DANNHAUSER MUNICIPALITY (KZN 254)

BUDGET AND TREASURY OFFICE

To	**:**	**COUNCIL**
Author	**:**	**ACTING CHIEF FINANCIAL OFFICER**
Date	**:**	**09 JULY 2025**
Subject	**:**	**Report to Council on section 52(d) of the Municipal finance management Act (MFMA) for 2024/2025 Quarter Four**

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 four.

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 a 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 four Quarter ended June 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	Apr-25	May-25	Jun-25
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	R 15,586,584.43	R 15,586,584.43	R 15,586,584.43	R 14,287,702.42	R 14,287,702.42	R 14,287,702.42
Loan interest pay (-)				R 506,752.56		R 454,760.60	R -	R -	R 410,653.11	R -		R 380,614.60
Loan repayment (-)	R -			R 1,298,882.01		R 1,298,882.01	R -	R -	R 1,298,882.01	R -		R 1,298,882.01
Loan add repayment (-)	R -	R -	R 506,752.86	R -	R -	R 454,760.60		R -	R 410,653.11	R -	R -	R 380,614.60
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	R 15,586,584.43	R 15,586,584.43	R 14,287,702.42	R 14,287,702.42	R 14,287,702.42	R 12,988,820.41
Balance as at month end	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	R 15 586,584.43	R 15,586,584.43	R 14,287,702.42	R 14,287,702.42	R 14,287,702.42	R 12,988,820.41

- Municipality has an outstanding loan with DBSA by the end of June 2025 of R 14 287 702.42 and the interest charged of R 380 614.60. Repayment of R 1 298 882.01 was made by the end of June 2025 to reduce the outstanding loan and raise an interest of R 380 614.60. By the end of June 2025, the total outstanding loan is R 12 988 820.41.

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

DANNHAUSER MUNICIPALITY

ANALYSIS OF INVESTMENT AS AT 31 JUNE 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)(dbsa)	STANDARD BANK	068480520001	R 4,665,980.35				5.65%	R 21,668.05	R 4,687,648.40
000068	CALL ACCOUNT (SHORT TERM NOTICE)(HOUSING)	STANDARD BANK	268436894001	R 2,009,026.28		R -	R -	7.35%	R 12,136.72	R 2,021,163.00
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (disaster)	STANDARD BANK(DISASTER)	068480520015	R 10,635,357.51			R 7,000,000.00	5.9%	R 36,540.91	R 3,671,898.42
	TOTAL STANDARD BANK			**R 17,310,364.14**	**R -**	**R -**	**R 7,000,000.00**	**R 0.06**	**R 70,345.68**	**R 10,380,709.82**
	FNB									
000069	CALL ACCOUNT(MIG) (SHORT TERM NOTICE)(equitable)	FIRST NATIONAL BANK	62392885855	R 46,233.05	R -	R -	R -	5.65%	R 230.03	R 46,463.08
000070	CALL ACCOUNT(ELECTRIFICATION) (SHORT NOTICE)	FIRST NATIONAL BANK	62422425682	R 41.22			R -	5.65%	R 0.22	R 41.44
	TOTAL FNB			**R 46,274.27**	**R -**	**R -**	**R -**	**R -**	**R 230.25**	**R 46,504.52**
	NEDBANK									
000082	NEDBANK FIXED DEPOSIT	NEDBANK	7165020829	R -	R -	R -	R -	8.87%	R -	R -
	TOTAL FNB			**R -**	**R -**	**R -**	**R -**	**R -**	**R -**	**R -**
	ABSA									
000071	32 DAYS NOTICE (DBSA CEASE)	ABSA BANK	2072034421	R 4,705,225.56	R -		R -	7.44%	R 164,004.83	R 4,869,230.39
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 701,655.29				4.3%	R 3,489.05	R 705,144.34
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	9380605305	R 6,219,071.19	R -	R 200.00	R 5,334,811.78	8.9%	R 38,481.26	R 922,540.67
000081	CALL ACCOUNT INVESTMENT(tracker account)	ABSA BANK	9388225547	R 856,307.20		R 50.00		8.9%	R 5,454.25	R 861,711.45
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	9381556185	R 35,046.29	R -	R 50.00	R -	8.9%	R 222.93	R 35,219.22
	TOTAL ABSA			**R 12,517,305.53**	**R -**		**R 5,334,811.78**	**R -**	**R 211,652.32**	**R 7,393,846.07**
	TOTAL			**R 29,873,943.94**	**R -**	**R -**	**R 12,334,811.78**	**R 0.06**	**R 282,228.25**	**R 17,821,060.41**

- Investment Portfolio: Cash and cash equivalents as of 30 June 2025 sit at a balance of R 17 821 060.41. The municipality will be able to meet its monthly fixed operating commitments from cash and short-term investments.

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

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M12 - June

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Employee costs	40,860	31,034	32,834	5,525	53,251	32,834	20,417	62%	32,834
Remuneration of Councillors	12,921	12,707	11,000	1,009	13,131	11,000	2,131	19%	11,000
Depreciation and amortisation	39,978	41,020	31,020	1,323	21,800	31,020	(9,221)	-30%	31,020
Interest	3,231	7,386	5,964	381	1,753	5,964	(4,211)	-71%	5,964
Inventory consumed and bulk purchases	3,180	210	374	0	400	374	26	7%	374
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	92,712	80,338	124,142	3,555	70,970	124,142	(53,172)	-43%	124,142
Total Expenditure	192,882	172,696	205,333	11,794	161,304	205,333	(44,029)	-21%	205,333
Surplus/(Deficit)	(20,586)	30,471	(20,678)	(5,594)	21,211	(20,678)	41,890	-203%	(20,678)
Transfers and subsidies - capital (monetary allocations)	28,629	24,921	36,171	6,511	27,905	36,171	(8,266)	-23%	36,171
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	8,042	55,392	15,493	917	49,116	15,493	33,624	217%	15,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	8,042	55,392	15,493	917	49,116	15,493	33,624	217%	15,493

Financial Performance on Operating Expenditure

- The Employee related costs budget is R 32.8 million and the actual amount to R 53.3 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 13 million.
- The other expenditure budget is R161.5 million and the actual to date R 94.9 million, which is 58.8% of the original budget.

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

Dannhauser Municipality
GRANT REGISTER

30 June 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)	-	-		- 24,921,000.00	- 24,921,000.00	23,150,805.09	- 1,770,194.91	- 1,770,194.91	-	92
Financial Management	-	-	-	- 1,900,000.00	- 1,900,000.00	1,900,000.00	-	-	-	100
Expanded Public Works Programme	-	-	-	- 1,770,000.00	- 1,770,000.00	1,770,000.00	-	-	-	100
Provincialisation of Libraries		-		- 1,024,000.00	- 1,024,000.00	1,024,000.00	-	-	-	100
Cyber Cadet Library Grant	-	-	-	- 265,000.00	- 265,000.00	265,000.00	-	-	-	100
Conditional grant - KwaMdakane Library	-	-	-	- 1,168,000.00	- 1,168,000.00	1,168,000.00	-	-	-	100
Integrated National Electrification Programme	-	-	-		-		-	-	-	
Disaster Grant	- 1,636,072.66	-		- 11,250,408.40	- 12,886,481.06	2,279,819.87	- 10,606,661.19	- 10,606,661.19	-	18
	-	-	-	-		-	-	-	-	
	-	-	-	-		-	-	-	-	
	- 1,636,072.66	-	-	- 42,298,408.40		31,557,624.95	- 12,376,856.11	- 12,376,856.11	-	

- Municipal Infrastructure Grant – The municipality had spent 92 % on this grant, the municipality did not achieve its target by end of June 2025.
- Financial Management Grant- The municipality had spent 100 % on this grant.

- Expanded Public works Programme- The municipality spent 100 % on this grant.

- Library grants – The municipality has achieved that 100% grant spending.

- Disaster grant – The municipality has spent 18% of disaster grant.

Attached please find section 52(d) Collection rate report – Quarterly report ended 30 June 2025

BILLING REPORT AS AT JUNE 2025 ANNEXURE G

DESCRIPTION	202407	202408	202409	202410	202411	202412	202501	202502	202503	202504	202505	202506	TOTAL
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	-	-	-	-	-	-	-	-	1 00	1 00	4 00	4 00	10 00
NO_OF_ACCOUNTS_INTEREST_LEVIED	3,740 00	3,769 00	3,788.00	3,832.00	3,966.00	4,034.00	4,043.00	3,890.00	3,856.00	3,828.00	3,790 00	3,791.00	46,327 00
NO_OF_ACCOUNTS_PAYMENTS_MADE	610 00	527.00	484.00	571.00	523.00	479 00	515.00	664.00	544.00	677.00	543.00	671.00	6,808 00
NO_OF_ACCOUNTS_RATES_LEVIED	4,751.00	4,750 00	4,750 00	4,750 00	4,750 00	4,750.00	4,750 00	4,750 00	4,750 00	4,750 00	4,759.00	4,759.00	57,019 00
NO_OF_ACCOUNTS_RATES_REBATED	4,749 00	4,749.00	4,749.00	4,749.00	4,749.00	4,749 00	4,749.00	4,749.00	4,749.00	4,749.00	4,758.00	4,758.00	57,006.00
NO_OF_ACCOUNTS_SERVICES_LEVIED	1,927.00	1,928.00	1,923.00	1,923.00	1,923.00	1,925.00	1,930.00	1,935.00	1,933.00	1,934.00	1,934.00	1,933.00	23,148.00
NO_OF_ACCOUNTS_SERVICES_REBATED	198.00	197.00	195.00	195.00	196.00	196 00	196.00	198.00	198.00	198.00	217.00	216.00	2,398 00
NO_OF_ACTIVE_CREDIT_ACCOUNTS	556 00	557.00	558.00	583.00	585.00	568.00	572.00	560 00	549 00	574.00	593.00	554.00	6,809 00
NO_OF_ACTIVE_DEBIT_ACCOUNTS	6,816 00	6,816.00	6,815 00	6,790 00	6,788 00	6,808.00	6,804.00	6,818 00	6,827 00	6,802 00	6,790 00	6,827.00	81,701 00
NO_OF_INACTIVE_CREDIT_ACCOUNTS	469 00	472 00	472 00	472.00	472 00	479 00	476.00	489 00	493.00	489 00	489.00	492.00	5,766 00
NO_OF_INACTIVE_DEBIT_ACCOUNTS	2,973 00	2,974.00	2,974 00	2,975 00	2,975 00	2,980 00	2,982.00	2,987 00	2,991.00	2,997 00	3,000.00	3,008.00	35,816 00
NO_OF_INDIGENTS	94 00	94.00	94 00	94.00	95 00	95 00	95.00	95 00	99 00	99 00	123.00	123.00	1,200 00
NO_OF_PENSIONERS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL_ACCOUNTS_LEVIED	6,919 00	6,922.00	6,918.00	6,918.00	6,918.00	6,918.00	6,919 00	6,924.00	6,918.00	6,918.00	6,925.00	6,925.00	83,042 00
TYPE_OF_SERVICE	202,407 00	202,408.00	202,409 00	202,410.00	202,411 00	202,412.00	202,501.00	202,502.00	202,503.00	202,504.00	202,505.00	202,506.00	TOTAL
VAT	18,817.57	19,189.79	17,370.63	19,155.94	19,146 07	19,225 03	18,670 44	17,608.94	19,246.87	18,229.93	10,396.64	18,941.23	215,997 08
INTEREST	136,882.54	140,058 62	143,217 01	145,943 84	149,314 22	154,721 65	160,072 60	163,585 56	166,451 20	166,959 93	169,210 91	172,762.66	1,869,180 74
REFUSE	3,768,475 38	128,018 96	127,725.47	127,725.47	127,659 66	128,186.14	128,120.33	128,449 38	128,054 52	128,120.33	126,738.32	128,294.01	5,174,565.97
RATES	275,798.80	4,161,991 93	3,447,380 44	3,914,379.47	3,948,084 38	3,932,140 37	3,909,693 48	3,746,662.75	3,573,284 93	3,751,117 53	3,668,398.25	3,760,722.78	42,089,655 11
INDIGENTS	-	-	-	-	-	-	-	- -	0.01 -	0 01 -	75.05 -	75.05 -	150.12
ENCROACHMENTS	-	-	-	-	-	-	-	-	946 40	-	-	-	946.40
RENT	9,990.88	11,070.88	9,990.88	9,990.88	9,990.88	9,990 88	9,990 88	9,990.88	9,990.88	9,990.88	9,990.88	9,990.88	120,970 56
RATES INDIGENT	-	-	-	-	-	-	-	-	-	-	-	-	-
SUNDRY INCOME	-	-	-	1,730 47	-	-	5,248 04	-	-	5,473.45	-	-	12,449 96
TOTAL	4,413,372.17	4,662,736.18	3,948,093.43	4,421,336.07	4,456,606.21	4,446,676.07	4,434,294.77	4,268,797.51	4,100,477.79	4,282,396.04	4,187,164.95	4,291,142.51	49,483,615.70
PAYMENTS	-1,236,323.76	-5,933,273.94	-1,799,681.45	-5,188,719.70	-1,245,510.01	- 845,122.25	- 772,346.29	-2,732,041.12	-2,025,243.44	-3,665,363.02	-2,291,587.77	-1,039,222.93	-28,574,435.68
PERCENTAGE	-28.01%	-127.25%	-45.58%	-117.36%	-27.95%	-14.51%	-17.42%	-64.00%	-49.39%	-85.59%	-54.73%	-24.22%	-57.75%

- Collection Rate as of 30 June 2025 is at 57.75 % there is a slight decrease compared to the previous quarter, the municipality was sitting at 58 %. Municipality needs to improve the 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 June 2025

Schedule C section 71, per source

KZN254 Dannhauser - Table C1 Monthly Budget Statement Summary - M12 - June

Description	2023/24	Budget Year 2024/25							
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	44,591	45,039	45,039	3,805	45,842	45,039	804	2%	45,039
Service charges	1,349	2,063	2,063	126	1,533	2,063	(530)	-26%	2,063
Investment revenue	2,080	1,327	3,490	282	2,827	3,490	(662)	-19%	3,490
Transfers and subsidies - Operational	119,816	126,866	129,280	444	125,895	129,280	(3,385)	-3%	129,280
Other own revenue	4,460	27,873	4,784	1,543	6,418	4,784	1,634	34%	–
Total Revenue (excluding capital transfers and contributions)	**172,295**	**203,167**	**184,655**	**6,200**	**182,515**	**184,655**	**(2,139)**	**-1%**	**184,655**
Employee costs	40,860	31,034	32,834	5,525	53,251	32,834	20,417	62%	32,834
Remuneration of Councillors	12,921	12,707	11,000	1,009	13,131	11,000	2,131	19%	11,000
Depreciation and amortisation	39,978	41,020	31,020	1,323	21,800	31,020	(9,221)	-30%	31,020
Interest	3,231	7,386	5,964	381	1,753	5,964	(4,211)	-71%	5,964
Inventory consumed and bulk purchases	3,180	210	374	0	400	374	26	7%	374
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	92,712	80,338	124,142	3,555	70,970	124,142	(53,172)	-43%	124,142
Total Expenditure	**192,882**	**172,696**	**205,333**	**11,794**	**161,304**	**205,333**	**(44,029)**	**-21%**	**205,333**
Surplus/(Deficit)	**(20,586)**	**30,471**	**(20,678)**	**(5,594)**	**21,211**	**(20,678)**	**41,890**	**-203%**	**(20,678)**
Transfers and subsidies - capital (monetary allocations)	28,629	24,921	36,171	6,511	27,905	36,171	(8,266)	-23%	36,171
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	**8,042**	**55,392**	**15,493**	**917**	**49,116**	**15,493**	**33,624**	**217%**	**15,493**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**8,042**	**55,392**	**15,493**	**917**	**49,116**	**15,493**	**33,624**	**217%**	**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 47.4 million as of 30 June 2025, which is 100.6 % of the approved budget. The Actual receipt to date is R 32.4 million with the collection rate standing at 68.8%.
- The investment revenue budget is R 3.490 million and to date we have received R 2.8 million.
- Equitable Share received to date amount to R 120.69 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 4.7 million and to date we have received R 6.4 million.

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

KZN254 Dannhauser - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

Vote Description R thousands	Ref 1	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Single Year expenditure appropriation	2									
Vote 1 - MAYOR & COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - HUMAN RESOURCES CORPORATE SERVICES OFFICE		3 602	1 850	1 850	9 382	10 350	1 850	8 500	459%	1 850
Vote 3 - FINANCE DEFAULT OFFICE		14 003	–	–	11 746	12 120	–	12 120	#DIV/0!	–
Vote 4 - PROJECT MANAGEMENT UNIT TECHNICAL SERVICES OFFICE		8 230	38 121	39 924	(18 023)	9 284	39 924	(30 639)	-77%	39 924
Vote 5 - SOLID WASTE REMOVAL COMMUNITY SERVICES		200	3 410	14 660	(164)	1 604	14 660	(13 056)	-89%	14 660
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	26 035	43 381	56 434	2 942	33 359	56 434	(23 075)	-41%	56 434
Total Capital Expenditure		**26 035**	**43 381**	**56 434**	**2 942**	**33 359**	**56 434**	**(23 075)**	**-41%**	**56 434**

Financial Performance - Capital Expenditure

- The Capital Expenditure report as of 30 June 2025 shows that the municipality has incurred R 33.4 million to the budget of R 56.4 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 Report (MFMA) for the quarter ending on 30 June 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 **Date**
N Majola

....

Municipal Manager **Date**
MS SITHOLE