

# **DANNHAUSER MUNICIPALITY (KZN 254)**

## **BUDGET AND TREASURY OFFICE**

**To : COUNCIL**

**Author : CHIEF FINANCIAL OFFICER**

**Date : 15 JANUARY 2025**

**Subject : Report to Council on section 52(d) of the  
Municipal finance management act (MFMA) for  
2024/2025 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 2024/2025 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 Second Quarter ended December 2024**

**Loan register for the year 2024/25**

**Dannhauser Municipality**

DBSA 12008080

**DBSA Loan**

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Opening balance 1 July 2024	R 18,184,348.15	R 18,184,348.15	R 18,184,348.15	R 18,691,101.01	R 16,885,466.44	R 16,885,466.44
Loan interest pay (-)				R 506,752.56		R 454,760.60
Loan repayment (-)	R -			R 1,298,882.01		R 1,298,882.01
Loan add repayment (-)	R -	R -	R 506,752.86	R -	R -	R 454,760.60
Balance	R 18,184,348.15	R 18,184,348.15	R 18,691,101.01	R 16,885,466.44	R 16,885,466.44	R 15,586,584.43

- Municipality has the outstanding loan with DBSA of R 18 184 348.15 and the interest charged of R506 752.86. Repayment of R 1 805 634.57 was done on the 3<sup>rd</sup> of October 2024 to reduce the outstanding loan and the municipality has made another repayment in December of the R1 753 642.61 and raise and interest of R 454 760.60. By the end of December, the total outstanding loan R 15 586 584.43.

**Attached please find the section 52(d) Investment Portfolio quarterly report ended 31 December 2024**

**DANNHAUSER MUNICIPALITY**

**ANALYSIS OF INVESTMENT AS AT 31 DECEMBER 2024**

**ANNEXURE D**

QUICK CODE	INVESTMENT TYPE	FINANCIAL INSTITUTION	ACCOUNT NUMBER	OPENING BALANCE	DEPOSITS	BANK CHARGES	WITHDRAWALS	INTEREST %	INTEREST	BALANCE B/F
	STANDARD BANK									
000067	CALL ACCOUNT (SHORT TERM NOTICE)(dbsa)	STANDARD BANK	068480520001	R 4,529,153.64	R -	R -	R -	6.65%	R 23,657.07	R 4,552,810.71
000068	CALL ACCOUNT (SHORT TERM NOTICE)(HOUSING)	STANDARD BANK	268436894001	R 1,933,744.97	R -	R -	R -	8.35%	R 12,892.52	R 1,946,637.49
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (d.saster)	STANDARD BANK (DISASTER)	068480520015	R 408.40	R -	R -	R -	8.35%	R -	R 408.40
	TOTAL STANDARD BANK			R 6,463,307.01	R -	R -	R -	-	R 36,549.59	R 6,499,856.60
	FNB									
000069	CALL ACCOUNT (MIG) (SHORT TERM NOTICE)(equitable)	FIRST NATIONAL BANK	62392885855	R 44,768.15	R -	R -	R -	5.65%	R 229.51	R 44,996.06
000070	CALL ACCOUNT (ELECTRIFICATION)(SHORT NOTICE)	FIRST NATIONAL BANK	62422425682	R 39.91	R -	R -	R -	5.65%	R 0.23	R 40.14
	TOTAL FNB			R 44,808.06	R -	R -	R -	-	R 230.14	R 45,038.20
	NED BANK									
000082	NED BANK FIXED DEPOSIT	NED BANK	7165020829	R -	R -	R -	R -	8.87%	R -	R -
	TOTAL FNB			R -	R -	R -	R -	-	R -	R -
	ABSA									
000071	32 DAYS NOTICE (DBSA CEASE)	ABSA BANK	2072034421	R 4,616,034.91	R -	R -	R -	7.75%	R -	R 4,616,034.91
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 676,002.32	R -	R -	R -	4.3%	R 3,736.53	R 679,738.85
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	9380605305	R 1,878,762.30	R 200.00	R 1,800,000.00	R 8.9%	R 18,867.72	R 97,430.02	R 97,430.02
000081	CALL ACCOUNT INVESTMENT (tracker account)	ABSA BANK	9388225547	R 6,893,315.92	R 20,000,000.00	R 200.00	R 950,000.00	8.9%	R 235,040.49	R 26,178,196.41
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	9381556185	R 33,710.42	R -	R 100.00	R -	8.9%	R 479.18	R 34,089.60
	TOTAL ABSA			R 24,097,825.87	R 20,000,000.00	R 500.00	R 2,750,000.00	-	R 258,123.92	R 31,605,448.79
	TOTAL			R 20,805,940.94	R 20,000,000.00	R 500.00	R 2,750,000.00	-	R 254,903.65	R 38,150,344.59

- Investment Portfolio: Cash and cash equivalents as of 31 December 2024 sits at a balance of R 38 150 344.59. The municipality will be able to meet its monthly fixed operating commitments from cash and short- term investments for the next 6 months.

313  
2

Attached please find the section 52(d) Expenditure Reports Quarterly Report ended 31 December 2024

Schedule C section 71, per source

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

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	44,591	45,039	-	18,754	19,399	22,518	(3,120)	-14%	45,039
Service charges	1,349	2,063	-	(3,513)	767	1,031	(264)	-26%	2,063
Investment revenue	2,080	1,327	-	304	1,565	663	901	136%	1,327
Transfers and subsidies - Operational	118,572	126,666	-	40,960	93,068	63,433	29,635	47%	126,666
Other own revenue	3,004	27,873	-	(11,184)	5,446	13,936	(8,491)	-61%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>169,596</b>	<b>203,167</b>	<b>-</b>	<b>45,322</b>	<b>120,245</b>	<b>101,584</b>	<b>18,661</b>	<b>18%</b>	<b>203,167</b>
Employee costs	40,231	31,034	-	741	17,831	15,517	2,314	15%	31,034
Remuneration of Councillors	12,764	12,707	-	-	2,107	6,354	(4,247)	-67%	12,707
Depreciation and amortisation	21,918	41,020	-	1,639	8,647	20,510	(11,863)	-58%	41,020
Interest	2,353	7,386	-	455	2,793	3,693	(900)	-24%	7,386
Inventory consumed and bulk purchases	109	210	-	-	40	105	(64)	-61%	210
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	75,004	80,338	-	16,992	39,216	40,169	(953)	-2%	80,338
<b>Total Expenditure</b>	<b>162,379</b>	<b>172,696</b>	<b>-</b>	<b>19,827</b>	<b>70,634</b>	<b>86,348</b>	<b>(15,714)</b>	<b>-18%</b>	<b>172,696</b>
<b>Surplus/(Deficit)</b>	<b>17,217</b>	<b>30,471</b>	<b>-</b>	<b>25,495</b>	<b>49,611</b>	<b>15,235</b>	<b>34,375</b>	<b>226%</b>	<b>30,471</b>
Transfers and subsidies - capital (monetary allocations)	28,161	24,921	-	3,361	14,062	12,461	1,601	13%	24,921
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
contributions	45,378	55,392	-	28,856	63,672	27,696	35,976	130%	55,392
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>45,378</b>	<b>55,392</b>	<b>-</b>	<b>28,856</b>	<b>63,672</b>	<b>27,696</b>	<b>35,976</b>	<b>130%</b>	<b>55,392</b>

### Financial Performance on Operating Expenditure

- Employee related costs budget is R 31 million and the actual to date amount R 17.8 million which is 57 % expenditure.
- Councillors' 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 R128.9 million and the actual to date R 29.7 million, which is 23 % of the original budget.

314  
3

Dannhauser Municipality  
Grants Register

31 December 2024



		Expend Grants Register							Trial Balance	Difference
Grant name	Original Budget	Opening balance - Audited AFS	Correction of error	Restated Balance	Amount received	Amount spent	Amount repaid to National Treasury	Closing balance		
Municipal Infrastructure Grant (MIG)	24,921,000.00	-	-	-	17,502,000.00	11,959,062.94	-	5,542,937.06	-	5,542,937.06
Financial Management	1,900,000.00	-	-	-	1,900,804.41	-	-	735,195.59	-	735,195.59
Expanded Public Works Programme	1,770,000.00	-	-	-	1,239,000.00	650,042.91	-	588,957.09	-	588,957.09
Cyber Cadet Library Grant	1,024,000.00	-	-	-	1,024,000.00	566,300.14	-	457,699.86	-	457,699.86
Provincialisation of libraries	1,433,000.00	-	-	-	1,433,000.00	935,018.04	-	497,981.96	-	497,981.96
Conditional grant Mdakane Library	-	-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme	-	-	-	-	-	-	-	-	-	-
Disaster Grant	-	1,636,072.66	-	-	-	1,552,588.50	-	83,484.16	-	83,484.16
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		1,636,072.66	-	-	23,698,000.00	18,827,617.54	-	7,739,286.80	-	7,739,286.80

- Attached please find section 52(d) Collection rate report – Quarterly report ended 31 December 2024**

BILLING REPORT AS AT 31 DECEMBER 2024		ANNEXURE G					
DESCRIPTION	202407	202408	202409	202410	202411	202412	
NO_OF_ACCOUNTS_AGREEMENT_INSTALLMENTS_LEVIED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_BLDCLAUSE_LEVIED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_BLDCLAUSE_REBATED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_CONSUMPTION_LEVIED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_CONSUMPTION_REBATED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_INDIGENT_SUBSIDY_LEVIED	0	0	0	0	0	0	
NO_OF_ACCOUNTS_INTEREST_LEVIED	3740	3769	3788	3832	3966	4034	
NO_OF_ACCOUNTS_PAYMENTS_MADE	610	527	484	571	523	477	
NO_OF_ACCOUNTS_RATES_LEVIED	4751	4750	4750	4750	4750	4750	
NO_OF_ACCOUNTS_RATES_REBATED	4749	4749	4749	4749	4749	4749	
NO_OF_ACCOUNTS_SERVICES_LEVIED	1927	1928	1923	1923	1923	1923	
NO_OF_ACCOUNTS_SERVICES_REBATED	198	197	195	195	196	196	
NO_OF_ACTIVE_CREDIT_ACCOUNTS	556	557	558	583	585	574	
NO_OF_ACTIVE_DEBIT_ACCOUNTS	6816	6816	6815	6790	6788	6799	
NO_OF_INACTIVE_CREDIT_ACCOUNTS	469	472	472	472	472	470	
NO_OF_INACTIVE_DEBIT_ACCOUNTS	2973	2974	2974	2975	2975	2977	
NO_OF_INDIGENTS	94	94	94	94	95	95	
NO_OF_PENSIONERS	0	0	0	0	0	0	
TOTAL_ACCOUNTS_LEVIED	6919	6922	6918	6918	6918	6918	
TYPE_OF_SERVICE	202407	202408	202409	202410	202411	202412	TOTAL
VAT	18,817.57	19,189.79	17,370.63	19,155.94	19,146.07	19,146.07	112,826.07
INTEREST	136,882.54	140,058.62	143,217.01	145,943.84	149,314.22	154,721.65	870,137.88
REFUSE	275,798.80	128,016.96	127,725.47	127,725.47	127,659.66	127,659.66	914,586.02
RATES	3,769,475.38	4,161,991.93	3,447,380.44	3,914,379.47	3,948,084.38	3,932,140.37	23,173,451.97
INDIGENTS	-	-	-	-	-	-	-
RENT	9,990.88	11,070.88	9,990.88	9,990.88	9,990.88	9,990.88	61,025.28
RATES INDIGENT	-	-	-	-	-	-	-
SUNDRY INCOME	-	-	-	1,730.47	-	-	1,730.47
TOTAL	4,210,965.17	4,460,328.18	3,745,684.43	4,218,926.07	4,254,195.21	4,243,658.63	25,133,757.69
PAYMENTS	-1,236,323.76	-5,933,273.94	-1,799,681.45	-5,188,719.70	-1,245,510.01	-645,122.25	-16,048,631.11
PERCENTAGE OF COLLECTION	-29%	-133%	-48%	-123%	-29%	-15%	-64%

315  
4

- Collection Rate as of 31 December 2024 is sitting at 64% there is a slightly decrease compared to the first quarter, the municipality was sitting at 72%. Municipality needs to improve collection rate of the debtors in the next quarter.

Attached please find the final section 52(d) Actual revenue source report- quarterly report ended 30 September 2024

### Schedule C section 71, per source

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

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	44,591	45,039	-	18,754	19,399	22,519	(3,120)	-14%	45,039
Service charges	1,349	2,063	-	(3,513)	767	1,031	(264)	-26%	2,063
Investment revenue	2,080	1,327	-	304	1,565	663	901	136%	1,327
Transfers and subsidies - Operational	118,572	128,866	-	40,960	93,068	63,433	29,635	47%	128,866
Other own revenue	3,004	27,873	-	(11,184)	5,446	13,938	(8,491)	-61%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>169,596</b>	<b>203,167</b>	<b>-</b>	<b>45,322</b>	<b>120,245</b>	<b>101,584</b>	<b>18,661</b>	<b>18%</b>	<b>203,167</b>
Employee costs	40,231	31,034	-	741	17,831	15,517	2,314	15%	31,034
Remuneration of Councilors	12,764	12,707	-	-	2,107	6,354	(4,247)	-67%	12,707
Depreciation and amortisation	21,918	41,020	-	1,639	8,647	20,510	(11,863)	-58%	41,020
Interest	2,353	7,366	-	455	2,793	3,893	(900)	-24%	7,366
Inventory consumed and bulk purchases	109	210	-	-	40	105	(64)	-61%	210
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	75,004	80,338	-	16,992	39,216	40,189	(953)	-2%	80,338
<b>Total Expenditure</b>	<b>152,379</b>	<b>172,696</b>	<b>-</b>	<b>19,827</b>	<b>70,634</b>	<b>86,348</b>	<b>(15,714)</b>	<b>-18%</b>	<b>172,696</b>
<b>Surplus/(Deficit)</b>	<b>17,217</b>	<b>30,471</b>	<b>-</b>	<b>25,495</b>	<b>49,611</b>	<b>15,236</b>	<b>34,375</b>	<b>226%</b>	<b>30,471</b>
Transfers and subsidies - capital (monetary allocations)	28,161	24,921	-	3,361	14,062	12,461	1,601	13%	24,921
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>45,378</b>	<b>55,392</b>	<b>-</b>	<b>28,856</b>	<b>63,672</b>	<b>27,696</b>	<b>35,976</b>	<b>130%</b>	<b>55,392</b>

### Financial Performance on Revenue

- The budget for rates and service charges original budget of R 47.1 million and the year-to-date billing is now R 20.2 million as of 31 December 2024, which is 42.9% of the approved budget. The Actual receipt to date is R 16.05 million with the collection rate standing at 34 %.
- Investment revenue budget is R1.3 million and to date we have received R 1.6 million.
- Equitable Share received to date amount to R 90.5 million. With regards to the other DORA allocations, the municipality has received a *Publication of the Adjustment Gazette in terms of Sections 18 & 19 of DoRA*.
- Other own revenue budget is R 27.8 million and to date we have received R 7.9 million.

316

Attached please find the final section 52(d) Capital Expenditure report – Quarterly report ended 31 December 2024

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

Vote Description	Ref	2023/24		Original	Revised	Monthly actual	Budget Year 2024/25		YTD	YTD	Year to date
		Revenue	Expenditure	Expenditure	Expenditure	Expenditure	YearTD actual	YearTD budget	Expenditure	%	Expenditure
<b>R thousands</b>	<b>1</b>										
<b>Capital Expenditure - Functional Classification</b>											
Governance and administration		3,473	1,850	—	20	132	925	(793)	-86%		1,850
Executive and council		—	—	—	—	—	—	—	—		—
Finance and administration		3,473	1,850	—	20	132	925	(793)	-86%		1,850
Internal audit		—	—	—	—	—	—	—	—		—
Community and public safety		—	—	—	—	—	—	—	—		—
Community and social services		—	—	—	—	—	—	—	—		—
Sport and recreation		—	—	—	—	—	—	—	—		—
Public safety		—	—	—	—	—	—	—	—		—
Housing		—	—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—	—		—
Economic and environmental services		27,192	38,121	—	2,995	16,171	19,061	(2,890)	-15%		38,121
Planning and development		27,192	38,121	—	2,995	16,171	19,061	(2,890)	-15%		38,121
Road transport		—	—	—	—	—	—	—	—		—
Environmental protection		—	—	—	—	—	—	—	—		—
Trading services		472	3,410	—	—	66	1,705	(1,639)	-96%		3,410
Energy services		—	—	—	—	—	—	—	—		—
Water management		—	—	—	—	—	—	—	—		—
Waste water management		—	—	—	—	—	—	—	—		—
Waste management		472	3,410	—	—	66	1,705	(1,639)	-96%		3,410
Other		—	—	—	—	—	—	—	—		—
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>31,136</b>	<b>43,381</b>	<b>—</b>	<b>3,015</b>	<b>16,368</b>	<b>21,690</b>	<b>(5,322)</b>	<b>-25%</b>		<b>43,381</b>

## Financial Performance - Capital Expenditure

Capital Expenditure report as of 31 December 2024 shows that the municipality has incurred R 16.4 million to the budget of R 43 million expenditure, 38 % below the threshold of 50%.

## 5. FINANCIAL IMPLICATIONS

None

## 6. INSTITUTIONS OR PERSONS CONSULTED

- Office of the Municipal Manager
- Provincial Treasury

## 7. OPINIONS FROM FINANCE AND OTHER DEPARTMENTS

None

317  
6

9. **RECOMMENDATION**

That Council take notes of the Provisional Finance Management Report (MFMA) for the quarter ending on 31 December 2024 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 in official website of the Municipality.

.....  
**Chief financial officer**  
**DM MOHAPI**

.....  
**Date**

  
.....  
**Municipal Manager**  
**MS SITHOLE**

.....  
**Date**

31-8  
7



**DANNHAUSER LOCAL MUNICIPALITY (KZN - 254)**

**8 Church Street  
Private bag X1011  
Dannhauser  
3080**



**Telephone: (034) 621 2666  
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E-Mail:  
municipalmanager@dannhauser.gov.za**

**EXTRACT OF MINUTES OF THE CONTINUATION OF AN ORDINARY COUNCIL  
MEETING OF DANNHAUSER LOCAL MUNICIPALITY HELD ON TUESDAY, 28  
JANUARY 2025 AS IT COMMENCED AT 10H19, AT MARINE PARADE, DURBAN**

**PRESENT:**

Cllr SW Ndlela	-	Speaker
Cllr BA Radebe	-	Mayor
Cllr BTD Langa	-	Deputy Mayor
Cllr SEC Kunene	-	Member of Exco
Cllr RN Made	-	Member of Exco
Cllr S Nzuza	-	Member of Exco
Cllr MS Mkhumane	-	Whip of council
Cllr GV Ngcane		
Cllr M Kunene		
Cllr MJ Nkabinde		
Cllr N Mthembu		
Cllr DM Makhaza		
Cllr XM Nkosi		
<i>(Arrived at 10:42)</i>		
Cllr MT Mabaso		
Cllr KB Khanye		
Cllr CMF Maphisa		
Cllr MS Mthembu		
Cllr FR Simelane		
Cllr RS Langa		
Cllr TS Msibi		
Cllr MP Mathebula		
Cllr BS Sikhakhane		



**OFFICIALS:**

Mr. MS Sithole	-	Municipal Manager
Mr. S Nkabinde	-	Director Planning and Economic Development
Mrs. LP Gcabashe	-	Director Technical Services
Mr. NS Majola	-	Acting Chief Financial Officer
Mr. S Khumalo	-	Acting Director Community Services
Mr. S Cele	-	Chief Executive Auditor
Mr. V Mdlalose	-	Manager: Office of the MM
Mr. S Nkosi	-	Manager: Legal Services
Miss L Mthethwa	-	Acting Manager: IDP

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**C/2025-01-28/12.2.8**

**REPORT TO COUNCIL ON SECTION 52(d) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) FOR 2024/2025 QUARTER TWO**

**RESOLVED THAT**

- (a) The council noted the Provisional Finance Management Report (MFMA) for the quarter ending on 31 December 2024 on the implementation of the budget and financial state of affairs of the municipality.
- (b) The council noted that the quarterly report tabled in the council in terms of section 52(d) will be published in official website of the Municipality.

*Cllr M Kunene moved and seconded by Cllr RN Made*

**NOTE:**

**CERTIFIED A TRUE EXTRACT OF THE ORIGINAL MINUTES.**



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**HONORABLE SPEAKER**

**CLLR SW NDLELA**

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**DATE**