HANTAM LOCAL MUNICIPALITY

(NC065)

AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF THE HANTAM LOCAL MUNICIPALITY (NC065)

2026/27 – 2028/29

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET - DRAFT

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BACKGROUND

Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved annual budget through an adjustment budget.

Municipalities have an obligation to execute the following objects of local government as stipulated in Section 152 of the Constitution of Republic of South Africa;

- to provide a democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organizations in the matters of local government

Section 21(1)(a) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), requires from the Mayor of Hantam Local Municipality to co-ordinate the process for preparing the annual budget and for reviewing the Municipality's Integrated Development Plan (IDP) and budget-related policies to ensure that the tabled budget and any revisions of the IDP and budget-related policies are mutually consistent and credible.

Section 16(2) of the MFMA determines that the Mayor must table the annual budget at a Council meeting at least 90 days before the start of a budget year.

Furthermore, section 17 of the MFMA, an annual budget of a Municipality must set out realistically anticipated revenue for the budget year and appropriate expenditure for the budget year under the different votes of the Municipality.

An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

In terms of section 16 (1) of the Municipal Finance Management Act the Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

Section 24 of the Municipal Finance Management Act, states that:

(1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget:
   - (a) must be approved before the start of the budget year;
   - (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
   - (c) must be approved together with the adoption of resolutions as may be necessary –
     - (i) imposing any municipal tax for the budget year;
     - (ii) setting any municipal tariffs for the budget year;
     - (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
     - (iv) approving any changes to the municipality's integrated development plan; and
     - (v) approving any changes to the municipality's budget-related policies.

(3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

In order for a Municipality to comply with subsection 24 (1) of the MFMA prescribes that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget, i.e. 31 May 2026.

Attached herewith is the FINAL Annual budget of Hantam Local Municipality for the MTREF year 2026/2027 to 2028/29, for approval by the council.

SUMMARY

The **Draft** 2026/2027 to 2028/29MTREF Budget Report deals with the operating budget, tariffs, capital budget and funding sources proposals to ensure that Hantam Local Municipality render services to the local community in a financially sustainable manner.F

The application of sound financial management principles for the compilation of the Municipality's Financial Plan are essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The process of developing the municipality's annual budget is largely guided by the strategic thrusts and operational priorities of Hantam's IDP as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the two outer years.

Description	Adjusted Budget 2025/26	2026/27 (R)	% Variance	2027/28 (R)	2028/29 (R)
Total Revenue (excluding capital transfers and contributions)	157712633	168 589 830	7%	179 068 460	191 679 984
Total Expenditure	-180539490	- 186 731 152	3%	- 175 482 268	- 182 104 829
Transfers and subsidies - capital (monetary allocations)	21929000	19 365 000	-12%	35 690 000	36 994 000
Surplus/(Deficit) for the year	-897857	**1 223 678**		**39 276 192**	**46 569 155**

Capital expenditure & funds sources	Adjusted Budget	2026/27 (R)	% Variance	2027/28 (R)	2028/29 (R)
Capital expenditure	20 080 741	17 969 565	-11%	32 147 825	33 281 739
Transfers recognised - capital	18 593 521	16 839 130	-9%	31 034 782	32 168 696
Borrowing	-	521 739	100%	913 043	913 043
Internally generated funds	1 487 220	608 696	-59%	200 000	200 000
Total sources of capital funds	**20 080 741**	**17 969 565**	**-11%**	**32 147 825**	**33 281 739**

On 6 February 2026, the Minister of Finance tabled the 2026/27 Budget in Parliament. The budget as tabled includes various grant allocations to municipalities in terms of the requirements of the Division of Revenue Act (DORA). The municipality's Draft budget includes the following grant allocations:

Grant Description	Type of Grant	2025/26 (R)	2026/27 (R)	2027/28 (R)
Municipal Infrastructure Grant (MIG)	Conditional Grant - Capital	11 009 000	11 720 000	11 946 000
Integrated National Electrification Programme (Municipal) Grant (INEP)	Conditional Grant - Capital	-	3 646 000	3 811 000
Water Services Infrastructure Grant (WSIG)	Conditional Grant - Capital	8 356 000	20 324 000	21 237 000
Total Transfers and subsidies - Capital		**19 365 000**	**35 690 000**	**36 994 000**

Grant Description	Type of Grant	2025/26 (R)	2026/27 (R)	2027/28 (R)
Financial Management Grant (FMG)	Conditional Grant – Operational	2 100 000	2 200 000	2 300 000
Expanded Public Works Programme (EPWP - Public Works)	Conditional Grant – Operational	1 319 000	-	-
DSAC - Libraries Grant	Conditional Grant – Operational	1 900 000	1 986 000	2 075 000
LG Seta	Conditional Grant – Operational	350 000	350 000	350 000
Equitable Share	Unconditional Grant	39 121 000	40 665 000	41 925 000
Total Transfers and subsidies - Operational		**44 790 000**	**45 201 000**	**46 650 000**
Total Transfers and subsidies		**64 155 000**	**77 943 000**	**86 348 500**

In terms of the above table, the total Operating Grants amount to R44 790 000; R45 201 000 and R46 650 000 for the three financial years, whilst the total Capital Grants amount to R19 365 000; R35 690 000 and R36 994 000 over the same period.

Included in the above capital budget, the following capital projects for the 2026/27 financial year:

Source of Funding	Project Description	Amount Excl. VAT	Amount Incl. VAT
MIG	Nieuwoudtville Extension of Oxidation Ponds	9 573 043.48	11 009 000.00
WSIG	Upgrading of Nieuwoudtville Boreholes	7 266 086.96	8 356 000.00
Total		**16 839 130.43**	**19 365 000.00**

Budget consultation processes with relevant stakeholders, including the community of Hantam Local Municipality and Provincial Treasury, will be undertaken as required by section 23 of the MFMA. This process will be conducted in April/May 2026.

Improvements to the budget and amendments will be made in the period leading up to the final approval of this 2026/27 to 2028/28 MTREF budget.

Lastly, let me take this opportunity to sincerely thank all role players who assisted in ensuring that the Dradft budget is submitted to Council for noting, leading up to the final approval of the budget on or before the end of May 2025**.**

I therefore table the Draft budget 2026/27 to 2028/29 and the accompanying documents before Council for **ADOPTION**.

a) Summary of the medium-term service delivery objectives and the associated medium-term financial implications contained in the annual budget.

The executive summary and explanatory notes supporting schedules to the annual budget below explains in detail the medium-term service delivery objectives and the associated medium-term financial implications contained in the annual budget.

Refer to the DRAFT service delivery and implementation plan for the 2026/27 financial year.

b) Summary of linkage between the annual budget, the Integrated Development Plan and the political priorities at the national, provincial, municipality and local levels.

The DRAFT Integrated Development Plan and the political priorities at the national, provincial, municipality and local levels were considered and incorporated in compiling the annual budget.

Detail thereof is shown in the DRAFT Integrated Development Plan 2026/27 as revised.

c) Summary of infrastructure development objectives.

The objective of infrastructure development is to eradicate backlogs in order to improve access to service and ensure proper operations and maintenance and to ensure that an efficient, competitive and responsive economic infrastructure network exist within the municipality.

The key capital projects have been planned for the 2026/27 financial year as indicated above.

d) Summary of material amendments made to the annual budget after the consultation processes

As this is a DRAFT budget, inputs from the budget consultation process will be reported on in the final budget, this includes the correction of data strings and budget alignment in terms of MSCOA.

The municipality will conducted budget engagements and consultations with relevant stakeholders and the community during the April/May 2026. The inputs of the community will be considered in the final budget.

1.2 COUNCIL RESOLUTION

Dat die Raad –

(1) Die Konsepbegroting van Hantam Munisipaliteit vir die 2026/2027 "MTREF" ("Medium Term Revenue and Expenditure Framework") soos uiteengesit in die skedules goedgekeur word:
- (i) Tabel A1 – Konsep begroting Opsomming;
- (ii) Tabel A2 – Konsep begroting Finansiële Prestasie (per standaard klassifikasie);
- (iii) Tabel A3 – Konsep begroting Finansiële Prestasie (per munisipale posnommer);
- (iv) Tabel A4 – Konsep begroting Finansiële Prestasie (per inkomstebron); en
- (v) Tabel A5 – Finale begroting Kapitaal Uitgawes (per munisipale posnommer en befondsingsbron);
- (vi) Tabel A6 – Konsep begroting Finansiële Posisie;
- (vii) Tabel A7 – Konsep begroting Kontantvloei;
- (viii) Tabel A8 – Kontantgesteunde reserwes / opgehoopte surplus rekonsiliasie (Cash Backed reserves / accumulated surplus reconciliation)
- (ix) Tabel A9 – Batebestuur (Asset Management)
- (x) Tabel A10 - Basiese dienslewering meting (Basic service delivery measurement)

(2) Die Raad konsep tariewe soos vervat vir die 2026/27-begrotingsjaar goedkeur

(3) Die raad die jaarlikse Konsep verkrygingsplan (annual procurement plan) goedkeur.

(4) die Direkteure kontrole maatreëls in plek stel om enige oorspandering op die Bedryfs- en Kapitaalbegrotings te voorkom.

(5) Die Konsep begrotingsbeleide van Hantam Munisipaliteit vir die 2026/2027 finansiële jaar met voorgestelde wysigings goedgekeur word bestaande uit:
- (i) Eiendomsbelasting/Property Rates Policy;
- (ii) Tariewe Beleid/Tariff Policy;
- (iii) Kredietbeheer em skuld invorderings beleid/Credit Control and Debt Collection Policy;
- (iv) Hulpbehoewende Beleid/Indigent Policy;
- (v) Voorsieningskanaal beleid/Supply Chain Management Policy;
- (vi) Infrastructure Procurement and Delivery Management Policy;
- (vii) Oordragbeleid/Virement Policy;
- (viii) Fondse en reserwe/Funds and reserve Policy
- (ix) Langtermyn Finansiële beplanning en implimentering/Long Term Financial planning and Implimentation Policy
- (x) Kontant en Beleggingsbeleid/Cash and Investment Policy
- (xi) Kontrakbestuurbeleid/Contract Management Policy
- (xii) Voorkeurverkrygingsbeleidsraamwerk/Preferantial Procurment Policy
- (xiii) Konsultasieverminderingsbeleid/Consultancy Reduction Policy
- (xiv) Kredietbeheer em skuld invorderings bywet /Credit Control and Debt Collection By-Law;
- (xv) Eiendomsbelasting bywet/Property Rates By-Law;
- (xvi) Bate Beheerbeleid/Asset Management Policy

1.3 EXECUTIVE SUMMARY

The Draft 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF) Budget Report addresses the operating budget and tariff proposals, as well as the capital budget and funding source proposals, to ensure that Hantam Municipality renders services to the local community in a financially sustainable manner.

The process in the Municipality's annual budget is mainly guided by the strategic thrusts and operational priorities of Hantam Municipality's Integrated Development Plan (IDP), as well as the MTREF that outlines the projected annual revenue and expenditure for the budget year under consideration and the two outer financial years.

The 2026/2027 MTREF Budget Report commences with a discussion on the legislative requirements to which the Municipality must comply with; the Budget Circulars containing directives published by the National and Provincial Treasuries; as well as the key budget projections for the next three financial years.

The 2026/2027 MTREF Budget report is based on these documents, as well as forecasted economic trends and national and provincial government grant allocations.

1.4 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 DRAFT MTREF Budget.

NC065 Hantam - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	18 106	19 520	18 637	36 740	27 378	27 378	26 520	28 309	29 243	30 149
Service charges	53 698	53 990	61 496	74 336	74 336	74 336	42 964	81 297	89 125	97 941
Investment revenue	1 783	2 402	1 877	2 209	1 209	1 209	429	1 330	1 463	1 609
Transfer and subsidies - Operational	36 763	39 027	41 009	43 071	43 071	43 071	31 544	44 790	45 115	46 475
Other own revenue	8 615	13 912	(10 408)	9 172	11 719	11 719	4 427	12 865	14 123	15 506
Total Revenue (excluding capital transfers and contributions)	118 966	128 850	112 611	165 528	157 713	157 713	105 883	168 590	179 068	191 680
Employee costs	44 190	47 374	52 409	58 316	58 439	58 439	37 415	64 491	64 218	63 548
Remuneration of councillors	5 389	5 710	2 132	6 100	6 142	6 142	3 835	6 408	6 683	7 001
Depreciation, amortisation and impairment	9 017	7 800	9 633	18 091	31 975	31 975	–	12 143	12 720	13 324
Interest, Dividends and Rent on Land	1 907	1 661	1 707	2 309	1 835	1 835	0	1 835	1 922	2 013
Inventory consumed and bulk purchases	37 391	42 551	54 787	32 636	37 695	37 695	20 378	47 125	44 586	48 829
Transfers and subsidies	119	150	221	500	500	500	259	500	524	549
Other expenditure	38 266	46 873	67 023	56 556	43 954	43 954	22 582	54 228	44 830	46 841
Total Expenditure	136 280	152 119	187 912	174 509	180 539	180 539	84 469	186 731	175 482	182 105
Surplus/(Deficit)	(17 314)	(23 268)	(75 301)	(8 980)	(22 827)	(22 827)	21 414	(18 141)	3 586	9 575
Transfers and subsidies - capital (monetary allocations)	75 807	154 724	124 296	21 929	21 929	21 929	11 465	19 365	35 690	36 994
Transfers and subsidies - capital (in-kind)	5 519	2 064	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	64 013	133 520	48 996	12 949	(898)	(898)	32 879	1 224	39 276	46 569
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	64 013	133 520	48 996	12 949	(898)	(898)	32 879	1 224	39 276	46 569
Capital expenditure & funds sources										
Capital expenditure	65 351	138 791	97 260	20 392	20 081	20 081	9 786	17 970	32 148	33 282
Transfers recognised - capital	63 581	137 176	89 870	18 513	18 594	18 594	9 580	16 839	31 035	32 169
Borrowing	1 413	–	–	600	–	–	–	522	913	913
Internally generated funds	357	1 616	7 390	1 279	1 487	1 487	207	609	200	200
Total sources of capital funds	65 351	138 791	97 260	20 392	20 081	20 081	9 786	17 970	32 148	33 282
Financial position										
Total current assets	35 016	42 270	32 033	67 469	41 093	41 093	16 033	24 296	40 449	67 306
Total non current assets	565 687	697 329	773 879	816 662	768 786	768 786	9 786	743 089	740 377	736 290
Total current liabilities	55 423	63 609	(273 970)	55 833	47 422	47 422	(4 535)	7 872	1 385	(1 661)
Total non current liabilities	14 521	15 324	18 164	19 613	19 945	19 945	–	47 104	48 088	49 457
Community wealth/Equity	514 192	597 471	772 304	769 326	699 919	699 919	31 173	690 356	708 723	733 421
Cash flows										
Net cash from (used) operating	82 003	118 376	100 440	41 808	26 396	26 396	7 541	44 964	53 813	–
Net cash from (used) investing	(65 351)	(138 791)	(97 260)	(23 451)	(23 140)	(23 140)	(9 714)	(34 620)	(41 037)	–
Net cash from (used) financing	(248)	439	(16 302)	–	–	–	39	–	–	–
Cash/cash equivalents at the year end	19 522	(13 739)	4 539	25 148	6 013	6 013	(2 134)	10 543	23 320	23 320
Cash backing/surplus reconciliation										
Cash and investments available	19 522	(13 739)	4 539	25 148	6 013	6 013	(2 134)	10 543	23 320	23 320
Application of cash and investments	26 604	36 432	(300 580)	26 377	17 201	17 201	(12 098)	6 050	2 603	(8 091)
Balance - surplus (shortfall)	(7 082)	(50 171)	305 119	(1 229)	(11 188)	(11 188)	9 964	4 494	20 717	31 411
Asset management										
Asset register summary (WDV)	456 763	588 405	771 518	706 426	759 624	759 624		746 025	744 679	742 876
Depreciation	9 017	7 800	9 633	18 091	31 975	31 975		31 975	33 494	35 085
Renewal and Upgrading of Existing Assets	3 755	15 947	27 918	18 513	18 802	18 802		16 839	31 035	32 169
Repairs and Maintenance	13 047	9 389	28 387	8 363	6 812	6 812		6 444	7 269	7 495
Free services										
Cost of Free Basic Services provided	(6 224)	(7 876)	(8 522)	(9 768)	(9 768)	(9 768)		(6 800)	(10 725)	(11 784)
Revenue cost of free services provided	(9 148)	(10 612)	(11 498)	4 306	(12 572)	(12 572)		(12 710)	(13 218)	(13 898)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

NC065 Hantam - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**46 624**	**54 837**	**51 797**	**68 983**	**49 613**	**49 613**	**52 162**	**54 696**	**57 237**
Executive and council		4 435	3 512	14 203	4 062	3 824	3 824	3 973	4 134	4 271
Finance and administration		42 190	51 325	37 594	64 921	45 789	45 789	48 190	50 562	52 966
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**7 515**	**14 958**	**5 983**	**11 720**	**11 720**	**11 720**	**2 242**	**2 088**	**2 107**
Community and social services		1 828	5 883	5 881	2 005	2 005	2 005	2 011	1 935	1 939
Sport and recreation		5 688	9 075	101	9 714	9 714	9 714	230	153	168
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**5 575**	**5 900**	**22 084**	**1 157**	**1 157**	**1 157**	**1 242**	**775**	**852**
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		5 487	5 575	21 868	782	782	782	829	321	353
Environmental protection		88	325	217	375	375	375	413	454	499
Trading services		**140 578**	**209 943**	**157 043**	**105 598**	**117 152**	**117 152**	**132 309**	**157 199**	**168 477**
Energy sources		30 822	33 177	41 403	52 232	57 464	57 464	60 659	69 637	75 792
Water management		86 539	151 754	95 113	16 784	22 784	22 784	32 795	46 362	49 149
Waste water management		13 126	15 030	11 741	25 414	24 169	24 169	25 191	26 935	28 226
Waste management		10 091	9 982	8 787	11 167	12 736	12 736	13 665	14 266	15 310
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**200 292**	**285 639**	**236 908**	**187 457**	**179 642**	**179 642**	**187 955**	**214 758**	**228 674**
Expenditure - Functional										
Governance and administration		**48 154**	**58 539**	**66 632**	**67 894**	**63 076**	**63 076**	**65 813**	**61 506**	**62 747**
Executive and council		17 365	19 317	18 730	18 376	20 784	20 784	22 015	19 191	20 088
Finance and administration		29 050	37 348	45 341	47 857	41 106	41 106	42 571	41 027	41 304
Internal audit		1 740	1 873	2 560	1 662	1 185	1 185	1 227	1 288	1 356
Community and public safety		**4 682**	**4 736**	**4 611**	**6 062**	**5 488**	**5 488**	**6 537**	**6 786**	**6 978**
Community and social services		3 094	3 038	3 970	3 433	3 095	3 095	3 549	3 717	3 884
Sport and recreation		1 589	1 698	640	2 629	2 394	2 394	2 988	3 069	3 095
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**12 808**	**10 853**	**9 781**	**14 138**	**14 523**	**14 523**	**15 207**	**16 096**	**16 750**
Planning and development		1 850	2 027	2 421	4 406	4 359	4 359	4 576	4 799	5 019
Road transport		10 955	8 670	7 360	9 732	10 164	10 164	10 631	11 297	11 732
Environmental protection		3	157	–	0	–	–	–	–	–
Trading services		**74 228**	**83 300**	**107 049**	**86 330**	**97 444**	**97 444**	**103 150**	**111 859**	**117 381**
Energy sources		32 122	29 783	40 893	42 310	41 428	41 428	44 979	50 557	54 594
Water management		22 198	26 445	40 188	22 844	33 402	33 402	34 341	36 246	37 215
Waste water management		7 636	11 215	12 102	8 903	11 023	11 023	11 734	12 298	12 517
Waste management		12 272	15 856	13 867	12 273	11 592	11 592	12 096	12 758	13 054
Other	4	**61**	**68**	**36**	**85**	**8**	**8**	**8**	**8**	**9**
Total Expenditure - Functional	3	**139 934**	**157 496**	**188 108**	**174 509**	**180 539**	**180 539**	**190 714**	**196 256**	**203 865**
Surplus/(Deficit) for the year		**60 359**	**128 143**	**48 800**	**12 949**	**(898)**	**(898)**	**(2 760)**	**18 502**	**24 809**

NC065 Hantam - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	27 998	30 149	36 291	47 234	47 234	47 234	25 154	51 485	56 331	61 868
Service charges - Water	2	12 112	11 128	11 651	12 784	12 784	12 784	8 576	14 063	15 469	17 016
Service charges - Waste Water Management	2	6 976	6 363	7 042	7 109	7 109	7 109	4 583	7 820	8 602	9 462
Service charges - Waste Management	2	6 613	6 351	6 513	7 209	7 209	7 209	4 651	7 930	8 723	9 595
Sale of Goods and Rendering of Services	2	142	212	263	321	321	321	156	353	389	427
Agency services	2	216	182	101	234	234	234	21	257	283	311
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1 452	1 555	1 518	1 853	1 853	1 853	1 202	2 038	2 242	2 466
Interest earned from Current and Non Current Assets	2	1 783	2 402	1 877	2 209	1 209	1 209	429	1 330	1 463	1 609
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	232	264	292	283	283	283	275	311	342	376
Licence and permits	2	423	333	331	383	383	383	300	421	463	510
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	2 419	1 001	15	4 317	4 317	4 317	20	4 748	5 223	5 746
Non-Exchange Revenue											
Property rates	2	18 106	19 520	18 637	36 740	27 378	27 378	26 520	28 309	29 243	30 149
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	45	6	4	33	33	33	1	36	40	44
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	36 763	39 027	41 009	43 071	43 071	43 071	31 544	44 790	45 115	46 475
Interest	2	2 344	2 183	3 164	1 242	3 788	3 788	2 452	4 167	4 584	5 042
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	(16 158)	-	-	-	-	-	-	-
Other Gains	2	1 342	8 176	62	509	509	509	-	533	558	585
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**118 966**	**128 850**	**112 611**	**165 528**	**157 713**	**157 713**	**105 883**	**168 590**	**179 068**	**191 680**
Expenditure											
Employee related costs	2	44 190	47 374	52 409	58 316	58 439	58 439	37 415	64 491	64 218	63 548
Remuneration of councillors	2	5 389	5 710	2 132	6 100	6 142	6 142	3 835	6 408	6 683	7 001
Bulk purchases - electricity	2	24 877	30 183	36 184	32 131	35 131	35 131	17 142	38 293	41 898	46 016
Inventory consumed	2,8	12 515	12 368	18 603	505	2 564	2 564	3 236	8 832	2 688	2 813
Debt impairment	2,3	10 790	17 705	8 945	11 697	(2 981)	(2 981)	-	(2 981)	(3 872)	(4 056)
Depreciation, amortisation and impairment	2	9 017	7 800	9 633	18 091	31 975	31 975	-	12 143	12 720	13 324
Interest, Dividends and Rent on Land	2	1 907	1 661	1 707	2 309	1 835	1 835	0	1 835	1 922	2 013
Contracted services	2	14 733	13 093	23 713	22 028	21 393	21 393	12 281	22 221	22 540	23 494
Transfers and subsidies	2	119	150	221	500	500	500	259	500	524	549
Irrecoverable debts written off	2	-	-	7 825	6 376	7 825	7 825	1 452	7 825	8 197	8 586
Operational costs	2	9 566	10 524	15 142	15 425	16 688	16 688	8 850	17 600	17 965	18 818
Disposal of Fixed and Intangible Assets	2	3 177	5 035	9 675	-	-	-	-	8 534	-	-
Other Losses	2	-	515	1 723	1 029	1 029	1 029	-	1 029	-	-
Total Expenditure		**136 280**	**152 119**	**187 912**	**174 509**	**180 539**	**180 539**	**84 469**	**186 731**	**175 482**	**182 105**
Surplus/(Deficit)		**(17 314)**	**(23 268)**	**(75 301)**	**(8 980)**	**(22 827)**	**(22 827)**	**21 414**	**(18 141)**	**3 586**	**9 575**
Transfers and subsidies - capital (monetary allocations)	6	75 807	154 724	124 296	21 929	21 929	21 929	11 465	19 365	35 690	36 994
Transfers and subsidies - capital (in-kind)	6	5 519	2 064	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**64 013**	**133 520**	**48 996**	**12 949**	**(898)**	**(898)**	**32 879**	**1 224**	**39 276**	**46 569**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**64 013**	**133 520**	**48 996**	**12 949**	**(898)**	**(898)**	**32 879**	**1 224**	**39 276**	**46 569**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**64 013**	**133 520**	**48 996**	**12 949**	**(898)**	**(898)**	**32 879**	**1 224**	**39 276**	**46 569**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**64 013**	**133 520**	**48 996**	**12 949**	**(898)**	**(898)**	**32 879**	**1 224**	**39 276**	**46 569**

NC065 Hantam - Table A5 Capital budget

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Budget & Treasury Office		–	–	–	–	–	–	–	–	–	–
Vote 03 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 04 - Community & Social Services		–	–	–	–	–	–	–	–	–	–
Vote 05 - Sports & Recreation		–	–	–	–	–	–	–	–	–	–
Vote 06 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 07 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 08 - Road Transport		3 533	1 267	5 884	–	–	–	–	–	–	–
Vote 09 - Electricity		–	3 912	5 615	1 299	1 304	1 304	848	–	3 170	3 314
Vote 10 - Water		59 742	122 433	68 800	–	–	–	–	7 266	17 673	18 467
Vote 11 - Waste Water Management		174	10 768	15 309	7 826	6 323	6 323	1 971	9 573	10 191	10 388
Vote 12 - Solid Waste		–	–	–	–	–	–	–	–	–	–
Vote 13 - Own Other		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Health		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**63 449**	**138 380**	**95 608**	**9 125**	**7 627**	**7 627**	**2 819**	**16 839**	**31 035**	**32 169**
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		1 533	63	146	600	–	–	–	522	913	913
Vote 02 - Budget & Treasury Office		–	–	–	–	–	–	–	87	70	70
Vote 03 - Corporate Services		164	187	396	606	606	606	134	304	130	130
Vote 04 - Community & Social Services		–	–	–	500	500	500	–	–	–	–
Vote 05 - Sports & Recreation		–	33	–	9 388	10 966	10 966	6 761	–	–	–
Vote 06 - Public Safety		12	–	–	–	–	–	–	–	–	–
Vote 07 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 08 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 09 - Electricity		–	88	1 111	–	208	208	–	–	–	–
Vote 10 - Water		–	41	–	173	173	173	72	217	–	–
Vote 11 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 12 - Solid Waste		193	–	–	–	–	–	–	–	–	–
Vote 13 - Own Other		–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Health		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**1 902**	**411**	**1 652**	**11 268**	**12 454**	**12 454**	**6 967**	**1 130**	**1 113**	**1 113**
Total Capital Expenditure - Vote		**65 351**	**138 791**	**97 260**	**20 392**	**20 081**	**20 081**	**9 786**	**17 970**	**32 148**	**33 282**
Capital Expenditure - Functional											
Governance and administration		**1 696**	**250**	**542**	**1 206**	**606**	**606**	**134**	**913**	**1 113**	**1 113**
Executive and council		1 413	–	–	600	–	–	–	522	913	913
Finance and administration		164	187	396	606	606	606	134	391	200	200
Internal audit		120	63	146	–	–	–	–	–	–	–
Community and public safety		**12**	**33**	**–**	**9 888**	**11 466**	**11 466**	**6 761**	**–**	**–**	**–**
Community and social services		12	–	–	500	500	500	–	–	–	–
Sport and recreation		–	33	–	9 388	10 966	10 966	6 761	–	–	–
Public safety											
Housing											
Health											
Economic and environmental services		**3 533**	**1 267**	**5 884**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		3 533	1 267	5 884	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		**60 109**	**137 242**	**90 835**	**9 298**	**8 008**	**8 008**	**2 891**	**17 057**	**31 035**	**32 169**
Energy sources		–	3 999	6 726	1 299	1 512	1 512	848	–	3 170	3 314
Water management		59 742	122 474	68 800	173	173	173	72	7 483	17 673	18 467
Waste water management		174	10 768	15 309	7 826	6 323	6 323	1 971	9 573	10 191	10 388
Waste management		193	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**65 351**	**138 791**	**97 260**	**20 392**	**20 081**	**20 081**	**9 786**	**17 970**	**32 148**	**33 282**
Funded by:											
National Government		63 581	137 176	89 870	18 513	18 594	18 594	9 580	16 839	31 035	32 169
Provincial Government											
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**63 581**	**137 176**	**89 870**	**18 513**	**18 594**	**18 594**	**9 580**	**16 839**	**31 035**	**32 169**
Borrowing	6	1 413	–	–	600	–	–	–	522	913	913
Internally generated funds		357	1 616	7 390	1 279	1 487	1 487	207	609	200	200
Total Capital Funding	7	**65 351**	**138 791**	**97 260**	**20 392**	**20 081**	**20 081**	**9 786**	**17 970**	**32 148**	**33 282**

NC065 Hantam - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	6 238	17 661	2 743	11 577	2 396	2 396	(5 302)	11 564	28 412	49 227
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	10 068	6 277	7 323	16 299	8 908	8 908	5 536	(12 391)	(15 754)	(16 605)
Receivables from non-exchange transactions	3	6 902	2 703	7 582	24 622	7 460	7 460	12 770	19 932	21 161	27 644
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	54	93	158	282	286	286	(3 176)	286	286	427
VAT Receivable	6	10 986	14 608	14 180	13 761	21 986	21 986	6 046	4 848	6 286	6 556
Other current assets	7	768	928	48	928	57	57	160	57	57	57
Total current assets		**35 016**	**42 270**	**32 033**	**67 469**	**41 093**	**41 093**	**16 033**	**24 296**	**40 449**	**67 306**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	37 734	45 718	38 226	45 718	38 226	38 226	–	38 226	38 226	38 226
Property, plant and equipment	10	524 780	648 562	732 727	767 923	727 758	727 758	9 786	714 282	713 065	711 397
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	1 618	1 618	1 618	1 618	1 618	1 618	–	1 618	1 618	1 618
Intangible assets	14	1 554	1 431	1 308	1 403	1 185	1 185	–	1 062	933	798
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	(12 099)	(13 464)	(15 749)
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**565 687**	**697 329**	**773 879**	**816 662**	**768 786**	**768 786**	**9 786**	**743 089**	**740 377**	**736 290**
TOTAL ASSETS		**600 703**	**739 599**	**805 912**	**884 131**	**809 880**	**809 880**	**25 820**	**767 385**	**780 826**	**803 596**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	22	186	205	186	205	205	–	205	205	205
Consumer deposits	19	1 430	1 561	1 731	1 561	1 731	1 731	109	1 731	1 731	1 731
Trade and other payables from exchange transactions	20	42 954	55 272	(277 997)	31 786	19 042	19 042	(15 468)	19 042	19 042	19 042
Trade and other payables from non-exchange transactions	21	5 836	2 148	65	–	–	–	4 165	(23 282)	(26 895)	(30 223)
Provision	22	4 242	4 138	5 015	9 268	5 441	5 441	–	5 901	2 924	3 089
VAT Payable	23	939	304	(2 989)	13 032	21 003	21 003	6 659	4 274	4 377	4 494
Other current liabilities	24	–	–	–	–	–	–	–	–	–	–
Total current liabilities		**55 423**	**63 609**	**(273 970)**	**55 833**	**47 422**	**47 422**	**(4 535)**	**7 872**	**1 385**	**(1 661)**
Non current liabilities											
Financial liabilities	25	0	335	129	335	129	129	–	129	129	129
Provision	26	14 521	14 989	18 035	19 278	19 815	19 815	–	46 974	47 959	49 327
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		**14 521**	**15 324**	**18 164**	**19 613**	**19 945**	**19 945**	**–**	**47 104**	**48 088**	**49 457**
TOTAL LIABILITIES		**69 945**	**78 933**	**(255 806)**	**75 446**	**67 367**	**67 367**	**(4 535)**	**54 975**	**49 473**	**47 796**
NET ASSETS		**530 758**	**660 666**	**1 061 718**	**808 686**	**742 513**	**742 513**	**30 355**	**712 410**	**731 353**	**755 800**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	511 640	594 920	756 380	766 774	699 919	699 919	31 173	690 356	708 723	733 421
Reserves and funds	30	2 551	2 551	15 924	2 551	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**514 192**	**597 471**	**772 304**	**769 326**	**699 919**	**699 919**	**31 173**	**690 356**	**708 723**	**733 421**

NC065 Hantam - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		11 527	12 897	12 086	34 786	25 117	25 117	12 189	32 253	33 672	–
Service charges		50 967	43 013	63 076	75 686	84 849	84 849	40 106	71 273	74 411	–
Other revenue		217 853	446 466	251 114	5 634	9 076	9 076	12 510	7 586	8 553	–
Transfers and Subsidies - Operational	1	52 702	33 279	41 009	43 071	43 071	43 071	32 150	43 622	45 583	–
Transfers and Subsidies - Capital	1	51 966	(1 306)	124 361	21 929	21 929	21 929	15 023	34 321	40 765	–
Interest		1 721	2 611	1 683	2 209	5 721	5 721	422	2 306	2 407	–
Dividends									–	–	–
Payments											
Suppliers and employees		(304 734)	(418 584)	(392 888)	(141 342)	(163 313)	(163 313)	(104 859)	(146 224)	(151 399)	–
Finance charges		–	–	–	(165)	(55)	(55)	–	(173)	(180)	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**82 003**	**118 376**	**100 440**	**41 808**	**26 396**	**26 396**	**7 541**	**44 964**	**53 813**	**–**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(65 351)	(138 791)	(97 260)	(23 451)	(23 140)	(23 140)	(9 714)	(34 620)	(41 037)	–
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(65 351)**	**(138 791)**	**(97 260)**	**(23 451)**	**(23 140)**	**(23 140)**	**(9 714)**	**(34 620)**	**(41 037)**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	521	(16 344)	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	(82)	42	–	–	–	39	–	–	–
Payments											
Repayment of borrowing		(248)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(248)**	**439**	**(16 302)**	**–**	**–**	**–**	**39**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**16 404**	**(19 976)**	**(13 122)**	**18 357**	**3 256**	**3 256**	**(2 134)**	**10 344**	**12 777**	**–**
Cash/cash equivalents at the year begin:	2	**3 117**	**6 238**	**17 661**	**6 791**	**2 756**	**2 756**	**–**	**200**	**10 543**	**23 320**
Cash/cash equivalents at the year end:	2	**19 522**	**(13 739)**	**4 539**	**25 148**	**6 013**	**6 013**	**(2 134)**	**10 543**	**23 320**	**23 320**

NC065 Hantam - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	19 522	(13 739)	4 539	25 148	6 013	6 013	(2 134)	10 543	23 320	23 320
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**19 522**	**(13 739)**	**4 539**	**25 148**	**6 013**	**6 013**	**(2 134)**	**10 543**	**23 320**	**23 320**
Application of cash and investments											
Unspent conditional transfers		5 836	2 148	65	–	–	–	4 165	–	–	–
Unspent borrowing											
Statutory requirements	2	–	–	–	–	–	–	–	(23 282)	(26 895)	(30 223)
Other working capital requirements	3	16 526	30 146	(305 660)	17 109	11 759	11 759	(21 278)	23 430	26 574	19 042
Other provisions		4 242	4 138	5 015	9 268	5 441	5 441	5 015	5 901	2 924	3 089
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**26 604**	**36 432**	**(300 580)**	**26 377**	**17 201**	**17 201**	**(12 098)**	**6 050**	**2 603**	**(8 091)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(7 082)**	**(50 171)**	**305 119**	**(1 229)**	**(11 188)**	**(11 188)**	**9 964**	**4 494**	**20 717**	**31 411**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(7 082)**	**(50 171)**	**305 119**	**(1 229)**	**(11 188)**	**(11 188)**	**9 964**	**4 494**	**20 717**	**31 411**

NC065 Hantam - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**61 596**	**122 844**	**69 342**	**1 879**	**1 279**	**1 279**	**1 130**	**1 113**	**1 113**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		59 742	122 433	68 800	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***59 742***	***122 433***	***68 800***	–	–	–	–	–	–
Community Facilities		–	–	–	500	500	500	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	***500***	***500***	***500***	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**206**	**127**	**293**	**476**	**476**	**476**	**130**	**130**	**130**
Furniture and Office Equipment		**223**	**123**	**248**	**130**	**130**	**130**	**261**	**70**	**70**
Machinery and Equipment		**12**	**162**	–	**173**	**173**	**173**	**217**	–	–
Transport Assets		**1 413**	–	–	**600**	–	–	**522**	**913**	**913**
Total Upgrading of Existing Assets	6	**3 755**	**15 947**	**27 918**	**18 513**	**18 802**	**18 802**	**16 839**	**31 035**	**32 169**
Roads Infrastructure		3 533	1 267	5 884	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	3 912	6 726	1 299	1 512	1 512	–	3 170	3 314
Water Supply Infrastructure		–	–	–	–	–	–	7 266	17 673	18 467
Sanitation Infrastructure		174	10 768	15 309	7 826	6 323	6 323	9 573	10 191	10 388
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***3 707***	***15 947***	***27 918***	***9 125***	***7 835***	***7 835***	***16 839***	***31 035***	***32 169***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	9 388	10 966	10 966	–	–	–
Community Assets		–	–	–	***9 388***	***10 966***	***10 966***	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		48	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***48***	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	**65 351**	**138 791**	**97 260**	**20 392**	**20 081**	**20 081**	**17 970**	**32 148**	**33 282**
Roads Infrastructure		3 533	1 267	5 884	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	3 912	6 726	1 299	1 512	1 512	–	3 170	3 314
Water Supply Infrastructure		59 742	122 433	68 800	–	–	–	7 266	17 673	18 467
Sanitation Infrastructure		174	10 768	15 309	7 826	6 323	6 323	9 573	10 191	10 388
Infrastructure		***63 449***	***138 380***	***96 719***	***9 125***	***7 835***	***7 835***	***16 839***	***31 035***	***32 169***
Community Facilities		–	–	–	500	500	500	–	–	–
Sport and Recreation Facilities		–	–	–	9 388	10 966	10 966	–	–	–
Community Assets		–	–	–	***9 888***	***11 466***	***11 466***	–	–	–
Operational Buildings		48	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***48***	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**206**	**127**	**293**	**476**	**476**	**476**	**130**	**130**	**130**
Furniture and Office Equipment		**223**	**123**	**248**	**130**	**130**	**130**	**261**	**70**	**70**
Machinery and Equipment		**12**	**162**	–	**173**	**173**	**173**	**217**	–	–
Transport Assets		**1 413**	–	–	**600**	–	–	**522**	**913**	**913**
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**65 351**	**138 791**	**97 260**	**20 392**	**20 081**	**20 081**	**17 970**	**32 148**	**33 282**

NC065 Hantam - Table A9 Asset Management

NC065 Hantam - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSET REGISTER SUMMARY - PPE (WDV)	5	456 763	588 405	771 518	706 426	759 624	759 624	746 025	744 679	742 876
Roads Infrastructure		47 936	48 172	40 547	52 204	38 813	38 813	37 079	35 263	33 360
Storm water Infrastructure		–	(212)	(212)	(212)	(212)	(212)	(212)	(212)	(212)
Electrical Infrastructure		45 730	48 185	56 325	54 495	56 187	56 187	54 537	55 979	57 482
Water Supply Infrastructure		227 202	339 409	438 177	419 563	418 345	418 345	405 779	402 679	399 385
Sanitation Infrastructure		51 574	60 495	131 033	84 960	132 888	132 888	138 401	143 505	148 991
Solid Waste Infrastructure		357	1 532	938	1 112	878	878	818	755	689
Infrastructure		*372 800*	*497 580*	*666 807*	*612 122*	*646 899*	*646 899*	*636 402*	*637 968*	*639 695*
Community Assets		31 242	29 534	28 044	35 118	37 834	37 834	36 157	34 401	32 562
Heritage Assets		1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618
Investment properties		37 734	45 718	38 226	45 718	38 226	38 226	38 226	38 226	38 226
Other Assets		1 313	1 313	6 802	1 055	6 712	6 712	6 622	6 528	6 429
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		1 554	1 431	1 308	1 403	1 185	1 185	1 062	933	798
Computer Equipment		1 767	1 730	1 628	1 993	1 764	1 764	1 554	1 329	1 086
Furniture and Office Equipment		1 278	1 649	1 491	1 179	843	843	325	(14)	(799)
Machinery and Equipment		373	327	472	(86)	352	352	276	(31)	(353)
Transport Assets		5 299	5 720	15 630	4 521	14 700	14 700	14 291	14 229	14 122
Land		1 785	1 785	9 491	1 785	9 491	9 491	9 491	9 491	9 491
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	456 763	588 405	771 518	706 426	759 624	759 624	746 025	744 679	742 876
EXPENDITURE OTHER ITEMS		22 064	17 188	38 020	26 454	38 787	38 787	38 419	40 763	42 580
Depreciation	7	9 017	7 800	9 633	18 091	31 975	31 975	31 975	33 494	35 085
Repairs and Maintenance by Asset Class	3	13 047	9 389	28 387	8 363	6 812	6 812	6 444	7 269	7 495
Roads Infrastructure		997	313	9	380	13	13	13	14	14
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		358	312	466	471	300	300	310	320	330
Infrastructure		*1 355*	*625*	*475*	*851*	*313*	*313*	*323*	*334*	*344*
Community Facilities		253	265	66	70	–	–	–	–	–
Sport and Recreation Facilities		235	187	16	214	263	263	272	281	290
Community Assets		*488*	*452*	*81*	*284*	*263*	*263*	*272*	*281*	*290*
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		339	113	375	644	344	344	356	367	378
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*339*	*113*	*375*	*644*	*344*	*344*	*356*	*367*	*378*
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		34	38	0	2	–	–	–	–	–
Furniture and Office Equipment		7 230	5 347	7 957	5 182	4 131	4 131	4 121	4 408	4 544
Machinery and Equipment		601	152	462	838	501	501	518	534	551
Transport Assets		3 000	2 661	19 037	561	1 261	1 261	854	1 346	1 388
TOTAL EXPENDITURE OTHER ITEMS		22 064	17 188	38 020	26 454	38 787	38 787	38 419	40 763	42 580
Renewal and upgrading of Existing Assets as % of total capex		5.7%	11.5%	28.7%	90.8%	93.6%	93.6%	93.7%	96.5%	96.7%
Renewal and upgrading of Existing Assets as % of deprecn		41.6%	204.5%	289.8%	102.3%	58.8%	58.8%	52.7%	92.7%	91.7%
R&M as a % of PPE & Investment Property		2.9%	1.6%	3.7%	1.2%	0.9%	0.9%	0.9%	1.0%	1.0%
Renewal and upgrading and R&M as a % of PPE and Investment Property		3.7%	4.3%	7.3%	3.8%	3.4%	3.4%	3.1%	5.2%	5.4%

NC065 Hantam - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		(2 199)	(2 768)	(3 087)	(3 729)	(3 729)	(3 729)	(2 476)	(4 102)	(4 513)
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		(1 380)	(1 751)	(1 680)	(2 030)	(2 030)	(2 030)	(1 478)	(2 213)	(2 421)
Refuse (removed once a week **for indigent households**)		(2 645)	(3 356)	(3 755)	(4 009)	(4 009)	(4 009)	(2 846)	(4 409)	(4 850)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	**(6 224)**	**(7 876)**	**(8 522)**	**(9 768)**	**(9 768)**	**(9 768)**	**(6 800)**	**(10 725)**	**(11 784)**
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		(6 738)	(7 453)	(7 981)	7 615	(9 263)	(9 263)	(10 120)	(9 578)	(9 894)
Water **(in excess of 6 kilolitres per indigent household per month)**		181	175	168	–	–	–	4	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		(2 591)	(3 334)	(3 685)	(3 309)	(3 309)	(3 309)	(2 593)	(3 640)	(4 004)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**(9 148)**	**(10 612)**	**(11 498)**	**4 306**	**(12 572)**	**(12 572)**	**(12 710)**	**(13 218)**	**(13 898)**

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Community participation meetings will be held during March 2026 where community needs were identified for inputs in the 2025/26 MTREF budget. Budget and IDP community consultations will be held during April – May 2026, where the Final budget and revised IDP communicated to the community for further input and consultation.

The time schedule of key deadlines for the compilation of the 2026/27 was submitted to Council for approval before the 31st of August 2025 as required by Section 21(b) of the MFMA. These key deadlines are being reviewed to ensure that they are met accordingly in preparation for to the Final budget.

The MFMA Circulars 132 issued on the 05 December 2025 and MFMA Circulars 134 issued on the 20 March 2026, provide guidance to municipalities and their entities on the preparation of their 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). These circulars were considered in the preparation of draft annual budget.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual Report.

The 2025/26 MTREF has therefore been directly informed by the IDP revision process, and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure, and capital expenditure.

Refer to the detailed DRAFT Revised IDP

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the district relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The district therefore has adopted one integrated performance management system which encompasses:

1. Planning (setting goals, objectives, targets and benchmarks);
2. Monitoring (regular monitoring and checking on the progress against plan);
3. Measurement (indicators of success);
4. Review (identifying areas requiring change and improvement);
5. Reporting (what information, to whom, from whom, how often and for what purpose); and
6. Improvement (making changes where necessary).

Hantam Municipality continuously ensures that a culture of performance management is institutionalised. Performance agreements are therefore concluded with senior management. The Human Resources Department is in process of implementing Performance Management and cascading to All post Levels within the municipality and this is an ongoing process.

Refer to the detailed DRAFT SDBIP for detailed budgeted figures per IDP targets.

2.4 OVERVIEW OF BUDGET-RELATED POLICIES

Various budget-related policies were reviewed and workshoped during the budget consultations with relevant stakeholders. The budget-related policies include:

1. Eiendomsbelasting/ Property Rates Policy
2. Tariewe Beleid/Tariff Policy
3. Kredietbeheer em skuld invorderings beleid/Credit Control and Debt Collection Policy
4. Hulpbehoewende Beleid/Indigent Policy
5. Voorsieningskanaal beleid/Supply Chain Management Policy
6. Infrastructure Procurement and Delivery Management Policy
7. Oordragbeleid/Virement Policy
8. Fondse en reserwe/Funds and reserve Policy
9. Reis en Verblyf/Travel and subsistence Policy
10. Langtermyn Finansiële beplanning en implimentering/Long Term Financial planning and Implementation Policy
11. Kontant en Beleggingsbeleid/Cash and Investment Policy
12. Voorkeurverkrygingsbeleidsraamwerk/Preferential Procurement Policy
13. Konsultasieverminderingsbeleid/Consultancy Reduction Policy
14. Kredietbeheer em skuld invorderings bywet /Credit Control and Debt Collection By-Law;
15. Eiendomsbelasting bywet/Property Rates By-Law;

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

As part of the compilation of the 2025/26 MTREF and for the municipality to ensure affordability and long-term financial sustainability, the following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

- City growth
- Policy priorities and strategic objectives.
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration pattern)
- Performance trends
- The approved 2025/26 adjustments budget and performance against the SDBIP.
- Cash Flow Management.
- Debtor payment levels.
- Loan and investment possibilities.
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars have been taken into consideration in the planning and prioritisation process.

This budget is premised on an 80 per cent collection rate on current year billing. Furthermore, an additional 20% collection based on the opening balances of service debtors and property rates debtors. This is based on the intensive debt collection campaign and revenue enhancement initiatives that the municipality intends to embark on from April 2025.

General inflation outlook and its impact on the municipal activities

When preparing the 2025/26 MTREF municipal budget, the municipality considered the following micro-economic forecasts:

CPI Inflation Estimates	2026/27	2027/28	2028/29
	3.4%	3.3%	3.1%

Rates, tariffs and charges

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses etc.).

The following overall tariff adjustments has been made to service charges and property rates

Tariff	2026/27	2027/28	2028/29
Property Rates	3.4%	3.3%	3.1%
Electricity	9.0%	9.4%	9.8%
Water	10%	10%	10%
Waste Water (Sanitation)	10%	10%	10%
Solid Waste (Refuse Removal)	10%	10%	10%
Other Revenue	10%	10%	10%

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development.
- Implementation its new valuation roll in 2025/26 financial year, including supplementary valuation rolls.
- Revenue management and enhancement.
- Achievement of an 80% annual collection rate for consumer revenue of current year billing and 20% collection on previous year outstanding billing,
- National Treasury guidelines.
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval of 8.9%
- Achievement of full cost recovery of specific user charges.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
- The ability to extend new services and obtain cost recovery levels.

Refer to annexure A for detailed 2026/27 – 2028/28 Draft Municipal Tariffs.

These tariffs are DRAFT tariffs and will be finalised once all public consultation has been conducted with the community, provincial treasury and other relevant stakeholders taking into consideration the cost-of -supply study outcomes.

➢ Expenditure estimates were based on the following principles:
  1. Salary bill was mainly adjusted using the bargaining council increase for 2026/27 financial year
  2. Repairs and maintenance were adjusted with CPI of 3,4% per National Treasury guidance
  3. Eskom bulk electricity purchases were increased. with 9%. This is in line with the Eskom annual tariff increase on electricity/
  4. No adjustments were made to other operating costs from which was budgeted for the 2025/26 financial year.

Free or subsidised basic services

Hantam's criteria for supporting free or subsidised basic services are set out in the indigent support and rebate policy. The Government allocates revenue from the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting with the costs of providing free or subsidised basic services to indigent households. Any costs over and above the Equitable Share allocation are met by the Municipality.

Description	2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Free services			
Cost of Free Basic Services provided	(6 800)	(10 725)	(11 784)
Revenue cost of free services provided	(12 710)	(13 218)	(13 898)
Total	**(19 509)**	**(23 942)**	**(25 682)**

***Refer to Table A10 Basic service delivery measurement, for detailed information on free and subsidised basic services*.**

2.6 OVERVIEW OF BUDGET FUNDING

MFMA section 18 states that an annual budget may only be funded from:

(a) realistically anticipated revenues to be collected,
(b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes and
(c) borrowed funds, but only for the capital budget.

Revenue projections in the budget must be realistic, taking into account the projected revenue for the current year based on collection levels to date and actual revenue collected in the previous financial year.

The budget is funded from transfers from national and provincial spheres of government as well as own funding. Below is a summary of the total budget funding sources:

Item	Budget year 2026/27	Percentage
Property Rates	28 308 533	15%
Water	14 062 768	7%
Waste Water Management	7 819 950	4%
Waste Management	7 929 808	4%
Electricity	51 484 617	27%
Rental of Facilities	310 775	0%
Interest Earned - Main Account & Investments	1 329 589	1%
Interest Earned - Outstanding Debtors	6 205 056	3%
Other Income	6 348 731	3%
Government Grant and Subsidies – Operational	44 790 003	24%
Government Grant and Subsidies – Capital	19 365 000	10%
Total Revenue	**187 954 830**	**100%**

Item	Budget year 2026/27	Percentage
Own Revenue	123 799 827.00	66%
Government Grant and Subsidies	64 155 003.00	34%
Total Revenue	**187 954 830.00**	**100%**

Based on the above, government grants constitute of 34% of the total revenue of the municipality, indicating that the municipality a grant dependant municipality, as the municipality cannot fund major capital assets and other operating costs with its own generated funds.

This budget is premised on an 80 per cent collection rate on current year billing on municipal services and property rates. Furthermore, an additional 20% collection based on the opening balances of service debtors and property rates debtors.

To achieve the above collection rate, credit control and debt collection processes need to be strengthened and all relevant stakeholders, i.e. the community, councillors, management and staff of the municipality, need to play their part in ensuring the realisation of these set targets.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The below table depicts total grants gazetted for the Municipality for the 2023-24 MTREF:

Grant Description	Type of Grant	2026/27	2027/28	2028/29
Municipal Infrastructure Grant (MIG)	Conditional Grant – Capital	11 009 000	11 720 000	11 946 000
Integrated National Electrification Programme (Municipal) Grant (INEP)	Conditional Grant – Capital	-	3 646 000	3 811 000
Water Services Infrastructure Grant (WSIG)	Conditional Grant – Capital	8 356 000	20 324 000	21 237 000
Total Transfers and subsidies - Capital		**19 365 000**	**35 690 000**	**36 994 000**

Grant Description	Type of Grant	2026/27	2027/28	2028/29
Financial Management Grant (FMG)	Conditional Grant – Operational	2 100 000	2 200 000	2 300 000
Expanded Public Works Programme (EPWP - Public Works)	Conditional Grant – Operational	1 319 000	-	-
DSAC - Libraries Grant	Conditional Grant – Operational	1 900 000	1 986 000	2 075 000
LG Seta	Conditional Grant – Operational	350 000	350 000	350 000
Equitable Share	Unconditional Grant	39 121 000	40 665 000	41 925 000
Total Transfers and subsidies - Operational		**44 790 000**	**45 201 000**	**46 650 000**
Total Transfers and subsidies		**64 155 000**	**77 943 000**	**86 348 500**

There is a decline in number of grants we used to receive as the Municipality when comparing with allocations of the previous year and a decrease in some other grants, as follows:

Grant Description	2025/26 (R)	2026/27 (R)	Increase/ Decrease in Funding (R)	Increase/ (Decrease) in Funding (%)
Municipal Infrastructure Grant (MIG)	20 429 000	11 009 000	-9 420 000	-46.11%
Integrated National Electrification Programme (Municipal) Grant (INEP)	1 500 000	-	-1 500 000	-100.00%
Water Services Infrastructure Grant (WSIG)	-	8 356 000	8 356 000	100.00%
Financial Management Grant (FMG)	2 000 000	2 100 000	100 000	5.00%
Expanded Public Works Programme (EPWP - Public Works)	1 269 000	1 319 000	50 000	3.94%
DSAC - Libraries Grant	1 900 000	1 900 000	-	0.00%
LG Seta	200 000	350 000	150 000	75.00%
Equitable Share	37 702 000	39 121 000	1 419 000	3.76%
TOTAL	**65 000 000**	**64 155 000**	**-845 000**	**-1.32%**

The total grants decreased from R65 000 000 prior year to R65 000 000, which is a decrease of 1,32% in government funding.

These tables reflect to grant receipts and grant programmes that the municipality is anticipating receiving in terms of the Division of Revenue Act (DoRA) as well as from provincial and sector departments.

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Other than the indigent electricity provided to qualifying indigents of the municipality, the following other allocations and grants made by the municipality were budgeted for in the 2025/26 MTREF budget:

Description	2026/27 (R)	2027/28 (R)	2028/29 (R)
TS_O_M_PE_YOUTH	170 000.00	178 075.00	186 534.00
TS_O_M_PE_WOMEN	90 000.00	94 275.00	98 753.00
TS_O_M_PE_16 DAYS ACTIVISM	29 150.00	30 535.00	31 985.00
TS_O_M_PE_CHILDREN	80 000.00	83 800.00	87 781.00
TS_O_IK_HH_SOC ASSIS_CARE DEPENDENCY	130 850.00	137 065.00	143 576.00
TOTAL	**500 000.00**	**523 750.00**	**548 629.00**

These allocations relate to the programmes and activities in the Office of the Mayor, which is funded through either by municipal funds and/or S12 donations received from public.

2.9 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The salary bill of the municipality, including remuneration of councillors amounts to R70,9 million and increase from the prior year by an average of 9.8%. Employee related costs R64 491 285 and Remuneration of councillors amount to R6 408 350.

This is 35% of the total budgeted operating expenditure for the 2026/27 financial year, which is in the norm of 25%-40% as per national treasury's guidelines. This includes the remuneration of councillors. This excludes the remuneration of councillors.

- Remuneration of councillors are budgeted at R6,4 million, which is 4,3% more than the 2025/26 budget. This is mainly based on the upper limits on the remuneration of councillors.

- Senior managers remuneration is expected to increase by 6% to R7.8 million. The budget on remuneration of senior managers was based gazette on the upper limits on the remuneration of senior managers in December 2025. As well as provision for performance bonuses based on previous performance ratings.

- Salary bill on officials increased by 11%. A 4.75% increase is expected on salaries and contributions of other municipal staff, based on the proposed salary increases according to the SALGA Collective Agreement. Other factors taken into account is the filling of key vacancies, overtime and standby allowances, as well as company contributions such as medical aid and pension contributions.

NC065 Hantam - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		848	909	214	–	–	–	–	–	–
Cell phone Allowance		546	597	603	611	600	600	611	611	640
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	(3 740)	–	–	–	–	–	–
Market Related Non-pensionable Allowance										
Motor Vehicle Allowance		272	170	70	–	12	12	12	12	13
Office-bearer Allowance		3 722	4 034	4 985	5 489	5 529	5 529	5 785	6 060	6 348
Out of pocket Expenses										
Travelling Allowance		–	–	–	–	–	–	–	–	–
Use of Personal Facilities										
Total Allowances and Service Related Benefits		**5 389**	**5 710**	**2 132**	**6 100**	**6 142**	**6 142**	**6 408**	**6 683**	**7 001**
Social Contributions										
Medial Aid Benefits										
Pension Fund Contributions										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Total Councillors		**5 389**	**5 710**	**2 132**	**6 100**	**6 142**	**6 142**	**6 408**	**6 683**	**7 001**
% increase	4		6.0%	(62.7%)	186.1%	0.7%	–	4.3%	4.3%	4.8%

NC065 Hantam - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<u>Senior Managers of the Municipality</u>	2									
Salaries and Allowances										
Basic Salary		3 094	2 382	2 503	4 899	6 045	6 045	6 121	6 121	5 141
Bonuses		380	291	335	355	613	613	852	852	565
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3	20	12	14	43	51	51	51	51	21
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable										
Travel or Motor Vehicle	3	192	358	160	305	663	663	810	810	772
Voluntary Work										
Total Allowance		212	370	174	347	714	714	861	861	793
Service Related Benefits										
Long Service Award		–	–	–	72	–	–	–	–	–
Total Service Related Benefits		-	-	-	72	-	-	-	-	-
Total Salaries and Allowances		3 686	3 043	3 013	5 673	7 372	7 372	7 834	7 834	6 500
Social Contributions										
Bargaining Council		–	–	–	–	0	0	–	–	–
Group Life Insurance		4	–	–	–	19	19	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	6	–	–	–	–	–
Unemployment Insurance		13	11	8	21	11	11	11	11	9
Total Social Contributions		17	11	8	28	29	29	11	11	9
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits										
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		3 704	3 054	3 020	5 701	7 401	7 401	7 844	7 844	6 508

NC065 Hantam - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<u>Other Municipal Staff</u>										
Salaries and Allowances										
Basic Salary		25 415	28 259	30 995	34 394	31 684	31 684	36 729	38 565	40 275
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3	138	159	201	126	173	173	204	214	209
Housing Benefits	3	314	135	168	211	148	148	273	287	300
Non-pensionable										
Travel or Motor Vehicle	3	1 206	1 740	2 308	2 292	2 342	2 342	2 186	2 295	2 401
Voluntary Work										
Total Allowance		**1 657**	**2 034**	**2 678**	**2 629**	**2 663**	**2 663**	**2 663**	**2 796**	**2 909**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	1 909	1 908	2 406	2 598	2 302	2 302	–	–	–
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3	271	184	783	50	676	676	842	–	–
Lifeguard/Duty Squads										
Long Service Award		–	–	–	50	–	–	–	–	–
Overtime		3 219	3 128	2 581	1 572	2 419	2 419	3 220	3 381	3 529
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	494	1 350	1 350	1 664	1 747	–
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		**5 399**	**5 220**	**5 770**	**4 764**	**6 748**	**6 748**	**5 725**	**5 128**	**3 529**
Total Salaries and Allowances		**32 471**	**35 513**	**39 442**	**41 786**	**41 095**	**41 095**	**45 117**	**46 489**	**46 713**
Social Contributions										
Bargaining Council		15	15	15	19	16	16	19	20	21
Group Life Insurance		577	593	657	686	718	718	696	731	763
Medical		859	972	1 162	2 447	1 212	1 212	1 787	1 877	1 963
Pension		4 006	4 429	5 078	5 562	5 589	5 589	6 548	6 875	7 180
Unemployment Insurance		456	474	519	261	292	292	364	382	399
Total Social Contributions		**5 912**	**6 483**	**7 430**	**8 975**	**7 826**	**7 826**	**9 414**	**9 885**	**10 326**
Post-retirement Benefit	6									
Medical		2 103	2 323	2 516	1 855	2 116	2 116	2 116	–	–
Other Benefits										
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**2 103**	**2 323**	**2 516**	**1 855**	**2 116**	**2 116**	**2 116**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**40 486**	**44 319**	**49 389**	**52 616**	**51 037**	**51 037**	**56 647**	**56 374**	**57 039**
% increase	4		**9.5%**	**11.4%**	**6.5%**	**(3.0%)**	**–**	**11.0%**	**(0.5%)**	**1.2%**
Total Parent Municipality		**49 578**	**53 084**	**54 541**	**64 416**	**64 580**	**64 580**	**70 900**	**70 901**	**70 548**
TOTAL SALARY, ALLOWANCES & BENEFITS		**49 578**	**53 084**	**54 541**	**64 416**	**64 580**	**64 580**	**70 900**	**70 901**	**70 548**
% increase	4		**7.1%**	**2.7%**	**18.1%**	**0.3%**	**–**	**9.8%**	**0.0%**	**(0.5%)**
TOTAL MANAGERS AND STAFF	5,7	**44 190**	**47 374**	**52 409**	**58 316**	**58 439**	**58 439**	**64 491**	**64 218**	**63 548**

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

NC065 Hantam - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		4 290	4 290	4 290	4 290	4 290	4 290	4 290	4 290	4 290	4 290	4 290	4 290	51 485	56 331	61 868
Service charges - Water		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	14 063	15 469	17 016
Service charges - Waste Water Management		652	652	652	652	652	652	652	652	652	652	652	652	7 820	8 602	9 462
Service charges - Waste Management		661	661	661	661	661	661	661	661	661	661	661	661	7 930	8 723	9 595
Sale of Goods and Rendering of Services		29	29	29	29	29	29	29	29	29	29	29	29	353	389	427
Agency services		21	21	21	21	21	21	21	21	21	21	21	21	257	283	311
Interest																
Interest earned from Receivables		170	170	170	170	170	170	170	170	170	170	170	170	2 038	2 242	2 466
Interest earned from Current and Non Current Assets		111	111	111	111	111	111	111	111	111	111	111	111	1 330	1 463	1 609
Dividends																
Rent on Land																
Rental from Fixed Assets		26	26	26	26	26	26	26	26	26	26	26	26	311	342	376
Licence and permits		35	35	35	35	35	35	35	35	35	35	35	35	421	463	510
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		396	396	396	396	396	396	396	396	396	396	396	396	4 748	5 223	5 746
Non-Exchange Revenue																
Property rates		2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	2 359	28 309	29 243	30 149
Surcharges and Taxes																
Fines, penalties and forfeits		3	3	3	3	3	3	3	3	3	3	3	3	36	40	44
Licences or permits																
Transfer and subsidies - Operational		3 732	3 732	3 732	3 732	3 732	3 732	3 732	3 732	3 732	3 732	3 732	3 733	44 790	45 115	46 475
Interest		347	347	347	347	347	347	347	347	347	347	347	347	4 167	4 584	5 042
Fuel Levy																
Operational Revenue																
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		44	44	44	44	44	44	44	44	44	44	44	44	533	558	585
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**14 049**	**168 590**	**179 068**	**191 680**
Expenditure																
Employee related costs		5 374	5 374	5 374	5 374	5 374	5 374	5 374	5 374	5 374	5 374	5 374	5 374	64 491	64 218	63 548
Remuneration of councillors		534	534	534	534	534	534	534	534	534	534	534	534	6 408	6 683	7 001
Bulk purchases - electricity		3 191	3 191	3 191	3 191	3 191	3 191	3 191	3 191	3 191	3 191	3 191	3 191	38 293	41 898	46 016
Inventory consumed		(636)	(636)	(636)	(636)	(636)	(636)	(636)	(636)	(636)	(636)	(636)	(636)	(7 637)	2 688	2 813
Debt impairment		(248)	(248)	(248)	(248)	(248)	(248)	(248)	(248)	(248)	(248)	(248)	(248)	(2 981)	(3 872)	(4 056)
Depreciation, amortisation and impairment		1 012	1 012	1 012	1 012	1 012	1 012	1 012	1 012	1 012	1 012	1 012	1 012	12 143	12 720	13 324
Interest, Dividends and Rent on Land		153	153	153	153	153	153	153	153	153	153	153	153	1 835	1 922	2 013
Contracted services		1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	1 852	22 221	22 540	23 494
Transfers and subsidies		42	42	42	42	42	42	42	42	42	42	42	42	500	524	549
Irrecoverable debts written off		652	652	652	652	652	652	652	652	652	652	652	652	7 825	8 197	8 586
Operational costs		1 467	1 467	1 467	1 467	1 467	1 467	1 467	1 467	1 467	1 467	1 467	1 467	17 600	17 965	18 818
Disposal of Fixed and Intangible Assets		711	711	711	711	711	711	711	711	711	711	711	711	8 534	–	–
Other Losses		86	86	86	86	86	86	86	86	86	86	86	86	1 029	–	–
Total Expenditure		**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 189**	**14 188**	**170 263**	**175 482**	**182 105**
Surplus/(Deficit)		**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(139)**	**(1 673)**	**3 586**	**9 575**
Transfers and subsidies - capital (monetary allocations)		1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614	1 614	19 365	35 690	36 994
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 475**	**17 692**	**39 276**	**46 569**
Income Tax																
Surplus/(Deficit) after income tax		**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 475**	**17 692**	**39 276**	**46 569**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 475**	**17 692**	**39 276**	**46 569**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit) for the year	1	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 474**	**1 475**	**17 692**	**39 276**	**46 569**

NC065 Hantam - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 01 - Executive & Council		331	331	331	331	331	331	331	331	331	331	331	331	3 973	4 134	4 271
Vote 02 - Budget & Treasury Office		3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	3 097	37 161	38 870	40 620
Vote 03 - Corporate Services		919	919	919	919	919	919	919	919	919	919	919	919	11 029	11 692	12 347
Vote 04 - Community & Social Services		168	168	168	168	168	168	168	168	168	168	168	168	2 011	1 935	1 939
Vote 05 - Sports & Recreation		54	54	54	54	54	54	54	54	54	54	54	54	643	606	667
Vote 06 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Road Transport		69	69	69	69	69	69	69	69	69	69	69	69	829	321	353
Vote 09 - Electricity		5 055	5 055	5 055	5 055	5 055	5 055	5 055	5 055	5 055	5 055	5 055	5 055	60 659	69 637	75 792
Vote 10 - Water		2 733	2 733	2 733	2 733	2 733	2 733	2 733	2 733	2 733	2 733	2 733	2 733	32 795	46 362	49 149
Vote 11 - Waste Water Management		2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	25 191	26 935	28 226
Vote 12 - Solid Waste		1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	13 665	14 266	15 310
Vote 13 - Own Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Environmental Health																
Vote 15 - Other																
Total Revenue by Vote		**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**15 663**	**187 955**	**214 758**	**228 674**
Expenditure by Vote to be appropriated																
Vote 01 - Executive & Council		1 937	1 937	1 937	1 937	1 937	1 937	1 937	1 937	1 937	1 937	1 937	1 937	23 242	20 479	21 444
Vote 02 - Budget & Treasury Office		2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	26 903	27 053	28 257
Vote 03 - Corporate Services		1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	16 086	16 038	15 204
Vote 04 - Community & Social Services		293	293	293	293	293	293	293	293	293	293	293	293	3 517	3 691	3 857
Vote 05 - Sports & Recreation		244	244	244	244	244	244	244	244	244	244	244	244	2 931	3 069	3 095
Vote 06 - Public Safety		2	2	2	2	2	2	2	2	2	2	2	2	25	26	27
Vote 07 - Planning & Development		217	217	217	217	217	217	217	217	217	217	217	217	2 609	2 735	2 862
Vote 08 - Road Transport		862	862	862	862	862	862	862	862	862	862	862	862	10 342	11 297	11 732
Vote 09 - Electricity		3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	46 573	50 557	54 594
Vote 10 - Water		2 887	2 887	2 887	2 887	2 887	2 887	2 887	2 887	2 887	2 887	2 887	2 887	34 648	36 246	37 215
Vote 11 - Waste Water Management		978	978	978	978	978	978	978	978	978	978	978	978	11 734	12 298	12 517
Vote 12 - Solid Waste		1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	1 008	12 096	12 758	13 054
Vote 13 - Own Other		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Vote 14 - Environmental Health																
Vote 15 - Other																
Total Expenditure by Vote		**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**15 893**	**190 714**	**196 256**	**203 865**
Surplus/(Deficit) before assoc.		**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(2 760)**	**18 502**	**24 809**
Income Tax																
Share of Surplus/Deficit attributable to Minorities																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	**1**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(230)**	**(2 760)**	**18 502**	**24 809**

NC065 Hantam - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688		32 253	33 672	–
Service charges - electricity revenue	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925	3 925		47 105	49 177	–
Service charges - water revenue	953	953	953	953	953	953	953	953	953	953	953		11 439	11 943	–
Service charges - sanitation revenue	527	527	527	527	527	527	527	527	527	527	527		6 321	6 599	–
Service charges - refuse revenue	534	534	534	534	534	534	534	534	534	534	534		6 409	6 691	–
Rental of facilities and equipment	49	49	49	49	49	49	49	49	49	49	49		590	616	–
Interest earned - external investments	192	192	192	192	192	192	192	192	192	192	192		2 306	2 407	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Dividends received															
Fines, penalties and forfeits	0	0	0	0	0	0	0	0	0	0	0		1	1	–
Licences and permits	33	33	33	33	33	33	33	33	33	33	33		400	417	–
Agency services	20	20	20	20	20	20	20	20	20	20	20		244	255	–
Transfers and Subsidies - Operational	3 635	3 635	3 635	3 635	3 635	3 635	3 635	3 635	3 635	3 635	3 635		43 622	45 583	–
Other revenue	529	529	529	529	529	529	529	529	529	529	529		6 351	7 264	–
Cash Receipts by Source	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**13 087**	**–**	**157 040**	**164 627**	**–**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 860	2 860	2 860	2 860	2 860	2 860	2 860	2 860	2 860	2 860	2 860		34 321	40 765	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)															
Proceeds on Disposal of Fixed and Intangible Assets															
Short term loans															
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Vat Control (receipts)															
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Decrease (increase) in non-current investments															
Insurance Refund - Capital															
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments															
Total Cash Receipts by Source	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**15 947**	**–**	**191 361**	**205 392**	**–**
Cash Payments by Type															
Employee related costs	4 797	4 797	4 797	4 797	4 797	4 797	4 797	4 797	4 797	4 797	4 797		57 559	59 237	–
Remuneration of councillors	527	527	527	527	527	527	527	527	527	527	527		6 319	6 548	–
Finance charges	14	14	14	14	14	14	14	14	14	14	14		173	180	–
Bulk purchases - Electricity	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793	2 793		33 513	34 853	–
Acquisition inventory - water and other inventory	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Contracted services	1 552	1 552	1 552	1 552	1 552	1 552	1 552	1 552	1 552	1 552	1 552		18 623	18 602	–
Transfers and subsidies - other municipalities															
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Other expenditure	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518	2 518		30 210	32 159	–
Cash Payments by Type	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**12 200**	**–**	**146 397**	**151 579**	**–**
Other Cash Flows/Payments by Type															
Capital assets	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509		34 620	41 037	–
Retention (Capital)															
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Total Cash Payments by Type	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**14 709**	**–**	**181 017**	**192 615**	**–**
NET INCREASE/(DECREASE) IN CASH HELD	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**1 238**	**–**	**10 344**	**12 777**	**–**
Cash/cash equivalents at the month/year begin:	200	1 438	2 676	3 914	5 152	6 390	7 628	8 866	10 105	11 343	12 581	13 819	200	10 543	23 320
Cash/cash equivalents at the month/year end:	1 438	2 676	3 914	5 152	6 390	7 628	8 866	10 105	11 343	12 581	13 819	13 819	10 543	23 320	23 320

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN – INTERNAL DEPARTMENTS

Refer to the detailed DRAFT SDBIP for detailed budgeted figures per IDP targets.

2.12 ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

Not applicable to Hantam Municipality, as the municipality does not have any municipal entities.

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The municipality's Supply Chain Management Policy stipulates the processes to be complied with for contracts that will impose financial obligations beyond the three years in the annual budget for that financial year and will require approval by Council.

In preparation of the Draft budget, no contracts were awarded beyond the medium-term revenue and expenditure framework (three years).

2.14 CAPITAL EXPENDITURE DETAIL

The municipality has budgeted for the following capital projects for the 2025/26 financial year:

Source of Funding	Project Description	Amount Excl. VAT	Amount Incl. VAT
MIG	Nieuwoudtville Extention of Oxidation Ponds	9 573 043.48	11 009 000.00
WSIG	Upgrading of Nieuwoudtville Boreholes	7 266 086.96	8 356 000.00
Total - Grant Funding		**16 839 130.43**	**19 365 000.00**

Source of Funding	Project Description	Amount Excl. VAT	Amount Incl. VAT
Own Funding	2 x 5 ton tipping trays (tipbakke)	521 739.13	600 000.00
Own Funding	Computer Equipment – Laptaps	130 434.78	150 000.00
Own Funding	Machinery and Equipment - Security cameras	217 391.30	250 000.00
Own Funding	Furniture and office equipment - Other	86 956.52	100 000.00
Own Funding	Furniture and office equipment - Airconditioners	173 913.04	200 000.00
Own Funding	Nieuwoudtville Extention of Oxidation Ponds	406 956.52	468 000.00
Total - Own Funding		**1 537 391.30**	**1 768 000.00**
Total Capital Expenditure		**18 376 521.74**	**21 133 000.00**

Total capital expenditure for the year is budgeted at R21,1 million, of which R1,7 million (including VAT) is from own funding (internally generated) and R19,3 million from government grants and subsidies.

Repairs and Maintenance:

NC065 Hantam - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Repairs and Maintenance Expenditure	1	13 047	9 389	28 387	8 363	6 812	6 812	6 444	7 269	7 495
R&M as a % of PPE & Investment Property		*2.9%*	*1.6%*	*3.7%*	*1.2%*	*0.9%*	*0.9%*	*0.9%*	*1.0%*	*1.0%*
R&M as % Operating Expenditure		*9.6%*	*6.2%*	*15.1%*	*4.8%*	*3.8%*	*3.8%*	*7.6%*	*3.9%*	*4.3%*

- Repairs and maintenance are budgeted at R6,4 million for the 2025/26 financial year.

- Repairs and maintenance are budgeted at 0,9% of the property, plant and equipment and Investment property, which is less than the norm of 8%.

- This can be attributed to the recent additions in the previous financial years and bulk water infrastructure networks and reticulation networks, which is still new. The municipality is committed in ensuring that all municipal infrastructure is repaired and maintained in an effective and efficient manner. An asset maintenance plan is to be developed and implemented.

- Total repairs and maintenance are 7,6% of the total operating expenditure budget.

2.15 LEGISLATION COMPLIANCE STATUS

The MFMA implementation requirements have been satisfactorily complied with through the following activities:

In year reporting

Monthly, Quarterly and Bi-annual reporting to National Treasury, in electronic format is complied with. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.

Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department and internal auditing. The municipality currently has 4 interns under the internship programme. Since the introduction of the Internship programme the Municipality has appointed or absorbed some of the interns permanently through the recruitment process.

Budget and Treasury Office

The Budget and Treasury Office have been established in accordance with the MFMA.

Key vacant vacancies will be addressed in the 2026/27 financial year to ensure that the finance department is functioning effectively and efficiently.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) will be finalised following approval of the 2026/2027 budget by end May 2026.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is presented at the municipality and training is ongoing. All Budget and Treasury Office officials has the minimum competency requirements. MFMA training were conducted by the municipality internally. 10 officials were attended the MFMP course and are awaiting their final results. The municipality intends to enrol 10 more officials during the 2026/27 financial year.

Policies

The review of all budget-related policies will take place in terms of Regulation 7 of the MBRR in April-May 2026. All budget-related policies are contained in Annexure D.

Procurement Plan

Municipal Budget Circular No 94 highlights the slow spending of capital budgets by most municipalities, and the associated negative impact on service delivery. It therefore became necessary to compile a Draft procurement plan to address a weak planning process. The annual procurement plan for 2026/27 budget year is contained in Annexure C.

2.16 OTHER SUPPORTING DOCUMENTS

A) 2026/27 – 2028/29 Draft municipal tariffs
B) 2026/27 Draft budget related policies
C) 2026/27 – 2028/29 Draft Detailed Budgeted Income and Expenditure Report
D) 2026/27 Annual Procurement Plan

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, JJ Fortuin, the Acting Municipal Manager of Hantam Local Municipality, hereby certify that the Draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the annual budget and supporting documentation are consistent with the business plan of the municipality and the Integrated Development Plan of the municipality.

Print Name: ____

Municipal Manager of Hantam Local Municipality (NC065)

Signature: ____

Date: ____