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Quarterly financial statistics of municipalities

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Key findings

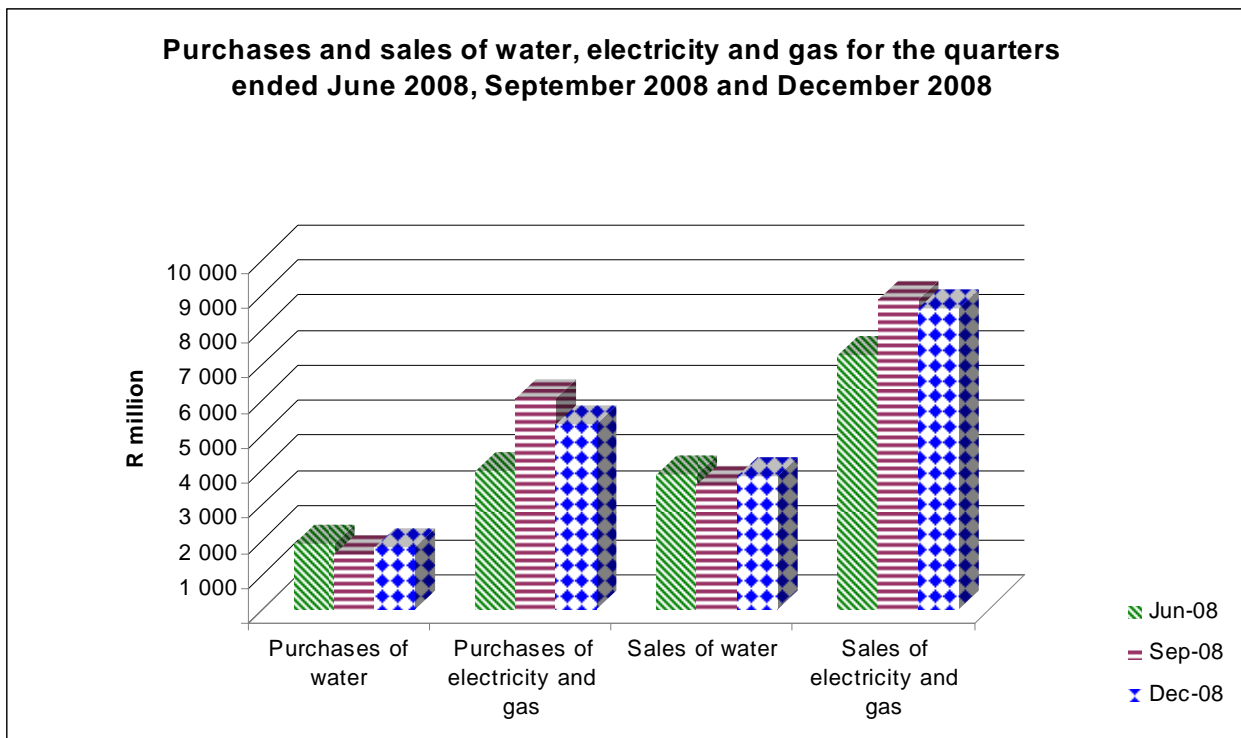
Item	Quarter ended			% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
	June 2008	September 2008*	December 2008	
Purchases of water	1 884	1 547	1 754	13,4
Sales of water	3 843	3 548	3 792	6,9
Purchases of electricity and gas	3 944	6 016	5 269	-12,4
Sales of electricity and gas	7 268	8 812	8 599	-2,4
Property, plant and equipment	110 379	114 119	114 963	0,7

* Revised

Purchases of water increased by 13,4% between the quarters ended September 2008 and December 2008. Purchases of electricity and gas decreased by 12,4% over the same period.

Sales of electricity and gas decreased by 2,4% between the quarters ended September 2008 and December 2008. An increase of 6,9% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 0,7% between the quarters ended September 2008 and December 2008.



PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of June 2008, September 2008 and December 2008 quarters (continued)

Net assets and liabilities	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Housing development fund	1 377	1 372	1 362	-0,7
Capital replacement reserve, capitalisation reserve, government grant reserve: Donations and public contribution reserve, self-insurance reserve, revaluation reserve and COIDA ¹ reserve	49 694	51 444	51 064	-0,7
Retained surplus/accumulated deficit	58 206	59 287	59 539	0,4
Outside shareholders' interest	60	60	60	0,0
Non-current liabilities				
Marketable loan stock:				
Other local government institutions	325	285	280	-1,8
Other	2 859	3 004	3 004	0,0
Bonds held by:				
Other	3 762	3 740	3 801	1,6
Other non-current liabilities				
Government housing loans to public welfare organisations and individuals sponsored by the respondent	6	6	6	0,0
Other long-term loans received from:				
National government	70	70	70	0,0
Provincial government	3	3	3	0,0
Local government institutions	11	11	8	-27,3
Development Bank of Southern Africa	6 579	6 439	6 301	-2,1
Local authorities loans fund	10	1	1	0,0
Financial public corporations	79	92	103	12,0
Non-financial public corporations	93	95	80	-15,8
Banks	5 751	6 442	6 892	7,0
Insurers	95	95	78	-17,9
Pension funds	1	1	1	0,0
Public Investment Corporation	330	339	339	0,0
Other domestic sources (including INCA) ²	4 907	4 795	4 811	0,3
Long-term leases	302	330	402	21,8
Non-current provisions	3 220	3 009	3 063	1,8

* Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of June 2008, September 2008 and December 2008 quarters (continued)

Net assets and liabilities	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Current liabilities				
External short-term loans from and deposits from:				
Local government institutions	4	2	2	0,0
Development Bank of Southern Africa	375	385	384	-0,3
Local authorities loans fund	11	11	11	0,0
Financial public corporations	0	9	4	-55,6
Banks	422	356	351	-1,4
Public Investment Corporation	1	0	0	0,0
Other domestic sources (including INCA) ²	241	190	212	11,6
Unspent conditional grants	5 189	5 809	5 822	0,2
Current provisions	1 522	1 533	1 577	2,9
Short-term leases	65	86	111	29,1
Value Added Tax payable	1 596	1 052	1 144	8,7
Bank overdraft	2 762	2 781	3 294	18,4
Creditors:				
Trade creditors	10 650	10 840	10 614	-2,1
Consumer deposits	2 349	2 375	2 403	1,2
Income received in advance	2 016	2 134	2 089	-2,1
Other creditors	7 495	6 605	6 545	-0,9
Liabilities not reflected elsewhere ³	9 086	9 157	9 087	-0,8
Total net assets and liabilities	181 524	184 245	184 918	0,4

¹ COIDA: Compensation Commissioner for Occupational Injuries and Diseases

² INCA: Infrastructure Finance Corporation Ltd

³ Include suspense accounts and liabilities not shown separately

* Revised

Part 1 – Consolidated statement of financial position for municipalities as at the end of June 2008, September 2008 and December 2008 quarters (continued)

Assets	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Property, plant, and equipment (net carrying value)	110 379	114 119	114 963	0,7
Investment property	339	588	588	0,0
Leased assets	59	108	114	5,6
Investments in marketable securities:				
Municipal stock/shares	46	46	44	-4,3
Other marketable stock/shares:				
Government stock	23	23	23	0,0
Financial public corporations stock	4	4	4	0,0
Other	401	446	439	-1,6
Investments in non-marketable instruments of other spheres of government and government institutions	1 654	1 636	1 586	-3,1
Long-term receivables:				
Loans to controlled municipal entities	10	24	25	4,2
Car loans	25	16	15	-6,3
Housing selling scheme loans	343	335	287	-14,3
Sewerage connection loans	0	0	0	0,0
Electricity appliance purchase scheme	3	3	3	0,0
Other	2 240	2 282	2 308	1,1
Sponsored government housing loans to public welfare and organisations and individuals	5	5	5	0,0
Loans and deposits:				
External long-term loans, deposits and investments:				
Long-term loans to:				
Other local government institutions	555	411	411	0,0
Financial public corporations	16	18	16	-11,1
Other companies	0	0	0	0,0
Individuals	652	655	655	0,0
Other	216	205	229	11,7

*Revised

Part 1 – Consolidated statement of financial position for municipalities as at the end of June 2008, September 2008 and December 2008 quarters (concluded)

Assets	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Long-term deposits and other investments with:				
Public Investment Corporation	4	4	4	0,0
Banks	8 101	8 406	8 587	2,2
Other	1 097	929	923	-0,6
Current assets				
Inventory	1 645	1 722	1 740	1,0
External short-term loans, deposits and investments:				
Short-term loans to:				
Financial public corporations	63	63	63	0,0
Non-financial public corporations	0	0	0	0,0
Other companies	0	0	0	0,0
Individuals	13	13	12	-7,7
Other	71	66	66	0,0
Short-term deposits and other investments with:				
Public Investment Corporation	355	290	290	0,0
Banks	11 818	12 617	11 663	-7,6
Other	3 747	3 256	3 484	7,0
Other sundry debtors:				
Consumer debtors	15 507	15 031	15 302	1,8
Other debtors	8 105	8 375	8 616	2,9
Prepaid expenses	21	20	22	10,0
Petty cash and bank	8 809	7 997	7 911	-1,1
Assets not reflected elsewhere ¹	5 198	4 532	4 520	-0,3
Total assets	181 524	184 245	184 918	0,4

¹ Include suspense accounts and assets not shown separately

* Revised

Part 2 – Statement of financial performance of municipalities for rates and general services for the quarters ended June 2008, September 2008 and December 2008: Expenditure

Expenditure	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Employee related costs	5 476	5 558	6 638	19,4
Remuneration of board of directors/councillors	376	364	405	11,3
Property rates	154	78	90	15,4
Interest paid	443	460	739	60,7
Loss on the disposal of property, plant and equipment	32	1	1	0,0
Bad debts	193	249	307	23,3
Contracted services	592	581	642	10,5
Collection cost	43	47	54	14,9
Depreciation	419	223	118	-47,1
Repairs and maintenance	482	527	720	36,6
Grants and subsidies paid to:				
Other local government institutions	98	90	61	-32,2
Tertiary institutions of higher learning	0	0	0	0,0
Other	519	425	345	-18,8
General expenditure:				
Accommodation	11	9	9	0,0
Advertising	25	25	35	40,0
Bank charges	17	17	23	35,3
Cleaning services	9	11	15	36,4
Consultancy fees	46	64	91	42,2
Fuel and oil	65	97	126	29,9
Hiring of plant and equipment	7	30	53	76,7
Insurance costs	44	74	91	23,0
Membership fees	15	20	20	0,0
Pharmaceutical	3	5	9	80,0
Postage and stamps	22	24	34	41,7
Printing and stationery	41	47	54	14,9
Security fees	35	65	84	29,2
Rental of land, buildings and other structures	23	40	49	22,5
Rental of office equipment	26	24	25	4,2
Telecommunication services	103	91	111	22,0
Training and education	38	33	38	15,2
Transport	27	24	33	37,5
Travelling and subsistence	59	57	61	7,0
Other expenditure	3 586	4 528	3 489	-22,9
Surplus	7 903	9 517	9 203	-3,3
Total expenditure	20 932	23 405	23 773	1,6

* Revised

Part 2 – Statement of financial performance of municipalities for rates and general services for the quarters ended June 2008, September 2008 and December 2008: Income

Income	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Taxes on property				
Property rates from:				
National government	69	18	13	-27,8
Provincial government	34	11	13	18,2
Local government institutions	6	3	2	-33,3
Public corporations	17	0	0	0,0
Property rates and other:				
Rates from individuals and private companies	4 610	5 376	5 316	-1,1
Service levies	33	9	0	-100,0
Establishment levies	10	3	3	0,0
Property rates - penalties imposed and collection charges	66	143	153	7,0
Interest received from:				
Interest earned: External investments	706	604	743	23,0
Interest earned: Outstanding debtors	536	533	629	18,0
Dividend received	0	0	0	0,0
Fines	260	307	310	1,0
Licences and permits	61	76	73	-3,9
Income for agency services	135	159	144	-9,4
Rental of facilities	83	94	101	7,4
Bad debts recovered	25	0	0	0,0
Public contribution, donations/donated PPE	36	30	11	-63,3
Gains on the disposal of property, plant and equipment	20	20	21	5,0
Subsidies from:				
National government	441	198	139	-29,8
Provincial government	338	34	31	-8,8
Local government	5	1	0	-100,0
Other	70	12	9	-25,0
Grants (including the equitable share) from:				
National government	4 976	6 734	7 019	4,2
Provincial government	287	358	327	-8,7
Local government	67	44	34	-22,7
Other	128	149	163	9,4
Spent conditional grant	99	90	93	3,3
Other income	2 433	2 861	2 996	4,7
Deficit	5 381	5 538	5 430	-2,0
Total income	20 932	23 405	23 773	1,6

* Revised

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended June 2008, September 2008 and December 2008: Expenditure

Expenditure	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Employee related costs	2 654	2 832	3 343	18,0
Property rates	7	24	15	-37,5
Interest paid	360	257	158	-38,5
Bad debts written off	419	459	566	23,3
Collection cost	17	12	13	8,3
Depreciation	437	224	263	17,4
Repairs and maintenance	1 159	1 100	1 683	53,0
Purchases of electricity and gas	3 944	6 016	5 269	-12,4
Purchases of water	1 884	1 547	1 754	13,4
Loss on disposal of property, plant and equipment	2	2	0	-100,0
Contracted services	525	459	749	63,2
Grants and subsidies paid to:				
Other local government institutions	38	24	23	-4,2
Tertiary institutions of higher learning	0	0	0	0,0
Other	66	70	79	12,9
General expenditure:				
Accommodation	4	3	4	33,3
Advertising	1	3	2	-33,3
Bank charges	2	2	2	0,0
Cleaning services	4	7	6	-14,3
Consultancy fees	39	28	38	35,7
Fuel and oil	138	113	98	-13,3
Hiring of plant and equipment	68	67	49	-26,9
Insurance costs	10	15	24	60,0
Membership fees	1	0	1	-
Pharmaceutical	2	0	1	-
Postage and stamps	3	3	0	-100,0
Printing and stationery	8	10	8	-20,0
Security fees	21	22	30	36,4
Rental of land, buildings and other structures	3	5	9	80,0
Rental of office equipment	6	7	6	-14,3
Telecommunication services	12	18	18	0,0
Training and education	3	4	5	25,0
Transport	13	21	27	28,6
Travelling and subsistence	8	10	11	10,0
Other expenditure	3 352	3 357	2 964	-11,7
Surplus	3 670	2 850	2 646	-7,2
Total expenditure	18 880	19 571	19 864	1,5

* Revised

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended June 2008, September 2008 and December 2008: Income

Income	June 2008	September 2008*	December 2008	% change between quarters ended Sep. 2008 and Dec. 2008
	R million			
Subsidies from:				
National government	74	63	55	-12,7
Provincial government	25	45	52	15,6
Local government	1	0	0	0,0
Other	6	4	3	-25,0
Grants from (include equitable share):				
National government	783	993	1 214	22,3
Provincial government	334	285	188	-34,0
Local government	39	6	4	-33,3
Other	52	88	75	-14,8
Spent conditional grant	120	89	69	-22,5
Rental of facilities and equipment	108	120	113	-5,8
Interest received from:				
Interest received from: External investments	21	22	19	-13,6
Interest received from: Outstanding debtors	143	207	303	46,4
Sales of electricity and gas	7 268	8 812	8 599	-2,4
Sales of water	3 843	3 548	3 792	6,9
Refuse removal	745	767	722	-5,9
Sewerage and sanitation	825	751	743	-1,1
Fines	10	10	8	-20,0
Gains on the disposal of property, plant and equipment	3	4	7	75,0
Bad debts recovered	5	0	7	-
Licences and permits	42	30	27	-10,0
Income for agency services	24	33	35	6,1
Public contributions, donated/contributed PPE	8	6	5	-16,7
Other income	2 742	1 513	1 479	-2,2
Deficit	1 659	2 175	2 345	7,8
Total income	18 880	19 571	19 864	1,5

* Revised

Notes

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Purpose of survey The quarterly financial statistics of municipalities is a quarterly survey that covers local, district and metropolitan municipalities in South Africa, The results are used to estimate Gross Domestic Product (GDP) and its components as well as to assist the public sector with policy formulation and the financial analysis of municipalities.

Response rates

June quarter 2008:	81%
September quarter 2008:	83%
December quarter 2008:	86%

Reasons for fluctuation:

- Change of accounting standards from IMFO to GRAP/GAMAP
- Revisions and corrections reported by respondents

Explanatory notes

Introduction	<p>1 The purpose of the quarterly financial statistics survey of municipalities is to provide both stakeholders and users with information for allowing analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended June 2008, September 2008 and December 2008. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> • the consolidated statement of financial position of municipalities; • statement of financial performance of municipalities – rates and general services; and • statement of financial performance of municipalities – housing and trading services. 												
Scope of the survey	<p>2 This survey covers quarterly financial information of all 283 municipalities.</p>												
Classification and accounting standards	<p>3 For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, Report No.09-90-02 of January 1993 (SIC)</i>. Activities of the local government institutions also adhere to the accounting standards and requirements in terms of the Institute of Municipal Finance Officers (IMFO) and also General Recognised Accounting Practice.</p>												
Collection of levies	<p>4 Although regional council levies were abolished with effect from 1 July 2006, income in respect of these funds are arrear amounts based on taxes on payroll and turnover collected by local authorities to fund mainly infrastructural development projects.</p>												
Survey methodology and design	<p>5 The statistical unit for the collection of information is the municipality.</p>												
Imputation	<p>6 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.</p>												
Revised figures	<p>7 Estimates for the quarters are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and late submission of their data to Stats SA.</p>												
Rounding off figures	<p>8 The figures in the tables have been rounded to the nearest digit shown. There may be slight discrepancies between the sums of the constituent items and the totals shown.</p>												
Related publications	<p>9 Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • P9101 Capital expenditure of the public sector; • P9114 Financial census of municipalities; • P9119.4 Financial statistics of consolidated general government; • P0441 Gross domestic product; • P0277 Quarterly employment statistics; and • D9144 Quarterly financial statistics of municipalities. 												
Symbols and abbreviations used	<p>10</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">GAMAP</td> <td>Generally Accepted Municipal Accounting Practice</td> </tr> <tr> <td>GRAP</td> <td>General Recognised Accounting Practice</td> </tr> <tr> <td>IMFO</td> <td>Institute of Municipal Finance Officers</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>0</td> <td>nil or not applicable</td> </tr> </table>	GAMAP	Generally Accepted Municipal Accounting Practice	GRAP	General Recognised Accounting Practice	IMFO	Institute of Municipal Finance Officers	SIC	Standard Industrial Classification	Stats SA	Statistics South Africa	0	nil or not applicable
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0	nil or not applicable												

Glossary

Capital replacement reserve (CRR)	In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/deficit to the CRR in terms of a council resolution. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/deficit is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.
Capitalisation reserve	<p>On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a capitalisation reserve instead of the accumulated surplus/deficit in terms of a directive (budget circular) issued by National Treasury. The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.</p> <p>The balance on the capitalisation reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the capitalisation reserve to the accumulated surplus/deficit. When an item of property, plant and equipment is disposed, the balance in the capitalisation reserve relating to such item is transferred to the accumulated surplus/deficit.</p>
Consolidated statement of financial position	The aggregate or consolidated statement of financial position reports the institution's financial position at a specific point in time (the end of the reporting period). This statement covers all assets, net assets and liabilities at the end of the financial year.
Current assets	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; and petty cash and bank.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the consumption of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure on housing and trading services (excluding the surplus).
Current liabilities	Current liabilities consist of external short-term loans from and deposits, unspent conditional grants, current provisions, short-term leases, Value Added Tax, bank overdraft and creditors.
District municipality	District municipality refers to a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality, Refer to Local Government: Municipal Structures Act (No.117 of 1998).

Donation and public contribution reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Employee related cost

Compensation of employees includes payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.

Compensation of employees also includes:

- basic compensation;
- allowances;
- contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen’s compensation, etc., which contributions may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy, etc.; and
- uniform clothing and allowances (clothing, boots, overalls, etc. supplied to uniformed employees).

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/ deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit. When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Housing and trading services

Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include abattoirs, electricity and gas, markets, passenger transport, water and other trading services (forestry, agriculture, airports, mineral baths, stone crushing and sand supply services).

Housing development funds	The housing development fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the housing development fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.
Levies	Levies include both regional service and regional establishment levies collected by the districts and metropolitan municipalities. Regional service levy is the payroll tax paid by registered levy payers on total remuneration of their employees in terms of the Local Government Transition Act (LGTA) of 1993. Regional establishment levy is the turnover tax paid by businesses on their total turnover in terms of the relevant legislation.
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality.
Long-term loans	Long-term loans are loans with an outstanding maturity of more than one year.
Marketable loan stock	Marketable loan stock refers to stocks, debentures and similar debt instruments that are freely negotiable, i.e. securities for which transfer registers are kept and which are usually listed on the stock exchange. Discounts originating with the issue of stocks below par are included in the stock liability.
Metropolitan municipality	Metropolitan municipality means an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to Local Government: Municipal Structures Act (Act No.117 of 1998).
Money market instruments	Money market instruments include bankers' acceptance, trade bills, and promissory notes, capital project bills, bridging debentures, negotiable certificates of deposits, Land Bank bills, Land Bank and the South African Reserve Bank's debentures.
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials).
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none">• administration charges/fees;• audit fees;• books and magazines;• consumables;• legal fees;• licences and trade licences;• professional fees;• refreshments; and• sundries.

Provision	<p>Provision is any amount set aside for the purpose of meeting the following:</p> <ul style="list-style-type: none"> • specific requirements where the amounts thereof can be closely estimated; and • specific commitments and contingencies as at the date of the balance sheet, where the amounts involved cannot be determined with significant accuracy. <p>Provision includes:</p> <ul style="list-style-type: none"> • bad debts; and • leave payouts.
Rates and general services	<p>Rates and general services include ambulance, fire control (or fire fighting), health (clinics, old-age homes), roads and storm-water, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.). These services are not economically self-supporting and are financed by imposing assessment rates, other rates, the receipt of subsidies and other contributions.</p>
Repairs and maintenance	<p>Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the department. Where considered necessary, the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this sub-division and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.</p>
Reserve	<p>Reserve denotes amounts set aside out of surpluses that are not designed to meet any liability, contingency, commitment or diminution in the value of assets known to exist as at the date of the balance sheet.</p>
Revaluation reserve	<p>The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on devalued amounts, are credited or charged to the Statement of Financial Performance.</p>
Self-insurance reserve	<p>The municipality has a self-insurance reserve amount set aside to offset potential losses or claims that cannot be insured externally (adapt to specific circumstances). The balance of the self-insurance reserve is determined based on 5% of the insurance risk carried by the municipality.</p>

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