

Hessequa Municipality



2ND ADJUSTMENT BUDGET 2026/2027

Table of Contents

Glossary.....	3
Legislative Requirements.....	4
Section 1 - Mayor's Report.....	6
Section 2 - Resolutions	7
Section 3 – Executive Summary.....	8
Section 4 – Adjustment Budget Tables.....	10
Section 5- Adjustments Budget Assumptions.....	21
Section 6- Adjustments to Budget Funding.....	21
Section 7- Adjustments to expenditure on allocations and grant programmes.....	21
Section 8- Adjustments to allocations or grants made by the municipality.....	21
Section 9- Adjustments to councillors and board members allowances and employee benefits...	21
Section 10- Adjustments to service delivery and budget implementation plan.....	21
Section 11- Adjustments to Capital Budget.....	22
Section 12- Other Supporting Documents.....	22
Quality Certificate.....	23

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 (2)(b) of the MFMA states the following:

“(2) An adjustments budget –

(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;”

Regulation 23 (3) of the MBRR states the following:

“(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

The reason for the 2nd adjustments budget is to bring the additional provincial allocation of R19 000 in respect of the Community Development Worker Operational Support Grant, onto the 2026/2027 budget, in accordance with Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR.

It should be noted that:

- No new allocations of cash backed accumulated funds are made.
- 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.
- No tariffs will be impacted with the approval of this adjustment budget

The additional allocation as gazetted in the Provincial Gazette Extraordinary 9294 on Friday, 11 September 2026, will be allocated as follows:

1. Contracted Services- Catering Services (Operating): R10 000
2. Travel & Subsistence- Domestic Accommodation (Operating): R3 000
3. Travel & Subsistence- Public Transport- Road Transport (Operating): R6 000

In addition to the gazetted allocation, several virement requests have been received and approved for the year-to-date. A list of all approved virements can be found attached as Annexure B.

Complete detail is provided in Annexure A (Operating Budget)

It is hereby recommended that Council approve the 2nd Adjustment Budget for 2026/2027 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(2) of the Act
- (c) Approval of the transfer of funds to a separate bank account for purposes contemplated in section 12 of the Act
- (d) 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
- (e) Approval of any adjustment budget-related policies necessitated by the adjustments budget.

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

Recommendation

1. That Total Expenditure increase with R19 000 from R882 010 953 to R882 029 953 (see Annexure A attached).
2. That Total Revenue increases with R19 000 from R882 391 564 to R882 410 564
3. That all amendments in Annexure A be approved.
4. That Council notes the virements for the year-to-date in Annexure B.
5. That the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted in line with the adjustment budget.
6. That the 2nd Adjustment budget (2026/2027) and National Treasury B- Schedules- Municipal Adjustment Budget & Supporting Tables be sent to the National- and Provincial Treasuries as required.
7. That the 2nd Adjustment Budget for 2026/2027 be tabled to council for approval.

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

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(2)(b) of the MFMA states the following:

“(2) An adjustments budget –

(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;”

Regulation 23(3) of the MBRR states the following:

“(3) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.”

An additional allocation of R19 000 was made by the Provincial government to Hessequa Municipality in respect of the Community Development Worker Operational Support Grant (CDW) (Provincial Gazette Extraordinary 9294 of Friday, 11 September 2026). The additional funds will be allocated as follows:

1. Contractors- Catering Services	R10 000
2. Travel & Subsistence- Domestic Accommodation	R 3 000
3. Travel & Subsistence- Public Transport- Road Transport	<u>R 6 000</u>
	<u>R19 000</u>

In addition to the additional gazetted allocation, several virement requests have been received and approved for the year-to-date. A list of all approved virements can be found attached as Annexure B

The effect of the 2nd Adjusted Budget on the 2026/2027 Operating Budget will be as follows:

Operating Budget

- Expenditure increases from R882 010 953 to R882 029 953 (Increase of R19 000).
- Revenue increases from R882 391 564 to R882 410 564 (Increase of R19 000).
-

Description	1st Adjustment Budget	Amendment	2nd Adjustment Budget
Revenue (Excl. Capital Grants)	882 391 564	19 000	882 410 564
Expenditure	882 010 953	19 000	882 029 953
Surplus/(Deficit)	380 611	0	380 611
Capital Grants	55 799 150	0	55 799 150
Surplus / (Deficit)	56 189 761	0	56 189 761

Capital Budget

- The 2nd Adjustment Budget will have no effect on the 2026/2027 Capital Budget.

Funding	1st Adjustment Budget	Virement	2nd Adjustment Budget
CRR	108 306 838	0	108 306 838
External loans	21 398 589	0	21 398 589
Transfers & Subsidies	55 799 150	0	55 799 150
Public Contributions	0	0	0
TOTAAL	185 504 577	0	185 504 577

The item will be tabled at the Executive Mayoral Committee on 26 October 2026 and feedback will be provided during the Council Meeting.

Section 4 – Adjustment Budget Tables

Table B1: Adjustment Budget Statement Summary

WC042 Hessequa - Table B1 Adjustments Budget Summary - 20/10/2026

Description	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	156 655	-	-	-	-	-	-	-	156 655	165 109	174 021
Service charges	411 463	-	-	-	-	-	-	-	411 463	441 942	474 848
Investment revenue	31 761	-	-	-	-	-	-	-	31 761	30 585	32 410
Transfer and subsidies - Operational	89 081	-	-	-	-	-	19	19	89 100	90 921	92 835
Other own revenue	193 432	-	-	-	-	-	-	-	193 432	202 043	189 626
Total Revenue (excluding capital transfers and contributions)	882 392	-	-	-	-	-	19	19	882 411	930 600	963 740
Employee costs	290 063	-	-	-	-	-	-	-	290 063	303 304	318 955
Remuneration of councillors	10 537	-	-	-	-	-	-	-	10 537	10 969	11 418
Depreciation, amortisation and impairment	137 223	-	-	-	-	-	-	-	137 223	147 323	155 892
Interest, Dividends and Rent on Land	23 438	-	-	-	-	-	-	-	23 438	24 391	30 378
Inventory consumed and bulk purchases	272 653	-	-	-	-	-	300	300	272 953	291 691	311 933
Transfers and subsidies	2 775	-	-	-	-	-	-	-	2 775	2 874	2 972
Other expenditure	145 076	-	-	-	-	-	(36)	(36)	145 040	132 217	130 964
Total Expenditure	881 766	-	-	-	-	-	264	264	882 030	912 769	962 514
Surplus/(Deficit)	625	-	-	-	-	-	(245)	(245)	381	17 831	1 226
Transfers and subsidies - capital (monetary allocations)	55 799	-	-	-	-	-	-	-	55 799	32 485	68 063
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288
Capital expenditure & funds sources											
Capital expenditure	176 398	-	-	-	-	-	9 107	9 107	185 505	140 818	172 452
Transfers recognised - capital	55 799	-	-	-	-	-	-	-	55 799	32 485	68 063
Borrowing	20 000	-	-	-	-	-	1 399	1 399	21 399	70 000	34 600
Internally generated funds	100 599	-	-	-	-	-	7 708	7 708	108 307	38 333	69 789
Total sources of capital funds	176 398	-	-	-	-	-	9 107	9 107	185 505	140 818	172 452
Financial position											
Total current assets	499 419	-	-	-	-	-	(9 351)	(9 351)	490 068	549 800	578 376
Total non current assets	1 809 994	-	-	-	-	-	9 107	9 107	1 819 101	1 882 850	2 078 789
Total current liabilities	164 841	-	-	-	-	-	-	-	164 841	176 295	190 196
Total non current liabilities	297 474	-	-	-	-	-	-	-	297 474	368 926	405 195
Community wealth/Equity	1 848 575	-	-	-	-	-	(1 722)	(1 722)	1 846 853	1 887 429	2 061 774
Cash flows											
Net cash from (used) operating	179 652	-	-	-	-	-	(245)	(245)	179 407	134 700	208 786
Net cash from (used) investing	(194 857)	-	-	-	-	-	(9 107)	(9 107)	(203 964)	(133 941)	(188 319)
Net cash from (used) financing	(224)	-	-	-	-	-	-	-	(224)	49 507	7 738
Cash/cash equivalents at the year end	380 583	-	-	-	-	-	(9 351)	(9 351)	371 232	421 497	449 703
Cash backing/surplus reconciliation											
Cash and investments available	380 583	-	-	-	-	-	(9 351)	(9 351)	371 232	421 497	449 703
Application of cash and investments	(16 444)	-	-	-	-	-	-	-	(16 444)	29 989	25 713
Balance - surplus (shortfall)	397 027	-	-	-	-	-	(9 351)	(9 351)	387 676	391 509	423 989
Asset Management											
Asset register summary (WDV)	1 585 856	-	-	-	-	-	9 107	9 107	1 594 963	1 658 712	1 854 651
Depreciation	54 556	-	-	-	-	-	-	-	54 556	60 965	65 676
Renewal and Upgrading of Existing Assets	96 851	-	-	-	-	-	522	522	97 373	79 474	71 369
Repairs and Maintenance	131 687	-	-	-	-	-	(66)	(66)	131 621	137 872	143 720
Free services											
Cost of Free Basic Services provided	10 330	-	-	-	-	-	-	-	10 330	11 065	11 856
Revenue cost of free services provided	56 149	-	-	-	-	-	-	-	56 149	57 556	60 165
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) - 20/10/2026

Standard Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		Original Budget	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
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		216 336	-	-	-	-	-	-	-	216 336	224 041	235 901
Executive and council		19 141	-	-	-	-	-	-	-	19 141	19 462	20 108
Finance and administration		197 195	-	-	-	-	-	-	-	197 195	204 579	215 793
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		162 077	-	-	-	-	-	19	19	162 096	149 086	197 710
Community and social services		13 342	-	-	-	-	-	19	19	13 361	13 531	13 726
Sport and recreation		16 447	-	-	-	-	-	-	-	16 447	17 189	17 964
Public safety		110 413	-	-	-	-	-	-	-	110 413	114 673	119 742
Housing		21 876	-	-	-	-	-	-	-	21 876	3 693	46 279
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		48 638	-	-	-	-	-	-	-	48 638	55 600	25 186
Planning and development		20 055	-	-	-	-	-	-	-	20 055	40 388	22 946
Road transport		27 764	-	-	-	-	-	-	-	27 764	14 709	1 715
Environmental protection		820	-	-	-	-	-	-	-	820	503	526
Trading services		511 139	-	-	-	-	-	-	-	511 139	534 359	573 006
Energy sources		290 203	-	-	-	-	-	-	-	290 203	322 199	349 337
Water management		95 666	-	-	-	-	-	-	-	95 666	90 903	88 962
Waste water management		68 603	-	-	-	-	-	-	-	68 603	61 716	61 229
Waste management		56 667	-	-	-	-	-	-	-	56 667	59 541	73 478
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	938 191	-	-	-	-	-	19	19	938 210	963 085	1 031 803
Expenditure - Functional												
Governance and administration		132 088	-	-	-	-	-	41	41	132 129	141 052	144 743
Executive and council		39 555	-	-	-	-	-	-	-	39 555	40 808	42 630
Finance and administration		89 763	-	-	-	-	-	41	41	89 804	97 565	99 299
Internal audit		2 770	-	-	-	-	-	-	-	2 770	2 679	2 814
Community and public safety		232 094	-	-	-	-	-	571	571	232 665	222 410	230 368
Community and social services		33 409	-	-	-	-	-	19	19	33 428	34 515	35 678
Sport and recreation		41 712	-	-	-	-	-	344	344	42 057	44 187	46 553
Public safety		132 358	-	-	-	-	-	10	10	132 368	137 134	142 812
Housing		24 615	-	-	-	-	-	198	198	24 813	6 574	5 324
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		96 590	-	-	-	-	-	(464)	(464)	96 126	99 613	104 989
Planning and development		16 610	-	-	-	-	-	-	-	16 610	17 122	17 988
Road transport		72 195	-	-	-	-	-	(464)	(464)	71 731	74 659	78 771
Environmental protection		7 785	-	-	-	-	-	-	-	7 785	7 832	8 230
Trading services		419 144	-	-	-	-	-	115	115	419 259	447 770	480 414
Energy sources		264 931	-	-	-	-	-	-	-	264 931	284 618	306 724
Water management		55 333	-	-	-	-	-	5	5	55 338	58 451	63 462
Waste water management		48 169	-	-	-	-	-	105	105	48 274	50 853	53 209
Waste management		50 711	-	-	-	-	-	5	5	50 716	53 848	57 018
Other		1 851	-	-	-	-	-	-	-	1 851	1 924	2 001
Total Expenditure - Functional	3	881 766	-	-	-	-	-	264	264	882 030	912 769	962 514
Surplus/ (Deficit) for the year		56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288

HESSEQUA MUNICIPALITY

Table B3 Adjustments Budget Financial Performance

WC042 Hessequa - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 20/10/2026

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 01 - Office Of The Mm		19 141	-	-	-	-	-	-	-	19 141	19 462	20 108
Vote 02 - Corporate Services		29 592	-	-	-	-	-	-	-	29 592	30 503	31 451
Vote 03 - Financial Services		193 005	-	-	-	-	-	-	-	193 005	200 077	210 953
Vote 04 - Community Services		132 341	-	-	-	-	-	19	19	132 360	118 419	166 074
Vote 05 - Technical Services		543 236	-	-	-	-	-	-	-	543 236	553 734	579 745
Vote 06 - Spatial Plannign & Environmental Management		20 875	-	-	-	-	-	-	-	20 875	40 891	23 471
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	938 191	-	-	-	-	-	19	19	938 210	963 085	1 031 803
Expenditure by Vote	1											
Vote 01 - Office Of The Mm		46 054	-	-	-	-	-	-	-	46 054	47 295	49 446
Vote 02 - Corporate Services		78 715	-	-	-	-	-	109	109	78 823	79 547	82 707
Vote 03 - Financial Services		50 632	-	-	-	-	-	-	-	50 632	56 292	55 197
Vote 04 - Community Services		166 156	-	-	-	-	-	227	227	166 383	153 353	158 249
Vote 05 - Technical Services		517 694	-	-	-	-	-	(72)	(72)	517 622	553 213	592 699
Vote 06 - Spatial Plannign & Environmental Management		22 517	-	-	-	-	-	-	-	22 517	23 069	24 217
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	881 766	-	-	-	-	-	264	264	882 030	912 769	962 514
Surplus/ (Deficit) for the year	2	56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288

Table B4 Adjustments Budget Financial Performance (revenue and expenditure)

WC042 Hessequa - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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	276 282	-	-	-	-	-	-	-	276 282	300 678	327 228
Service charges - Water	2	61 386	-	-	-	-	-	-	-	61 386	64 148	67 035
Service charges - Waste Water Management	2	34 195	-	-	-	-	-	-	-	34 195	35 734	37 342
Service charges - Waste Management	2	39 599	-	-	-	-	-	-	-	39 599	41 381	43 243
Sale of Goods and Rendering of Services		20 711	-	-	-	-	-	-	-	20 711	21 635	22 600
Agency services		3 884	-	-	-	-	-	-	-	3 884	4 012	4 144
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3 511	-	-	-	-	-	-	-	3 511	3 669	3 834
Interest earned from Current and Non Current Assets		31 761	-	-	-	-	-	-	-	31 761	30 585	32 410
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 992	-	-	-	-	-	-	-	4 992	5 391	5 822
Licence and permits		2	-	-	-	-	-	-	-	2	2	2
Special rating levies		-	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue		21 100	-	-	-	-	-	-	-	21 100	2 888	1 333
Development Charges		8 800	-	-	-	-	-	-	-	8 800	9 196	9 610
Operational Revenue		2 493	-	-	-	-	-	-	-	2 493	2 555	2 621
Non-Exchange Revenue												
Property rates	2	156 655	-	-	-	-	-	-	-	156 655	165 109	174 021
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		102 834	-	-	-	-	-	-	-	102 834	107 458	112 291
Licences or permits		2 691	-	-	-	-	-	-	-	2 691	2 812	2 938
Transfer and subsidies - Operational		89 081	-	-	-	-	-	19	19	89 100	90 921	92 835
Interest Receivables		1 021	-	-	-	-	-	-	-	1 021	1 030	1 035
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue - Service Charges		13 396	-	-	-	-	-	-	-	13 396	13 396	13 396
Gains on disposal of Fixed and Intangible Assets		8 000	-	-	-	-	-	-	-	8 000	28 000	10 000
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		882 392	-	-	-	-	-	19	19	882 411	930 600	963 740
Expenditure By Type												
Employee related costs		290 063	-	-	-	-	-	-	-	290 063	303 304	318 955
Remuneration of councillors		10 537	-	-	-	-	-	-	-	10 537	10 969	11 418
Bulk purchases - electricity		223 018	-	-	-	-	-	-	-	223 018	240 257	258 829
Inventory consumed		49 636	-	-	-	-	-	300	300	49 935	51 434	53 105
Debt impairment		82 667	-	-	-	-	-	-	-	82 667	86 358	90 216
Depreciation, amortisation and impairment		54 556	-	-	-	-	-	-	-	54 556	60 965	65 676
Interest, Dividends and Rent on Land		23 438	-	-	-	-	-	-	-	23 438	24 391	30 378
Contracted services		82 827	-	-	-	-	-	(257)	(257)	82 569	67 266	63 199
Transfers and subsidies		2 775	-	-	-	-	-	-	-	2 775	2 874	2 972
Irrecoverable debts written off		10 473	-	-	-	-	-	-	-	10 473	10 944	11 436
Operational Cost and Other Cost		51 776	-	-	-	-	-	221	221	51 998	54 006	56 330
Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		881 766	-	-	-	-	-	264	264	882 030	912 769	962 514
Surplus/(Deficit)		625	-	-	-	-	-	(245)	(245)	381	17 831	1 226
Transfers and subsidies - capital (monetary allocations)		55 799	-	-	-	-	-	-	-	55 799	32 485	68 063
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	56 424	-	-	-	-	-	(245)	(245)	56 180	50 316	69 288

HESSEQUA MUNICIPALITY

Table B5 Adjustments Capital Expenditure Budget by vote and funding

WC042 Hessequa - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 01 - Office Of The Mm		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		1 300	-	-	-	-	-	16	16	1 316	300	300
Vote 03 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Community Services		1 150	-	-	-	-	-	(854)	(854)	296	1 450	2 800
Vote 05 - Technical Services		111 834	-	-	-	-	-	8 742	8 742	120 577	108 672	67 336
Vote 06 - Spatial Plannign & Environmental Management		-	-	-	-	-	-	-	-	-	-	-
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	114 284	-	-	-	-	-	7 904	7 904	122 189	110 422	70 436
Single-year expenditure to be adjusted	2											
Vote 01 - Office Of The Mm		631	-	-	-	-	-	-	-	631	-	-
Vote 02 - Corporate Services		2 169	-	-	-	-	-	(16)	(16)	2 153	1 260	3 607
Vote 03 - Financial Services		510	-	-	-	-	-	-	-	510	458	50
Vote 04 - Community Services		4 425	-	-	-	-	-	854	854	5 279	3 984	49 731
Vote 05 - Technical Services		54 188	-	-	-	-	-	365	365	54 553	23 844	46 773
Vote 06 - Spatial Plannign & Environmental Management		190	-	-	-	-	-	-	-	190	850	1 855
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		62 113	-	-	-	-	-	1 203	1 203	63 316	30 396	102 015
Total Capital Expenditure - Vote		176 398	-	-	-	-	-	9 107	9 107	185 505	140 818	172 452
Capital Expenditure - Functional												
Governance and administration		15 781	-	-	-	-	-	-	-	15 781	12 854	2 264
Executive and council		626	-	-	-	-	-	-	-	626	-	-
Finance and administration		15 155	-	-	-	-	-	-	-	15 155	12 854	2 264
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		40 960	-	-	-	-	-	-	-	40 960	17 962	55 926
Community and social services		506	-	-	-	-	-	-	-	506	848	848
Sport and recreation		35 279	-	-	-	-	-	-	-	35 279	12 226	3 305
Public safety		3 676	-	-	-	-	-	-	-	3 676	4 688	5 966
Housing		1 500	-	-	-	-	-	-	-	1 500	200	45 808
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		22 254	-	-	-	-	-	1 200	1 200	23 454	28 089	28 993
Planning and development		57	-	-	-	-	-	-	-	57	12	30
Road transport		22 094	-	-	-	-	-	1 200	1 200	23 294	27 337	27 893
Environmental protection		103	-	-	-	-	-	-	-	103	740	1 070
Trading services		97 368	-	-	-	-	-	7 907	7 907	105 274	81 816	84 515
Energy sources		32 536	-	-	-	-	-	7 233	7 233	39 769	26 856	26 558
Water management		34 732	-	-	-	-	-	542	542	35 274	37 613	24 600
Waste water management		29 739	-	-	-	-	-	132	132	29 871	17 037	20 460
Waste management		360	-	-	-	-	-	-	-	360	310	12 896
Other		35	-	-	-	-	-	-	-	35	98	755
Total Capital Expenditure - Functional	3	176 398	-	-	-	-	-	9 107	9 107	185 505	140 818	172 452
Funded by:												
National Government		24 477	-	-	-	-	-	-	-	24 477	23 528	24 063
Provincial Government		31 322	-	-	-	-	-	-	-	31 322	8 957	44 000
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Depart Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	55 799	-	-	-	-	-	-	-	55 799	32 485	68 063
Borrowing		20 000	-	-	-	-	-	1 399	1 399	21 399	70 000	34 600
Internally generated funds		100 599	-	-	-	-	-	7 708	7 708	108 307	38 333	69 789
Total Capital Funding		176 398	-	-	-	-	-	9 107	9 107	185 505	140 818	172 452

Table B6 Adjustments Budget Financial Position

WC042 Hessequa - Table B6 Adjustments Budget Financial Position - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		380 583	-	-	-	-	-	(9 351)	(9 351)	371 232	430 849	459 054
Short term Investments		-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	1	58 954	-	-	-	-	-	-	-	58 954	54 509	49 867
Receivables from non-exchange transactions	1	42 494	-	-	-	-	-	-	-	42 494	45 621	48 866
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		4 457	-	-	-	-	-	-	-	4 457	4 268	4 317
VAT Receivable		11 734	-	-	-	-	-	-	-	11 734	13 347	15 058
Other current assets		1 197	-	-	-	-	-	-	-	1 197	1 205	1 214
Total current assets		499 419	-	-	-	-	-	(9 351)	(9 351)	490 068	549 800	578 376
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		124 139	-	-	-	-	-	-	-	124 139	124 139	124 139
Property, plant and equipment	3	1 677 225	-	-	-	-	-	9 107	9 107	1 686 332	1 750 081	1 945 989
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		8 452	-	-	-	-	-	-	-	8 452	8 452	8 482
Intangible assets		179	-	-	-	-	-	-	-	179	179	179
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		1 809 994	-	-	-	-	-	9 107	9 107	1 819 101	1 882 850	2 078 789
TOTAL ASSETS		2 309 413	-	-	-	-	-	(245)	(245)	2 309 168	2 432 650	2 657 164
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		19 553	-	-	-	-	-	-	-	19 553	22 306	28 782
Consumer deposits		13 436	-	-	-	-	-	-	-	13 436	14 242	15 097
Trade and other payables from exchange transactions		89 240	-	-	-	-	-	-	-	89 240	93 444	97 901
Trade and other payables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Provision		18 467	-	-	-	-	-	-	-	18 467	19 707	21 043
VAT Payable		11 043	-	-	-	-	-	-	-	11 043	11 705	12 407
Other current liabilities		13 102	-	-	-	-	-	-	-	13 102	14 890	14 965
Total current liabilities		164 841	-	-	-	-	-	-	-	164 841	176 295	190 196
Non current liabilities												
Financial liabilities	1	126 558	-	-	-	-	-	-	-	126 558	174 266	183 144
Provision	1	112 587	-	-	-	-	-	-	-	112 587	124 781	138 196
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		58 329	-	-	-	-	-	-	-	58 329	69 879	83 855
Total non current liabilities		297 474	-	-	-	-	-	-	-	297 474	368 926	405 195
TOTAL LIABILITIES		462 316	-	-	-	-	-	-	-	462 316	545 221	595 391
NET ASSETS	2	1 847 097	-	-	-	-	-	(245)	(245)	1 846 853	1 887 429	2 061 774
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 779 261	-	-	-	-	-	(1 722)	(1 722)	1 777 539	1 773 297	1 948 320
Funds and Reserves		69 314	-	-	-	-	-	-	-	69 314	114 132	113 454
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		1 848 575	-	-	-	-	-	(1 722)	(1 722)	1 846 853	1 887 429	2 061 774

Table B7 Adjustments Budget Cash Flows

WC042 Hessequa - Table B7 Adjustments Budget Cash Flows - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		153 522	–	–	–	–	–	–	–	153 522	161 807	170 540
Service charges		439 411	–	–	–	–	–	–	–	439 411	470 094	503 227
Other revenue		112 571	–	–	–	–	–	267	267	112 838	89 050	123 564
Transfers and Subsidies - Operational	1	110 081	–	–	–	–	–	19	19	110 100	93 809	94 168
Transfers and Subsidies - Capital	1	55 799	–	–	–	–	–	–	–	55 799	32 485	68 063
Interest		32 070	–	–	–	–	–	–	–	32 070	30 948	32 833
Dividends									–	–		
Payments												
Suppliers and employees		(697 588)	–	–	–	–	–	(531)	(531)	(698 119)	(716 228)	(750 259)
Finance charges		(23 438)	–	–	–	–	–	–	–	(23 438)	(24 391)	(30 378)
Transfers and Subsidies	1	(2 775)	–	–	–	–	–	–	–	(2 775)	(2 874)	(2 972)
NET CASH FROM/(USED) OPERATING ACTIVITIES		179 652	–	–	–	–	–	(245)	(245)	179 407	134 700	208 786
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		8 000	–	–	–	–	–	–	–	8 000	28 000	10 000
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–		
Insurance Refund - Capital									–	–		
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments									–	–		
Payments												
Capital assets		(202 857)	–	–	–	–	–	(9 107)	(9 107)	(211 964)	(161 941)	(198 319)
Retention (Capital)									–	–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		(194 857)	–	–	–	–	–	(9 107)	(9 107)	(203 964)	(133 941)	(188 319)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing		20 000	–	–	–	–	–	–	–	20 000	70 000	34 600
Increase (decrease) in consumer deposits		1 690	–	–	–	–	–	–	–	1 690	1 792	1 899
Payments												
Repayment of borrowing		(21 914)	–	–	–	–	–	–	–	(21 914)	(22 285)	(28 761)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(224)	–	–	–	–	–	–	–	(224)	49 507	7 738
NET INCREASE/ (DECREASE) IN CASH HELD		(15 430)	–	–	–	–	–	(9 351)	(9 351)	(24 781)	50 265	28 205
Cash/cash equivalents at the year begin:	2	396 013							–	396 013	371 232	421 497
Cash/cash equivalents at the year end:	2	380 583	–	–	–	–	–	(9 351)	(9 351)	371 232	421 497	449 703

Table B8 Cash backed reserves/accumulated surplus reconciliation

WC042 Hessequa - Table B8 Cash backed reserves/accumulated surplus reconciliation - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	380 583	-	-	-	-	-	(9 351)	(9 351)	371 232	421 497	449 703
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		380 583	-	-	-	-	-	(9 351)	(9 351)	371 232	421 497	449 703
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing												
Statutory requirements		(7 809)	-	-	-	-	-	-	-	(7 809)	(9 999)	(12 302)
Other working capital requirements	2	(96 416)	-	-	-	-	-	-	-	(96 452)	(93 851)	(96 483)
Other provisions		18 467	-	-	-	-	-	-	-	18 467	19 707	21 043
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		69 314	-	-	-	-	-	-	-	69 314	114 132	113 454
Total Application of cash and investments:		(16 444)	-	-	-	-	-	-	-	(16 480)	29 989	25 713
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		397 027	-	-	-	-	-	(9 351)	(9 351)	387 712	391 509	423 989
Creditors transferred to Debt Relief - Non-Current portion												
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		397 027	-	-	-	-	-	(9 351)	(9 351)	387 712	391 509	423 989

HESSEQUA MUNICIPALITY

Table B9 Asset Management

WC042 Hessequa - Table B9 Asset Management - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		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		
CAPITAL EXPENDITURE												
<u>Total New Assets to be adjusted</u>	1	79 547	-	-	-	-	-	8 585	8 585	88 132	61 345	101 083
Roads Infrastructure		300	-	-	-	-	-	(54)	(54)	246	2 640	14 250
Storm water Infrastructure		1 620	-	-	-	-	-	-	-	1 620	1 000	2 000
Electrical Infrastructure		5 772	-	-	-	-	-	7 233	7 233	13 005	7 500	9 150
Water Supply Infrastructure		24 882	-	-	-	-	-	542	542	25 424	21 450	25 250
Sanitation Infrastructure		6 500	-	-	-	-	-	(20)	(20)	6 480	9 437	22 160
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	60	12 646
Information and Communication Infrastructure		590	-	-	-	-	-	-	-	590	300	200
Infrastructure		39 664	-	-	-	-	-	7 701	7 701	47 366	42 387	85 657
Community Facilities		1 700	-	-	-	-	-	-	-	1 700	50	-
Sport and Recreation Facilities		14 158	-	-	-	-	-	-	-	14 158	940	304
Community Assets		15 858	-	-	-	-	-	-	-	15 858	990	304
Heritage Assets		-	-	-	-	-	-	-	-	-	-	30
Operational Buildings		10 000	-	-	-	-	-	-	-	10 000	10 000	30
Housing		-	-	-	-	-	-	-	-	-	-	1 800
Other Assets	6	10 000	-	-	-	-	-	-	-	10 000	10 000	1 830
Computer Equipment		1 084	-	-	-	-	-	-	-	1 084	373	-
Furniture and Office Equipment		827	-	-	-	-	-	100	100	927	611	490
Machinery and Equipment		2 883	-	-	-	-	-	480	480	3 363	2 254	5 622
Transport Assets		9 230	-	-	-	-	-	304	304	9 534	4 730	7 150
<u>Total Renewal of Existing Assets to be adjusted</u>	2	20 442	-	-	-	-	-	95	95	20 537	17 200	3 973
Electrical Infrastructure		8 250	-	-	-	-	-	-	-	8 250	3 700	-
Water Supply Infrastructure		5 000	-	-	-	-	-	-	-	5 000	8 500	300
Sanitation Infrastructure		1 500	-	-	-	-	-	-	-	1 500	2 300	-
Infrastructure		14 750	-	-	-	-	-	-	-	14 750	14 500	300
Community Facilities		2 600	-	-	-	-	-	79	79	2 679	500	2 500
Sport and Recreation Facilities		2 300	-	-	-	-	-	-	-	2 300	2 100	850
Community Assets		4 900	-	-	-	-	-	79	79	4 979	2 600	3 350
Computer Equipment		48	-	-	-	-	-	-	-	48	-	120
Furniture and Office Equipment		544	-	-	-	-	-	-	-	544	100	203
Machinery and Equipment		200	-	-	-	-	-	16	16	216	-	-
<u>Total Upgrading of Existing Assets to be adjusted</u>	2a	76 409	-	-	-	-	-	427	427	76 836	62 274	67 396
Roads Infrastructure		34 240	-	-	-	-	-	500	500	34 740	31 250	21 548
Storm water Infrastructure		1 500	-	-	-	-	-	-	-	1 500	1 000	2 000
Electrical Infrastructure		17 200	-	-	-	-	-	(53)	(53)	17 147	14 136	13 278
Water Supply Infrastructure		1 800	-	-	-	-	-	(20)	(20)	1 780	7 463	18 000
Sanitation Infrastructure		19 389	-	-	-	-	-	-	-	19 389	5 200	8 000
Infrastructure		74 129	-	-	-	-	-	427	427	74 556	59 049	62 826
Community Facilities		260	-	-	-	-	-	-	-	260	2 245	3 270
Sport and Recreation Facilities		520	-	-	-	-	-	-	-	520	530	900
Community Assets		780	-	-	-	-	-	-	-	780	2 775	4 170
Operational Buildings		1 500	-	-	-	-	-	-	-	1 500	450	400
Other Assets	6	1 500	-	-	-	-	-	-	-	1 500	450	400

HESSEQUA MUNICIPALITY

WC042 Hessequa - Table B9 Asset Management - 20/10/2026

Description		Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
			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		
Total Capital Expenditure to be adjusted		4	176 398	–	–	–	–	–	9 107	9 107	185 505	140 818	172 452
Roads Infrastructure			34 540	–	–	–	–	–	446	446	34 986	33 890	35 798
Storm water Infrastructure			3 120	–	–	–	–	–	–	–	3 120	2 000	4 000
Electrical Infrastructure			31 222	–	–	–	–	–	7 180	7 180	38 402	25 336	22 428
Water Supply Infrastructure			31 682	–	–	–	–	–	522	522	32 204	37 413	43 550
Sanitation Infrastructure			27 389	–	–	–	–	–	(20)	(20)	27 369	16 937	30 160
Solid Waste Infrastructure			–	–	–	–	–	–	–	–	–	60	12 646
Information and Communication Infrastructure			590	–	–	–	–	–	–	–	590	300	200
Infrastructure			128 544	–	–	–	–	–	8 128	8 128	136 672	115 935	148 783
Community Facilities			4 560	–	–	–	–	–	79	79	4 639	2 795	5 770
Sport and Recreation Facilities			16 978	–	–	–	–	–	–	–	16 978	3 570	2 054
Community Assets			21 538	–	–	–	–	–	79	79	21 617	6 365	7 824
Heritage Assets			–	–	–	–	–	–	–	–	–	–	30
Operational Buildings			11 500	–	–	–	–	–	–	–	11 500	10 450	430
Housing			–	–	–	–	–	–	–	–	–	–	1 800
Other Assets			11 500	–	–	–	–	–	–	–	11 500	10 450	2 230
Computer Equipment			1 132	–	–	–	–	–	–	–	1 132	373	120
Furniture and Office Equipment			1 371	–	–	–	–	–	100	100	1 471	711	693
Machinery and Equipment			3 083	–	–	–	–	–	496	496	3 579	2 254	5 622
Transport Assets			9 230	–	–	–	–	–	304	304	9 534	4 730	7 150
TOTAL CAPITAL EXPENDITURE to be adjusted		4	176 398	–	–	–	–	–	9 107	9 107	185 505	140 818	172 452
ASSET REGISTER SUMMARY - PPE (WDV)		5	1 585 856	–	–	–	–	–	9 107	9 107	1 594 963	1 658 712	1 854 651
Roads Infrastructure			248 446	–	–	–	–	–	446	446	248 892	266 526	287 629
Storm water Infrastructure			130 578	–	–	–	–	–	–	–	130 578	129 961	130 697
Electrical Infrastructure			358 393	–	–	–	–	–	7 180	7 180	365 573	375 976	413 637
Water Supply Infrastructure			136 535	–	–	–	–	–	522	522	137 057	161 352	197 306
Sanitation Infrastructure			187 799	–	–	–	–	–	(20)	(20)	187 779	197 581	234 198
Solid Waste Infrastructure			19 867	–	–	–	–	–	–	–	19 867	14 878	18 729
Information and Communication Infrastructure			4 808	–	–	–	–	–	–	–	4 808	5 473	5 588
Infrastructure			1 086 425	–	–	–	–	–	8 128	8 128	1 094 553	1 151 746	1 287 784
Community Assets			87 227	–	–	–	–	–	79	79	87 306	83 793	138 760
Heritage Assets			8 630	–	–	–	–	–	–	–	8 630	8 630	8 660
Investment properties			124 139	–	–	–	–	–	–	–	124 139	124 139	124 139
Other Assets			18 723	–	–	–	–	–	–	–	18 723	29 241	30 669
Computer Equipment			19 781	–	–	–	–	–	–	–	19 781	18 653	17 510
Furniture and Office Equipment			9 010	–	–	–	–	–	100	100	9 110	9 048	8 965
Machinery and Equipment			38 153	–	–	–	–	–	496	496	38 649	37 432	39 925
Transport Assets			59 984	–	–	–	–	–	304	304	60 288	62 245	64 455
Land			133 784	–	–	–	–	–	–	–	133 784	133 784	133 784
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	1 585 856	–	–	–	–	–	9 107	9 107	1 594 963	1 658 712	1 854 651
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment			54 556	–	–	–	–	–	–	–	54 556	60 965	65 676
Repairs and Maintenance by asset class		3	131 687	–	–	–	–	–	(66)	(66)	131 621	137 872	143 720
Roads Infrastructure			32 746	–	–	–	–	–	–	–	32 746	34 390	36 227
Storm water Infrastructure			260	–	–	–	–	–	(6)	(6)	254	265	270
Electrical Infrastructure			25 040	–	–	–	–	–	–	–	25 040	26 110	27 243
Water Supply Infrastructure			19 622	–	–	–	–	–	–	–	19 622	20 629	21 649
Sanitation Infrastructure			17 452	–	–	–	–	–	–	–	17 452	18 354	19 279
Solid Waste Infrastructure			3 190	–	–	–	–	–	–	–	3 190	3 357	3 534
Infrastructure			98 309	–	–	–	–	–	(6)	(6)	98 303	103 106	108 201
Community Facilities			4 542	–	–	–	–	–	–	–	4 542	4 614	4 264
Sport and Recreation Facilities			10 927	–	–	–	–	–	(30)	(30)	10 897	11 471	12 041
Community Assets			15 469	–	–	–	–	–	(30)	(30)	15 439	16 086	16 304
Investment properties			–	–	–	–	–	–	–	–	–	–	–
Operational Buildings			3 945	–	–	–	–	–	–	–	3 945	4 108	4 290
Other Assets			3 945	–	–	–	–	–	–	–	3 945	4 108	4 290
Computer Equipment			3 975	–	–	–	–	–	(10)	(10)	3 965	4 258	4 269
Furniture and Office Equipment			658	–	–	–	–	–	(15)	(15)	643	673	696
Machinery and Equipment			2 866	–	–	–	–	–	–	–	2 866	2 963	3 061
Transport Assets			6 465	–	–	–	–	–	(5)	(5)	6 459	6 678	6 898
TOTAL EXPENDITURE OTHER ITEMS to be adjusted			186 244	–	–	–	–	–	(66)	(66)	186 177	198 837	209 396
Renewal and upgrading of Existing Assets as % of total capital expenditure			54.9%	0.0%							52.5%	56.4%	41.4%
Renewal and upgrading of Existing Assets as % of depreciation			177.5%	0.0%							178.5%	130.4%	108.7%
R&M as a % of PPE			8.3%	0.0%							8.3%	8.3%	7.7%
Renewal and upgrading and R&M as a % of PPE			14.4%	0.0%							14.4%	13.1%	11.6%

HESSEQUA MUNICIPALITY

Table B10 Basic service delivery measurement

WC042 Hessequa - Table B10 Basic service delivery measurement - 20/10/2026

Description	Ref	Budget Year 2026/27									Budget Year +1 2027/28	Budget Year +2 2028/29
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		15466	0	0	0	0	0	0	—	15	15566	15666
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	0	0	0	0	0	0	0	—	—	0	0
No water supply												
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	16	—	—	—	—	—	—	—	16	16	16
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		14128	0	0	0	0	0	0	—	14 128	14228	14328
Flush toilet (with septic tank)		1824	0	0	0	0	0	0	—	1 824	1824	1824
Chemical toilet												
Pit toilet (ventilated)		0	0	0	0	0	0	0	—	—	0	0
Other toilet provisions (> min.service level)												
Minimum Service Level and Above sub-total		15 952	—	—	—	—	—	—	—	15 952	16 052	16 152
Bucket toilet												
Other toilet provisions (< min.service level)		0	0	0	0	0	0	0	—	—	0	0
No toilet provisions												
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	15 952	—	—	—	—	—	—	—	15 952	16 052	16 152
Energy:												
Electricity (at least min. service level)		3597	0	0	0	0	0	0	—	3 597	3697	3797
Electricity - prepaid (> min.service level)		12668	0	0	0	0	0	0	—	12 668	12768	12868
Minimum Service Level and Above sub-total		16 265	—	—	—	—	—	—	—	16 265	16 465	16 665
Electricity (< min.service level)		0	0	0	0	0	0	0	—	—	0	0
Electricity - prepaid (< min. service level)		0	0	0	0	0	0	0	—	—	0	0
Other energy sources		0	0	0	0	0	0	0	—	—	0	0
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	16 265	—	—	—	—	—	—	—	16 265	16 465	16 665
Refuse:												
Removed at least once a week (min service)		16844	0	0	0	0	0	0	—	16 844	16944	17044
Minimum Service Level and Above sub-total		16 844	—	—	—	—	—	—	—	16 844	16 944	17 044
Removed less frequently than once a week		0	0	0	0	0	0	0	—	—	0	0
Using communal refuse dump												
Using own refuse dump		0	0	0	0	0	0	0	—	—	0	0
Other rubbish disposal												
No rubbish disposal												
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
Total number of households	5	16 844	—	—	—	—	—	—	—	16 844	16 944	17 044
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		4	—	—	—	—	—	—	—	4	4	4
Sanitation (free minimum level service)		5	—	—	—	—	—	—	—	5	5	5
Electricity/other energy (50kwh per household per month)		4	—	—	—	—	—	—	—	4	4	4
Refuse (removed at least once a week)		5	—	—	—	—	—	—	—	5	5	5
Informal Settlements		1	—	—	—	—	—	—	—	1	1	1
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		3 756	—	—	—	—	—	—	—	3 756	3 925	4 101
Sanitation (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)		6 223	—	—	—	—	—	—	—	6 223	6 772	7 370
Refuse (removed once a week for indigent households)		—	—	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		352	—	—	—	—	—	—	—	352	368	384
Total cost of FBS provided		10 330	—	—	—	—	—	—	—	10 330	11 065	11 856
Highest level of free service provided												
Property rates (R000 value threshold)		900000	0	0	0	0	0	0	—	900 000	900000	900000
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)		1072	0	0	0	0	0	0	—	1 072	1120	1171
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) (impermissible values per section 17 of MPRA)		1 837	—	—	—	—	—	—	—	1 837	1 919	2 006
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		11 499	—	—	—	—	—	—	—	11 499	10 879	11 368
Water (in excess of 6 kilolitres per indigent household per month)		11 823	—	—	—	—	—	—	—	11 823	12 355	12 911
Sanitation (in excess of free sanitation service to indigent households)		14 589	—	—	—	—	—	—	—	14 589	15 245	15 931
Electricity/other energy (in excess of 50 kwh per indigent household per month)		411	—	—	—	—	—	—	—	411	447	487
Refuse (in excess of one removal a week for indigent households)		15 990	—	—	—	—	—	—	—	15 990	16 710	17 462
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	56 149	—	—	—	—	—	—	—	56 149	57 556	60 165

Section 5- Adjustments Budget assumptions

There were no adjustments to budget assumptions made.

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.

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

2026/2027 2nd Adjustment Budget Annexures A and B

B Schedules

Provincial Gazette Extraordinary 9294

QUALITY CERTIFICATE

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

- **The 2nd Adjustment Budget for 2026/2027**

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 21 October 2026