



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO PROVINCIAL TREASURY

CONSOLIDATED STATEMENT OF CAPITAL & OPERATING EXPENDITURE

LIMPOPO MUNICIPALITIES FOR THE MONTH OF MAY 2008

1. Purpose

The purpose of this section 71 report is to summarize and highlight the outcomes of the Provincial Municipalities budget expenditure and receipt status as reflected in the Section 71 report for the month of May 2008.

2. Background

According to section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer must by no later 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury in the prescribed format on the state of the municipality's budget. In terms of section 71 (7) the provincial treasury must, within 30 days after the end of each quarter, make public a consolidated statement with regard to state of municipalities' budgets per municipality and municipal entities within the province. Furthermore the MEC for finance must table the consolidated statement to the Provincial Legislature no later than 45 days after the end of each quarter. For the sake of transparency, the provincial treasury has taken a decision to publish the results of section 71 (1) reports monthly as a build up to the quarterly report

The Limpopo Province has thirty (30) municipalities categorized into five (5) District Municipalities namely Capricorn District, Greater Sekhukhune District, Waterberg District, Mopani District and Vhembe District and twenty-five (25) Local Municipalities. Twenty-four of these local municipalities are delegated to the provincial treasury while Polokwane Local Municipality is delegated to the national treasury. However, the publication of the month section 71 report will focus on the 30 provincial municipalities.

Table 1 below shows the district and local municipalities of the province:

Table 1: Limpopo Municipalities

District Municipalities	Local Municipalities
1. Capricorn	Aganang Blouberg Lepelle- Nkumpi Molemole Polokwane (Non-Delegated Municipality)
2. Sekhukhune	Elias Motsoaledi Feta-Kgomo Greater Tubatse Greater Marble Hall Makhuduthamaga
3. Waterberg	Bela-Bela Lephalale Modimolle Mogalakwena Mookgophong Thabazimbi
4. Mopani	Ba-Phalaborwa Greater Giyani Greater Letaba Greater Tzaneen

	Maruleng
5. Vhembe	Makhado Musina Mutale Thulamele

Brief Overview

Tables 1 and 2 below give a summary of the province's performance in terms of district as well as local municipalities during the eleven months of the financial year.

Table 1 show that municipalities had an appropriated capital budget of R 3.452 billion adjusted to R3.842 billion. The municipalities actual spending by the end of the eleventh month in the item classification capital expenditure was R 1.447 billion which translates to 38 % of the total adjusted budget.

Table 2 shows that municipalities had an appropriated operating budget of R 5.080 billion adjusted to R5.306 billion. The municipalities actual spending by the end of the eleventh month in the item classification operating expenditure was R 3.141 billion which translates to 59 % of the total adjusted budget.

The overview above means that the actual expenditure financial year to May 2008 vis-à-vis the straight-line projected expenditure for the same period is off the mark by 53.6 and 32.6 % for capital and operating expenditure respectively. The provincial municipalities have made a very slow start in terms of its expenditure pattern. From July 2007 to May 2008 there have been fluctuations in the month to month expenditure. Generally, this kind of behavior is prevalent in government institutions especially during the first quarter of the financial year however, the current picture is cause for concern as it clearly shows that allocation for service delivery is under performing in other words service delivery is at a loss. In most cases the actual expenditure pattern does not talk to the planned expenditure projections as prepared in terms of the IDP/ SDBIP.

The following observations are worth noting:

The reality is that the spending as shown in table 1 above is not completely correct because some municipalities did not submit their section 71 reports at all or they submitted these reports after the due date as regulated in section 71 of the MFMA. According to section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer must by no later 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury in

the prescribed format on the state of the municipality's budget. Non submission and late submission of the section 71 reports is not acceptable and it is hoped that compliance to statutory reporting will be improved for the sake of good financial governance and service delivery to the deserving communities.

The following municipalities have contributed to the distorted expenditure reporting for the month of May as a result of their non submission or late submission or reports. Some municipalities submit their reports 15 days after the due for the sake of submission, because these reports are not analyzed for feedback as a result.

Capricorn
Molemole
Greater Sekhukhune
Tubatse
Elias Motsoaledi
Makhuduthamaga
Greater Tzaneen
Maruleng
Thabazimbi
Bela-Bela
Thulamela

Spending patterns and Observation

Table 1: Capital Budgets- Provincial Capital (R'000)

Description	Original Capital Budget	Adjusted Capital Budget	May 2008 Actual Expenditure	Expenditure as a % of adj capital budget	Actual Year to Date	% of total original Appropriation	Total Year to Date Expenditure as a % of adj capital budget
Capricorn	279,075	279,075	14,638	5.25%	89,830	8.1%	32%
Aganang	19,106	31,827	2,244	7.05%	17,664	0.6%	56%
Blouberg	29,188	28,726	26,177	91.13%	21,148	0.8%	74%
Lepelle- Nkumpi	31,658	43,755	3,229	7.38%	31,702	0.9%	72%
Molemole	11474	11,474	941	8.20%	4,494	0.3%	39%
Polokwane	862,928	1,166,175	71,584	6.14%	534,449	25.0%	46%
Sub- Total	1,233,429	1,561,032	118,813	7.61%	699,287	35.7%	45%
Greater Sekhukhune	419,091	419,091	-	-	-	-	-
Tubatse	63,416	51,076	-	-	-	-	-
Marble Hall	14,238	14,238	1,028	7.22%	4,623	0.4%	32%
Elias Motsoaledi Makhuduthamaga	84,702	84,702	-	-	-	-	-
Fetakgomo	6,786	7,818	495	6.33%	5,229	0.2%	67%
Sub- Total	588,233	576,925	1,523	0.26%	9,852	17.0%	2%
Mopani	203,476	241,351	18,538	7.68%	192,718	5.9%	80%
Greater Tzaneen	37,730	37,730	-	0.00%	-	1.1%	0%
Greater Letaba	31,572	28,086	3,420	12.18%	24,629	0.9%	88%
Greater Giyani	50,454	35,035	-1,940	-5.54%	13,283	1.5%	38%
Ba-Phalaborwa	60,639	60,639	645	1.06%	18,108	1.8%	30%
Maruleng	11,041	11,041	-	0.00%	-	0.3%	0%
Sub-Total	394,912	413,882	20,663	4.99%	248,738	11.4%	60%
Waterberg	77,400	71,085	1,167	1.64%	28,209	2.2%	40%
Lephalale	19,518	22,202	159	0.72%	26,840	0.6%	121%
Modimolle	31,029	31,029	2,439	7.86%	12,830	0.9%	41%
Mogalakwena	139,641	222,852	12,892	5.79%	137,848	4.0%	62%
Mookgopong	25,054	26,754	437	1.63%	6,701	0.7%	25%
Thabazimbi	20,029	20,029	-	0.00%	-	0.6%	0%
Bela-Bela	24,360	24,360	1,930	7.92%	-	0.7%	0%
Sub-Total	337,031	418,311	19,024	4.55%	212,428	9.8%	51%
Vhembe	629,044	668,408	11,791	1.76%	235,442	18.2%	35%
Musina	8,959	8,959	-	0.00%	4,570	0.3%	51%
Mutale	8,738	11,480	795	6.93%	5,081	0.3%	44%
Thulamela	165,189	108,760	-	0.00%	-	4.8%	0%
Makhado	87,331	81,142	4,143	5.11%	31,932	2.5%	39%
Sub-Total	899,261	878,749	16,729	1.90%	277,025	26.0%	32%
Total: Limpopo	3,452,866	3,848,899	176,752	4.6%	1,447,330	100.0%	38%

Appendix B report not Submitted

 Capital expenditure

From the total adjusted capital budget of R 3.848 billion, the municipalities have spent R 1.447 billion across the thirty municipalities representing 38 % of the total capital budget. The projections for the remainder of the financial year indicate potential under achievement, in the municipalities. This is due to the massive non filling of vacancies of critical posts to drive capital projections. Capital expenditure is off the mark by 53.6%, implying that most municipalities are really under performing in this item.

Table 2: Operating Budgets- Provincial Expenditure (R'000)

Description	Original Operating Budget	Adjusted Operating Budget	May 2008 Actual Expenditure	Expenditure as a % of adj operating budget	Actual Year to Date	Total Year to Date Expenditure as a % of adj operating budget
Capricorn	176,567	176,567	9,586	5.43%	94,584	54%
Aganang	33,441	29,879	2,250	7.53%	23,940	80%
Blouberg	52,112	52,002	3,995	7.68%	40,189	77%
Lepelle- Nkumpi	51,462	53,019	4,626	8.73%	47,912	90%
Molemole	44621	44621	2,577	5.78%	23,151	52%
Polokwane	1,547,999	1,840,776	121,168	6.58%	1,420,912	77%
Sub- Total	1,906,202	2,196,864	144,202	6.56%	1,650,688	75%
Greater Sekhukhune	286,868	286,868		0.00%		-
Tubatse	113,073	92,795		0.00%		-
Marble Hall	86,194	86,194	6,730	7.81%	54,561	63%
Elias Motsoaledi Makhuduthamaga	90,787	90,787		0.00%		0%
Fetakgomo	23,326	23,586	1,303	5.52%	15,933	68%
Sub- Total	600,248	580,230	8,033	1.38%	70,494	12%
Mopani	113,522	150,628	16,494	10.95%	209,149	139%
Greater Tzaneen	318,359	318,359	30,210	9.49%		0%
Greater Letaba	71,936	67,388	4,978	7.39%	59,489	88%
Greater Giyani	73,786	104,636	4,108	3.93%	99,799	95%
Ba-Phalaborwa	181,266	181,266	19,437	10.72%	93,616	52%
Maruleng	41,079	36,859		0.00%		0%
Sub-Total	799,948	859,136	75,227	8.76%	462,053	54%
Waterberg	54,369	54,369	4,563	8.39%	37,361	69%
Lephalale	146,389	149,839	12,309	8.21%	122,130	82%
Modimolle	104,368	104,368	7,310	7.00%	91,284	87%
Mogalakwena	292,277	295,876	17,980	6.08%	194,146	66%
Mookgopong	53,017	58,778	5,805	9.88%	51,311	87%
Thabazimbi	96,583	96,583		0.00%		0%
Bela-Bela	90,287	90,287		0.00%		0%
Sub-Total	837,290	850,100	47,967	5.64%	496,232	58%
Vhembe	406,334	269,339	17,931	6.66%	164,732	61%
Musina	67,484	72,305	10,407	14.39%	76,616	106%
Mutale	36,078	52,121	4,176	8.01%	36,049	69%
Thulamela	179,361	181,160		0.00%		0%
Makhado	247,333	245,445	14,431	5.88%	184,477	75%
Sub-Total	936,590	820,370	46,945	5.72%	461,874	56%
Total: Limpopo	5,080,278	5,306,700	322,374	6.1%	3,141,341	59%

Appendix B report not Submitted

Operating expenditure

From the total adjusted operating budget, the municipalities have spent R 3.141 billion across the thirty municipalities representing 59 % of the total operating budget. The projections for the remainder of the financial year indicate potential under achievement, in the municipalities. This item has performed fairly well at 59% though it is off the mark by 32.6% when compare to the projected straight-line spending of 91.6% for the eleven months ending May 2008.

The 59% spending trend in this item is relatively better though still off the mark, this is attributed to the fact that compensation of employees is serviced from this item and it takes up a greater portion of the budget. The fact that salaries have to been paid regardless of the performance paints a picture that there is progress which fact cannot be justified just looking at the figures on a submitted report.

Table 3: Debtors Age Analysis (R'000) May 2008

Municipality	Total Debtors		0 - 30 days		31 - 60 days		61 - 90 days		over 90 days	
Capricorn	24,384	100%	-	-	-	-	-	-	24,384	100.0%
Aganang	6,164	100%	17	0.3%	-	-	-	-	6,147	99.7%
Blouberg	140	100%	3	2.1%	6	4.3%	13	9.3%	118	84.3%
Lepelle- Nkumpi	48,179	95%	3,350	7.0%	2,335	-	2,044	4.2%	40,450	84.0%
Molemole	-	-	-	-	-	-	-	-	-	-
Polokwane	155,171	100%	28,702	18.5%	14,051	9.1%	9,363	6.0%	103,055	66.4%
Sub- Total	234,038	100%	32,072	13.7%	16,392	7.0%	11,420	4.9%	174,154	74.4%
Greater Sekhukhune	39,976	-	2,963	-	-	-	-	-	2,845	-
Tubatse	-	-	-	-	-	-	-	-	-	-
Marble Hall	9,965	100%	1989	20.0%	325	3.3%	252	2.5%	7,399	74.2%
Elias Motsoaledi	-	-	-	-	-	-	-	-	-	-
Makhuduthamaga	-	-	-	-	-	-	-	-	-	-
Fetakgomo	-	-	-	-	-	-	-	-	-	-
Sub- Total	15,773	100%	4,952	31.4%	325	2.1%	252	1.6%	10,244	64.9%
Mopani	-	-	-	-	-	-	-	-	-	-
Greater Tzaneen	133,526	-	24	-	19,239	-	7,106	-	107,156	-
Greater Letaba	34,039	-	661	-	1,887	-	886	-	30,605	-
Greater Giyani	46,422	-	166	-	1,693	-	1,909	-	42,654	-
Ba-Phalaborwa	114,061	-	8,046	-	6,494	-	4,721	-	94,800	-
Maruleng	-	-	-	-	-	-	-	-	-	-
Sub- Total	-	-	-	-	-	-	-	-	-	-
Waterberg	837	100%	140	16.7%	36	4.3%	13	1.6%	648	77.4%
Lephalale	20,705	100%	333	1.6%	1,468	7.1%	918	4.4%	17,986	86.9%
Modimolle	72,730	-	2,402	-	2,084	-	1,613	-	66,631	-
Mogalakwena	140,214	100%	12,393	8.8%	9,071	6.5%	4,529	3.2%	114,221	81.5%
Mookgopong	12,797	100%	2,509	19.6%	1,916	15.0%	710	5.5%	7,662	59.9%
Thabazimbi	-	-	-	-	-	-	-	-	-	-
Bela-Bela	35,743	100%	3,130	8.8%	2,363	6.6%	1,643	4.6%	28,606	80.0%
Sub- Total	283,025	100%	20,907	7.4%	16,938	6.0%	9,426	3.3%	235,754	83.3%
Vhembe	-	-	-	-	-	-	-	-	-	-
Musina	22,543	-	961	-	760	-	20,822	92.4%	-	-
Mutale	3,217	107%	169	5.3%	73	2.3%	69	2.1%	3,119	97.0%
Thulamela	-	-	-	-	-	-	-	-	-	-
Makhado	82,163	100%	12,363	15.0%	8,256	10.0%	2,630	3.2%	58,914	71.7%
Sub- Total	108,136	100%	13,493	12.5%	9,089	8.4%	23,521	21.8%	62,033	57.4%
Total: Limpopo	640,972	100%	71,424	11.1%	42,744	6.7%	44,619	7.0%	482,185	75.2%

Appendix B report not Submitted

□ Debtors age analysis

Table 3 above shows the debt owed to the municipality for different sources of revenue. All the thirty municipalities in the province have a debit owed to it though the table above is not a true reflection of the total debt owing to the observation made area of the shortfall in reporting by some municipalities. The reports submitted show a consolidated picture as depicted in table 3, clearly indicating that the ability of municipalities to collect on the debt is limited. If municipalities had formidable revenue collection strategies, there would not be so huge amounts owed under over 90 days. There is no telling how much of these debts end up being written off eventually resulting in losses that create budget pressures in the long run.

Table 4: Creditors Age Analysis (R'000) May 2008

Municipality	Total		0 - 30 days		31 - 60 days		61 - 90 days		over 90 days	
Capricorn	7,320	100%	7320	100.0%	-	-	-	-	-	-
Aganang	3,838	100%	3,838	100.0%	-	-	-	-	-	-
Blouberg	2,920	100%	2,920	100.0%	-	-	-	-	-	-
Lepelle- Nkumpi	60				-	-	60	100.0%	-	-
Molemole	320	100%	320	100.0%	-	-	-	-	-	-
Polokwane	22,809	100%	22,795	99.9%	10	0.0%	10	-	5	0.0%
SUB-TOTAL	37,278	200%	37193	99.8%	10	0.0%	70	1	5	0.0%
Greater Sekhukhune	74,372	-	30,869	-	6,727	-	-	-	36,776	-
Tubatse	-	-	-	-	-	-	-	-	-	-
Marble Hall	590	100%	590	100.0%	-	-	-	-	-	-
Elias Motsoaledi	-	-	-	-	-	-	-	-	-	-
Makhuduthamaga	-	-	-	-	-	-	-	-	-	-
Fetakgomo	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	74,962	42%	31,459	42.0%	6,727	-	-	-	36,776	-
Mopani	-	-	-	-	-	-	-	-	-	-
Greater Tzaneen	17,298	-	17,298	-	-	-	-	-	-	-
Greater Letaba	10,596	-	10,596	-	-	-	-	-	-	-
Greater Giyani	1,960	100%	1,959	99.9%	-	-	-	-	-	-
Ba-Phalaborwa	6,073	-	5,489	90.4%	574	10.5%	9	1.6%	-	-
Maruleng	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	35,927	110%	35,342	98.4%	574	0	9	0	-	-
Waterberg	145	100%	145	100.0%	-	-	-	-	-	-
Lephalale	2,205	100%	1,661	75.3%	371	16.8%	141	6.4%	32	1.5%
Modimolle	1,559	-	1,559	-	-	-	-	0.0%	-	-
Mogalakwena	15,008	100%	15,008	100.0%	-	-	-	0.0%	-	-
Mookgopong	68	-	34	-	27	-	6	8.8%	-	-
Thabazimbi	-	-	-	-	-	-	-	-	-	-
Bela-Bela	6,360	-	6,360	-	-	-	-	-	-	-
SUB-TOTAL	25,345	100%	24,767	97.7%	398	1.6%	147	0.6%	32	0.1%
Vhembe	-	-	-	-	-	-	-	-	-	-
Musina	47	-	6	-	5	10.6%	36	76.2%	-	-
Mutale	293	503%	560	191.1%	338	115.4%	197	67.2%	378	129.0%
Thulamela	-	-	-	-	-	-	-	-	-	-
Makhado	1,557	100%	1,557	100.0%	-	0.0%	-	0.0%	-	-
SUB-TOTAL	3,077	236%	2,123	69.0%	343	11.1%	233	1	378	12.3%
Total: Limpopo	176,586	100%	130,884	74.1%	8,052	4.6%	459	0.3%	37,191	21.1%

Appendix B report not Submitted

□ Creditors age analysis

On the contrary, a direct opposite of the debtors is depicted in table 4 above. It be seen here that the municipalities as a collective have performed relatively well in terms of servicing their debt owed to creditors. The over 90 days debt owed to creditors is just 0.5% of the total debt owed, a sharp contrast to the debtors, this can only mean that either municipalities are aware of the implications of not paying or late payment of debt or the creditors have very good strategies or revenue collection. This kind of a picture tells a story that there is a big disjuncture in the financial management in the municipalities in the province.

Table 5: Cash Flow (R'000) May 2008

Municipality	Opening Cash Balance	Add Receipts					Total
		External loan	Grants & Subsidies	Investment redeemed	Statutory Receipts	Other Receipts	
Capricorn	-	-	337,412	-	6,926	8,645	352,983
Aganang	-	-	41,388	-	-	5,210	46,598
Blouberg	-	-	43,696	-	-	19,146	62,842
Lepelle- Nkumpi	22,189	-	56,282	-	-	11,969	-
Molemole	-	-	31,083	-	-	6,855	37,938
Polokwane	166,715	-	838,531	890,000	81,076	661,200	2,470,807
SUB-TOTAL	188,904	-	1,348,392	890,000	88,002	713,025	2,971,168
Greater Sekhukhune	526,616	-	16,679	30,000	-	3,413	50,092
Tubatse	-	-	-	-	-	-	-
Marble Hall	3,789	-	23,909	-	-	32,155	56,064
Elias Motsoaledi Makhuduthamaga	-	-	-	-	-	-	-
Fetakgomo	10,174	-	-	4,202,550	1,196,053	3,899,336	9,297,939
SUB-TOTAL	540,579	-	40,588	4,232,550	1,196,053	3,934,904	9,404,095
Mopani	13,148	-	388,536	31,027	-	6,712	426,275
Greater Tzaneen	27,694	-	5,260	-	-	10,836	16,096
Greater Letaba	5,063	-	70,628	-	-	19,539	-
Greater Giyani	(2,292)	-	61,570	-	-	16,230	77,800
Ba-Phalaborwa	-6,000	4,366	28,073	1,010	82,738	5,548	-
Maruleng	847	-	-	-	-	-	-
SUB-TOTAL	38,460	4,366	554,067	32,037	82,738	58,865	520,171
Waterberg	5,204	-	60,619	33,000	2,367	22,960	118,946
Lephalale	33,831	-	53,427	45,000	14	106,081	204,522
Modimolle	13,054	-	23,674	-	-	44,302	-
Mogalakwena	-	-	67,316	-	-	163,573	230,889
Mookgopong	5,194	-	12,480	-	-	43,987	-
Thabazimbi	1,374	-	-	-	-	-	-
Bela-Bela	-	-	-	-	-	-	-
SUB-TOTAL	58,657	-	217,516	78,000	2,381	380,903	554,357
Vhembe	382,003	-	498	-	-	38,321	-
Musina	1,019	-	16,497	8,640	-	75,089	-
Mutale	(2,752)	-	40,839	-	-	6,248	47,087
Thulamela	54,857	-	-	-	-	-	-
Makhado	4,425	3,030	126,683	-	-	220,028	349,741
SUB-TOTAL	439,552	3,030	184,517	8,640	-	339,686	396,828
Total: Limpopo	1,266,152	7,396	2,345,080	5,241,227	1,369,174	5,427,383	13,846,619

Appendix B report not Submitted

□ Cash flow (add receipts)

Table 5 above depicts a picture of cash receipts by municipalities by source. Receipts are heavily relied on grants and subsidies and other receipts, the other revenue item is a composition of different revenue items and therefore taking into account the debt collection of the municipalities, it can be concluded that there is heavy reliance on GRANTS for revenue by some municipalities. If this trend can proved to be true, it sets a skewed position which can be dangerous for the going concern of a municipality bearing in mind that these are business entities that should have strong own revenue bases.

Table 6: Cash Flow (R'000) May 2008

Municipality	Less: Payments							Total	Closing Balance
	Salaries	Cash and Creditors	Capital Payments	Investments Made	External Loans	Statutory Payments	Other Payments		
Capricorn	48,856	-	76,545	-	-	-	43,218	168,619	184,363
Aganang	15,189	8540	17,664	-	-	-	211	41,604	4,994
Blouberg	25,163	15,026	21,105	-	-	-	-	61,294	1,548
Lepelle- Nkumpi	23,755	27,743	30,835					82,333	8,106
Molemole	13,674		542				7,671	21,887	16,051
Polokwane	213,685	470,755	536,709	1,010,000	7,384	36,992	22,669	2,298,194	339,328
SUB-TOTAL	340,322	522,064	683,400	1,010,000	7,384	36,992	73,769	2,673,931	554,390
Greater Sekhukhune								-	
Tubatse								-	
Marble Hall	23,237	6,331	4,143	-		575	17,729	52,015	7,837
Elias Motsoaledi								-	
Makhuduthamaga								-	
Fetakgomo	11,082	13,046	-	-	-	-	-	22,224	10,636
SUB-TOTAL	34,319	19,377	4,143	-	-	575	17,729	74,239	18,473
Mopani	28,669	403,172	194,334	50,000	-	-	165,227	841,402	(401,980)
Greater Tzaneen								-	
Greater Letaba	19,348		24,629		1,622		41,263	-	8,388
Greater Giyani	44,550	18,676	15,291				3,716	82,233	(6,726)
Ba-Phalaborwa	48,344	17,677	11,364	4,000		17,529	12,723	-	4,098
Maruleng								-	
SUB-TOTAL	140,911	439,525	245,618	54,000	1,622	17,529	222,929	923,635	(396,220)
Waterberg	23,136	15,417	28,203	38,000	-	-	10,603	-	8,792
Lephalale	45,055	155,778	26,840	-	1,570	-	-	229,243	9,109
Modimolle	47,242	14,368	417				15,830	-	3,173
Mogalakwena	86,647	-	-	-	-	-	107,498	194,145	36,743
Mookgopong	16,274	21,936	10,777				2,774	-	9,899
Thabazimbi								-	
Bela-Bela								-	
SUB-TOTAL	218,354	207,499	66,237	38,000	1,570	-	136,705	423,388	67,716
Vhembe	95,610		208,180				67,923	371,713	546,509
Musina	25,287	54,473	2,613	14,306	1,381		3,433	101,493	(249)
Mutale	21,194	4,877	5,081		584	5,017	274	37,027	7,307
Thulamela								-	
Makhado	93,752	49,750	31,858	-	1,098	1,598	114,480	292,536	61,629
SUB-TOTAL	235,843	109,100	247,732	14,306	3,063	6,615	186,110	802,769	615,196
Total: Limpopo	969,749	1,297,565	1,247,130	1,116,306	13,639	61,711	637,242	4,897,962	859,555

Appendix B report not Submitted

□ Cash flow (add payments)

Financial planning is much to be deserved in our municipalities looking at the huge out flows in cash and creditors and investments. Table 6 above paints a picture that when municipalities are not spending for service delivery, they are investing these unspent monies. What becomes of these investments is interesting if every year the trend is that there is under spending on major items like capital and a possible increase in conditional grants. Of course it has been reiterated that if there was proper reporting, the above picture would probably worsen.

Table 7: Grants (R'000) May 2008

Municipality	Original Grant Budget	Adjusted Grant Budget	Actuals Year to Date	Actuals as a % of adjusted grant Budget	Original Budget	Adjusted Grant Budget	Actual Expenditure May 2008	Actuals as a % of adj grant Budget
Capricorn	360,854	360,854	334,256	92.6%	360,854	360,854	32,067	8.9%
Aganang	40,670	48,185	41,388	85.9%	40,670	48,185	41,604	86.3%
Blouberg	53,053	53,053	65,881	124.2%	53,053	53,053	34,157	64.4%
Lepelle- Nkumpi	62,447		56,282	-	62,447		53,148	-
Molemole	34561	34561	31083	89.9%	-	-	-	-
Polokwane	740,085	1,062,162	838,531	78.9%	740,085	1,062,162	621,046	58.5%
SUB-TOTAL	1,291,670	1,558,815	1,367,421	87.7%	1,257,109	1,558,815	782,022	50.2%
Greater Sekhukhune				-				-
Tubatse				-				-
Marble Hall	31,623	31,623	24,318	76.9%	31,805	31,805	14,803	46.5%
Elias Motsoaledi				-				-
Makhuduthamaga				-				-
Fetakgomo	-	-	-	-	-	-	-	-
SUB-TOTAL	31,623	31,623	24,318	76.9%	31,805	31,805	14,803	46.5%
Mopani	325,565	367,202	369,901	100.7%	325,565	367,202	258,762	70.5%
Greater Tzaneen				-				-
Greater Letaba	68,447	68,447	70,628	-	68,447	68,447	69,494	101.5%
Greater Giyani	99,950	68,977	65,268	94.6%	99,950	68,977	68,919	99.9%
Ba-Phalaborwa	60,639	60,639	27,106	-	60,639	60,639	21,457	35.4%
Maruleng				-				-
SUB-TOTAL	554,601	565,265	532,903	94.3%	554,601	565,265	418,632	74.1%
Waterberg	-	-	-	-	-	-	-	-
Lephalale	-	-	-	-	-	-	-	-
Modimolle	37,134	37,134	31,515	84.9%	31,734	31,734	215	0.7%
Mogalakwena	178,266	216,505	92,889	42.9%	73,155	73,155	55,770	76.2%
Mookgopong	16,360	16,360	9,040	55.3%	16,360	16,360	9,864	60.3%
Thabazimbi				-				-
Bela-Bela				-				-
SUB-TOTAL	231,760	269,999	133,444	49.4%	121,249	121,249	65,849	54.3%
Vhembe	564,996	611,849	498,889	81.5%	564,996	611,849	370,624	60.6%
Musina	15,279	15,279	15,213	-	15,279	15,279	14,984	98.1%
Mutale	21,926	31,653	41,262	130.4%	2,230	11,957	477	4.0%
Thulamela				-				-
Makhado	85,803	126,033	126,033	100.0%	85,803	85,803	124,537	145.1%
SUB-TOTAL	688,004	784,814	681,397	86.8%	668,308	724,888	510,622	70.4%
Total: Limpopo	2,797,658	3,210,516	2,739,483	85.3%	2,633,072	3,002,022	1,791,928	59.7%

Appendix B report not Submitted

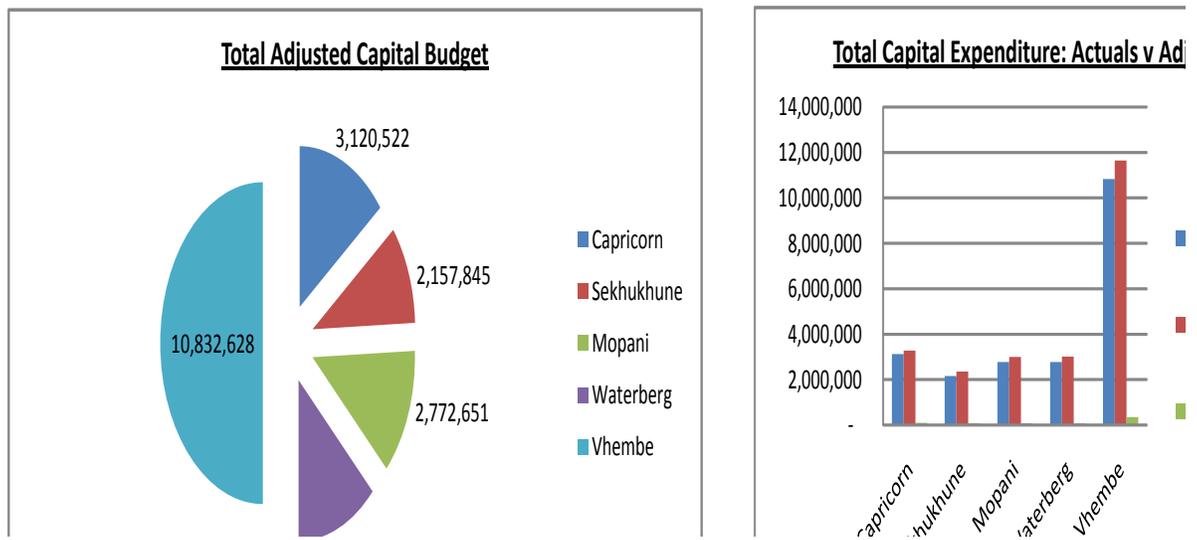
□ Grants

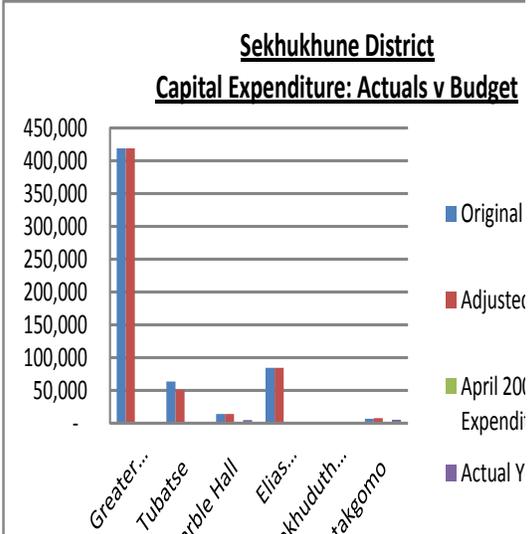
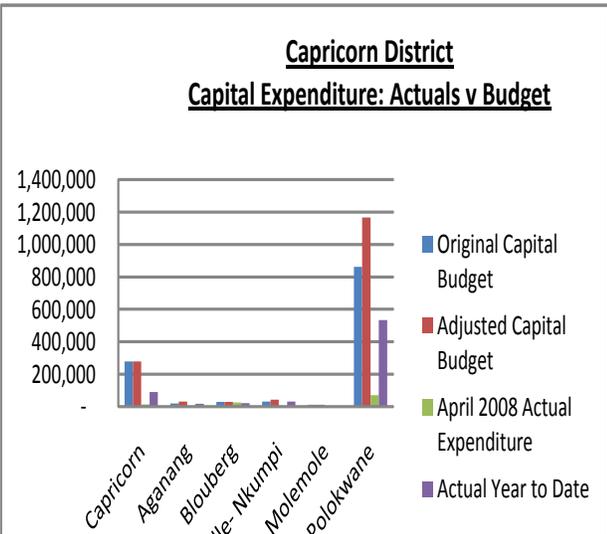
Conditional grants expenditure is at a respectable 85.3% of the adjusted budget though it still falls of the straight-line spending by 6.3%. This shortfall can be attributed to the municipalities that did not submit their reports or submitted late. If this trend of spending can be translated into projects, then we can confidently conclude that our municipalities have taken the needs of the public at heart. However, it is interesting to notice the disjuncture in spending between item classification capital and the grants. If the picture being portrayed in table 7 above is correct, then there is a problem in reporting in capital as can be seen in table 1 above. It is firmly believed that a grater portion of the grants is allocated to capital projects, which according to the reports show a consolidated low spending of 36%. This disparity in reporting prompts municipality to ensure credibility of the reports before they are submitted to the stakeholders.

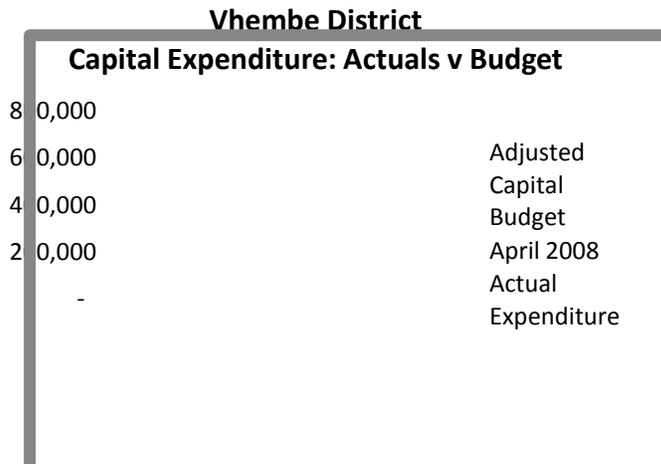
Illustrations by graphs

The graphs below simply are a graphical interpretation of the tables and the analysis above. They basically show and tell the same analysis as in the above but only that the graphs are more pictorial. The conclusion at the end comes to the same and therefore the narrative has not been repeated below.

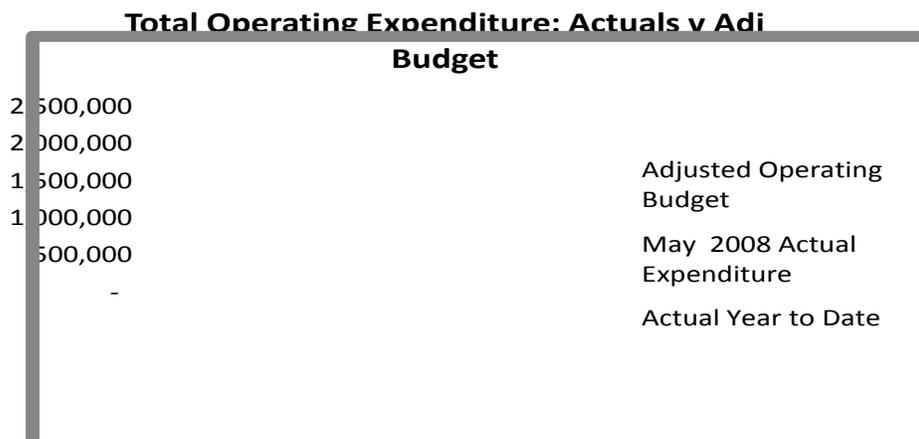
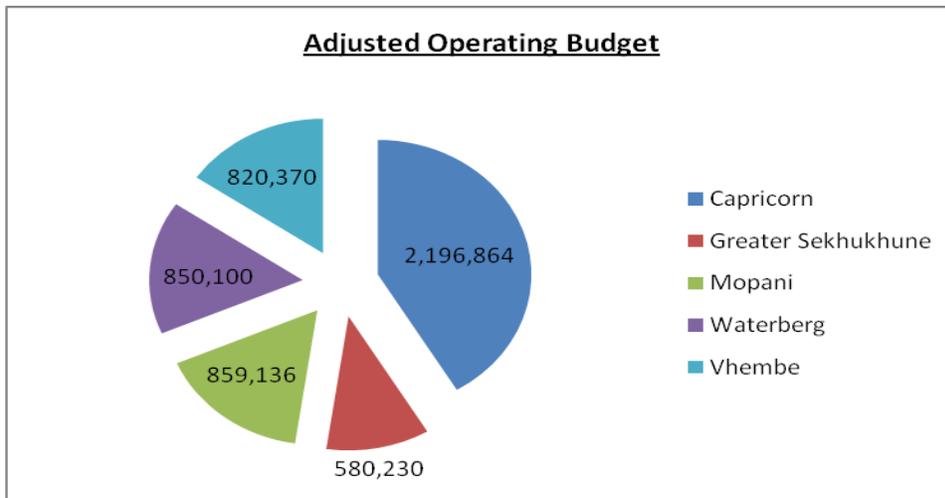
Capital Expenditure by District







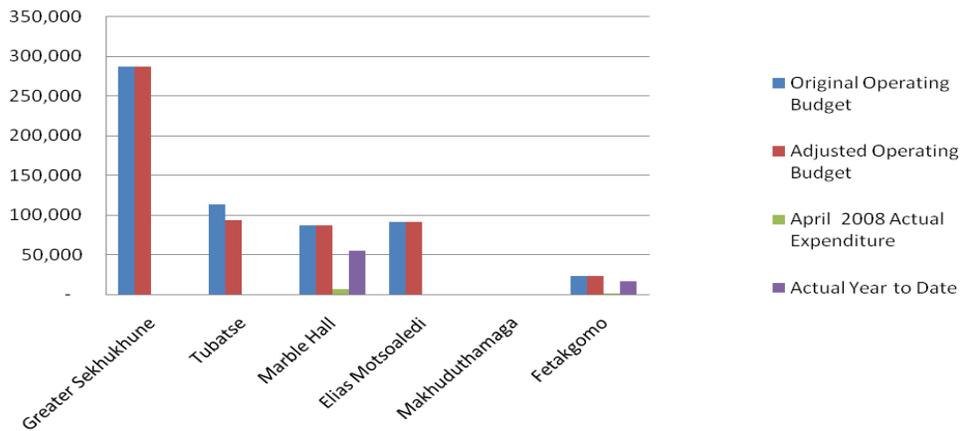
Operating Expenditure by District



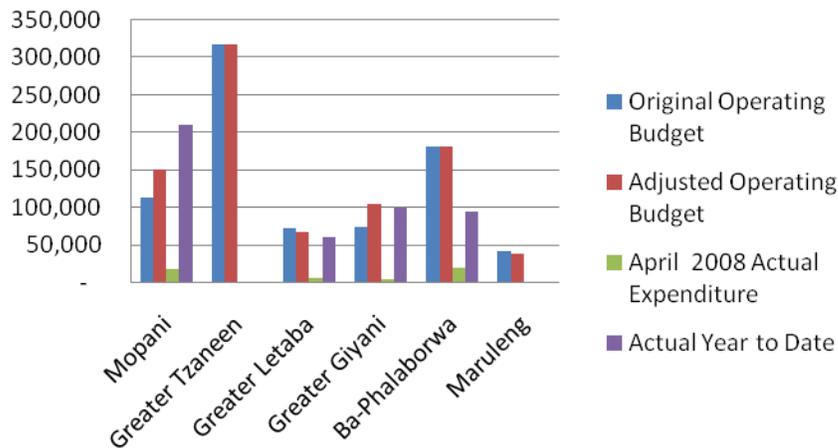
Capricorn District Operating Expenditure: Actuals v Adj Budget

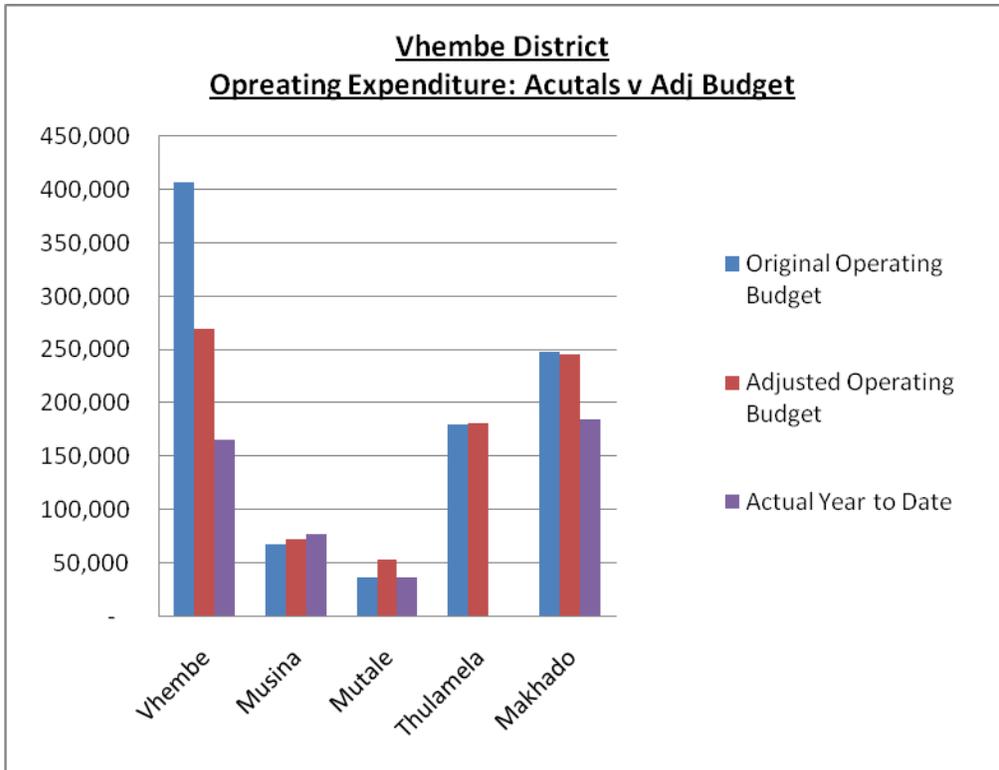
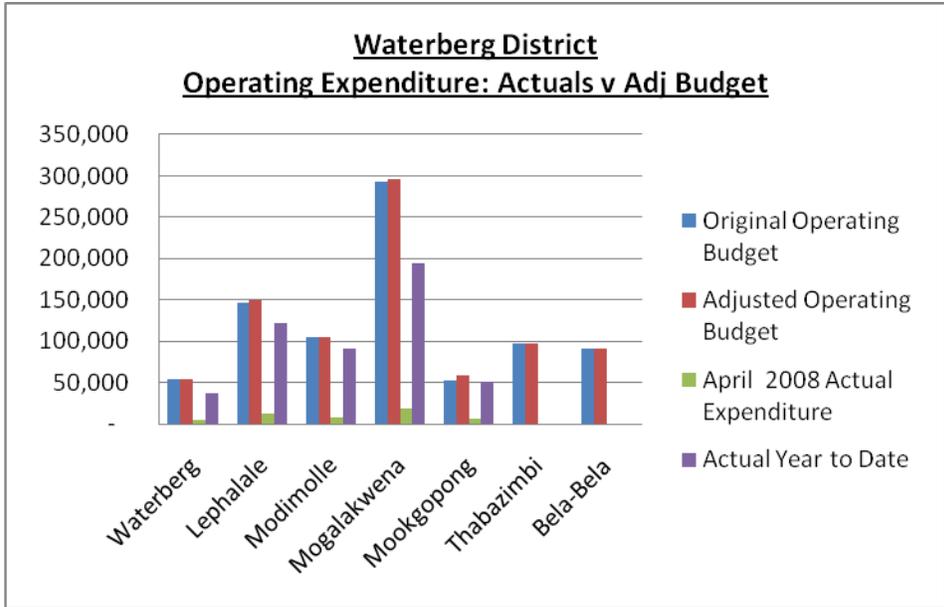


Sekhukhune District Operating Expenditure: Actuals v Adj Budget

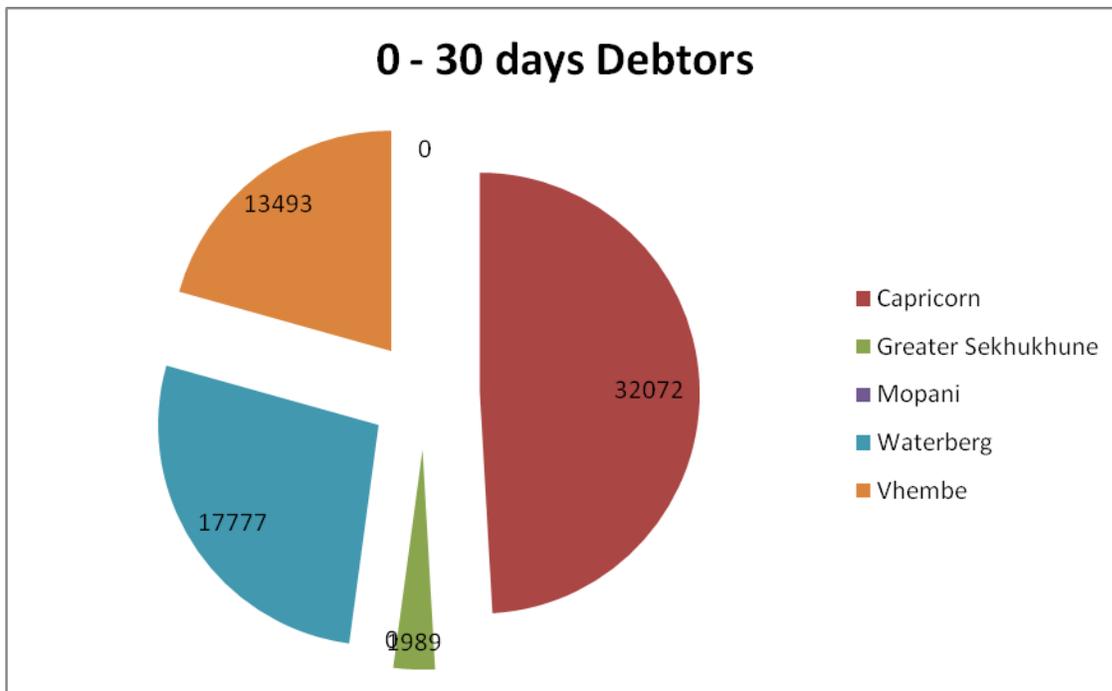
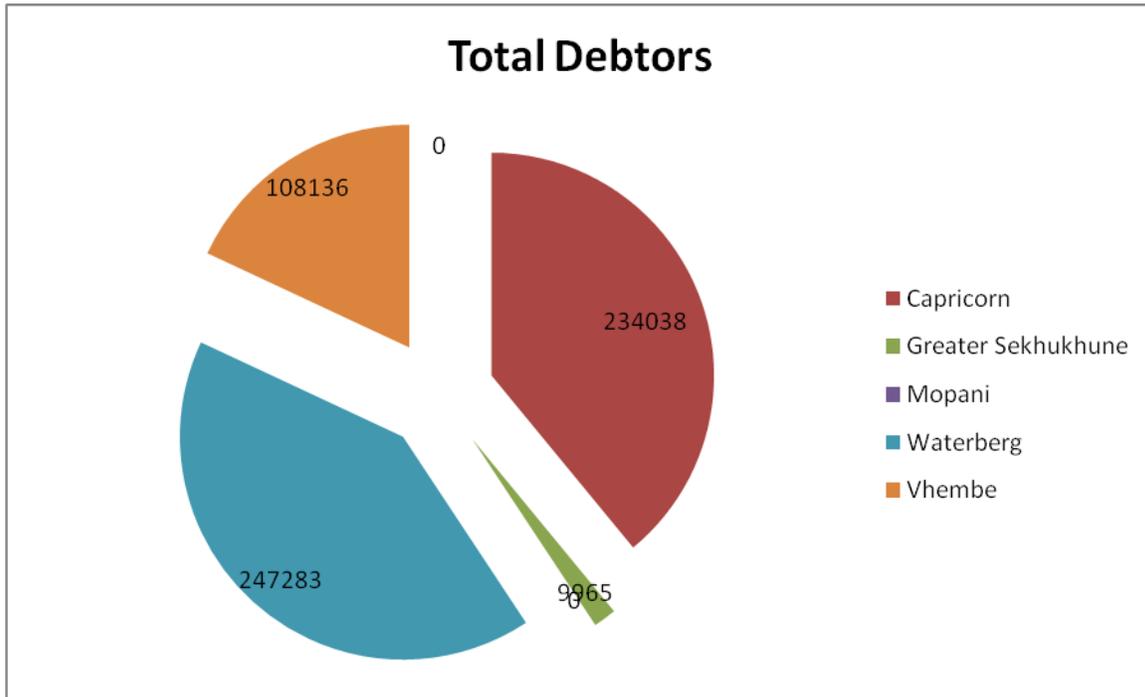


Mopani District Operating Expenditure: Actuals v Adj budget

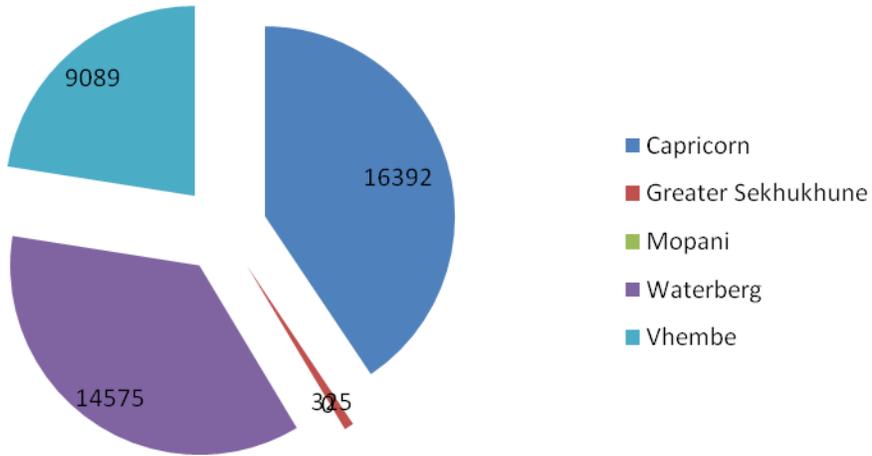




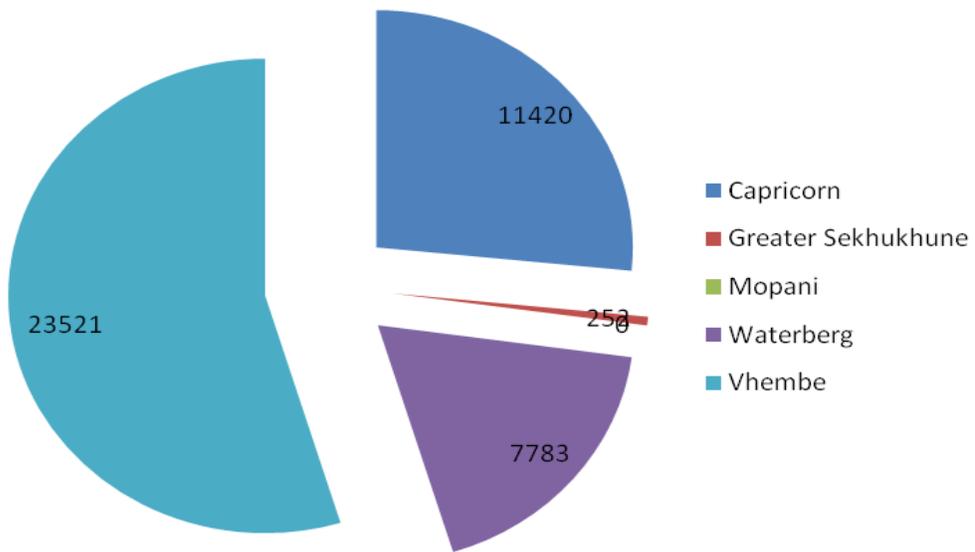
Illustrations by Municipality detailed analysis (Debtors).

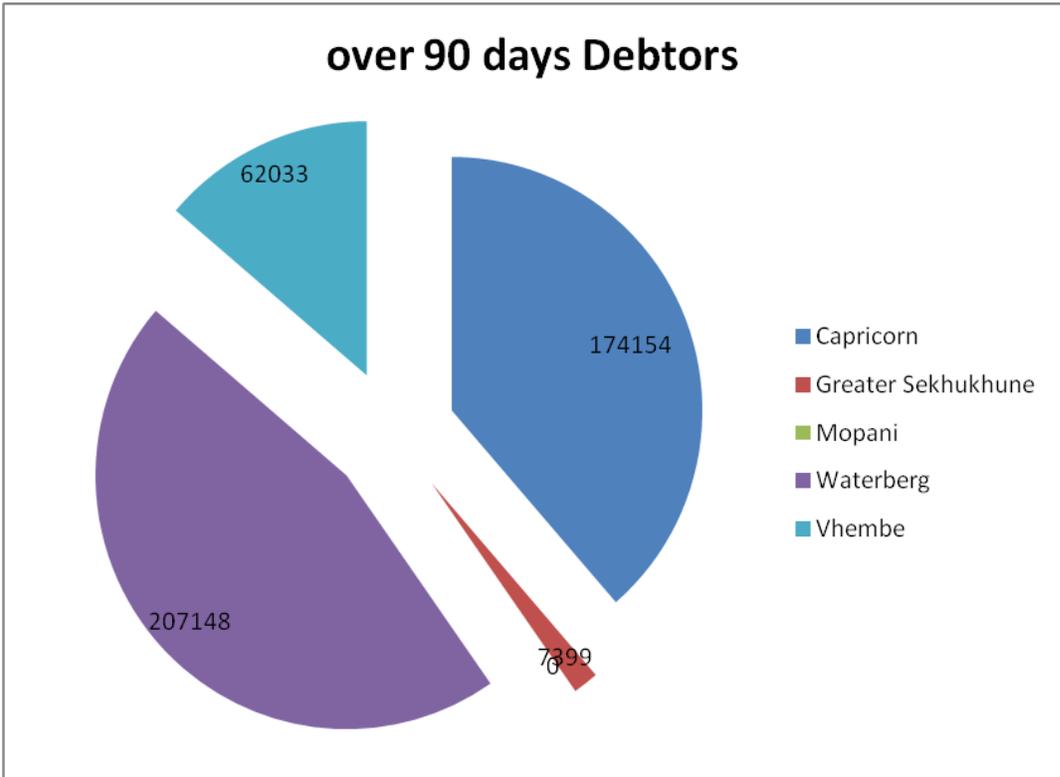


31 - 60 days Debtors

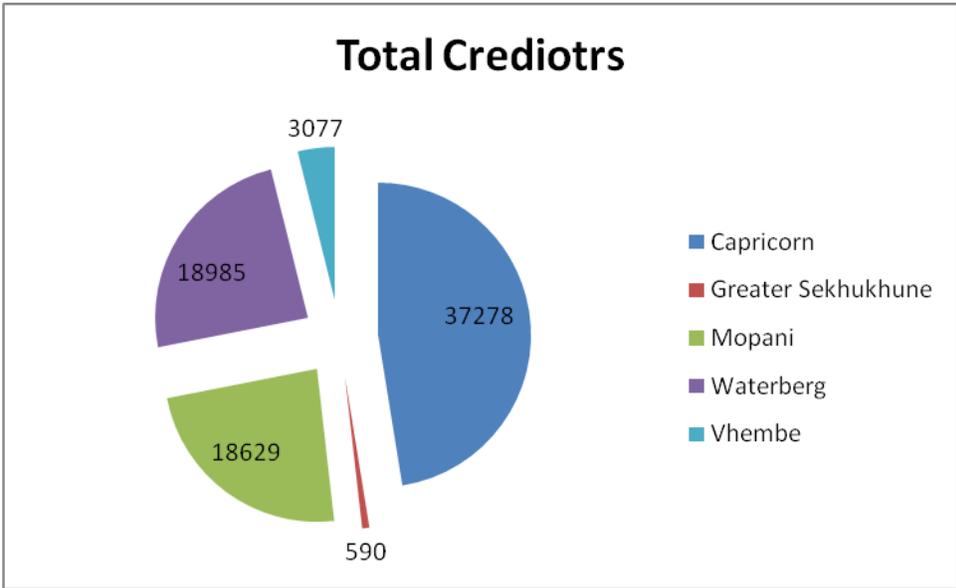


61 - 90 days Debtors

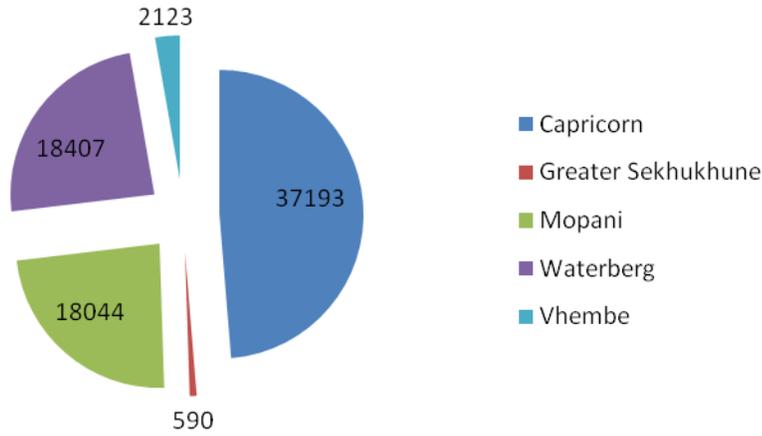




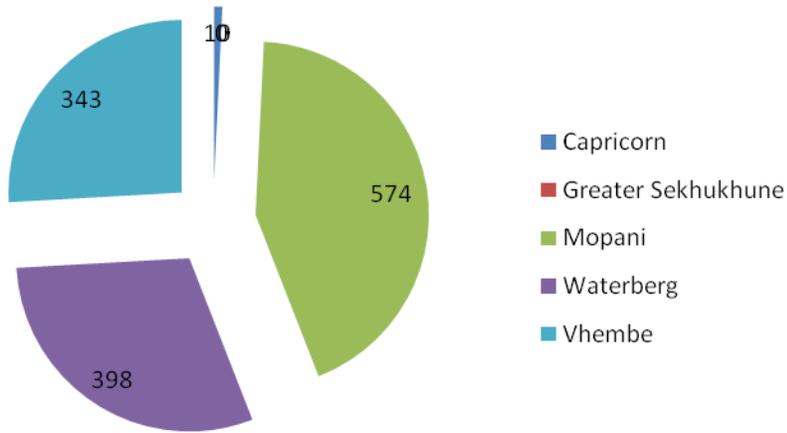
Illustrations by Municipality detailed analysis (Creditors).



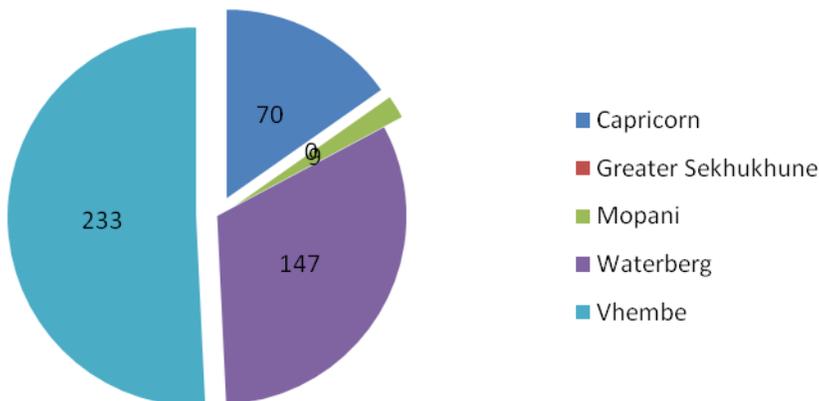
0 - 30 days Creditors



31 - 60 days Creditors



61 - 90 days Creditors



over 90 days Creditors

