



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Enq: Mulenga S

Date: 07 June 2010

Director-General: National Treasury

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Attention: Mr. J. Hattingh

MUNICIPAL FINANCE MANAGEMENT ACT (ACT 56 OF 2003) (MFMA): IN-YEAR-MONITORING: SECTION 71 (6) REPORTING: APRIL 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 30th April 2010.

HEAD OF DEPARTMENT
PROVINCIAL TREASURY

DATE: 15/06/2010

LIMPOPO PROVINCIAL TREASURY
Municipal Budget Performance
Consolidated Statement as at 30th April 2010

INTRODUCTION

This consolidated budget statement and report covers the financial performance of municipalities for the period ending 30th April 2010.

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.

Furthermore, 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.

OVERVIEW OF THE PROVINCE

COMPLIANCE WITH SUBMISSION OF RETURNS, AND TO TIMEFRAMES

Table 1 below shows the submission trend of the s71 reports for February , March and April 2010 reports. 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 April 2010; Seven municipalities which are Molemole , Makhuduthamaga , Lephalale, Waterberg, Greater Letaba, Fetakgomo and Modimolle submitted a hard copy of the S71 reports as required by MFMA S71(4). It was expected that this trend will improve since PT engaged the municipalities in this regard during the 2009 budget workshops. However, non-compliance in this regard mean more work still needs to be done.

According to the NT'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. The table below clearly indicates the returns submitted by each municipality.

There is a huge improvement in terms of submission regarding S71 reports, for the month of April 2010 all thirty municipalities submitted their reports though some did not submit all the five reports and there were some municipalities that submitted their reports late after the due date. Municipalities that did not submit their April 2010 reports on time are Greater Giyani, Greater Letaba and Makhado. Letters of non-compliance due to incomplete returns were sent to those that submitted less than five return forms.

Table 1 : Summary of returns submitted on 30th April 2010

Municipality	Feb-10			Mar-10			Apr-10					
	Old/new version	Date of submission		Documents sent	Old/New version	Date of submission		Documents sent	Old/New version	Date of submission		Documents sent
		Electronic	Hard copy			Electronic	Hard copy			Electronic	Hard copy	
DC 35 - CAPRICORN	New	10.03.10		OSA,CFA,CAA,AD,ACC	New	15.4.10		OSA,AC,AD,CAA,CFA	New	10.05.10		OSA, AC, AD, CAA, CFA
LIM 351 - BLOUBERG					New	20.4.10		AC,CAA,CFA,OSA	New	13.05.10		OSA, AC, AD, CAA, CFA
LIM 352 - AGANANG	New	15.03.10		OSA,CFA,CAA,AD,ACC	New	15.4.10		OSA,AC,AD,CAA,CFA	New	14.05.10		OSA, AC, AD, CAA, CFA
LIM 353 - MOLEMOLE	New	15.03.10		OSA,CFA,CAA,AD,ACC	New	23.4.10		OSA,AC,AD,CAA,CFA	New	14.05.10	14.05.10	OSA, AC, AD, CAA, CFA
LIM 354 - POLOKWANE	New	10.03.10		OSA,CFA,CAA,AD,ACC	New	16.4.10		OSA,AC,AD,CAA,CFA	New	13.05.10		OSA, AC, AD, CAA, CFA
LIM 355 - LEPELLE-NKUMPI	New	09.03.10	09.03.10	OSA,CFA,CAA,AD,ACC	New	13.4.10	14.4.10	OSA,AC,AD,CAA,CFA	New	13.05.10		AD, AC, CAA
DC - 47 - GREATER SEKHUKHUNE	New	12.03.10		OSA,CAA,AD,ACC	New	15.4.10	16.4.10	AD,CAA,OSA,ACC	New	12.05.10		AD, AC, CAA, OSA
LIM 471 - EPHRAIM MOGALE					New	26.4.10		OSA,AC,AD,CAA,CFA	New	11.05.10		OSA, AC, AD, CAA, CFA
LIM 472 - ELIAS MOTSOALEDI	New	11.03.10		OSA,CFA,CAA,AD,ACC	New	04.05.10		CAA,CFA,OSA	New	13.05.10		AD, AC, OSA
LIM 473 - MAKHUDUTHAMAGA	New	13.03.10	16.03.10	OSA,CFA,CAA,AD,ACC	New	29.4.10		OSA,AC,AD,CAA,CFA	New	14.05.10	14.05.2010	OSA, AC, AD, CAA, CFA
LIM 474 - FETAKGOMO	New	11.3.10	15.03.2010	OSA,CFA,CAA,AD,ACC	New	15.4.10	16.4.10	CAA,CFA	New	14.05.10	13.05.201	AD,AC, CAA, CFA
LIM 475 - GREATER TUBATSE	New	05.03.10		OSA,CFA,CAA	New	7.4.10		CAA,OSA, CFA	New	04.05.10		OSA, AC, AD, CAA, CFA
DC 33 - MOPANI	New	11.03.10		OSA,CFA,CAA,AD,ACC	New	12.4.10		OSA,AC,AD,CAA,CFA	New	13.05.10		OSA, AC, AD, CAA, CFA
LIM 331 - GREATER GIYANI	New	10.03.10		OSA,CFA,CAA,AD,ACC	New	12.4.10		CAA,OSA,CFA,AD	New	20.05.10		OSA, AC, AD, CFA, CAA
LIM 332 - GREATER LETABA	New	15.03.10		OSA,CFA,CAA,AD,ACC	New	9.4.10		OSA,AC,AD,CAA,CFA	New	18.05.10	20.05.2010	OSA, AC, AD, CFA, CAA
LIM 333 - GREATER TZANEEN	New	11.03.10		OSA,CFA,CAA,AD,ACC	New	14.4.10		OSA,AC,AD,CAA,CFA	New	14.05.10		OSA, AC, AD, CFA, CAA
LIM 334 - BAPHALABORWA	New	14.03.10		OSA,CFA,CAA,AD,ACC	New	19.4.10		OSA,AC,AD,CAA,CFA	New	07.05.10		OSA, AC, AD, CFA, CAA
LIM 335 - MARULENG	New	12.03.10		OSA,CFA,CAA,AD,ACC	New	9.4.10		OSA,AC,AD,CAA,CFA	New	14.05.10		OSA, AC, AD, CFA, CAA
DC 36 - WATERBERG	New	12.03.10		OSA,CFA,CAA,AD,ACC	New	15.4.10	16.4.10	OSA,AC,AD,CAA,CFA	New	13.05.10	12.05.2010	OSA, AC, AD, CFA, CAA
LIM 361 - THABAZIMBI	New	12.03.10		OSA,CFA,CAA,AD,ACC	New	23.4.10		CFA,AD	New	14.05.10		CAA, AC, OSA, CFA,AD
LIM 362 - LEPHALALE	New	15.03.10		OSA,CFA,CAA,AD,ACC	New	21.4.10		OSA,AC,AD,CAA	New	14.05.10	14.05.2010	OSA, AC, AD, CFA, CAA

LIM 364 - MOOKGOPONG					New	16.4.10		OSA,AC,AD,CAA	New	14.05.10		AD, AC, OSA, CAA
LIM 365 - MODIMOLLE	New	12.03.10		OSA,CFA,CAA,AD,AC					New	14.05.10	14.05.2010	OSA, AC, AD, CFA, CAA
LIM 366 - BELA-BELA	New	11.03.10		OSA,CFA,CAA,AD,AC	New	13.4.10		OSA,AC,AD	New	12.05.10		OSA, AC, AD, CFA, CAA
LIM 367 - MOGALAKWENA	New	12.03.10		OSA,CAA,AD,AC	New	14.4.10		AC,AD,CAA,OSA	New	14.05.10		OSA, AC, AD, CFA, CAA
DC 34 - VHEMBE	New	11.03.10		OSA,CFA,CAA,AD,AC	New	23.4.10		OSA,AC,AD,CAA,CFA	New	10.05.10		OSA, AC, AD, CFA, CAA
LIM 341- MUSINA	New	12.03.10		OSA,CFA,CAA,AD,AC	New	16.4.10		OSA,AC,AD,CAA,CFA	New	13.05.10		OSA, AC, AD, CFA, CAA
LIM 342 - MUTALE	New	09.03.10		OSA,CFA,CAA,AC	New	9.4.10		OSA,AC,AD,CAA,CFA	New	11.05.10		CAA, CFA, OSA
LIM 343 - THULAMELA	New	11.03.10	15.03.2010	OSA,CFA,CAA,AD,AC	New	22.4.10		OSA,AC,AD,CAA,CFA	New	13.05.10		OSA, AC, AD, CFA, CAA
LIM 344 - MAKHADO					New	19.4.10		OSA,AC,AD,CAA,CFA	New	15.05.10		OSA, AC, AD, CFA, CAA

IMPLEMENTATION OF MUNICIPAL BUDGETS

Financial Performance

This section of the report focuses on the financial health of the municipality as reflected in the April 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 April reflects that municipalities generated an amount of R 954 million and an accumulated amount R 8.324 billion or 95 per cent of the total adjusted operating revenue budget of R8.731 billion.

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 35 per cent. The good performance by Makhuduthamaga which collected 100% of its budget and Greater Tubatse which collected 89% 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. On the other hand, the highest performing district is Vhembe (178%) whereby the district itself has to date collected 266% of the budgeted annual revenue. This performance suggests that there may have been serious under budgeting by the district municipality and its locals; which as per expectation, should have been rectified during the adjustment budget processes.

Table 2: Operating revenue 30 April 2010

Code	Municipality	Financial Performance			
		Total Revenue			
		Original/adjusted budget	Actual receipts for the month	Actual receipts year to date	Actual receipts to date as % of budget
R million					
-					
NP03a2	Makhuduthamaga	112	-	111	100%
NP03a3	Fetakgomo	43	-	24	56%
NP03a4	Greater marble Hall	108	7	52	48%
NP03a5	Greater Tubatse	145	10	128	89%
NP03a6	Elias Motsoaledi	236	6	94	40%
DC47	Greater Sekhukhune	536	-	0	0%
Sekhukhune		1,174	22	409	35%
NP331	Greater Giyani	117	7	105	90%
NP332	Greater Letaba	119	6	117	98%
NP333	Greater Tzaneen	587	36	466	79%
NP334	Ba-Phalaborwa	273	28	179	65%
NP335	Maruleng	65	-	63	98%
DC33	Mopani District	589	0	317	54%
Mopani District		1,751	77	1,248	71%
NP341	Musina	93	7	111	120%
NP342	Mutale	92	4	58	63%
NP343	Thulamela	373	28	411	110%
NP344	Makhado	481	22	362	75%
DC34	Vhembe District	1,036	587	2,758	266%
Vhembe		2,076	647	3,700	178%
NP351	Blouberg	107	41	85	79%
NP352	Aganang	47	-	51	108%
NP353	Molemole	58	12	63	109%
NP354	Polokwane	1,652	60	945	57%
NP355	Lepelle-Nkumpi	261	-	192	74%
DC35	Capricorn District	190	18	532	280%
Capricorn		2,316	131	1,868	81%
NP361	Thabazimbi	167	8	87	52%
NP362	Lephalale	205	15	351	171%
NP363	Mookgophong	80	6	68	86%
NP364	Modimolle	157	8	106	68%
NP365	Bela-Bela	140	10	119	85%
NP366	Mogalakwena	566	27	294	52%
DC36	Waterberg District	99	3	73	73%
Waterberg		1,414	77	1,098	78%
Total		8,731	954	8,324	95%

District performance shows that of the R 954 million generated for the month of April, Sekhukhune collected 3 percent , Mopani 8 per cent, Vhembe 68 per cent, Capricorn 14 per cent and Waterberg 8 per cent. Mopani, Capricorn and Waterberg show good and acceptable performance and there is an increase in their performance as compared to the month of March 2010. While Vhembe shows outstanding performance and it also shows an increase in revenue performance for March it was 60 percent and it increased to 68 percent in April 2010. Sekhukhune district is under performing and it shows no improvement because its revenue performance for March 2010 was 3 percent and remained the same for April 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 R430 million or 75 percent of the total adjusted budget. The monthly collection is R51 million or 8 percent of the total adjusted budget.
- **Service Charges:** The total adjusted budget amounts to R 1, 977 billion, while the year to date revenue generated amounts to R1, 402 billion or 70 percent of the total adjusted budget. The monthly collection is R183 million or 9 percent of the total adjusted budget.
- **Investment revenue:** The total adjusted budget amounts to R 235 million, while the year to date revenue receipts stands at R 178 million or 75 percent of the total adjusted budget. The monthly collection is R15 million or 6 percent of the total adjusted budget.
- **Transfer recognized:** The total adjusted budget amounts to R 5, 001 billion, while the year to date revenue generated amounts to R5, 527 billion or 1, 10 percent of the total adjusted budget. The monthly collection is R642 million or 12 percent of the total adjusted budget.
- **Other Revenue:** The total adjusted budget amounts to R 954 million, while the year to date receipts amounts to R786 million or 82 percent of the total adjusted budget. The monthly collection is R63 million or 6 percent of the total adjusted budget.

Operating Expenditure

The operating expenditure performance for the month of April reflects that municipalities expended an amount of R658 million and expended an accumulated R5.157 billion or 81 per cent of the total operating revenue budget of R6.392 billion.

Table 3 Operating expenditure 30 April 2010

Code	Municipality	Total Expenditure			
		Original/adjusted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
R million					
-					
NP03a2	Makhuduthamaga	93	3	43	47%
NP03a3	Fetakgomo	16	1	7	45%
NP03a4	Greater marble Hall	182	3	11	6%
NP03a5	Greater Tubatse	48	-	46	96%
NP03a6	Elias Motsoaledi	154	9	74	48%
DC47	Greater Sekhukhune	453	24	335	74%
		1,067	50	542	51%
Sekhukhune					
NP331	Greater Giyani	126	8	272	217%
NP332	Greater Letaba	114	8	66	58%
NP333	Greater Tzaneen	495	25	326	66%
NP334	Ba-Phalaborwa	288	26	208	72%
NP335	Maruleng	49	5	53	108%
DC33	Mopani District	308	52	475	154%
		1,380	124	1,401	10%
Mopani District					
NP341	Musina	93	8	111	12%
NP342	Mutale	65	5	43	6%
NP343	Thulamela	190	18	252	13%
NP344	Makhado	481	21	221	4%
DC34	Vhembe District	355	241	1,078	30%
		1,184	293	1,706	14%
Vhembe					
NP351	Blouberg	83	6	45	5%
NP352	Aganang	37	-	31	8%
NP353	Molemole	57	6	28	4%
NP354	Polokwane	1,086	78	587	5%
NP355	Lepelle-Nkumpi	136	-	50	3%
DC35	Capricorn District	190	18	183	1%
		1,591	107	924	
Capricorn					
NP361	Thabazimbi	133	10	120	
NP362	Lephalale	205	16	197	
NP363	Mookgophong	80	6	53	
NP364	Modimolle	133	10	88	
NP365	Bela-Bela	135	11	105	
NP366	Mogalakwena	413	26	(123)	
DC36	Waterberg District	71	5	145	
		1,169	84	584	
Waterberg					
		6,392	658	5,157	
Total					

Performance per District:

Sekhukhune District: Overall operating expenditure stands R542 million or 51 per cent of the total adjusted budget of R1.067 billion. Greater Marble Hall is the worst of them all with a year to date percentage of 6.

Mopani District: The district has reflected a year to date spending of 102 per cent or R1.401 billion of a budget of R1.380 billion. Greater Giyani, Maruleng and Mopani are overspending at 217%,108% and 154% respectively, in this regards there may have been serious under budgeting or over allocation by the district and its local locals, which as per expectation , should have been rectified during the adjustment budget process.

Vhembe District: Expenditure for the year to date stands at 144 per cent or R1.706 billion of the total adjusted budget of R1.184 billion. The district reflects a R293 million or 24 per cent spending for the month. Vhembe District seems to be overspending their expenditure budget. The district, Musina and Thulamela have over spent their annual budget. Mutale and Makhado on the other hand are spending well on their operating expenditure budget.

Capricorn District: Expenditure for the year to date stands at 58 per cent or R924 million of the total adjusted budget of R1.591 billion. The monthly spending stands at R107 million or 6 per cent. Molemole and Lepelle-Nkumpi are under spending their operating expenditure budget as their performance to date is below 50% with the exception of Aganang and the district; whereby the district is likely to over spend its annual budget as it stands at 96 per cent and Aganang stands at 84%.

Waterberg District: The district's operating expenditure for the year to date stands at 50 per cent or R584 million of the total adjusted budget of R1.169 billion. Monthly spending stands at R84 million or 7 per cent of the total budget. Lephalale, Thabazimbi are spending well while the district is overspending their operating expenditure.

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 R2.609 billion or 118 per cent of the adjusted budget. The monthly expenditure is R326 million or 14 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 R159 million or 56 per cent of the adjusted budget. The monthly expenditure is R 16 million or 5 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 minus 7.
- **Depreciation or amortization:** The adjusted budget amounts to R284 million, while the year to date expenditure amounts to R31 million or 11 per cent of the adjusted budget. The monthly expenditure is R 2 million of the total adjusted line budget reflecting an under expenditure.
- **Finance charges:** The adjusted budget amounts to R52 million, while the year to date expenditure amounts to R5 million. The monthly expenditure is nil.
- **Materials and bulk Purchases:** The adjusted budget amounts to R1.454 billion, while the expenditure to date amounts to R993 million or 68 per cent of the budget. The monthly expenditure is R 140 million or 9 per cent.
- **Other expenditure:** The adjusted budget amounts to R2.042 billion, while the year to date expenditure amounts to R1.367 billion or 67 per cent of the budget. The monthly expenditure is R 173 million or 8 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 utilised 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 30 April 2010

		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	3	26	53%
NP03a3	Fetakgomo	16	-	4	22%
NP03a4	Greater marble Hall	16	-	-	
NP03a5	Greater Tubatse	49	-	48	100%
NP03a6	Elias Motsoaledi	82	-	9	11%
DC47	Greater Sekhukhune	329	24	375	114%
Sekhukhune		542	28	462	85%

NP331	Greater Giyani	32	2	23	72%
NP332	Greater Letaba	50	3	37	75%
NP333	Greater Tzaneen	155	5	76	49%
NP334	Ba-Phalaborwa	41	-	-	
NP335	Maruleng	34	-	-	
DC33	Mopani District	286	15	122	43%
Mopani District		598	25	258	43%
NP341	Musina	32	-	6	18%
NP342	Mutale	27	0	10	38%
NP343	Thulamela	214	7	54	25%
NP344	Makhado	111	5	35	32%
DC34	Vhembe District	789	267	1,104	140%
Vhembe		1,173	279	1,210	103%
NP351	Blouberg	38	-	-	
NP352	Aganang	38	0	4	10%
NP353	Molemole	20	-	6	32%
NP354	Polokwane	1,322	-	636	48%
NP355	Lepelle-Nkumpi	124	-	-	
DC35	Capricorn District	406	11	363	89%
Capricorn		1,948	11	1,009	52%
NP361	Thabazimbi	49			
NP362	Lephalale	32	2	20	63%
NP363	Mookgophong	40	1	17	42%
NP364	Modimolle	56	4	6	11%
NP365	Bela-Bela	20	3	6	31%
NP366	Mogalakwena	149	(14)	(78)	-53%
DC36	Waterberg District	29		2	8%
Waterberg		374	(5)	(27)	-7%
Total		4,635	338	2,912	63%

The overall performance for all the districts stands at 63 per cent or R2.912 billion in monetary terms against a budget of R4.635 billion.

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

Sekhukhune District: R462 million or 85 per cent of the total district adjusted budget of R542 million was received by the district municipalities for the ten months ending 30 April 2010. The month receipts amount to R28 million or 5 per cent.

Mopani District: The district receipted a total of R258 million or 43 per cent of the total capital revenue of R598 million. The month receipts amount to R25 million or 9 per cent. With the correct signage of the revenue amounts, performance of this district is above 30 per cent.

Vhembe District: Received R1.210 billion of the total adjusted capital budget of R1.173 billion or an equivalent of 103 in percentage terms which means there may have been serious under budgeting or over allocation by the district and its local locals, which as per expectation , should have been rectified during the adjustment budget process. The monthly receipt amounts to R279 million or 23 per cent.

Capricorn Districts: The district shows a 52 per cent or R1.009 billion received accumulated over ten months. The month receipts amount to R11 million or 0.01 per cent.

Waterberg District: Reflect a negative 7 performance resulting from negative figures on actual receipts for the month and actual receipts year to date.

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

- i. **External loans** reflect 10 per cent or R 12 million from an adjusted budget of R112 million has been receipted.
- ii. **Asset Financing Reserve** reflect that 51 per cent or R296 million from a budget of R580 million has been receipted in total. The monthly receipts amount reflects a nil
- iii. **Surplus cash** showed a 30 per cent or R116 million availability against a budget of R126 million. The monthly receipts amount to R4 million.
- iv. **Grants and Subsidies** reflect R2.375 billion or 73 per cent has been receipted in total. The month receipts amount to R323 million or 13 per cent.
- v. **Other Sources** reflect a 45 per cent receipt from a budget R169 million and the current month's collection stands at R10 million.

Capital Expenditure

For the month under review, the accumulated performance is at R2.987 billion translating into 68 per cent of the total adjusted capital budget of R4.368 billion.

Table:5 Capital Expenditure 30 April 2010

		Total Capital Expenditure			
		Original/adjusted budget	Actual expenditure for the month	Actual expenditure year to date	Actual spent to date as % of budget
R million					
NP03a2	Makhuduthamaga	93	3	43	47%
NP03a3	Fetakgomo	16	1	7	45%

NP03a4	Greater marble Hall	182	3	11	6%
NP03a5	Greater Tubatse	48	-	46	96%
NP03a6	Elias Motsoaledi	65	-	21	33%
DC47	Greater Sekhukhune	453	24	335	74%
Sekhukhune		857	32	464	54%
NP331	Greater Giyani	39	2	22	55%
NP332	Greater Letaba	68	3	38	55%
NP333	Greater Tzaneen	155	5	74	48%
NP334	Ba-Phalaborwa	56	4	37	66%
NP335	Maruleng	37	-	22	61%
DC33	Mopani District	305	15	132	43%
Mopani District		659	30	324	49%
NP341			-	6	45%
NP342	Mutale	27	0	10	37%
NP343	Thulamela	193	7	61	32%
NP344	Makhado	143	5	35	25%
DC34	Vhembe District	63	286	1,058	1681%
Vhembe		439	298	1,171	267%
NP351	Blouberg		2	25	65%
NP352	Aganang	38	0	14	37%
NP353	Molemole	20	0	9	45%
NP354	Polokwane	1,322	114	636	48%
NP355	Lepelle-Nkumpi	124	8	237	190%
DC35	Capricorn District	479	11	241	50%
Capricorn		2,021	11	1,009	50%
NP361	Thabazimbi		0	28	0
NP362	Lephalale	32	2	23	71%
NP363	Mookgophong	40	1	16	39%
NP364	Modimolle	56	4	10	17%
NP365	Bela-Bela	19	3	7	39%
NP366	Mogalakwena	183	14	(67)	-37%
DC36	Waterberg District	29	0	2	8%
Waterberg		392	24	19	5%
Total		4,368	394	2,987	68%

Performance per District:

Sekhukhune District: Overall expenditure stands at R464 million or 54 per cent of the total adjusted budget of R857 million. The month expenditure stands at R32 million or 3 per cent of the total adjusted budget.

Mopani District: Overall expenditure stands R324 million or 49 per cent of the total adjusted budget of R659 million. The month expenditure stands at R30 million or 4 per cent of the total adjusted budget.

Vhembe District: Overall expenditure stands R 1.171billion or 267 per cent of the total adjusted budget of R439 million. The month expenditure stands at R298 million or 67 per cent of the total adjusted budget.

Capricorn District: Overall expenditure stands R1.009 billion or 50 per cent of the total adjusted budget of R2.021 billion. The month expenditure stands at R11 million.

Waterberg District: Overall expenditure stands R 2. 987 billion or 68 per cent of the total adjusted budget of R4. 368 billion.

Debtors

The total outstanding debtor's book, for the municipalities in the Province for the month of April amounts to R1.556 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
Debtors Age analysis								
Sekhukhune	9	5	4	31	23	0	0	7
Mopani	16	41	23	18	216	51	133	4
Vhembe	11	22	18	35	31	105	46	2
Capricorn	60	38	20	50	268	9	7	4
Waterberg	11	22	18	35	31	105	46	2
	108	126	82	169	569	270	233	1,5

Debtors owing between 0-30 days amounts to R108 million, 31-60 days amounts to R126 million. Debtors owing between 121-150 days are the most significant with R569 million or 36 per cent, the debt owed at 151-180 days amounts to R270 million while 181days to one year amounts to R233 million.

Creditors

The total accounts payable for the month of April owed by municipalities' amount to R144 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
Creditors Age analysis								
Sekhukhune	0	0	-	-	-	-	-	0
Mopani	24	7	9	0	0	-	-	40
Vhembe	9	5	2	1	7	3	-	27
Capricorn	44	0	-	0	-	-	-	44
Waterberg	30	0	-	-	-	-	0	30
	109	12	11	2	7	3	0	144

The current debt owed by municipalities collectively is R144 million. Four districts being Capricorn, Vhembe, Mopani 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	731	1,346	1,265	1,055	820	639	641	233	(32)	239	123	(27)
Sub-Total (Receipts)	1,763	937	754	786	801	1,350	479	708	1,579	1,186	370	441
Sub-Total (Payments)	1,148	1,019	964	1,021	982	1,349	709	972	1,309	1,302	520	521
Closing Balance	1,346	1,265	1,055	820	639	641	233	(32)	239	123	(27)	(106)

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 April submissions reveal that most municipalities managed to send all the returns except few that did not send all the returns. We have however noted the improved performance when it comes to the collection of own revenue in the operating budget, though the same cannot be said about the operating expenditure which is under spending. A general observation again is that Vhembe District as a whole seems to be over performing in all areas, which can be translated to poor/under budgeting. The quality of reports submitted has improved considerably. Performance on the capital budget is not satisfactory, proper analysis of this performance is hindered by the incredibility 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.