

**CEDERBERG
MUNICIPALITY**

ADJUSTMENT BUDGET REPORT

NOVEMBER 2025



Prepared in terms of the Local
Government Municipal Finance
Management Act (No 56 of 2003),
Municipal Budget and Reporting
Regulations, Government Gazette
32141, 17 April 2009

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1 Part 1: Adjustment Budget

1.1 Mayor's Report

The Mayor's budget speech for the 2025/25 November 2025 Adjustment Budget is circulated separately and will be presented by the Executive Mayor, Cllr Azrial Scheepers, during the council meeting.

1.2 Legislative Background:

In terms of Chapter 4, Section 28 of the MFMA;

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
 - (a) must adjust the revenue and expenditure estimates downwards if there is 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 when 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.
- (3) An adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing of frequency.
- (5) When an adjustments budget is tabled, it must be accompanied by –
 - (a) an explanation how the adjustments budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) Any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year excepts when required in terms of a financial recovery plan.

- (7) Sections 22(b), 23(3) and 24(3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

Municipal Budget and Reporting Regulations further provides:

A. Timeframes for tabling of adjustments budgets

- An adjustments budget referred to in Chapter 4, section 28(2)(b), (d) and (f) of the Act may be tabled in Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustments budget referred to in sub regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in Chapter 4, section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or Provincial adjustments budget allocates or transfer additional revenue to a Municipality, the Mayor of the Municipality must, at the next available meeting, but within 60 days of the approval of the relevant National or Provincial adjustments budget, table an adjustments budget referred to in Chapter 4, section (28(2) (b) of the Act in the Municipal council to appropriate these additional.
- The roll-overs relate only to Grant Funding. MFMA circular 72 para 6.6 dictates the process for Grant Funding roll-overs.
- “Municipalities may not rollover unspent conditional grant spending in terms of Chapter 4, section 28(2)(e) of the MFMA (read together with regulation 23(5) of the Municipal Budget and Reporting Regulations) because they are national / provincial funds. The applicable rollover process is then given effect through the municipal adjustments budget in January / February each year for all the cash / transfers that had already been transferred to the bank accounts of municipalities prior to the end of the financial year. In this regard refer to MFMA Budget Circular No. 51 for more information.
- Chapter 3, Section 21 of the 2013 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National

Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.”

1.3 Council Resolutions

That in respect of the 2025-2026 Adjustments Budget – November 2025

It is recommended that:

1. Council approves the Adjustments Budget for 2025/26 financial year, amendments to income, operational and capital expenditure projections as set out in the following:
 - Municipal Budget tables B1 – B10
 - Municipal Budget Supporting Documentation SB1 – SB19
2. Council notes that the Service Delivery Budget Implementation Plan be amended in line with these adjustments.

1.4 Executive Summary

The purpose of this adjustment budget is to make provision for the 2024/2025 allocations as the municipality has received responses from both the National and Provincial Treasury regarding its request to roll over funds from the previous financial year.

Roll-over outcome National Treasury:

National Treasury approved the roll-over of the unspent amounts as follows:

- Municipal Disaster Response Grant to the amount of R 6.1 million.
- Water Service Infrastructure Grant: R 3.5 million

Roll-Over outcome: Provincial Treasury

The Western Cape Provincial Treasury has granted approval to roll-over the unspent amounts as follows:

- R100 000 for Municipal Interventions Grant
- R151 000 for Community Development Workers (CDW) Operational Support Grant
- R1 841 028 for Municipal Water Resilience Grant.

More detail will follow in sections 1.4.2, 1.4.3 and 1.4.4 below.

1.4.1 Overall effect of the adjustments budget

The collection rate remained at a realistic rate of 92% to enable continued service delivery.

Table 1: Consolidated overview of the Adjustment Budget

Description	Budget Year 2025/26		
	Original Budget	Adjustment Budget 1	Difference
Total Operating Revenue	514 609 788.00	517 807 811.00	3 198 023.00
Total Operating Expenditure	514 019 873.00	517 433 917.01	3 414 044.01
<i>Surplus/(Deficit)</i>	589 915.00	373 893.99	- 216 021.01
Capital Transfers and Subsidies (Monetary allocations)	39 848 176.00	48 661 667.00	8 813 491.00
Capital Transfers and Subsidies (Allocations in-kind)	-	-	-
<i>Surplus/ (Deficit) for the year</i>	40 438 091.00	49 035 560.99	8 597 469.99
Total Capital Expenditure	78 459 243.00	89 011 864.00	10 552 621.00

The budget has been adjusted as follows from the original budget:

- The Operating revenue has been adjusted upwards by R 3.198 million
- Total Operating Expenditure has been adjusted upwards by R 3.414 million
- Capital Expenditure has increased by R 10.553 million
- The operating surplus decreased by R 216 thousand to R 374 thousand (before capital transfers)

1.4.2 Operating Revenue Framework

Table 2: Operating Revenue by Source

WC012 Cederberg - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 November 2025			
Description	Budget Year 2025/26		
	Original Budget	Adjusted Budget 1	Difference
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	168 694	168 694	-
Service charges - Water	34 221	34 221	-
Service charges - Waste Water Management	15 309	15 309	-
Service charges - Waste management	14 318	14 318	-
Sale of Goods and Rendering of Services	4 781	4 781	-
Agency services	4 171	4 171	-
Interest	-	-	-
Interest earned from Receivables (Exchange)	7 265	7 265	-
Interest earned from Current and Non Current Assets	7 788	7 788	-
Dividends	-	-	-
Rent on Land	-	-	-
Rental from Fixed Assets	781	781	-
Special rating levies	-	-	-
Licence and permits	2	2	-
Operational Revenue	411	411	-
Non-Exchange Revenue			
Property rates	76 578	76 578	-
Surcharges and Taxes	-	-	-
Fines, penalties and forfeits	45 587	45 587	-
Licence and permits		-	-
Transfers and subsidies - Operational	109 882	113 080	3 198
Interest	4 743	4 743	(0)
Fuel Levy		-	-
Operational Revenue	5 431	5 431	-
Gains on disposal of Assets	400	400	-
Other Gains	14 248	14 248	-
Discontinued Operations	-	-	-
Total Revenue (excluding capital transfers and contributions)	514 610	517 808	3 198

Overall, the operating revenue increased by R 3.198 million due to the following:

Transfers and Subsidies – Operational: The net increase is due to the effect of the roll-overs as listed in the executive summary.

1.4.3 Operating Expenditure Framework

Table 3: Operating Expenditure Framework

WC012 Cederberg - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 November 2025			
Description	Budget Year 2025/26		
	Original Budget	Adjusted Budget 1	Difference
Expenditure By Type			
Employee related costs	164 632	164 731	99
Remuneration of councillors	6 831	6 831	0.00
Bulk purchases - electricity	141 209	141 209	0.00
Inventory consumed	14 186	14 601	415
Debt impairment	52 790	52 790	0.00
Depreciation and amortisation	33 534	33 534	0.00
Interest	12 415	12 415	0.00
Contracted services	45 175	47 477	2 302
Transfers and subsidies	750	750	0.00
Irrecoverable debts written off		-	-
Operational costs	40 037	40 636	599
Losses on Disposal of Assets	400	400	0.00
Other Losses	2 060	2 060	0.00
Total Expenditure	514 020	517 434	3 414

The Operating Expenditure increased by R 3.414 million from the original budget due to the following:

The categories of expenditure increased in line with the approval of the roll-over outcome.

1.4.4 Capital Expenditure Framework

Table 4: Capital Expenditure - Functional Classification

WC012 Cederberg - Table B5 Adjustments Capital Expenditure Budget by vote - 27 November 2025			
Description	Budget Year 2025/26		
	Original Budget	Adjusted Budget 1	Difference
Executive and council	30	30	0.00
Finance and administration	960	960	0.00
Internal audit	–	–	-
Community and social services	15 456	15 456	0.00
Sport and recreation	1 200	1 200	0.00
Public safety	2 750	2 750	0.00
Housing	4 517	4 517	0.00
Health	–	–	-
Planning and development	5 711	5 711	0.00
Road transport	6 000	6 000	0.00
Environmental protection	–	–	-
Energy sources	7 450	10 163	2 713
Water management	18 775	22 810	4 036
Waste water management	1 625	5 429	3 804
Waste management	13 986	13 986	0.00
Other	–	–	–
Total Capital Expenditure - Functional	78 459	89 012	10 553

Table 5: Capital Expenditure Funding

	Original Budget	Adjusted Budget 1	Difference
Grants	39 848 176	48 400 797	8 552 621.00
Internally Generated Funds	38 611 067	40 611 067	2 000 000.00
Total	78 459 243.00	89 011 864.00	10 552 621.00

The capital budget has been increased by R 10.552 million in comparison to the original budget. This is as result of the approval of the Municipal Disaster Grant, Water Resilience Grant and the Water Service Infrastructure Grant.

A provision in own funds has also been made for completion of the EIA studies of the Desalination Plant in Lamberts Bay.

1.5 Adjustment Budget Tables

The tables are included in Annexure A & B.

2 Part 2: Supporting Documentation

2.1 Supporting Budget Tables

Supporting Table SB 1 to SB 19 are included in Annexure A & B.

2.2 Municipal Manager's quality certificate

Municipal Manager Quality Certificate

I, **Gerrit Matthyse**, Municipal Manager of CEDERBERG MUNICIPALITY, hereby Certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the Municipality,

Print Name: **G.F. Matthyse**

Municipal Manager of **CEDERBERG MUNICIPALITY**

Signature:

A handwritten signature in black ink, consisting of a horizontal line followed by a large, stylized loop.

Date: **27 November 2025**