

Statistical release

P9110

Quarterly financial statistics of municipalities

December 2011

**Embargoed until:
28 March 2012
11:30**

Enquiries:

Jacob Shai
+27(12) 310 8306

Forthcoming issue:

March 2012

Expected release date

June 2012

Contents

Key findings	3
Consolidated statement of financial position of municipalities as at the end of March 2011, June 2011, September 2011 and December 2011 quarters.....	4
Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Expenditure.....	8
Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Income.....	9
Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Expenditure..	10
Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Income.....	11
Notes.....	12
Explanatory notes.....	13
Glossary.....	14
General information.....	18

Key findings

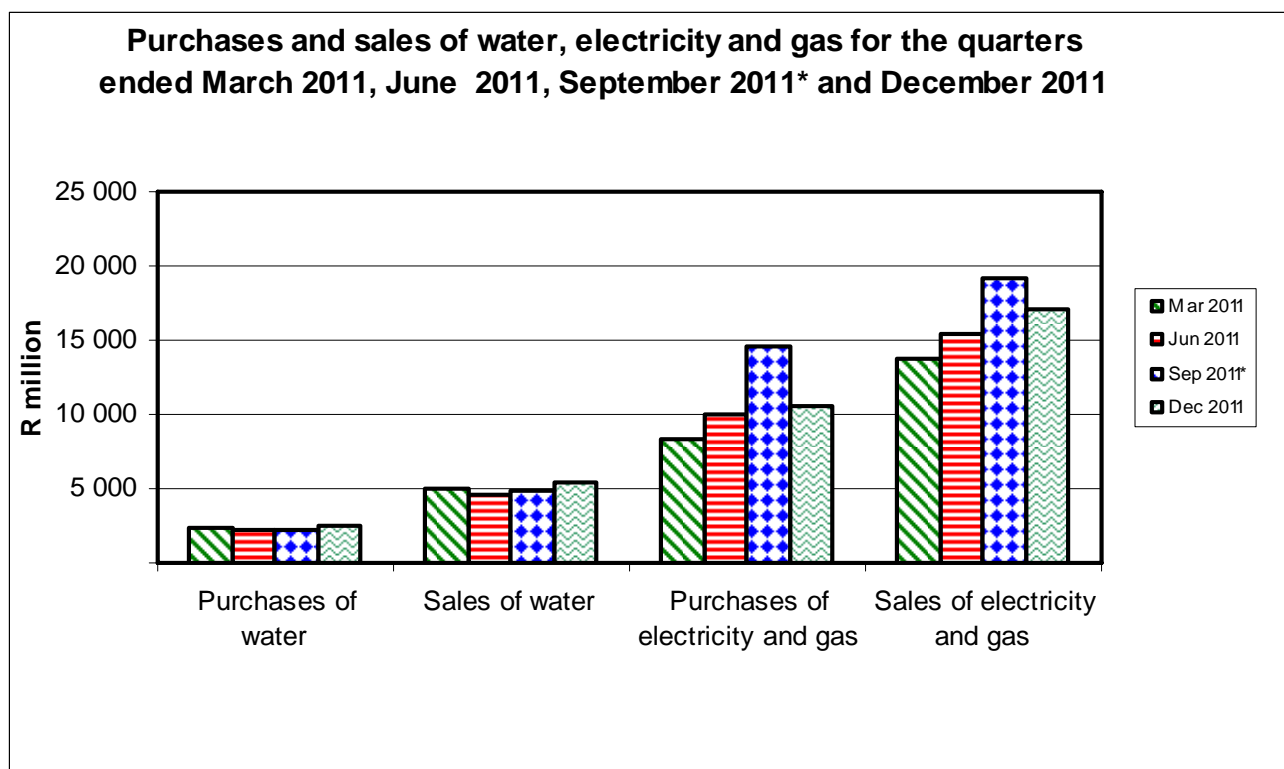
Item	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sept. 2011 and Dec. 2011	% change between quarters ended Sept. 2011 and Dec. 2011
	R million					
Purchases of water	2 376	2 283	2 189	2 563	374	17,1
Sales of water	5 003	4 618	4 878	5 471	593	12,2
Purchases of electricity and gas	8 373	10 000	14 652	10 607	-4 045	-27,6
Sales of electricity and gas	13 788	15 435	19 210	17 038	-2 172	-11,3
Property, plant and equipment (Net carrying value)	260 976	320 522	321 032	322 251	1 219	0,4

* Revised

Purchases of water increased by 17,1% between the quarters ended September 2011 and December 2011. Purchases of electricity and gas decreased by 27,6% over the same period.

Sales of electricity and gas decreased by 11,3% between the quarters ended September 2011 and December 2011. An increase of 12,2% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 0,4% between the quarters ended September 2011 and December 2011.



*Revised

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2011, June 2011, September 2011 and December 2011 quarters

Net assets and liabilities	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Housing development fund	1 754	1 670	1 666	1 685	19
Capital replacement reserve	17 526	15 566	16 270	16 566	296
Capitalisation reserve	6 393	9 709	10 141	10 108	-33
Government grant reserve	23 498	18 594	18 354	18 414	60
Donations and public contributions reserve	3 569	3 377	3 354	3 378	24
Self-insurance reserve	1 152	1 008	969	1 010	41
Revaluation reserve	10 468	5 741	7 119	7 214	95
COID ¹ reserve	1 500	1 506	1 513	1 380	-133
Other reserves (including Pre-GAMAP reserve ¹ and funds)	2 114	2 902	3 227	3 227	0
Retained surplus/Accumulated deficit	167 527	220 049	220 443	224 829	4 386
Outside shareholders' interest	0	0	0	0	0
Non-current liabilities					
Marketable loan stock and bonds					
Domestic loan stock held by:					
Other local government institutions	30	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Private companies ³	1	1	-	-	-
Other (includes: public/private companies, individuals etc.) ³	5 761	5 649	5 611	5 581	-30
Bonds held by:					
Other local government institutions	0	0	0	0	0
Public financial corporations	0	7 451	7 451	7 300	-151
Public non-financial corporations	0	0	0	0	0
Other (includes: public/private companies, individuals etc.)	8 292	1 659	1 655	1 650	-5
Long-term loans and deposits from:					
National government	0	0	0	0	0
Provincial government	0	0	5	5	0
Local government institutions	28	25	25	25	0
Development Bank of Southern Africa (DBSA)	9 400	9 532	9 642	9 710	68
Local authorities loans fund	1	1	1	1	0
Public financial corporations	187	725	809	801	-8
Public non-financial corporations	1	0	0	0	0
Banks	17 863	17 489	16 875	16 490	-385

¹Pre-GAMAP Reserves – Include trust funds, statutory funds and projects funds etc.

¹COID - Compensation Commissioner for Occupational Injuries and Diseases

²INCA - Infrastructure Finance Corporation Ltd

³Private companies' were incorporated in 'other' as from September 2011

*Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2011, June 2011, September 2011 and December 2011 quarters (continued)

Net assets and liabilities	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Insurers	2	2	2	2	0
Pension funds	106	454	142	142	0
Public Investment Corporation (PIC) ⁴	338	330	-	-	-
Private companies	9	0	0	0	0
Other domestic sources (including INCA ²) ⁴	5 393	6 536	6 730	7 078	348
Long-term leases	387	456	796	424	-372
Non-current provisions	10 403	13 586	8 134	8 421	287
Retirement benefit obligations	~	~	5 177	4 898	-279
Current liabilities					
Short-term loans and deposits from:					
Local government institutions	1	1	1	1	0
Development Bank of Southern Africa (DBSA)	260	460	320	326	6
Local authorities loans fund	2	2	2	2	0
Public financial corporations	0	81	0	1	1
Public non-financial corporations	0	0	0	0	0
Banks	1 012	983	1 049	1 035	-14
Insurers	0	1	1	1	0
Pension funds	2	6	3	3	0
Public Investment Corporation (PIC) ⁴	21	20	-	-	-
Private companies	1	0	0	0	0
Other domestic sources (including INCA ²) ⁴	189	330	635	618	-17
Unspent conditional grants	9 599	8 268	9 553	10 672	1 119
Current provisions	6 481	7 172	7 042	7 375	333
Retirement benefit obligations	~	~	1 609	1 625	16
Short-term leases	202	323	341	325	-16
VAT ⁵ payable	2 269	2 470	2 916	2 989	73
Bank overdraft	2 241	4 033	1 340	2 325	985
Creditors:					
Trade creditors	16 577	24 982	23 672	23 511	-161
Consumer deposits	3 225	3 383	3 645	3 661	16
Income received in advance	482	467	495	466	-29
Other creditors	9 472	6 937	6 578	7 660	1 082
Liabilities not reflected elsewhere ⁶	4 623	6 648	8 130	6 032	-2 098
Total net assets and liabilities	350 362	410 585	413 443	418 967	5 524

⁴Public Investment Corporation (PIC) was incorporated in 'other domestic sources (including INCA)' as from September 2011

⁵VAT - Value added tax

⁶Includes suspense accounts and liabilities not shown separately

-Not reported separately previously

*Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2011, June 2011, September 2011 and December 2011 quarters (continued)

Assets	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Property, plant and equipment (net carrying value)	260 976	320 522	321 032	322 251	1 219
Investment property	5 510	7 801	8 175	8 911	736
Intangible assets	1 878	1 913	1 843	1 760	-83
Biological (cultivated) assets	48	82	83	83	0
Investments in marketable securities:					
Municipal stock/shares	2 293	1 176	1 174	1 175	1
Other marketable stock/shares:					
Government stock	1	0	0	0	0
Treasury bills	0	0	0	0	0
Other local government institutions	39	39	39	39	0
Public financial corporations stock	2	0	0	0	0
Public non-financial corporations stock	0	0	0	0	0
Other companies/institutions	953	226	298	293	-5
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	0	0
Long-term receivables, loans, deposits and investments					
Long-term receivables:					
Loans to controlled municipal entities ¹	740	737	-	-	-
Car loans	5	2	1	1	0
Housing selling scheme loans	322	229	229	223	-6
Sewerage connection loans	6	6	6	6	0
Electricity appliance purchase scheme	4	6	6	6	0
Other (including local government institutions)	2 450	709	1 093	1 136	43
Long-term loans to:					
Other local government institutions	1	1	0	0	0
Public financial corporations	28	28	34	34	
Public non-financial corporations	0	0	0	0	0
Other companies/institutions ²	0	0	313	428	115
Individuals ²	36	6	-	-	-
Other ²	12	16	-	-	-
Long-term deposits and investments with:					
Public Investment Corporation (PIC) ³	32	13	-	-	-
Banks	2 922	1 577	1 482	1 314	-168

¹This variable was removed from our questionnaire as from September 2011

²Individuals' was removed from the questionnaire and 'other' was incorporated in 'other companies/institutions' as from September 2011

³Public Investment Corporation (PIC) was incorporated in 'other' as from September 2011

*Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2011, June 2011, September 2011 and December 2011 quarters (continued)

Assets	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Public financial corporations	1	49	58	39	-19
Public non-financial corporations	0	0	0	0	0
Other ³	1 350	4 366	4 413	4 699	286
Current assets:					
Inventory	3 023	3 918	4 047	4 242	195
Short-term receivables, loans, deposits and investments					
Short-term loans to:					
Other local government institutions	1	2	2	2	0
Public financial corporations	264	113	113	113	0
Public non-financial corporations	0	0	0	0	0
Other companies/institutions ⁴	0	0	472	1 451	979
Individuals ⁴	1	0	-	-	-
Other ⁴	1 528	754	-	-	-
Short-term deposits and other investments with:					
Public Investment Corporation (PIC) ⁵	215	118	-	-	-
Banks	20 399	14 265	10 691	12 083	1 392
Public financial corporations	8	1	26	21	-5
Public non-financial corporations	0	0	0	0	0
Other ⁵	1 214	1 487	1 358	1 304	-54
Debtors:					
Consumer debtors	24 318	27 770	30 971	28 829	-2 142
Other debtors (including short-term portion of long-term receivables)	6 595	8 444	8 693	10 396	1 703
VAT ⁶ receivable	1 560	1 292	1 360	1 261	-99
Prepaid expenses	29	59	59	59	0
Petty cash and bank	10 057	11 842	13 957	15 298	1 341
Assets not reflected elsewhere ⁷	1 541	1 016	1 415	1 510	95
Total assets	350 362	410 585	413 443	418 967	5 524

³Public Investment Corporation (PIC) was incorporated in 'other' as from September 2011

⁴Individuals was removed from the questionnaire and 'other' was incorporated in 'other companies/institutions' as from September 2011

⁵Public Investment Corporation (PIC) was incorporated in 'other' as from September 2011

⁶Value added tax

⁷Includes suspense accounts and assets not shown separately

*Revised

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Expenditure

Expenditure	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Employee-related costs	7 620	8 005	7 887	8 999	1 112
Remuneration of board of directors/councillors	566	547	558	561	3
Interest paid	699	870	759	711	-48
Loss on the disposal of property, plant and equipment	2	15	7	3	-4
Bad debts	699	1 237	502	661	159
Contracted services	678	942	567	953	386
Collection costs	95	103	79	113	34
Depreciation and amortisation	906	1 211	1 057	1 034	-23
Impairment loss	0	4	66	0	-66
Repairs and maintenance	437	544	318	500	182
Grants and subsidies paid to:					
Other local government institutions	138	282	103	144	41
Tertiary institutions of higher learning	0	0	0	15	15
Households or individuals	~	~	28	48	20
Non-profit institutions serving households	~	~	0	0	0
Other	1 063	1 276	851	1 051	200
General expenditure:					
Accommodation, travelling and subsistence	82	94	111	110	-1
Advertising, promotions and marketing	33	52	37	52	15
Audit Fees	128	114	72	203	131
Bank charges	57	46	49	55	6
Cleaning services	17	26	17	29	12
Consultancy and professional fees	149	236	149	165	16
Entertainment costs	14	22	19	19	0
Fuel and oil	110	151	137	137	0
Hiring of plant and equipment	39	76	38	66	28
Insurance costs	71	77	196	98	-98
Pharmaceutical	21	18	12	17	5
Postal and courier services	53	50	38	45	7
Printing and stationery	84	90	78	99	21
Rebates for property rates	124	213	317	442	125
Rental of land, buildings and other structures	82	115	94	89	-5
Rental of office equipment	47	63	52	44	-8
Security services	264	313	246	297	51
Subscriptions and membership fees	24	23	91	30	-61
Telecommunication services	180	197	137	172	35
Training and education	83	115	61	92	31
Transport costs	32	44	35	47	12
Other expenditure	2 873	4 991	3 070	3 364	294
Surplus	10 837	1 663	15 212	11 214	-3 998
Total expenditure	28 307	23 825	33 050	31 679	-1 371

-Not reported separately previously

*Revised

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Income

Income	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Taxes on property					
Property rates from:					
Residential	7 231	6 886	6 197	5 944	-253
Commercial or business	~	~	459	655	196
State	52	40	103	168	65
Other (includes agricultural, municipal, etc.)	~	~	2 366	2 371	5
Property rates – penalties imposed and collection charges	682	339	102	106	4
Interest earned from:					
External investments	412	680	330	405	75
Outstanding debtors	363	350	342	438	96
Dividends received	0	0	0	0	0
Fines	295	290	274	293	19
Licences and permits	128	117	117	133	16
Income for agency services	227	273	172	213	41
Rental of facilities and equipment	146	157	160	182	22
Bad debts recovered	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	11	43	6	4	-2
Gains on the disposal of property, plant and equipment	51	23	39	28	-11
Subsidies from:					
National government	29	32	50	143	93
Provincial government	39	41	16	16	0
Local government	0	0	0	0	0
Other	25	89	9	63	54
Grants (including equitable share) from:					
National government	8 738	5 665	13 066	10 171	-2 895
Provincial government	172	99	248	157	-91
Local government	13	7	8	6	-2
Other	74	51	183	313	130
Spent conditional grants	102	205	25	47	22
Other income	3 004	2 554	2 652	2 545	-107
Deficit	6 513	5 884	6 126	7 278	1 152
Total income	28 307	23 825	33 050	31 679	-1 371

~Not reported separately previously

*Revised

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Expenditure

Expenditure	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Employee-related costs	4 524	4 542	4 527	5 068	541
Interest paid	407	578	382	396	14
Loss on disposal of property, plant and equipment	2	3	0	1	1
Bad debts	1 063	984	914	824	-90
Contracted services	1 081	1 312	1 018	1 050	32
Collection costs	25	31	17	19	2
Depreciation and amortisation	1 698	2 154	1 710	2 059	349
Impairment loss	0	0	71	0	-71
Repairs and maintenance	1 719	2 192	1 412	1 860	448
Bulk purchases:					
Purchases of water	2 376	2 283	2 189	2 563	374
Purchases of electricity and gas	8 373	10 000	14 652	10 607	-4 045
Other (e.g. sewer purification)	~	~	191	189	- 2
Grants and subsidies paid to:					
Other local government institutions	7	0	13	3	-10
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	~	~	44	32	-12
Non-profit institutions serving households	~	~	0	0	0
Other	266	429	206	327	121
General expenditure:					
Accommodation, travelling and subsistence	11	16	13	16	3
Advertising, promotions and marketing	5	6	4	9	5
Audit fees	5	8	3	14	11
Bank charges	2	3	2	3	1
Cleaning services	11	14	9	22	13
Consultancy and professional fees	53	110	29	52	23
Entertainment costs	1	1	0	2	2
Fuel and oil	133	200	133	168	35
Hiring of plant and equipment	86	134	79	145	66
Insurance costs	15	20	25	16	-9
Pharmaceutical	3	3	2	3	1
Postal and courier services	2	3	1	2	1
Printing and stationery	15	16	14	20	6
Rebates for service charges	3	3	134	172	38
Rental of land, buildings and other structures	20	32	13	25	12
Rental of office equipment	30	37	13	28	15
Security services	76	66	55	73	18
Subscriptions and membership fees	0	2	1	1	0
Telecommunication services	25	29	17	24	7
Training and education	10	13	7	12	5
Transport costs	46	62	28	36	8
Other expenditure	3 365	4 148	2 955	3 946	991
Surplus	6 177	4 091	5 588	7 071	1 483
Total expenditure	31 635	33 525	36 471	36 858	387

-Not reported separately previously

* Revised

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2011, June 2011, September 2011 and December 2011: Income

Income	March 2011	June 2011	September 2011*	December 2011	Difference between quarters ended Sep. 2011 and Dec. 2011
	R million				
Interest earned from:					
External investments	34	31	24	25	1
Outstanding debtors	210	199	201	216	15
Dividends received	0	0	0	0	0
Fines	11	9	10	11	1
Licences and permits	76	72	48	63	15
Income for agency services	112	159	151	157	6
Rental of facilities and equipment	175	182	168	199	31
Bad debts recovered	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	80	65	27	32	5
Gains on the disposal of property, plant and equipment	5	2	5	1	-4
Sales of water	5 003	4 618	4 878	5 471	593
Sales of electricity and gas	13 788	15 435	19 210	17 038	-2 172
Refuse removal charges	1 242	1 226	1 277	1 332	55
Sewerage and sanitation charges	1 264	1 399	1 460	1 631	171
Other service charges (e.g. fresh produce market)	~	~	7	9	2
Subsidies from:					
National government	45	32	93	80	-13
Provincial government	25	20	18	32	14
Local government	0	0	0	0	0
Other	0	0	0	0	0
Grants (including equitable share) from:					
National government	3 112	3 547	3 311	4 640	1 329
Provincial government	185	92	99	210	111
Local government	0	0	9	5	-4
Other	1 547	340	45	105	60
Spent conditional grants	35	33	21	54	33
Other income	1 378	2 255	1 398	1 309	-89
Deficit	3 308	3 809	4 011	4 238	227
Total income	31 635	33 525	36 471	36 858	387

-Not reported separately previously
*Revised

Notes

Forthcoming issue	Issue	Expected release date
--------------------------	--------------	------------------------------

	March 2012	June 2012
--	------------	-----------

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	March quarter 2011:	82%
	June quarter 2011:	87%
	September quarter 2011:	86%
	December quarter 2011:	84%

Reasons for fluctuation:

- Change in accounting practices and standards adopted by the respondents.
- Revisions due to late response and corrections reported by respondents.

Explanatory notes

- Introduction**
- 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.
- This publication contains estimates for the quarters ended March 2011, June 2011, September 2011 and December 2011. The survey is designed to obtain financial information of local government institutions relating to:
- the consolidated statement of financial position of municipalities;
 - the consolidated statement of financial performance of municipalities – rates and general services; and
 - the consolidated statement of financial performance of municipalities – housing and trading services.
- Scope of the survey**
- 2 This survey covers quarterly financial information of all 278 municipalities.
- Classification and accounting standards**
- 3 For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the *Standard Industrial Classification of all Economic Activities, Fifth Edition, and Report No.09-90-02 of January 1993 (SIC)*. Activities of the local government institutions also adhere to the accounting standards and requirements in terms of the General Accepted Municipal Accounting Practice (GAMAP) and also General Recognised Accounting Practice (GRAP).
- Survey methodology and design**
- 4 The statistical unit for the collection of information is the municipality.
- Imputation**
- 5 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.
- Revised figures**
- 6 Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after cut-off date).
- Rounding off figures**
- 7 The figures in the tables have been rounded to the nearest digit shown, and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.
- Related publications**
- 8 Users may wish to refer to the following Stats SA publications:
- 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**
- 9
- | | |
|----------|--|
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GRAP | General Recognised Accounting Practice |
| SIC | Standard Industrial Classification |
| Stats SA | Statistics South Africa |
| 0 | nil or not applicable |
| ~ | not reported separately previously |

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 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 balances 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>
COID Reserve	This is money set aside for injuries, disablements, diseases and deaths caused by work-related activities. It is usually transferred from accumulated surplus account.
Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
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 reporting period.
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 acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure of housing and trading services (excluding the surplus).
Current liabilities	Current liabilities consist of external short-term loans and deposits, unspent conditional grants, current provisions, short-term leases, value added tax, bank overdraft and creditors.
Current provision	Current provision is a liability or an obligation of uncertain timing or amount for an entity, payable within twelve months.

District municipality	District municipality refers to a municipality that has a 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 the Local Government: Municipal Structures Act (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.
Employee-related costs	<p>Employee-related costs includes payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none">• basic compensation;• allowances;• contributions 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 may be regarded 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).
General expenditure	The following are included in general expenditure: accommodation, travelling and subsistence; advertising; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
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.
Housing and trading services	Housing includes all activities associated with the provision of housing. 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 waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), road transport (roads, public buses, parking garages, vehicle licensing and testing), water (water distribution, water storage), electricity (electricity distribution, electricity generation, street lighting) and other trading services which include environmental protection like pollution control, biodiversity & landscape and others like coastal protection etc., air transport, abattoirs, tourism, forestry, markets and licensing and regulation like licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business.

Housing Development Fund	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.
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. Refer to the Local Government: Municipal Structures Act (Act No.117 of 1998).
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 the 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 deposit, 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).
Net carrying value	Net carrying value (also known as the book value or carrying value) is the value of an asset according to its balance sheet, which is the original acquisition cost less accumulated depreciation, amortisation or impairment costs made against the asset and disposals if any.
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none">• departmental charges/fees;• books and magazines;• consumables;• licences and trade licences;• workshops;• refreshments; and• sundries.
Property, plant and equipment	Property, plant and equipment are tangible assets which are not easily convertible into cash, and held by entities for their own use and as income generators or for rental to others that the entities anticipate using during more than one period.

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 executive and council (all costs for mayoral, council and committee expenses, municipal manager, town secretary and chief executive), finance and administration (finance, human resources, information technology, property services, other administration like security services, legal services, fleet management, asset management, procurement etc.), planning and development (economic planning and development, town planning, corporate-wide strategic planning [IDPs, LEDs etc.], building regulations and enforcement, city engineer), health (clinics, ambulance, other including health inspection), community and social services (libraries and archive, museums and art galleries etc., community halls and facilities, cemeteries and crematoriums, child care, aged care and other community), public safety (police forces and traffic, fire, civil defence and other like disaster management), sport and recreation (community parks [including nurseries], sports grounds and stadiums, swimming pools, beaches, lakes, dams and jetties for recreation, camping sites etc.). These services are not economically self-supporting and are financed by imposing property rates, the receipt of grants and 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 municipality. 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 (adapted to specific circumstances). The balance of the self-insurance reserve is determined based on 5% of the insurance risk carried by the municipality.</p>

General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Stats SA releases are published in English since the releases are used extensively, not only locally but also by international economic and social-scientific communities.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data whenever they process, apply, utilise, publish or distribute the data, and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data,

Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via on-line services, diskette, and CD and computer printouts, For more details about our electronic data services, contact 012 310 8600/8390/8351/4892/8496/8095.

You can visit us on the Internet at: www.statssa.gov.za

Enquiries

Telephone number: 012 310 8600/8390/8351/8496/8095 (user information services)
012 310 8306 (technical enquiries)
012 310 8251 (orders)
012 310 4883/4885/8018 (library)
Fax number: 012 310 8332 (technical enquiry)
E-mail: info@statssa.gov.za (user information services)
distribution@statssa.gov.za (orders)
Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA