	–	–	–		–
Stores		284	–	–	–	–	–	–		–
Total Capital Expenditure on upgrading of existing	1	**49 687**	**76 409**	**76 409**	**–**	**–**	**–**	**–**		**76 409**

4.4 Financial position

Table C6: Reflects the Financial Position of the Municipality

WC042 Hessequa - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		511 871	380 583	380 583	509 641	380 583
Short term Investments						
Trade and other receivables from exchange transactions		34 999	58 954	58 954	35 802	58 954
Receivables from non-exchange transactions		89 991	42 494	42 494	102 489	42 494
Current portion of non-current receivables		0	–	–	0	–
Inventory		4 120	4 457	4 457	4 016	4 457
VAT Receivable		8 021	11 734	11 734	11 478	11 734
Other current assets		1 483	1 197	1 197	1 072	1 197
Total current assets		**650 485**	**499 419**	**499 419**	**664 497**	**499 419**
Non current assets						
Investments						
Investment property		132 508	124 139	124 139	132 508	124 139
Property, plant and equipment		1 447 099	1 677 225	1 677 225	1 451 187	1 677 225
Biological assets						
Living resources						
Heritage assets		8 452	8 452	8 452	8 452	8 452
Intangible assets		166	179	179	167	179
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets						
Total non current assets		**1 588 224**	**1 809 994**	**1 809 994**	**1 592 313**	**1 809 994**
TOTAL ASSETS		**2 238 708**	**2 309 413**	**2 309 413**	**2 256 811**	**2 309 413**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		25 440	19 553	19 553	25 440	19 553
Consumer deposits		18 385	13 436	13 436	19 379	13 436
Trade and other payables from exchange transactions		96 281	89 240	89 240	66 025	89 240
Trade and other payables from non-exchange transactions		2 635	–	–	2 665	–
Provision		8 563	18 467	18 467	7 625	18 467
VAT Payable		27 110	11 043	11 043	32 602	11 043
Other current liabilities		4 216	13 102	13 102	5 154	13 102
Total current liabilities		**182 630**	**164 841**	**164 841**	**158 890**	**164 841**
Non current liabilities						
Financial liabilities		122 980	126 558	126 558	122 980	126 558
Provision		94 902	112 587	112 587	95 717	112 587
Long term portion of trade payables						
Other non-current liabilities		83 937	58 329	58 329	83 122	58 329
Total non current liabilities		**301 819**	**297 474**	**297 474**	**301 819**	**297 474**
TOTAL LIABILITIES		**484 449**	**462 316**	**462 316**	**460 709**	**462 316**
NET ASSETS	2	**1 754 259**	**1 847 097**	**1 847 097**	**1 796 102**	**1 847 097**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 632 893	1 779 261	1 779 261	1 732 392	1 779 261
Reserves and funds		122 810	69 314	69 314	63 710	69 314
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 755 703**	**1 848 575**	**1 848 575**	**1 796 102**	**1 848 575**

4.5 Cash Flow & Investments

Table C7: Reflects the Cash flow of the Municipality

WC042 Hessequa - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		141 856	153 522	153 522	16 721	16 721	12 793	3 928	31%	153 522
Service charges		463 464	439 411	439 411	34 249	34 249	36 618	(2 369)	-6%	439 411
Other revenue		1 510 064	112 571	112 571	38 394	38 394	9 178	29 217	318%	112 571
Transfers and Subsidies - Operational		86 709	110 081	110 081	31	31	29 057	(29 026)	-100%	110 081
Transfers and Subsidies - Capital		54 013	55 799	55 799	–	–	–	–		55 799
Interest		3 502	32 070	32 070	3 391	3 391	2 672	719	27%	32 070
Dividends			–	–	–	–	–	–		–
Payments										–
Suppliers and employees		(1 600 866)	(697 588)	(697 588)	(79 797)	(79 797)	(52 628)	27 169	-52%	(697 588)
Finance charges		(11 311)	(23 438)	(23 438)	–	–	–	–		(23 438)
Transfers and Subsidies		–	(2 775)	(2 775)	(158)	(158)	(217)	(59)	27%	(2 775)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**647 431**	**179 652**	**179 652**	**12 832**	**12 832**	**37 474**	**24 642**	**66%**	**179 652**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		15 626	8 000	8 000	223	223	667	(444)	-67%	8 000
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments			–	–	–	–	–	–		–
Insurance Refund - Capital								–		–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		–
Payments										
Capital assets		(147 814)	(202 857)	(202 857)	(14)	(14)	(1 818)	(1 804)	99%	(202 857)
Retention (Capital)								–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(132 188)**	**(194 857)**	**(194 857)**	**209**	**209**	**(1 151)**	**(1 360)**	**118%**	**(194 857)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–	–	–	–	–	–		–
Borrowing long term/refinancing		50 000	20 000	20 000	–	–	–	–		20 000
Increase (decrease) in consumer deposits		2 192	1 690	1 690	92	92	141	(49)	-35%	1 690
Payments										
Repayment of borrowing		–	(21 914)	(21 914)	–	–	(1 826)	(1 826)	100%	(21 914)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**52 192**	**(224)**	**(224)**	**92**	**92**	**(1 685)**	**(1 777)**	**105%**	**(224)**
NET INCREASE/ (DECREASE) IN CASH HELD		**567 436**	**(15 430)**	**(15 430)**	**13 132**	**13 132**	**34 637**			**(15 430)**
Cash/cash equivalents at beginning:		438 957	396 013	396 013	496 509	496 509	396 013			396 013
Cash/cash equivalents at month/year end:		1 006 393	380 583	380 583	509 641	509 641	430 650			380 583

Cash Flow (Table C7)

Operating Activities:

The year-to-date cash from operating activities amounts to R12,832 million in comparison to the budgeted SDBIP projection of R37,474 million. This is a deficit of ± 24,642 million on the budget. The deviation is largely resultant of the payment of suppliers which was more than the budgeted SDBIP projection for July. No material deviation is expected at this stage.

Capital & Investments:

The year-to-date cash from capital and investment activities amounts to R0,209 million in comparison to the budgeted SDBIP projection of (R1,151) million. The deviation represents the Actuals for Proceeds of Disposal of PPE and the spending on capital programs not being in line with projections for July. No material deviations are expected at this stage.

Cash Flow from Financing Activities:

The year-to-date cash from financing activities amounts to R0,092 million, in comparison with the budgeted SDBIP projection of (R1,685) million. The deviation is attributed to the budgeted SDBIP cash flow projections not considering the bi- annual payments of borrowings. No material deviations are expected at this stage.

Financial problems and potential risks for the Municipality

Currently there are no risks, and the Municipality has a positive cashflow.

Tables SC5: Investment Portfolio

WC042 Hessequa - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M01 July

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 ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB Money Market Acc	Call	Continuous	Money Market		Money Market	Differential				41 188	2 748	(80 000)	71 600	35 535
ABSA		10 Months	Fixed Deposits		Fixed Deposits	8.05%			07 May 2026	-		-		-
ABSA		11 Months	Fixed Deposits		Fixed Deposits	8.09%			08 June 2026	-		-		-
ABSA		11 Months	Fixed Deposits		Fixed Deposits	8.12%			18 June 2026	-		-		-
ABSA		10+ Months	Fixed Deposits		Fixed Deposits	8.02%			25 June 2026	-		-		-
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	8.05%			25 July 2026	10 000	790	(10 790)		-
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.90%			07 July 2026	15 000	1 084	(16 084)		-
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.85%			15 July 2026	10 000	718	(10 718)		-
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	7.87%			14 August 2026	20 000		-		20 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.72%			22 July 2026	10 000	707	(10 707)		-
NEDBANK		10 Months	Fixed Deposits		Fixed Deposits	7.64%			21 August 2026	10 000		-		10 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.69%			22 September 2026	10 000		-		10 000
NEDBANK		11+ Months	Fixed Deposits		Fixed Deposits	7.75%			16 October 2026	20 000		-		20 000
NEDBANK		10 Months	Fixed Deposits		Fixed Deposits	7.58%			21 September 2026	20 000		-		20 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.63%			21 October 2026	20 000		-		20 000
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.68%			27 October 2026	10 000		-		10 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	7.69%			24 November 2026	20 000		-		20 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	7.72%			2026/12/804	20 000		-		20 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.59%			10 November 2026	20 000		-		20 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.41%			17 December 2026	10 000		-		10 000
NEDBANK		11+ Months	Fixed Deposits		Fixed Deposits	7.45%			08 January 2027	10 000		-		10 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	7.29%			13 January 2027	20 000		-		20 000
NEDBANK		11+ Months	Fixed Deposits		Fixed Deposits	7.32%			05 February 2027	20 000		-		20 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	7.33%			12 February 2027	10 000		-		10 000
NEDBANK		11+ Months	Fixed Deposits		Fixed Deposits	7.32%			19 February 2027	10 000		-		10 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	7.63%			05 March 2027	20 000		-		20 000
NEDBANK		11+ Months	Fixed Deposits		Fixed Deposits	7.55%			24 February 2027	15 000		-		15 000
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.97%			12 March 2027	10 000		-		10 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	8.01%			31 March 2027	15 000		-		15 000
NEDBANK		11 Months	Fixed Deposits		Fixed Deposits	8.14%			14 April 2027	20 000		-		20 000
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.96%			25 May 2027	20 000		-		20 000
ABSA		11+ Months	Fixed Deposits		Fixed Deposits	8.00%			11 June 2027	30 000		-		30 000
FNB		10 Months	Fixed Deposits		Fixed Deposits	7.70%			26 April 2027	20 000		-		20 000
ABSA		10 Months	Fixed Deposits		Fixed Deposits	7.94%			14 May 2027	-		-	20 000	20 000
ABSA		11 Months	Fixed Deposits		Fixed Deposits	7.99%			15 June 2027	-		-	20 000	20 000
STANDARD BANK		5 Months	Fixed Deposits		Fixed Deposits	7.68%			15 December 2026	-		-	20 000	20 000
														-
Municipality sub-total										486 188	6 047	(128 299)	131 600	495 529
TOTAL INVESTMENTS AND INTEREST	2									486 188	6 047	(128 299)	131 600	495 529

HESSEQUA MUNISIPALITEIT

KORTTERMYN BELEGGINGS 2026/07/31

Verw. No	Bankinstelling	Koers/Termyn	Verval Datum	Belê 2025/26	Belê 2026/27	Verwysing	Rente 2025/26	Rente 206/27	Rente 2025/26 voorsien	Onttrekking 2026/27	Verwys No	Onttrekking 2025/26	Balans 31/07/2026
	SALDO 1/07/2026												
741	ABSA	11+ MNDE @ 8.050%	25 JULY 2026	10 000 000		Tjek 90075522-23 - 2025/07/31	738 835.62	50 726.02		10 000 000	Kw 811103-4- 29/07/2026	-10 789 561.64	0.00
742	ABSA	11 MNDE @ 7.900%	07 JUL 2026	15 000 000		Tjek 90075593-95 - 2025/08/07	1 064 876.71	19 479.45		15 000 000	Kw 291355-56- 08/07/2026	-16 084 356.16	0.00
743	ABSA	11 MNDE @7.850%	15 JUL 2026	10 000 000		Tjek 90075664-65 - 2025/08/15	688 219.18	30 109.59		10 000 000	Kw 291411-12- 16/07/2026	-10 718 328.77	0.00
744	ABSA	11+ MNDE @7.870%	14 AUG 2026	20 000 000		Tjek 90075828-31 - 2025/08/22							20 000 000.00
745	NEDBANK	11 MNDE @ 7.724%	22 JUL 2026	10 000 000		Tjek 90075832-33 - 2025/08/22	662 359.45	44 439.45		10 000 000	Kw 810771-72- 23/07/2026	-10 706 798.90	0.00
746	NEDBANK	10 MNDE @7.640%	21 AUG 2026	10 000 000		Tjek 90076817-18 - 2025/10/22							10 000 000.00
747	NEDBANK	11 MNDE @7.690%	22 SEP 2026	10 000 000		Tjek 90076819-20 - 2025/10/22							10 000 000.00
748	NEDBANK	11+ MNDE @7.750%	16 OCT 2026	20 000 000		Tjek 90076821-24 - 2025/10/22							20 000 000.00
749	NEDBANK	10 MNDE @7.584%	21 SEP 2026	20 000 000		Tjek 9007411-14 - 2025/11/21							20 000 000.00
750	NEDBANK	11 MNDE @7.634%	21 OCT 2026	20 000 000		Tjek 9007415-18 - 2025/11/21							20 000 000.00
751	ABSA	11 MNDE @7.680%	27 OCT 2026	10 000 000		Tjek 90077573-74 - 2025/11/27							10 000 000.00
752	ABSA	11+ MNDE @7.690%	24 NOV 2026	20 000 000		Tjek 90077575-78 - 2025/11/27							20 000 000.00
753	ABSA	11+ MNDE @7.720%	04 DEC 2026	20 000 000		Tjek 90077789-92 - 2025/12/10							20 000 000.00
754	NEDBANK	11 MNDE @ 7.590%	10 NOV 2026	20 000 000		Tjek 90077793-96 - 2025/12/10							20 000 000.00
755	NEDBANK	11 MNDE @ 7.410%	17 DEC 2026	10 000 000		Tjek 90078263-64 - 2026/01/16							10 000 000.00
756	NEDBANK	11+ MNDE @ 7.445%	08 JAN 2027	10 000 000		Tjek 90078265-66 - 2026/01/16							10 000 000.00
757	NEDBANK	11 MNDE @7.290%	13 JAN 2027	20 000 000		Tjek 90078720-23 - 2026/02/13							20 000 000.00
758	NEDBANK	11+ MNDE @7.320%	05 FEB 2027	20 000 000		Tjek 90078724-27 - 2026/02/13							20 000 000.00
759	ABSA	11+ MNDE @7.330%	12 FEB 2027	10 000 000		Tjek 90078922-23 - 2026/02/27							10 000 000.00
760	NEDBANK	11+ MNDE @7.324%	19 FEB 2027	10 000 000		Tjek 90079017-18 - 2026/03/06							10 000 000.00
761	ABSA	11+ MNDE @7.630%	05 MAR 2027	20 000 000		Tjek 90079166-69 - 2026/03/12							20 000 000.00
762	NEDBANK	11+ MNDE @7.552%	24 FEB 2027	15 000 000		Tjek 90079170-72 - 2026/03/12							15 000 000.00
763	ABSA	11 MNDE @7.970%	12 MAR 2027	10 000 000		Tjek 90079483-84 - 2026/04/13							10 000 000.00
764	ABSA	11+ MNDE @8.010%	31 MAR 2027	15 000 000		Tjek 90079485-87 - 2026/04/13							15 000 000.00
765	NEDBANK	11 MNDE @8.140%	14 APR 2027	20 000 000		Tjek 90079896-99 - 2026/05/14							20 000 000.00
766	ABSA	11 MNDE @7.960%	25 MAY 2027	20 000 000		Tjek 90080572-75 - 2026/06/25							20 000 000.00
767	ABSA	11+ MNDE @8.000%	11 JUN 2027	30 000 000		Tjek 90080576-81 - 2026/06/25							30 000 000.00
768	FNB	10 MNDE @7.700%	25 APR 2027	20 000 000		Tjek 90080582-86 - 2026/06/25							20 000 000.00
769	ABSA	10 MNDE @ 7.940%	14 MAY 2027		20 000 000	Tjek 90080836-39 - 2026/07/15							20 000 000.00
770	ABSA	11 MNDE @ 7.990%	15 JUN 2027		20 000 000	Tjek 90080840-43 - 2026/07/15							20 000 000.00
771	STANDARD BANK	5 MNDE @ 7.675%	15 DEC 2026		20 000 000	Tjek 9080844-47 - 2026/07/15							20 000 000.00
				444 994 113.01	60 000 000.00		3 154 290.96	144 754.51	-	45 000 000.00		- 48 299 045.47	459 994 113.01

CALL DEPOSIT ACCOUNT 2026/2027

Verw. No	Bankinstelling	Koers/Termyn	Verw. No.		Saldo 01/07/2026	Belê 2025/26	Bankkoste	Rente		Verw. No.	Onttrekking 2025/26	Verwys. No.	Balans 31/07/2026
1.	FNB	Wisselend	62299016686		43 935 277.32	71 600 000.00	0.00	0.00		0.00	80 000 000.00	Verskeie Drukstukke Aangeheg	35 535 277.32
					43 935 277.32	71 600 000.00	0.00	0.00			80 000 000.00		35 535 277.32

495 529 390.33

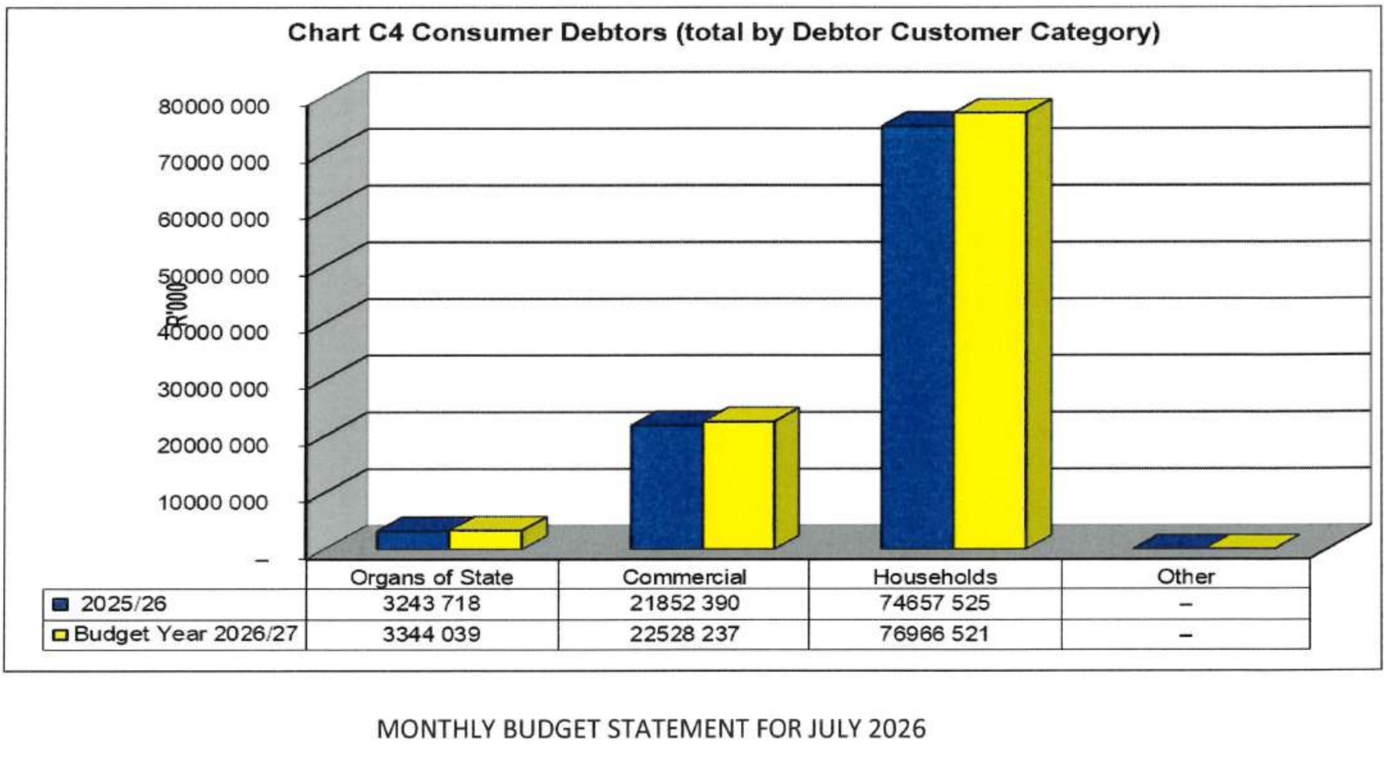
4.6 Debtors Age Analysis

WC042 Hessequa - Supporting Table SC2 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2026/27											
R thousands		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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 090	1 201	841	789	755	718	3 223	6 899	18 516	12 384	127	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 056	1 341	609	485	266	237	1 114	3 059	18 168	5 162	10	–
Receivables from Non-exchange Transactions - Property Rates	1400	19 414	1 116	629	400	336	306	1 888	3 476	27 565	6 406	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	2 884	776	562	506	476	454	2 252	6 079	13 990	9 768	69	–
Receivables from Exchange Transactions - Waste Management	1600	3 486	826	571	517	481	459	2 245	4 607	13 192	8 309	74	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	370	344	313	294	320	306	1 527	3 764	7 238	6 211	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	
Other	1900	1 090	284	118	46	47	59	174	2 350	4 168	2 676	37	–
Total By Income Source	2000	42 390	5 889	3 644	3 037	2 682	2 540	12 423	30 234	102 839	50 916	316	–
2025/26 - totals only		491732770 1/6	46355470 6/7	36195974 1/7	31318342 1/3	28027533 1/4	25204408 3/8	107977143 2/9	355401800 6/7	1 122 213	547 929	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 619	170	111	34	29	27	176	178	3 344	444	–	–
Commercial	2300	14 040	1 348	593	482	267	272	1 394	4 132	22 528	6 548	–	–
Households	2400	25 731	4 371	2 940	2 521	2 386	2 241	10 853	25 924	76 967	43 924	316	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	42 390	5 889	3 644	3 037	2 682	2 540	12 423	30 234	102 839	50 916	316	–

Debtors, 30 days and older on 31 July 2026, amounts to R60,449 million, in comparison to the amount of R58,765 million for 30 June 2026. This represents an increase of R1,684 million for the month. The debtors' collection rate for July 2026 is 74,80%. The lower collection rate is attributable to the levying of annual property rates and services in the month of July 2026 that is only due and payable on 30 September 2026. Strict credit control measures are being applied.

The graph below compares 2025/2026 to 2026/2027 Outstanding debt by customer classification for the month of July 2026



4.7 Creditors Age Analysis

Table SC4: Outstanding Creditors

WC042 Hessequa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2026/27									Prior year
R thousands		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	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400	30 717								30 717	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	6 323								6 323	
Auditor General	0800									–	
Other	0900	47 727								47 727	
Medical Aid deductions	0950									–	
Total By Customer Type	**1000**	84 766	–	–	–	–	–	–	–	84 766	–

Normally the amount for creditors 30 days and older represent some cases where accounts are disputed and are investigated by the Creditors department. Trade and other payables consist of the following: unspent grants (R2,665) million, payments received in advance (R8,485) million, retentions (R19,090) million, VAT (30,717) and other creditors (R20,151) million. Trade creditors amount to (R6,323) million.

4.8 Grants & Donations

Table SC18: Transfers and grant receipts

WC042 Hessequa - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations								569	#DIV/0!	
Equitable Share		67 378	71 102	71 102	29 626	29 626	29 057	569	2.0%	71 102
Expanded Public Works Programme Integrated Grant		1 351	1 378	1 378	–	–	–	–		1 378
Local Government Financial Management Grant		1 800	1 900	1 900	–	–	–	–		1 900
Municipal Infrastructure Grant		791	798	798	–	–	–	569	#DIV/0!	798
Total Monetary Allocations		71 320	75 178	75 178	29 626	29 626	29 057	569	2.0%	75 178
Total Operating/National Government		71 320	75 178	75 178	29 626	29 626	29 057	569	2.0%	75 178
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		6 782	13 095	13 095	–	–	1 023	(1 023)	-100.0%	13 095
Infrastructure Grant		1 894	308	308	–	–	–			308
Total Monetary Allocations		8 677	13 403	13 403	-	-	1 023	(1 023)	-100.0%	13 403
Total Operating/Provincial Government		8 677	13 403	13 403	-	-	1 023	684	66.9%	13 403
Education Training and Development Practices SETA		23	250	250	–	–	–	–		250
Unspecified		1	250	250	–	–	–			250
Total Monetary Allocations		25	500	500	-	-	-	–		500
Total Allocations In-kind		-	-	-	-	-	-	684	#DIV/0!	-
Total Operating/Other Grant Providers		25	500	500	-	-	-			500
Total Operating	5	80 021	89 081	89 081	29 626	29 626	30 080			89 081
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		–	24 477	24 477	–	–	–			24 477
Total Monetary Allocations		-	24 477	24 477	-	-	-			24 477
Total Capital/National Government		-	24 477	24 477	-	-	-			24 477
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		452	–	–	–	–	–			–
Infrastructure Grant		–	31 322	31 322	–	–	–			31 322
Total Monetary Allocations		452	31 322	31 322	-	-	-			31 322
Total Capital/Provincial Government		452	31 322	31 322	-	-	-			31 322
Total Capital	5	452	55 799	55 799	-	-	-			55 799
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		80 473	144 880	144 880	29 626	29 626	30 080			144 880

<u>Receipts (Table SC18):</u>

<u>Operating:</u>

The year-to-date receipt is R29,626 million against the budgeted SDBIP projection of R30,080 million. No material deviation is expected at this stage.

<u>Capital:</u>

The year-to-date receipts amount to R0,0 million in comparison with the budgeted SDBIP projection of R0,0 million. No material deviation is expected at this stage.

Transfers and Grants Receipts 31 July 2026	
Row Labels	**Sum of Amount**
EQUITABLE SHARE	29 626 000.00
LG SETA	30 669.56
Grand Total	**29 656 669.56**

Table SC19: Transfers and grant expenditure

WC042 Hessequa - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		97	102	102	14	14	–	14	#DIV/0!	102
Expanded Public Works Programme Integrated Grant		1 350	1 378	1 378	22	22	115	(93)	-81.0%	1 378
Local Government Financial Management Grant		1 651	1 900	1 900	51	51	441	(390)	-88.4%	1 900
Municipal Infrastructure Grant		791	798	798	–	–	64	(64)	-100.0%	798
Total Monetary Allocations		3 889	4 177	4 177	87	87	620	(533)	-86.0%	4 177
Total National Government		3 889	4 177	4 177	87	87	620	(533)	-86.0%	4 177
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		4 842	12 151	12 151	900	900	819	81	9.8%	12 151
Infrastructure Grant		1 800	308	308	–	–	–			308
Total Monetary Allocations		6 642	12 459	12 459	900	900	819	81	9.8%	12 459
Total Provincial Government		6 642	12 459	12 459	900	900	819	81	9.8%	12 459
Other Grant Providers										
Monetary Allocations										
Education Training and Development Practices SETA		23	250	250	–	–	–	–		250
Unspecified		2	250	250	–	–	21			250
Total Monetary Allocations		25	500	500	-	-	21	-		500
Total Operating/Other Grant Providers		25	500	500	-	-	21	-		500
Total operating expenditure of Transfers and Grants		10 557	17 136	17 136	986	986	1 460	(453)	(0)	17 136
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		15 009	24 477	24 477	–	–	818	(818)	-100.0%	24 477
Total Monetary Allocations		15 009	24 477	24 477	-	-	818	(818)		24 477
Total National Government		15 009	24 477	24 477	-	-	818	(818)		24 477
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		1 259	–	–	–	–	–	–		–
Infrastructure Grant		37 000	31 322	31 322	–	–	–			31 322
Total Monetary Allocations		38 259	31 322	31 322	-	-	-	-		31 322
Total Provincial Government		38 259	31 322	31 322	-	-	-	-		31 322
Unspecified		1 325	–	–	–	–	–			–
Total Monetary Allocations		1 325	-	-	-	-	-	-		-
Allocations In-kind										
Total Capital/Other Grant Providers		1 325	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		54 593	55 799	55 799	-	-	818	(818)		55 799
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		65 150	72 936	72 936	986	986	2 278	(1 271)		72 936

Expenditure (Table SC19)

Operating:

The year-to-date expenditure is R0,986 million against the budgeted SDBIP projection of R1,460 million. No deviation is expected at this stage.

Capital:

The year-to-date expenditure from capital grants amounts to R0,0 million. The budget for the year is R0,818 million. No deviation is expected at this stage.

4.9 Employee Related Costs
Table SC22: Councillor and Staff benefits

WC042 Hessequa - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration R thousands	Ref	2025/26 Audited Outcome	Budget Year 2026/27 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Cell phone Allowance		799	903	903	67	67	75	(9)	-11%	903
Office-bearer Allowance		7 337	8 236	8 236	610	610	686	(76)	-11%	8 236
Travelling Allowance		781	792	792	67	67	66	1	2%	792
Total Allowances and Service Related Benefits		**8 917**	**9 931**	**9 931**	**745**	**745**	**828**	**(83)**	-10%	**9 931**
Social Contributions										
Medial Aid Benefits		164	129	129	17	17	11	6	54%	129
Pension Fund Contributions		518	477	477	43	43	40	3	8%	477
Total Social Contributions		**682**	**606**	**606**	**60**	**60**	**51**	**9**	18%	**606**
Total Councillors		**9 599**	**10 537**	**10 537**	**804**	**804**	**878**	**(74)**	-8%	**10 537**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		7 611	7 673	7 673	458	458	639	(181)	-28%	7 673
Bonuses		1 422	1 474	1 474	–	–	23	(23)	-100%	1 474
Allowance								–		
Cellular and Telephone	3	138	206	206	13	13	17	(5)	-27%	206
Housing Benefits	3	14	15	15	1	1	1	(0)	-2%	15
Non-pensionable		324	360	360	29	29	30	(1)	-2%	360
Travel or Motor Vehicle	3	960	1 032	1 032	89	89	86	4	4%	1 032
Total Allowance		**1 436**	**1 612**	**1 612**	**133**	**133**	**134**	**(2)**	-1%	**1 612**
Service Related Benefits										
Leave Pay	3	(260)	–	–	–	–	–	–		–
Long Service Award		–	24	24	–	–	2	(2)	-100%	24
Total Service Related Benefits		**(260)**	**24**	**24**	**-**	**-**	**2**	**(2)**	-100%	**24**
Total Salaries and Allowances		**10 210**	**10 783**	**10 783**	**591**	**591**	**799**	**(208)**	-26%	**10 783**
Social Contributions										
Bargaining Council		1	1	1	0	0	0	(0)	-19%	1
Group Life Insurance		11	18	18	–	–	2	(2)	-100%	18
Medical		168	204	204	13	13	17	(4)	-24%	204
Pension		1 351	1 407	1 407	82	82	117	(35)	-30%	1 407
Unemployment Insurance		12	14	14	1	1	1	(0)	-23%	14
Total Social Contributions		**1 544**	**1 644**	**1 644**	**96**	**96**	**137**	**(41)**	-30%	**1 644**
Sub Total - Senior Managers of Municipality		**11 753**	**12 427**	**12 427**	**686**	**686**	**936**	**(250)**	-27%	**12 427**
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		156 108	181 847	181 847	13 914	13 914	15 154	(1 240)	-8%	181 847
Bonuses		–	3 884	3 884	–	–	–	–		3 884
Allowance										
Accommodation, Travel and Incidental		5 419	5 752	5 752	485	485	479	6	1%	5 752
Cellular and Telephone	3	1 255	1 288	1 288	119	119	107	12	11%	1 288
Housing Benefits	3	834	918	918	75	75	76	(2)	-2%	918
Total Allowance		**7 508**	**7 958**	**7 958**	**680**	**680**	**663**	**17**	3%	**7 958**
Service Related Benefits										
Bonus	3	12 161	14 373	14 373	76	76	–	76	#DIV/0!	14 373
Leave Pay	3	1 119	–	–	3	3	–	3	#DIV/0!	–
Long Service Award		2 161	1 135	1 135	124	124	95	30	31%	1 135
Overtime		9 587	8 321	8 321	676	676	693	(17)	-2%	8 321
Standby Allowance	3	5 116	4 867	4 867	424	424	406	18	5%	4 867
Total Service Related Benefits		**30 145**	**28 695**	**28 695**	**1 303**	**1 303**	**1 194**	**110**	9%	**28 695**
Total Salaries and Allowances		**193 760**	**222 384**	**222 384**	**15 897**	**15 897**	**17 011**	**(1 114)**	-7%	**222 384**
Social Contributions										
Bargaining Council		88	103	103	8	8	9	(1)	-9%	103
Group Life Insurance		166	730	730	13	13	61	(48)	-79%	730
Medical		8 324	9 892	9 892	743	743	824	(82)	-10%	9 892
Pension		27 098	31 614	31 614	2 416	2 416	2 635	(219)	-8%	31 614
Unemployment Insurance		1 261	1 418	1 418	107	107	118	(11)	-9%	1 418
Total Social Contributions		**36 938**	**43 757**	**43 757**	**3 286**	**3 286**	**3 646**	**(360)**	-10%	**43 757**
Post-retirement Benefit	6									
Medical		11 508	11 490	11 490	327	327	8	320	4238%	11 490
Pension		2	5	5	–	–	–	–		5
Total Post-retirement Benefit		**11 510**	**11 495**	**11 495**	**327**	**327**	**8**	**320**		**11 495**
Sub Total - Other Municipal Staff		**242 208**	**277 637**	**277 637**	**19 510**	**19 510**	**20 665**	**(1 155)**		**277 637**
% increase	4									
Total Parent Municipality		**263 560**	**300 600**	**300 600**	**21 000**	**21 000**	**22 479**	**(1 478)**	-7%	**300 600**
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		**263 560**	**300 600**	**300 600**	**21 000**	**21 000**	**22 479**	**(1 478)**		**300 600**
% increase	4									
TOTAL MANAGERS AND STAFF	5,7	**253 962**	**290 063**	**290 063**	**20 196**	**20 196**	**21 601**	**(1 404)**		**290 063**

5. Cost Containment Report

Cost Containment Monthly Report			
Cost Containment Measures	**Budget YTD**	**Jul-26**	**Savings**
	R'000	**R'000**	**R'000**
Use of consultants	985	22	963
Overtime	693	676	17
Vehicles used for political office-bearers	-	-	-
Travel and subsistence	117	136	- 19
Domestic accommodation	24	74	- 50
Sponsorships and catering	44	20	24
Communication	83	-	83
Conferences, Meetings & Study tours	95	15	80
Other related expenditure items (Events)	24	9	15
Total	**2 065**	**952**	**1 113**

Kindly note that savings are based on the implementation of cost containment measures and predicted cashflows for the period under review.

QUALITY CERTIFICATE

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

- **The monthly budget statement**

For the month of **July 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 14 August 2026