

# DANNHAUSER MUNICIPALITY (KZN 254)

## BUDGET AND TREASURY OFFICE

**To** : COUNCIL

**Author** : CHIEF FINANCIAL OFFICER

**Date** : 08 OCTOBER 2024

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

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**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 2024**

Loan:	'000060	Account Num	'12008080
Financial Year:	2025		
Period From:	202407	Period To:	202409
Report Type:	Summary		
Quarter:	1		

  

Institution	System #	Bank Name	Account #	Loan Start Date	Loan End Date	Term	Value	Month	Interest %	BOQ Amount	Interest Paid	Balance
OTHER	'000060	DBSA LOAN ACC 120080	'12008080	01/08/2017	31/12/2027	Y	202409	10.685	-	18,184,348.15	-506,752.86	-18,691,101.01

- 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 will be done on the 3<sup>rd</sup> of October 2024 to reduce the outstanding loan.

**Attached please find the section 52(d) Investment Portfolio quarterly report ended 30 September 2024**

**DANNHAUSER MUNICIPALITY  
ANALYSIS OF INVESTMENT AS AT 30 SEPTEMBER 2024**

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 4,457,283.34	R -	R -	R -	6.65%	R 24,057.12	R 4,481,340.46
000068	CALL ACCOUNT (SHORT TERM NOTICE)(HOUSING)	STANDARD BANK	268436894001	R 1,895,059.14	R -	R -	R -	8.35%	R 12,876.02	R 1,907,935.16
000073	FIXED DEPOSIT INVESTMENT ACCOUNT (DBSA)	STANDARD BANK	068480520009	R -	R -	R -	R -	9.875%	R -	R -
000080	FIXED DEPOSIT INVESTMENT ACCOUNT (disaster)	STANDARD BANK( DISASTER)	068480520015	R 408.40	R -	R -	R -	8.35%	R -	R 408.40
000083	FIXED DEPOSIT INVESTMENT ACCOUNT (Equitable)	STANDARD BANK	068480520-017	R 10,000,000.00	R -	R -	R -	9.05%	R -	R 10,000,000.00
	<b>TOTAL STANDARD BANK</b>			<b>R 16,352,750.88</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R 36,933.14</b>	<b>R 16,389,684.02</b>
	FNB									
000069	CALL ACCOUNT(MIG) (SHORT TERM NOTICE)(equitable)	FIRST NATIONAL BANK	62392885855	R 43,988.31	R -	R -	R -	5.65%	R 267.13	R 44,255.44
	CALL ACCOUNT( ELECTRIFICATION) (SHORT NOTICE)	FIRST NATIONAL BANK	62422425682	R 39.51	R -	R -	R -	5.65%	R -	R 39.51
	<b>TOTAL FNB</b>			<b>R 44,027.82</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R 267.13</b>	<b>R 44,294.95</b>
	NEDBANK									
000082	NEDBANK FIXED DEPOSIT	NEDBANK	7165020829	R -	R -	R -	R -	8.87%	R -	R -
	<b>TOTAL FNB</b>			<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>
	ABSA									
000071	32 DAYS NOTICE ( DBSA CEASE)	ABSA BANK	2072034421	R 4,528,534.93	R -	R -	R -	6.89%	R -	R 4,528,534.93
000072	CALL ACCOUNT (SHORT NOTICE)	ABSA BANK	9259916188	R 664,320.74	R -	R -	R -	4.3%	R 3,977.73	R 668,298.47
000074	CALL ACCOUNT INVESTMENT (MIG)	ABSA BANK	9380605305	R 96,977.07	R -	R 50.00	R -	8.9%	R 702.09	R 97,629.16
000081	CALL ACCOUNT INVESTMENT( tracker account)	ABSA BANK	9388225547	R 16,228,766.54	R -	R 250.00	R 9,500,000.00	8.9%	R 98,738.68	R 6,827,255.22
000075	CALL ACCOUNT INVESTMENT (SALARIES)	ABSA BANK	9381556185	R 33,372.56	R -	R 50.00	R -	8.9%	R 241.61	R 33,564.17
	<b>TOTAL ABSA</b>			<b>R 21,951,971.84</b>	<b>R -</b>	<b>R 350.00</b>	<b>R 9,500,000.00</b>	<b>R -</b>	<b>R 103,660.11</b>	<b>R 12,155,281.95</b>
	<b>TOTAL</b>			<b>R 37,948,750.54</b>	<b>R -</b>	<b>R 350.00</b>	<b>R 9,500,000.00</b>	<b>R -</b>	<b>R 140,860.38</b>	<b>R 28,589,260.92</b>

- Investment Portfolio: Cash and cash equivalents as of 30 September 2024 sits at a balance of R 28 589 260.92. The municipality will be able to meet its monthly fixed operating commitments from cash and short- term investments for the next 9 months.

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- Municipal Infrastructure Grant – The municipality had spent 32.5 % on this grant, the municipality is on track to achieve its target by end of June 2025.
- Financial Management Grant- The municipality had spent 5 % on this grant.
- Expanded Public works Programme- The municipality had spent 74 % on this grant.

Attached please find section 52(d) Collection rate report – Quaterly report ended 30 September 2024

BILLING REPORT AS AT 30 SEPTEMBER 2024		ANNEXURE G		
DESCRIPTION	202407	202408	202409	
NO_OF_ACCOUNTS_AGREEMENT_INSTALLMENTS_LEVIED	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_REBATED	0	0	0	
NO_OF_ACCOUNTS_INDIGENT_SUBSIDY_LEVIED	0	0	0	
NO_OF_ACCOUNTS_INTEREST_LEVIED	3740	3769	3788	
NO_OF_ACCOUNTS_PAYMENTS_MADE	610	527	484	
NO_OF_ACCOUNTS_RATES_LEVIED	4751	4750	4750	
NO_OF_ACCOUNTS_RATES_REBATED	4749	4749	4749	
NO_OF_ACCOUNTS_SERVICES_LEVIED	1927	1928	1923	
NO_OF_ACCOUNTS_SERVICES_REBATED	198	197	195	
NO_OF_ACTIVE_CREDIT_ACCOUNTS	556	557	558	
NO_OF_ACTIVE_DEBIT_ACCOUNTS	6816	6816	6815	
NO_OF_INACTIVE_CREDIT_ACCOUNTS	469	472	472	
NO_OF_INACTIVE_DEBIT_ACCOUNTS	2973	2974	2974	
NO_OF_INDIGENTS	94	94	94	
NO_OF_PENSIONERS	0	0	0	
<b>TOTAL ACCOUNTS LEVIED</b>	<b>6919</b>	<b>6922</b>	<b>6918</b>	
TYPE_OF_SERVICE	202407	202408	202409	TOTAL
VAT	18817.57	19189.79	17370.63	55377.99
INTEREST	136882.54	140058.52	143217.01	420158.17
REFUSE	128017	128016.96	127725.47	383759.43
RATES	3917256.8	4161991.93	3447380.44	11526629.17
RENT	9990.88	11070.88	9990.88	31052.64
RATES INDIGENT	0	0	0	0
<b>TOTAL</b>	<b>4210964.79</b>	<b>4460328.18</b>	<b>3745684.43</b>	<b>12416977.4</b>
PAYMENTS	-1236323.76	-5933273.94	-1799681.45	-8983290.76
PERCENTAGE	-29%	-133%	-48%	-72%

- Collection Rate as at 30 September 2024 is sitting at 72 % 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 2024

Schedule C section 71, per source

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Choose name from list - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2022/23	Budget Year 2023/24							
	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	--	(0)	645	11,260	(10,614)	-94%	45,039
Service charges	1,349	2,063	--	128	4,025	516	3,509	681%	2,063
Investment revenue	2,080	1,327	--	162	743	332	412	124%	1,327
Transfers and subsidies - Operational	118,572	126,866	--	900	51,209	31,717	19,493	61%	126,866
Other own revenue	3,004	27,873	--	3,612	8,080	6,968	1,112	16%	--
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>169,596</b>	<b>203,167</b>	<b>--</b>	<b>4,801</b>	<b>64,703</b>	<b>50,792</b>	<b>13,912</b>	<b>27%</b>	<b>203,167</b>
Employee costs	40,231	31,034	--	5,138	11,524	7,759	3,766	49%	31,034
Remuneration of Councillors	12,764	12,707	--	1,045	2,107	3,177	(1,070)	-34%	12,707
Depreciation and amortisation	21,918	41,020	--	1,375	4,217	10,255	(6,038)	-59%	41,020
Interest	2,353	7,386	--	507	2,338	1,846	492	27%	7,386
Inventory consumed and bulk purchases	109	210	--	--	--	52	(52)	-100%	210
Transfers and subsidies	--	--	--	--	--	--	--	--	--
Other expenditures	75,004	80,338	--	4,929	16,358	20,085	(3,726)	-19%	80,338
<b>Total Expenditure</b>	<b>152,379</b>	<b>172,696</b>	<b>--</b>	<b>12,994</b>	<b>36,544</b>	<b>43,174</b>	<b>(6,630)</b>	<b>-15%</b>	<b>172,696</b>
<b>Surplus/(Deficit)</b>	<b>17,217</b>	<b>30,471</b>	<b>--</b>	<b>(8,193)</b>	<b>28,159</b>	<b>7,618</b>	<b>20,541</b>	<b>270%</b>	<b>30,471</b>
Transfers and subsidies - capital (monetary allocations)	28,161	24,921	--	3,973	3,973	6,230	(2,258)	-36%	24,921
Transfers and subsidies - capital (in-kind) contributions	45,378	55,392	--	(4,220)	32,131	13,848	18,283	132%	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>(4,220)</b>	<b>32,131</b>	<b>13,848</b>	<b>18,283</b>	<b>132%</b>	<b>55,392</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	31,136	43,381	--	2,835	2,924	10,845	(7,921)	-73%	43,381
Capital transfers recognised	20,742	24,921	--	--	--	6,230	(6,230)	-100%	24,921
Borrowing	--	--	--	--	--	--	--	--	--
Internally generated funds	6,241	11,130	--	2,835	2,835	2,783	53	2%	11,130
<b>Total sources of capital funds</b>	<b>26,984</b>	<b>36,051</b>	<b>--</b>	<b>2,835</b>	<b>2,835</b>	<b>9,013</b>	<b>(6,178)</b>	<b>-69%</b>	<b>36,051</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 4.8 million as of 30 September 2024, which is 10% of the approved budget. The Actual receipt to date is R 8,3 million with the collection rate standing at 17,6 %.
- Investment revenue budget is R1.3 million and to date we have received R 743 253.09
- Equitable Share received to date amount to R 5.2 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 8.08 million.

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Attached please find the final section 52(d) Capital Expenditure report – Quarterly report ended 30 September 2024

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

R thousands	Vote Description	Ref	2022/23		Budget Year 2023/24							
			Approved	Original	Proposed	Monthly actual	YearTD actual	YearTD budget	Variance	%	YearTD	
	<b>Single Year expenditure appropriation</b>	2										
	Vote 1 - MAYOR & COUNCIL		-	-	-	-	-	-	-	-	-	-
	Vote 2 - HUMAN RESOURCES CORPORATE SERVICES OFFICE		1,849	1,850	-	-	78	462	(385)	-83%	1,850	
	Vote 3 - FINANCE DEFAULT OFFICE		1,624	-	-	-	-	-	-	-	-	
	Vote 4 - PROJECT MANAGEMENT UNIT TECHNICAL SERVICES OFFICE		27,192	38,121	-	2,835	2,847	9,530	(6,684)	-70%	38,121	
	Vote 5 - SOLID WASTE REMOVAL COMMUNITY SERVICES		472	3,410	-	-	-	852	(852)	-100%	3,410	
	Vote 6 - MUNICIPAL MANAGER OFFICES		-	-	-	-	-	-	-	-	-	
	Vote 7 -		-	-	-	-	-	-	-	-	-	
	Vote 8 -		-	-	-	-	-	-	-	-	-	
	Vote 9 -		-	-	-	-	-	-	-	-	-	
	Vote 10 -		-	-	-	-	-	-	-	-	-	
	Vote 11 -		-	-	-	-	-	-	-	-	-	
	Vote 12 -		-	-	-	-	-	-	-	-	-	
	Vote 13 -		-	-	-	-	-	-	-	-	-	
	Vote 14 -		-	-	-	-	-	-	-	-	-	
	Vote 15 -		-	-	-	-	-	-	-	-	-	
	<b>Total Capital single-year expenditure</b>	4	31,136	43,381	-	2,835	2,924	10,845	(7,921)	-73%	43,381	
	<b>Total Capital Expenditure</b>		31,136	43,381	-	2,835	2,924	10,845	(7,921)	-73%	43,381	

**Financial Performance - Capital Expenditure**

Capital Expenditure report as of 30 September 2024 shows that the municipality has incurred R 2.9 million to the budget of R 43 million expenditure, 6.7% below the threshold of 25%.

**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 Provisional Finance Management Report (MFMA) for the quarter ending on 30 September 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**



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

.....  
**Date**

.....  
**Date**

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

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



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**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 Nzuzo	-	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/2025-01-28/12.2.7**

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

**RESOLVED THAT**

- (a) The council noted the Provisional Finance Management Report (MFMA) for the quarter ending on 30 September 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**

.....  
**DATE**