

DANNHAUSER MUNICIPALITY (KZN 254)

BUDGET AND TREASURY OFFICE

To : **COUNCIL**

Author : **ACTING CHIEF FINANCIAL OFFICER**

Date : **16 January 2026**

Subject : **Report to Council on section 52(d) of the Municipal finance management act (MFMA) for 2025/2026 Quarter two**

1. **ROUTING**

The item is directly submitted to Council.

2. **PURPOSE**

Report to Council on section 52 (d) of the Municipal Finance Management Act (MFMA) for 2025/2026 Quarter two.

3. **BACKGROUND TO THE MATTER**

The purpose of this report is firstly to comply with section 52 (d) of the Municipal finance Management Act (MFMA), by submission of a report to the council on the implementation of the budget. The report provides quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for council on the non- financial indicators which is part of the service delivery and budget implementation plan.

The reports' strategic objective is to ensure good governance, provide a monitor tool for financial viability as well as provide Council with the necessary information to make informed decisions.

4. **LEGAL FRAMEWORK AND COMMENTARY**

Municipal Finance Management Act.

Section 52(d) of the MFMA requires that:

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.

Borrowing Monitoring (loans and bonds) for the first Quarter ended 31 December 2025

**DANNHAUSER LOCAL MUNICIPALITY
LOAN REGISTER - 31 DECEMBER 2025
ANNEXURE I**

Loan 61007481	Interate Rate	Posting Date	Value date	Capital	Interest Accrued	Interest Capitalised	Total	Balance Inc Accruals	Balance excl Accruals
Opening Balance		30.06.2025	30.06.2025					R12 988 820.11	R12 988 820.11
Interest Accrual		31.07.2025	31.07.2025	R0.00	R122 542.11	R0.00	R122 542.11	R13 111 362.22	R12 988 820.11
Interest Accrual		31.08.2025	31.08.2025	R0.00	R117 872.65	R0.00	R117 872.65	R13 229 234.87	R12 988 820.11
Interest accrual		30.09.2025	31.09.2025	R0.00	R114 070.31	R0.00	R114 070.31	R13 343 305.18	R12 988 820.11
Interest Capitalised		31.09.2025	31.09.2025	R0.00	-R354 485.07	R354 485.07	R0.00	R13 343 305.18	R13 343 305.18
Interest Accrual		30.10.2025	30.10.2025	R0.00	R123 898.04	R0.00	R123 898.04	R13 467 203.22	R13 343 305.18
Interest Accrual		31.11.2025	31.11.2025	R0.00	R119 901.32	R0.00	R119 901.32	R13 587 104.54	R13 343 305.18
Interest Accrual		31.12.2025	31.12.2025	R0.00	R112 980.61	R0.00	R112 980.61	R13 700 085.15	R13 343 305.18
Interest Capitalised		31.12.2025	31.12.2025	R0.00	-R356 779.97	R356 779.97	R0.00	R13 700 085.15	R13 700 085.15
Repayment Made		31.12.2025	12.12.2025	-R1 298 882.01	R0.00	-R372 297.72	-R1 671 179.73	R12 028 905.42	R12 028 905.42

- Municipality has the outstanding loan with DBSA of R 12 028 905.42, the interest accrued R 356 779.79 and interest capitalized is R 356 779.97

Attached please find section 52(d) Investment Portfolio quarterly report ended 31 December 2025.

**DANNHAUSER MUNICIPALITY
ANALYSIS OF INVESTMENT AS AT 31 DECEMBER 2025
Annexure D**

QUICK CODE	INVESTMENT TYPE	FINANCIAL INSTITUTION	ACCOUNT NUMBER	OPENING BALANCE	DEPOSITS	BANK CHARGES	WITHDRAWALS	INTEREST RATE (%)	INTEREST	CLOSING BALANCE
000067	CALL ACCOUNT (SHORT TERM NOTICE) (DBSA)	STANDARD BANK	068480520001	R 4 796 146.48	R -	R -	R -	5.15%	R 20 301.50	R 4 816 447.98
000068	CALL ACCOUNT (SHORT TERM NOTICE)(HOUSING)	STANDARD BANK	268436894001	R 2 082 750.83	R -	R -	R -	7.35%	R 11 726.17	R 2 094 477.00
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (DISASTER)	STANDARD BANK	068480520015	R 75 948.60	R -	R -	R -	5.90%	R 237.30	R 76 185.90
TOTAL SBSA				R 6 954 845.91	R -	R -	R -		R 32 264.97	R 6 987 110.88
000069	CALL ACCOUNT (MIG - EQUITABLE SHARE)	FIRST NATIONAL BANK	62392885855	R 47 646.52	R -	R -	R -	5.65%	R 222.90	R 47 869.42
000070	CALL ACCOUNT(ELECTRIFICATION)	FIRST NATIONAL BANK	62422425682	R 42.48	R -	R -	R -	5.65%	R 0.20	R 42.68
TOTAL FNB				R 47 689.00	R -	R -	R -		R 223.10	R 47 912.10
000082	NEDBANK FIXED DEPOSIT	NEDBANK	7165020829	R -	R -	R -	R -	8.87%	R -	R -
TOTAL NEDBANK				R -	R -	R -	R -		R -	R -
000071	32 DAYS NOTICE (DBSA CEASE)	ABSA BANK	2072034421	R 4 869 230.39	R -	R -	R -	7.44%	R 169 721.36	R 5 038 951.75
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 722 558.95	R -	R -	R -	4.30%	R 3 405.93	R 725 964.88
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	9380605305	R 103 473.00	R -	R -	R -	8.90%	R 628.35	R 104 101.35
000081	CALL ACCOUNT INVESTMENT (TRACKER ACCOUNT)	ABSA BANK	9388225547	R 289 561.59	R 15 000 000.00	R -	R 250.00	R 5 000 000.00	R 49 502.57	R 10 338 814.16
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	9381556185	R 35 975.51	R -	R -	R -	8.90%	R 218.57	R 36 194.08
000084	FIXED DEPOSIT ACCOUNT (SALARIES)	ABSA BANK	2082140739	R 37 901.92	R -	R -	R -	6.00%	R -	R 37 901.92
000085	FIXED DEPOSIT ACCOUNT (SALARIES)	ABSA BANK	2082140022	R 76 336.44	R -	R -	R -	6.00%	R 1 191.48	R 77 527.92
TOTAL ABSA				R 6 134 437.80	R 15 000 000.00	R -	R 250.00	R 5 000 000.00	R 224 668.26	R 16 358 856.06
TOTAL				R 13 136 972.71	R 15 000 000.00	R -	R 250.00	R 5 000 000.00	R 257 156.33	R 23 393 879.04

- Investment Portfolio: Cash and cash equivalents as of 31 December 2025 sit at a balance of R 23 393 879.04. The municipality will be able to meet its monthly fixed operating commitments from cash and short- term investments for the next 6 months.

- Municipal Infrastructure Grant (received) – The municipality had spent 61 % on this grant, the municipality is on track to achieve its target by end of June 2026.
- Financial Management Grant (received)- The municipality had spent 68% on this grant.

Attached please find section 52(d) Collection rate report – Quarterly report ended 31 December 2025

DANNHUASER LOCAL MUNICIPALITY
BILLING REPORT as at 31 DECEMBER 2025
Annexure G

DESCRIPTION	202507	202508	202509	202510	202511	202512	
NO_OF_ACCOUNTS_AGREEMENT_INSTALLMENTS_LEVIED	-	-	-	-	-	-	
NO_OF_ACCOUNTS_BLDCLAUSE_LEVIED	-	-	-	-	-	-	
NO_OF_ACCOUNTS_BLDCLAUSE_REBATED	-	-	-	-	-	-	
NO_OF_ACCOUNTS_CONSUMPTION_LEVIED	-	-	-	-	-	-	
NO_OF_ACCOUNTS_CONSUMPTION_REBATED	-	-	-	-	-	-	
NO_OF_ACCOUNTS_INDIGENT_SUBSIDY_LEVIED	42.00	43.00	43.00	43.00	43.00	43.00	
NO_OF_ACCOUNTS_INTEREST_LEVIED	3 794.00	3 796.00	3 788.00	3 780.00	3 816.00	3 823.00	
NO_OF_ACCOUNTS_PAYMENTS_MADE	586.00	786.00	609.00	768.00	610.00	724.00	
NO_OF_ACCOUNTS_RATES_LEVIED	4 759.00	4 760.00	4 760.00	4 760.00	4 760.00	4 760.00	
NO_OF_ACCOUNTS_RATES_REBATED	4 758.00	4 759.00	4 759.00	4 759.00	4 759.00	4 759.00	
NO_OF_ACCOUNTS_SERVICES_LEVIED	1 936.00	1 932.00	1 929.00	1 928.00	1 926.00	1 924.00	
NO_OF_ACCOUNTS_SERVICES_REBATED	201.00	204.00	205.00	205.00	205.00	204.00	
NO_OF_ACTIVE_CREDIT_ACCOUNTS	547.00	539.00	538.00	554.00	552.00	533.00	
NO_OF_ACTIVE_DEBIT_ACCOUNTS	6 841.00	6 851.00	6 851.00	6 835.00	6 837.00	6 856.00	
NO_OF_INACTIVE_CREDIT_ACCOUNTS	497.00	504.00	511.00	512.00	514.00	514.00	
NO_OF_INACTIVE_DEBIT_ACCOUNTS	3 009.00	3 008.00	3 009.00	3 011.00	3 013.00	3 013.00	
NO_OF_INDIGENTS	100.00	103.00	106.00	106.00	106.00	106.00	
NO_OF_PENSIONERS	-	-	-	-	-	-	
TOTAL_ACCOUNTS_LEVIED	6 931.00	6 932.00	6 931.00	6 930.00	6 930.00	6 928.00	
TYPE_OF_SERVICE	202507	202508	202509	202510	202511	202512	TOTAL
VAT	18 935.34	19 606.80	19 527.73	19 028.62	19 692.44	19 672.00	116 462.93
INTEREST	179 870.04	181 745.90	182 586.08	180 084.48	183 926.13	185 427.07	1 093 639.70
REFUSE	132 504.36	131 840.83	131 745.79	132 240.46	131 227.93	131 091.73	790 651.10
RATES	3 988 713.50	4 067 900.35	4 037 902.19	4 037 647.31	4 068 821.14	4 077 436.13	24 278 420.62
INDIGENTS	2 584.64	2 662.96	2 584.75	2 584.65	2 584.65	2 584.65	15 586.30
RENT	10 309.64	10 309.64	10 309.64	10 309.64	10 309.64	10 309.64	61 857.84
SUNDRY DEBTORS	16 556.22	16 556.22	16 556.22	37 556.22	16 556.22	16 556.22	120 337.32
RATES INDIGENT	0.01	0.01	0.01	0.01	0.01	0.01	0.06
SUNDRY INCOME	-	-	5 371.03	6 120.00	-	-	11 491.03
TOTAL	4 546 811.45	4 627 804.77	4 603 922.92	4 622 912.07	4 630 459.84	4 640 420.13	26 457 274.18
PAYMENTS	3 714 415.56	1 885 351.53	5 199 880.22	2 948 087.06	2 752 597.83	1 358 388.08	17 858 720.28
COLLECTION RATE	82%	41%	113%	64%	59%	29%	68%

- Collection Rate as of 31 December 2025 is sitting at 68 % the municipality is seeing improvement in the collection rate of our debtors.

Attached please find the final section 52(d) Actual revenue source report- quarterly report ended 31 December 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M06 - December

Description	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									
Financial Performance									
Property rates	42,201	46,713	-	4,126	24,754	23,357	1,398	6%	46,713
Service charges	5,174	2,154	-	129	775	1,077	(302)	-28%	2,154
Investment revenue	2,827	1,500	-	285	978	750	228	30%	1,500
Transfers and subsidies - Operational	125,895	128,259	-	40,463	92,399	64,130	28,269	44%	128,259
Other own revenue	6,670	3,675	-	382	2,902	1,838	1,064	58%	3,675
Total Revenue (excluding capital transfers and contributions)	182,768	182,301	-	45,384	121,808	91,150	30,657	34%	182,301
Employee costs	67,917	33,625	-	10,143	23,212	16,812	6,400	38%	33,625
Remuneration of Councillors	12,629	12,707	-	1,069	4,109	6,354	(2,244)	-35%	12,707
Depreciation and amortisation	34,970	35,000	-	3,919	10,390	17,500	(7,110)	-41%	35,000
Interest	2,701	5,300	-	357	711	2,650	(1,939)	-73%	5,300
Inventory consumed and bulk purchases	1,037	250	-	-	114	125	(11)	-9%	250
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	111,332	68,803	-	7,919	29,556	34,402	(4,845)	-14%	68,803
Total Expenditure	230,586	155,685	-	23,406	68,092	77,842	(9,750)	-13%	155,685
Surplus/(Deficit)	(47,818)	26,616	-	21,978	53,715	13,308	40,407	304%	26,616
Transfers and subsidies - capital (monetary allocations)	28,022	37,345	-	6,220	17,538	18,672	(1,135)	-6%	37,345
Transfers and subsidies - capital (in-kind) contributions	(19,796)	63,961	-	28,199	71,253	31,980	39,273	123%	63,961
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(19,796)	63,961	-	28,199	71,253	31,980	39,273	123%	63,961

Financial Performance on Revenue

- The budget for rates and service charges original budget of R 48.9 million and the year-to-date billing is now R 25.5 million as of 31 December 2025, which is 52 % of the approved budget. The Actual receipt to date is R 17.8 million with the collection rate standing at 36%.
- Investment revenue budget is R1.5 million and to date we have received R 978 hundred thousand.
- Equitable Share received to date amount to R 88 million. With regards to the other DORA allocations, the municipality has received *Publication of the Adjustment Gazette in terms of Sections 18 & 19 of DoRA*.
- Other own revenue budget is R 3.6 million and to date we have received R 2.9 million.

Attached please find the final section 52(d) Capital Expenditure report – Quarterly report ended 31 December 2025

KZN254 Dannhauser - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Approved Budget	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD budget	YTD Variance	YTD Variance %	YTD Total
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		18,388	3,430	-	-	229	1,715	(1,486)	-87%	3,430
Vote 3 - FINANCE: DEFAULT OFFICE		14,709	1,005	-	-	353	503	(149)	-30%	1,005
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		12,692	78,650	-	6,299	15,942	39,325	(23,383)	-69%	78,650
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		275	3,815	-	261	698	1,908	(1,210)	-63%	3,815
Vote 6 - MUNICIPAL MANAGER OFFICES		-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	46,064	86,901	-	6,560	17,222	43,450	(26,228)	-60%	86,901
Total Capital Expenditure		46,064	86,901	-	6,560	17,222	43,450	(26,228)	-60%	86,901

Financial Performance - Capital Expenditure

- Capital Expenditure report as of 30 September 2025 shows that the municipality has incurred R 86 901 million to the budget of R 17.2 million expenditure.

5. FINANCIAL IMPLICATIONS

None

6. INSTITUTIONS OR PERSONS CONSULTED

1. Office of the Municipal Manager
2. Provincial Treasury

7. OPINIONS FROM FINANCE AND OTHER DEPARTMENTS

None

9. **RECOMMENDATION**

That Council take notes of the Municipal Finance Management Act (MFMA) for the quarter ending on 31 December 2025 on the implementation of the budget and the financial state of affairs of the municipality and that the quarterly report tabled in the council in terms of section 52(d) council must therefore take note that this report will be published on official website of the Municipality.



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Acting Chief Financial Officer

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Date N MAJOLA



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Municipal Manager
MS SITHOLE

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Date