

**The USAID BEA assists in analyzing  
the municipalities' financial  
condition**

*Aleksandar Sahov*

**The creditworthiness model as a  
tool at the Integrated Business  
Faculty**

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# ***DECENTRALIZATION OUR GOAL***

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## From the editor

### Dear Readers,



*Credit analysis is a product of the operation of a credit market and only becomes viable when and where there are a variety of competing investments with differing risk and reward characteristics. Credit ratings are the leading form of institutionalized credit analysis and assist in developing an active securities market by pooling skills to develop opinions. Ratings play an important role in that they focus on credit risk (risk of payment delay or default) which is then used to help judge risk and reward.*

*With an objective to strengthen the municipalities' capacities in the fiscal and financial management, the USAID Business Environment Activity signed a contract with the CEA consultant and an independent consultant Gjorgji Josifov to develop the model for assessing the creditworthiness of the local self government units in Macedonia. The consultants' team developed a Microsoft Excel model taking into account the Macedonian legislation and the information from the statistical system of Macedonia (State Statistical Office, Ministry of Finance, LGU information system etc) and the international practice from the credit rating agencies.*

*The main goal of the excel model is to adapt a credit worthiness tool as a mean of preparing Local Governments for borrowing according to the Law on Financing of the LSG in Macedonia.*

*So far the model was used to assess creditworthiness of Veles, Strumica, Bitola and Struga. Both the Mayor and the administration of these LGUs were willing to cooperate, open for suggestions and it was real pleasure to work with them. The model and the handbook have been also used by the Integrated Business Faculty in their education for adults and so far were used from scholars to assess creditworthiness of Kratovo and Kriva Palanka. I wish LGUs good luck in their future capital investment planning.*

Best wishes,  
Marjan Nikolov, MSc  
Editor



1) Thanks to the World Learning's (USAID) small grant, that CEA won in a competitive bid, the web page: <http://www.lsg-data.org.mk> is available for all those in need of data, information and indices related to the LSG. CEA is pioneer among the NGOs in hosting database with LSG data on the Internet and making it available to the larger public with no fee.

## THE BEA ASSISTS IN ANALYZING THE MUNICIPALITIES' FINANCIAL CONDITION

The USAID's Business Environment Activity (BEA) has started its activities for improving the business environment in October 2006. One of the key activities was focused on the fiscal decentralization process through better financing of municipalities and increasing the public capital investments.

BEA established cooperation with four pilot municipalities: Veles, Strumica, Bitola and Struga and provided trainings, study visits and other professional expert assistance for improving the budget management, financing through crediting and public private partnerships, by which the capacities of these municipalities for fiscal management and successful taking over of increased duties that arise from the fiscal decentralization were further developed.

As a result of the activities, a model for evaluation of the credit worthiness of the local self-government was developed, which is actively used by municipalities in assessing their financial standing. Also, the initial four

studies in the form of "credit rating models" for the pilot municipalities were prepared and published based on this model. The models provide a wider picture of the socio-economic and financial status of these municipalities and serve to the Councils and Mayors to better analyze their capacities for financing and future development. By understanding their solvency, municipalities will be able to adequately negotiate the borrowing terms and conditions with the banks, as well as to decide whether to issue bonds and attract domestic and foreign capital for financing infrastructural projects.

I hope that the model for evaluation of creditworthiness will be widely applied in Macedonia and will contribute to the faster local economic development and increased number of investments.

Yours faithfully,

*Aleksandar Sahov*

Chief of Party, USAID's Business Environment Activity

### Illustration of the Model

The model 14 sheets as illustrated in the next table.

*Table. The Microsoft Excel model worksheets.*

Worksheet	Explanation
Logbook	Changes compared to the preceding version of the Microsoft Excel model.
Instructions	Basic information on how to operate the model.
Assumptions	Different variables: macroeconomic, demography, economy.
Nominal budget	Nominal values of budget items. Executed and forecasted.
Constant budget (executed)	Constant values of budget items. Executed and forecasted.
Budget performance	Comparison between planned and executed budget.
Operating surplus	Calculation of the operating surplus.
Forecasting	Forecasting assumptions of budget revenue and expenditure items .
Fiscal indicators	Main fiscal indicators calculation.
Expenditure indicators	Main expenditure indicators calculation.
Financial indicators	Main financial indicators calculation.
Debt indicators	Main debt indicators calculation.
Loans	Loan and debt characteristics.
Amortization plan calculator	Amortization plan calculator.



From the workshop on creditworthiness modeling

Group one testing the creditworthiness model at CEA premises



Group two testing the creditworthiness at CEA premises



Marjan Nikolov is presenting the creditworthiness model at CEA premises

## Municipality of Veles

### Fiscal indicators

#### Revenues indicators

	2005	2006
Tax revenues / own revenues	0,955	0,642
Tax revenues / total revenues	0,522	0,527
Tax revenues / central government authority transfers	1,126	1,188
Own revenues / total revenues	0,547	0,661
Duties incomes and reimburse / own revenues	0,585	0,451
Duties incomes and reimburse / total revenues	0,321	0,298
Revenues by VAT и PIC / total revenues	0,132	0,155
Central authority transfers / total revenues	0,445	0,332

#### Expenditure indicators

	2005	2006
Current operative balance of account over current operative expenditures	0,041	0,343
Operative expenditures / current operative revenues	0,961	0,747
Capital expenditures / total budget expenditures	0,223	0,336
Capital expenditures / current operative expenditures	0,288	0,506

#### Capital revenues / Capital expenditures

	2005	2006
Capital revenues / total revenues	-	-
Transfers for capital assignation / total revenues	0,310	0,129
Capital expenditures / total expenditures	0,172	0,336

#### Population indicators

	2005	2006
Total Budget revenues / population (per capita)	1.651	2.985
Own revenues / population	720	1.216
Current operative revenues / population	270	624
Capital expenditures / population	425	237
Current operative expenditures / population	863	1.184
Central authority transfers / population	898	1.590

We can extract couple of important conclusions from these tables due concluding on the credit accountability of the local self-governance, Veles.

1. A significant level of flexibility considering the incomes. It means that this LSG during a period of two years has managed to shift its level of dependence from a medium one to a lower one. This is illustrated through the growth of its own incomes compared to the total incomes from 54,7% in 2005 to 66,1% in 2006.

2. As expected, this lead to a decrease of 44,5 % in 2005 to 33,2% in 2006 of the influence of the transfers from the central authority as part of the budget incomes. All incomes based on the newly introduced ones, so called divided taxes, the value added tax - VAT and the personal income tax, sustain relatively stable level of 13,2 - 15,5% in 2006 as part of the incomes.

3. The level of the tax incomes into the total amount of incomes in 2006 remains on the same level as in 2005, i.e 52%, but when compared to the significantly increased level of realized incomes, there is an 39,8% increase on the side of the incomes in 2006 as compared to 2005. This point to the fact that as a result of the increased tax bases and on the increased fiscal efforts due to the transfer of the authority from central to local level - the Municipality is capable to generate more tax incomes.

4. The realization of the current - operative incomes, and of the current - operative expenditures as well underlined the fact that 74,7 % of the current - operative expenditures in 2006 are covered by the current - operative incomes and the rest 25,3 % of the assets can be distributed towards the payment of an eventual debt which would possibly come out if the Municipality of Veles borrows capital from the capital market, which in total is 22,5 mil. of denars .

5. A high increase in the balance of the current, operative incomes as compared to the current, operative expenditures is noticed. The index of 0,343 in 2006 points out to the municipality's solid credit potential to take over credit liabilities.

6. The investment activity of the LSG has also been increased. The percentage of the capital expenditures in the total amount of expenditures in 2006 is increased by 11,3 percentage points as compared to 2005 and is equal to 33,6%.

7. An increase in the amount of capital expenditures as compared to the extent of realization of the current, operative expenditures is also been noticed. It means that the level of realization of 28,8% as compared to the level of current, operative expenditures in

2005, has increased for up to 50,6 % in 2006, which points out to the high degree of realization of the financial assets for capital utilization.

8. All population indicators show positive changes except for the indicator of capital transfers, which are due to the level of decreased transfers for capital utilization from the central government authorities in the year of 2006. All other indicators, like the total budget incomes per capita show an increase from 1,651 in 2005 to 2,985 denars in 2006. The rest of the most indicative examples, like the personal incomes per capita and the capital expenditures are increased from the level of 720 up to the level of 1,216 denars, or from 270 to 624 denars per capita, respectively.

## Municipality of Strumica

### Fiscal indicators

#### Revenues indicators

	2005	2006
Tax revenues / own revenues	0,858	0,837
Tax revenues / total revenues	0,582	0,618
Tax revenues / central government authority transfers	1,811	2,831
Own revenues / total revenues	0,678	0,738
Duties incomes and reimbursements / own revenues	0,651	0,648
Duties incomes and reimburse / total revenues	0,441	0,478
Revenues by VAT и PIC / total revenues	0,097	0,156
Central government authority transfers / total revenues	0,321	0,218

#### Expenditure indicators

	2005	2006
Current operative balance of account over current operative expenditures	0,722	0,713
Operative expenditures / current operative revenues	0,581	0,584
Capital expenditures / total budget expenditures	0,483	0,413
Capital expenditures / current operative expenditures	1,098	0,819

#### Capital revenues / Capital expenditures

	2005	2006
Capital revenues / total revenues	-	0,044
Transfers for capital assignation / total revenues	0,088	0,091
Capital expenditures / total expenditures	0,483	0,413

#### Population indicators

	2005	2006
Total Budget revenues / population (per capita)	2.159	2.790
Own revenues / population	1.464	2.060
Current operative revenues / population	1.633	2.413
Capital expenditures / population	1.042	1.154
Current operative expenditures / population	948	1.408
Central authority transfers / population	694	609
Capital transfers / population	191	254

We can extract couple of important conclusions from these tables due concluding on the credit accountability of the local self-governance, Strumica.:

1. Significant level of flexibility considering the incomes. It means that this LSG during a period of two years, has managed to shift its level of dependence from a medium one to a lower one. This is illustrated through the growth of its own incomes as compared to the total incomes from 67,8% in 2005 to 73,8% in 2006.

2. As expected, this lead to a decrease of 32,1% in 2005 to 21,8% in 2006 in the influence of the transfers from the central government authority as a part of the budget incomes. All incomes based on the newly introduced ones, so called divided taxes, the value added tax - VAT and the personal income tax, have increased their amount of the total amount of the incomes from 9,7% to 15,6% in 2006.

3. The level of the tax incomes in the total amount of incomes in 2006 has noted a slight increase as compared to 2005 or 61,8% versus 58,2%, but at present as compared to the significantly increased level of realized incomes, 152.538.844 denars in 2006 compared to 118.061.882 denars in 2005, it shows an increase of 29,2%. This points to the fact that as a result of the increased tax basis and the increased fiscal efforts due to the transfer of the authority from central to local level - the Municipality is capable to generate more tax incomes.

4. The realization of the current, operative incomes and of the current, operative expenditures as well, underlined the fact that 58,4 % of the amount of current, operative expenditures in 2006 are covered by the current, operative incomes and the rest 41,6 %, or 55 mil. denars of the assets can be used for settling the municipality's responsibilities or they can be distributed towards the payment of an eventual debt which would possibly come out if the Municipality of Strumica borrows capital from the capital market.

5. The level of the current, operative income as compared to the level of operative expenditures

remains stable in the past two years. The index 0,713 in 2006 points out to the municipality's solid credit potential to take over credit liabilities.

6. Accordingly, the level of the LSG's investment activity is relatively stable, although the level of the capital expenditures in the total amount of expenditures in 2006 is 41,3 % and is 7 percent less as compared to 2005. But on the other hand, the total outcome noticed an increase for up to 6 mil. denars. This is due to the increased level expenditures in the municipality's budget in 2006 as compared to 2005.

7. A decrease in the level of capital expenditures as compared to the extent of realization of the current, operative expenditures, is also being noticed. Consequently, this means that 109,8 % of the level of realization as compared to the realized current, operative expenditures in 2005, is decreased to 81,9% in 2006. This fact

point out to the remarkable high degree of realization of the financial assets for the capital utilization. The index which is around 100, shows nearly identical usage of financial assets for both current operative and also for capital utilization, which is a remarkable fact that shows the dedication of the municipality towards realization of capital projects.

8. The comparison of the indicators of the 2006 to the year of 2005 illustrates positive change among all of population indicators per capita, except for the indicator for transfers from the central government authorities. All of the other indicators, like for example the total budget incomes per capita show an increase from the level of 2,159 in 2005 to the level of 2,790 denars in 2006. The rest of most indicative examples, like for example the personal income per capita and the capital expenditures, are increased from the level of 1,464 to the level of 2,060 denars in 2005, or from the level of 1,042 to the level of 1,154 per capita in 2006.

## Municipality of Bitola

### Fiscal indicators

#### Revenues indicators

	2005	2006	2007
Tax revenues / own revenues	86,9	90,6	90,1
Tax revenues / total revenues	59,7	64,1	66,2
Tax revenues / central government authority transfers	190,8	219,1	257,5
Own revenues / total revenues	68,7	70,7	73,5
Own revenues / central government authority transfers	219,6	241,8	285,9
Duties incomes and reimbursements / own revenues	40,3	40,8	44,6
Duties incomes and reimbursements/ total revenues	27,7	28,9	32,8
Revenues by VAT и PIC / total revenues	13,8	25	17
Central government authority transfers / total revenues	31,3	29,3	25,7
Current operative balance / total revenues	26,2	27,7	41

#### Expenditure indicators

	2005	2006	2007
Current operative balance / current operative expenditures	49,8	45,2	90,3
Current operative expenditures / current operative revenues	66,7	68,9	52,6
Capital expenditures / total budget expenditures	43,1	36,6	38
Capital expenditures / current operative expenditures	75,8	57,7	61,4

#### Capital revenues / Capital expenditures

	2005	2006	2007
Capital revenues / total revenues	-	-	-
Transfers for capital assignation / total revenues	21,1	10,9	12,8
Capital expenditures / total expenditures	43,1	36,6	38

#### Population indicators

	2005	2006	2007
Total Budget revenues / population (per capita)	1.897	2.114	3.070
Own revenues / population	1.303	1.495	2.256
Current operative revenues / population	1.497	1.883	2.653
Capital expenditures / population	758	748	856
Current operative expenditures / population	999	1.297	1.394
Central authority transfers / population	593	618	789
Capital transfers / population	340	231	392

We can extract couple of important conclusions from these tables due concluding on the credit accountability of the local self-governance, Bitola:

9. Significant level of flexibility considering the incomes. It means that this LSG during a period of three years, has noted a relative low level of dependence of central government authority transfers. This is illustrated through the growth of its own incomes as compared to the total incomes from 68,7% in 2005 to 70,7% in 2006 and 73,5% in 2007.

10. As expected, this lead to a decrease of 31,3% in 2005 to 29,3% in 2006 and 25,7% in 2007 in the influence of the transfers from the central government authority as a part of the total budget incomes. All incomes based on the newly introduced ones, so called divided taxes, the value added tax - VAT and the personal income tax, in the first year after introducing of fiscal decentralization, have increased their amount of the total amount of the incomes from 13,8% to 25% in 2006, while in 2007 we have noticed that they are decreased for 17%. This is due to the increased level of generating own revenues.

11. The level of the tax incomes in the total amount of incomes in 2006 has noted a slight increase as compared to 2005 or 64,1% versus 59,7%, but at present as compared to the significantly increased level of realized incomes, 201.623.496 denars in 2006 compared to 180.932.134 denars in previous year, it shows an increase of



11,4%. This trend continuing in 2007 where the increase is 2.1 % percent compared to the 2006, but the absolute level of total budget revenues is higher i.e. 292.887.912. denars, and absolute level of the tax revenues is set on 193.818.888 denars. This point to the fact that as a result of the increased tax basis and the increased fiscal efforts due to the transfer of the authority from central to local level - the Municipality is capable to generate more tax incomes.

12. The realization of the current, operative incomes and of the current, operative expenditures as well, underlined the fact that 68,9 % of the amounts of current, operative expenditures in 2006 are covered by the current, operative incomes, while in 2007 we have noticed decrease of 52,6%. This convenient trend shows that the rest 47,4%, or 120mil. denars of the assets can be used for settling the municipality's responsibilities.

13. In the first two analyzed budget years we are noticed stabile level of the current, operative balance of account as compared to the level of operative expenditures remains stable in the past two years, the index 49,8 respectively 45,2% in 2006 points out to the municipality's solid credit potential to take over credit liabilities, and in 2007 this potential become more stronger which can be noticed by index 90.3.

14. Accordingly, the level of the LSG's investment activity is relatively stable, although the level of the capital expenditures in the total amount of expenditures in 2006 is 36,6 % and is 6,5 percent less as compared to 2005, but the absolute amount of capital investments does not notice decrease. This is due to the increased level expenditures in the municipality's budget in 2006 as compared to 2005. Again in 2007, slight increase in relative and absolutely sense is being noticed, namely the percent of capital expenditures in total expenditures is increased to 38% or 81,5 mil. denars.

15. Similar situation is also being noticed in the level of capital expenditures as compared to the extent of realization of the current, operative expenditures. Consequently, this means that 75,8 % of the level of realization as compared to the realized current, operative expenditures in 2005, is decreased to 57,5% in 2006, while in 2007 is note increase of level of 61,4%. This fact point out the remarkable high degree of realization of the financial assets for the capital utilization and it shows the dedication of the municipality towards realization of capital projects.

16. Emphasizing the significant fiscal effort of tax administration in the tax revenues collection, the level of realization is 102% as compared to planned, it is important to note the fact that the surplus of transferred revenues of 2007 in 2008 is 78 mil. denars. Beside that this surplus is a result of transferred 18 mil.denars from central authority at the end of the year, thus Local self-government was unable to start tender procedure for spending of assets, also a part of this surplus especially tax revenues are realized of the end of the budget year and this points to the fact that planning of revenues wasn't appropriate or expenditure part of budget isn't realized enough and is under planned level.

17. The comparison of the indicators of the 2007 to the year of 2006, i.e. 2006 to the year of 2005 illustrates positive change among all of population indicators per capita, except for the indicator for capital transfers. All of the other indicators, like for example the total budget incomes per capita show an increase from the level of 1,897 in 2005 to the level of 2,114 denars in 2006 and to 3.070 denars in 2007. The rest of most indicative examples, like for example the personal income per capita are increased from the level of 1,303 to the level of 1,495 i.e. 2.256 denars in 2007, while the capital expenditures kept the level of 758 denars in 2005, respectively 748 denars per capita in 2006, as far as in 2007 capital expenditures note slight increase to 856 denars.

## Municipality of Struga

### Fiscal indicators

#### Revenues indicators

	2005	2006	2007
Tax revenues / own revenues	93	85,4	92,8
Tax revenues / total revenues	63,6	48,4	62,4
Tax revenues / central government authority transfers	226,5	273,7	379
Own revenues / total revenues	68,4	56,7	67,3
Own revenues / central government authority transfers	243,7	320,3	408,6
Duties incomes and reimbursements / own revenues	65,3	59,2	70,9
Duties incomes and reimbursements/ total revenues	44,7	33,6	47,7
Revenues by VAT и PIC / total revenues	11,9	13,5	12,5
Central government authority transfers / total revenues	28,1	17,7	16,5
Current operative balance / total revenues	20	2,1	24,4

#### Expenditure indicators

	2005	2006	2007
Current operative balance / current operative expenditures	33,9	3,2	45
Current operative expenditures / current operative revenues	74,7	96,9	69
Capital expenditures / total budget expenditures	32,8	31,2	45,7
Capital expenditures / current operative expenditures	48,7	45,4	74,8

We can extract couple of important conclusions from these tables due concluding on the credit accountability of the local self-governance, Struga:

18. Acceptable positive level of flexibility considering the incomes. It means that this LSG during a period of two years, notice tendency of decreasing of dependence from central government authority transfers illustrated trough the relative continual level of its own incomes as compared to the total incomes from 68,4% in 2005, then slight decrease to 56,7% in 2006, and in 2007 it's return to condition before two years ago 67,3%.

19. As expected, this lead to a decrease of 28,1% in 2005 to 17,7% in 2006 and 16,5% in 2007 in the influence of the transfers from the central government authority as a part of the total budget incomes. All incomes based on the newly introduced ones, so called divided taxes, the value added tax - VAT and the personal income tax, after introducing of

fiscal decentralization notice average level of 12,6% as a part of the total incomes, illustrated by years, 11,9% in 2005, 13,5% in 2006 and 12,5% in 2007.

20. The level of the tax incomes in the total amount of incomes in 2006 has noted decreasing in relative sense or 48,4% versus 63,6% of 2005, but on the other hand in 2006 total realized revenues notice double increasing, namely 206.299.863 denars versus the level of 112.068.147 denars from previous year. In 2007 we notice constant positive trend as compared to absolute increase of total revenues - 224.803.654 denars, while relative increase is 14 percent as compare to 2006. In the same time tax revenues

are increased of 99.931.973 denars in 2006 to 140.389.094 denars in 2007. This point to the fact that as a result of the increased tax basis and the increased fiscal efforts due to the transfer of the authority from central to local level - the Municipality is capable to generate more tax incomes.

21. The realization of the current - operative incomes and of the current operative expenditures as well, underlined the fact that 96,9 % of the current operative expenditures in 2006 are covered by the current operative incomes, while in 2007 we have noticed decrease of 69%. Contrary to unfavorable condition in 2006, when practically after balancing of current operative expenditures, the residual assets of current operative revenues are not enough to cover capital expenditures, in 2007 is noticed favorable situation which points to the fact that the rest 31%, or 55 mil. denars of the assets can be used for settling the municipality's responsibilities.

22. In the first and third analyzed budget years we are noticed stable level of the current, operative balance of account as compared to the level of current operative expenditures, index 33,9 in 2005, respectively 45 in 2007, points out to the municipality's solid credit potential to take over credit liabilities, but in 2006 is noticed condition where municipality's responsibilities can not be increase because the index is only 3,2.

23. The level of the LSG's investment activity, as a part of the capital expenditures in the total amount of expenditures in 2005 to 2007 notice continually increasing in absolute value - 50% consecutively in previous three years, namely, 32 mil. denars in 2005, 62 mil. denars in 2006 and 91 mil. denars in 2007. But, because of extremely high level of increasing of the total budget of Municipality Struga in 2006 as compared to 2005, relative growth

#### Capital revenues / Capital expenditures

	2005	2006	2007
Capital revenues / total revenues	-	-	-
Transfers for capital assignation / total revenues	17,6	5,8	5,3
Capital expenditures / total expenditures	32,8	31,2	45,7

#### Population indicators

	2005	2006	2007
Total Budget revenues / population (per capita)	1.768	3.255	3.547
Own revenues / population	1.209	1.846	2.388
Current operative revenues / population	1.394	2.234	2.786
Capital expenditures / population	507	983	1.438
Current operative expenditures / population	1.041	2.165	1.921
Central authority transfers / population	496	576	584
Capital transfers / population	312	188	186

of capital expenditures is not noticed as compared to total expenditures. Therefore, condition in 2007 as compared to 2006 is changing, and the increasing is 14,5% percent.

24. Similar situation is also being noticed in the level of capital expenditures as compared to the extent of realization of the current, operative expenditures. Consequently, this means that 48,7 % of the level of realization as compared to the realized current, operative expenditures in 2005, is decreased to 45,4% in 2006, while in 2007 is note increase of level of 74,8%. This fact point out to the remarkable high degree of realization of the financial assets for the capital utilization and it shows the dedication of the municipality towards realization of capital projects.

25. In the indicators, which point out the condition of municipality's dependence or independence from central authority transfers, considerable finance independence is noticed. Tax revenues and also the own revenues as compared to central government authority transfers notice index of 226,5 i.e. 243,7 in 2005, and in 2007 notice increase of 379 i.e. 408,6.

26. The comparison of the indicators of the 2007 to the year of 2006, i.e. 2006 to the year of 2005 illustrates positive change among all of population indicators per capita, except for the indicator for capital transfers. All of the other indicators like for example the total budget incomes per capita show an increase from the level of 1,768 denars in 2005 to the level of 3,255 denars in 2006 and to 3.547 denars in 2007. The rest indicative examples, like for example the personal income per capita is increased from the level of 1,209 to the level of 1,846 i.e. 2.388 denars in 2007, while the capital expenditures also have upward trend of 507 denars in 2005, respectively 983 denars per capita in 2006, and 1438 denars in 2007.

### THE CREDITWORTHINESS MODEL AS A TOOL AT THE INTEGRATED BUSINESS FACULTY

Methodology and model for analyzing creditworthiness of local self-government is efficient tool which provide financial personnel to evaluate, beside that, better to understand credit worthiness of LSGU, and in addition, clear to diagnose critical risk areas which can be threat for local self-government ability to pay theirs current liabilities on time.

This model, used like a teaching tool by the Integrated Business Faculty Skopje, I used it for analyzing creditworthiness of the municipality of Kratovo like precondition for preparing the capital

investment plan and the seminar paper for the Local government and public finance course.

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