

**DANNHAUSER LOCAL MUNICIPALITY (KZN 254)**



**2024/25 FINAL BUDGET**

# FINAL BUDGET REPORT

## EXECUTIVE SUMMARY

1.1. The Final 2024/2025 Medium Term Revenue and Expenditure Framework (MTREF) Budget Report addresses the operating budget and tariff proposals, as well as the capital budget and funding source proposals, to ensure that Dannhauser Local Municipality renders services to the local community in a financially sustainable manner.

## LEGISLATION REQUIREMENTS

- Section 16(1) of the Municipal Finance Management Act requires that the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Section 16(2) stipulates that in order to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- Section 22 of the MFMA further stipulates that immediately after the annual budget is tabled. in a municipal Council meeting, the accounting officer must make public the annual budget and documents in terms of section 17; invite the local community to submit representations in connection with the budget; and submit the annual budget to the National Treasury and the relevant Provincial Treasury in printed and electronic formats.
- Section 17 of the MFMA states that an annual budget must be in a schedule in the “prescribed format”. Paragraph 9 of the Municipal Budget & Reporting regulations (MBRR) indicates that: “The annual budget and supporting documentation must be in the format specified in Schedule A and include all the required tables, charts and explanatory information.”
- Section 22 of the MFMA states that immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must—
  - (a) in accordance with Chapter 4 of the Municipal Systems Act—
    - (i) make public the annual budget and the documents referred to in section 17(3); and
    - (ii) invite the local community to submit representations in connection with the budget; and
  - (b) submit the annual budget—
    - (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
    - (ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget

## BUDGET GUIDELINES

- The budget guidelines are based on the current circular 126 and 128, Municipal Budget Circular for the 2024/25 MTREF. It aims to provide further guidance to the municipalities in preparation of 2024/25 Medium Term Revenue and Expenditure Framework (MTREF) budgets and has been read together with the budget circulars that have been issued.

### Key focus areas for 2024/25 budget process in Dannhauser Local Municipality Grants allocation per 2024/25 Dora Framework

Grant Allocations	Budget year 2024/25
<b>Operating Transfer and Grants</b>	
<b>National Government</b>	
Local Government Equitable share	120 689 000
Financial Management Grant (FMG)	1 900 000
Expanded public works programme	1 770 000
<b>Provincial Government</b>	
Provincial of library (ARTS & CULTURE)	1 433 000
Community Library Services (ARTS & CULTURE)	1 024 000
<b>Capital Transfer and Grants</b>	
<b>National Government</b>	
Municipal Infrastructure Grant (MIG)	24 921 000
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>151,737,000.00</b>

### Provincial Grants

This is the library grants subsidized by the Provincial Department of Art and Culture. The current allocation has been gazetted.

### National Grants

These are all the grants that have been gazetted from DORA for Dannhauser Municipality.

## 2. REVENUE BUDGET

Dannhauser municipality has fallen into financial distress and face liquidity problems similar to other local government institution. The municipality rely on the revenue collected from rates and service charges other than the government grants. Tariffs has decreased from 5.4% current year to 4.9% for financial year of 2025 meaning:

- economic stimulus- the lower tariffs can encourage businesses to invest and expand operations within the municipality, boosting economic activity and creating jobs opportunities.
- cost of living – decreased tariffs can lead to lower costs for residents, improving their standard of living and potentially reducing financial strain on households.
- Consumer spending- when tariffs are reduced, consumers often have more disposable income, which can lead to increased spending on goods and services within the municipality, benefiting local businesses.

### **3. Employee Related Costs and Councillors remuneration**

In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2024 and 01 July 2025 an increase based on the projected average CPI percentages for 2025 (4.6 per cent according to the Reserve Bank's Monetary Committee Statement for January 2024) and 2026 (4.9 per cent according to the Reserve Bank's Monetary Committee Statement for January 2025). The forecasts of the Reserve Bank, in terms of the January 2025 and January 2026, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

### **4. Conditional Grants Transfers to municipalities**

The equitable share release criteria for 2024/25 was set out in MFMA Circular No. 128. To assist with managing this process, a guiding checklist has been developed which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2023/24 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

### **Underlining principles for the Final Budget**

According to the NT circular inflation has been assumed at 5% in 2024/25, 4.9% in 2025/26 and 4.6% in 2024/25 in line with Municipal Budget Circular 128 for the 2024/25 MTREF;

- Realistically anticipated revenues to be collected;
- Tariff increases are in accordance with the guidelines which are based on the SA inflation rate;
- Projects and programs must be within affordability limits;
- Only funded projects that are ready for implementation will be prioritized in the 2024/25 financial year;
- The operating expenditure baseline was reduced, and the focus must be on efficiency gains and the principle of value for money (doing more with less, while prioritizing service delivery);
- Some projects are recommended to be multiyear projects to spread the funding amongst to the outer years in order to ensure Dannhauser Municipality submit and approve a funded budget;
- The budget must be aligned to the IDP priorities; 2023/24 Adjustment budget priorities and targets as well as the baseline allocations contained in the approved adjustment budget; the grants allocated in DORA for 2024/25 financial year;

- Salary increases have been estimated at 4.9% in 2024/25 whilst waiting for the Bargaining Committee's approved Salary and Wage Agreement and
- The budget related policies are being reviewed and where any adjustments are required, the revised policies will be attached to the final item for approval.

## Revenue Budget

KZN254 Dannhauser - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Financial Performance</b>										
Property rates	21,084	28,115	30,853	42,228	178,063	178,063	178,063	45,038	47,110	49,372
Service charges	1,246	1,302	1,345	1,967	7,866	7,866	7,866	2,063	2,158	2,261
Investment revenue	1,019	668	1,150	1,848	7,392	7,392	7,392	1,327	1,388	1,454
Transfer and subsidies - Operational	114,602	103,833	114,744	126,835	507,341	507,341	507,341	126,866	132,702	138,072
Other own revenue	2,579	4,249	6,358	26,992	147,967	147,967	147,967	27,873	29,155	30,554
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>140,530</b>	<b>138,166</b>	<b>154,451</b>	<b>199,869</b>	<b>848,630</b>	<b>848,630</b>	<b>848,630</b>	<b>203,167</b>	<b>212,513</b>	<b>222,713</b>
Employee costs	31,941	32,778	40,141	49,638	214,956	214,956	214,956	31,034	61,891	64,862
Remuneration of councillors	9,468	9,599	10,806	11,360	53,155	53,155	53,155	12,707	13,292	13,930
Depreciation and amortisation	36,276	31,560	88,091	37,760	151,040	151,040	151,040	41,020	42,907	44,967
Interest	4,140	4,863	3,663	3,500	14,000	14,000	14,000	7,386	7,725	8,096
Inventory consumed and bulk purchases	8,441	6,572	7,544	500	800	800	800	210	219	230
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	59,620	62,614	84,219	76,315	332,332	332,332	332,332	80,338	85,985	90,112
<b>Total Expenditure</b>	<b>149,885</b>	<b>147,985</b>	<b>234,463</b>	<b>179,073</b>	<b>766,283</b>	<b>766,283</b>	<b>766,283</b>	<b>172,696</b>	<b>212,020</b>	<b>222,197</b>
<b>Surplus/(Deficit)</b>	<b>(9,355)</b>	<b>(9,819)</b>	<b>(80,012)</b>	<b>20,796</b>	<b>82,347</b>	<b>82,347</b>	<b>82,347</b>	<b>30,471</b>	<b>493</b>	<b>516</b>
Transfers and subsidies - capital (monetary allocations)	13,645	28,611	28,441	27,617	120,324	120,324	120,324	24,921	26,067	27,319
Transfers and subsidies - capital (in-kind)	-	-	102	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>

## Analysis of Revenue Assessment rates

The estimated budget for the assessment rates were calculated based on the old Valuation Roll. The municipality will implement a new valuation roll with effect from 1 July 2024. To date objections outcome was communicated to affected consumers and implemented with revenue projections for this budget.

## Service charges.

The Dannhauser municipality only have one service charges, the Refuse removal. The budget has been based on current years billing.

## Interest on Investment income

Interest on investment has decreased in the final budget by R 1.3 million, compared to 2023/24 R 1.8 million

## Traffic Fines and Licenses

The following items are included in this revenue budget,

Traffic Fines – the municipality must implement ways of enhancing revenue received from

- Fines
- Vehicle licenses
- Drivers and learners' licenses

## Other revenue

The following items are included in this revenue budget,

- Fees from the tariff policy
- Sundries
- VAT received.

## EXPENDITURE BUDGET

KZN254 Dannhauser - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
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<b>Financial Performance</b>										
Property rates	21,084	28,115	30,853	42,228	178,063	178,063	178,063	45,039	47,110	49,372
Service charges	1,246	1,302	1,345	1,967	7,866	7,866	7,866	2,063	2,158	2,261
Investment revenue	1,019	668	1,150	1,848	7,382	7,382	7,382	1,327	1,388	1,454
Transfer and subsidies - Operational	114,602	103,833	114,744	126,835	507,341	507,341	507,341	126,866	132,702	139,072
Other own revenue	2,579	4,249	6,358	26,992	147,967	147,967	147,967	27,873	29,155	30,554
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>140,530</b>	<b>138,166</b>	<b>154,451</b>	<b>199,869</b>	<b>848,630</b>	<b>848,630</b>	<b>848,630</b>	<b>203,167</b>	<b>212,513</b>	<b>222,713</b>
Employee costs	31,941	32,778	40,141	49,638	214,956	214,956	214,956	31,034	61,891	64,862
Remuneration of councillors	9,469	9,599	10,806	11,360	53,155	53,155	53,155	12,707	13,292	13,930
Depreciation and amortisation	36,276	31,560	88,091	37,760	151,040	151,040	151,040	41,020	42,907	44,967
Interest	4,140	4,863	3,663	3,500	14,000	14,000	14,000	7,386	7,725	8,096
Inventory consumed and bulk purchases	8,441	6,572	7,544	500	800	800	800	210	219	230
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	59,620	62,614	84,219	76,315	332,332	332,332	332,332	80,338	85,985	90,112
<b>Total Expenditure</b>	<b>149,885</b>	<b>147,985</b>	<b>234,463</b>	<b>179,073</b>	<b>766,283</b>	<b>766,283</b>	<b>766,283</b>	<b>172,696</b>	<b>212,020</b>	<b>222,197</b>
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Transfers and subsidies - capital (in-kind)	-	-	102	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	65,659	51,145	41,572	74,656	238,203	238,203	238,203	43,381	45,376	47,655
Transfers recognised - capital	26,867	21,037	0	30,846	95,240	95,240	95,240	24,921	29,728	31,155
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	30,857	24,711	(1,005)	22,150	63,806	63,806	63,806	11,130	6,412	6,720
<b>Total sources of capital funds</b>	<b>57,724</b>	<b>45,748</b>	<b>(1,005)</b>	<b>52,996</b>	<b>179,046</b>	<b>179,046</b>	<b>179,046</b>	<b>36,051</b>	<b>36,140</b>	<b>37,875</b>
<b>Financial position</b>										
Total current assets	37,426	39,197	37,301	99,415	(30,681)	(30,681)	(30,681)	84,931	(28,535)	17,650
Total non current assets	467,340	562,794	538,152	1,086,583	2,239,772	2,239,772	2,239,772	581,533	45,376	47,555
Total current liabilities	38,979	49,980	61,106	78,807	(50,968)	(50,968)	(110,936)	96,725	(9,718)	37,370
Total non current liabilities	40,923	33,163	28,285	59,372	113,141	113,141	113,141	28,285	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>425,442</b>	<b>538,828</b>	<b>487,360</b>	<b>1,047,819</b>	<b>2,146,918</b>	<b>2,146,918</b>	<b>2,171,573</b>	<b>541,454</b>	<b>26,560</b>	<b>27,835</b>



## Analysis of Expenditure

### Employee Related Costs

The employee related cost for the municipality is determined by the Bargaining council. The Salary and Wage Collective Agreement for this period has not been issued as yet. The guidelines per the national treasury circular is to use the projected average CPI percentages for 2024 of 4.9% which is according to the Reserve Bank's Monetary Committee Statement for January 2024.

### Councillor's Remuneration

Councillor's remunerations are budgeted based on the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Once it has been published adjustment to the budget will be implemented on the Adjustment budget.

## CAPITAL EXPENDITURE BUDGET

CAPITAL PROJECTS	FUNDING	CORPORATE SERVICES	PLANNING AND ECONOMIC DEVELOPMENT(GE)	TECHNICAL SERVICES	COMMUNITY SERVICES	PROTECTION SERVICE	
FURNITURE & EQUIPMENT( TOOLS OF TRADE)	INTERNAL	500,000.00					
TELEPHONE LINE NEW OFFICES	INTERNAL	200,000.00					
IMPROVEMENTS- REGISTRY	INTERNAL	150,000.00					
NEW OFFICES - (FURNITURE & EQUIPMENT)	INTERNAL	1,000,000.00					
DISASTER RELIEF	INTERNAL		4,000,000.00				
TLB	INTERNAL			1,200,000.00			
METER CONVERSION( WARD 2)	INTERNAL			500,000.00			
LEWBED	INTERNAL			2,000,000.00			
COMMUNITY HALL	INTERNAL			1,500,000.00			
MAST LIGHT	INTERNAL			2,000,000.00			
COMMUNITY HALLS	MIG			10,322,850.00			
URBAN ROADS	MIG			14,598,148.00			
NEW OFFICES( Ward 2)	INTERNAL			3,000,000.00			
DURNACOL SPORT CENTRE	INTERNAL			1,000,000.00			
TESTING GROUNG - WARD 2	INTERNAL			2,000,000.00			
UPGRADE LANDFILL SITE	INTERNAL				230,000.00		
SKIP BINS	INTERNAL				200,000.00		
SLASHERS	INTERNAL				150,000.00		
BRUSH CUTTERS	INTERNAL				250,000.00		
CHAINSAW	INTERNAL				50,000.00		
MUNICIPAL VEHICLE	INTERNAL					450,000.00	
LANDFILL SITE FENCING	INTERNAL					2,000,000.00	
RIDE ON MOWER	INTERNAL					80,000.00	
<b>TOTAL</b>		<b>1,850,000.00</b>	<b>4,000,000.00</b>	<b>38,120,998.00</b>	<b>880,000.00</b>	<b>2,530,000.00</b>	<b>43,380,998.00</b>

### Capital expenditure analysis.

- Capital expenditure projects for the Final 2024/25 budget is funded through MIG, Internal Funding.
- Most projects that were internally funded, budgeted in the 2023/24 financial year were rolled forward to this budget due to unavailability of funding during the financial year.
- The implementation of Internal Funded projects will depend upon the cash flow movement of the municipality.

# Municipal annual budgets and MTREF & supporting tables

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**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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KZN254 Dannhauser - Table A1 Budget Summary

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Other own revenue	2,579	4,249	6,358	26,992	147,967	147,967	147,967	27,873	29,155	30,554
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>140,530</b>	<b>138,166</b>	<b>154,451</b>	<b>199,869</b>	<b>848,630</b>	<b>848,630</b>	<b>848,630</b>	<b>203,167</b>	<b>212,513</b>	<b>222,713</b>
Employee costs	31,941	32,778	40,141	49,638	214,956	214,956	214,956	31,034	61,891	64,862
Remuneration of councillors	9,469	9,599	10,805	11,360	53,155	53,155	53,155	12,707	13,292	13,930
Depreciation and amortisation	36,276	31,560	89,091	37,760	151,040	151,040	151,040	41,020	42,907	44,967
Interest	4,140	4,863	3,663	3,500	14,000	14,000	14,000	7,386	7,725	8,096
Inventory consumed and bulk purchases	8,441	6,572	7,544	500	800	800	800	210	219	230
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	59,620	62,614	84,219	76,315	332,332	332,332	332,332	80,338	85,985	90,112
<b>Total Expenditure</b>	<b>149,885</b>	<b>147,985</b>	<b>234,463</b>	<b>179,073</b>	<b>766,283</b>	<b>766,283</b>	<b>766,283</b>	<b>172,596</b>	<b>212,020</b>	<b>222,197</b>
<b>Surplus/(Deficit)</b>	<b>(9,355)</b>	<b>(9,819)</b>	<b>(80,012)</b>	<b>20,796</b>	<b>82,347</b>	<b>82,347</b>	<b>82,347</b>	<b>30,471</b>	<b>493</b>	<b>518</b>
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Transfers and subsidies - capital (in-kind)	-	-	102	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>4,290</b>	<b>18,792</b>	<b>(51,469)</b>	<b>48,413</b>	<b>202,671</b>	<b>202,671</b>	<b>202,671</b>	<b>55,392</b>	<b>26,560</b>	<b>27,835</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>65,659</b>	<b>51,145</b>	<b>41,572</b>	<b>74,656</b>	<b>238,203</b>	<b>238,203</b>	<b>238,203</b>	<b>43,381</b>	<b>45,376</b>	<b>47,555</b>
Transfers recognised - capital	28,867	21,037	0	30,846	95,240	95,240	95,240	24,921	29,728	31,155
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	30,857	24,711	(1,005)	22,150	83,806	83,806	83,806	11,130	6,412	6,720
<b>Total sources of capital funds</b>	<b>57,724</b>	<b>45,748</b>	<b>(1,005)</b>	<b>52,996</b>	<b>179,046</b>	<b>179,046</b>	<b>179,046</b>	<b>36,051</b>	<b>36,140</b>	<b>37,875</b>
<b>Financial position</b>										
Total current assets	37,426	39,197	37,301	99,415	(30,661)	(30,661)	(30,661)	84,931	(28,535)	17,650
Total non current assets	467,340	582,794	538,152	1,086,583	2,239,772	2,239,772	2,239,772	581,533	45,376	47,555
Total current liabilities	38,979	49,980	61,108	78,807	(50,968)	(50,968)	(110,938)	96,725	(9,718)	37,370
Total non current liabilities	40,923	33,183	28,285	59,372	113,141	113,141	113,141	28,285	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>425,442</b>	<b>538,828</b>	<b>487,360</b>	<b>1,047,819</b>	<b>2,146,918</b>	<b>2,146,918</b>	<b>2,171,573</b>	<b>541,454</b>	<b>26,560</b>	<b>27,835</b>
<b>Cash flows</b>										
Net cash from (used) operating	172,580	231,526	194,484	126,659	29,040	29,040	29,040	141,231	115,317	173,011
Net cash from (used) investing	(95,149)	(58,977)	(47,082)	(72,856)	(476,407)	(476,407)	(476,407)	(43,381)	(95,146)	(52,159)
Net cash from (used) financing	29,711	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>107,142</b>	<b>184,350</b>	<b>182,389</b>	<b>90,389</b>	<b>(416,215)</b>	<b>(416,215)</b>	<b>(416,215)</b>	<b>105,638</b>	<b>125,809</b>	<b>246,662</b>
<b>Cash backing/surplus reconciliation</b>										
Non current Investments	(0)	6,967	1,421	(1,821)	1,328	1,328	1,328	1,371	(52)	(55)
Statutory requirements	(12,126)	(13,401)	(28,930)	23,955	41,153	41,153	41,153	(12,867)	(29,652)	(31,078)
<b>Balance - surplus (shortfall)</b>	<b>12,126</b>	<b>20,367</b>	<b>30,351</b>	<b>(24,876)</b>	<b>(39,825)</b>	<b>(39,825)</b>	<b>(39,825)</b>	<b>14,238</b>	<b>29,600</b>	<b>31,021</b>
<b>Asset management</b>										
Asset register summary (WDV)	329,968	428,436	341,216	945,174	1,452,028	1,452,028	-	384,597	45,376	47,555
Depreciation	34,365	31,468	44,520	37,760	151,040	151,040	-	41,020	42,907	44,967
Renewal and Upgrading of Existing Assets	32,899	32,577	10,062	11,260	25,122	25,122	-	4,430	4,634	4,856
Repairs and Maintenance	24,179	18,638	29,908	16,087	65,381	65,381	-	18,914	20,830	21,830
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	69	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**KZN254 Dannhauser - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	####	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		135,475	133,269	146,850	184,908	779,399	779,399	194,103	203,032	212,777
Executive and council		319	75	7	-	-	-	-	-	-
Finance and administration		135,156	133,194	146,843	184,908	779,399	779,399	194,103	203,032	212,777
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		13,657	28,657	28,461	34,432	130,968	130,968	26,075	27,274	28,583
Planning and development		13,657	28,657	28,461	34,432	130,968	130,968	26,075	27,274	28,583
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		5,043	4,851	7,683	8,147	58,587	58,587	7,910	8,274	8,671
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5,043	4,851	7,683	8,147	58,587	58,587	7,910	8,274	8,671
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	154,175	166,777	182,994	227,486	968,954	968,954	228,088	238,580	250,032
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		76,504	79,559	117,442	122,871	543,188	543,188	110,560	133,428	139,832
Executive and council		25,017	21,061	28,351	34,523	146,734	146,734	31,613	35,115	36,800
Finance and administration		51,486	58,498	89,090	88,347	396,453	396,453	78,947	98,313	103,032
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		58,845	49,298	97,016	33,805	134,677	134,677	42,463	48,459	50,785
Planning and development		58,845	49,298	97,016	33,805	134,677	134,677	42,463	48,459	50,785
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		14,537	19,129	21,303	22,397	88,418	88,418	19,673	30,133	31,580
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14,537	19,129	21,303	22,397	88,418	88,418	19,673	30,133	31,580
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	149,885	147,985	235,760	179,073	766,283	766,283	172,896	212,020	222,197
<b>plus/(Deficit) for the year</b>		4,290	18,792	(52,767)	48,413	202,671	202,671	55,392	26,560	27,835

**References**

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
- All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

KZN254 Dannhauser - Table A7 Budgeted Cash Flows

Description	####	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		19,080	23,850	21,436	84,456	178,063	178,063	178,063	45,039	47,110	49,372
Service charges		455	469	908	1,967	7,866	7,866	7,866	2,063	2,158	2,261
Other revenue		2,418	3,880	3,372	26,951	173,816	173,816	173,816	55,617	58,220	61,014
Transfers and Subsidies - Operational	1	149,266	184,162	159,284	119,137	502,548	502,548	502,548	120,775	126,330	132,394
Transfers and Subsidies - Capital	1	13,646	30,810	19,357	33,317	117,124	117,124	117,124	24,921	26,067	27,319
Interest		617	386	0	1,948	7,392	7,392	7,392	1,327	1,388	1,454
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(12,901)	(11,256)	(7,027)	(137,516)	(943,769)	(943,769)	(943,769)	(108,509)	(145,956)	(100,904)
Interest		-	(796)	(2,846)	(3,500)	(14,000)	(14,000)	(14,000)	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>172,580</b>	<b>231,526</b>	<b>194,484</b>	<b>126,859</b>	<b>29,040</b>	<b>29,040</b>	<b>29,040</b>	<b>141,231</b>	<b>115,317</b>	<b>173,011</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(95,149)	(58,977)	(47,082)	(72,856)	(476,407)	(476,407)	(476,407)	(43,381)	(95,146)	(52,159)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(95,149)</b>	<b>(58,977)</b>	<b>(47,082)</b>	<b>(72,856)</b>	<b>(476,407)</b>	<b>(476,407)</b>	<b>(476,407)</b>	<b>(43,381)</b>	<b>(95,146)</b>	<b>(52,159)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		29,711	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>29,711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>107,142</b>	<b>172,548</b>	<b>147,402</b>	<b>53,803</b>	<b>(447,367)</b>	<b>(447,367)</b>	<b>(447,367)</b>	<b>97,850</b>	<b>20,171</b>	<b>120,853</b>
Cash/cash equivalents at the year begin:	2	-	11,802	14,967	36,586	31,151	31,151	31,151	7,788	105,638	125,809
Cash/cash equivalents at the year end:	2	107,142	184,350	162,369	90,389	(416,215)	(416,215)	(416,215)	105,638	125,809	246,662

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

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



**Telephone: (034) 621 2666**

**Facsimile: (034) 621 3114**

**E-Mail:  
municipalmanager@dannhauser.gov.za**

**EXTRACT OF MINUTES OF A SPECIAL COUNCIL MEETING HELD ON FRIDAY, 24  
MAY 2024 AS IT COMMENCED AT 11H00 IN THE COUNCIL CHAMBER, 8 CHURCH  
STREET, DANNHAUSER.**

**PRESENT:**

Clr SE Myaka	-	Speaker
Clr BA Radebe	-	Mayor
Clr BT D Langa	-	Deputy Mayor
Clr SEC Kunene	-	Member of Exco ( <i>left meeting at 12:05</i> )
Clr S Nzuzo	-	Member of Exco
Clr RN Made	-	Member of Exco
Clr MS Mkhumane	-	Member of Exco
Clr GV Ngcane		
Clr M Kunene		
Clr MJ Nkabinde		
Clr N Mthembu		
Clr RS Langa		
Clr MP Mathebula		
Clr MT Mabaso		
Clr KB Khanye		
Clr C Maphisa		
Clr MS Mthembu		
Clr SW Ndlela		
Clr FR Simelane		
Clr EN Buthelezi		

**OFFICIALS:**

MS Sithole	-	Municipal Manager
D Mohapi	-	Chief Financial Officer
SA Khumalo	-	Acting Director Community Services
S Mkhize	-	Director Corporate Services
S Nkabinde	-	Director Planning & Economic

		Development
L Gcabashe	-	Director Technical Services
S Nkosi	-	Manager: Legal Services
PJ Ndlovu	-	Manager: IDP

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**SC/2024-05-24/8.1**

**SPECIAL ADJUSTMENT BUDGET 2023/2024 FINANCIAL YEAR**

After the matter was deliberated, it was,

**RESOLVED THAT**

- (a) The council notes the report as submitted.
- (b) Contractors in wards be encouraged to give due regard and respect to the local councilors and community requirements.

Cllr BA Radebe moved and seconded by Cllr MS Mathebula

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**SC/2024-05-24/8.2**

**FINAL BUDGET 2024/2025 FINANCIAL YEAR**

His Worship the Mayor Cllr BA Radebe tabled the 2024/25 Final Budget, furthermore, a discussion was engaged upon. It was then.

**RESOLVED THAT**

- The Council approves the Final Budget 2024/25 Financial year.
- Council redirects double cab and clocking machine budget to rather purchase a TLB or Grader.
- IT support was reduced by 1,000 000 million.
- The Council reduced Legal fees to 900, 000 thousand and the difference used to top up on electrification.
- Electrification infills increased up to 4,700,000 million.
- The council suggested that R6 500,000 million to be put into investment.
- That the budget for 2024/25 be approved, with the said amendments.



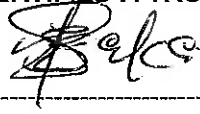
## RESOLUTIONS

- (a) Budget Related Policies approved were:
- Expenditure management policy
  - Policy on overtime and standby
  - Petty cash policy
  - Subsequent policy
  - Subsistence and traveling policy
  - The unauthorized, irregular, or fruitless wasteful expenditure policy
  - Value Added Tax policy
  - Rates policy
  - Tariffs policy
  - Indigent policy
  - Customer care, credit control and debt collection Policy
  - Debtors and debtors write off policy
  - Cash banking and investment policy
  - Fixed Assets Policy
  - Virement policy
  - Commitments policy
  - Supply chain management policy
  - Consultant policy
  - Donation and Gifts policy
  - Final budget
- (b) That the annual budget for the financial year 2024/25, Tariffs and indicative outer years 2025/26 and 2026/27 will be approved as set-out
- I. Capital expenditure by project.
  - II. Capital funding by source.
  - III. Operating revenue by source as contained in Table A4
  - IV. Operating expenditure by type as contained in Table A4
- (c) Council noted Provincial Treasury's Assessment on Draft Budget 2024/25 financial year.
- (d) The officials to arrange the policy training workshop for councilors.

*Cllr BA Radebe moved and seconded by Cllr BTD Langa*

**NOTE:**

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

A handwritten signature in black ink, appearing to read 'Belca', is written over a horizontal dashed line.

**SPEAKER**

**CLLR SE MYAKA**

.....  
**DATE**



# DANNHAUSER MUNICIPALITY

T: 034 621 2666 • F: 034 621 3114  
8 CHURCH STREET • DANNHAUSER  
• 3080

04 JUL 2024

National Treasury  
40 Church Square  
Pretoria  
0002

**ENQUIRIES:**  
**SIDWELL BUTHELEZI**  
APPROVED ORIGINAL BUDGET  
2027

**Certification that the approved budget for 2027 is correctly captured and locked on the municipality's financial management system**

*(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)*

I, Mandlenkosi Sidwell Sithole, Municipal Manager of DANNHAUSER MUNICIPALITY, hereby certify that the 2027 annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality

- The adopted annual budget has been captured on the municipality's financial system;
- There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

I further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegated official, in term of a council approved virements policy; and
- an adjustments budget approved by council.

Print Name

Mandlenkosi Sidwell Sithole

Municipal Manager of

DANNHAUSER MUNICIPALITY • KZN254  
(Name and demarcation code of municipality)

Signature

Date

04 JUL 2024

Printed By

SIDWELL BUTHELEZI