

CONSIDERATION AND APPROVAL OF THE ADJUSTMENT BUDGET 2025/2026 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2026/2027 AND 2027/2028

English is the original version

PURPOSE OF REPORT

This report serves to submit the 2025/2026 and indicative two outer years annual adjustment budget for approval.

BACKGROUND

Section 28 of the Municipal Finance Management Act. No 56 of 2003 states:

- (1) A municipality may revise an approved annual budget through and adjustments budget.*
- (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;*
 - (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;*
 - (g) may provide for any other expenditure within the prescribed framework.*

In accordance with section 23 (1) of the Municipal Budget and Reporting Regulation:

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

LEGAL RESPONSIBILITIES

Section 28 of the Municipal Finance Management Act, 56 of 2003 and section 23 of the Municipal Budget and Reporting Regulations.

FINANCIAL IMPLICATIONS

As contained in the detail report.

RECOMMENDATION

[a]. That the adjustments budget, inclusive of changes in terms of section 28(2) of the MFMA, of Theewaterskloof Municipality for the financial year 2025/2026; and indicative for the two projected years 2026/27 and 2027/28, as set-out in the schedules contained in Section 4, be approved:

1.1 Table B1: Budget Summary

1.2 Table B2: Budgeted Financial Performance (expenditure by standard classification)

1.3 Table B3: Budgeted Financial Performance (expenditure by municipal vote)

1.4 Table B4: Budgeted Financial Performance (revenue by source)

1.5 Table B5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.

1.6 Table B6: Budgeted Financial Position

1.7 Table B7: Budgeted Cash Flow

1.8 Table B8: Cash backed reserves/Accumulated surplus reconciliation

1.9 Table B9: Asset Management

1.10 Table B10: Basic service delivery measurement

[b]. That Council approves the amendments to the Procurement Plan (Annexure A).

Theewaterskloof Municipality

Adjustment Budget 2025/26 - 2027/28

Adjusted Medium Term Revenue
and Expenditure Framework

Table of Contents

Table of Contents	2
Glossary	3
PART 1 - ANNUAL BUDGET	5
Section 1 - Mayor's Report.....	5
Section 2 - Budget Related Resolutions.....	16
Section 3 - Executive Summary	17
Section 4 - Adjustment budget tables	19
PART 2 - SUPPORTING DOCUMENTATION	28
Section 5 - Funding compliance.....	28
Section 6 - Overview of budget funding	28
Section 7 - Expenditure on allocations and grant programmes.....	30
Section 8 - Allocations and grants made by the Municipality	30
Section 9 - Councillor Allowances and employee benefits	31
Section 10 - Monthly targets for revenue, expenditure and cash flow	31
Section 11 - Annual budgets and service delivery agreements - municipal entities and other external mechanisms	31
Section 12 - Contracts having future budgetary implications.....	31
Section 13 - Capital expenditure details	31
Section 14 - Municipal Manager's quality certification	32

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.

Allocations - Money received from Provincial or National Government or other municipalities.

Budget - The financial plan of the Municipality.

Budget Related Policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

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

Equitable Share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

KPI's - Key Performance Indicators. Measures of service output and/or outcome.

MFMA - The Municipal Finance Management Act - No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

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

Net Assets - Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

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

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

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.

Unauthorised expenditure - Generally, spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

PART 1 - ANNUAL BUDGET

Section 1 - Mayor's Report

In accordance with section 28 (2) of the Municipal Finance Management Act, No 56 of 2003 (MFMA) a municipality must revise its approved annual budget through an adjustments budget, in the following circumstances:

- (b) To 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.
- (d) To authorise the utilisation of projected savings in one vote towards spending under another vote.
- (e) To 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 rollovers when the annual budget for the current year was approved by the Council.
- (f) To correct any errors in the annual budget.
- (g) To provide for any other expenditure within the prescribed framework.

In line with the MFMA, the 2025/26 approved Budget has now been adjusted.

The main adjustments proposed in this adjustment budget are:

Operating Budget

Adjustments to projected Operating expenditure

1) Employee related cost (decrease)	R 404 thousand
2) Debt impairment (increase)	R 10,9 million
3) Depreciation and asset impairment (increase)	R 8,3 million
4) Finance Charges (increase)	R 6,9 million
5) Contracted services (increase)	R 12,4 million
6) Transfers and Subsidies:	
- Housing Top Structures (decrease)	R 869 thousand
- Bursaries -External (Grant) (increase)	R 209 thousand
7) Operational costs (decrease)	R 4,9 million
8) Inventory consumed (increase)	R 5,1 million
9) Other Losses (decrease)	R 1,9 million

Adjustments to projected revenue

- 1) Revenue from government grants increasing by R 26 million:
 - Human Settlement Grant (Capital decrease) R 10 million
 - Human Settlement Grant - In-Kind (Capital increase) R 2 million
 - Human Settlement Grant (Operating decrease) R 2 million
 - Human Settlement Grant - In-Kind (Operating increase) R 11,2 million
 - Informal Settlement Grant (Capital decrease) R 34,7 million
 - Informal Settlement Grant - In-Kind (Capital increase) R 51,4 million
 - Informal Settlement Grant (Operating decrease) R 10 million
 - Integrated National Electrification Programme roll-over (Capital increase) R 1,2 million
 - INEP VAT (Operating increase) R 191 thousand
 - Municipal Infrastructure Grant roll-over (Capital increase) R 3,3 million
 - Municipal Infrastructure Grant VAT (Operating increase) R 498 thousand
 - WC Municipal Financial Recovery Services Grant (Capital increase) R 2,5 million
 - Mun. Service Delivery & Capacity Building Grant (Capital increase) R 50 thousand
 - Mun. Service Delivery & Capacity Building Grant (Operating increase) R 250 thousand
 - WC Municipal Interventions Grant (Capital increase) R 400 thousand
 - WC Municipal Interventions Grant (Operating increase) R 900 thousand
 - Community Development Workers (Operating increase) R 71 thousand
 - Maintenance of Proclaimed Roads roll-over (Operating increase) R 6,3 million
 - Thusong Centre roll-over (Operating increase) R 5 thousand
 - WC Financial Management Capability Grant (Operating increase) R 340 thousand
- 2) Revenue from other grant providers increased by R 2 million:
 - Donations non-cash (Capital increase) R 1,9 million
 - National Skills Fund (Operating increase) R 317 thousand
- 3) Property Rates (decrease) R 2,3 million
- 4) Services Charges:
 - Electricity (decrease) R 5 million
 - Refuse removal (decrease) R 919 thousand
 - Water (increase) R 11,7 million
 - Sewerage (decrease) R 625 thousand

5) Rebates for Services Charges:	
- Electricity (decrease)	R 996 thousand
- Refuse removal (decrease)	R 973 thousand
- Water (increase)	R 567 thousand
- Sewerage (decrease)	R 871 thousand
6) Interest earned from Current and Non-Current Assets (decrease)	R 2,8 million
7) Interest earned from Receivables (decrease)	R 2,1 million
8) Fines, penalties and forfeits:	
- Traffic fines (increase)	R 14 million
- Retention Forfeits (increase)	R 574 thousand
- Municipal Court (increase)	R 1,5 million
9) Sale of Goods & Rendering of Services (Sale of Property decrease)	R 8,1 million
10) Operational Revenue (increase)	R 10,8 million
11) Other Gains (decrease)	R 1,8 million

Capital Budget

The main changes to the capital budget are as follows:

- Smart meter replacement (decrease) - Borrowings	R 5 million
- Smart meter replacement (increase) - Grant	R 2,5 million
- Botriver Beaumont Services Ph1(272) Ph2(774) (increase)	R 5 million
- Botrivier Beaumont (1046) IRDP Services Ph2(774) (decrease)	R 10,4 million
- Caledon Riemvasmaak (1014) (increase)	R 11 million
- Caledon Riemvasmaak (811) increased to (1014) (decrease)	R 6,1 million
- Electrification TWK Area (increase)	R 1,2 million
- Grabouw- Hillside (321) (102+219) (increase)	R 9,2 million
- Grabouw Iraq (456) (increase)	R 8,3 million
- Grabouw Taxi Rank (increase)	R 1,5 million
- Greater Grabouw (increase)	R 3 million
- Greater Villiersdorp UISP (2600) (decrease)	R 621 thousand
- Greyton Erf 595 (538)(Yield reduced)(393) (decrease)	R 8 million
- Purchase of Fleet (increase) - MIG	R 3,1 million
- Upgrading of Fleet (decrease) - Borrowings	R 3,4 million
- Roodakke (1054) (increase)	R 5,3 million
- Upgrade of Villiersdorp Water Treat Works (decrease)	R 6,1 million

- Upgrading of Botrivier Waste Water Treatment Works (increase) R 2,8 million
- Upgrade of Grabouw Gypsy Queen Bulk Sewer & Water (decrease) R 794 thousand
- Upgrading of Pineview Park Sport Ground (decrease) - Borrowings R 1,6 million
- Upgrading of Pineview Park Sport Ground (increase) - Retention R 574 thousand
- Upgrading RSE WTP (increase) R 1,3 million
- Villiersdorp Berg en Dal (182) (increase) R 2,6 million
- Villiersdorp Destiny Farm (1133) (decrease) R 10,5 million
- Inventory (increased) R 3,1 million

The revised expenditure can be summarised as follow (R'000)

Revised Expenditure				
TYPE	2025/2026 Original Budget	2025/2026 Adjustments Budget	2026/2027 Budget	2027/2028 Budget
Operating Expenditure	884 103	920 165	909 665	931 488
Capital Expenditure	88 830	122 476	151 708	152 037
TOTAL	972 934	1 042 641	1 061 373	1 083 525

Funding and Cash flows

The expected Cash flows for the MTREF period are as follows - R '000

Source	2025/2026 Original Budget	2025/2026 Adjustments Budget	2026/2027 Budget	2027/2028 Budget
Generated Operating inflows	96 516	53 116	164 064	174 558
Net Financing outflows	(10 866)	(33 134)	(19 753)	(15 609)
Net cash inflows	85 650	19 982	144 310	158 949
Outflows - Investment in Assets	(89 422)	(36 038)	(138 266)	(151 833)
Net inflows / (outflows)	(3 773)	(16 056)	6 044	7 116

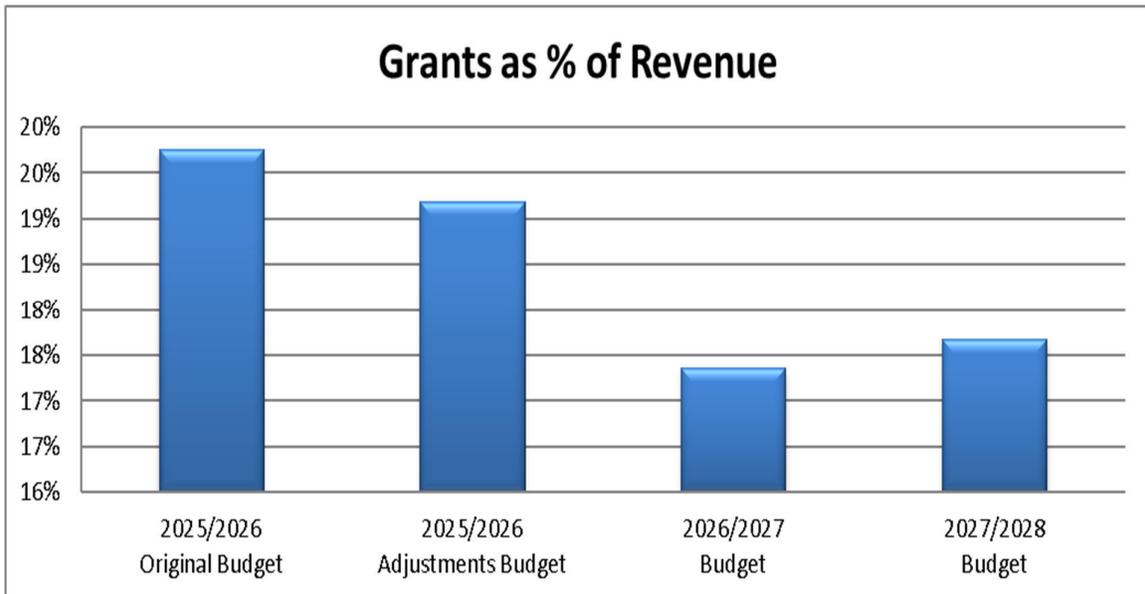
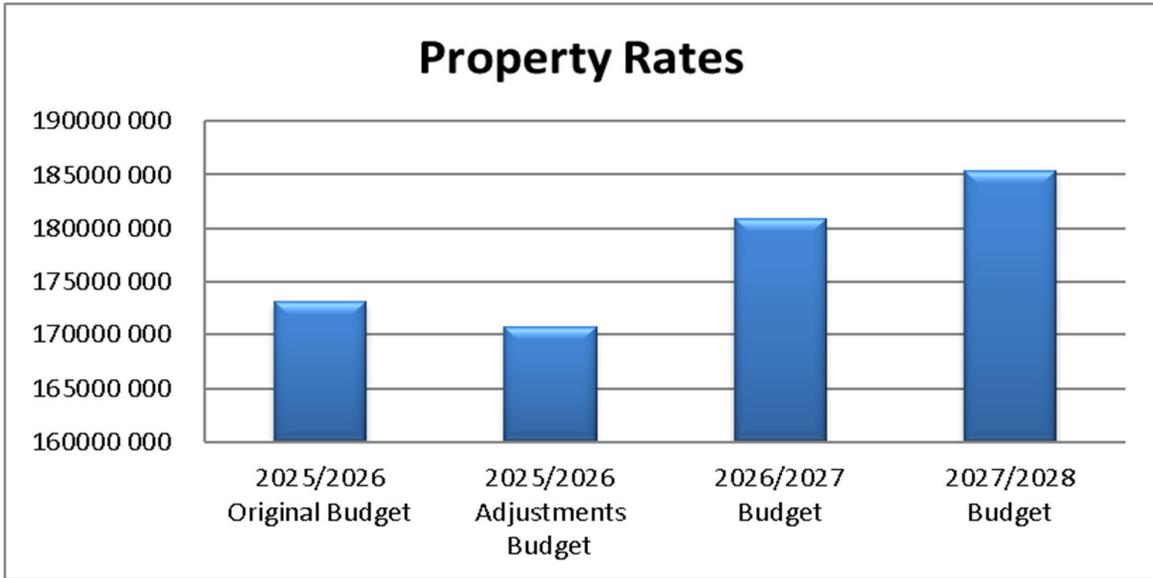
As reflected in the table above, the implementation of the 2025/26 Adjustments Budget is projected to result in a net cash outflow of approximately R16 million for the financial year. This represents a deterioration compared to the original budget projection and remains a concern from a liquidity management perspective.

The decline in the municipality’s cash position is primarily attributable to capital investment funded from internal cash resources rather than external funding sources. While this approach places short-term pressure on liquidity, the anticipated improvements in service delivery and infrastructure capacity are expected to yield long-term benefits over the MTREF period.

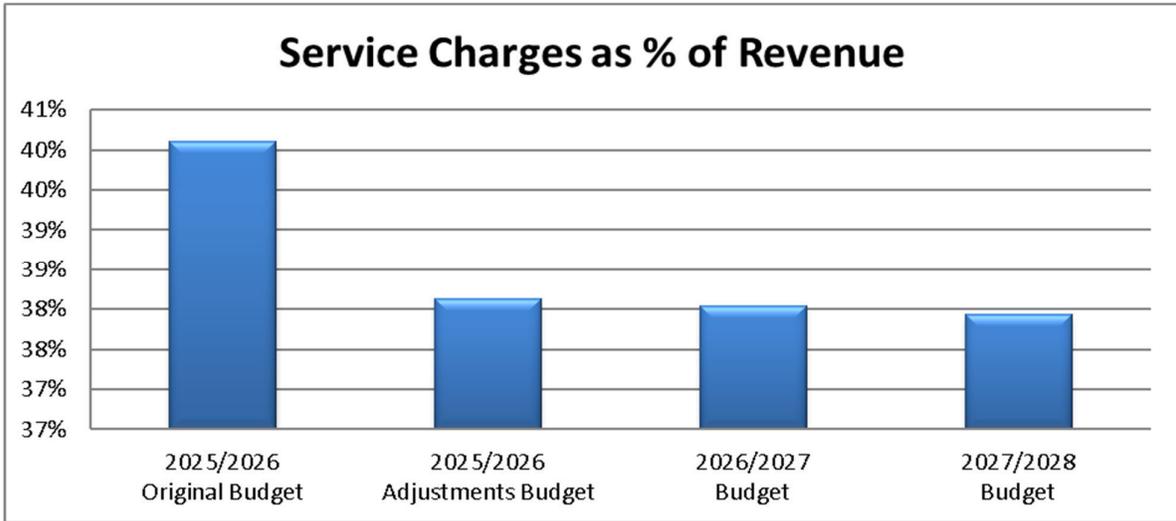
The municipality will continue to monitor its cash flow position closely to safeguard financial sustainability and maintain an adequate liquidity position.

Supporting Information

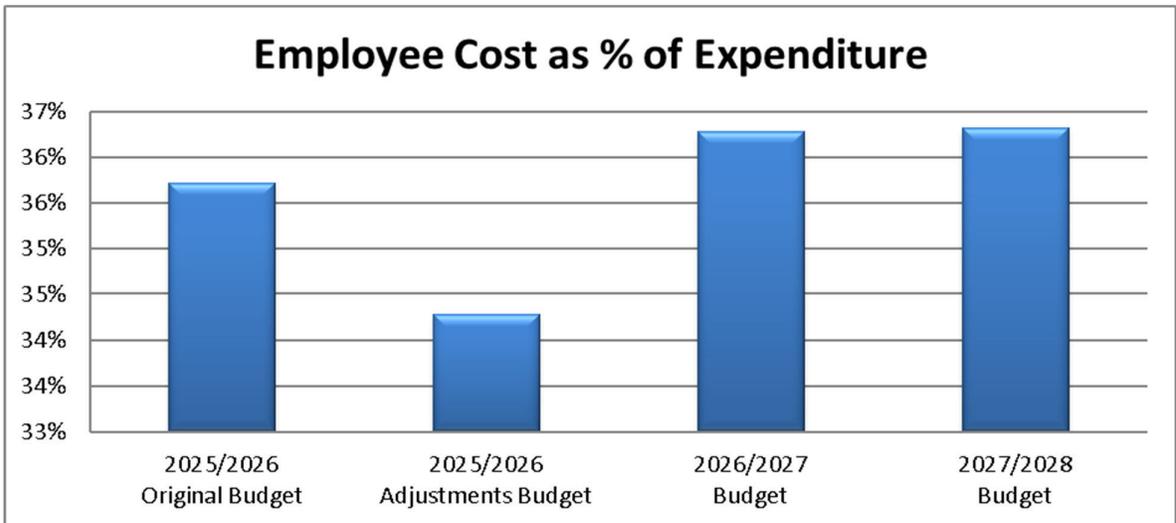
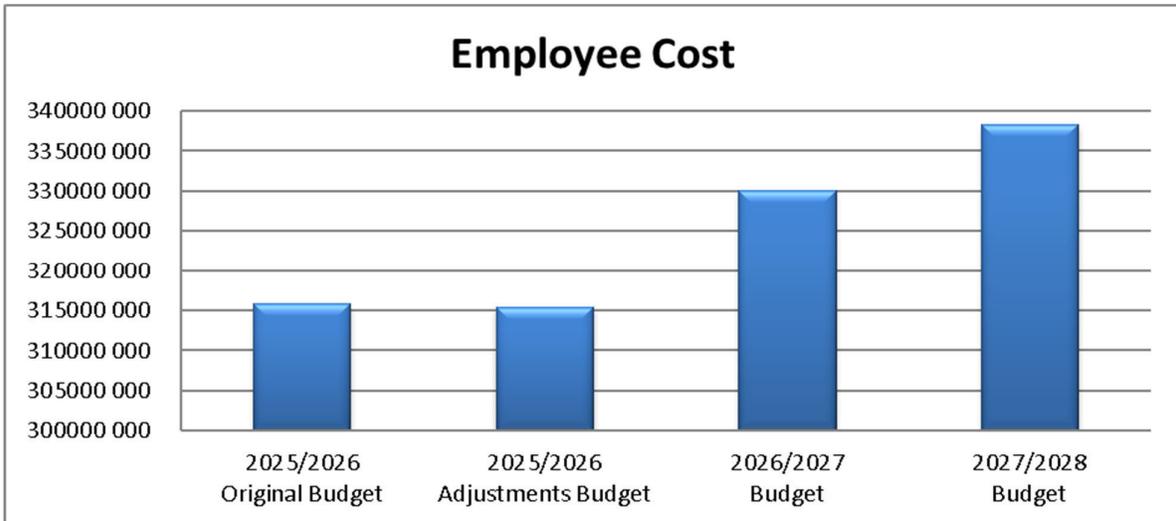
The results of the adjustments budget, as well as projections for the next 2 years, are reflected in the graphs below:



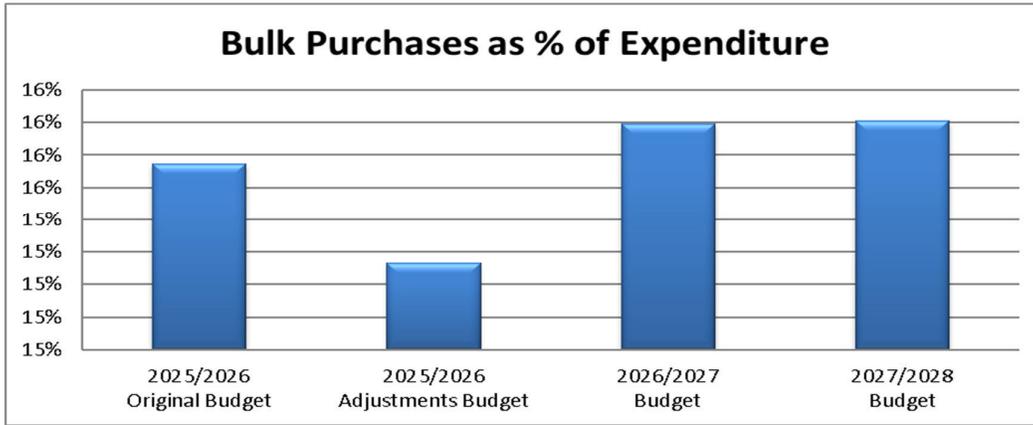
As can be seen from the graph above operating transfers makes out a significant percentage of the municipality’s revenue. This is mainly the Equitable Share allocation. This also has an effect on the next graph below.



Significant expenditure items



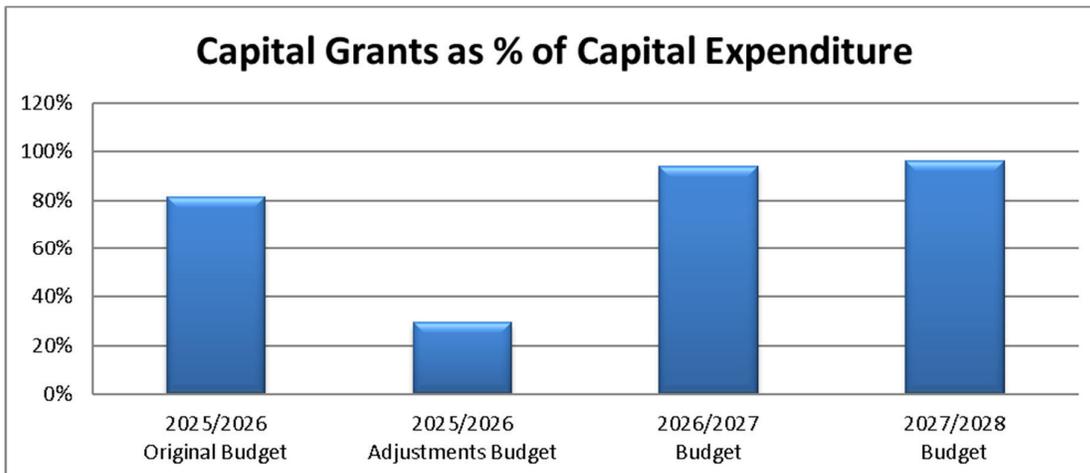
The Employee Costs as a percentage of expenditure is 34%. This is measured against a benchmark of 40%.



Bulk purchases as a percentage of expenditure is 16% for the municipality. This percentage is low due to large urban areas being serviced by Eskom, with a resultant loss in revenue for the municipality which affects the municipality's financial viability.

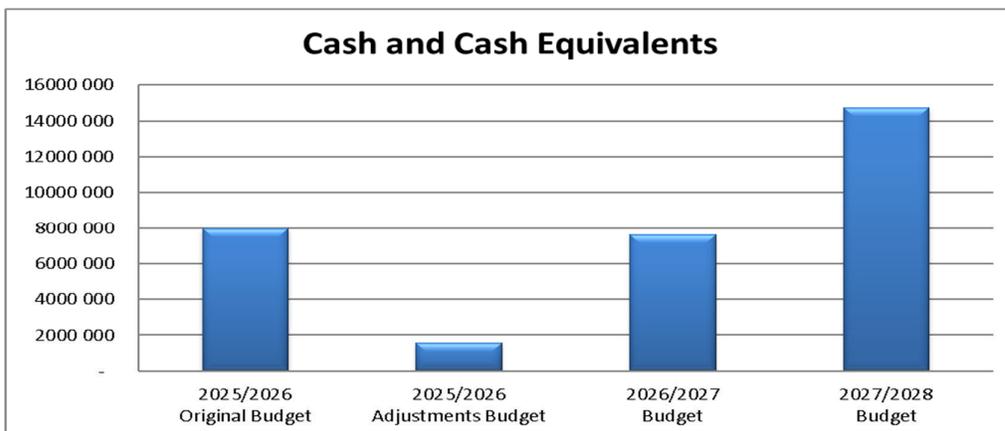
Property, Plant and Equipment (PPE)

The municipality funds a large portion of the PPE from grants, as depicted below:



Cash and Cash Equivalents

The forecast is depicted below in graphs. As can be seen, the adjusted budgeted cash and cash equivalent at year-end is R 1,5 million.

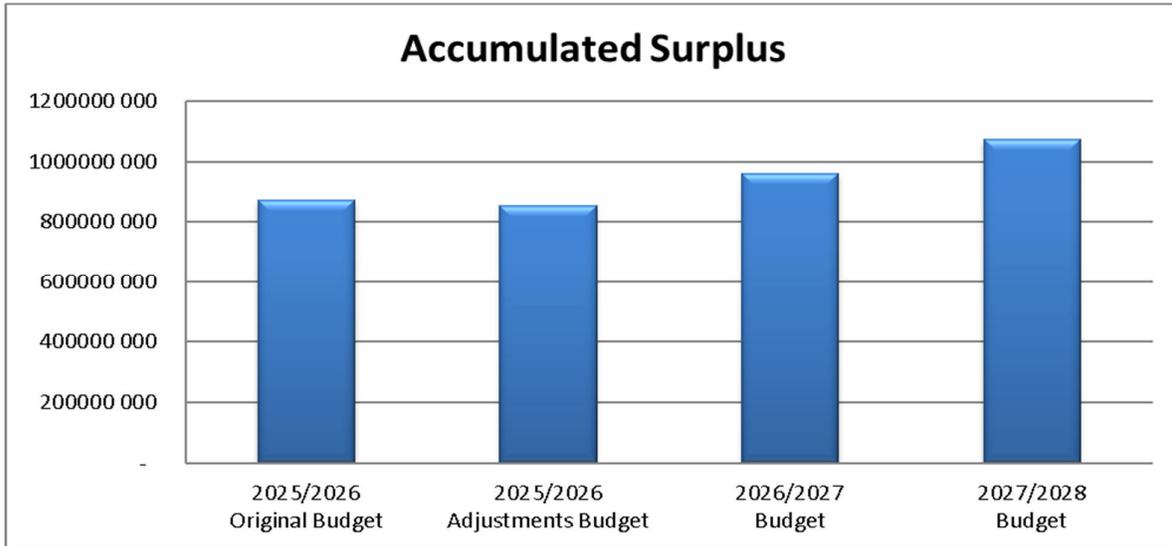


Reserves

The reserves consist mainly of the Capital Replacement Reserve, which should be a cash backed reserve. The municipality however does not have any Capital Replacement Reserve available.

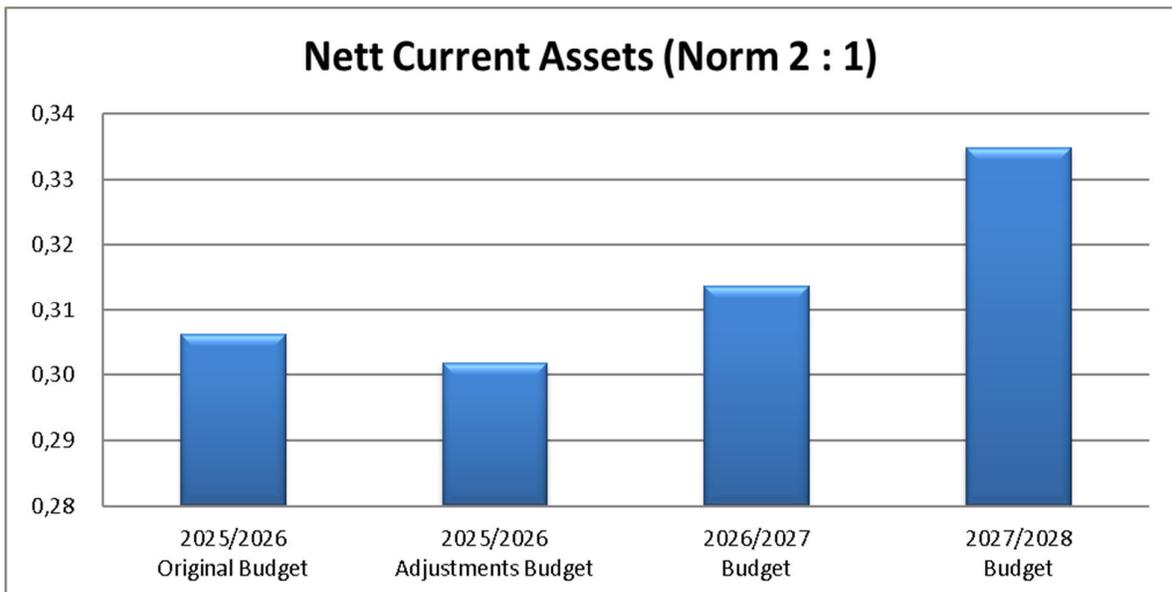
Accumulated Surplus

The accumulated Surplus, after transfers to reserves, is projected to be as follows over the MTREF period:



Net Current Assets

Net current assets measure the ability of the municipality to honour its current commitments. An acceptable norm is 2:1. The municipality's net current asset position is depicted below and is well below the norm.



Adjustment to IDP Strategic Focus Areas and Budget

WC031 Theewaterskloof - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2025/26 Medium Term Revenue & Expenditure Framework			
			Budget Year 2025/26	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	335 906	333 882	346 302	356 929
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	1 724	2 241	1 796	1 839
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	5 633	4 045	5 887	6 034
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	3 190	6 888	1 164	1 193
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	-	-	1	1
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	511 042	547 886	481 444	495 295
Basic Service Delivery	Improved Environmental Management	SO7	-	-	-	-
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	8 561	8 561	35 549	35 775
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9	56 780	89 475	-	-
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	-	-	-	-
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	-	-	1 429	1 465
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	-	-	-	-
Allocations to other priorities						
Total Revenue (excluding capital transfers and contributions)			922 836	992 978	873 573	898 532

WC031 Theewaterskloof - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2025/26 Medium Term Revenue & Expenditure Framework			
			Budget Year 2025/26	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	131 568	124 934	97 973	100 422
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	41 074	44 912	42 920	43 993
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	48 721	49 002	49 164	50 393
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	37 534	38 774	35 330	36 059
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	-	-	15 956	16 355
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	531 494	569 720	559 798	573 028
Basic Service Delivery	Improved Environmental Management	SO7	2 873	3 416	3 002	3 077
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	64 579	63 345	71 296	73 078
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9	26 261	26 062	9 149	9 378
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	-	-	7 560	7 749
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	-	-	15 896	16 293
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	-	-	1 622	1 662
Allocations to other priorities						
Total Expenditure			884 103	920 165	909 665	931 488

WC031 Theewaterskloof - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2025/26 Medium Term Revenue & Expenditure Framework			
			Budget Year 2025/26	Adjusted Budget	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	-	2 794	-	-
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	-	-	-	-
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	364	364	-	-
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	110	2 440	-	-
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	-	-	-	-
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	36 668	33 603	160 585	203 458
Basic Service Delivery	Improved Environmental Management	SO7	-	-	-	-
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	-	-	22 000	-
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9	51 688	83 275	88 361	114 960
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	-	-	-	-
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	-	-	-	-
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	-	-	-	-
Allocations to other priorities						
Total Capital Expenditure			88 830	122 476	270 946	318 418

Recommendations

It is recommended:

- 1) That the Council considers this report and adopts the resolutions in Section 2 of this report.
- 2) That Council approves the amendments to the Procurement Plan (Annexure A).

Section 2 - Budget Related Resolutions

Theewaterskloof Municipality

MTREF 2025/2026

These are the resolutions that must be approved by Council with the final adoption of the adjustments budget:

RESOLVED:

[a]. That the adjustments budget, inclusive of changes in terms of section 28(2) of the MFMA, of Theewaterskloof Municipality for the financial year 2025/2026; and indicative for the two projected years 2026/27 and 2027/28, as set-out in the schedules contained in Section 4, be approved:

- 1.1 Table B1: Budget Summary
- 1.2 Table B2: Budgeted Financial Performance (expenditure by standard classification)
- 1.3 Table B3: Budgeted Financial Performance (expenditure by municipal vote)
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- 1.7 Table B7: Budgeted Cash Flow
- 1.8 Table B8: Cash backed reserves/Accumulated surplus reconciliation
- 1.9 Table B9: Asset Management
- 1.10 Table B10: Basic service delivery measurement

[b]. That Council approves the amendments to the Procurement Plan (Annexure A).

Section 3 - Executive Summary

Introduction

This MTREF 2025 - 2026 adjustments budget is prepared on a multi-year basis, in line with the MFMA Municipal Budget and Reporting Regulations.

Effect of the adjustment budget

A key consideration for the compilation of the adjustments budget was long term financial sustainability and especially stabilising the cash flow position, while also ensuring continued service delivery and improved service delivery.

All major adjustments made to the original budget are included in the Mayor's report.

The new projected forecasts for the MTREF are as follows:

OPERATING BUDGET

Type (R'000)	2025/2026	2026/2027	2027/2028
Revenue	992 978	1 016 493	1 045 112
Expenditure	920 165	909 665	931 488
Surplus/(Deficit)	72 812	106 828	113 624
Less: Capital Grants	116 110	142 920	146 580
Surplus/(Deficit) excluding capital expenditure	(43 297)	(36 092)	(32 956)

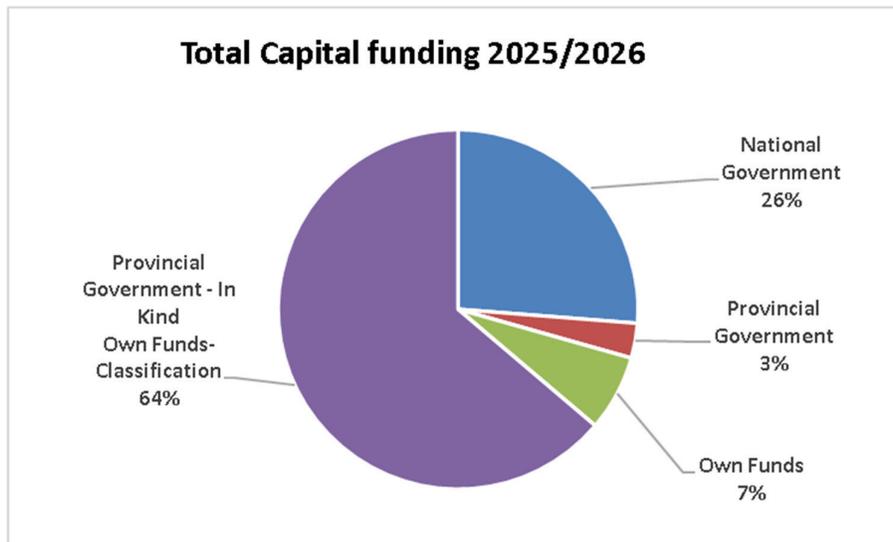
CAPITAL BUDGET

Objective	2025/2026	2026/2027	2027/2028
Governance and Admin	7 714	-	-
Community and Safety Services	79 699	108 020	110 200
Economic and environmental services	2 484	-	-
Trading Services	32 578	43 688	41 837
Total	122 476	151 708	152 037

The projected funding of the capital budget is as follows: (R 000)

Funding Source	2025/2026 Adjustments Budget	% of Total Capital Budget	2026/2027 Budget	2027/2028 Budget
National Government	32 139	26,24%	34 900	36 380
Provincial Government	3 834	3,13%	108 020	110 200
Own Funds	8 366	6,83%	8 788	5 457
Provincial Government - In Kind Own Funds-Classification	78 136	63,80%	-	-
Total	122 476	100,00%	151 708	152 037

The reliance on Grant funding remains high in 2025/2026 and is clearly depicted in the following chart. The Informal and Human Settlement in-kind Grant of R 78 million is included in the Own Funds on the B5 table due to the mSCOA segments not recognising it as grant funding. Council is continuously exploring avenues to enhance own resources.



A summary of the revised budget is included in Section 4 of this report.

Section 4 - Adjustment budget tables

The Budget tables are:

Table B1 - Adjustments Budget Summary

WC031 Theewaterskloof - Table B1 Adjustments Budget Summary - 27 February 2026

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	173 070	173 070	-	-	-	-	(2 317)	(2 317)	170 753	180 859	185 380
Service charges	370 088	370 088	-	-	-	-	8 483	8 483	378 571	386 742	396 411
Investment revenue	6 169	6 169	-	-	-	-	(2 869)	(2 869)	3 300	6 447	6 608
Transfers recognised - operational	182 290	182 418	-	-	-	-	8 007	8 007	190 425	176 434	184 627
Other own revenue	118 932	118 932	-	-	-	-	14 887	14 887	133 819	123 091	125 506
Total Revenue (excluding capital transfers and contributions)	850 549	850 677	-	-	-	-	26 191	26 191	876 868	873 573	898 532
Employee costs	315 821	315 821	-	-	-	-	(405)	(405)	315 416	330 033	338 284
Remuneration of councillors	15 017	15 017	-	-	-	-	-	-	15 017	15 693	16 085
Depreciation & asset impairment	152 132	152 132	-	-	-	-	2 629	2 629	154 762	157 379	160 395
Finance charges	47 551	47 551	-	-	-	-	6 908	6 908	54 459	49 690	50 933
Inventory consumed and bulk purchases	180 997	180 997	-	-	-	-	5 166	5 166	186 163	189 141	193 870
Transfers and subsidies	12 080	12 208	-	-	-	-	(659)	(659)	11 549	0	0
Other expenditure	160 505	160 525	-	-	-	-	22 274	22 274	182 799	167 728	171 921
Total Expenditure	884 103	884 252	-	-	-	-	35 914	35 914	920 165	909 665	931 488
Surplus/(Deficit)	(33 554)	(33 574)	-	-	-	-	(9 723)	(9 723)	(43 297)	(36 092)	(32 956)
Transfers and subsidies - capital (monetary allocations)	72 237	73 122	-	-	-	-	(37 148)	(37 148)	35 974	142 920	146 580
Transfers and subsidies - capital (in-kind - all)	50	24 750	-	-	-	-	55 386	55 386	80 136	-	-
Surplus/(Deficit) after capital transfers & contributions	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624
Capital expenditure & funds sources											
Capital expenditure	88 830	114 415	-	-	-	-	8 061	8 061	122 476	151 708	152 037
Transfers recognised - capital	72 237	73 122	-	-	-	-	(37 148)	(37 148)	35 974	142 920	146 580
Borrowing	10 000	10 000	-	-	-	-	(10 000)	(10 000)	-	-	-
Internally generated funds	6 593	31 293	-	-	-	-	55 209	55 209	86 502	8 788	5 457
Total sources of capital funds	88 830	114 415	-	-	-	-	8 061	8 061	122 476	151 708	152 037
Financial position											
Total current assets	114 557	113 524	-	-	-	-	(18 427)	(18 427)	95 097	102 804	111 078
Total non current assets	1 461 548	1 487 132	-	-	-	-	(79 043)	(79 043)	1 408 089	1 524 256	1 640 782
Total current liabilities	374 159	373 146	-	-	-	-	(58 089)	(58 089)	315 057	327 653	331 736
Total non current liabilities	329 514	329 514	-	-	-	-	4 285	4 285	333 799	338 249	345 342
Community wealth/Equity	872 432	897 996	-	-	-	-	(43 666)	(43 666)	854 330	961 158	1 074 781
Cash flows											
Net cash from (used) operating	96 516	96 368	-	-	-	-	(43 252)	(43 252)	53 116	164 064	174 558
Net cash from (used) investing	(89 422)	(90 307)	-	-	-	-	54 269	54 269	(36 038)	(138 266)	(151 833)
Net cash from (used) financing	(10 866)	(10 866)	-	-	-	-	(22 268)	(22 268)	(33 134)	(19 753)	(15 609)
Cash/cash equivalents at the year end	7 964	6 931	-	-	-	-	(5 363)	(5 363)	1 568	7 613	14 729
Cash backing/surplus reconciliation											
Cash and investments available	17 305	16 272	-	-	-	-	(14 430)	(14 430)	1 842	7 887	15 003
Application of cash and investments	275 499	274 486	-	-	-	-	(42 095)	(42 095)	232 391	246 670	252 811
Balance - surplus (shortfall)	(258 195)	(258 214)	-	-	-	-	27 665	27 665	(230 549)	(238 783)	(237 808)
Asset Management											
Asset register summary (WDV)	1 447 076	1 472 660	-	-	-	-	(72 082)	(72 082)	1 400 578	1 516 745	1 633 270
Depreciation	35 541	35 541	-	-	-	-	8 306	8 306	43 848	35 541	35 511
Renewal and Upgrading of Existing Assets	43 068	43 952	-	-	-	-	(6 642)	(6 642)	37 310	37 688	35 566
Repairs and Maintenance	148 681	148 629	-	-	-	-	(734)	(734)	147 895	155 371	159 256
Free services											
Cost of Free Basic Services provided	56 991	56 991	-	-	-	-	(3 409)	(3 409)	53 582	59 556	61 045
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	2	2	-	-	-	-	-	-	2	2	2
Sanitation/sewerage:	1	1	-	-	-	-	-	-	1	1	1
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Table B2 - Adjustments Budgeted Financial Performance (revenue and expenditure by standard classification)

WC031 Theewaterskloof - Table B2 Adjustments Budget Financial Performance (functional classification) - 27 February 2026

Standard Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	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
R thousands	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional											
<i>Governance and administration</i>	341 109	341 109	-	-	-	-	(3 566)	(3 566)	337 543	355 657	366 515
Executive and council	113	113	-	-	-	-	72	72	185	113	113
Finance and administration	340 996	340 996	-	-	-	-	(3 637)	(3 637)	337 359	355 544	366 402
Internal audit	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	94 724	119 552	-	-	-	-	21 879	21 879	141 431	146 424	149 329
Community and social services	11 151	11 151	-	-	-	-	6	6	11 157	11 598	12 315
Sport and recreation	51	51	-	-	-	-	-	-	51	53	55
Public safety	26 742	26 742	-	-	-	-	14 006	14 006	40 748	26 753	26 759
Housing	56 780	81 608	-	-	-	-	7 867	7 867	89 475	108 020	110 200
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	41 009	41 894	-	-	-	-	10 369	10 369	52 263	41 737	43 297
Planning and development	32 447	33 331	-	-	-	-	4 069	4 069	37 401	32 796	34 118
Road transport	8 562	8 562	-	-	-	-	6 300	6 300	14 862	8 941	9 179
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	445 994	445 994	-	-	-	-	15 746	15 746	461 740	472 675	485 971
Energy sources	192 659	192 659	-	-	-	-	5 529	5 529	198 188	207 466	213 080
Water management	122 030	122 030	-	-	-	-	11 722	11 722	133 752	127 676	131 210
Waste water management	66 373	66 373	-	-	-	-	(617)	(617)	65 756	69 510	71 582
Waste management	64 932	64 932	-	-	-	-	(888)	(888)	64 044	68 023	70 099
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	922 836	948 549	-	-	-	-	44 428	44 428	992 978	1 016 493	1 045 112
Expenditure - Functional											
<i>Governance and administration</i>	255 560	255 846	-	-	-	-	(1 245)	(1 245)	254 601	266 791	273 282
Executive and council	26 370	26 370	-	-	-	-	4 002	4 002	30 372	27 557	28 246
Finance and administration	225 867	226 153	-	-	-	-	(5 255)	(5 255)	220 898	235 763	241 477
Internal audit	3 322	3 322	-	-	-	-	8	8	3 330	3 472	3 559
<i>Community and public safety</i>	118 705	119 207	-	-	-	-	11 390	11 390	130 597	111 376	114 134
Community and social services	19 290	19 290	-	-	-	-	1 483	1 483	20 773	20 111	20 588
Sport and recreation	11 606	12 077	-	-	-	-	(435)	(435)	11 642	12 128	12 431
Public safety	59 739	59 726	-	-	-	-	11 587	11 587	71 313	62 428	63 988
Housing	28 069	28 113	-	-	-	-	(1 245)	(1 245)	26 869	16 709	17 127
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	86 609	86 386	-	-	-	-	6 663	6 663	93 050	90 295	92 434
Planning and development	38 275	38 451	-	-	-	-	(134)	(134)	38 317	39 997	40 997
Road transport	48 275	47 876	-	-	-	-	6 797	6 797	54 673	50 235	51 373
Environmental protection	60	60	-	-	-	-	-	-	60	63	64
<i>Trading services</i>	422 989	422 573	-	-	-	-	18 930	18 930	441 503	440 952	451 381
Energy sources	182 675	182 667	-	-	-	-	4 066	4 066	186 733	190 734	195 413
Water management	92 654	92 644	-	-	-	-	10 714	10 714	103 358	96 497	98 728
Waste water management	67 499	67 254	-	-	-	-	3 614	3 614	70 868	70 113	71 631
Waste management	80 162	80 008	-	-	-	-	536	536	80 544	83 608	85 608
<i>Other</i>	240	240	-	-	-	-	175	175	415	251	257
Total Expenditure - Functional	884 103	884 252	-	-	-	-	35 914	35 914	920 165	909 665	931 488
Surplus/ (Deficit) for the year	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624

Table B3 - Adjustments Budgeted Financial Performance (revenue and expenditure by municipal vote)

WC031 Theewaterskloof - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27 February 2026

Vote Description <i>(Insert departmental structure etc)</i>	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	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	3	4	5	6	7	8	9	10		
R thousands	A	A1	B	C	D	E	F	G	H		
Revenue by Vote											
Vote 1 - Directorate Finance	332 267	332 267	-	-	-	-	(3 797)	(3 797)	328 470	346 422	357 052
Vote 2 - Community Services	48 458	48 458	-	-	-	-	14 312	14 312	62 769	49 391	50 390
Vote 3 - Corporate services	6 746	6 746	-	-	-	-	231	231	6 978	7 045	7 218
Vote 4 - Electricity	192 659	192 659	-	-	-	-	5 529	5 529	198 188	207 466	213 080
Vote 5 - Economic Development and Planning	59 759	85 471	-	-	-	-	8 312	8 312	93 783	111 133	113 390
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	29 613	29 613	-	-	-	-	9 624	9 624	39 238	29 829	31 091
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	64 932	64 932	-	-	-	-	(888)	(888)	64 044	68 023	70 099
Vote 13 - Waste water management	66 373	66 373	-	-	-	-	(617)	(617)	65 756	69 510	71 582
Vote 14 - Water	122 030	122 030	-	-	-	-	11 722	11 722	133 752	127 676	131 210
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	922 836	948 549	-	-	-	-	44 428	44 428	992 978	1 016 493	1 045 112
Expenditure by Vote											
Vote 1 - Directorate Finance	105 568	104 988	-	-	-	-	(3 008)	(3 008)	101 980	110 132	112 782
Vote 2 - Community Services	187 974	188 902	-	-	-	-	9 696	9 696	198 598	196 133	200 869
Vote 3 - Corporate services	90 148	90 146	-	-	-	-	4 079	4 079	94 226	94 168	96 471
Vote 4 - Electricity	182 675	182 667	-	-	-	-	4 066	4 066	186 733	190 734	195 413
Vote 5 - Economic Development and Planning	42 297	42 519	-	-	-	-	8 780	8 780	51 299	42 023	43 072
Vote 6 - Office of the Municipal Manager	9 713	9 713	-	-	-	-	113	113	9 826	10 150	10 403
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	25 414	25 411	-	-	-	-	(2 677)	(2 677)	22 734	16 107	16 510
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	80 162	80 008	-	-	-	-	536	536	80 544	83 608	85 608
Vote 13 - Waste water management	67 499	67 254	-	-	-	-	3 614	3 614	70 868	70 113	71 631
Vote 14 - Water	92 654	92 644	-	-	-	-	10 714	10 714	103 358	96 497	98 728
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	884 103	884 252	-	-	-	-	35 914	35 914	920 165	909 665	931 488
Surplus/ (Deficit) for the year	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624

Table B4 - Adjustments Budgeted Financial Performance (revenue and expenditure)

WC031 Theewaterskloof - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 February 2026

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Revenue By Source											
Exchange Revenue											
Service charges - Electricity	170 078	170 078	-	-	-	-	(4 097)	(4 097)	165 981	177 732	182 175
Service charges - Water	103 720	103 720	-	-	-	-	12 279	12 279	115 999	108 387	111 097
Service charges - Waste Water Management	49 742	49 742	-	-	-	-	246	246	49 988	51 980	53 280
Service charges - Waste Management	46 549	46 549	-	-	-	-	54	54	46 603	48 643	49 859
Sale of Goods and Rendering of Services	26 616	26 616	-	-	-	-	(8 195)	(8 195)	18 421	27 814	28 509
Agency services	8 417	8 417	-	-	-	-	-	-	8 417	8 796	9 016
Interest	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	27 661	27 661	-	-	-	-	(1 281)	(1 281)	26 380	28 906	29 628
Interest earned from Current and Non Current Assets	6 169	6 169	-	-	-	-	(2 869)	(2 869)	3 300	6 447	6 608
Dividends	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2 076	2 076	-	-	-	-	-	-	2 076	2 169	2 224
Special rating levies	-	-	-	-	-	-	-	-	-	-	-
Licence and permits	76	76	-	-	-	-	-	-	76	79	81
Operational Revenue	4 055	4 055	-	-	-	-	1 372	1 372	5 427	4 238	4 344
Non-Exchange Revenue											
Property rates	173 070	173 070	-	-	-	-	(2 317)	(2 317)	170 753	180 859	185 380
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	27 812	27 812	-	-	-	-	16 129	16 129	43 941	27 871	27 906
Licences or permits	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	182 290	182 418	-	-	-	-	8 007	8 007	190 425	176 434	184 627
Interest	4 554	4 554	-	-	-	-	(875)	(875)	3 679	4 759	4 878
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	12 003	12 003	-	-	-	-	9 444	9 444	21 447	12 544	12 857
Gains on disposal of Assets	114	114	-	-	-	-	(0)	(0)	114	119	122
Other Gains	5 546	5 546	-	-	-	-	(1 706)	(1 706)	3 840	5 796	5 940
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	850 549	850 677	-	-	-	-	26 191	26 191	876 868	873 573	898 532
Expenditure By Type											
Employee related costs	315 821	315 821	-	-	-	-	(405)	(405)	315 416	330 033	338 284
Remuneration of councillors	15 017	15 017	-	-	-	-	-	-	15 017	15 693	16 085
Bulk purchases - electricity	139 207	139 207	-	-	-	-	-	-	139 207	145 471	149 108
Inventory consumed	41 790	41 790	-	-	-	-	5 166	5 166	46 956	43 670	44 762
Debt impairment	116 591	116 591	-	-	-	-	(5 677)	(5 677)	110 914	121 838	124 884
Depreciation and amortisation	35 541	35 541	-	-	-	-	8 306	8 306	43 848	35 541	35 511
Interest	47 551	47 551	-	-	-	-	6 908	6 908	54 459	49 690	50 933
Contracted services	60 429	60 007	-	-	-	-	13 136	13 136	73 143	63 148	64 727
Transfers and subsidies	12 080	12 208	-	-	-	-	(659)	(659)	11 549	0	0
Irrecoverable debts written off	0	0	-	-	-	-	16 650	16 650	16 650	0	0
Operational costs	94 466	94 908	-	-	-	-	(5 646)	(5 646)	89 262	98 717	101 185
Losses on disposal of Assets	64	64	-	-	-	-	-	-	64	67	69
Other Losses	5 546	5 546	-	-	-	-	(1 866)	(1 866)	3 680	5 796	5 940
Total Expenditure	884 103	884 252	-	-	-	-	35 914	35 914	920 165	909 665	931 488
Surplus/(Deficit)	(33 554)	(33 574)	-	-	-	-	(9 723)	(9 723)	(43 297)	(36 092)	(32 956)
Transfers and subsidies - capital (monetary allocations)	72 237	73 122	-	-	-	-	(37 148)	(37 148)	35 974	142 920	146 580
Transfers and subsidies - capital (in-kind - all)	50	24 750	-	-	-	-	55 386	55 386	80 136	-	-
Surplus/(Deficit) before taxation	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624
Income Tax	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	38 733	64 298	-	-	-	-	8 515	8 515	72 812	106 828	113 624

Table B5 - Adjustments Budgeted Capital Expenditure by vote, standard classification and funding

WC031 Theewaterskloof - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27 February 2026

Description	Budget Year 2025/26										Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
	Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget	
R thousands	A	A1	B	C	D	E	F	G	H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 2 - Community Services	-	1 600	-	-	-	-	(1 025)	(1 025)	575	-	-	
Vote 3 - Corporate services	-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Electricity	-	-	-	-	-	-	1 277	1 277	1 277	6 000	6 271	
Vote 5 - Economic Development and Planning	37 079	61 779	-	-	-	-	(17 079)	(17 079)	44 700	71 380	110 200	
Vote 13 - Waste water management	13 594	13 594	-	-	-	-	2 819	2 819	16 414	21 653	3 609	
Vote 14 - Water	-	-	-	-	-	-	1 300	1 300	1 300	-	5 351	
Capital multi-year expenditure sub-total	50 673	76 973	-	-	-	-	(12 707)	(12 707)	64 266	99 033	125 431	
Single-year expenditure to be adjusted												
Vote 1 - Directorate Finance	110	110	-	-	-	-	2 540	2 540	2 650	-	-	
Vote 2 - Community Services	6 400	4 800	-	-	-	-	200	200	5 000	-	-	
Vote 3 - Corporate services	364	364	-	-	-	-	150	150	514	-	-	
Vote 4 - Electricity	-	-	-	-	-	-	-	-	-	-	-	
Vote 5 - Economic Development and Planning	8 209	9 094	-	-	-	-	25 815	25 815	34 909	36 640	-	
Vote 8 - Technical and Infrastructure Implementation Services	-	-	-	-	-	-	1 550	1 550	1 550	-	-	
Vote 13 - Waste water management	10 793	10 793	-	-	-	-	(795)	(795)	9 998	7 811	7 869	
Vote 14 - Water	12 281	12 281	-	-	-	-	(8 692)	(8 692)	3 589	8 224	18 737	
Vote 15 - Directorate Development and Community Services	-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total	38 157	37 441	-	-	-	-	20 768	20 768	58 210	52 675	26 606	
Total Capital Expenditure - Vote	88 830	114 415	-	-	-	-	8 061	8 061	122 476	151 708	152 037	
Capital Expenditure - Functional												
Governance and administration	6 874	5 274	-	-	-	-	2 440	2 440	7 714	-	-	
Finance and administration	6 874	5 274	-	-	-	-	2 440	2 440	7 714	-	-	
Community and public safety	45 288	71 588	-	-	-	-	8 111	8 111	79 699	108 020	110 200	
Community and social services	-	-	-	-	-	-	400	400	400	-	-	
Sport and recreation	-	1 600	-	-	-	-	(1 025)	(1 025)	575	-	-	
Housing	45 288	69 988	-	-	-	-	8 736	8 736	78 724	108 020	110 200	
Economic and environmental services	-	884	-	-	-	-	1 600	1 600	2 484	-	-	
Planning and development	-	884	-	-	-	-	1 600	1 600	2 484	-	-	
Trading services	36 668	36 668	-	-	-	-	(4 090)	(4 090)	32 578	43 688	41 837	
Energy sources	-	-	-	-	-	-	1 277	1 277	1 277	6 000	6 271	
Water management	12 281	12 281	-	-	-	-	(7 392)	(7 392)	4 889	8 224	24 088	
Waste water management	24 387	24 387	-	-	-	-	2 024	2 024	26 411	29 464	11 478	
Total Capital Expenditure - Functional	88 830	114 415	-	-	-	-	8 061	8 061	122 476	151 708	152 037	
Funded by:												
National Government	27 537	27 537	-	-	-	-	4 602	4 602	32 139	34 900	36 380	
Provincial Government	44 700	45 584	-	-	-	-	(41 750)	(41 750)	3 834	108 020	110 200	
Transfers recognised - capital	72 237	73 122	-	-	-	-	(37 148)	(37 148)	35 974	142 920	146 580	
Borrowing	10 000	10 000	-	-	-	-	(10 000)	(10 000)	-	-	-	
Internally generated funds	6 593	31 293	-	-	-	-	55 209	55 209	86 502	8 788	5 457	
Total Capital Funding	88 830	114 415	-	-	-	-	8 061	8 061	122 476	151 708	152 037	

Table B6 - Adjustments Budgeted Financial Position

WC031 Theewaterskloof - Table B6 Adjustments Budget Financial Position - 27 February 2026

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	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
R thousands	A	A1	B	C	D	E	F	G	H		
ASSETS											
Current assets											
Cash and cash equivalents	7 964	6 931	-	-	-	-	(5 363)	(5 363)	1 568	7 613	14 729
Trade and other receivables from exchange transactions	44 106	44 106	-	-	-	-	2 330	2 330	46 436	49 413	52 463
Receivables from non-exchange transactions	38 014	38 014	-	-	-	-	(8 170)	(8 170)	29 844	28 531	26 637
Current portion of non-current receivables	1 787	1 787	-	-	-	-	480	480	2 267	2 267	2 267
Inventory	8 949	8 949	-	-	-	-	(1 090)	(1 090)	7 859	7 859	7 859
VAT	13 106	13 106	-	-	-	-	(6 651)	(6 651)	6 455	6 455	6 455
Other current assets	631	631	-	-	-	-	37	37	668	668	668
Total current assets	114 557	113 524	-	-	-	-	(18 427)	(18 427)	95 097	102 804	111 078
Non current assets											
Investments	9 341	9 341	-	-	-	-	(9 067)	(9 067)	274	274	274
Investment property	67 393	67 393	-	-	-	-	(131)	(131)	67 262	67 262	67 262
Property, plant and equipment	1 379 590	1 405 175	-	-	-	-	(71 957)	(71 957)	1 333 217	1 449 444	1 566 000
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	93	93	-	-	-	-	6	6	99	39	8
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	5 131	5 131	-	-	-	-	2 106	2 106	7 238	7 238	7 238
Total non current assets	1 461 548	1 487 132	-	-	-	-	(79 043)	(79 043)	1 408 089	1 524 256	1 640 782
TOTAL ASSETS	1 576 105	1 600 657	-	-	-	-	(97 470)	(97 470)	1 503 186	1 627 060	1 751 859
LIABILITIES											
Current liabilities											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities	29 689	29 689	-	-	-	-	(9 576)	(9 576)	20 114	15 987	13 573
Consumer deposits	6 904	6 904	-	-	-	-	302	302	7 206	7 566	7 945
Trade and other payables from exchange transactions	289 408	289 408	-	-	-	-	(42 671)	(42 671)	246 737	261 244	265 415
Trade and other payables from non-exchange transactions	652	(361)	-	-	-	-	4 247	4 247	3 886	3 886	3 886
Provisions	47 506	47 506	-	-	-	-	(10 392)	(10 392)	37 114	38 970	40 919
VAT	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	374 159	373 146	-	-	-	-	(58 089)	(58 089)	315 057	327 653	331 736
Non current liabilities											
Borrowing	113 549	113 549	-	-	-	-	(9 148)	(9 148)	104 401	88 414	74 841
Provisions	215 965	215 965	-	-	-	-	13 433	13 433	229 399	249 836	270 501
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	329 514	329 514	-	-	-	-	4 285	4 285	333 799	338 249	345 342
TOTAL LIABILITIES	703 673	702 661	-	-	-	-	(53 804)	(53 804)	648 856	665 903	677 078
NET ASSETS	872 432	897 996	-	-	-	-	(43 666)	(43 666)	854 330	961 158	1 074 781
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	872 432	897 996	-	-	-	-	(43 666)	(43 666)	854 330	961 158	1 074 781
Funds and Reserves	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	872 432	897 996	-	-	-	-	(43 666)	(43 666)	854 330	961 158	1 074 781

Table B7 - Adjustments Budgeted Cash Flows

WC031 Theewaterskloof - Table B7 Adjustments Budget Cash Flows - 27 February 2026

Description	Budget Year 2025/26									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2026/27 Adjusted Budget	+2 2027/28 Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	164 590	164 590	-	-	-	-	699	699	165 289	175 071	179 448
Service charges	307 731	307 731	-	-	-	-	12 166	12 166	319 897	328 717	336 935
Other revenue	56 218	56 218	-	-	-	-	1 361	1 361	57 579	54 188	55 428
Transfers and Subsidies - Operational	166 497	166 497	-	-	-	-	(3 724)	(3 724)	162 773	176 434	184 627
Transfers and Subsidies - Capital	72 237	72 237	-	-	-	-	(41 750)	(41 750)	30 487	142 920	146 580
Interest	9 391	9 391	-	-	-	-	(3 145)	(3 145)	6 246	9 746	9 989
Dividends	-	-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees	(643 794)	(643 814)	-	-	-	-	(518)	(518)	(644 332)	(697 647)	(712 450)
Finance charges	(24 274)	(24 274)	-	-	-	-	(9 000)	(9 000)	(33 274)	(25 366)	(26 000)
Transfers and Subsidies	(12 080)	(12 208)	-	-	-	-	659	659	(11 549)	(0)	(0)
NET CASH FROM/(USED) OPERATING ACTIVITIES	96 516	96 368	-	-	-	-	(43 252)	(43 252)	53 116	164 064	174 558
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	50	50	-	-	-	-	(0)	(0)	50	52	53
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(692)	(692)	-	-	-	-	692	692	-	-	-
Payments											
Capital assets	(88 780)	(89 665)	-	-	-	-	53 577	53 577	(36 088)	(138 318)	(151 886)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(89 422)	(90 307)	-	-	-	-	54 269	54 269	(36 038)	(138 266)	(151 833)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	10 000	10 000	-	-	-	-	(10 000)	(10 000)	-	-	-
Increase (decrease) in consumer deposits	391	391	-	-	-	-	(48)	(48)	343	360	378
Payments											
Repayment of borrowing	(21 257)	(21 257)	-	-	-	-	(12 220)	(12 220)	(33 477)	(20 114)	(15 987)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(10 866)	(10 866)	-	-	-	-	(22 268)	(22 268)	(33 134)	(19 753)	(15 609)
NET INCREASE/ (DECREASE) IN CASH HELD	(3 773)	(4 805)	-	-	-	-	(11 251)	(11 251)	(16 056)	6 044	7 116
Cash/cash equivalents at the year begin:	11 736	11 736	-	-	-	-	5 888	5 888	17 624	1 568	7 613
Cash/cash equivalents at the year end:	7 964	6 931	-	-	-	-	(5 363)	(5 363)	1 568	7 613	14 729

Table B8 - Adjustments Cash backed reserves/accumulated surplus reconciliation

WC031 Theewaterskloof - Table B8 Cash backed reserves/accumulated surplus reconciliation - 27 February 2026

Description	Budget Year 2025/26									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2026/27 Adjusted Budget	+2 2027/28 Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Cash and investments available											
Cash/cash equivalents at the year end	7 964	6 931	-	-	-	-	(5 363)	(5 363)	1 568	7 613	14 729
Other current investments > 90 days	0	0	-	-	-	-	(0)	(0)	(0)	(0)	0
Non current assets - Investments	9 341	9 341	-	-	-	-	(9 067)	(9 067)	274	274	274
Cash and investments available:	17 305	16 272	-	-	-	-	(14 430)	(14 430)	1 842	7 887	15 003
Applications of cash and investments											
Unspent conditional transfers	528	(485)	-	-	-	-	4 247	4 247	3 761	3 761	3 761
Unspent borrowing	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	218 125	218 124	-	-	-	-	(37 274)	(37 274)	180 850	192 278	195 398
Other provisions	47 506	47 506	-	-	-	-	-	-	47 506	50 357	53 378
Long term investments committed	9 341	9 341	-	-	-	-	(9 067)	(9 067)	274	274	274
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	275 499	274 486	-	-	-	-	(42 095)	(42 095)	232 391	246 670	252 811
Surplus(shortfall)	(258 195)	(258 214)	-	-	-	-	27 665	27 665	(230 549)	(238 783)	(237 808)

Table B9 - Adjustments Budget Asset Management

WC031 Theewaterskloof - Table B9 Asset Management - 27 February 2026

Description	Budget Year 2025/26										Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands	A	7	8	9	10	11	12	13	14			
ASSET REGISTER SUMMARY - PPE (WDV)	1 447 076	1 472 660	-	-	-	-	(72 082)	(72 082)	1 400 578	1 516 745	1 633 270	
<i>Roads Infrastructure</i>	192 013	192 013	-	-	-	-	30 751	30 751	222 764	326 563	432 542	
<i>Storm water Infrastructure</i>	60 320	60 320	-	-	-	-	(11 365)	(11 365)	48 955	48 463	47 970	
<i>Electrical Infrastructure</i>	148 656	148 656	-	-	-	-	(6 909)	(6 909)	141 747	144 168	146 859	
<i>Water Supply Infrastructure</i>	226 859	226 859	-	-	-	-	(2 589)	(2 589)	224 270	217 018	231 809	
<i>Sanitation Infrastructure</i>	490 735	515 435	-	-	-	-	(73 721)	(73 721)	441 714	470 005	474 131	
<i>Solid Waste Infrastructure</i>	62 475	62 475	-	-	-	-	(6 731)	(6 731)	55 744	52 160	48 576	
Infrastructure	1 181 058	1 205 758	-	-	-	-	(70 564)	(70 564)	1 135 194	1 258 376	1 381 887	
Community Assets	5 235	7 720	-	-	-	-	(4 616)	(4 616)	3 103	2 981	2 858	
Investment properties	67 393	67 393	-	-	-	-	(131)	(131)	67 262	67 262	67 262	
Other Assets	86 023	86 023	-	-	-	-	2 693	2 693	88 716	86 793	84 871	
Intangible Assets	93	93	-	-	-	-	6	6	99	39	8	
Computer Equipment	5 930	5 930	-	-	-	-	1 066	1 066	6 996	6 234	5 471	
Furniture and Office Equipment	4 108	4 108	-	-	-	-	560	560	4 668	4 060	3 453	
Machinery and Equipment	4 848	4 848	-	-	-	-	321	321	5 169	4 377	3 584	
Transport Assets	50 466	48 866	-	-	-	-	(1 327)	(1 327)	47 539	44 791	42 044	
Land	41 922	41 922	-	-	-	-	(90)	(90)	41 832	41 832	41 832	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 447 076	1 472 660	-	-	-	-	(72 082)	(72 082)	1 400 578	1 516 745	1 633 270	
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment	35 541	35 541	-	-	-	-	8 306	8 306	43 848	35 541	35 511	
Repairs and Maintenance by asset class	148 681	148 629	-	-	-	-	(734)	(734)	147 895	155 371	159 256	
<i>Roads Infrastructure</i>	28 898	28 713	-	-	-	-	(820)	(820)	27 892	30 198	30 953	
<i>Storm water Infrastructure</i>	210	210	-	-	-	-	-	-	210	219	225	
<i>Electrical Infrastructure</i>	15 283	15 283	-	-	-	-	(1 593)	(1 593)	13 690	15 971	16 370	
<i>Water Supply Infrastructure</i>	21 459	21 459	-	-	-	-	(14)	(14)	21 445	22 425	22 985	
<i>Sanitation Infrastructure</i>	34 231	34 231	-	-	-	-	625	625	34 856	35 771	36 666	
<i>Solid Waste Infrastructure</i>	4 718	4 718	-	-	-	-	(987)	(987)	3 731	4 930	5 053	
Infrastructure	104 798	104 613	-	-	-	-	(2 789)	(2 789)	101 825	109 514	112 252	
Community Facilities	13 604	14 404	-	-	-	-	(955)	(955)	13 449	14 216	14 572	
Sport and Recreation Facilities	394	994	-	-	-	-	538	538	1 532	411	422	
Community Assets	13 998	15 398	-	-	-	-	(416)	(416)	14 981	14 628	14 993	
Non-revenue Generating	40	40	-	-	-	-	20	20	60	42	43	
Investment properties	40	40	-	-	-	-	20	20	60	42	43	
Operational Buildings	10 533	9 708	-	-	-	-	1 578	1 578	11 286	11 007	11 283	
Housing	818	818	-	-	-	-	(19)	(19)	800	855	877	
Other Assets	11 352	10 527	-	-	-	-	1 559	1 559	12 086	11 863	12 159	
Licences and Rights	9 905	9 905	-	-	-	-	470	470	10 375	10 351	10 609	
Intangible Assets	9 905	9 905	-	-	-	-	470	470	10 375	10 351	10 609	
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	206	206	-	-	-	-	-	-	206	215	220	
Machinery and Equipment	764	764	-	-	-	-	294	294	1 058	799	819	
Transport Assets	7 618	7 176	-	-	-	-	129	129	7 304	7 961	8 160	
Living Resources	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	184 222	184 170	-	-	-	-	7 572	7 572	191 742	190 913	194 767	
<i>Renewal and upgrading of Existing Assets as % of total</i>	48,5%	38,4%							30,5%	24,8%	23,4%	
<i>Renewal and upgrading of Existing Assets as % of dep</i>	121,2%	123,7%							85,1%	106,0%	100,2%	
<i>R&M as a % of PPE</i>	10,3%	10,1%							10,6%	10,2%	9,8%	
<i>Renewal and upgrading and R&M as a % of PPE</i>	13,3%	13,1%							13,2%	12,7%	11,9%	

Table B10 - Adjustments Budget Basic service delivery measurement

WC031 Theewaterskloof - Table B10 Basic service delivery measurement - 27 February 2026

Description	Budget Year 2025/26										Budget Year +1 2026/27	Budget Year +2 2027/28
	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												
Water:												
Piped water inside dwelling	41	41	-	-	-	-	-	-	41	43	44	
Piped water inside yard (but not in dwelling)	14	14	-	-	-	-	-	-	14	15	15	
Using public tap (at least min.service level)	9	9	-	-	-	-	-	-	9	9	9	
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-	
<i>Minimum Service Level and Above sub-total</i>	64	64	-	-	-	-	-	-	64	66	68	
Using public tap (< min.service level)	0	0	-	-	-	-	-	-	0	0	0	
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	-	-	
No water supply	2	2	-	-	-	-	-	-	2	2	2	
<i>Below Minimum Service Level sub-total</i>	2	2	-	-	-	-	-	-	2	2	2	
Total number of households	66	66	-	-	-	-	-	-	66	68	70	
Sanitation/sewerage:												
Flush toilet (connected to sewerage)	20	20	-	-	-	-	-	-	20	20	21	
Flush toilet (with septic tank)	16	16	-	-	-	-	-	-	16	16	16	
Chemical toilet	0	0	-	-	-	-	-	-	0	0	0	
Pit toilet (ventilated)	0	0	-	-	-	-	-	-	0	0	0	
Other toilet provisions (> min.service level)	8	8	-	-	-	-	-	-	8	8	8	
<i>Minimum Service Level and Above sub-total</i>	43	43	-	-	-	-	-	-	43	44	44	
Bucket toilet	0	0	-	-	-	-	-	-	30	0	0	
Other toilet provisions (< min.service level)	0	0	-	-	-	-	-	-	100	0	0	
No toilet provisions	1	1	-	-	-	-	-	-	500	1	1	
<i>Below Minimum Service Level sub-total</i>	630	630	-	-	-	-	-	-	630	630	630	
Total number of households	44	44	-	-	-	-	-	-	44	44	45	
Energy:												
Electricity (at least min. service level)	0	0	-	-	-	-	-	-	39	0	0	
Electricity - prepaid (> min.service level)	9	9	-	-	-	-	-	-	8 500	9	9	
<i>Minimum Service Level and Above sub-total</i>	8 539	8 539	-	-	-	-	-	-	8 539	8 812	8 936	
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-	-	
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-	
Other energy sources	-	-	-	-	-	-	-	-	-	-	-	
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-	
Total number of households	8 539	8 539	-	-	-	-	-	-	8 539	8 812	8 936	
Refuse:												
Removed at least once a week (min.service)	44	44	-	-	-	-	-	-	43 926	44	44	
<i>Minimum Service Level and Above sub-total</i>	43 926	43 926	-	-	-	-	-	-	43 926	43 926	43 926	
Total number of households	43 926	43 926	-	-	-	-	-	-	43 926	43 926	43 926	
Households receiving Free Basic Service												
Cost of Free Basic Services provided (R'000)												
Water (6 kilolitres per indigent household per month)	16 051	16 051	-	-	-	-	(568)	(568)	15 483	16 773	17 193	
Sanitation (free sanitation service to indigent households)	15 677	15 677	-	-	-	-	(872)	(872)	14 805	16 382	16 791	
Electricity/other energy (50kwh per indigent household per month)	7 672	7 672	-	-	-	-	(996)	(996)	6 676	8 017	8 218	
Refuse (removed once a week for indigent households)	17 592	17 592	-	-	-	-	(974)	(974)	16 618	18 383	18 843	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-	-	-	
Total cost of FBS provided	56 991	56 991	-	-	-	-	(3 409)	(3 409)	53 582	59 556	61 045	
Highest level of free service provided												
Revenue cost of free services provided (R'000)												
Total revenue cost of subsidised services provided	-	-	-	-	-	-	-	-	-	-	-	

The municipality does not have any entities for which adjustments budgets must be prepared.

Section 5 - Funding compliance

Funding levels are negative as clearly depicted in Table B8. The municipality has a Financial Recovery Plan in place which is reported on monthly to the relevant Treasury.

Section 6 - Overview of budget funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

Fiscal Overview of Theewaterskloof Municipality

The municipality continues to face significant financial and liquidity challenges, necessitating the implementation of an approved Financial Recovery Plan. Cash flow constraints, funding compliance pressures and limited internally generated revenue remain key risks impacting financial sustainability.

While management remains committed to strengthening financial governance and improving compliance with the Municipal Finance Management Act, the current fiscal environment requires strict expenditure control, enhanced revenue collection measures, and improved cash flow management to restore financial stability.

The Adjustments Budget has therefore been prepared within the parameters of the Financial Recovery Plan, prioritising essential service delivery, protecting conditional grant funding, and implementing cost-containment measures aimed at stabilising the municipality's financial position over the MTREF.

Long term financial planning

The municipality's long-term financial position remains under pressure and is subject to the implementation of an approved Financial Recovery Plan, which is monitored by Provincial and National Treasury. While the municipality has adopted corrective measures, liquidity constraints, declining cash reserves, weak debtor collection levels and increasing borrowing commitments continue to pose material risks to long-term sustainability.

Particular attention must be given to containing cash outflows, improving revenue collection rates, and preventing further deterioration of funding compliance ratios.

The municipality will continue to implement stringent expenditure management, cost-containment measures, and enhanced revenue management strategies to stabilise cash flow and improve financial resilience. All future capital commitments will be assessed against affordability, cash backing and sustainability criteria.

Given the limited availability of internally generated cash, capital expenditure funded from own sources will be carefully prioritised. The municipality remains committed, over the medium to long term, to restoring and maintaining cash-backed reserves, and contributions to a Capital Replacement Reserve. However, the rebuilding of these reserves will be phased in accordance with the Financial Recovery Plan and subject to the restoration of adequate liquidity levels.

The principle of cost recovery and "user pays" will continue to inform the municipality's tariff and long-term financial strategy, subject to affordability considerations and socio-economic realities within the municipal area.

Sources of funding

Interest earned from investments is applied to the income and expenditure account to help fund the operating budget. No short-term investments, only grants investments ring-fenced in a call-investment account. The following tables summarises the budgeted interest over the MTREF;

(R'000)	2025/2026	2026/2027	2027/2028
Investment Interest	3 300	6 447	6 608

Contributions and donations

The Municipality can receive contributions from developers to provide infrastructure and other works as part of the conditions of agreeing planning permission.

Section 7 - Expenditure on allocations and grant programmes

Grant allocations

Details of each grant to be received and spent are shown in the schedules SB7 to SB9 attached to the report.

Section 8 - Allocations and grants made by the Municipality

Allocations Made by the Municipality

Refer to supporting schedule SB10 for allocations made. Total allocations are as follows:

(R'000)	2025/2026	2026/2027	2027/2028
External Entities	11 549	0	0

Any allocation made to an outside body must comply with the requirements of section 67 of the MFMA. This stipulates that before transferring funds to an outside organisation the Municipal Manager, as Accounting Officer, must be satisfied that the organisation or body has the capacity to comply with the agreement and has adequate financial management and other systems in place.

National Treasury further indicated in MFMA circular 51 that “discretionary” funds should not be appropriated in the budget due to such funds not being transparent during the consultation process.

Section 9 - Councillor Allowances and employee benefits

Salaries, Allowances and Benefits

Details of Councillor Allowances and employee benefits are included in supporting table SB11 attached.

Section 10 - Monthly targets for revenue, expenditure and cash flow

Monthly Cash Flows by source

Supporting tables SB12 to SB17 show the adjusted monthly cash flows.

Section 11 - Annual budgets and service delivery agreements - municipal entities and other external mechanisms

ENTITIES

The municipality does not have any entities.

Other Service Delivery Mechanisms.

The municipality has service delivery agreements with external parties for the delivery of the Municipality's services.

Section 12 - Contracts having future budgetary implications

The financial system Phoenix, the financial system Payday, Collaborator, Standard Bank (banking services) and Terra Analytics is the only roll - over contracts with budget implications.

Section 13 - Capital expenditure details

Capital expenditure details are listed in Supporting Table SB18 to SB19.

Section 14 - Municipal Manager's quality certification

I, Mr Walter Hendricks, Municipal Manager of Theewaterskloof Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Mr Walter Hendricks

Municipal Manager of Theewaterskloof Municipality (WC031)

Signature 

Date ...27 February 2026...

Signature

Date ...27 February 2026...

Annexure A



SCHEDULE OF PROCUREMENT PLANS IN RESPECT OF ADVERTISED COMPETITIVE BIDS FOR THE 2024/2025 FINANCIAL YEAR FOR GOODS, SERVICES AND INFRASTRUCTURE PROJECTS IN EXCESS OF R 300 000 (INCLUDING ALL APPLICABLE TAXES)

Table with columns: Directorate, Project Name / Tender Description, Tender Number, Contract Owner, Contract Manager, Contract Administrator, Funding source, mSCOA Conting Code, Ward, Town, Est. Expenditure 2023/2024, Est. Expenditure 2024/2025, Est. Expenditure 2027/2028, Total Estimated Project Cost, Planned Start Date of new contract, Contract period in months (New contract), Planned Completion Date of new contract, Expected submission date of Specifications (Only on Monday), Expected BSC, Expected Date Advertised, Expected Tender Closing Date, Validity Period in days, Expected Date for Technical Evaluation Submission, Expected BSC Date (2 weeks after Technical Evaluation Submission), Expected BAC Date, Expiry of validity period, Expected Final Award Date, Expected Final Award Date.

