



LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Enq: Mulenga S

Date: 28 April 2010

Director-General: National Treasury

Private Bag x115

PRETORIA

0001

Fax: (012) 315 5230

Attention: Mr. J. Hattingh

**MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003)(MFMA): IN-YEAR-MONITORING: SECTION 71 (6) REPORTING: MARCH 2010**

1. In terms of section 71(6) of the MFMA the Provincial Treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
2. Attached please find the Limpopo Provincial Treasury's MFMA section 71(6) consolidated statements and a related narrative report as at 31<sup>st</sup> March 2010.

HEAD OF DEPARTMENT

PROVINCIAL TREASURY

DATE: 04/05/2010

**LIMPOPO PROVINCIAL TREASURY**  
**Municipal Budget Performance**  
**Consolidated Statement as at 31<sup>st</sup> March 2010 (3<sup>rd</sup> Quarter)**

## **INTRODUCTION**

This consolidated budget statement and report covers the financial performance of municipalities for the period ending 31<sup>st</sup> March 2010 which depicts the ninth month of the financial year and also the end of the third quarter.

The consolidated statement assesses the in-year financial performance of municipalities against their budgeted revenue and expenditure. The assessment of the in-year financial performance will be based on the s71 returns which include capital and operating budgets as well as debtors, creditors and cash flow that were submitted by the municipalities. The focus of this assessment is on the credible implementation of municipal budgets in relation to the IDP and SDBIP.

## **LEGISLATIVE FRAMEWORK**

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasuries a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- a) Actual revenue, per revenue source;
- b) Actual borrowings;
- c) Actual operating expenditure, per vote;
- d) Actual capital expenditure, per vote;
- e) The amount of any allocation received;
- f) Actual expenditure on those allocations, excluding expenditure on –
  - i. Its share of the local government equitable share; and
  - ii. Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph and;
- g) When necessary, an explanation of –
  - iii. Any material variance from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
  - iv. Any material variance from the service delivery and budget implementation plan; and

- v. Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remains within the municipality's approved budget.

According to section 71(6) the Provincial Treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the Municipalities' budget.

Furthermore, section 71 (7) states that the provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

## **OVERVIEW OF THE PROVINCE**

### **COMPLIANCE WITH SUBMISSION OF RETURNS, AND TO TIMEFRAMES**

Table 1 below shows the submission trend of the s71 reports for March 2010 which also is the end of the third quarter. The MFMA requires that the S71 reports be submitted in both electronic and hard copy no later than 10 working days after closure of the relevant month. It can be noticed from this table that in March 2010; overall submission improved though late submission is still a problem and only Lepelle- nkumpi, Greater Sekhukhune, Fetakgomo and Waterberg managed to submit the hard copies of the S71 reports as required by MFMA S71 (4), only Modimolle local municipality did not submit both electronic and hard copy reports. Though there is an improvement of submissions some of the municipalities do not submit the reports as required by the MFMA s71 (4), according to the National Treasury's prescribed S71 reporting formats. Municipalities are required to send five returns on a monthly basis, being the CAA- capital revenue and expenditure, OSA- operating revenue and expenditure, AD- debtors age list, AC- Creditors age list and CFA- cash flow.

It is expected that these submission will improve in April submission; we assume that there was an impact during the strike in April 2010; since the act prescribed that In terms of section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer of a municipality must by no later than 10 working days after the end of each month as such almost all municipalities in South Africa were not operational.

From the improvement recorded in March 2010, whereby twenty-eight municipalities submitted the S71 reports (though ten out of the twenty-nine submitted late), Letters of non compliance with submission were sent to all municipalities that did not submit their reports, while letters of non-compliance due to incomplete returns were sent to those that submitted less than five return forms.



The table below clearly indicates the returns submitted by each municipality.

Table 1 Summary of returns submitted 31 March 2010

Municipality	Feb-10				Mar-10			
	Old/new version	Date of submission		Documents sent	Old/New version	Date of submission		Documents sent
		Electronic	Hard copy			Electronic	Hard copy	
DC 35 - CAPRICORN	New	10.0.2010		OSA,CFA,CAA,AD,AC	New	15.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 351 - BLOUBERG					New	20.4.10	Not submitted	AC,CAA,CFA,OSA
LIM 352 - AGANANG	New	15.03.2010		OSA,CFA,CAA,AD,AC	New	15.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 353 - MOLEMOLE	New	15.03.2010		OSA,CFA,CAA,AD,AC	New	23.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 354 - POLOKWANE	New	10.03.2010		OSA,CFA,CAA,AD,AC	New	16.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 355 - LEPALLE-NKUMPI	New	09.03.2010	09.03.2010	OSA,CFA,CAA,AD,AC	New	13.4.10	14.4.10	OSA,AC,AD,CAA,CFA
DC - 47 - GREATER SEKHUKHUNE	New	12.03.2010		OSA,CAA,AD,AC	New	15.4.10	16.4.10	AD,CAA,OSA,AC
LIM 471 - EPHRAIM MOGALE					New	26.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 472 - ELIAS MOTSOLEDI	New	11.03.2010		OSA,CFA,CAA,AD,AC	New	13.4.10	14.4.10	OSA,AC,AD,CAA,CFA
LIM 473 - MAKHUDUTHAMAGA	New	13.03.2010	16.03.2010	OSA,CFA,CAA,AD,AC	New	29.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 474 - FETAKGOMO	New	11.3.2010	15.03.2010	OSA,CFA,CAA,AD,AC	New	15.4.10	16.4.10	CAA,CFA
LIM 475 - GREATER TUBATSE	New	05.03.2010		OSA,CFA,CAA	New	7.4.10	Not submitted	CAA,OSA, CFA
DC 33 - MOPANI	New	11.03.2010		OSA,CFA,CAA,AD,AC	New	12.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 331 - GREATER GIYANI	New	10.03.2010		OSA,CFA,CAA,AD,AC	New	12.4.10	Not submitted	CAA,OSA,CFA,AD
LIM 332 - GREATER LETABA	New	15.03.2010		OSA,CFA,CAA,AD,AC	New	9.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 333 - GREATER TZANEEN	New	11.03.2010		OSA,CFA,CAA,AD,AC	New	14.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 334 - BA - PHALABORWA	New	14.03.2010		OSA,CFA,CAA,AD,AC	New	19.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 335 - MARULENG	New	12.03.2010		OSA,CFA,CAA,AD,AC	New	9.4.10	Not submitted	OSA,AC,AD,CAA,CFA
DC 36 - WATERBERG	New	12.03.2010		OSA,CFA,CAA,AD,AC	New	15.4.10	16.4.10	OSA,AC,AD,CAA,CFA
LIM 361 - THABAZIMBI	New	12.03.2010		OSA,CFA,CAA,AD,AC	New	23.4.10	Not submitted	AD,CFA,AC
LIM 362 - LEPHALLE	New	15.03.2010		OSA,CFA,CAA,AD,AC	New	21.4.10	Not submitted	OSA,AC,AD,CAA
LIM 364 - MOOKGOPONG					New	16.4.10	Not submitted	OSA,AC,AD,CAA
LIM 365 - MODIMOLLE	New	12.03.2010		OSA,CFA,CAA,AD,AC				
LIM 366 - BELA-BELA	New	11.03.2010		OSA,CFA,CAA,AD,AC	New	13.4.10	Not submitted	OSA,AC,AD
LIM 367 - MOGALAKWENA	New	12.03.2010		OSA,CAA,AD,AC	New	14.4.10	Not submitted	AC,AD,CAA,OSA
DC 34 - VHEMBE	New	11.03.2010		OSA,CFA,CAA,AD,AC	New	23.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 341- MUSINA	New	12.03.2010		OSA,CFA,CAA,AD,AC	New	16.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 342 - MUTALE	New	09.03.2010		OSA,CFA,CAA,AC	New	9.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 343 - THULAMELA	New	11.03.2010	15.03.2010	OSA,CFA,CAA,AD,AC	New	22.4.10	Not submitted	OSA,AC,AD,CAA,CFA
LIM 344 - MAKHADO					New	19.4.10	Not submitted	OSA,AC,AD,CAA,CFA

## **IMPLEMENTATION OF MUNICIPAL BUDGETS**

### **Financial Performance**

This section of the report focuses on the financial health of the municipality as reflected in the March 2010 monthly budget statement submitted. Information regarding revenue collection and expenditure is detailed in this section.

### **Operating Revenue**

The operating revenue performance for the month of March reflects that municipalities generated an amount of R1.172 billion and an accumulated amount of R7.497 billion or 86 per cent of the total adjusted operating revenue budget of R8.731 billion. The collection pace by municipalities seems to have exceeded the linear projection percentage of 75 by 11 percent.

The result in the above paragraph is informed by the performance of the five districts, from which analysis shows that Sekhukhune district has performed the worst at 31 per cent. The good performance by Makhuduthamaga and Greater Tubatse which collected 94% and 82% respectively of its budget is clouded by the poor performance of the other municipalities within the Sekhukhune District; especially the district municipality itself; which has not made any collection thus far or have not submitted their reports.

On the other hand, the highest performing district is Vhembe (147%) whereby the district itself has to date collected 70% more than its budgeted annual revenue. This performance suggests that there may have been serious under budgeting or over allocation by the district municipality and its locals; which as per expectation, should have been rectified during the adjustment budget processes.

Though Capricorn District on overage is performing well, the district itself it reflects 132% more than its budgeted annual revenue, again in this regard there may have been serious under budgeting or over allocation by the district municipality and its locals; which as per expectation, should have been rectified during the adjustment budget processes.



Table 2 Operating revenue 31 March 2010

Code	Municipality	Financial Performance			
		Total Revenue			
		Original/ad justed budget	Actual receipts for the month	Actual receipts year to date	Actual receipts to date as % of budget
R million					
NP03a2	Makhuduthamaga	112	–	105	94%
NP03a3	Fetakgomo	43	–	17	39%
NP03a4	Greater marble Hall	108	–	39	36%
NP03a5	Greater Tubatse	145	24	119	82%
NP03a6	Elias Motsoaledi	236	6	88	37%
DC47	Greater Sekhukhune	536	–	0	0%
<b>Sekhukhune</b>		<b>1,174</b>	<b>30</b>	<b>368</b>	<b>31%</b>
NP331	Greater Giyani	117	27	144	123%
NP332	Greater Letaba	119	23	111	93%
NP333	Greater Tzaneen	587	54	430	73%
NP334	Ba-Phalaborwa	273	14	151	55%
NP335	Maruleng	65	14	64	99%
DC33	Mopani District	589	94	410	70%
<b>Mopani District</b>		<b>1,751</b>	<b>226</b>	<b>1,310</b>	<b>75%</b>
NP341	Musina	93	14	105	113%
NP342	Mutale	92	7	54	59%
NP343	Thulamela	373	64	383	103%
NP344	Makhado	481	59	341	71%
DC34	Vhembe District	1,036	557	2,170	209%
<b>Vhembe</b>		<b>2,076</b>	<b>702</b>	<b>3,053</b>	<b>147%</b>
NP351	Blouberg	107	2	44	41%
NP352	Aganang	47	16	51	108%
NP353	Molemole	58	5	55	96%
NP354	Polokwane	1,652	–	884	54%
NP355	Lepelle-Nkumpi	261	25	192	74%
DC35	Capricorn District	190	65	515	271%
<b>Capricorn</b>		<b>2,316</b>	<b>112</b>	<b>1,742</b>	<b>75%</b>
NP361	Thabazimbi	167	–	52	31%
NP362	Lephalale	205	25	336	163%
NP363	Mookgophong	80	13	69	87%
NP364	Modimolle	157	–	97	61%
NP365	Bela-Bela	140	19	109	78%
NP366	Mogalakwena	566	22	267	47%
DC36	Waterberg District	99	24	94	94%
<b>Waterberg</b>		<b>1,414</b>	<b>103</b>	<b>1,023</b>	<b>72%</b>
<b>Total</b>		<b>8,731</b>	<b>1,172</b>	<b>7,497</b>	<b>86%</b>

District performance shows that of the R1.172 billion generated for the month of March, Sekhukhune collected 3 per cent, Mopani 19 per cent, Vhembe 60 per cent, Capricorn 10 per cent and Waterberg 9 per cent. Mopani, Capricorn and Waterberg show good and acceptable performance. While Vhembe shows outstanding performance. Sekhukhune district is reflecting an under performance over the nine months period ending 31 March 2010

**The performance of the individual items is as follows:**

- **Property Rates:** The total adjusted budget amounts to R572 million, while the year to date revenue generated amounts to R374 million or 65 per cent of the total adjusted budget. The monthly collection is 0.52 per cent or R3 million of the total adjusted budget.
- **Service Charges:** The total adjusted budget amounts to R1.977 billion, the year to date revenue generated amounts to R1.211 billion or 61 per cent of the adjusted budget. The monthly collection is R 127 million or 6 per cent of the total adjusted line budget.
- **Investment revenue:** The total adjusted budget amounts to R235 million, the year to date receipts stands at R163 million or 69 per cent of the adjusted budget. The monthly collection is R 14 million or 6 per cent of the total adjusted line budget.
- **Transfers recognised:** The total adjusted budget amounts to R5.001 billion, while the current revenue generated to date amounts to R5.053 billion or 102 per cent of the adjusted budget. The monthly collection is R979 million or 20 per cent of the total adjusted line budget.
- **Other Revenue:** The total adjusted budget amounts to R954 million, while the year to date receipts amounts to R671 million or 70 per cent of the adjusted budget. The monthly collection is R 49 million or 7 per cent of the total adjusted line budget.

**Operating Expenditure**

The operating expenditure performance for the month of March reflects that municipalities expended an amount of R556 million and expended an accumulated R4.555 billion or 71 per cent of the total adjusted operating revenue budget of R6.392 billion.

Table 3 Operating Expenditure 31 March 2010

Code	Municipality	Financial Performance			
		Total Expenditure			
		Original/adju sted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
R million					
NP03a2	Makhuduthamaga	93	–	40	43%
NP03a3	Fetakgomo	16	–	6	36%
NP03a4	Greater marble Hall	182	–	8	5%
NP03a5	Greater Tubatse	48	6	46	96%
NP03a6	Elias Motsoaledi	154	6	65	42%
DC47	Greater Sekhukhune	453	37	311	69%
<b>Sekhukhune</b>		<b>1,067</b>	<b>61</b>	<b>502</b>	<b>47%</b>
NP331	Greater Giyani	126	8	269	215%
NP332	Greater Letaba	114	8	62	54%
NP333	Greater Tzaneen	495	46	322	65%
NP334	Ba-Phalaborwa	288	22	179	62%
NP335	Maruleng	49	4	47	94%
DC33	Mopani District	308	30	427	139%
<b>Mopani District</b>		<b>1,380</b>	<b>118</b>	<b>1,305</b>	<b>95%</b>
NP341	Musina	93	11	104	111%
NP342	Mutale	65	5	38	59%
NP343	Thulamela	190	16	234	123%
NP344	Makhado	481	22	200	42%
DC34	Vhembe District	355	219	837	236%
<b>Vhembe</b>		<b>1,184</b>	<b>273</b>	<b>1,413</b>	<b>119%</b>
NP351	Blouberg	83	4	39	47%
NP352	Aganang	37	4	31	84%
NP353	Molemole	57	4	26	46%
NP354	Polokwane	1,086	–	509	47%
NP355	Lepelle-Nkumpi	136	7	51	37%
DC35	Capricorn District	190	15	165	87%
<b>Capricorn</b>		<b>1,591</b>	<b>34</b>	<b>821</b>	<b>52%</b>
NP361	Thabazimbi	133	–	98	74%
NP362	Lephalale	205	28	181	88%
NP363	Mookgophong	80	5	47	59%
NP364	Modimolle	133	–	78	58%
NP365	Bela-Bela	135	10	92	68%
NP366	Mogalakwena	413	25	(125)	-30%
DC36	Waterberg District	71	4	144	203%
<b>Waterberg</b>		<b>1,169</b>	<b>71</b>	<b>514</b>	<b>44%</b>
<b>Total</b>		<b>6,392</b>	<b>556</b>	<b>4,555</b>	<b>71%</b>



### **Performance per District:**

**Sekhukhune District:** Overall operating expenditure stands R502 million or 47 per cent of the total adjusted budget of R1.067 billion. Fetakgomo, Greater marble Hall and Elias Motsoaledi are showing serious under spending. Greater Marble Hall is the worst of them all with a year to date percentage of 5.

**Mopani District:** The district has reflected a year to date spending of 95 per cent or R1.305 million of the total adjusted budgets of R1.380 billion. Greater Giyani and Mopani are overspending at 215% and 139% respectively, while Greater Letaba is underperforming

**Vhembe District:** Expenditure for the year to date stands at 119 per cent or R1.413 billion of the total adjusted budget of R1.184 billion. The district reflects a R273 million or 23 per cent spending for the month. Just like the operating revenue performance, Vhembe District is overspending their expenditure budget. The district, Musina and Thulamela have over spent their annual budget. Mutale and Makhado on the other hand are under spending their operating expenditure budget.

**Capricorn District:** Expenditure for the year to date stands at 52 per cent or R821 million of the total adjusted budget of R1.591 billion. The monthly spending stands at R34 million or 2 per cent resulting in under spending. All municipalities in the district are under spending their operating expenditure budget with the exception of Aganang district.

**Waterberg District:** The district's operating expenditure for the year to date stands at 44 per cent or R514 million of the total adjusted budget of R1.169 billion. Monthly spending stands at R71 million or 6 per cent of the total budget. Lephalale is spending well while the district is overspending their operating expenditure budget.

### **The performances of the individual items are as follows:**

- **Employee Related Costs:** The adjusted budget amounts to R2.196 billion, while the expenditure to date amounts to R2, 297 billion or 105 per cent of the adjusted budget. The monthly expenditure is R251 million or 11 per cent of the total adjusted line budget.
- **Remuneration of Councilors:** The adjusted budget amounts to R282 million, while the expenditure to date amounts to R143 million or 51 per cent of the adjusted budget. The monthly expenditure is R 18 million or 7 per cent of the total adjusted line budget.
- **Debt impairment:** The adjusted budget amounts to R82 million, while the year to date expenditure amounts to minus five. The monthly expenditure is zero.
- **Depreciation or amortisation:** The adjusted budget amounts to R286 million, while the year to date expenditure amounts to R29 million or 10 per

cent of the adjusted budget. The monthly expenditure is R 3 million or 1 per cent of the total adjusted line budget reflecting an under expenditure.

- **Finance charges:** The adjusted budget amounts to R24 million, while the year to date expenditure and monthly expenditure is nil.
- **Materials and bulk Purchases:** The adjusted budget amounts to R458 billion, while the expenditure to date amounts to R254 million or 55 per cent of the budget. The monthly expenditure is R 2 million or 0.43 per cent.
- **Other expenditure:** The adjusted budget amounts to R362 billion, while the year to date expenditure amounts to R184 billion or 51 per cent of the budget. The monthly expenditure is R 10 million or 3 per cent of the total adjusted line budget.

### **Capital Funding Source and Expenditure**

This section of the report focuses on the capital base of the municipality as reflected in the monthly budget statement submitted. Information regarding capital funding and expenditure is detailed in this section.

#### **Capital Revenue: Sources of Finance**

Capital revenue represents the sources of finances utilized to fund capital expenditure. There are a number of sources from which capital revenue is sourced; the major source of capital financing is from Government Grants and Subsidies since most municipalities have very small own revenue bases or sources.

Table 4 Capital revenue 31 March 2010

Code	Municipality	Capital expenditure			
		Total sources of Funding			
		Original/adjusted budget	Actual receipts for the month	Actual receipts year to date	Actual receipts to date as % of budget
R million					
NP03a2	Makhuduthamaga	50	–	26	53%
NP03a3	Fetakgomo	16	–	4	22%
NP03a4	Greater marble Hall	16	–	–	
NP03a5	Greater Tubatse	49	–	48	100%
NP03a6	Elias Motsoaledi	82	4	13	16%
DC47	Greater Sekhukhune	329	37	336	102%
<b>Sekhukhune</b>		<b>542</b>	<b>41</b>	<b>427</b>	<b>79%</b>
NP331	Greater Giyani	32	4	23	73%
NP332	Greater Letaba	50	6	34	68%
NP333	Greater Tzaneen	155	11	71	46%
NP334	Ba-Phalaborwa	41	–	–	
NP335	Maruleng	34	–	–	
DC33	Mopani District	286	13	107	37%
<b>Mopani District</b>		<b>598</b>	<b>35</b>	<b>235</b>	<b>39%</b>
NP341	Musina	32	–	6	18%
NP342	Mutale	27	2	10	38%
NP343	Thulamela	214	7	34	16%
NP344	Makhado	111	4	30	27%
DC34	Vhembe District	789	264	573	73%
<b>Vhembe</b>		<b>1,173</b>	<b>277</b>	<b>653</b>	<b>56%</b>
NP351	Blouberg	38	–	–	
NP352	Aganang	38	3	6	16%
NP353	Molemole	20	0	6	32%
NP354	Polokwane	1,322	–	522	39%
NP355	Lepelle-Nkumpi	124	–	–	
DC35	Capricorn District	406	11	352	87%
<b>Capricorn</b>		<b>1,948</b>	<b>14</b>	<b>887</b>	<b>46%</b>
NP361	Thabazimbi	49			
NP362	Lephalale	32	3	19	59%
NP363	Mookgophong	40	3	16	39%
NP364	Modimolle	56	1	6	11%
NP365	Bela-Bela	20	2	4	23%
NP366	Mogalakwena	149	(25)	(75)	-50%
DC36	Waterberg District	29	1	4	12%
<b>Waterberg</b>		<b>374</b>	<b>(14)</b>	<b>(26)</b>	<b>-7%</b>
<b>Total</b>		<b>4,635</b>	<b>353</b>	<b>2,176</b>	<b>47%</b>

The overall performance for all the districts stands at 47 per cent or R2.176 billion in monetary terms against a budget of R4.635 billion.



**For the period to date, the performance per district was;**

**Sekhukhune District:** R427 million or 79 per cent of the total district adjusted budget of R542 million was received by the district municipalities for the nine months ending 31 March 2010. The month receipts amount to R41 million or 10 per cent.

**Mopani District:** The district received a total of R235 million or 39 per cent of the total capital revenue of R598 million. The month receipts amount to R35 million or 6 per cent. With the correct signage of the revenue amounts, performance of this district is above 30 percent.

**Vhembe District:** Received R653 million of the total adjusted capital budget of R1.173 million or an equivalent of 56 in percentage terms. The monthly receipt amounts to R277 million or 24 per cent.

**Capricorn Districts:** The district shows a 46 per cent or R887 million received accumulated over nine months. The month receipts amount to R14 million or 0.71 per cent.

**Waterberg District:** reflecting a negative 7 performance resulting from the negative figures captured in the report of Mogalakwena local municipality.

The individual sources of finance reflected the following current month performance:

- i. **External loans** reflect that 10 per cent or R11 million from an adjusted budget of R112 million has been received.
- ii. **Asset Financing Reserve** reflect that 40 per cent or R240 million from a budget of R580 million has been received in total. The monthly receipts amount reflects nil.
- iii. **Surplus cash** showed a 29 per cent or R124 million collection against a budget of R425 million. The monthly receipts amount to 9 million.
- iv. **Grants and Subsidies** reflect 53 per cent or R1.720 million against the adjusted budget. The month receipts amount to R340 million or 10 per cent.
- v. **Other Sources** reflect a 31 per cent or R52 million receipt from R169 adjusted budget, and the current month's collection stands at R3 million.

**Capital Expenditure**

For the month under review, the accumulated performance is at R2.486 billion translating into 57 per cent of the total adjusted capital budget of R4.368 billion. Again; the negative expenditure amounts under casted the percentage to 57.

Table 5 Capital Expenditure 31<sup>st</sup> March 2010

Code	Municipality	Capital Exanditure			
		Total Capital Expenditure			
		Original/adju sted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
R million					
NP03a2	Makhuduthamaga	93	–	40	43%
NP03a3	Fetakgomo	16	–	6	36%
NP03a4	Greater marble Hall	182	–	8	5%
NP03a5	Greater Tubatse	48	6	46	96%
NP03a6	Elias Motsoaledi	65	5	21	33%
DC47	Greater Sekhukhune	453	37	311	69%
<b>Sekhukhune</b>		<b>857</b>	<b>48</b>	<b>433</b>	<b>50%</b>
NP331	Greater Giyani	39	4	20	50%
NP332	Greater Letaba	68	6	34	51%
NP333	Greater Tzaneen	155	11	69	45%
NP334	Ba-Phalaborwa	56	3	33	59%
NP335	Maruleng	37	2	22	61%
DC33	Mopani District	305	13	117	38%
<b>Mopani District</b>		<b>659</b>	<b>39</b>	<b>295</b>	<b>45%</b>
NP341	Musina	13	0	6	45%
NP342	Mutale	27	2	11	40%
NP343	Thulamela	193	7	54	28%
NP344	Makhado	143	4	31	22%
DC34	Vhembe District	63	263	772	1226%
<b>Vhembe</b>		<b>439</b>	<b>276</b>	<b>874</b>	<b>199%</b>
NP351	Blouberg	38	1	22	58%
NP352	Aganang	38	3	14	36%
NP353	Molemole	20	0	9	44%
NP354	Polokwane	1,322	–	522	39%
NP355	Lepelle-Nkumpi	124	3	229	184%
DC35	Capricorn District	479	11	230	48%
<b>Capricorn</b>		<b>2,021</b>	<b>14</b>	<b>887</b>	<b>44%</b>
NP361	Thabazimbi	33	–	28	0
NP362	Lephalale	32	3	22	68%
NP363	Mookgophong	40	3	16	39%
NP364	Modimolle	56	–	6	11%
NP365	Bela-Bela	19	2	4	24%
NP366	Mogalakwena	183	(25)	(82)	-45%
DC36	Waterberg District	29	1	4	13%
<b>Waterberg</b>		<b>392</b>	<b>(14)</b>	<b>(2)</b>	<b>-0%</b>
<b>Total</b>		<b>4,368</b>	<b>362</b>	<b>2,486</b>	<b>57%</b>

## Performance per District:

**Sekhukhune District:** Overall expenditure stands at R433 million or 50 per cent of the total adjusted budget of R857 million. The month expenditure stands at R48 million or 6 per cent of the total adjusted budget.

**Mopani District:** Overall expenditure stands R295 million or 45 per cent of the total adjusted budget of R659 million. The month expenditure stands at R39 million or 6 per cent of the total adjusted budget.

**Vhembe District:** Overall expenditure stands R874 million or 199 per cent of the total adjusted budget of R439 million. The month expenditure stands at R276 million or 63 per cent of the total adjusted budget.

**Capricorn District:** Overall expenditure stands R887 million or 44 per cent of the total adjusted budget of R2.021 billion. The month expenditure stands at R14 million or 1 per cent of the total adjusted budget.

**Waterberg District:** Overall expenditure stands negative R2 million or negative 0 per cent of the total adjusted budget of R392 million. The month to date expenditure stands at negative R14 million

## Debtors

The total outstanding debtor's book, for the municipalities in the Province for the month of March amounts to R1.682 billion.

Debtors per district	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total
<b>Debtors Age analysis</b>								
Sekhukhune	4	1	8	14	5	-	-	31
Mopani	16	42	24	18	213	50	131	493
Vhembe	107	20	17	15	50	112	48	369
Capricorn	61	21	17	44	262	9	8	421
Waterberg	107	20	17	15	50	112	48	369
	294	103	84	105	580	283	234	1,682

Debtors owing between 0-30 days amounts to R294 million, 31-60 days amounts to R103 million. Debtors owing between 121-150 days are the most significant with R580 million or 35 per cent, while the debt owed falling into the category over 151 and 180 days to a year constitute R283 and R234 million respectively.



## Creditors

The total accounts payable for the month of March owed by municipalities' amount to R160 million.

Creditors per district	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total
<b>Creditors Age analysis</b>								
Sekhukhune	-	-	-	-	-	-	-	-
Mopani	60	5	0	4	-	-	-	69
Vhembe	11	3	2	2	9	3	1	32
Capricorn	35	-	-	0	-	-	-	35
Waterberg	23	0	0	-	-	0	0	23
	<b>129</b>	<b>8</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>160</b>

The current debt owed by municipalities collectively is R160 million. Four districts being Mopani Vhembe, Capricorn and Waterberg are reflecting amounts owing in the category above 0-30 days.

## Cash-flows

Cash flows	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
Opening Cash Balance	615	1,294	1,185	983	805	680	658	258	37	383	422	284
Sub-Total (Receipts)	1,609	747	585	717	740	1,185	350	609	980	503	317	346
Sub-Total (Payments)	930	857	787	895	866	1,207	572	829	635	463	456	488
Closing Balance	1,294	1,185	983	805	680	658	258	37	383	422	284	142

Not all municipalities in the province completed the cash flow statement. Analysis of the cash flow return has revealed that municipalities are not completing this document correctly and therefore it distorts the analysis. Municipalities seem not to be ready to engage in the exercise of projecting their revenue and expenditure; they rather prefer to capture the actual performance on a month to month basis, thereby defeating the purpose of the CFA return form.

## CONCLUSION

Though there was a general improvement in submission, the March submissions revealed deterioration in that regard. This poor submission rate in March could be attributed to the municipal strike, since municipalities could not function at the time. We have however noted the improved performance when it comes to the collection of own revenue in the operating budget. The quality of reports submitted has improved considerably, though we have noted a challenge in the completion of the CAA return and CFA return forms. Performance on the capital budget is not satisfactory, proper analysis of this performance is hindered by the lack of credibility of the CAA return forms submitted. Provincial Treasury will engage with municipalities further regarding the correct completion of the CAA and CFA return forms as well as the importance of compliance to MFMA S71.