

DANNHAUSER LOCAL MUNICIPALITY (KZN 254)



2023-2024 SPECIAL ADJUSTMENT BUDGET REPORT

SECTION 28 OF MFMA

EXECUTIVE SUMMARY

The business process and service delivery has been slightly reviewed to accommodate the changes that transpired as result of adjusted division of reviewed. The municipality special Adjustment budget is a result of the disaster Relief, as we all know that our Province was significantly affected by floods, roads and other infrastructure was affected.

The adjustment budget is based additional grant allocated to the municipality, and was done in consultation with various departments within the municipality,

There are no material implications on service delivery for the remainder of this financial year because of this adjustments budget. Service Delivery Budget implementation Plan will be affected by adjustment budget due to the additional funding allocated to the municipality.

Section 28 of the Municipal Finance Management act, provide that a municipality may revise an approved budget through an adjustment budget.

The Municipality has received additional funding from Disaster Relief Grant of R 6 500 000.00.

THE SPECIAL ADJUSTMENT BUDGET

Adjustments due to significant and unforeseeable economic and financial events

When unforeseeable economic and financial events affect the fiscal targets set by the budget, adjustments may need to be made. In this instance the adjustments are required due to additional funding for Disaster Relief.

The municipality also adjusted the Operating Budget slightly to ensure that the unauthorized expenditure is prevented.

PURPOSE OF THE REPORT

LEGISLATIVE FRAMEWORK

Section 28 (1) of the Municipal Finance Management Act 56 of 2003 (MFMA) permits the municipality to revise its approved annual budget through an adjustments budget.

- Section 28 (2) of the MFMA further states that an adjustments budget –
 - a) Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year
 - b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for
 - c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality.
 - d) May authorise the utilisation of projected savings in one vote towards spending under another vote.
 - e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs where the annual budget for the current year was approved by the council; f) May correct any errors in the annual budget, and
 - g) May provide for any other expenditure within a prescribed framework.

SPECIAL ADJUSTMENT BUDGET 2023/24

REVENUE

National Grants & Subsidies	141,274,000
Provincial Grants & Subsidies	8,853,000
Rates General	44,515,876
Other Income	36,964,772
Refuse Removal	1,966,511
Interest:	1,848,000
Total Revenue	235,422,159

The municipality had an adjustment budget revenue of R 228,9 and on the special adjustment budget it has increased to R 235,4 million, mainly because of Disaster Relief Grant of R 6,5 million. The municipality has limited revenue streams.

GRANTS AND SUBSIDIES

Description	ADJUSTMENT FEBRUARY	SPECIAL ADJUSTMENT
LIBRARY GRANTS	2 353 000.00	2 353 000.00
EQUITABLE SHARE	114 793 000.00	114 793 000.00
EPWP	950 000.00	950 000.00
FMG	1 950 000.00	1 950 000.00
TOTAL	120 046 000.00	120 046 000.00

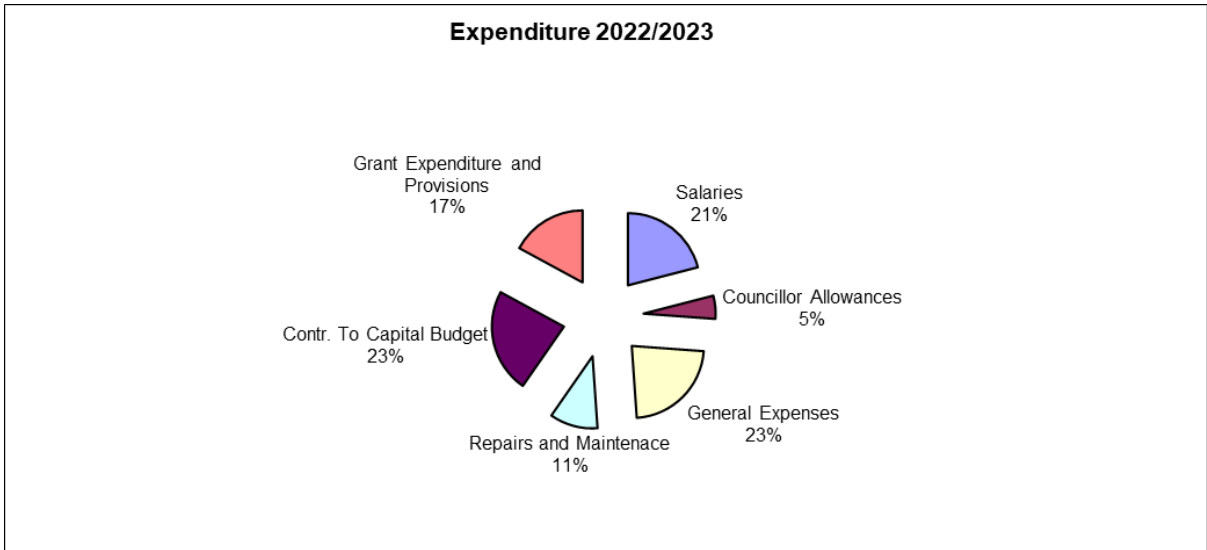
CONDITIONAL GRANTS (CAPITAL)

Description	ADJUSTMENT FEBRUARY	SPECIAL ADJUSTMENT	ADJUSTMENT
MUNICIPAL INFRASTRUCTURE GRANT	23 581 000.00	23 581 000.00	
Disaster Relief Grant		6 500 000.00	6 500 000.00
Total	23 581 000.00	30 081 000.00	6 500 000.00

There is no adjustment budget made on Municipal Infrastructure Grant, therefore no adjustment provided. Special adjustment Budget reflect R 6 500 000.00 for Disaster Project. The municipal Capital Projects therefore increased from R 53 million to R 59 million.

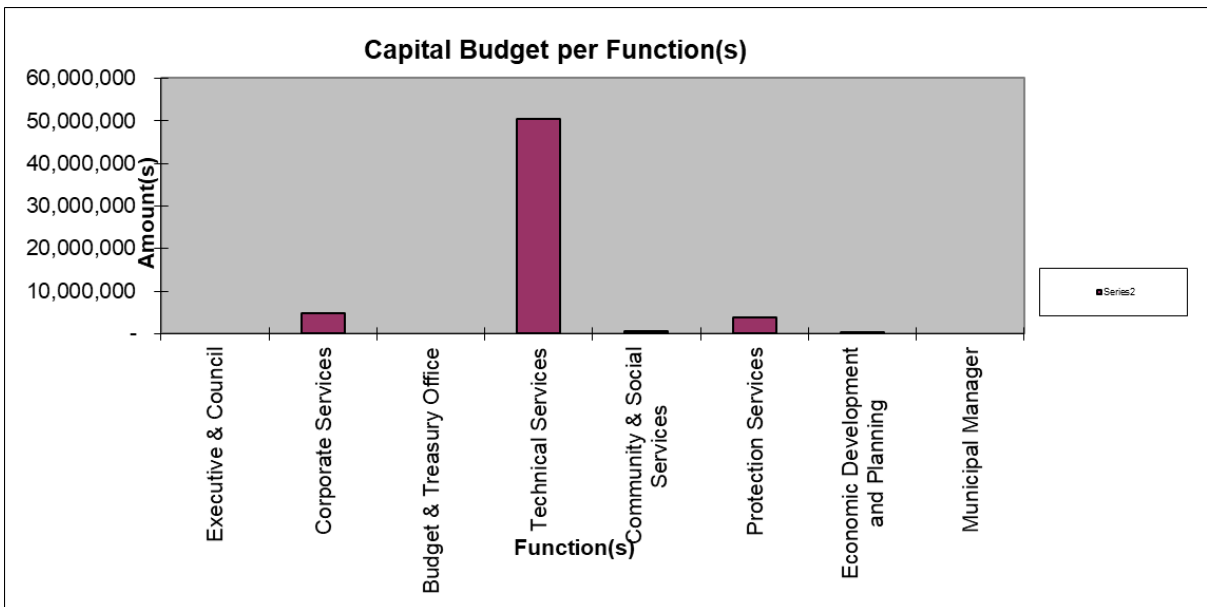
OPERATING EXPENDITURE

The operational budget was R 191 million on February adjustment and has been adjusted upward to 196 million. As result of a significant increase in operational expenditure which could result to unauthorized expenditure, therefore it is necessary to do an adjustment.



CAPITAL EXPENDITURE

Dannhauser Municipality was one of the municipality who received Disaster Relief grant of R 6 500 000. Special Adjustment Budget increased from R 53 million to R 59 million.



Capital Projects			
Description	Adjustment budget feb	Special adjustment budget	Adjusted
FURNITURE & EQUIPMENT(TOOLS OF TRADE)	518,914.00	518,914.00	
TELEPHONE LINE NEW OFFICES	50,000.00	50,000.00	
IMPROVEMENTS- REGISTRY	100,000.00	100,000.00	
CLOCKING MACHINE & AUDIO FOR NEW OFFICES	1,500.00	1,500.00	
NEW OFFICES - (FURNITURE & EQUIPMENT)	4,000,000.00	4,000,000.00	
GIS PLOTA	110,000.00	110,000.00	
METER CONVERSION(WARD 2)	300,000.00	300,000.00	
Community Halls- (WARD 9 &10)	2,500,000.00	2,500,000.00	
Enkanjeni culvert(ward 8)		1,000,000.00	1,000,000.00
Ema 16 Access Road ward 3		2,000,000.00	2,000,000.00
Ekujabuleni Access Road ward 2		3,500,000.00	3,500,000.00
NEW CEMERTY INFRASTRUCTURE	2,500,000.00	2,500,000.00	
Mast Lights(WARD 6,7,8,10 & 13)	1,800,000.00	1,800,000.00	
Rural Roads - MIG (1,3,6,7 &13)	20,810,000.00	20,810,000.00	
COMMUNITY HALLS- MIG ward 9 and 10	2,500,000.00	2,500,000.00	
Urban Roads (internal funding) ward 2	1,000,000.00	1,000,000.00	
NEW OFFICES(Ward 2)	5,000,000.00	5,000,000.00	
Electrification (3,4,8 &12)COUNTERFUNDING	3,000,000.00	3,000,000.00	
ELECTRIFICATION INFILLS-(5,11) 2023/24 (1,2,6,7,9,10 &13) 2024/25	2,000,000.00	2,000,000.00	
DURNACOL SPORT CENTRE	2,000,000.00	2,000,000.00	
TESTING GROUNG - WARD 2	500,000.00	500,000.00	
SKIP BINS	300,000.00	300,000.00	
SLASHERS	150,000.00	150,000.00	
BRUSH CUTTERS	200,000.00	200,000.00	
CHAINSAW	30,000.00	30,000.00	
TOOLS FOR RESPONSE TEAM	100,000.00	100,000.00	
LANDFILL SITE FENCING	1,500,000.00	1,500,000.00	
FIRE ENGINE	2,000,000.00	2,000,000.00	
RIDE ON MOWER	80,000.00	80,000.00	
Total	53,050,414.00	59,550,414.00	6,500,000.00