

DANNHAUSER MUNICIPALITY (KZN 254)

BUDGET AND TREASURY OFFICE

To : COUNCIL

Author : ACTING CHIEF FINANCIAL OFFICER

Date : 07 OCTOBER 2025

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

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 One.

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 30 September 2025

ANNEXURE G LOAN REGISTER - 30 SEPTEMBER 2025										
Loan	61007481	Interest Rate	Posting Date	Value date	Capital	Interest Accrued	Interest Capitalised	Total	Balance Inc Accruals	Balance excl Accruals
Repayment Due		30.06.2025	30.06.2025	R1,298,882.01	R0.00	R380,614.60	R1,679,496.61	R12,988,820.11	R12,988,820.11	
Interest Accrual		31.07.2025	31.07.2025	R0.00	R117,872.65	R0.00	R117,872.65	R13,106,692.76	R12,988,820.11	
Interest Accrual		31.08.2025	31.08.2025	R0.00	R117,872.65	R0.00	R117,872.65	R13,224,565.41	R12,988,820.11	
Interest accrual		31.09.2025	31.09.2025		R114,070.31	R0.00	R114,070.31	R13,338,635.72	R12,988,820.11	
Interest Capitalised		31.09.2025	31.09.2025		-R349,815.61	R354,485.07	R0.00	R13,338,635.72	R13,338,635.72	

- Municipality has the outstanding loan with DBSA of R 13 338 635.72, the interest accrued R 349 815.61 and interest capitalized is R 354 485.07.

Attached please find section 52(d) Investment Portfolio quarterly report ended 30 September 2025

DANNHAUSER MUNICIPALITY

ANALYSIS OF INVESTMENT AS AT 30 SEPTEMBER 2025

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 4 732 473.93	R -	R -	R -	5.65%	R 20 304.26	R 4 752 778.19
000068	CALL ACCOUNT (SHORT TERM NOTICE) (HOUSING)	STANDARD BANK	268436894001	R 2 046 453.55	R -	R -	R -	7.35%	R 11 544.24	R 2 057 997.79
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (DISASTER)	STANDARD BANK	068480520015	R 8 137 353.37	R -	R -	R -	5.90%	R 242.05	R 8 137 595.42
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (DISASTER)	STANDARD BANK	068480520015	R 75 200.91	R -	R -	R -	5.90%	R 242.05	R 75 442.96
TOTAL SBSA				R 14 991 481.76	R -	R -	R -		R 32 332.60	R 15 023 814.36
000069	CALL ACCOUNT (MIG - EQUITABLE SHARE)	FIRST NATIONAL BANK	62392885855	R 46 952.48	R -	R -	R -	5.65%	R 235.28	R 47 187.76
000070	CALL ACCOUNT (ELECTRIFICATION)	FIRST NATIONAL BANK	62422425682	R 41.85	R -	R -	R -	5.65%	R 0.21	R 42.06
TOTAL FNB				R 46 994.33	R -	R -	R -		R 235.49	R 47229.82
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				7.44%	R -	R 4 869 230.39
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 712 259.03	R -	R -	R -	4.30%	R 3 395.43	R 715 654.46
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	93806065035	R 3 390 799.02	R 713 631.63	R 150.00	R 3 711 823.60	8.90%	R 41 751.87	R 432 028.92
000081	CALL ACCOUNT INVESTMENT (TRACKER ACCOUNT)	ABSA BANK	9388225547	R 1 832 654.57	R 3 569 383.59	R 250.00	R 3 000 000.00	8.90%	R 30 229.68	R 2 432 017.84
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	9381556185	R 35 519.94	R -	R 50.00	R -	8.90%	R 216.04	R 35 685.98
000084	FIXED DEPOSIT ACCOUNT (SALARIES)	ABSA BANK	2082140739	R 37 301.92				R 0.06	R -	R 37 301.92
000085	FIXED DEPOSIT ACCOUNT (SALARIES)	ABSA BANK	2082140022	R 6 000 000.00			R 6 000 000.00		R 76 336.44	R 76 336.44
TOTAL ABSA				R 16 877 764.87	R 4 283 015.22		R 450.00	R 12 711 823.60	R 151 929.46	R 8 600 435.95
TOTAL				R 31 916 240.96	R 4 283 015.22		R 450.00	R 12 711 823.60	R 184 497.55	R 23 671 480.13

PREPARED BY: Z ZULU

REVIEWED BY: N. MAJOLA

- Investment Portfolio: Cash and cash equivalents as of 30 September 2025 sit at a balance of R 23 671 480.13. The municipality will be able to meet its monthly fixed operating commitments from cash and short- term investments for the next 9 months.

Attached please find the section 52(d) Expenditure Reports Quarterly Report ended 30 September 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M03 - September

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									
Employee costs	64,628	33,625	–	693	7,629	8,406	(778)	-9%	33,625
Remuneration of Councillors	12,629	12,707	–	998	2,079	3,177	(1,098)	-35%	12,707
Depreciation and amortisation	35,763	35,000	–	1,269	3,891	8,750	(4,859)	-56%	35,000
Interest	2,701	5,300	–	354	354	1,325	(971)	-73%	5,300
Inventory consumed and bulk purchases	597	250	–	24	27	63	(36)	-57%	250
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	107,708	68,803	–	3,955	14,090	17,201	(3,111)	-18%	68,803
Total Expenditure	224,025	155,685	–	7,293	28,069	38,921	(10,852)	-28%	155,685
Surplus/(Deficit)	(41,257)	26,616	–	(1,985)	37,899	6,654	31,245	470%	26,616
Transfers and subsidies - capital (monetary allocations)	28,022	37,345	–	2,998	6,711	9,336	(2,626)	-28%	37,345
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
contributions	(13,235)	63,961	–	1,014	44,609	15,990	28,619	179%	63,961
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(13,235)	63,961	–	1,014	44,609	15,990	28,619	179%	63,961

Financial Performance on Operating Expenditure

- Employee related costs budget is R 33.6 million and the actual amount to date R 7.6 million which is 22.6 % expenditure.
- Councilors' remunerations are based on the Upper limits gazette as received from SALGA. The budget for the current year is R12.7 million and the expenditure to date is R 2.1 million.
- Other expenditure budget is R109.4 million and the actual to date R 18.4 thousand, which is 16.8 % of the original budget.

Attached please find section 52(d) allocations and Grants Quartey report ended 30 September 2025 Attached Grant Register

30 September 2025									Spent Grants Register	Trial Balance	Difference	% spent
Grant name	Opening balance - Audited AFS	Correction of error	Restated Balance	Amount received	Total	Amount spent	Closing balance					
Municipal Infrastructure Grant (MIG)	- 1,653,525.11	-	- 7,800,000.00	- 9,453,525.11	5,250,189.44	- 4,203,335.67	- 4,203,335.67				26	
Financial Management	-	-	- 2,000,000.00	- 2,000,000.00	128,023.92	- 1,871,976.08	- 1,871,976.08				4	
Expanded Public Works Programme	-	-	-	-	-	328,603.50	328,603.50					
Provincialisation of Libraries	-	-	-	-	-	269,789.66	269,789.66					
Cyber Cadet Library Grant	-	-	-	-	-	133,523.15	133,523.15					
Conditional grant - KwaMdakane Library	-	-	-	-	-	387,528.52	387,528.52					
Integrated National Electrification Programme	-	-	-	-	-	-	-					
Disaster Grant	- 10,606,252.79	-	-	- 10,606,252.79	1,460,374.65	- 9,145,878.14	- 9,145,878.14				14	
	-	-	-	-	-	-	-					
	-	-	-	-	-	-	-					
	-	-	-	-	-	-	-					
	- 12,259,777.90	-	-	- 9,800,000.00	7,958,032.84	- 14,101,745.06	- 14,101,745.06					

- Municipal Infrastructure Grant (received) – The municipality had spent 24 % 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 4 % on this grant.

Attached please find section 52(d) Collection rate report – Quaterly report ended 30 September 2025

BILLING REPORT AS AT 30/09/2025				
DESCRIPTION	202507	202508	202509	
NO_OF_ACCOUNTS AGREEMENT_INSTALLM	0	0	0	
NO_OF_ACCOUNTS_BLDCLAUSE_LEVIED	0	0	0	
NO_OF_ACCOUNTS_BLDCLAUSE_REBATED	0	0	0	
NO_OF_ACCOUNTS_CONSUMPTION_LEVIED	0	0	0	
NO_OF_ACCOUNTS_CONSUMPTION_REBAT	0	0	0	
NO_OF_ACCOUNTS_INDIGENT_SUBSIDY_LE	42	43	43	
NO_OF_ACCOUNTS_INTEREST_LEVIED	3794	3796	3788	
NO_OF_ACCOUNTS_PAYMENTS_MADE	586	786	609	
NO_OF_ACCOUNTS_RATES_LEVIED	4759	4760	4760	
NO_OF_ACCOUNTS_RATES_REBATED	4758	4759	4759	
NO_OF_ACCOUNTS_SERVICES_LEVIED	1936	1932	1929	
NO_OF_ACCOUNTS_SERVICES_REBATED	201	204	205	
NO_OF_ACTIVE_CREDIT_ACCOUNTS	547	539	538	
NO_OF_ACTIVE_DEBIT_ACCOUNTS	6841	6851	6851	
NO_OF_INACTIVE_CREDIT_ACCOUNTS	497	504	511	
NO_OF_INACTIVE_DEBIT_ACCOUNTS	3009	3008	3009	
NO_OF_INDIGENTS	100	103	106	
NO_OF_PENSIONERS	0	0	0	
TOTAL_ACCOUNTS_LEVIED	6931	6932	6392	
TYPE_OF_SERVICE	202507	202508	202509	TOTAL
VAT	18935.34	19606.8	19527.73	58069.87
INTEREST	179870.04	181745.9	182586.08	544202.02
REFUSE	132504.36	131840.83	131745.79	602271.89
RATES	3988713.5	4067900.35	4037902.19	12094516.04
INDIGENTS	-2584.64	-2662.96	2584.75	-2662.85
RENT	10309.64	10309.64	10309.64	12091853.19
SUNDRY DEBTORS	16556.22	16556.22	16556.22	49668.66
RATES INDIGENT	-0.01	-0.01	-0.01	-0.03
TOTAL	4344304.45	4425296.77	4401212.39	13170813.61
PAYMENTS	- 3,714,415.56 -	1,885,351.53 -R	5,199,880.22 -	10,799,647.31
PERCENTAGE OF COLLECTION	-86%	-43%	-110%	-82%

- Collection Rate as of 30 September 2025 is sitting at 82 % 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 30 September 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2025/26				
					YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	45,842	46,713	—	4,122	12,373	11,678	694	6%	46,713
Service charges	1,533	2,154	—	129	388	538	(150)	-28%	2,154
Investment revenue	2,827	1,500	—	135	520	375	145	39%	1,500
Transfers and subsidies - Operational	125,895	128,259	—	377	51,144	32,065	19,080	60%	128,259
Other own revenue	6,670	3,675	—	546	1,543	919	624	68%	3,675
Total Revenue (excluding capital transfers and contributions)	182,768	182,301	—	5,309	65,968	45,575	20,393	45%	182,301
Employee costs	64,628	33,625	—	693	7,629	8,406	(778)	-9%	33,625
Remuneration of Councillors	12,629	12,707	—	998	2,079	3,177	(1,098)	-35%	12,707
Depreciation and amortisation	35,763	35,000	—	1,269	3,891	8,750	(4,859)	-56%	35,000
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Inventory consumed and bulk purchases	597	250	—	24	27	63	(36)	-57%	250
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	107,708	68,803	—	3,955	14,090	17,201	(3,111)	-18%	68,803
Total Expenditure	224,025	155,685	—	7,293	28,069	38,921	(10,852)	-28%	155,685
Surplus/(Deficit)	(41,257)	26,616	—	(1,985)	37,899	6,654	31,245	470%	26,616
Transfers and subsidies - capital (monetary allocations)	28,022	37,345	—	2,998	6,711	9,336	(2,626)	-28%	37,345
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
contributions	(13,235)	63,961	—	1,014	44,609	15,990	28,619	179%	63,961
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	(13,235)	63,961	—	1,014	44,609	15,990	28,619	179%	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 12 761 million as of 30 September 2025, which is 26 % of the approved budget. The Actual receipt to date is R 10.8 million with the collection rate standing at 22.1%.
- Investment revenue budget is R1.5 million and to date we have received R 520 hundred thousand.
- Equitable Share received to date amount to R 49.9 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 1.5 million.

Attached please find the final section 52(d) Capital Expenditure report – Quarterly report ended 30 September 2025

KZN254 Dannhauser - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description R thousands	Ref 1	2024/25 Actuals	Budget Year 2025/26							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	ITD Actual	ITD % of Budget	Run Year Forecast
Single Year expenditure appropriation	2	—	—	—	—	—	—	—	—	—
Vote 1 - MAYOR & COUNCIL		18,388	3,430	—	133	476	857	(382)	-45%	3,430
Vote 2 - HUMAN RESOURCES: CORPORATE SERVICES OFFICE		14,709	1,005	—	—	112	251	(139)	-55%	1,005
Vote 3 - FINANCE: DEFAULT OFFICE		12,692	78,650	—	2,607	6,216	19,663	(13,447)	-68%	78,650
Vote 4 - PROJECT MANAGEMENT UNIT: TECHNICAL SERVICES OFFICE		275	3,815	—	240	255	954	(699)	-73%	3,815
Vote 5 - SOLID WASTE REMOVAL: COMMUNITY SERVICES		—	—	—	—	—	—	—	—	—
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	—	2,979	7,058	21,725	(14,667)	-68%	86,901
Total Capital Expenditure		46,064	86,901	—	2,979	7,058	21,725	(14,667)	-68%	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 7.1 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 30 September 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
N MAJOLA

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Date

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Municipal Manager
MS SITHOLE

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Date