HANTAM LOCAL MUNICIPALITY

(NC065)

MID-YEAR
BUDGET AND PERFORMANCE
ASSESSMENT REPORT

S72 REPORT

DECEMBER (M06) 2025

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BACKGROUND

In accordance with Section 54(1)(f) of the Municipal Finance Management Act, the mayor must in the case of a section 72 report, submit the report to the council by 31 January of each year.

Section 72 of the Municipal Finance Management Act on the Mid-year budget and performance assessment, states that:

1. The accounting officer of the municipality must by 25 January of each year:
   - (a) assess the performance of the municipality during the first half of the financial year, taking into account –
     - (i) the monthly statements referred to in section 71 for the first half of the financial year;
     - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
     - (iii) the past year's annual report, and progress on resolving problems identified in the annual report;
   - (b) submit a report on such assessment to—
     - (i) the mayor of the municipality;
     - (ii) the National Treasury; and
     - (iii) the relevant provincial treasury.
2. The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
3. The accounting officer must, as part of the review—
   - (a) make recommendations as to whether an adjustments budget is necessary; and
   - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54 of the Municipal Finance Management Act states that: Budgetary control and early identification of financial problems.

1. On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—
   a) consider the statement or report;
   b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
   c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
   d) issue any appropriate instructions to the accounting officer to ensure—
      (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
      (ii) that spending of funds and revenue collection proceed in accordance with the budget;
   e) identify any financial problems facing the municipality, including any emerging or impending financial problems;
   f) and in the case of a section 72 report, submit the report to the council by 31 January of each year.

2. If the municipality faces any serious financial problems, the mayor must—
   a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
      (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
      (ii) the tabling of an adjustments budget; or
      (iii) steps in terms of Chapter 13; and
   b) alert the council and the MEC for local government in the province to those problems.

3. The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

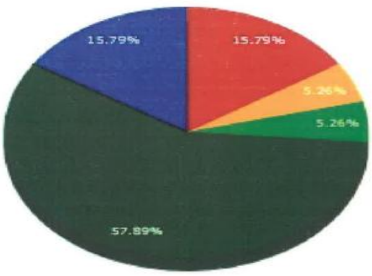
This report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

PART 1 – IN-YEAR REPORT

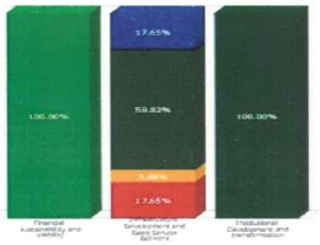
1. MAYOR'S REPORT

1.1 Summary report on the Implementation of the budget in accordance with the Service Delivery and Budget Implementation Plan (SDBIP)

The table below illustrates the Municipality's mid-year performance against the Key Performance Areas as per the Service Delivery and Budget Implementation Plan (SDBIP). A comprehensive report detailing the actual performance for the second quarter ended 31 December 2026 is attached herewith (Annexure A).



Graph 1: Overall actual strategic performance



During the first half of the 2025/26 financial year, the municipality performed well in achieving its set targets. In cases where targets were not met, the municipality initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

Based on the mid-term assessment of the performance indicators against the annual performance targets for the year, the Service Delivery and Budget Implementation Plan (SDBIP) need to be revised.

Section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act, 2003 states that the SDBIP must be approved 28 days after the approval of an annual budget.

1.2 Financial problems or risks facing the municipality

The cash flow position as at 31 December 2025 of the Municipality shows in comparison to previous financial years does not show an improvement. This is mainly due to the low collection of revenue from debtors and the economic challenges that the country faces which impacts the operations of the municipality negatively.

The municipality will seek to improve the cash flow more in order for the municipality to be more stable and continue to show great improvements and close the financial year with positive bank balance.

The municipality also need to improve more in collection in order to reduce consumer debts because it will contribute towards the municipality's cash flow. The increase in outstanding debt might impact the available funds for capital and operational expenditure negatively in the next financial year. Improving the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability.

1.3 Summary of the past years' annual report and progress on resolving problems identified in the annual report and the audit report.

Annual Report:

The municipality improved in system and processes, Internal Audit, a functioning Audit Committee as well as a positive shift in governance but the following areas still require responsiveness and mitigation measures to improve the audit outcome of the municipality in 2023/24 Financial Year, e.g.

- Internal Controls
- Improved Performance of Indicators per SDBIP
- Cash collection ratio
- Water and Electricity Losses

The problems identified during the previous year's annual report have, where relevant, have been considered. Unresolved problems are being followed up, and corrective action implemented where possible.

Audit Report:

The municipality achieved a qualified audit opinion by the Auditor-General for the 2024/25 annual financial statements. This is a consistent from the previous financial statements; however, the municipality improved in the number of audit paragraphs from 11 audit paragraphs in the 2023/24 audit to 2 audit paragraphs in the 2023/24 audit.

The municipality has developed an audit action plan to address the findings raised by the Auditor-General and belief that all material findings will be addressed by 30 June 2026.

Below is a summary of the total findings which affected the audit report, including a comparison between the 2023/24 audit report and the 2024/25 audit report:

Classification	No of Findings (2023/24)	No of Findings (2024/25)
Audit Report – Annual Financial Statements	42	3
Audit Report - Annual Performance Report	6	4
Audit Report - Compliance with Legislation	10	7
Total	**58**	**48**

The AGSA's report is included in the 2024/2025 Integrated Annual Report and will be tabled at Council as per MFMA Section 127 to Section 129.

1.4 Summary of the potential impact of the national adjustments budget and the relevant provincial adjustments budget.

The national parlement approved a national adjustments budget on 12 November 2025. However, no adjustments were made to the grant allocations of Hantam Local Municipality in this adjustment.

If there is any change in the Division of Revenue Act (DoRA) in respect to the grant allocations to the municipality, this would be affected in an adjustment budget on approved by National Treasury.

1.5 Recommendation as to whether an adjustments budget for the municipality is necessary.

Based on the six months revenue and over expenditure performance and the anticipated projections of revenue and expenses for the next six months, an adjustments budget is required.

An adjustments budget will be compiled and submitted to council for consideration by 28 February 2026, based on operational requirements as well as amendments to allocations made to Hantam Local Municipality as per the Provincial and National Adjustment Budgets, as well as considering the audited AFS.

The proposed adjustments to the original annual budget are recorded below under the relevant tables.

2. RESOLUTIONS

It is recommended that:

1) the **COUNCIL** notes the mid-year report on the implementation of the budget and the financial affairs for the municipality referred to in Section 54(f) and Section 72 of the Municipal Finance Management Act for the month ending 31 December 2025.

2) An adjustments budget (February 2026 adjustments budget) be proposed based on the financial outcomes indicated in this mid-year performance assessment report.

AANBEVELINGS

Daar word aanbeveel dat:

1) Die raad kennis neem aan die 2025/26 halfjaarlikse begrotings- en prestasieassesseringsverslag en dit ingevolge artikel 54 en 72 van die MFMA aan die Raad voorgelê word.

2) ‘n Aansuiweringsbegroting (Februarie 2026-aansuiweringsbegroting) voorgestel word wat gegrond is op die finansiële uitkomste aangetoon in die verslag.

3. EXECUTIVE SUMMARY

Introduction

Section 72(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report on the assessment the performance of the municipality during the first half of the financial year, by the 25 January of each year.

This report is a summary of the main budget issues arising from the monitoring process. It compares the process of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

Section 54 of the MFMA requires from the Mayor to consider the Section 72 report and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the approved SDBIP. The mayor must, in the case of a section 72 report, submit the report to the council by 31 January of each year.

The report therefore reports on the performance of the municipality for the month of **December 2025 (M06)**.

SUMMARY				
31-Dec-25				
Description	Budget Year 2025/26			
	Budget	Actual income/expenditure to date	Budget Unspent	% received/ spent
Total Revenue (excluding capital transfers and contributions)	**R165,528,465**	**R92,931,132**	**R72,597,333**	**56%**
Total Expenditure	**R174,508,889**	**R63,979,300**	**R110,529,589**	**37%**
Capital expenditure	**R20,392,250**	**R7,758,290**	**R12,633,960**	**38%**
Cash at bank	Budget Year 2025/26			
	Balance Dec 2025		Balance Nov 2025	
Current account	**R803,211**		**R1,494,530**	
Call deposits & Investment	**R5,713,989**		**R517,935**	
Debtors & creditors analysis	Budget Year 2025/26			
	Balance Dec 2025		Balance Nov 2025	
Debtors outstanding	**R 137 Million**		**R 138 Million**	
Average collection rate for the year	**90%**		**107%**	
Creditors payable	**R 37 Million**		**R 41 Million**	
Grant expenditure	Budget Year 2025/26			
GRANT DESCRIPTION	TOTAL RECEIPTS	TOTAL EXPENSES	% SPENT AGAINST TOTAL RECEIVED	
Operating Grant	**R3,901,783**	**R3,106,438**	**80%**	
Capital Grant	**R11,910,000**	**R9,542,335**	**80%**	

Revenue

The year-to-date actual revenue for the month of 31 December 2025 is R 92 million which reflects an achievement of 111% of the year-to date budget. This is as a result of decrease operational revenue and interest on non-exchange revenue which were incorrectly recorded.

Capital & operational grants, recognises as revenue of R 40.7 million, was realised.

It should be noted that the amount for property rates and rental of facilities in Table C1 & C4 are the actual amount billed/levied and not the amount that is received.

Operating expenditure

Operational expenditure at year end as per A4, against what was budgeted is R63,9 million, which reflects 73% of the year-to date budget.

This can be attributed to implementing cost containment principles as well depreciation and interest on finance leases not recognised at mid-term. This will be recognised at year-end when preparing the annual financial statements.

For the year-to-date all expenditure items that show a positive variance indicates an overspending on that specific expenditure item and where they show negative variance it indicates a saving on that specific expenditure item.

Expenditure items will be reviewed where there was over/or under expenditure, e.g. Business and advisory, repairs and maintenance travel and subsistence and accommodation, including remuneration of councillors and employee related costs.

Capital expenditure

The capital expenditure YTD for the month up to 31 December 2025 is R7,7 million (vat excluded), 24% under the year-to-date budget. Year-to-date expenditure as a percentage of the original budget of R20,3 million (approved in May 2025) amounts to 38%.

The year-to-date expenditure was funded by means of capital transfers recognised i.e. national- and provincial government, and public contributions and donations, R7,6 million and internally generated funds R132k.

Adjustments to the capital expenditure is probable in the adjustment budget, to correct the cashflow projections on capital expenditure as well as aligning the capital budgets to the commitments made on existing capital projects, including the reduction of internal funding of capital assets.

Grant receipt and expenditure performance

The actual conditional grants received as at 31 December 2025 is R15,8 million, which is 58% of the total allocation of the municipality. 75% of the total equitable share was received up to date of Dec 2025.

Total operating grants (R32,2 million) received as at 31 December 2025, and of the total capital grants received for the year, R11,9 million only R9,5 million (80.12%) spent by 31 December 2025.

The municipality is trust that the full grant allocation will be spent by 30 June 2026.

4. CONCLUSION

The mid-year budget and performance assessment indicates that:

a) An adjustments budget for 2024/25 is required and this adjustments budget must be approved by Council by no later than 28 February 2025; and

b) The revised SDBIP, which forms the basis for the mid-year review and performance assessment, must include adjustments resulting from the adjustments budget and must be approved by Council.

4.1. Consolidated Performance

Actuals against annual budget (original approved and latest adjustments)

In-year Budget Statement Tables

Table C1: Monthly Budget Statement – Summary

The table below provides a high-level summation of the municipality's operating- and capital budgets, actuals to date, financial position and cash flow.

NC065 Hantam - Table C1 Monthly Budget Statement Summary - M06 December

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	18,637	36,740	36,740	(32)	26,590	18,370	8,220	45%	36,740
Service charges	61,496	74,336	74,336	4,385	31,424	37,168	(5,744)	-15%	74,336
Investment revenue	1,877	2,209	2,209	29	357	1,104	(748)	-68%	2,209
Transfers and subsidies - Operational	41,009	43,071	43,071	13,541	31,204	22,535	8,669	0	43,071
Other own revenue	(10,408)	9,172	9,172	549	3,357	4,586	(1,230)	-27%	9,172
Total Revenue (excluding capital transfers and contributions)	**112,611**	**165,528**	**165,528**	**18,473**	**92,931**	**83,764**	**9,167**	**11%**	**165,528**
Employee costs	52,605	58,316	58,316	4,405	27,873	29,158	(1,286)	-4%	58,316
Remuneration of Councillors	2,132	6,100	6,100	403	2,829	3,050	(221)	-7%	6,100
Depreciation and amortisation	9,633	18,091	18,091	–	–	9,046	(9,046)	-100%	18,091
Interest	1,707	2,309	2,309	–	0	1,155	(1,154)	-100%	2,309
Inventory consumed and bulk purchases	54,787	32,636	32,636	4,729	16,045	16,318	(274)	-2%	32,636
Transfers and subsidies	221	500	500	–	259	250	9	4%	500
Other expenditure	67,023	56,556	56,556	2,073	16,974	28,278	(11,304)	-40%	56,556
Total Expenditure	**188,108**	**174,509**	**174,509**	**11,610**	**63,979**	**87,254**	**(23,275)**	**-27%**	**174,509**
Surplus/(Deficit)	**(75,497)**	**(8,980)**	**(8,980)**	**6,863**	**28,952**	**(3,490)**	**32,442**	**-930%**	**(8,980)**
Transfers and subsidies - capital (monetary	124,296	21,929	21,929	4,694	9,542	10,965	(1,422)	-13%	21,929
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**415%**	**12,949**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**415%**	**12,949**
Capital expenditure & funds sources									
Capital expenditure	**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Capital transfers recognised	89,870	18,513	18,513	1,600	7,626	9,257	(1,631)	-18%	18,513
Borrowing	–	600	600	–	–	300	(300)	-100%	600
Internally generated funds	**7,390**	**1,279**	**1,279**	**–**	**132**	**640**	**(507)**	**-79%**	**1,279**
Total sources of capital funds	**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Financial position									
Total current assets	32,033	67,469	67,469		54,848				67,469
Total non current assets	780,681	816,662	816,662		788,439				816,662
Total current liabilities	(273,970)	56,066	56,066		65,607				56,066
Total non current liabilities	40,566	58,739	58,739		40,566				58,739
Community wealth/Equity	**699,996**	**769,326**	**769,326**		**737,114**				**769,326**
Cash flows									
Net cash from (used) operating	88,774	26,808	26,808	(5,067)	1,522	13,404	11,882	89%	26,808
Net cash from (used) investing	(97,260)	(23,451)	(23,451)	(1,600)	(7,758)	(11,726)	(3,967)	34%	(23,451)
Net cash from (used) financing	(16,302)	–	–	2	29	–	(29)	#DIV/0!	–
Cash/cash equivalents at the month/year end	**(7,127)**	**10,148**	**10,148**	**(3,451)**	**(3,451)**	**8,470**	**11,921**	**141%**	**6,113**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

Table C2: Monthly Budget Statement - Financial Performance (functional classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

NC065 Hantam - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**51,797**	**68,983**	**68,983**	**4,205**	**49,545**	**35,491**	14,053	40%	**68,983**
Executive and council		14,203	4,062	4,062	1,937	1,937	2,031	(94)	-5%	4,062
Finance and administration		37,594	64,921	64,921	2,268	47,608	33,460	14,147	42%	64,921
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**5,983**	**11,720**	**11,720**	**4,723**	**9,025**	**5,860**	3,165	54%	**11,720**
Community and social services		5,881	2,005	2,005	17	960	1,003	(43)	-4%	2,005
Sport and recreation		101	9,714	9,714	4,706	8,065	4,857	3,208	66%	9,714
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**22,084**	**1,157**	**1,157**	**200**	**859**	**579**	281	48%	**1,157**
Planning and development		–	–	–	–	–	–	–		–
Road transport		21,868	782	782	200	564	391	173	44%	782
Environmental protection		217	375	375	–	295	188	107	57%	375
Trading services		**157,043**	**105,598**	**105,598**	**14,039**	**43,045**	**52,799**	**(9,754)**	-18%	**105,598**
Energy sources		41,403	52,232	52,232	3,466	21,021	26,116	(5,095)	-20%	52,232
Water management		95,113	16,784	16,784	2,997	8,154	8,392	(238)	-3%	16,784
Waste water management		11,741	25,414	25,414	4,677	8,054	12,707	(4,653)	-37%	25,414
Waste management		8,787	11,167	11,167	2,899	5,815	5,583	232	4%	11,167
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**236,908**	**187,457**	**187,457**	**23,167**	**102,473**	**94,729**	**7,745**	**8%**	**187,457**
Expenditure - Functional										
Governance and administration		**66,632**	**67,894**	**67,894**	**3,011**	**24,393**	**33,947**	(9,554)	-28%	**67,894**
Executive and council		18,730	18,376	18,376	772	8,205	9,188	(983)	-11%	18,376
Finance and administration		45,341	47,857	47,857	2,138	15,406	23,928	(8,522)	-36%	47,857
Internal audit		2,560	1,662	1,662	101	782	831	(49)	-6%	1,662
Community and public safety		**4,611**	**6,062**	**6,062**	**297**	**1,796**	**3,031**	(1,235)	-41%	**6,062**
Community and social services		3,970	3,433	3,433	242	1,372	1,717	(344)	-20%	3,433
Sport and recreation		640	2,629	2,629	54	424	1,315	(891)	-68%	2,629
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**9,781**	**14,138**	**14,138**	**959**	**6,266**	**7,069**	(803)	-11%	**14,138**
Planning and development		2,421	4,406	4,406	486	1,728	2,203	(475)	-22%	4,406
Road transport		7,360	9,732	9,732	473	4,538	4,866	(328)	-7%	9,732
Environmental protection		–	0	0	–	–	0	(0)	-100%	0
Trading services		**107,049**	**86,330**	**86,330**	**7,344**	**31,525**	**43,165**	**(11,640)**	-27%	**86,330**
Energy sources		40,893	42,310	42,310	4,600	16,066	21,155	(5,089)	-24%	42,310
Water management		40,188	22,844	22,844	1,483	7,971	11,422	(3,451)	-30%	22,844
Waste water management		12,102	8,903	8,903	546	3,285	4,451	(1,167)	-26%	8,903
Waste management		13,867	12,273	12,273	716	4,203	6,137	(1,934)	-32%	12,273
Other		**36**	**85**	**85**	**–**	**–**	**42**	**(42)**	**-100%**	**85**
Total Expenditure - Functional	3	**188,108**	**174,509**	**174,509**	**11,610**	**63,979**	**87,254**	**(23,275)**	**-27%**	**174,509**
Surplus/ (Deficit) for the year		**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**4.1502451**	**12,949**

Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The table below reflects the budgeted financial performance in relation to revenue- and expenditure by vote as well as the resulting operating surplus/deficit

NC065 Hantam - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Executive & Council		14,203	4,062	4,062	1,937	1,937	2,031	(94)	-4.6%	4,062
Vote 02 - Budget & Treasury Office		23,763	42,332	42,332	539	29,596	22,166	7,430	33.5%	42,332
Vote 03 - Corporate Services		13,831	22,589	22,589	1,729	18,012	11,294	6,717	59.5%	22,589
Vote 04 - Community & Social Services		5,881	2,005	2,005	17	960	1,003	(43)	-4.2%	2,005
Vote 05 - Sports & Recreation		318	10,089	10,089	4,706	8,360	5,045	3,315	65.7%	10,089
Vote 06 - Public Safety		–	–	–	–	–	–	–		–
Vote 07 - Planning & Development		–	–	–	–	–	–	–		–
Vote 08 - Road Transport		21,868	782	782	200	564	391	173	44.3%	782
Vote 09 - Electricity		41,403	52,232	52,232	3,466	21,021	26,116	(5,095)	-19.5%	52,232
Vote 10 - Water		95,113	16,784	16,784	2,997	8,154	8,392	(238)	-2.8%	16,784
Vote 11 - Waste Water Management		11,741	25,414	25,414	4,677	8,054	12,707	(4,653)	-36.6%	25,414
Vote 12 - Solid Waste		8,787	11,167	11,167	2,899	5,815	5,583	232	4.1%	11,167
Vote 13 - Own Other		–	–	–	–	–	–	–		–
Vote 14 - Environmental Health		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**236,908**	**187,457**	**187,457**	**23,167**	**102,473**	**94,729**	**7,745**	**8.2%**	**187,457**
Expenditure by Vote	1									
Vote 01 - Executive & Council		21,291	20,037	20,037	873	8,987	10,019	(1,032)	-10.3%	20,037
Vote 02 - Budget & Treasury Office		33,043	23,497	23,497	1,439	10,573	11,749	(1,175)	-10.0%	23,497
Vote 03 - Corporate Services		11,068	25,098	25,098	1,088	5,105	12,549	(7,444)	-59.3%	25,098
Vote 04 - Community & Social Services		2,490	3,363	3,363	242	1,369	1,682	(313)	-18.6%	3,363
Vote 05 - Sports & Recreation		575	2,572	2,572	54	404	1,286	(882)	-68.6%	2,572
Vote 06 - Public Safety		1,474	64	64	–	–	32	(32)	-100.0%	64
Vote 07 - Planning & Development		906	2,119	2,119	89	748	1,060	(312)	-29.4%	2,119
Vote 08 - Road Transport		7,218	9,443	9,443	471	4,492	4,721	(229)	-4.9%	9,443
Vote 09 - Electricity		43,769	43,904	43,904	4,681	17,018	21,952	(4,934)	-22.5%	43,904
Vote 10 - Water		40,270	23,151	23,151	1,413	7,796	11,575	(3,779)	-32.6%	23,151
Vote 11 - Waste Water Management		12,102	8,903	8,903	546	3,285	4,451	(1,167)	-26.2%	8,903
Vote 12 - Solid Waste		13,867	12,273	12,273	716	4,203	6,137	(1,934)	-31.5%	12,273
Vote 13 - Own Other		36	85	85	–	–	42	(42)	-100.0%	85
Vote 14 - Environmental Health		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**188,108**	**174,509**	**174,509**	**11,610**	**63,979**	**87,254**	**(23,275)**	**-26.7%**	**174,509**
Surplus/ (Deficit) for the year	2	**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**415.0%**	**12,949**

Table C4: Monthly Budget Statement – Financial Performance (revenue by source and expenditure by type)

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

NC065 Hantam - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		36,291	47,234	47,234	2,395	18,243	23,617	(5,374)	-23%	47,234
Service charges - Water		11,651	12,784	12,784	926	6,200	6,392	(192)	-3%	12,784
Service charges - Waste Water Management		7,042	7,109	7,109	577	3,484	3,555	(70)	-2%	7,109
Service charges - Waste management		6,513	7,209	7,209	488	3,497	3,604	(107)	-3%	7,209
Sale of Goods and Rendering of Services		263	321	321	13	107	161	(53)	-33%	321
Agency services		101	234	234	–	47	117	(70)	-60%	234
Interest								–		
Interest earned from Receivables		1,518	1,853	1,853	164	906	926	(20)	-2%	1,853
Interest from Current and Non Current Assets		1,877	2,209	2,209	29	357	1,104	(748)	-68%	2,209
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		292	283	283	32	208	141	67	48%	283
Licence and permits		331	383	383	1	299	191	108	56%	383
Special rating levies								–		
Operational Revenue		15	4,317	4,317	–	16	2,158	(2,143)	-99%	4,317
Non-Exchange Revenue								–		
Property rates		18,637	36,740	36,740	(32)	26,590	18,370	8,220	45%	36,740
Surcharges and Taxes								–		
Fines, penalties and forfeits		4	33	33	0	1	16	(16)	-96%	33
Licence and permits								–		
Transfers and subsidies - Operational		41,009	43,071	43,071	13,541	31,204	22,535	8,669	38%	43,071
Interest		3,164	1,242	1,242	338	1,773	621	1,152	186%	1,242
Fuel Levy								–		
Operational Revenue								–		
Gains on disposal of Assets		(16,158)	–	–	–	–	–	–		–
Other Gains		62	509	509	–	–	254	(254)	-100%	509
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**112,611**	**165,528**	**165,528**	**18,473**	**92,931**	**83,764**	**9,167**	**11%**	**165,528**
Expenditure By Type										
Employee related costs		52,605	58,316	58,316	4,405	27,873	29,158	(1,286)	-4%	58,316
Remuneration of councillors		2,132	6,100	6,100	403	2,829	3,050	(221)	-7%	6,100
Bulk purchases - electricity		36,184	32,131	32,131	4,254	14,034	16,066	(2,032)	-13%	32,131
Inventory consumed		18,603	505	505	475	2,011	253	1,758	696%	505
Debt impairment		8,945	11,697	11,697	–	–	5,849	(5,849)	-100%	11,697
Depreciation and amortisation		9,633	18,091	18,091	–	–	9,046	(9,046)	-100%	18,091
Interest		1,707	2,309	2,309	–	0	1,155	(1,154)	-100%	2,309
Contracted services		23,713	22,028	22,028	1,178	9,147	11,014	(1,867)	-17%	22,028
Transfers and subsidies		221	500	500	–	259	250	9	4%	500
Irrecoverable debts written off		7,825	6,376	6,376	209	679	3,188	(2,509)	-79%	6,376
Operational costs		15,142	15,425	15,425	685	7,149	7,713	(564)	-7%	15,425
Losses on Disposal of Assets		9,675	–	–	–	–	–	–		–
Other Losses		1,723	1,029	1,029	–	–	515	(515)	-100%	1,029
Total Expenditure		**188,108**	**174,509**	**174,509**	**11,610**	**63,979**	**87,254**	**(23,275)**	**-27%**	**174,509**
Surplus/(Deficit)		**(75,497)**	**(8,980)**	**(8,980)**	**6,863**	**28,952**	**(3,490)**	**32,442**	**(0)**	**(8,980)**
Transfers and subsidies - capital (monetary		124,296	21,929	21,929	4,694	9,542	10,965	(1,422)	**(0)**	21,929
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &		**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**0**	**12,949**
Income Tax								–		
Surplus/(Deficit) after income tax		**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**0**	**12,949**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	31,020	0	**12,949**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**48,800**	**12,949**	**12,949**	**11,557**	**38,494**	**7,474**	**31,020**	**0**	**12,949**

Explanatory Notes:

Revenue:

Revenue from exchange transactions:

- ***Service charges – Electricity***
  - *Electricity levied for the period is 23% less than the budgeted amount for the period of December 2025.*
  - *Possible downwards adjustments on electricity service charges are proposed.*

- ***Service charges - Water***
  - *Water service charges levied as at December 2025 is 3% less than budgeted for the same period.*
  - *The municipality conducted an investigation on the Brandvlei prepaid water meters in December 2025. The municipality is currently following up on issues identified to ensure that all prepaid water meters are functional and recorded on the system to ensure accurate billing.*
  - *Water service charges levied as at December 2025 is 3% less than budgeted for the same period.*
  - *The municipality is currently conducting a water meter audit to identify possible discrepancies in the recording of water meter readings. This audit should be finalised by 31 March 2025.*
  - *No adjustment is proposed – Variance immaterial as consumption is variable.*

- ***Service charges - Waste Water Management***
  - *Wastewater management service charges (Sanitation) levied as at December 2025 is 2% less than budgeted for the same period.*
  - *No adjustment is proposed – Variance immaterial as consumption is variable.*

- ***Service charges - Waste management***
  - *Waste management service charges (Refuse) levied as at December 2025 is 3% less than budgeted for the same period.*
  - *No adjustment is proposed – Variance immaterial*

- ***Sale of Goods and Rendering of Services***
  - *33% less than what was budgeted for the period were realised as at December 2025.*
  - *This is mainly due to the decrease in building plan fees and levies, entrance fees and cemetery and burial services*
  - *Downwards adjustment to these services is proposed.*

- ***Agency services***
  - *Decrease of 60% of the year-to-date budget relating to agency services were recorded as at 30 December 2025. This is due to agency fees from the Department of Transport to adequately account for.*
  - *No adjustments to agency fees proposed.*

- ***Interest earned from Receivables***
  - *Interest on receivables from exchange transactions levied as at December 2025 is 3% less than budgeted for the same period.*
  - *No adjustment is proposed – Variance immaterial*

- ***Interest from Current and Non-Current Assets***
  - *This relates to interest received from the current account and investment call accounts.*
  - *Decrease of 68% of the year-to-date budget was recorded as at December 2025.*
  - *This is due to decrease in deposits made to investment call accounts, resulting in less interest earned than expected.*
  - *Possible downwards adjustment is proposed to be in line the actual interest received at mid-term.*

- ***Rental from Fixed Assets***
  - *This relates to the hiring of municipal halls and sports facilities and rental of municipal properties.*
  - *Increase in the rental of municipal fixed assets of 48% was achieved as at December 2025.*
  - *Furthermore, management is reviewing all lease agreements to ensure that all active lease agreements are adequately billed.*
  - *Upwards adjustment is proposed.*

- ***License and permits***
  - *Actual increase of 56% in revenue on license and permits was achieved based on year-to-date budgeted as at mid-term.*
  - *Upwards adjustment is proposed.*

- ***Operational Revenue***
  - *Decrease realised as at mid-term is due to the Auditor-General credit received not yet levied by the AG. This normally is accounted for in June.*
  - *Possible recovery of expenses relating to the outcome of the Public Protector to be accounted for.*
  - *Adjustments between line items of operating revenue is proposed align with current collection and realistic anticipated revenue.*

Revenue from Non-Exchange Revenue

- ***Property rates***
  - *Property rates as at December 2025 is 48% more than budgeted for the same period.*
  - *The increase is due to the implementation of new valuation roll on 1 July 2025, which were not adequately budgeted for.*
  - *Adjustments to the different categories of property rates, including revenue for gone to be made to align with the projected revenue based on the implemented valuation roll and provincial treasury recommendations.*

- ***Fines, penalties and forfeits***
  - *Decreased of 96% of the year-to-date budget was realised.*
  - *Municipality is engaging with the magistrate and reviewing traffic control by-laws to improve collection on fines issued by traffic enforcement officers.*
  - *Downward adjustment is proposed to align with the 2024/25 audited annual financial statements.*

- ***Transfers and subsidies – Operational***
  - *This relates to the recognition of revenue of equitable share and conditional grants as at year-end.*
  - *Increase of 38% of the budget year-to-date was recognised as revenue.*
  - *This is mainly due:*
    1. *to incorrect budget on allocation of equitable share over the financial year as the payment schedule was not issued by the time the annual budget was adopted.*
    2. *Decrease in spending on MIG grant as at December 2025.*
  - *Equitable share allocation was incorrectly recorded over the different service types and departmental votes. This to be corrected in line with National Treasury provisions.*
  - *This would be adjusted to be in line with the payment schedule of National Treasury and revised MIG payment schedule.*

- ***Interest***
  - *An increase of 186% was realised based on the year-to date budget. This is due to interest levied on outstanding property rates.*
  - *Upwards adjustment is proposed to be in line with the 2024/25 audited financial statements.*

- ***Gains on disposal of Assets***

- *Gains on disposal of assets to be budgeted for. The municipality is intending to dispose of assets by June 2026.*
- *To address the prior year audit finding on disposal of assets and to record these disposals in the current year.*

- ***Other Gains***
  - *Downward adjustment is proposed to align with the 2024/25 audited annual financial statements.*

Expenses:

The municipality has spent R63 979 million or 73 per cent of the operating expenditure year-to-date budget of R87 254 million. This is due to non-cash items not yet accounted for, e.g. Depreciation, Debt Impairment and post-retirement obligations.

- ***Employee related costs***
  - *Overall employee cost is 4% more than budgeted for the period.*
  - *The following are the major contributors to the over expenditure:*
    1. *Overtime*
    2. *Cell phone Allowances*
    3. *Leave paid out (Termination of employment)*
    4. *Motor vehicle allowance*
  - *Adjustment to employee related costs to be made to account for the following:*
    1. *Budgeted vacancies not filled as at December 2025.*
    2. *Remuneration of senior managers in line with the new upper limits gazette issued in December 2025.*
    3. *Upwards adjustment for overtime, cell phone allowance, leave paid and other allowances.*
    4. *Adjustment to be made on performance and annual bonuses.*
  - *Adjustment to the monthly cash flow projections on various employee relates costs items to be made.*
  - *Motor vehicle allowance policy to be reviewed.*

- ***Remuneration of councillors***
  - *7% decrease in the remuneration of councillors were recorded as at December 2025.*
  - *This is resultant of the 2025/26 upper limits on the remuneration of councillors that have not yet promulgated by the Minister.*
  - *The municipality will review the remuneration of councillors based on the draft upper limits issued and adjust the budget accordingly.*

- ***Bulk purchases – electricity***
  - *The spending on electricity is 23% less than budgeted for.*
  - *The municipality will assess the spending and ensure that this is accounted properly and in line with prior year spending.*
  - *The municipality is planning on installing an energy reduction solution by installing solar batteries and panels, which will assist in the reduction of expenses on electricity bulk purchases.*

- ***Inventory consumed***
  - *Adjustment to be made to be in line with the audited amount as well as taking into account findings raised on the misclassification of water inventory expenses.*
  - *Depreciation relating to water inventory to be reallocated from depreciation and amortisation to inventory consumed.*

- ***Debt impairment***
  - *This was not accounted for as at mid-term as this would be processes at year-end when preparing the annual financial statements. This would be adjusted based on the recoverability of outstanding fees of debtors aligned with the audit outcome of 2024/25 financial year.*

- *The municipality is currently reviewing its debt impairment calculation in line with GRAP 104 – Financial Instruments.*

- ***Depreciation and amortisation***
  - *Downward adjustment on depreciation and amortisation to be made.*
  - *This is to align with the annual financial statements.*
  - *Depreciation relating to water inventory infrastructure to be reallocated to water inventory.*

- ***Interest***
  - *Interest expenses related to interest levied on finance leases (Photocopies) and interest levied on overdue accounts.*
  - *Downward adjustment is projected to align with the 2024/25 annual financial statements and the finance lease amortization table.*

- ***Contracted services***
  - *Spending on contracted services are 17% less than the budgeted year-to-date amount.*
  - *Management is reviewing the contracted services in line with its consultancy reduction plan to identify potential services that can be reduced.*
  - *Contracted services on repairs and maintenance to be reviewed and align to the type of repairs in line with mSCOA classification.*
  - *Adjustment to contracted services to be made once analysis has been finalised.*

- ***Transfers and subsidies***
  - *These expenses mainly relate to the expenses made on the mayoral support programmes.*
  - *Adjustment between the votes to be made, where under performance has been registered.*

- ***Irrecoverable debts written off***
  - *Only 21% of the total budgeted irrecoverable debts written off was approved and actioned as at mid-term.*
  - *No adjustment is probable as the council normally consider the write-off of outstanding debt of indigent households in June.*

- ***Operational costs***
  - *Decrease in operational costs of 7% from the year-to-date budget is due to cost containment measures implemented.*
  - *Increase in own funded EPWP stipend.*
  - *Operating costs on repairs and maintenance to be reviewed and align to the type of repairs in line with mSCOA classification.*
  - *Expense line items to be adjusted where the has been an over-/under performance in a vote based on the needs and spending trend identified.*

- ***Losses on Disposal of Assets***
  - *Loss on disposal of assets to be budgeted for. The municipality is intending to dispose of assets by June 2026.*
  - *To address the prior year audit finding on disposal of assets and to record these disposals in the current year.*

- ***Other Losses***
  - *This relates to actuarial losses/losses on post-retirement medical aid benefits.*
  - *This is calculated at year-end when the financial statements are prepared.*
  - *Budget to be aligned with the audited annual financial statements.*

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

The table below reflects the municipality's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification, and funding of the capital budget, including information on capital transfers from National and Provincial departments

Capital Expenditure Budget Implementation indicator: this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation which failure to provide service delivery to the community.

NC065 Hantam - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD varianc	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 08 - Road Transport		5,884	–	–	–	–	–	–		–
Vote 09 - Electricity		5,615	1,299	1,299	–	848	649	198	31%	1,299
Vote 10 - Water		68,800	–	–	–	–	–	–		–
Vote 11 - Waste Water Management		15,309	7,826	7,826	–	441	3,913	(3,472)	-89%	7,826
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**95,608**	**9,125**	**9,125**	**–**	**1,289**	**4,562**	**(3,273)**	**-72%**	**9,125**
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		146	600	600	–	–	300	(300)	-100%	600
Vote 02 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 03 - Corporate Services		396	606	606	–	132	303	(171)	-56%	606
Vote 04 - Community & Social Services		–	500	500	–	–	250	(250)	-100%	500
Vote 05 - Sports & Recreation		–	9,388	9,388	1,600	6,337	4,694	1,643	35%	9,388
Vote 09 - Electricity		1,111	–	–	–	–	–	–		–
Vote 10 - Water		–	173	173	–	–	87	(87)	-100%	173
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	1,652	11,268	11,268	1,600	6,469	5,634	835	**15%**	11,268
Total Capital Expenditure		**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Capital Expenditure - Functional Classification										
Governance and administration		**542**	**1,206**	**1,206**	**–**	**132**	**603**	(471)	-78%	**1,206**
Executive and council		–	600	600	–	–	300	(300)	-100%	600
Finance and administration		396	606	606	–	132	303	(171)	-56%	606
Internal audit		146	–	–	–	–	–	–		–
Community and public safety		**–**	**9,888**	**9,888**	**1,600**	**6,337**	**4,944**	1,393	28%	**9,888**
Community and social services		–	500	500	–	–	250	(250)	-100%	500
Sport and recreation		–	9,388	9,388	1,600	6,337	4,694	1,643	35%	9,388
Economic and environmental services		**5,884**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport		5,884	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**90,835**	**9,298**	**9,298**	**–**	**1,289**	**4,649**	(3,360)	-72%	**9,298**
Energy sources		6,726	1,299	1,299	–	848	649	198	31%	1,299
Water management		68,800	173	173	–	–	87	(87)	-100%	173
Waste water management		15,309	7,826	7,826	–	441	3,913	(3,472)	-89%	7,826
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional (	3	**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Funded by:										
National Government		89,870	18,513	18,513	1,600	7,626	9,257	(1,631)	-18%	18,513
Provincial Government								–		
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**89,870**	**18,513**	**18,513**	**1,600**	**7,626**	**9,257**	**(1,631)**	**-18%**	**18,513**
Borrowing	6	–	600	600	–	–	300	(300)	-100%	600
Internally generated funds		7,390	1,279	1,279	–	132	640	(507)	-79%	1,279
Total Capital Funding		**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**

Table C6: Monthly Budget Statement - Financial Position

The table below reflects the performance to date in relation to the financial position of the municipality.

NC065 Hantam - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		2,743	11,577	11,577	32	11,577
Trade and other receivables from exchange transactions		7,323	16,299	16,299	14,526	16,299
Receivables from non-exchange transactions		7,582	24,622	24,622	23,129	24,622
Current portion of non-current receivables						
Inventory		158	282	282	(1,801)	282
VAT		14,180	13,761	13,761	18,820	13,761
Other current assets		48	928	928	142	928
Total current assets		**32,033**	**67,469**	**67,469**	**54,848**	**67,469**
Non current assets						
Investments						
Investment property		38,226	45,718	45,718	38,226	45,718
Property, plant and equipment		739,529	767,923	767,923	747,288	767,923
Biological assets		–	–	–	–	–
Living and non-living resources						
Heritage assets		1,618	1,618	1,618	1,618	1,618
Intangible assets		1,308	1,403	1,403	1,308	1,403
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		**780,681**	**816,662**	**816,662**	**788,439**	**816,662**
TOTAL ASSETS		**812,714**	**884,131**	**884,131**	**843,287**	**884,131**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		205	186	186	205	186
Consumer deposits		1,731	1,561	1,561	1,808	1,561
Trade and other payables from exchange transactions		(277,997)	31,786	31,786	41,292	31,786
Trade and other payables from non-exchange transactions		65	–	–	3,228	–
Provision		5,015	9,502	9,502	5,015	9,502
VAT		(2,989)	13,032	13,032	14,059	13,032
Other current liabilities		–	–	–	–	–
Total current liabilities		**(273,970)**	**56,066**	**56,066**	**65,607**	**56,066**
Non current liabilities						
Financial liabilities		129	335	335	129	335
Provision		40,437	39,800	39,800	40,437	39,800
Long term portion of trade payables		–	18,604	18,604	–	18,604
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**40,566**	**58,739**	**58,739**	**40,566**	**58,739**
TOTAL LIABILITIES		**(233,404)**	**114,806**	**114,806**	**106,173**	**114,806**
NET ASSETS	2	**1,046,118**	**769,326**	**769,326**	**737,114**	**769,326**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		684,072	766,774	766,774	721,190	766,774
Reserves and funds		15,924	2,551	2,551	15,924	2,551
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**699,996**	**769,326**	**769,326**	**737,114**	**769,326**

Table C7: Monthly Budget Statement - Cash Flow

The municipality's cash flow position and cash/cash equivalent outcome is shown in the table below.

NC065 Hantam - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		12,086	34,786	34,786	1,557	9,806	17,393	(7,587)	-44%	34,786
Service charges		63,076	75,686	75,686	65	29,107	37,843	(8,736)	-23%	75,686
Other revenue		251,114	5,634	5,634	6,509	10,342	2,817	7,525	267%	5,634
Transfers and Subsidies - Operational		41,009	43,071	43,071	12,686	32,000	21,536	10,464	49%	43,071
Transfers and Subsidies - Capital		124,361	21,929	21,929	3,512	11,910	10,965	945	9%	21,929
Interest		1,683	2,209	2,209	29	357	1,104	(748)	-68%	2,209
Dividends								–		
Payments										
Suppliers and employees		(404,554)	(156,342)	(156,342)	(29,427)	(92,000)	(78,171)	13,829	-18%	(156,342)
Interest		–	(165)	(165)	–	–	(82)	(82)	100%	(165)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**88,774**	**26,808**	**26,808**	**(5,067)**	**1,522**	**13,404**	**11,882**	**89%**	**26,808**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(97,260)	(23,451)	(23,451)	(1,600)	(7,758)	(11,726)	(3,967)	34%	(23,451)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(97,260)**	**(23,451)**	**(23,451)**	**(1,600)**	**(7,758)**	**(11,726)**	**(3,967)**	**34%**	**(23,451)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		(16,344)	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		42	–	–	2	29	–	29	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(16,302)**	**–**	**–**	**2**	**29**	**–**	**(29)**	**#DIV/0!**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(24,788)**	**3,357**	**3,357**	**(6,665)**	**(6,207)**	**1,678**			**3,357**
Cash/cash equivalents at beginning:		17,661	6,791	6,791	3,215	2,756	6,791			2,756
Cash/cash equivalents at month/year end:		(7,127)	10,148	10,148	(3,451)	(3,451)	8,470			6,113

Bank Accounts			
Cash and Cash Equivalents			
Bank name	**Account type**	**Account number**	Balance at 31 Dec 2024
Current accounts			
Standard Bank	Primary Bank Account	08 298 352 6	R248,764.75
Absa Bank	Secondary Bank Account	162 000 003 1	R554,446.41
		Total current accounts	**R803,211.16**
Call Deposits and Investments			
Standard Bank	CALL DEPOSIT RBIG (CRR)	088673669-021	R122,456.51
Standard Bank	CALL DEPOSIT MIG	088673669-022	R3,222,503.18
Standard Bank	CALL DEPOSIT WSIG	088673669-023	R90,796.21
Standard Bank	CALL DEPOSIT FMG	088673669-024	R11,579.69
Standard Bank	CALL DEPOSIT EEDMS	088673669-025	R182,756.34
Standard Bank	HANTAM SURPLUS	088673669-026	R2,069,129.30
Standard Bank	HANTAM EPWP	088673669-027	R1,356.62
Standard Bank	HANTAM INEP	088673669-028	R13,410.67
		Total Call Deposits and Investments	**R5,713,988.52**

Explanatory notes:

1. *The cashflow statement is not pulling through the correct figures and we are currently engaging with the system vendors to correct the cashflow.*

2. *The cash and cash equivalent at the end of the month of 31 December 2025 is* ***R6,5 million****. This includes both the main bank account, and the call investment accounts.*

PART 2 – SUPPORTING DOCUMENTATION

A. DEBTORS' ANALYSIS

NC065 Hantam - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description		Budget Year 2025/26											
R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against	Impairment - Bad Debts i.t.o Council
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1,159	854	766	656	595	538	3,436	23,104	31,108	28,329	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,790	929	739	368	272	230	952	5,883	11,164	7,705	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	1,405	793	627	552	7,260	480	1,819	28,266	41,202	38,377	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	610	446	428	340	317	280	1,628	10,637	14,685	13,201	–	–
Receivables from Exchange Transactions - Waste Management	1600	655	465	438	402	377	361	1,861	16,355	20,914	19,356	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700									–	–		
Interest on Arrear Debtor Accounts	1810	523	522	532	297	265	347	2,203	12,559	17,249	15,672	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	22	21	14	27	3	14	63	1,381	1,546	1,489	–	–
Total By Income Source	**2000**	**6,164**	**4,029**	**3,545**	**2,642**	**9,090**	**2,251**	**11,962**	**98,184**	**137,866**	**124,129**	**–**	**–**
2025/26 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	605	599	514	191	1,357	108	568	2,506	6,448	4,731	–	–
Commercial	2300	1,546	610	444	261	1,414	98	550	5,185	10,108	7,508	–	–
Households	2400	4,014	2,820	2,587	2,189	6,318	2,045	10,844	90,493	121,311	111,890	–	–
Other	2500									–	–		
Total By Customer Group	**2600**	**6,164**	**4,029**	**3,545**	**2,642**	**9,090**	**2,251**	**11,962**	**98,184**	**137,866**	**124,129**	**–**	**–**

Explanatory notes:

1. *Debtors balance as at 31 December 2025 is **R137,8 million.***

2. *Debt collection needs to be improved, and we are currently implementing the debt collection policy and following up on our outstanding debt.*

3. *A debt collection committee has been established and will be meeting on a monthly basis.*

4. *The total debt written off by the municipality during 2025/26 is **R679 842.***

5. *90% overall collection on debtors based on the actual revenue billed as at 31 December 2025. Refer to the table below:*

HANTAM MUNICIPALITY
BUDGET FOR YEAR 2025-2026
31 December 2025

Hantam Debitor collection									
31-Dec-25			**Current month**	**Previous months**					**Average over the last 6 months**
			Dec 2025	**Nov 2025**	**Oct 2025**	**Sep 2025**	**Aug-25**	**Jul-25**	
Dorpe	**HEFFING**	**BETALING**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
CALVINIA	2,418,137.90	3,377,748.78	140	67	122	90	69	152	107%
BRANDVLEI	441,094.30	303,997.81	69	58	145	52	52	148	87%
LOERIESFONTEIN	891,397.26	682,184.19	77	64	108	97	66	76	81%
NIEUWOUDTVILLE	902,613.22	1,258,457.68	139	64	98	77	71	41	82%
MIDDELPOS	26,326.70	10,600.00	40	-28	14	5	31	-38	4%
PLASE	518,805.88	109,715.42	21	23	67	50	61	24	41%
TOTAAL/GEM %	5,198,375.26	5,742,703.88	110	62	114	84	67	102	90%

B. CREDITORS' ANALYSIS

NC065 Hantam - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	186	1,735	1,643	2,031	–	–	–	–	**5,595**	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	
Loan repayments	0600	–	–	–	–	–	–	–	–	–	
Trade Creditors	0700	835	21	133	–	–	–	–	0	**989**	
Auditor General	0800	2,289	1,381	1,082	380	–	–	–	–	**5,132**	
Other	0900	124	146	65	–	1,258	2,222	2,499	19,008	**25,322**	
Medical Aid deductions										–	
Total By Customer Type	**1000**	**3,434**	**3,282**	**2,925**	**2,411**	**1,258**	**2,222**	**2,499**	**19,008**	**37,038**	–

Explanatory notes:

1. *The creditors' balance as of December 2025 was R37 million.*
    - *The municipality is committed to pay its creditors within 30 days of receipt of invoice, where possible. Due to available funds and low collection rate. However, due to the budget this was not always possible.*
    - *Major creditors at year-end are:*
        - *Department of Transport: R 20 million due*
        - *Auditor-General: R5,1 million due*
        - *Eskom: R5.6 million*

2. *Trade payables of R37 million relates to the payment to suppliers, including payments to capital infrastructure and Eskom.*

C. INVESTMENT PORTFOLIO ANALYSIS

Municipal Investment Regulations, section 9(1), states that: "

"The accounting officer of the municipality or municipal entity must within 10 working days of the end of each month, as part of the section 71 report required by the Act (MFMA), submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with general recognised accounting practice, the investment portfolio of that municipality or municipal entity as at the end of the month".

2. The report referred to in sub regulation (1) must set out at least –
(a) The market value of each investment at the beginning of the reporting period;
(b) Any changes to the investment portfolio during the reporting period;
(c) The market value of each investment as at the end of the reporting period; and
(d) Fully accrued interest and yield for the reporting period.

NO	REGISTERED BANK ACCOUNT	BANKING INSTITUTE	ACCOUNT NUMBER	CALL ACCOUNT DESCRIPTION	ACCOUN T STATUS	OPENING BALANCE	INTEREST EARNED	WITHDRAWAL	DEPROSIT/ INVESTMENT	CLOSING BALANCE
1	Hantam Droo	Standard Bank	088673669-021	CALL DEPOSIT RBIG (CRR) : 088673669-021	Active	118,347.92	4,108.59	-	-	122,456.51
2	Hantam Droo	Standard Bank	088673669-022	CALL DEPOSIT MIG: 088673669-022	Active	35,734.48	163,239.13	-9,274,329.43	12,297,859.00	3,222,503.18
3	Hantam Droo	Standard Bank	088673669-023	CALL DEPOSIT WSIG: 088673669-023	Active	88,969.22	1,826.99	-	-	90,796.21
4	Hantam Droo	Standard Bank	088673669-024	CALL DEPOSIT FMG: 088673669-024	Active	11,375.23	204.46	-	-	11,579.69
5	Hantam Droo	Standard Bank	088673669-025	CALL DEPOSIT EEDMS: 088673669-025	Active	178,854.20	3,902.14	-	-	182,756.34
6	Hantam Droo	Standard Bank	088673669-026	HANTAM SURPLUS: 08 867 3669 026	Active	213,032.53	106,096.77	-18,700,000.00	20,450,000.00	2,069,129.30
7	Hantam Droo	Standard Bank	088673669-027	HANTAM EPWP: 08 867 366 9 027	Active	1,332.67	23.95	-	-	1,356.62
8	Hantam Droo	Standard Bank	088673669-028	HANTAM INEP:08 867 366 9 028	Active	906,125.54	7,285.13	-1,575,000.00	675,000.00	13,410.67
TOTAL						1,553,771.79	286,687.16	-29,549,329.43	33,422,859.00	5,713,988.52

Explanatory notes:

1. *The funds transferred into the investment call accounts are grant receipts for the during year. The municipality uses these accounts to manage the spending of conditional grants as required by the MFMA, as well as to attract a more favourable interest from these call account investments.*

2. *The investment call accounts as of 31 December 2025 were* ***R5 713 988.***

3. *Interest on investment accounts received for the period July 2025 – 31 December 2025 amounts to* ***R286 687***

D. ALLOCATION AND GRANT RECEIPTS

CONDITIONAL GRANTS							
GRANT DESCRIPTION	ALLOCATION PER DORA R	ADDITIONAL/ REDUCED ALLOCATION R	TOTAL REVISED ALLOCATION R	ACTUAL GRANT RECEIVED R	SURRENDED R	OUTSTANDING GRANTS NOT YET RECEIVED R	TOTAL GRANTS RECEIVED %
Municipal Infrastructure Grant (MIG)	20,429,000.00	0.00	20,429,000.00	10,935,000.00	0.00	9,494,000.00	54%
Integrated National Electrification Programme (Municipal) Grant	1,500,000.00	0.00	1,500,000.00	975,000.00	0.00	525,000.00	65%
Financial Management Grant (FMG)	2,000,000.00	0.00	2,000,000.00	2,000,000.00	0.00	0.00	100%
Expanded Public Works Programme (EPWP - Public Works)	1,269,000.00	0.00	1,269,000.00	888,000.00	0.00	381,000.00	70%
DSAC - Libraries Grant	1,900,000.00	0.00	1,900,000.00	950,000.00	0.00	950,000.00	50%
LG Seta		0.00	0.00	63,782.52	0.00	-63,782.52	#DIV/0!
TOTAL	**27,098,000.00**	**0.00**	**27,098,000.00**	**15,811,782.52**	**0.00**	**11,286,217.48**	**58%**

UNCONDITIONAL GRANTS							
GRANT DESCRIPTION	ALLOCATION PER DORA R	ADDITIONAL ALLOCATION R	TOTAL REVISED ALLOCATION R	ACTUAL GRANT RECEIVED R	SURRENDED R	OUTSTANDING GRANTS NOT YET RECEIVED R	TOTAL GRANTS RECEIVED %
Equitable share	37,702,000.00		37,702,000.00	28,213,000.00	0.00	9,489,000.00	75%
TOTAL	**64,800,000.00**	**0.00**	**64,800,000.00**	**44,024,782.52**	**0.00**	**9,489,000.58**	**75%**

Explanatory notes:

1. *The above table reflect the total conditional and unconditional grants allocated to the municipality in terms of DoRA and agreements with provincial departments and LGSeta versus what was received by the municipality as of December 2025.*

2. *The actual conditional grants received is R15 811 782, which is 58% of the total allocation of the municipality. R 28 231 000 (75%) of the total equitable share was received as of December 2026.*

3. *National Treasury will release the remaining grant allocations by March 2026.*

4. *The prior year roll-over applications of R64 000 on MIG and INEP were not approved by National Treasury, and these funds were deducted from the December 2025 equitable share. The municipality will account for this adjustment in the adjustments budget in February 2026.*

5. *Possible adjustment to the conditional grants may be made. Discussions are being held with MIG and WSIG for possible funding. The budget will be adjusted as and when this has been communicated and approved by National Treasury.*

E. ALLOCATION AND GRANT EXPENDITURE

CONDITIONAL GRANTS

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	REVISED OPENING BALANCE (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	TOTAL EXPENSES (Incl VAT) R	% SPENT AGAINST TOTAL RECEIVED	UNSPENT PORTION	RECOGNISED AS REVENUE DURING THE YEAR
Municipal Infrastructure Grant (MIG)	Capital Grant	63,414.48	0.00	63,414.48	10,935,000.00	8,567,335.23	78.35%	2,367,664.77	8,567,335.23
Integrated National Electrification Programme (Municipal) Grant	Capital Grant	1,444.47	0.00	1,444.47	975,000.00	975,000.00	100.00%	0.00	975,000.00
Financial Management Grant (FMG)	Operating Grant	0.00	0.00	0.00	2,000,000.00	1,233,338.21	61.67%	766,661.79	1,233,338.21
Expanded Public Works Programme (EPWP - Public Works)	Operating Grant	0.00	0.00	0.00	888,000.00	888,000.00	100.00%	0.00	888,000.00
DSAC - Libraries Grant	Operating Grant	0.00	0.00	0.00	950,000.00	950,000.00	100.00%	0.00	950,000.00
LG Seta	Operating Grant	0.00	0.00	0.00	63,782.52	35,100.00	55.03%	28,682.52	35,100.00
		64,858.95	**0.00**	**64,858.95**	**15,811,782.52**	**12,648,773.44**	**80.00%**	**3,163,009.08**	**12,648,773.44**

UNCONDITIONAL GRANTS

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	REVISED OPENING BALANCE (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	REPAYMENT OF GRANTS	RECOGNISED AS REVENUE DURING THE YEAR
Equitable share	Operating Grant	0.00	0.00	0.00	28,213,000.00	0.00	28,097,840.93
TOTAL		**0.00**	**0.00**	**0.00**	**28,213,000.00**	**0.00**	**28,097,840.93**

GRANT TYPE SUMMARY

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	RECEIPTS DURING THE YEAR (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	TOTAL EXPENSES (Incl VAT) R	% SPENT AGAINST TOTAL RECEIVED	UNSPENT PORTION	RECOGNISED AS REVENUE DURING THE YEAR
Operating Grant		0.00	0.00	0.00	32,114,782.52	3,106,438.21	9.67%	795,344.31	31,204,279.14
Capital Grant		64,858.95	0.00	64,858.95	11,910,000.00	9,542,335.23	80.12%	2,367,664.77	9,542,335.23
		64,858.95	**0.00**	**64,858.95**	**44,024,782.52**	**12,648,773.44**	**28.73%**	**3,163,009.08**	**40,746,614.37**

CONDITIONAL AND UNCONDITIONAL GRANT SUMMARY

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	RECEIPTS DURING THE YEAR (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	TOTAL EXPENSES (Incl VAT) R	% SPENT AGAINST TOTAL RECEIVED	UNSPENT PORTION	RECOGNISED AS REVENUE DURING THE YEAR
Conditional grants received		64,858.95	0.00	64,858.95	15,811,782.52	12,648,773.44	80%	3,163,009.08	12,648,773.44
Unconditional grants received		0.00	0.00	0.00	28,213,000.00			0.00	28,097,840.93
		64,858.95	**0.00**	**64,858.95**	**44,024,782.52**	**12,648,773.44**	**29%**	**3,163,009.08**	**40,746,614.37**

Explanatory notes:

1. *The above table reflects the total expenses incurred against the received conditional grants, which includes retentions withheld from the contractor, if any.*

2. *Total operating grants received for the year is R32,1 million.*

3. *Total capital grants received for the year is R11,9 million. The municipality spent R9,5 million (80.12%) of the total capital grants received as at 31 December 2025.*

4. *The prior year roll-over applications of R64 000 on MIG and INEP were not approved by National Treasury, and these funds were deducted from the December 2025 equitable share. The municipality will account for this adjustment in the adjustments budget in February 2026.*

5. *The municipality believes that the remaining grant allocation will be spent by 30 June, as most planned projects is currently being implemented.*

F. COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

NC065 Hantam - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		214	–	–	4	18	–	18	#DIV/0!	–
Motor Vehicle Allowance		70	–	–	11	46	–	46	#DIV/0!	–
Cellphone Allowance		603	611	611	40	268	306	(38)	-12%	611
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1,245	5,489	5,489	348	2,497	2,744	(247)	-9%	5,489
Sub Total - Councillors		**2,132**	**6,100**	**6,100**	**403**	**2,829**	**3,050**	**(221)**	**-7%**	**6,100**
% increase	4		**186.1%**	**186.1%**						**186.1%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2,503	4,899	4,899	94	682	2,450	(1,767)	-72%	4,899
Pension and UIF Contributions		8	28	28	–	1	14	(13)	-94%	28
Performance Bonus		335	355	355	–	–	177	(177)	-100%	355
Motor Vehicle Allowance		160	305	305	6	81	152	(71)	-47%	305
Cellphone Allowance		14	43	43	–	3	21	(18)	-84%	43
Long service awards		–	72	72	–	–	36	(36)	-100%	72
In kind benefits								–		
Sub Total - Senior Managers of Municipality		**3,020**	**5,701**	**5,701**	**100**	**767**	**2,850**	**(2,083)**	**-73%**	**5,701**
% increase	4		**88.8%**	**88.8%**						**88.8%**
Other Municipal Staff										
Basic Salaries and Wages		30,995	34,394	34,394	2,966	17,934	17,197	737	4%	34,394
Pension and UIF Contributions		6,253	6,509	6,509	520	3,163	3,254	(92)	-3%	6,509
Medical Aid Contributions		1,162	2,447	2,447	172	1,159	1,224	(65)	-5%	2,447
Overtime		2,581	1,572	1,572	206	1,238	786	451	57%	1,572
Performance Bonus		2,406	2,598	2,598	171	1,966	1,299	667	51%	2,598
Motor Vehicle Allowance		2,308	2,292	2,292	238	1,319	1,146	173	15%	2,292
Cellphone Allowance		201	126	126	22	110	63	47	74%	126
Housing Allowances		168	211	211	9	57	105	(48)	-46%	211
Other benefits and allowances		15	513	513	1	7	256	(249)	-97%	513
Payments in lieu of leave		783	50	50	–	154	25	129	515%	50
Long service awards		196	50	50	–	–	25	(25)	-100%	50
Post-retirement benefit obligations	2	2,516	1,855	1,855	–	–	927	(927)	-100%	1,855
In kind benefits								–		
Sub Total - Other Municipal Staff		**49,585**	**52,616**	**52,616**	**4,305**	**27,105**	**26,308**	**797**	**3%**	**52,616**
% increase	4		**6.1%**	**6.1%**						**6.1%**
Total Parent Municipality		**54,737**	**64,416**	**64,416**	**4,808**	**30,701**	**32,208**	**(1,507)**	**-5%**	**64,416**
			17.7%	**17.7%**						**17.7%**
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		**54,737**	**64,416**	**64,416**	**4,808**	**30,701**	**32,208**	**(1,507)**	**-5%**	**64,416**
% increase	4		**17.7%**	**17.7%**						**17.7%**
TOTAL MANAGERS AND STAFF		**52,605**	**58,316**	**58,316**	**4,405**	**27,873**	**29,158**	**(1,286)**	**-4%**	**58,316**

Explanatory notes:

The total salary bill of the municipality as of 31 December 2025 is R30,7 million, 95% of the total year-to-date budget. 51,5% of the total budget on employee related costs and council remuneration was spent as at December 2026.

1. Remuneration of councillors:

- *R2,8 million was spent as of 31 December 2025, which is 7% less than what was budgeted for 31 December 2025.*
- *This is due the vacancy in the council following the death of late councillor G Laban and the finalisation of the election process for the appointment of a new councillor in ward 7.*
- *Possible adjustment to be made to account for possible upper limits on the remuneration of councillors.*

2. Senior Managers and other Municipal Staff:

- *R27,8 million was spent in the month of 31 December 2025 for salaries for senior managers & staff*
- *This is 4% less than what was budgeted for as at mid-term.*
- *Overtime amounted to R 1,2 million for the months up to 31 December 2025, which is 57% more than budgeted for the month of 31 December 2025*
- *Employee costs budget needs to be adjusted, in line with the vacancies not timely filled as of January 2025, as well as possible new appointments to be made within the next 6 months.*
- *Adjustment to remuneration of senior manager to account to be made to account in line with the revised upper limits of senior management issued in December 2025.*

G. CAPITAL PROGRAMME PERFORMANCE

NC065 Hantam - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD varianc	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 08 - Road Transport		5,884	–	–	–	–	–	–		–
Vote 09 - Electricity		5,615	1,299	1,299	–	848	649	198	31%	1,299
Vote 10 - Water		68,800	–	–	–	–	–	–		–
Vote 11 - Waste Water Management		15,309	7,826	7,826	–	441	3,913	(3,472)	-89%	7,826
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**95,608**	**9,125**	**9,125**	**–**	**1,289**	**4,562**	**(3,273)**	**-72%**	**9,125**
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		146	600	600	–	–	300	(300)	-100%	600
Vote 02 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 03 - Corporate Services		396	606	606	–	132	303	(171)	-56%	606
Vote 04 - Community & Social Services		–	500	500	–	–	250	(250)	-100%	500
Vote 05 - Sports & Recreation		–	9,388	9,388	1,600	6,337	4,694	1,643	35%	9,388
Vote 09 - Electricity		1,111	–	–	–	–	–	–		–
Vote 10 - Water		–	173	173	–	–	87	(87)	-100%	173
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	1,652	11,268	11,268	1,600	6,469	5,634	**835**	**15%**	11,268
Total Capital Expenditure		**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Capital Expenditure - Functional Classification										
Governance and administration		**542**	**1,206**	**1,206**	–	**132**	**603**	(471)	-78%	**1,206**
Executive and council		–	600	600	–	–	300	(300)	-100%	600
Finance and administration		396	606	606	–	132	303	(171)	-56%	606
Internal audit		146	–	–	–	–	–	–		–
Community and public safety		–	**9,888**	**9,888**	**1,600**	**6,337**	**4,944**	1,393	28%	**9,888**
Community and social services		–	500	500	–	–	250	(250)	-100%	500
Sport and recreation		–	9,388	9,388	1,600	6,337	4,694	1,643	35%	9,388
Economic and environmental services		**5,884**	–	–	–	–	–	–		–
Planning and development		–	–	–	–	–	–	–		–
Road transport		5,884	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**90,835**	**9,298**	**9,298**	–	**1,289**	**4,649**	(3,360)	-72%	**9,298**
Energy sources		6,726	1,299	1,299	–	848	649	198	31%	1,299
Water management		68,800	173	173	–	–	87	(87)	-100%	173
Waste water management		15,309	7,826	7,826	–	441	3,913	(3,472)	-89%	7,826
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional	3	**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**
Funded by:										
National Government		89,870	18,513	18,513	1,600	7,626	9,257	(1,631)	-18%	18,513
Provincial Government								–		
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**89,870**	**18,513**	**18,513**	**1,600**	**7,626**	**9,257**	**(1,631)**	**-18%**	**18,513**
Borrowing	6	–	600	600	–	–	300	(300)	-100%	600
Internally generated funds		7,390	1,279	1,279	–	132	640	(507)	-79%	1,279
Total Capital Funding		**97,260**	**20,392**	**20,392**	**1,600**	**7,758**	**10,196**	**(2,438)**	**-24%**	**20,392**

VOTES	Description	BUDGET	MONTH	Y.T.D.	UNSPEND	Y.T.D. Budget
2010642042023111ZZWM	P-CNIN TRANSPORT ASSETS	600,000	-	-	600,000	300,000
3005647002024112ZZHO	P-CNIN COMPUTER EQUIP	259,740	-	124,784	134,956	129,870
3005646002024110ZZHO	P-CNIN FURN & OFF EQUIP	129,870	-	7,612	122,258	64,935
3005647002024112ZZWM	P-CNIN COMPUTER EQUIP	216,450	-	-	216,450	108,225
3505647352024165ZZWM	OMHEINING VAN BEGRAFPLASE	500,000	-	-	500,000	250,000
4010647352014115ZZW1	P-CNIEU SPT/REC OUTDOOR F	9,388,398	1,600,084	6,336,835	3,051,563	4,694,199
6505644942014145ZZW3	P-CIEU SAN PUMP STATION	2,854,594	-	-	2,854,594	1,427,297
6505644942014146ZZW3	P-CIEU SAN RETICULATION	4,971,337	-	441,233	4,530,104	2,485,669
7005645602024113ZZWM	P-CNIN MACHINERY & EQUIP	173,160	-	-	173,160	86,580
7505643302018158ZZW1	P-CIEU ELE LV NETWORKS	1,298,701	-	847,826	450,875	649,351
		20,392,250	**1,600,084**	**7,758,290**	**12,633,960**	**10,196,125**
TOTAL PER FUNDING SOURCE						
MIG		17,214,329	1,600,084	6,778,068	10,436,261	8,607,165
OWN		1,879,220	-	132,396	1,746,824	939,610
INEP		1,298,701.00	-	847,826.09	450,874.91	649,350.50
		20,392,250	**1,600,084**	**7,758,290**	**12,633,960**	**10,196,125**

Explanatory notes:

1. *The capital expenditure for the month of December 2025 is 75% of the total budget.*

2. *The capital expenditure for the month of 31 December 2025 is R7,7 million (Vat excl.), 38 % of the total budget, 76% of the total year-to-date budget.*
   a) *Funded by National Government: R7,6 million spent, of the total allocation of R18,5 million. This expenditure excludes VAT and the funding includes. Therefore, total expenditure is R8,7 million.*

   b) *Funded by own funding (internally generated funds): R132 k spent. This is 93% less than budgeted for the period. The procurement of these capital assets will be procured in the second semester of 2025/26 financial year. The following capital expenses has been committed but not yet implemented:*
      1. *CCTV cameras*
      2. *Air conditioners*
      3. *Computer equipment*
      4. *Speed camera (Traffic)*

   c) *Projects are being implemented as per project plan.*

   d) *Adjustment to MIG allocation to be made based on the revised business plan, in current and outer financial year.*

   e) *Management will review own funded capital assets budget and reduce where possible.*

   f) *Possible adjustment to the conditional grants may be made. Discussions are being held with MIG and WSIG for possible funding. The budget will be adjusted as and when this has been communicated and approved by National Treasury. Capital budget to be adjusted accordingly once additional funding has been approved.*

H. REPAIRS AND MAINTENANCE

Expenditure incurred on repairs and maintenance is as follows:

REPAIRS AND MAINTENANCE	BUDGET	MONTH	Y.T.D.	UNSPEND
Administration - 3005	2,445	-	-	2,445
Acct. Income & Exp - 3020	124,871	931	92,003	31,937
Properties - 3040	805,381	- 1,365	110,473	685,412
Sport Fields - 4010	212,967	-	13,907	198,656
Swimming Pool - 4005	5,438	-	4,403	1,035
Libraries - 3515	394	-	-	394
Disaster Management - 3510	19,644	-	-	19,644
Cemeteries - 3505	69,362	-	-	69,362
Nature Reserve - 4510	284	-	-	284
Aerodrome - 5005	12,662	-	-	12,662
Roads - 5505	561,264	3,243	480,632	63,202
Traffic - 5510	38,798	1,953	27,034	246
Solid Waste - 6005	905,270	57,141	381,807	455,159
Waste Water - 6505	561,310	1,641	60,436	500,291
Water - 7005	1,147,698	74,021	679,415	390,795
Electricity - 7505	1,594,766	70,999	472,562	1,018,819
	6,062,554	208,564	2,322,672	3,450,342

FLEET DIESEL/PETROL	BUDGET	MONTH	Y.T.D.	UNSPEND
Properties - 3040	118,054	-	-	118,054
Roads - 5505	302,512	-	302,512	-
Traffic - 5510	109,522	-	-	109,522
Solid Waste - 6005	300,000	-	-	300,000
Waste Water - 6505	625,000	-	440,066	184,934
Water - 7005	461,477	-	3,387	449,678
Electricity - 7505	147,540	-	-	147,540
	2,064,105	0	745,966	1,570,144

Explanatory notes:

1. *Expenses on repairs and maintenance is less than budgeted; this is due to lack of maintenance plan which will assist in the identification of major assets that needs to be maintained. Assets are maintained on as and when required.*

2. *The development of an asset maintenance plan is budgeted for under the MIG grant for this year. This will be finalised by 30 June 2026.*

3. *Adjustment to the repairs and maintenance vote to be done. Budget to be split between various departments and types of repairs and maintenance.*

4. *Downwards adjustment is proposed for fuel in relation to the spending as at December 2025.*

I. COST CONTAINMENT EXPENDITURE SAVINGS

HANTAM MUNICIPALITY
BUDGET FOR YEAR 2025-2026
Cost Containment expenditure/savings to date
31 December 2025

In terms of the Municipal Cost Containment Regulations, 2019 Regulation 15 (2) and (3) the Municipal Manager must on a quarterly basis report to Council for review and resolution the savings on the budget relating to the cost containment items.

Total Cost Savings Disclosure in the In-Year and Annual Report

Measures	Annual Budget	Actual to date Q1	Actual to date Q2	% Spent to date	Savings
Use of Consultants	10,344,450.00	1,337,583.03	2,603,957.25	38%	6,402,909.72
Vehicles used for political office bearers	0	0	-	0%	-
Travel and subsistence	1,648,202.00	746,679.00	255,380.13	61%	646,142.87
Domestic accomodation	1,126,687.00	277,190.00	140,716.15	37%	708,780.85
Sponsorships,events and catering	760,000.00	223,678.54	150,313.74	49%	386,007.72
Communication	117,509.00	17,137.00	17,046.07	29%	83,325.93
Overtime	1,572,222.00	630,728.76	606,870.23	79%	334,623.01
Other related expenditure					
TOTAL	**15,569,070.00**	**3,232,996.33**	**3,774,283.57**	45%	**8,561,790.10**

Explanatory notes:

1. *The cost containment savings as at 31 December 2025 R 8,5 million, whereby R 6,9 million was spent of the budget of R 15,5 million*

The following expenditure were above 50 % for Q1 spending.

- ***Travel and subsistence – 61 %***
- ***Overtime – 79%***

Remedial or corrective steps to address the above spending

To ensure that the projected expenditure remain within the municipal budget and adhere to cost containment:

a) *Management to do relook at the effectiveness in their organisation to reduce overtime by focusing on the following.*
   - *By balancing workload and ensuring that workload is distributed fairly across teams*
   - *By addressing staff issues relating to vacancies on the organogram*
   - *Making use of any support of district municipality*
   - *Upskill officials where there is training need*

b) *Management to opt for more online meetings, using for example MS teams to save on traveling cost if possible. Furthermore, to reduce the number of officials attending the same meeting and making use of municipal own vehicles to travel to meetings.*

J. BANK ACCOUNT WITHDRAWALS, WITHOUT APPROPRATION IN TERMS OF AN APPROVED BUDGET

Hantam Local Municipality

Bank Account Withdrawals, without appropration in terms of an Approved Budget
Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2025 to 31/12/2025

MFMA section 11(4) states that the accounting officer must within 30 days after the end of each quarter table in the municipal council a consolidated repoorft all withdrawals made in and submit a copy of the report to the relevant provincial treasury and the Auditor-General.

Requirement	Amount	Notes
Section 11(1)(b) to defray expenditure authorized in terms of section 26(4)	0.00	Not applicable. The budgeted was approved before the start of the financial year.
Section 11(1)(c) to defray unforeseeable and unavoidable expenditure authorized in terms of section 29(1)	0.00	No unforeseeable and unavoidable expenditure was incurred during this period.
Section 11(1)(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section	0.00	No withdrawals were made from the section 12, Donations account during this period
Section 11(1)(e)(i) money collected by the municipality on behalf of an organ of state. Money collected on behalf of Transport, Safety and Liaison	265,166.70	All money collected on behalf of Transport, Safety and Liaison were paid
Section 11(1)(e)(ii) any insurance or other payments received by the municipality for that organ of state	0.00	None
Section 11(f) to refund money incorrectly paid into a bank account.	0.00	None
Section 11(g) to refund guarantees, sureties and security deposits.	0.00	No guarantees, sureties and security deposits were refunded during this period.
Section 11(h) for cash management and investment purposes in accordance with section 13. DORA withdrawal	15,324,859.00	During the period, equitable share and conditional grants received which were not immediately required were invested in investment call accounts. This funds were utilised during the period based on the progress of the project.
Section 11(1)(i) to defray increased expenditure in terms of section 31	0.00	No shifting of funds between multi-year appropriations were made during this period.
Section (11)(1)(j) for such purposes as may be prescribed	0.00	None

K. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND IMPLEMENTATION PLAN (SDBIP)

The overall mid-year actual performance on indicators against the performance indicators set in the approved SDBIP, is set out in the table below:

Hantam Municipality	Strategic Objective			
	Financial sustainability and viability	Infrastructure Development and Basic Service Delivery	Institutional Development and transformation	Total
KPIs not met	0	3	0	3
KPIs almost met	0	1	0	1
KPIs met	1	0	0	1
KPIs well met	0	10	1	11
KPIs extremely well met	0	3	0	3
Total:	**1**	**17**	**1**	**19**

Figure 5: *Overall actual performance of indicators for the mid-year ending 31 December 2025*

Category	Colour	Explanation
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target >= 150%

During the first half of the 2025/26 financial year, the municipality performed well in achieving its set targets. In cases where targets were not met, the municipality initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

L. OTHER SUPPORTING DOCUMENTS

1) ANNEXURE A: MID YEAR PERFORMANCE REPORT FOR THE PERIOD JULY 2025 – DECEMBER 2025

2) ANNEXURE B: DETAILED FINANCIAL REPORT PER VOTE

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **JJ Fortuin**, the Municipal Manager of **Hantam Local Municipality** hereby certify that the monthly budget statements the **Mid-Year Budget and Performance Assessment** for the month of **December of 2026 (M06)** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: ____

Municipal Manager of Hantam Local Municipality (NC065)

Signature: ____

Date: ____

ACKNOWLEGMENT OF RECEIPT BY THE MAYOR

Print Name: ____

Mayor of Hantam Local Municipality (NC065)

Signature: ____

Date: ____