

DANNHAUSER MUNICIPALITY (KZN 254)

BUDGET AND TREASURY OFFICE

To : COUNCIL

Author : CHIEF FINANCIAL OFFICER

Date : 09 APRIL 2025

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

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 three.

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 Third Quarter ended March 2025

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	Jan-25	Feb-25	Mar-25
Opening balance 1 July 2024	R 18,184,348.15	R 18,184,348.15	R 18,184,348.15	R 18,991,101.01	R 16,885,466.44	R 16,885,466.44	R 15,586,584.43	R 15,586,584.43	R 15,586,584.43
Loan interest pay (-)				R 506,752.56		R 454,760.60	R -	R -	R 410,653.11
Loan repayment (-)	R -			R 1,298,882.01		R 1,298,882.01	R -	R -	R 1,298,882.01
Loan add repayment (-)	R -	R -	R 586,752.86	R -	R -	R 454,760.60		R -	R 410,653.11
Balance	R 18,184,348.15	R 18,184,348.15	R 18,991,101.01	R 16,885,466.44	R 16,885,466.44	R 15,586,584.43	R 15,586,584.43	R 15,586,584.43	R 14,287,702.42

- Municipality has the outstanding loan with DBSA of R 15 586 584.43 and the interest charged of R 410 653.11. Repayment of R 1 298 882.01 was done by the end of March 2025 to reduce the outstanding loan and raise an of interest of R 410 651.11 By the end of March 2025 the total outstanding loan is R 14 287 702.42.

Attached please find the section 52(d) Investment Portfolio quarterly report ended 31 March 2025

DANNHAUSER MUNICIPALITY

ANALYSIS OF INVESTMENT AS AT 31 MARCH 2025

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) (cash)	STANDARD BANK	068489520001	R 4,587,305.33	R -	R -	R -	5.55%	R 23,036.91	R 4,610,342.24
000068	CALL ACCOUNT (SHORT TERM NOTICE) (HOUSEHOLD)	STANDARD BANK	068436984081	R 1,971,540.79	R -	R -	R -	8.25%	R 12,722.66	R 1,984,263.45
000090	FREDDIE (POST INVESTMENT ACCOUNT) (cash)	STANDARD BANK (DBA)	068489520015	R 408.40	R 11,250,000.00	R -	R -	8.25%	R -	R 11,250,408.40
	TOTAL STANDARD BANK			R 6,559,254.52	R 11,250,000.00	R -	R -		R 35,759.57	R 17,804,514.09
	FNB									
000089	CALL ACCOUNT (HIGH) (SHORT TERM NOTICE) (equitable)	FIRST NATIONAL BANK	6239288585	R 45,511.07	R -	R -	R -	5.65%	R 222.44	R 45,734.51
000070	CALL ACCOUNT (ELECTRICITY) (SHORT NOTICE)	FIRST NATIONAL BANK	6242242582	R 40.59	R -	R -	R -	5.65%	R 0.20	R 40.79
	TOTAL FNB			R 45,551.66	R -	R -	R -		R 222.64	R 45,775.30
	NEDBANK									
000062	MEDIAN FIXED DEPOSIT	NEDBANK	7165020829	R -	R -	R -	R -	8.67%	R -	R -
	TOTAL NEDBANK			R -	R -	R -	R -		R -	R -
	ABSA									
000071	32 DAYS NOTICE (DBSA CEASE)	ABSA BANK	2372034421	R 4,705,225.56	R -	R -	R -	7.75%	R -	R 4,705,225.56
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 887,318.00	R -	R -	R -	8.2%	R 3,321.72	R 890,639.72
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	9308005305	R 1,982,728.35	R 1,000,000.00	R -	R -	8.9%	R 15,818.08	R 2,998,257.03
000081	CALL ACCOUNT INVESTMENT (tracker account)	ABSA BANK	9308222547	R 673,342.32	R 15,000,000.00	R 50.00	R -	8.9%	R 34,796.96	R 15,728,048.98
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	93081556185	R 34,282.28	R -	R 50.00	R -	8.9%	R 214.33	R 34,446.61
	TOTAL ABSA			R 7,392,887.11	R 16,000,000.00	R 150.00	R -		R 54,931.09	R 24,348,658.90
	TOTAL			R 14,607,693.29	R 27,250,000.00	R 150.00	R -		R 89,894.90	R 41,946,947.99

- Investment Portfolio: Cash and cash equivalents as of 31 March 2025 sits at a balance of R 41 946 947.99. The municipality will be able to meet its monthly fixed operating commitments from cash and short- term investments for the next 3 months.

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Attached please find the section 52(d) Expenditure Reports Quarterly Report ended 31 March 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M09 - March

Budget Year 2024/25									
Description	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
(R thousands)									
Employee costs	48 864	31 034	32 834	5 877	41 144	23 996	17 148	71%	32 834
Remuneration of Councilors	12 921	12 707	11 000	5 482	9 532	8 848	684	8%	11 000
Depreciation and amortisation	38 978	41 020	31 020	1 351	17 694	26 765	(9 071)	-38%	31 020
Interest	3 231	7 388	5 964	411	3 203	4 970	(1 767)	-36%	5 964
Inventory consumed and bulk purchases	3 180	210	374	24	314	223	91	41%	374
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	92 712	60 338	124 142	8 278	69 650	77 775	(17 125)	-22%	124 142
Total Expenditure	192 882	172 699	206 333	26 603	132 538	142 577	(10 039)	-7%	206 333
Surplus/(Deficit)	(20 546)	30 471	(20 878)	14 382	33 748	2 393	31 355	1310%	(20 878)
Transfers and subsidies - capital (monetary allocations)	28 629	24 921	36 171	64	14 513	23 191	(8 678)	-37%	36 171
Transfers and subsidies - capital (in kind)	-	-	-	-	-	-	-	-	-
contributions	8 042	66 392	15 493	14 445	48 261	25 584	22 677	89%	15 493
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 042	66 392	15 493	14 445	48 261	25 584	22 677	89%	15 493

Financial Performance on Operating Expenditure

- Employee related costs budget is R 32.8 million and the actual to date amount R 41 million.
- Councilors' remunerations are based on the Upper limits gazette as received from SALGA. The budget for the current year is R 11 million and the expenditure to date is R 9.5 million
- Other expenditure budget is R161.5 million and the actual to date R 81.9 million, which is 50.7% of the original budget.

Attached please find the section 52(d) allocations and Grants Quarterly report ended 31 March 2025 Attached Grant Register

Dannhauser Municipality
GRANT REGISTER



31 March 2025

Grant name	Spent Grants Register				Total Balance		Difference	% spent
	Opening balance Audited A/R	Conditional grant	Related Balance	Amount received	Amount spent	Amount owed to National Treasury		
Municipal Infrastructure Grant (MIG)	-	-	-	17 502 000.00	12 179 377.24	-	5 322 622.76	68
Financial Management	-	-	-	1 900 000.00	1 333 896.80	-	566 103.20	63
Expanded Public Works Programme	-	-	-	1 779 000.00	972 389.50	-	797 610.50	98
Provisionisation of Libraries	-	-	-	1 024 000.00	791 042.94	-	242 957.06	37
Cyber Cadet Library Grant	-	-	-	265 000.00	265 000.00	-	-	100
Conditional grant - KwaMakane Library	-	-	-	1 168 000.00	1 266 446.46	-	(8 446.46)	40
Integrated National Electrification Programme	-	-	-	-	-	-	-	-
Disaster Grant	83 484.16	-	-	11 500 000.00	-	-	83 484.16	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	83,484.16	-	-	35,129,000.00	16,618,115.77	-	6,927,400.07	-

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- Municipal Infrastructure Grant – The municipality had spent 68 % on this grant, the municipality is on track to achieve its target by end of June 2025.
- Financial Management Grant- The municipality had spent 63 % on this grant.
- Expanded Public works Programme- The municipality had spent 98 % on this grant.

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

BILLING REPORT

DESCRIPTION	202407	202408	202409	202410	202411	202412	202501	202502	202503
NO_OF_ACCOUNTS_AGREEMENT	0	0	0	0	0	0	0	0	0
NO_OF_ACCOUNTS_BLOCKCLAU	0	0	0	0	0	0	0	0	0
NO_OF_ACCOUNTS_BLOCKCLAU	0	0	0	0	0	0	0	0	0
NO_OF_ACCOUNTS_CONSUMPTK	0	0	0	0	0	0	0	0	0
NO_OF_ACCOUNTS_CONSUMPTK	0	0	0	0	0	0	0	0	0
NO_OF_ACCOUNTS_INDIGENT_SA	0	0	0	0	0	0	0	0	1
NO_OF_ACCOUNTS_INTEREST_LE	3748	3769	3788	3832	3906	4034	4043	3890	3858
NO_OF_ACCOUNTS_PAYMENTS_P	810	527	484	571	529	479	515	864	544
NO_OF_ACCOUNTS_RATES_LEVIE	4751	4750	4750	4750	4750	4750	4750	4750	4750
NO_OF_ACCOUNTS_RATES_REBAT	4749	4748	4749	4749	4749	4749	4749	4749	4749
NO_OF_ACCOUNTS_SERVICES_LE	1927	1928	1923	1923	1923	1925	1930	1935	1933
NO_OF_ACCOUNTS_SERVICES_RE	198	197	195	195	196	196	196	196	196
NO_OF_ACTIVE_CREDIT_ACCOUNT	558	557	558	583	585	568	572	560	549
NO_OF_ACTIVE_DEBIT_ACCOUNT	6816	6818	6815	6790	6788	6808	6804	6818	6827
NO_OF_INACTIVE_CREDIT_ACCOUNT	489	472	472	472	472	479	478	489	493
NO_OF_INACTIVE_DEBIT_ACCOUNT	2973	2974	2974	2975	2975	2980	2982	2987	2991
NO_OF_INDIGENTS	94	94	94	94	95	95	95	95	99
NO_OF_PENSIONERS	0	0	0	0	0	0	0	0	0
TOTAL_ACCOUNTS_LEVIED	6919	6922	6918	6918	6918	6918	6919	6924	6919
TYPE_OF_SERVICE	202407	202408	202409	202410	202411	202412	202501	202502	202503 TOTAL
VAT	18817.57	19189.79	17370.63	19155.94	19148.07	19229.03	18676.44	17806.94	19248.87 168429.28
INTEREST	136882.54	140066.62	143217.01	145943.84	148314.22	154721.55	160072.6	163535.56	166451.2 1360247.24
REFUSE	3789475.36	128018.96	127725.47	127725.47	127859.88	128186.14	128120.33	128449.38	128954.52 4793413.31
RATES	275798.8	4161991.93	3447380.44	3914379.47	3948084.38	3932140.57	3905693.48	3748882.76	3573284.93 30909416.55
INDIGENTS	0	0	0	0	0	0	0	0	-0.01 0.01
ENCROACHMENTS	0	0	0	0	0	0	0	0	948.4 948.4
RENT	9990.88	11070.68	9990.88	9990.88	9990.88	9990.88	9990.88	9990.88	9990.88 90997.92
RATES INDIGENT	0	0	0	0	0	0	0	0	0 0
SUNDRY INCOME	0	0	0	1750.47	0	0	5248.04	0	0 12449.96
TOTAL	4,210,965.17	4,460,328.18	3,745,854.43	4,218,928.07	4,254,195.21	4,244,284.07	4,231,793.77	4,068,295.51	3,897,874.79 37,335,960.65
PAYMENTS	1,238,323.76	-5,933,273.94	-1,799,681.45	-5,188,719.70	-1,245,510.81	-843,122.25	-772,348.29	-2,732,041.12	-2,025,243.44 -21,610,073.16
PERCENTAGE	-29%	-133%	-48%	-123%	-29%	-15%	-18%	-67%	-52%

- Collection Rate as of 31 March 2025 is sitting at 58% there is a slightly decrease compared to the first quarter, the municipality was sitting at 64%. 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 31 March 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M09 - March

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									
Financial Performance									
Property rates	44 591	45 039	45 039	3 583	34 579	33 779	799	2%	45 039
Service charges	1 349	2 063	2 063	128	1 152	1 547	(395)	-20%	2 063
Investment revenue	2 060	1 327	3 490	107	2 360	1 860	499	11%	3 490
Transfers and subsidies - Operational	119 816	126 866	129 280	30 555	124 396	96 115	28 281	29%	129 280
Other own revenue	4 460	27 873	4 784	611	4 100	11 669	(7 569)	-65%	-
Total Revenue (excluding capital transfers and contributions)	172 255	203 167	184 655	34 885	166 286	144 970	21 316	15%	184 655
Employee costs	40 869	31 034	32 834	5 077	41 144	23 996	17 149	71%	32 834
Remuneration of Councilors	12 921	12 707	11 006	5 162	9 532	8 648	884	8%	11 000
Depreciation and amortisation	39 978	41 020	31 020	1 351	17 694	26 765	(9 071)	-34%	31 020
Interest	3 231	7 386	5 964	411	3 203	4 970	(1 767)	-36%	5 964
Inventory consumed and bulk purchases	3 180	210	374	24	314	223	91	41%	374
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	92 712	80 336	124 142	8 278	60 650	77 775	(17 125)	-22%	124 142
Total Expenditure	192 282	172 496	205 333	20 693	132 536	142 577	(10 039)	-7%	205 333
Surplus/(Deficit)	(20 026)	30 671	(20 678)	14 192	33 748	2 393	31 355	1310%	(20 678)
Transfers and subsidies - capital (monetary allocations)	28 629	24 921	35 171	64	14 513	23 191	(8 678)	37%	35 171
Transfers and subsidies - capital (in kind)	-	-	-	-	-	-	-	-	-
contributions	8,042	55,392	15,493	14,445	48,261	25,584	22,677	89%	15,493
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8,042	55,392	15,493	14,445	48,261	25,584	22,677	89%	15,493

Financial Performance on Revenue

- The budget for rates and service charges Adjustment budget of R 47.1 million and the year-to-date billing is now R 35.7 million as of 31 March 2025, which is 75.8% of the approved budget. The Actual receipt to date is R 21.6 million with the collection rate standing at 46%.
- Investment revenue budget is R 3.490 million and to date we have received R 2.060 million.
- Equitable Share received to date amount to R 120.69 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 4.7 million and to date we have received R 4.1 million.

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

KZN254 Durrhauser - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - March

Vote Description	Ref	2023/24			Budget Year 2024/25				
		Approved	Original	Revised	Monthly actual	YearTD actual	YearTD budget	Variance	Variance %
R thousands	1								
Single Year expenditure appropriation	2								
Vote 1 - SA-COR & LOCAL		-	-	-	-	-	-	-	-
Vote 2 - HUMAN RESOURCES CORPORATE SERVICES OFFICE		3 000	1 000	1 000	979	1 000	1 000	221	-24%
Vote 3 - FINANCE DEPUTY OFFICE		14 000	-	-	-	-	-	-	-
Vote 4 - PROJECT MANAGEMENT UNIT TECHNICAL SERVICES OFFICE		3 200	38 121	39 121	4 149	21 771	29 112	5 140	-29%
Vote 5 - SOLID WASTE REMOVAL COMMUNITY SERVICES		200	3 412	12 460	-	-	7 057	7 057	-100%
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	24 000	43 533	56 434	5 008	21 800	37 757	(15 927)	-42%
Total Capital Expenditure		24 000	43 533	56 434	5 008	21 800	37 757	(15 927)	-42%

Financial Performance - Capital Expenditure

Capital Expenditure report as of 31 March 2025 shows that the municipality has incurred R 21.8 million to the budget of R 56.4 million expenditure, 38.7 % below the threshold of 50%.

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

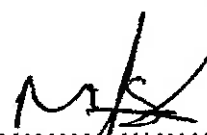
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9. **RECOMMENDATION**

That Council take notes of the Municipal Finance Management Report (MFMA) for the quarter ending on 31 March 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 in 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