DISTRICT COUNCIL **28 JULY 2026**

1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / *VERSLAG: ARTIKEL 52 VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER* / INGXELO: U MHLATHI 52 - UXANDUVA LUKA SODOLOPHU

(6/18/7)

15 July 2026

<u>REFER REPORT FROM THE EXECUTIVE MAYOR (ALD M KRUGER)</u>

2. PURPOSE OF THE REPORT

The report is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003 (MFMA).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

According to the MFMA Section 52(d) the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

5. RECOMMENDATION

That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 June 2026.

AANBEVELING

Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëinding 30 Junie 2026.

ISINDULULO

Sesokuba iBhunga lithathele ingqalelo ingxelo yarhoqo ngekota ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 30 kweyeSilimela 2026.

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

Section 52 (d)

The mayor of a municipality –

Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

6.2 FINANCIAL IMPLICATIONS

As contained in the attached report.

6.3 LEGAL IMPLICATIONS

The following legislation applies:

1. Municipal Finance Management Act, No 56 of 2003, section 52
2. Municipal Budget and Reporting Regulations, 17 April 2009

6.4 STAFF IMPLICATION

None

6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS

The report is tabled to Council on a quarterly basis in terms of Section 52(d) of the MFMA.

6.6 RISK IMPLICATIONS

There are no foreseen risks.

ANNEXURE

Section 52 Report

Garden Route
DISTRICT MUNICIPALITY | UMASIPALA WESITHILI | DISTRIKSMUNISIPALITEIT

MFMA SECTION 52 - QUARTERLY FINANCIAL AND PERFORMANCE MANAGEMENT REPORT

Quarter 4

30 June 2026

Garden Route District Municipality
Head Office: 54 York Street, George, 6530
Tel: 044 803 1300

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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustments Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy (ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

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

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

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

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

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

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

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

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

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

MSCOA – Municipal Standard Chart of Accounts.

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

Operating Expenditure – The day-to-day expenses of the Municipality such as salaries and wages.

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

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

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In the Garden Route District this means the different Departments within the municipality.

YTDB – Year to Date Budget.

YTDA – Year to Date Actual.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

1. Section 52: Quarterly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYOR'S REPORT

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route District Council on both sides of the house, the municipal manager and his executive management team, staff members, members of the media, interest groups and the citizens of the Garden Route District. I would like to express a warm welcome to you all.

Herewith an executive summary of the performance of the Council for the fourth quarter ending 30 June 2026. The actual and budgeted figures reported includes the Roads Operational Budget.

These figures are presented in terms of Section 52 of the MFMA.

Revenue by source

The total revenue received by source for the fourth quarter amounts to **R70,559,640**, against an adjusted budget of **R493,441,567 (YTDB: R493,441,567)**. This represents **14%** recording of revenue for the fourth quarter.

Majority of the revenue received for the fourth quarter relates to Operational Revenue (65%), Interest from Current and Non-current Assets (10%) and Sale of Goods and Rendering of Services (9%). The other 16% of revenue received was derived from agency services, interest on receivables, transfer revenue and rental revenue.

Operating Expenditure by source

For the fourth quarter of the financial year, the municipality recorded expenditure performance of **R110,260,510** against an adjusted budget of **R518,093,818 (YTDB: R518,093,818)**, representing **22%** of expenditure for the fourth quarter. The expenditure as reflected is for both the GRDM and the Roads department.

The salary related expenditure for the fourth quarter was **R73,591,942** to an adjusted budget of **R310,302,502 (YTDA: R307,438,811 and YTDB: R310,302,502)**, representing **24%** of the budget. The YTDB includes movements for the actuarial valuations and salary provisions, which will be recognised during the preparation of the annual financial statements.

The councillor remuneration expenditure for the fourth quarter amounts to **R2,930,983** to an adjusted budget of **R15,978,700 (YTDA: R12,729,825 and YTDB: R15,978,700)**, representing **18%** of the budget. The municipality has implemented a new payroll system and review of the mSCOA configuration codes will be performed to ensure the accounting transactions are correctly reflected. The decrease is also due to current vacancies, as well as the Upper Limits increase being less than anticipated.

Spending on contracted services was **R10,614,589** in the fourth quarter representing **19%** spending of an adjusted budget of **R54,517,417 (YTDA: R42,743,539 and YTDB: R54,517,417)**. Majority relates to NSF and Skills Mecca projects, as well as aerial fire services and landfill site contracted services less than anticipated to date.

Spending on inventory consumed was **R727,790** in the fourth quarter representing **2%** spending of an adjusted budget of **R47,739,471 (YTDA: R46,983,482 and YTDB: R47,739,471)**, which is far less than the expected performance of 25% for the quarter. During the adjustments budget process, the inventory consumed costs for the Roads department was removed for the last quarter of the year due to the expected transfer of the Roads function from 1 April 2026 to the Department of Infrastructure. Most of the Inventory Consumed expenditure was incurred by the Roads department.

Spending on operational expenditure was **R12,535,085** for the quarter, representing **18%** spending of an adjusted budget of **R69,573,582 (YTDA: R64,475,218 and YTDB: R69,573,582)**. Operational costs were less than anticipated, majority relates to the operational costs of the roads agency function transferred to DOI.

Capital Expenditure

The approved adjusted capital budget for the 2025/26 financial year totals **R72,245,872**. The largest expenditure item on the capital budget (R67,122,133) is the construction of the regional landfill site. Construction commenced to the end of the 2022/2023 financial year.

For the fourth quarter, capital expenditure was **R37,615,072** with orders to the amount of **R4,388,926** issued as at the end of June 2026. The total capital expenditure (including orders) as at 30 June 2026 is **R57,168,150,** representing **79%** spending of an adjusted budget of R72,245,872.

Refer to detailed capital expenditure performance under Section 11.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the mayor

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

RECOMMENDATION:

1. That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 30 June 2026.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the fourth quarter ending 30 June 2026.

3.2 Consolidated performance

3.2.1 Against annual budget (adjusted)

The actual and budgeted figures reported includes the Roads function.

Revenue by source

The total revenue received by source for the fourth quarter amounts to **R70,559,640**, against an adjusted budget of **R493,441,567 (YTDB: R493,441,567)**. This represents **14%** recording of revenue for the fourth quarter.

Majority of the revenue received for the fourth quarter relates to Operational Revenue (65%), Interest from Current and Non-current Assets (10%) and Sale of Goods and Rendering of Services (9%). The other 16% of revenue received was derived from agency services, interest on receivables, transfer revenue and rental revenue.

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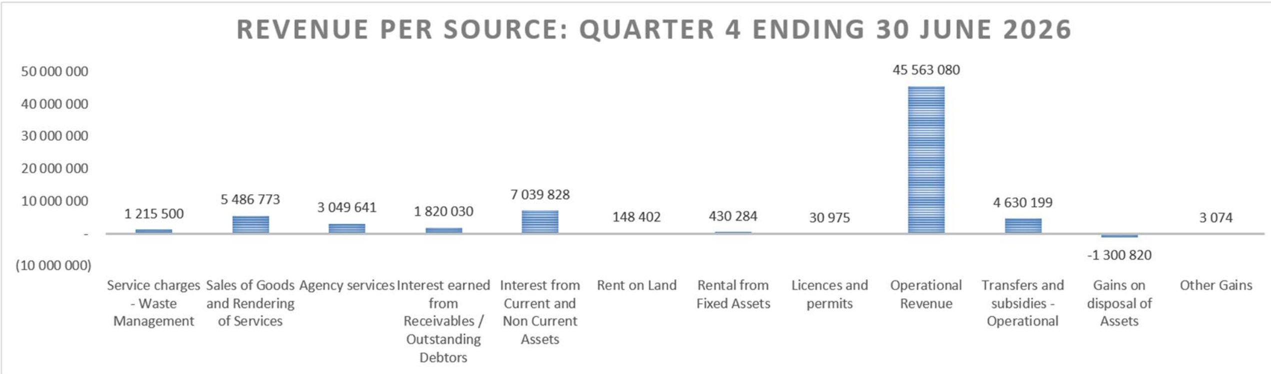

Operating Expenditure by type

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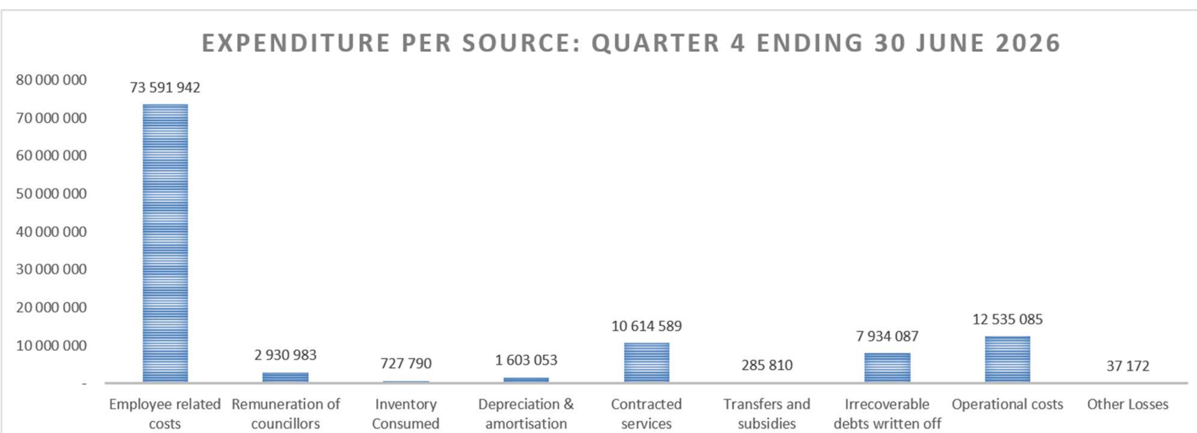

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Refer to detailed capital expenditure performance under Section 11.

CAPITAL BUDGET SPENDING AS AT 30 JUNE 2026							
Number	**Description**	**Funding source**	**Budget**	**Expenditure**	**Orders**	**Available**	**% Spent**
1	Wireless Access Points	Own revenue	28 408	28 408	-	0	100%
2	Portable Voice Recorder	Own revenue	1 462	779	-	683	53%
3	Type-C Docking Stations	Own revenue	7 930	7 928	-	3	100%
4	Wireless Radio Link (York Street-Mission Street)	Own revenue	60 000	60 000	-	-	100%
5	Desktop Computers (PC)	Own revenue	85 536	85 536	-	-	100%
6	Office Furniture	Own revenue	8 844	8 843	-	1	100%
7	Hazardous Materials Equipment	Grant	500 000	558 051,0	- 64 085	6 034	99%
8	Equipment	Grant	1 868 000	263 937	-	1 604 063	14%
9	Building of Disaster Management Store	Grant	1 000 000	503 552	-	496 448	50%
10	Hovercraft	Grant	1 382 000	1 381 073	-	927	100%
11	Cell Phones - Finance Leases	Own revenue	23 739	-	-	23 739	0%
12	Monitors	Own revenue	16 664	16 661	-	3	100%
13	Barnowl Upgrade Licence Fee	Own revenue	141 156	-	-	141 156	0%
14	Landfill Site: PPE	Borrowing	67 122 133	49 864 456	4 453 011	12 804 666	81%
			72 245 872	**52 779 224**	**4 388 926**	**15 077 722**	**79%**

3.3 Material variances from SDBIP

Attached to this report as Annexure is the SDBIP report for the fourth quarter ending 30 June 2026.

Management of the SDBIP and achievement of actuals against KPI targets are done via the Performance Management Section.

3.4 Conclusion

Detailed analysis of the municipal performance for the fourth quarter ending 30 June 2026 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statement

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	8 389	47 855	–	(3 572)	1 216	–	1 216	#DIV/0!	–
Investment revenue	16 541	14 385	8 588	6 191	11 396	8 588	2 808	33%	8 588
Transfers and subsidies - Operational	211 404	214 504	220 814	1 143	205 460	220 814	(15 354)	-7%	220 814
Other own revenue	222 899	277 670	259 289	25 421	261 193	259 289	1 904	1%	–
Total Revenue (excluding capital transfers and contributions)	**459 233**	**554 413**	**488 692**	**29 184**	**479 265**	**488 692**	**(9 427)**	**-2%**	**488 692**
Employee costs	314 575	319 379	310 303	27 498	307 439	310 303	(2 864)	-1%	310 303
Remuneration of Councillors	13 953	15 251	15 979	1 200	12 730	15 979	(3 249)	-20%	15 979
Depreciation and amortisation	7 565	11 095	8 163	1 191	7 066	8 163	(1 097)	-13%	8 163
Interest	435	136	420	–	–	420	(420)	-100%	420
Inventory consumed and bulk purchases	46 480	56 872	47 739	411	46 983	47 739	(756)	-2%	47 739
Transfers and subsidies	8 904	1 017	1 312	25	803	1 312	(509)	-39%	1 312
Other expenditure	98 786	150 313	134 178	17 565	115 191	134 178	(18 987)	-14%	134 178
Total Expenditure	**490 697**	**554 063**	**518 094**	**47 890**	**490 212**	**518 094**	**(27 881)**	**-5%**	**518 094**
Surplus/(Deficit)	**(31 464)**	**350**	**(29 402)**	**(18 707)**	**(10 948)**	**(29 402)**	**18 454**	**-63%**	**(29 402)**
Transfers and subsidies - capital (monetary	2 563	3 000	4 750	2 443	2 707	4 750	(2 043)	-43%	4 750
Transfers and subsidies - capital (in-kind)	2 493	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	**16 411**	**-67%**	**(24 652)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	**16 411**	**-67%**	**(24 652)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**108 921**	**72 246**	**26 257**	**52 778**	**72 246**	**(19 467)**	**-27%**	**72 246**
Capital transfers recognised	540	3 000	4 750	2 179	2 443	4 750	(2 307)	-49%	4 750
Borrowing	–	105 571	67 122	23 815	49 864	67 122	(17 258)	-26%	67 122
Internally generated funds	**(540)**	**350**	**374**	**264**	**471**	**374**	**98**	**26%**	**374**
Total sources of capital funds	**–**	**108 921**	**72 246**	**26 257**	**52 778**	**72 246**	**(19 467)**	**-27%**	**72 246**
Financial position									
Total current assets	230 168	142 172	187 711		173 417				187 711
Total non current assets	287 254	437 579	354 949		385 563				354 949
Total current liabilities	88 995	88 735	54 930		86 179				54 930
Total non current liabilities	264 922	240 633	271 623		264 937				271 623
Community wealth/Equity	**216 105**	**250 383**	**216 107**		**207 864**				**216 107**
Cash flows									
Net cash from (used) operating	191 954	8 464	2 662	(53 053)	(201 941)	2 662	204 604	7685%	2 662
Net cash from (used) investing	(43 381)	(108 906)	(72 229)	(23 562)	(40 822)	(72 244)	(31 422)	43%	(72 229)
Net cash from (used) financing	64 336	107 179	67 122	77	3 713	65 786	62 072	94%	67 122
Cash/cash equivalents at the month/year end	**369 724**	**59 352**	**152 567**	**78 473**	**(84 039)**	**151 215**	**235 254**	**156%**	**152 567**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	5 932	19 558	19 158	3 263	542	840	12 024	50 273	111 590
Creditors Age Analysis									
Total Creditors	579	5	–	–	–	–	47	766	1 398

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		**243 829**	**177 732**	**160 553**	**6 886**	**151 120**	**160 553**	(9 433)	-6%	**160 553**
Executive and council		223 262	74 390	71 746	476	88 067	71 746	16 321	23%	71 746
Finance and administration		20 567	103 343	88 806	6 410	63 053	88 806	(25 754)	-29%	88 806
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**17 730**	**90 130**	**87 504**	**2 792**	**79 056**	**87 504**	(8 447)	-10%	**87 504**
Community and social services		2 571	13 200	15 150	2 032	12 682	15 150	(2 468)	-16%	15 150
Sport and recreation		8 154	8 347	7 983	38	3 050	7 983	(4 933)	-62%	7 983
Public safety		5 582	27 547	29 018	578	28 246	29 018	(772)	-3%	29 018
Housing		–	–	–	–	–	–	–		–
Health		1 423	41 036	35 352	144	35 078	35 352	(275)	-1%	35 352
Economic and environmental services		**191 773**	**236 494**	**226 691**	**20 732**	**235 563**	**226 691**	8 873	4%	**226 691**
Planning and development		12 605	19 549	25 337	637	22 065	25 337	(3 273)	-13%	25 337
Road transport		178 754	216 780	201 085	20 065	213 219	201 085	12 134	6%	201 085
Environmental protection		414	165	269	30	280	269	11	4%	269
Trading services		**10 849**	**51 482**	**17 119**	**1 216**	**14 656**	**17 119**	**(2 463)**	-14%	**17 119**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		10 849	51 482	17 119	1 216	14 656	17 119	(2 463)	-14%	17 119
Other	4	**108**	**1 575**	**1 575**	**–**	**1 575**	**1 575**	**–**		**1 575**
Total Revenue - Functional	2	**464 289**	**557 413**	**493 442**	**31 626**	**481 971**	**493 442**	**(11 470)**	**-2%**	**493 442**
Expenditure - Functional										
Governance and administration		**186 728**	**170 929**	**180 900**	**23 965**	**163 739**	**180 900**	(17 161)	-9%	**180 900**
Executive and council		79 474	62 663	64 432	12 189	57 496	64 432	(6 936)	-11%	64 432
Finance and administration		103 398	104 250	112 407	11 437	102 198	112 407	(10 209)	-9%	112 407
Internal audit		3 856	4 017	4 061	339	4 045	4 061	(16)	0%	4 061
Community and public safety		**85 981**	**86 267**	**91 853**	**7 817**	**86 834**	**91 853**	(5 020)	-5%	**91 853**
Community and social services		10 640	10 837	10 456	995	10 240	10 456	(216)	-2%	10 456
Sport and recreation		10 868	8 212	10 522	935	9 640	10 522	(882)	-8%	10 522
Public safety		27 020	27 018	31 579	2 600	28 352	31 579	(3 227)	-10%	31 579
Housing		–	–	–	–	–	–	–		–
Health		37 453	40 200	39 295	3 288	38 601	39 295	(694)	-2%	39 295
Economic and environmental services		**204 683**	**244 558**	**226 330**	**14 659**	**221 897**	**226 330**	(4 433)	-2%	**226 330**
Planning and development		24 985	23 442	21 116	2 122	17 721	21 116	(3 395)	-16%	21 116
Road transport		175 491	216 780	201 085	12 202	200 099	201 085	(985)	0%	201 085
Environmental protection		4 207	4 337	4 129	336	4 077	4 129	(52)	-1%	4 129
Trading services		**11 718**	**50 733**	**17 396**	**1 325**	**16 199**	**17 396**	**(1 197)**	-7%	**17 396**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		11 718	50 733	17 396	1 325	16 199	17 396	(1 197)	-7%	17 396
Other		**1 587**	**1 575**	**1 614**	**124**	**1 543**	**1 614**	**(71)**	**-4%**	**1 614**
Total Expenditure - Functional	3	**490 697**	**554 063**	**518 094**	**47 890**	**490 212**	**518 094**	**(27 881)**	**-5%**	**518 094**
Surplus/ (Deficit) for the year		**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	**16 411**	**-67%**	**(24 652)**

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading Services.

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

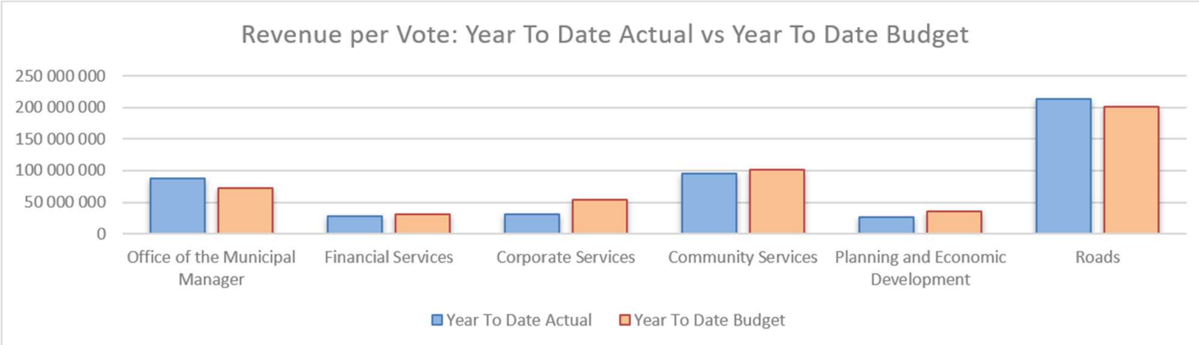
DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

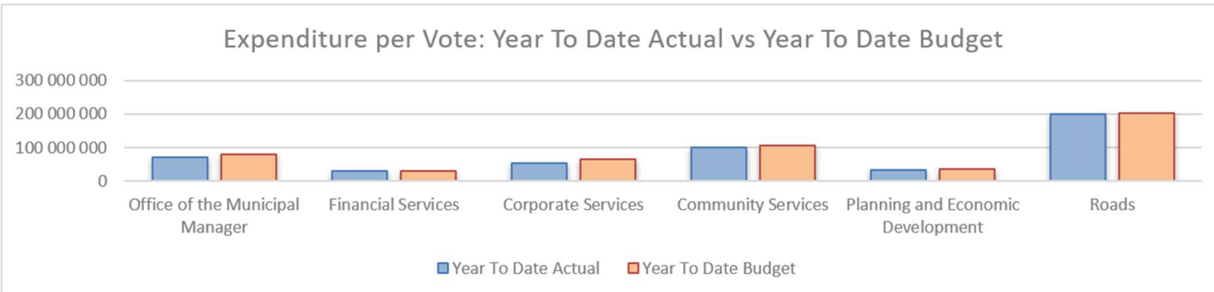
Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		223 262	74 390	71 746	476	88 067	71 746	16 321	22,7%	71 746
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–		–
Vote 3 - Financial Services		5 439	49 644	30 675	6 389	28 117	30 675	(2 558)	-8,3%	30 675
Vote 4 - Financial Services (cont)		20	–	–	–	–	–	–		–
Vote 5 - Corporate Services		1 882	39 949	38 821	17	24 389	38 821	(14 431)	-37,2%	38 821
Vote 6 - Corporate Services (cont)		13 184	9 644	15 205	4	6 441	15 205	(8 765)	-57,6%	15 205
Vote 7 - Community Services		3 038	57 341	53 607	2 040	51 025	53 607	(2 583)	-4,8%	53 607
Vote 8 - Community Services (cont)		17 801	80 194	47 406	1 960	44 023	47 406	(3 384)	-7,1%	47 406
Vote 9 - Planning and Economic Development		4 922	3 075	3 075	2	2 937	3 075	(138)	-4,5%	3 075
Vote 10 - Planning and Economic Development (cont)		11 686	10 258	16 729	646	14 764	16 729	(1 965)	-11,7%	16 729
Vote 11 - Planning and Economic Development(cont2)		4 301	16 138	15 091	27	8 989	15 091	(6 103)	-40,4%	15 091
Vote 12 - Roads		178 754	216 780	201 085	20 065	213 219	201 085	12 134	6,0%	201 085
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**464 289**	**557 413**	**493 442**	**31 626**	**481 971**	**493 442**	**(11 470)**	**-2,3%**	**493 442**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		85 137	68 361	70 144	12 463	62 626	70 144	(7 518)	-10,7%	70 144
Vote 2 - Office of the Municipal Manager (cont)		8 776	9 207	9 198	839	9 517	9 198	320	3,5%	9 198
Vote 3 - Financial Services		20 222	22 829	20 910	2 186	20 480	20 910	(430)	-2,1%	20 910
Vote 4 - Financial Services (cont)		6 510	6 448	10 418	528	10 433	10 418	14	0,1%	10 418
Vote 5 - Corporate Services		19 569	21 405	23 421	2 280	17 858	23 421	(5 563)	-23,8%	23 421
Vote 6 - Corporate Services (cont)		43 219	39 691	41 803	3 316	35 468	41 803	(6 335)	-15,2%	41 803
Vote 7 - Community Services		49 089	54 078	53 657	5 594	53 157	53 657	(501)	-0,9%	53 657
Vote 8 - Community Services (cont)		43 502	81 999	52 806	4 279	48 178	52 806	(4 629)	-8,8%	52 806
Vote 9 - Planning and Economic Development		8 102	3 113	4 513	1 149	6 398	4 513	1 885	41,8%	4 513
Vote 10 - Planning and Economic Development (cont)		20 024	16 417	17 422	1 561	15 866	17 422	(1 555)	-8,9%	17 422
Vote 11 - Planning and Economic Development(cont2)		11 058	13 736	12 717	1 493	10 133	12 717	(2 585)	-20,3%	12 717
Vote 12 - Roads		108 914	134 114	121 452	8 419	118 501	121 452	(2 951)	-2,4%	121 452
Vote 13 - Roads (cont)		66 577	82 666	79 633	3 783	81 598	79 633	1 966	2,5%	79 633
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**490 697**	**554 063**	**518 094**	**47 890**	**490 212**	**518 094**	**(27 881)**	**-5,4%**	**518 094**
Surplus/ (Deficit) for the year	2	**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	**16 411**	**-66,6%**	**(24 652)**

Revenue and expenditure reflect the operating performance per municipal vote.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

Refer to the charts below indicating the revenue and expenditure per vote (year-to-date actual amount vs year-to-date budgeted amount):


Revenue per Vote: Year To Date Actual vs Year To Date Budget
250 000 000
200 000 000
150 000 000
100 000 000
50 000 000
0
Office of the Municipal Manager
Financial Services
Corporate Services
Community Services
Planning and Economic Development
Roads
Year To Date Actual
Year To Date Budget


Expenditure per Vote: Year To Date Actual vs Year To Date Budget
300 000 000
200 000 000
100 000 000
0
Office of the Municipal Manager
Financial Services
Corporate Services
Community Services
Planning and Economic Development
Roads
Year To Date Actual
Year To Date Budget

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–	0%	
Service charges - Water								–	0%	
Service charges - Waste Water Management								–	0%	
Service charges - Waste management		8 389	47 855	–	(3 572)	1 216	–	1 216	#DIV/0!	–
Sale of Goods and Rendering of Services		13 544	21 280	30 730	4 991	20 435	30 730	(10 295)	-34%	30 730
Agency services		18 860	22 763	17 930	1 017	17 930	17 930	0	0%	17 930
Interest								–	0%	
Interest earned from Receivables		5 379	6 711	7 747	496	7 087	7 747	(660)	-9%	7 747
Interest from Current and Non Current Assets		16 541	14 385	8 588	6 191	11 396	8 588	2 808	33%	8 588
Dividends								–	0%	
Rent on Land		481	593	710	49	594	710	(116)	-16%	710
Rental from Fixed Assets		2 000	3 199	2 126	168	1 620	2 126	(506)	-24%	2 126
Licence and permits		–	165	165	17	108	165	(57)	-35%	165
Special rating levies								–	0%	
Operational Revenue		179 345	217 188	199 673	19 980	212 939	199 673	13 266	7%	199 673
Non-Exchange Revenue								–	0%	
Property rates								–	0%	
Surcharges and Taxes		–	–	–	–	–	–	–	0%	–
Fines, penalties and forfeits		2 568	–	–	–	–	–	–	0%	–
Licence and permits		309	–	–	–	–	–	–	0%	–
Transfers and subsidies - Operational		211 404	214 504	220 814	1 143	205 460	220 814	(15 354)	-7%	220 814
Interest								–	0%	
Fuel Levy								–	0%	
Operational Revenue								–	0%	
Gains on disposal of Assets		(172)	1 350	–	(1 301)	239	–	239	#DIV/0!	–
Other Gains		585	4 420	209	3	242	209	33	16%	209
Discontinued Operations								–	0%	
Total Revenue (excluding capital transfers and contributions)		**459 233**	**554 413**	**488 692**	**29 184**	**479 265**	**488 692**	**(9 427)**	-2%	**488 692**
Expenditure By Type										
Employee related costs		314 575	319 379	310 303	27 498	307 439	310 303	(2 864)	-1%	310 303
Remuneration of councillors		13 953	15 251	15 979	1 200	12 730	15 979	(3 249)	-20%	15 979
Bulk purchases - electricity								–	0%	
Inventory consumed		46 480	56 872	47 739	411	46 983	47 739	(756)	-2%	47 739
Debt impairment		17 488	–	4 000	–	–	4 000	(4 000)	-100%	4 000
Depreciation and amortisation		7 565	11 095	8 163	1 191	7 066	8 163	(1 097)	-13%	8 163
Interest		435	136	420	–	–	420	(420)	-100%	420
Contracted services		28 206	47 207	54 517	4 260	42 744	54 517	(11 774)	-22%	54 517
Transfers and subsidies		8 904	1 017	1 312	25	803	1 312	(509)	-39%	1 312
Irrecoverable debts written off		1 614	1 650	3 000	7 934	7 934	3 000	4 934	164%	3 000
Operational costs		47 210	100 401	69 574	5 334	64 475	69 574	(5 098)	-7%	69 574
Losses on Disposal of Assets		–	1 025	172	–	–	172	(172)	-100%	172
Other Losses		4 267	30	2 915	37	39	2 915	(2 877)	-99%	2 915
Total Expenditure		**490 697**	**554 063**	**518 094**	**47 890**	**490 212**	**518 094**	**(27 881)**	-5%	**518 094**
Surplus/(Deficit)		**(31 464)**	**350**	**(29 402)**	**(18 707)**	**(10 948)**	**(29 402)**	**18 454**	-63%	**(29 402)**
Transfers and subsidies - capital (monetary allocations)		2 563	3 000	4 750	2 443	2 707	4 750	(2 043)	-43%	4 750
Transfers and subsidies - capital (in-kind)		2 493	–	–	–	–	–	–	0%	–
Surplus/(Deficit) after capital transfers & contributions		**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	16 411	-67%	**(24 652)**
Income Tax								–	0%	
Surplus/(Deficit) after income tax		**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	16 411	-67%	**(24 652)**
Share of Surplus/Deficit attributable to Joint Venture								–	0%	
Share of Surplus/Deficit attributable to Minorities								–	0%	
Surplus/(Deficit) attributable to municipality		**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	16 411	-67%	**(24 652)**
Share of Surplus/Deficit attributable to Associate								–	0%	
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	0%	–
Surplus/ (Deficit) for the year		**(26 408)**	**3 350**	**(24 652)**	**(16 264)**	**(8 241)**	**(24 652)**	16 411	-67%	**(24 652)**

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Revenue	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Agency Services	17 930 293	17 930 292	100%	Agency fee as per MOA with the Department of Infrastructure for the Roads function.
Interest from Current and Non-current Assets	11 395 507	8 587 890	133%	Interest as derived from the bank balance and investments/ call accounts at maturity date, increased investment balances maximised revenue.
Interest earned from Receivables	7 086 617	7 746 847	91%	Interest on overdue debtor accounts.
Rent on Land	593 607	709 607	84%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Operational Revenue	212 939 029	199 673 156	107%	Majority relates to the Roads reimbursive revenue allocation as received from the Department of Infrastructure. The revenue is based on actual expenditure incurred. The amount includes the prior period billing of R7,725m. A correction will be done to reverse the amount.
Rental from Fixed Assets	1 619 606	2 125 611	76%	Based on lease agreements entered into for the rental of the municipality's buildings. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Sales of Goods and Rendering of Services	21 650 941	30 730 281	70%	Majority relates to the Fire Services Rendered and the relating debtor accounts that must be billed, as well as a decrease in Camping fees, Health services and MMC Contribution from B-Municipalities.
Licences or Permits	107 523	164 807	65%	Monetary difference is not significant.
Transfers and Subsidies - Capital	2 706 614	4 750 000	57%	Recognition of conditional grant revenue based on the grant expenditure incurred. A roll-over application will be submitted for unspent grants.
Transfers and Subsidies - Operational	205 460 270	220 814 411	93%	Recognition of grant revenue based on the expenditure incurred as well as the equitable share grant received to date. Majority relates to the receipt of the equitable share grant. NSF and Skills Mecca Projects were less than anticipated to date.
Grand Total	**481 490 006**	**493 232 902**	**98%**	

Agency services:

The municipality performs an agency function on behalf of the Department of Infrastructure – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations.

For the fourth quarter ended 30 June 2026, the agency fee amounts to R3,049,641 (YTDA: R17,930,293 and YTDB: R17,930,292).

Interest earned from Current and Non-Current Assets / External Investments:

This reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. For the fourth quarter ended 30 June 2026, the interest amounts to R7,039,828 (YTDA: R11,395,507 and YTDB: R8,587,890).

Interest earned from Receivables / Outstanding debtors:

The interest on outstanding debtors for the fourth quarter ended 30 June 2026 amounts to R1,820,030 (YTDA: R7,086,617 and YTDB: R7,746,847).

Rent on Land:

The income received from rental on land amounts to R148,402 for the fourth quarter ended 30 June 2026 (YTDA: R593,607 and YTDB: R709,607). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Operational Revenue:

Operational revenue reflects an amount of R45,563,080 for the fourth quarter ended 30 June 2026 (YTDA: R212,939,029 and YTDB: R199,673,156). Majority relates to the Roads revenue allocation as received from the Department of Infrastructure. The revenue is based on actual expenditure incurred.

The amount includes the prior period billing of R7,725m. A correction will be done to reverse the amount.

Rental from Fixed Assets of facilities and equipment:

The income for rental of facilities and equipment reported for the fourth quarter ended 30 June 2026 amounts to R430,284 (YTDA: R1,619,606 and YTDB: R2,125,611). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Sales of Goods and Rendering of Services:

The income for Sales of Goods and Rendering of Services reported for the fourth quarter ended 30 June 2026 amounts to R6,702,273 (YTDA: R21,650,941 and YTDB: R30,730,281). Majority relates to the Fire Services Rendered and the relating debtor accounts that must be billed, as well as a decrease in Camping fees, Health services and MMC Contribution from B-Municipalities.

Transfers recognised:

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Act's respectively; as well as allocations received from National Departmental Agencies such as SETA/ NSF funding.

For conditional grants, the revenue is recognised to the extent that expenditure is incurred in accordance with grant conditions. Unconditional grants such as the equitable share are immediately recognised as revenue on receipt.

The first tranche payment of the equitable share grant was received in July 2025 and amounts to R78,344,000. The second tranche was received in December 2025 to the amount of R62,627,000. The last tranche payment was received in March 2026 to the amount of R47,055,000.

The following conditional grant allocations have been received to date:

1. Local Government Finance Management Grant (R1,000,000); Expanded Public Works Programme Grant (R573,000) and Rural Roads Asset Management Grant (R1,990,000) during August 2025.
2. Safety Initiative Implementation - Whole of Society Approach (WOSA) of R1,000,000 during October 2025.
3. Expanded Public Works Programme Grant (R1,032,000) and Fire Services Capacity Building Grant (R3,000,000) during November 2025.
4. Integrated Transport Planning Grant of R982,000 during December 2025.
5. Expanded Public Works Programme Grant (R688,000) and Rural Roads Asset Management Grant (R853,000) during February 2026.

6. Western Cape Financial Management Capability Grant (R150,000) during March 2026.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/ category of expenditure.

Refer to the below comparison of the year-to-date expenditure compared to the year-to-date budget:

Expenditure	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Contracted Services	42 743 539	54 517 417	78%	The following Contracted Services sub-categories were less than anticipated to date: - Consultants and Professional Services - Contractors - Outsourced Services Majority relates to NSF and Skills Mecca projects, as well as aerial fire services and landfill site contracted services less than anticipated to date.
Depreciation and Amortisation	7 066 175	8 163 273	87%	Depreciation and amortisation based on the municipality's asset base during the reporting period.
Employee Related Cost	307 438 811	310 302 502	99%	The YTDB includes movements for the actuarial valuations and salary provisions, which will be recognised during the preparation of the annual financial statements.
Inventory	(203 656)	(207 333)	98%	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Inventory Consumed	46 983 482	47 739 471	98%	The following Inventory Consumed sub-categories were less than anticipated to date: - Consumables - Materials and Supplies
Irrecoverable Debts Written Off	7 934 087	3 000 000	264%	Based on reports submitted to council for approval of write-offs.
Operational Cost	64 475 218	69 573 582	93%	Operational costs were less than anticipated, majority relates to the operational costs of the roads agency function transferred to DOI.
Remuneration of Councillors	12 729 825	15 978 700	80%	The decrease is also due to current vacancies, as well as the Upper Limits increase being less than anticipated.
Transfers and Subsidies (Expenditure)	802 797	1 311 685	61%	Grants paid as per business plan.
Grand Total	**489 970 278**	**510 379 297**	**96%**	

Contracted services:

The contracted services for the fourth quarter ended 30 June 2026 amounts to R10,614,589 (YTDA: R42,743,539 and YTDB: R54,517,417). The following Contracted Services sub-categories were less than anticipated to date: Consultants and Professional Services, Outsourced services and Contractors.

Majority relates to NSF and Skills Mecca projects, as well as aerial fire services and landfill site contracted services less than anticipated to date.

Depreciation and amortisation:

Depreciation and amortisation for the fourth quarter ended 30 June 2026 amounts to R1,603,053 (YTDA: R7,066,175 and YTDB: R8,163,273). Depreciation and amortisation are based on the municipality's asset base during the reporting period.

These items account for non-cash budgeted items. The fixed asset register (FAR) is being implemented at Garden Route DM by the service provider of the financial system. The Asset Verification module has been implemented with the GRAP implementation testing performed for certain areas. Templates were populated for the import of the Excel FAR into the Electronic FAR. Reconciliations were performed on the data and various set-ups done to movement accounts, etc.

Employee Related cost / Remuneration of councillors:

Remuneration related expenditure (councillors and staff) for the fourth quarter ended 30 June 2026 amounted to R76,522,925 (YTDA: R320,168,636 and YTDB: R326,281,202) and represents 69% of the total quarterly expenditure.

The YTDB includes movements for the actuarial valuations and salary provisions, which will be recognised during the preparation of the annual financial statements.

Inventory Consumed:

This item consists of all inventories consumed, purchases for materials and supplies; and amounts to R727,790 (YTDA: R46,983,482 and YTDB: R47,739,471) for the fourth quarter ended 30 June 2026.

The decrease is due to the transfer of the operational expenditure of the Roads function - most of the Inventory Consumed expenditure was incurred by the Roads department.

Operational costs:

Operational costs for the fourth quarter ended 30 June 2026 amounts to R12,535,085 (YTDA: R64,475,218 and YTDB: R69,573,582).

The operational costs consist of the following (among other):

1. External Audit fees
2. Travel and Subsistence
3. Operating Projects
4. Bank Charges
5. Advertisements
6. Telephone costs
7. Municipal Accounts
8. Software licenses
9. Internet fees

Transfers and subsidies:

The transfers and subsidies expenditure for the fourth quarter ended 30 June 2026 amounts to R285,810 (YTDA: R802,797 and YTDB: R1,311,685). This relates to grants paid as per business plans.

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

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–		–
Vote 3 - Financial Services		48	150	174	–	9	174	(165)	-95%	174
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–		–
Vote 5 - Corporate Services		–	–	–	–	–	–	–		–
Vote 6 - Corporate Services (cont)		32	200	199	–	199	199	(0)	0%	199
Vote 7 - Community Services		(1 465)	2 500	4 250	1 621	1 885	4 250	(2 365)	-56%	4 250
Vote 8 - Community Services (cont)		540	106 071	67 622	24 373	50 423	67 622	(17 200)	-25%	67 622
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–		–
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–		–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–		–
Vote 12 - Roads		–	–	–	–	–	–	–		–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	1	264	264	1	262	17953%	1
Total Capital Multi-year expenditure	4,7	**(844)**	**108 921**	**72 246**	**26 257**	**52 778**	**72 246**	**(19 467)**	**-27%**	**72 246**
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Office of the Municipal Manager (cont)		18	–	–	–	–	–	–		–
Vote 3 - Financial Services		–	–	–	–	–	–	–		–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–		–
Vote 5 - Corporate Services		38	–	–	–	–	–	–		–
Vote 6 - Corporate Services (cont)		(71)	–	–	–	–	–	–		–
Vote 7 - Community Services		233	–	–	–	–	–	–		–
Vote 8 - Community Services (cont)		692	–	–	–	–	–	–		–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–		–
Vote 10 - Planning and Economic Development (cont)		(66)	–	–	–	–	–	–		–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–		–
Vote 12 - Roads		–	–	–	–	–	–	–		–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–		–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	**844**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Capital Expenditure		**–**	**108 921**	**72 246**	**26 257**	**52 778**	**72 246**	**(19 467)**	**-27%**	**72 246**
Capital Expenditure - Functional Classification										
Governance and administration		**(6)**	**350**	**374**	**1**	**208**	**374**	(166)	-44%	**374**
Executive and council		(434)	–	1	–	–	1	(1)	-100%	1
Finance and administration		428	350	372	1	208	372	(164)	-44%	372
Internal audit								–		
Community and public safety		**6**	**3 000**	**4 750**	**2 443**	**2 707**	**4 750**	(2 043)	-43%	**4 750**
Community and social services		288	2 500	4 250	1 987	2 251	4 250	(1 999)	-47%	4 250
Sport and recreation		6	–	–	–	–	–	–		–
Public safety		(289)	500	500	456	456	500	(44)	-9%	500
Housing								–		
Health		2	–	–	–	–	–	–		–
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport								–		
Environmental protection								–		
Trading services		**–**	**105 571**	**67 122**	**23 815**	**49 864**	**67 122**	(17 258)	-26%	**67 122**
Energy sources								–		
Water management								–		
Waste water management								–		
Waste management		–	105 571	67 122	23 815	49 864	67 122	(17 258)	-26%	67 122
Other								–		
Total Capital Expenditure - Functional Classification	3	**–**	**108 921**	**72 246**	**26 258**	**52 779**	**72 246**	**(19 467)**	**-27%**	**72 246**
Funded by:										
National Government		–	–	–	–	–	–	–		–
Provincial Government		540	3 000	4 750	2 179	2 443	4 750	(2 307)	-49%	4 750
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		**540**	**3 000**	**4 750**	**2 179**	**2 443**	**4 750**	**(2 307)**	**-49%**	**4 750**
Borrowing	6	–	105 571	67 122	23 815	49 864	67 122	(17 258)	-26%	67 122
Internally generated funds		(540)	350	374	264	471	374	98	26%	374
Total Capital Funding		**–**	**108 921**	**72 246**	**26 257**	**52 778**	**72 246**	**(19 467)**	**-27%**	**72 246**

The approved adjusted capital budget for the 2025/26 financial year totals **R72,245,872**. The largest expenditure item on the capital budget (R67,122,133) is the construction of the regional landfill site. Construction commenced to the end of the 2022/2023 financial year.

For the fourth quarter, capital expenditure was **R37,615,072** with orders to the amount of **R4,388,926** issued as at the end of June 2026. The total capital expenditure (including orders) as at 30 June 2026 is **R57,168,150,** representing **79%** spending of an adjusted budget of R72,245,872.

Refer to detailed capital expenditure performance under Section 11.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		155 011	56 898	112 741	73 922	112 741
Trade and other receivables from exchange transactions		55 264	64 508	63 255	73 918	63 255
Receivables from non-exchange transactions		46	46	–	46	–
Current portion of non-current receivables		4 293	4 293	–	4 293	–
Inventory		3 217	3 049	–	74	–
VAT		11 615	10 678	11 615	21 134	11 615
Other current assets		722	2 700	100	29	100
Total current assets		**230 168**	**142 172**	**187 711**	**173 417**	**187 711**
Non current assets						
Investments		16	16	16	16	16
Investment property		65 730	65 619	65 602	65 622	65 602
Property, plant and equipment		220 946	314 384	288 395	319 547	288 395
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		1 192	(2 376)	935	1 009	935
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		(629)	59 935	–	(629)	–
Other non-current assets						
Total non current assets		**287 254**	**437 579**	**354 949**	**385 563**	**354 949**
TOTAL ASSETS		**517 422**	**579 751**	**542 660**	**558 980**	**542 660**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		6 373	13 255	7 175	6 373	7 175
Consumer deposits		1 336	660	–	5 050	–
Trade and other payables from exchange transactions		36 875	40 404	12 723	28 364	12 723
Trade and other payables from non-exchange transactions		1 298	640	1 298	865	1 298
Provision		32 980	24 793	23 600	30 509	23 600
VAT		10 134	8 983	10 134	15 019	10 134
Other current liabilities						
Total current liabilities		**88 995**	**88 735**	**54 930**	**86 179**	**54 930**
Non current liabilities						
Financial liabilities		166 490	92 316	166 490	166 490	166 490
Provision		8 861	13 048	105 133	8 876	105 133
Long term portion of trade payables						
Other non-current liabilities		89 571	135 268	–	89 571	–
Total non current liabilities		**264 922**	**240 633**	**271 623**	**264 937**	**271 623**
TOTAL LIABILITIES		**353 917**	**329 368**	**326 553**	**351 116**	**326 553**
NET ASSETS	2	**163 506**	**250 383**	**216 107**	**207 864**	**216 107**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		148 139	212 598	165 577	139 897	165 577
Reserves and funds		67 966	37 786	50 530	67 966	50 530
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**216 105**	**250 383**	**216 107**	**207 864**	**216 107**

Financial ratios:

Current Ratio:	(Current Assets / Current Liabilities)		
	Norm: 1.5 - 2.1		
	30 June 2026	**30 June 2025**	
Current Assets	173 416 575	220 813 011	
Current Liabilities	86 179 232	73 118 336	
Current ratio	**2,01**	**3,02**	*times*

Comment

The purpose of the current ratio is to determine whether GRDM has the ability to pay its short term liabilities

The norm is 1.5 - 2.1 times. As at 30 June 2026, GRDM's current ratio is 2,01 times, which is within the norm.

Net debtor days:	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365		
	Norm: 30 days		
	30 June 2026	**30 June 2025**	
Debtors closing balance after bad debt prov (excl. Roads debtor)	31 058 962	15 172 669	
Billed revenue (excl. Roads claim)	52 577 347	45 751 343	
	216	121	*days*

Comment

This ratio indicates how quick (in days) the municipality is able to receive payment from bills sent out to the public on a monthly basis.

The main reason for this relates to the complexities and legal challenges associcated with billing and payment of fire fighting services in the district.

GRDM sends out letters of demand and, as applicable, hands over non-paying debtors to the legal department. Proving however where a fire originated from remains a challenge and a protracted legal process.

GRDM installed a new incident management system in the Disaster Management section, which will greatly strengthen GRDM's ability to prove fire origination, which is expected to result in an improvement regarding receiving payment from fire fighting services debtors.

Debt to Revenue Ratio:	(Total debt / Total revenue) x 100
	30 June 2026
Total debt	171 912 000
Total revenue	481 971 123
	35,67%

Comment

The purpose of this ratio is to measure GRDM's ability to repay debt. For purposes of the loan agreement with Standard Bank, the Debt to Revenue Ratio must be maintained at a level that is less than or equal to 50% (fifty percent) of revenue.

The municipality has sufficient revenue to cover its debt obligations, as total debt constitues 35,67% of total revenue, which is within the norm of 50% or less as per the loan agreement.

Interest Paid to Total Cost Ratio:	(Interest paid / Total expenditure) x 100
	30 June 2026
Interest paid	15 608 969
Total expenditure	490 212 437
	3,18%

Comment

The purpose of this ratio is to measure GRDM's interest paid compared to all expenses incurred. For purposes of the loan agreement with Standard Bank, the Interest paid to total costs must be maintained at a level that is less than or equal to 7,5% (seven-point five percent) of total expenditure.

The interest paid makes up 3,18% of all expenditure incurred, therefore it is not a significant expenditure item for GRDM and is within the norm of 7,5% or less as per the loan agreement.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges		–	49 662	(0)	1 158	19 314	(0)	19 314	-17091896%	(0)
Other revenue		122 283	52 598	67 531	1 925	18 187	67 531	(49 344)	-73%	67 531
Transfers and Subsidies - Operational		200 633	428 679	418 246	588	212 652	418 246	(205 594)	-49%	418 246
Transfers and Subsidies - Capital		5 979	3 000	4 750	–	3 000	4 750	(1 750)	-37%	4 750
Interest		–	12 679	8 588	3 968	3 105	8 588	(5 483)	-64%	8 588
Dividends								–		
Payments										
Suppliers and employees		(136 942)	(538 018)	(496 365)	(57 978)	(442 590)	(496 365)	(53 775)	11%	(496 365)
Interest		–	(136)	(88)	(2 714)	(15 609)	(88)	15 521	-17665%	(88)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**191 954**	**8 464**	**2 662**	**(53 053)**	**(201 941)**	**2 662**	**204 604**	**7685%**	**2 662**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments		16	16	16	–	–	–	–		16
Payments										
Capital assets		(43 397)	(108 921)	(72 244)	(23 562)	(40 822)	(72 244)	(31 422)	43%	(72 244)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(43 381)**	**(108 906)**	**(72 229)**	**(23 562)**	**(40 822)**	**(72 244)**	**(31 422)**	**43%**	**(72 229)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		63 000	118 555	67 122	–	–	67 122	(67 122)	-100%	67 122
Increase (decrease) in consumer deposits		1 336	660	–	77	3 713	(1 336)	5 050	-378%	–
Payments										
Repayment of borrowing		–	(12 037)	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**64 336**	**107 179**	**67 122**	**77**	**3 713**	**65 786**	**62 072**	**94%**	**67 122**
NET INCREASE/ (DECREASE) IN CASH HELD		**212 909**	**6 737**	**(2 444)**	**(76 538)**	**(239 050)**	**(3 796)**			**(2 444)**
Cash/cash equivalents at beginning:		156 816	52 614	155 011	155 011	155 011	155 011			155 011
Cash/cash equivalents at month/year end:		369 724	59 352	152 567	78 473	(84 039)	151 215			152 567

The municipal bank balance at 30 June 2026 totals R80,581,027. The call account deposits of R5,066,660. Total cash available at month-end is therefore R85,647,687.

Detailed information regarding commitments against the cash position is tabled below:

REPORTING MONTH:	30 JUNE 2026	
Commitments against Cash & Cash Equivalents		
ITEM	**Previous Month R'000**	**Current Month R'000**
Bank balance as at 30 June 2026	**51 983 999**	**80 581 027**
Other Cash & Cash Equivalents: Short term deposits	**61 390 114**	**-**
Other Cash & Cash Equivalents: Call accounts	**5 036 030**	**5 066 660**
Total Cash & Cash Equivalents	**118 410 143**	**85 647 687**
LESS:	**174 121 010**	**124 070 973**
Unspent Conditional Grants	4 286 821	865 146
Provision for staff leave	23 603 698	23 603 698
Provision for bonus	7 584 594	7 584 594
Post Retirement Benefits	11 275 400	11 275 400
Performance Bonus	1 223 803	1 223 803
Trade Payables	23 902 508	28 363 536
Consumer Deposits	4 972 497	5 049 581
YTD Unspent Capital budget	132 453	-
YTD Unspent Operational budget (Period 13 transactions to be processed)	41 656 397	27 881 381
Equitable share received in advance	13 444 286	-
YTD Unspent Landfill Site Borrowing	42 038 554	18 223 835
Sub total	**-55 710 868**	**-38 423 285**
PLUS:	**63 334 761**	**80 032 957**
VAT Receivable/ (Payable)	1 959 673	6 114 751
Receivable Exchange	15 530 201	31 012 973
Department of Infrastructure	45 844 887	42 905 233
	7 623 893	**41 609 671**
LESS OTHER MATTERS:		
Capital Replacement Reserve	9 213 054	16 279 229
Employee Benefits Reserves	46 254 144	46 254 144
Sub Total	**-47 843 305**	**-20 923 701**
LESS: CONTINGENT LIABILITIES	**970 000**	**970 000**
Labour disputes	970 000	970 000
Recalculated available cash balance	**-48 813 305**	**-21 893 701**
Total actual expenditure excluding Roads (expenditure paid and taken into account in cash balance)	**21 456 336**	**35 635 293**

PART 2 – SUPPORTING DOCUMENTATION

SECTION 5 – DEBTORS ANALYSIS

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	11	11	11	–	–
Interest on Arrear Debtor Accounts	1810	288	292	288	287	287	286	2 088	15 141	18 958	18 089	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	5 643	19 266	18 870	2 975	255	555	9 936	35 121	92 621	48 842	–	–
Total By Income Source	**2000**	**5 932**	**19 558**	**19 158**	**3 263**	**542**	**840**	**12 024**	**50 273**	**111 590**	**66 942**	**–**	**–**
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	62	100	395	35	35	35	251	5 060	5 972	5 415	–	–
Commercial	2300	4 827	17 438	18 525	321	320	319	2 343	38 523	82 616	41 826	–	–
Households	2400	–	–	–	–	–	–	–	–	–	–	–	–
Other	2500	1 043	2 019	238	2 907	188	487	9 430	6 691	23 002	19 701	–	–
Total By Customer Group	**2600**	**5 932**	**19 558**	**19 158**	**3 263**	**542**	**840**	**12 024**	**50 273**	**111 590**	**66 942**	**–**	**–**

Long outstanding debtors which mainly consists of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

Most of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account. The fire section has implemented an electronic system which will assist in the future with disputes.

The municipality is required to submit debtors age analysis data strings monthly.

Currently, the debtor section-initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

SECTION 6 – CREDITORS ANALYSIS

Supporting Table SC4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description R thousands	NT Code	Budget Year 2025/26 0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Prior year totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	579	5	–	–	–	–	47	766	1 398	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Medical Aid deductions	0910									–	
Total By Customer Type	**1000**	**579**	**5**	**–**	**–**	**–**	**–**	**47**	**766**	**1 398**	**–**

The municipality is required to submit creditors aged analysis data strings monthly.

The reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

The municipality is continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

	Balance as at 1 June 2026	Movements for the month Investments matured	Investments made	Interest capitalised	Balance as at 30 June 2026	Interest earned Month	Interest earned Year to date
Garden Route District Municipality							
Standard Bank	30 701 815,07	30 860 486,30	-	158 671,23	-	158 671,23	1 690 703,43
ABSA	18 417 969,86	18 512 467,40	-	94 497,53	-	94 497,53	1 440 660,82
African Bank	12 270 328,77	12 331 446,58	-	61 117,81	-	61 117,81	2 397 314,77
BANK DEPOSITS	**61 390 113,70**	**61 704 400,27**	**-**	**314 286,58**	**-**	**314 286,58**	**5 528 679,02**

The municipality invests surplus funds to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council. Monies were invested for longer periods to maximise investment revenue.

SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

8.1 Supporting Table SC6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**187 442**	**194 162**	**194 162**	**258**	**193 574**	**194 162**	**(588)**	**-0,3%**	**194 162**
Local Government Equitable Share		182 224	188 026	188 026	–	188 026	188 026	–		188 026
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		952	1 000	1 000	34	621	1 000	(379)	-37,9%	1 000
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Public Transport Network Grant		–	–	–	–	–	–	–		–
Expanded Public Works Programme Integrated Grant		1 545	2 293	2 293	139	2 185	2 293	(108)	-4,7%	2 293
Regional Bulk Infrastructure Grant								–		
Rural Road Asset Management Systems Grant		2 721	2 843	2 843	85	2 742	2 843	(101)	-3,6%	2 843
Provincial Government:		**957**	**1 000**	**1 000**	**136**	**840**	**1 000**	**(160)**	**-16,0%**	**1 000**
Capacity Building (Monetary)		957	1 000	1 000	136	840	1 000	(160)	-16,0%	1 000
Capacity Building (In Kind)		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		**23 006**	**19 342**	**25 652**	**750**	**11 046**	**25 652**	(14 607)	-56,9%	**25 652**
Other Grants Received		**23 006**	**19 342**	**25 652**	**750**	**11 046**	**25 652**	(14 607) –	-56,9%	**25 652**
Total Operating Transfers and Grants	5	**211 404**	**214 504**	**220 814**	**1 143**	**205 460**	**220 814**	**(15 354)**	**-7,0%**	**220 814**
Capital Transfers and Grants										
National Government:		–	–	–	–	–	–	–		–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Provincial Government:		**5 057**	**3 000**	**4 750**	**2 443**	**2 707**	**4 750**	(2 043)	-43,0%	**4 750**
Infrastructure (Monetary)		–	–	–	–	–	–	–		–
Infrastructure (In Kind)		**2 493**	–	–	–	–	–	–		–
Capacity Building (Monetary)		**2 563**	**3 000**	**4 750**	**2 443**	**2 707**	**4 750**	(2 043)	-43,0%	**4 750**
Capacity Building (In Kind)								–		
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	**5 057**	**3 000**	**4 750**	**2 443**	**2 707**	**4 750**	**(2 043)**	**-43,0%**	**4 750**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	216 461	217 504	225 564	3 586	208 167	225 564	(17 398)	-7,7%	225 564

8.2 Supporting Table SC7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**190 551**	**222 351**	**220 412**	**20 808**	**212 248**	**220 412**	**(8 164)**	**-3,7%**	**220 412**
Local Government Equitable Share		185 519	216 215	214 276	20 549	206 797	214 276	(7 479)	-3,5%	214 276
Energy efficiency and demand side management grant		(1)	–	–	–	–	–	–		–
Local government financial management grant		900	1 000	1 000	36	628	1 000	(372)	-37,2%	1 000
Municipal systems improvement grant		–	–	–	–	–	–	–		–
Public transport network grant		–	–	–	–	–	–	–		–
Expanded public works programme integrated grant		1 545	2 293	2 293	139	2 191	2 293	(102)	-4,4%	2 293
Regional bulk infrastructure grant								–		
Rural roads assets management systems grant		2 588	2 843	2 843	85	2 632	2 843	(211)	-7,4%	2 843
Provincial Government:		**178 749**	**216 437**	**200 480**	**12 268**	**199 102**	**200 480**	**(1 378)**	**-0,7%**	**200 480**
Infrastructure (Monetary)		171 786	212 955	196 448	12 101	196 085	196 448	(363)	-0,2%	196 448
Infrastructure (In Kind)								–		
Capacity Building (Monetary)		6 963	3 482	4 032	166	3 017	4 032	(1 015)	-25,2%	4 032
Capacity Building (In Kind)		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		**18 574**	**16 860**	**22 620**	**1 156**	**10 695**	**22 620**	(11 925)	-52,7%	**22 620**
Expenditure on Other Grants		**18 574**	**16 860**	**22 620**	**1 156**	**10 695**	**22 620**	(11 925)	-52,7%	**22 620**
								–		
Total operating expenditure of Transfers and Grants:		**387 875**	**455 648**	**443 512**	**34 232**	**422 045**	**443 512**	**(21 467)**	**-4,8%**	**443 512**
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	–		–
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Provincial Government:		**540**	**3 000**	**4 750**	**2 179**	**2 443**	**4 750**	(2 307)	-48,6%	**4 750**
Infrastructure (Monetary)								–		
Infrastructure (In Kind)								–		
Capacity Building (Monetary)		**540**	**3 000**	**4 750**	**2 179**	**2 443**	**4 750**	(2 307)	-48,6%	**4 750**
Capacity Building (In Kind)								–		
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	**1**	**1**	–	1	#DIV/0!	–
Expenditure on Oteher Grants		–	–	–	**1**	**1**	–	1	#DIV/0!	–
								–		
Total capital expenditure of Transfers and Grants		**540**	**3 000**	**4 750**	**2 180**	**2 443**	**4 750**	**(2 307)**	**-48,6%**	**4 750**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**388 414**	**458 648**	**448 262**	**36 412**	**424 489**	**448 262**	**(23 773)**	**-5,3%**	**448 262**

SECTION 9 – COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Supporting Table SC8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 568	10 724	11 620	234	7 404	11 620	(4 215)	-36%	11 620
Pension and UIF Contributions		559	534	560	41	398	560	(162)	-29%	560
Medical Aid Contributions		129	130	139	204	494	139	354	254%	139
Motor Vehicle Allowance		2 530	2 001	1 005	30	1 127	1 005	122	12%	1 005
Cellphone Allowance		1 102	995	995	87	953	995	(42)	-4%	995
Housing Allowances		–	41	–	–	–	–	–		–
Other benefits and allowances		65	825	1 659	604	2 354	1 659	694	42%	1 659
Sub Total - Councillors		**13 953**	**15 251**	**15 979**	**1 200**	**12 730**	**15 979**	**(3 249)**	**-20%**	**15 979**
% increase	4		**9,3%**	**14,5%**						**14,5%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 692	5 057	7 938	2 484	5 983	7 938	(1 955)	-25%	7 938
Pension and UIF Contributions		762	529	495	41	390	495	(106)	-21%	495
Medical Aid Contributions		265	300	277	15	246	277	(31)	-11%	277
Overtime								–		
Performance Bonus		586	1 056	1 573	–	794	1 573	(779)	-50%	1 573
Motor Vehicle Allowance		1 444	3 015	4 071	238	3 611	4 071	(460)	-11%	4 071
Cellphone Allowance		137	147	257	–	92	257	(166)	-64%	257
Housing Allowances		180	192	100	5	100	100	–		100
Other benefits and allowances		25	26	116	8	54	116	(63)	-54%	116
Payments in lieu of leave		–	188	–	–	–	–	–		–
Long service awards								–		
Post-retirement benefit obligations	2							–		
Entertainment								–		
Scarcity								–		
Acting and post related allowance		89	–	114	–	154	114	40	35%	114
In kind benefits								–		
Sub Total - Senior Managers of Municipality		**9 180**	**10 510**	**14 942**	**2 791**	**11 423**	**14 942**	**(3 518)**	**-24%**	**14 942**
% increase	4		**14,5%**	**62,8%**						**62,8%**
Other Municipal Staff										
Basic Salaries and Wages		188 027	191 209	186 511	16 360	188 301	186 511	1 790	1%	186 511
Pension and UIF Contributions		30 263	33 631	32 513	2 494	31 080	32 513	(1 433)	-4%	32 513
Medical Aid Contributions		37 523	36 702	29 318	1 889	23 685	29 318	(5 633)	-19%	29 318
Overtime		5 244	2 731	4 362	1 341	6 787	4 362	2 426	56%	4 362
Performance Bonus		16 385	14 138	15 210	109	15 160	15 210	(50)	0%	15 210
Motor Vehicle Allowance		13 597	14 020	12 512	1 154	12 999	12 512	486	4%	12 512
Cellphone Allowance		142	124	126	21	169	126	44	35%	126
Housing Allowances		2 785	2 707	2 437	196	2 428	2 437	(10)	0%	2 437
Other benefits and allowances		6 269	6 124	6 170	501	7 007	6 170	837	14%	6 170
Payments in lieu of leave		3 821	5 949	5 648	166	5 579	5 648	(69)	-1%	5 648
Long service awards								–		
Post-retirement benefit obligations	2	788	1 073	–	392	2 187	–	2 187	#DIV/0!	–
Entertainment								–		
Scarcity								–		
Acting and post related allowance		549	461	554	86	634	554	80	14%	554
In kind benefits								–		
Sub Total - Other Municipal Staff		**305 394**	**308 870**	**295 361**	**24 708**	**296 015**	**295 361**	**655**	**0%**	**295 361**
% increase	4		**1,1%**	**-3,3%**						**-3,3%**
Total Parent Municipality		**328 528**	**334 630**	**326 281**	**28 698**	**320 169**	**326 281**	**(6 113)**	**-2%**	**326 281**

Remuneration related expenditure (councillors and staff) for the fourth quarter ending 30 June 2026 amount to R76,522,925 (YTDA: R320,168,636 and YTDB: R326,281,202).

SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The measurement of performance of the Municipality in terms of the implementation of the Service Delivery and Budget Implementation plan is reported in the indicated section below.

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The table below provides information on capital budget spending:

SCOA config	No.	Project description	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71207104112	1	Wireless Access Points	28 408	28 408	Completed	Completed
71006103901	2	Barnowl Upgrade Licence Fee	141 156	-	Not Started	No challenges anticipated
71213102467	3	Office Furniture	8 844	8 843	Completed	Completed
71601102327	4	Equipment	1 868 000	263 937	In progress	No challenges anticipated
71601103126	5	Building of Disaster Management Store	1 000 000	503 552	In progress	No challenges anticipated
71601330025	6	Hover Craft	1 382 000	1 381 073	Completed	Completed
71207230011	7	Type-C Docking Stations	7 930	7 928	Completed	Completed
71207230012	8	Wireless Radio Link (York Street - Mission Street)	60 000	60 000	Completed	Completed
71207230013	9	Desktop Computers (PC)	85 536	85 536	Completed	Completed
72305230111	10	Hazardous Materials Equipment	500 000	558 051	Completed	Completed
71201104201	11	Cell Phones - Finance Leases	23 739		Not Started	No challenges anticipated
71207104181	12	Monitors	16 664	16 661	Completed	Completed
71207104113	13	Portable Voice Recorder	1 462	779	Completed	Completed
74402100901	14	Landfill Site: PPE	67 122 133	49 864 456	Orders issued to suppliers	Weekly progress provided to Management Committee and standing agenda item in Council meetings
Totals			72 245 872	52 779 224		

Commitments against capital for the month June 2026				
72305230111	13	Hazardous Materials Equipment		(64 085)
74402100901	13	Landfill Site: PPE		4 453 011
Total Commitments				**4 388 926**

SECTION 12 – WITHDRAWALS

PROVINCIAL TREASURY
Withdrawals from Municipal Bank Accounts
In accordance with Section 11, Sub-section 1 (b) to (j)

NAME OF MUNICIPALITY:	GARDEN ROUTE DISTRICT MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	DC4	
QUARTER ENDED:	30-Jun-26	
MFMA section 11. (1) Only the *accounting officer* or the *chief financial officer* of a *municipality*, or any other senior financial *official* of the *municipality* acting on the written authority of the *accounting officer* may withdraw money or authorise the withdrawal of money from any of the *municipality*'s bank accounts, and may do so only -	**Amount**	**Reason for withdrawal**
(b) to defray expenditure authorised in terms of section 26(4);	none	
(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	none	
(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	none	
(e) to pay over to a person or organ of state money received by the *municipality* on behalf of that person or organ of state, including -	none	
(i) money collected by the *municipality* on behalf of that person or organ of state by agreement; or	none	
(ii) any insurance or other payments received by the *municipality* for that person or organ of state;	none	
(f) to refund money incorrectly paid into a bank account;	none	
(g) to refund guarantees, sureties and *security* deposits;	none	
(h) for cash management and *investment* purposes in accordance with section 13;	R 0,00	Investments made for Q4
(i) to defray increased expenditure in terms of section 31; or		
(j) for such other purposes as may be *prescribed*.	R 212 616 469,74	Quarter 4 Withdrawals
(4) The *accounting officer* must within 30 days after the end of each *quarter* -	**Name and Surname:**	M Stratu
(a) table in the *municipal council* a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that *quarter*; and	**Rank/Position:**	Municipal Manager
(b) submit a copy of the report to the relevant *provincial treasury* and the *Auditor-General*.	**Signature:**	

Tel number	Fax number	Email Address
0448031340		geraldine@grdm.gov.za

The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.

SECTION 13 – MUNICIPAL MANAGER'S QUALITY CERTIFICATE

Garden Route

DISTRICT MUNICIPALITY I UMASIPALA WESITHILI I DISTRIKSMUNISIPALITEIT

54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	Louise Hoek
Reference:	6/1/1 – 25/26
Date:	13 July 2026

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

I, MONDE STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ **Quarterly report on the implementation of the budget and financial state of affairs of the municipality**
- ☐ Mid- year budget and performance assessment

for the quarter ended **30 June 2026,** has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name MONDE STRATU
Accounting Officer of **GARDEN ROUTE DISTICT MUNICIPALITY (DC4).**

Signature ----------------------------
Date 14/07/2026

PART 3 – SERVICE DELIVERY AND BUDGET IMPLEMENTATION

PERFORMANCE MANAGEMENT

Quarter 4

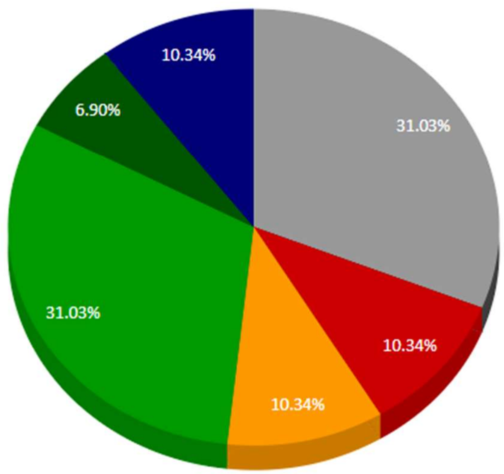
April – June 2026

Top Layer KPI Report

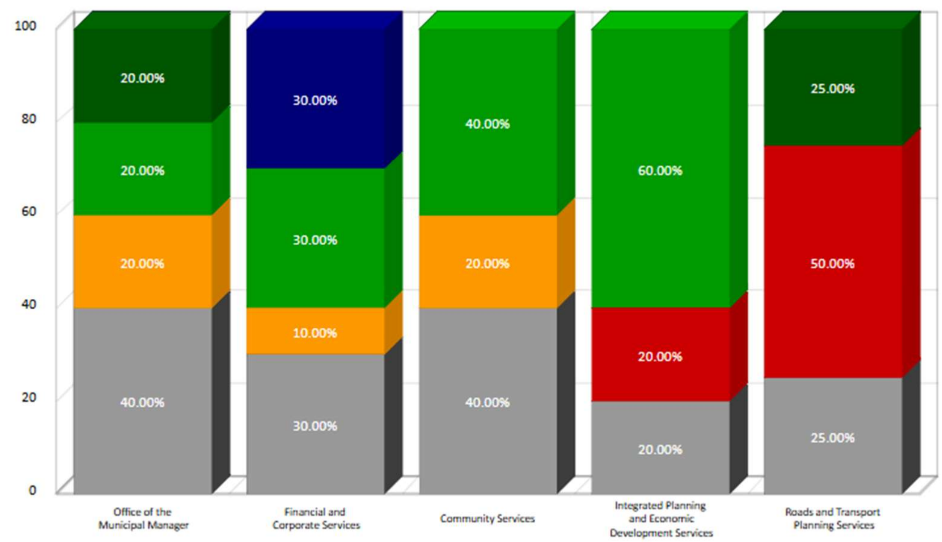
Quarter ending June 2026 - Quarter ending June 2026

Report drawn on 21 July 2026 at 16:05

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate					
		Office of the Municipal Manager	Financial and Corporate Services	Community Services	Integrated Planning and Economic Development Services	Roads and Transport Planning Services	[Unspecified]
Not Yet Applicable	9 (31.03%)	2 (40.00%)	3 (30.00%)	2 (40.00%)	1 (20.00%)	1 (25.00%)	-
Not Met	3 (10.34%)	-	-	-	1 (20.00%)	2 (50.00%)	-
Almost Met	3 (10.34%)	1 (20.00%)	1 (10.00%)	1 (20.00%)	-	-	-
Met	9 (31.03%)	1 (20.00%)	3 (30.00%)	2 (40.00%)	3 (60.00%)	-	-
Well Met	2 (6.90%)	1 (20.00%)	-	-	-	1 (25.00%)	-
Extremely Well Met	3 (10.34%)	-	3 (30.00%)	-	-	-	-
Did Not Occur	-	-	-	-	-	-	-
Not Yet Updated	-	-	-	-	-	-	-
Under Review	-	-	-	-	-	-	-
Total:	29	5	10	5	5	4	-
	100%	17.24%	34.48%	17.24%	17.24%	13.79%	-

Performance Key:

KPI not applicable = Target not set for the term under review

KPI not Met = 0 %< = Actual/Target< = 74.9%

Almost Met = 75 %< = Actual/Target < = 99.99%

Met = 100% Actual meets Target

KPI Well Met = 100.001% < = Actual/Target < = 149.9%

KPI Extremely Well Met = 150 000 %< = Actual/Target

Annexure A

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL1	Complete 85% of the Risk Based Audit Plan (RBAP) for the 2024/25 financial year by 30 June 2026 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and planned tasks in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2026	Good Governance	0.93%	85%	90%	**G2**		85%	**90%**
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2026 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2026	Financial Viability	0.59%	95%	79%	**O**	The Contractor is on track with the programme; however, the actual project expenditure is not aligned with the initial estimated project cashflow that was provided for budget purposes. This will be rectified in the new financial year 2026/27	95%	**79%**
TL3	Compile and submit the final Oversight Report for 2024/25 to Council by 31 March 2026	Final Oversight Report for 2024/25 submitted to Council for adoption by 31 March 2026	Good Governance	1	**0**	**0**	**N/A**	-	1	**1**

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL4	Submit an Operation Clean Audit Report (OPCAR) progress report to the Management Public Accounts Committee (MPAC) on a quarterly basis	Number of OPCAR reports submitted to MPAC	Good Governance	0	1	1	G	-	4	3
TL5	Award 5 external bursaries to qualifying candidates by 31 March 2026	Number of external bursaries awarded by 31 March 2026	Skilled Workforce and Community	7	0	0	N/A	-	5	19

FINANCIAL & CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL6	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2024[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months that available cash is sufficient to cover the monthly operating expenditure	Financial Viability & Sustainability	3.62	**3**	**2.28**	**O**	Alternative revenue sources to be investigated and incorporated in the budget in order to increase cash resources.	3	**2.28**
TL7	Achieve a current ratio of 1.5 (Current assets: Current liabilities) by 30 June 2026	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2026	Financial Viability & Sustainability	1.84	**1.50**	**3.02**	**B**	-	1.50	**3.02**
TL8	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2026 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	Financial Viability & Sustainability	0%	**45%**	**35.67%**	**B**	-	45%	**35.67%**
TL9	Compilation of the Annual Financial Statements (AFS) for the 2024/25 financial year and submit to the Auditor- General (AG) by 31 August 2025	Compilation and submission of the AFS to the AG by 31 August 2025	Financial Viability & Sustainability	1	**0**	**0**	**N/A**	-	1	**1**

FINANCIAL & CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL10	Compile the Mid-year Financial Statements for the 2025/26 financial year and submit to Audit and Performance Audit Committee (APAC) by 28 February 2026	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2026	Financial Viability & Sustainability	1	**0**	**0**	**N/A**	-	1	**1**
TL11	Spend 1% of personnel budget on training by 30 June 2026 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2026	Skilled Workforce and Community	0.01%	**1%**	**1%**	**G**	-	1%	**1%**
TL12	Limit vacancy rate to 10% of budgeted post by 30 June 2026[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	Skilled Workforce and Community	0.09%	**10%**	**10%**	**G**	-	10%	**10%**
TL13	Award 8 internal bursaries to qualifying candidates by 31 March 2026	Number of internal bursaries awarded by March 2026	Skilled Workforce and Community	7	**0**	0	**N/A**	-	8	**8**
TL14	Create training opportunities for EPWP appointees by 30 June 2026	Number of training opportunities created for EPWP appointees by 30 June 2026	Skilled Workforce and Community	0	**40**	**141**	**B**	-	40	**141**
TL15	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2025/26 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan	Skilled Workforce and Community	1	**1**	**1**	**G**	-	1	**1**

TEGRATED PLANNING AND ECONOMIC DEVELOPMENT SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL16	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2026	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2026	Growing an Inclusive District Economy	528	**150**	**72**	**R**	No corrective measures, as the annual target was reached.	250	**250**
TL17	Compile and submit the Final Annual Report for Garden Route District Municipality for 2024/25 to Council by 31 December 2025	Final Annual Report (GRDM)for 2024/25 submitted to Council by 31 December 2025	Good Governance	0	**0**	**0**	N/A		1	**1**
TL18	Review and submit the Integrated Development Plan (IDP) for the 2022-2027 period to Council by 31 May 2026	IDP Review submitted to Council by 31 May 2026	Good Governance	0	**1**	**1**	**G**	-	1	**1**
TL19	Review and submit the Spatial Development Framework to Council for the period 2026-2030 by 30 June 2026	Submission of the SDF to Council by 30 June 2026	Good Governance	0	**1**	**1**	**G**	-	1	**1**
TL20	Report half yearly to Council on the progress in terms of the Growth and Development Strategy initiatives within the district	Number of reports submitted	Good Governance	0	**1**	**1**	**G**	-	2	**2**

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL21	Quarterly report on the conclusion of the MFMA Sec 33(Regional Waste Management Facility)	Number of reports submitted to Council	Sustainable Environmental Management and Public Safety	0	1	1	G		4	**3**
TL22	Compile a one District Integrated Veld Fire Management Plan by 30 September 2025	Plan compiled and submitted to Council	Sustainable Environmental Management and Public Safety	0	**0**	**0**	**N/A**	-	1	**1**
TL23	Compile a one Fire Master Plan by 30 September 2025	Plan compiled and submitted to Council	Sustainable Environmental Management and Public Safety	0	**0**	**0**	**N/A**	-	1	**1**
TL24	Execute 4 emission testing (air quality) initiatives by 30 June 2026	Number of emission testing (air quality) initiatives executed by 30 June 2026	Sustainable Environmental Management and Public Safety	0	1	1	**G**	-	4	**6**
TL25	Spend 95% of the project budget for the Regional Landfill Facility by 30 June 2026 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Healthy and Socially Stable Communities	0%	95%	81%	**O**	The Contractor is on track with the programme; however, the actual project expenditure is not aligned with the initial estimated project cashflow that was	95%	**81%**

								provided for budget purposes. This will be rectified in the new financial year 2026/27		

ROADS AND TRANSPORT PLANNING SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending June 2026				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL26	Create 60 job opportunities through the Roads Services by 30 June 2026	Number of Jobs created by 30 June 2026	Skilled Workforce and Community	0	**60**	**74**	G2	-	60	122
TL 27	Spent 95% of the roads budget allocation by 31 March 2026 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2026	Financial Viability and Sustainability	0.99%	0%	0%	**N/A**	-	95%	99%
TL28	Reseal 25 km of roads by 30 June 2026	Number of km's of roads resealed	Bulk Infrastructure Co-ordination	28.09	**25**	**18.21**	**R**	Road could not be completed due to the procurement moving to DOI and material could not be procured in time, still awaiting.	25	**18.21**
TL29	Regravel 35km of roads by 30 June 2026	Number of km's of roads regraveled	Bulk Infrastructure Co-ordination	15.41	**35**	**23.97**	**R**	R15m was moved to the Gwaing upgrade to complete the project, hence KPI not met.	35	23.97