

STATISTICAL RELEASE

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Quarterly financial statistics of municipalities

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Key findings

Table A – Purchases and sales of water and electricity, unadjusted

Item	Quarter ended:					
	September 2015	December 2015	March 2016	June 2016	September 2016*	December 2016
	Year-on-year % change, unadjusted					
Purchases of water	3,3	10,3	5,3	-1,6	18,0	-2,4
Sales of water	19,7	10,8	17,3	12,4	13,1	3,7
Purchases of electricity	4,2	14,5	10,2	11,7	3,6	2,7
Sales of electricity	11,6	8,0	14,8	6,0	11,4	6,1

* Some figures have been revised.

Table A show annual growth rates in the purchases and sales of water and electricity. From the December quarter of 2015 to the December quarter of 2016, purchases of water decreased by 2,4% and sales of water increased by 3,7%, while purchases of electricity increased by 2,7% and sales of electricity increased by 6,1%.

Table B – Purchases and sales of water and electricity, seasonally adjusted¹

Item	Quarter ended:					
	September 2015	December 2015	March 2016	June 2016	September 2016*	December 2016
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	-8,4	12,4	-3,3	-0,7	8,4	-5,8
Sales of water	4,5	4,0	3,5	-0,4	5,5	-4,6
Purchases of electricity	2,2	4,3	2,1	1,9	0,4	2,0
Sales of electricity	-0,5	3,5	6,0	-2,4	4,2	-1,6

* Some figures have been revised.

Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the September quarter of 2016 to the December quarter of 2016, purchases of water decreased by 5,8% and sales of water decreased by 4,6%, while purchases of electricity increased by 2,0% and sales of electricity decreased by 1,6%.

Seasonally adjusted purchases and sales of water are shown in Figure 1. Seasonally adjusted purchases and sales of electricity are shown in Figure 2.

Tables 7 and 8 provide more detail and longer time series for water and electricity purchases and sales.

¹ See page 13 for a short explanatory note on seasonal adjustment.

Figure 1 – Purchases and sales of water, seasonally adjusted

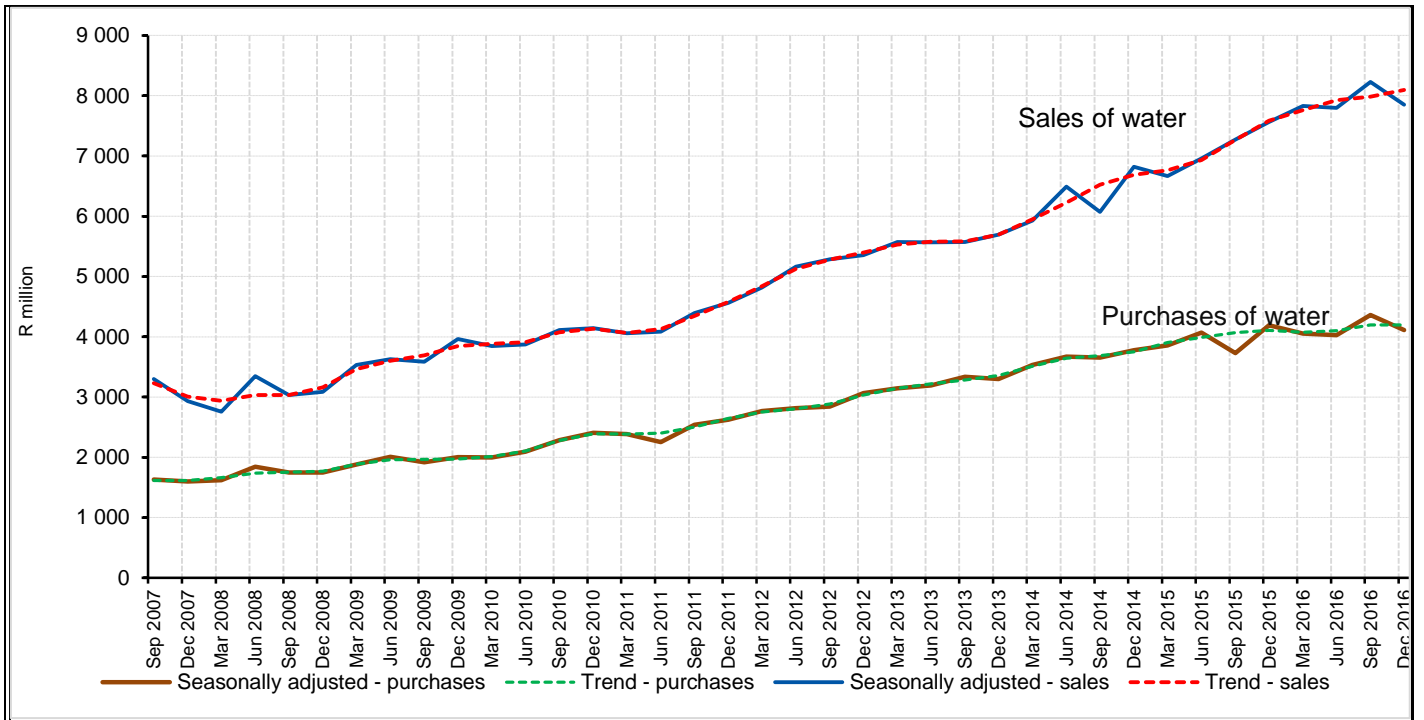
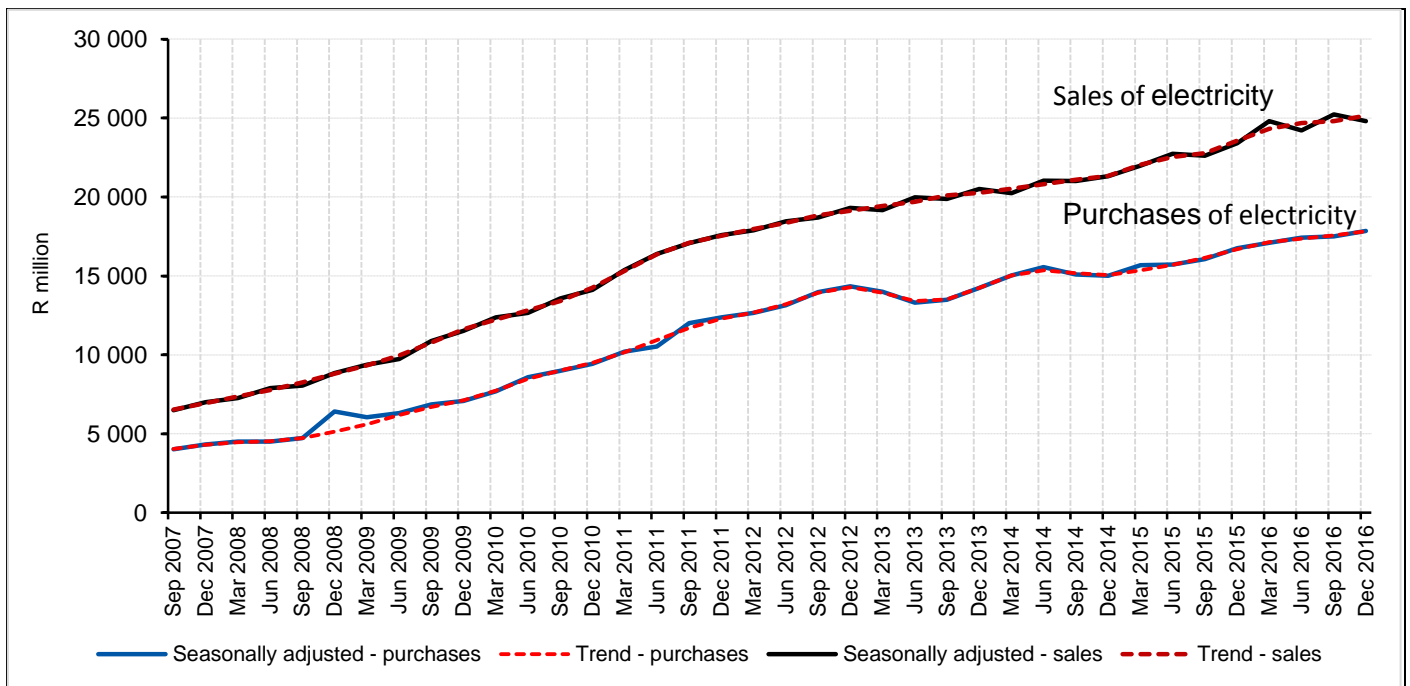


Figure 2 – Purchases and sales of electricity, seasonally adjusted



**PJ Lehohla
Statistician-General**

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended December 2015 - December 2016: Expenditure – South Africa

Expenditure	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
Employee-related costs	21 081	19 558	19 509	20 319	22 189	1 870
Remuneration of board of directors/councillors	821	939	902	825	860	35
Interest paid	2 281	1 926	2 507	1 316	2 531	1 215
Loss on the disposal of property, plant and equipment	3	78	8	30	7	-23
Bad debts	2 163	2 676	3 674	2 385	3 315	930
Contracted services	3 553	2 903	4 185	2 424	4 118	1 694
Collection costs	252	191	213	125	128	3
Depreciation and amortisation	5 048	5 470	6 029	4 087	4 403	316
Impairment loss (PPE)	1	1	517	0	10	10
Repairs and maintenance	3 272	3 059	4 642	2 008	3 047	1 039
Bulk purchases:						
Purchases of water	4 259	4 170	3 983	4 233	4 157	-76
Purchases of electricity	15 668	14 320	18 127	20 545	16 088	-4 457
Other bulk purchases	33	27	27	10	8	-2
Grants and subsidies paid to:						
Other local government institutions	19	104	165	23	78	55
Tertiary institutions of higher learning	0	0	0	0	1	1
Households or individuals	772	709	716	794	978	184
Non-profit institutions serving households	1	3	1	2	4	2
Other	2 481	2 057	3 581	1 689	1 195	-494
General expenditure:						
Accommodation, travelling and subsistence	271	175	244	172	219	47
Advertising, promotions and marketing	126	136	313	63	144	81
Audit fees	452	204	155	124	421	297
Bank charges	100	71	73	85	112	27
Cleaning services	86	81	105	83	108	25
Consultancy and professional fees	448	658	944	559	845	286
Entertainment costs	27	50	35	23	41	18
Fuel and oil	437	379	498	305	337	32
Hiring of plant and equipment	241	229	350	142	353	211
Insurance costs	233	188	132	356	268	-88
Pharmaceutical	37	41	27	47	37	-10
Postal and courier services	65	71	68	55	64	9
Printing and stationery	159	135	211	106	146	40
Rebates for property rates	1 412	1 501	1 615	1 627	1 263	-364
Rebates for service charges	93	144	122	142	139	-3
Rental of land, buildings and other structures	151	140	83	167	199	32
Rental of office equipment	275	237	302	240	269	29
Security services	661	710	905	497	763	266
Subscriptions and membership fees	76	53	143	197	72	-125
Telecommunication services	218	287	339	189	247	58
Training and education	185	183	237	145	196	51
Transport costs	246	198	286	155	323	168
Other expenditure	9 186	7 663	11 477	6 427	8 279	1 852
Surplus	20 802	23 135	9 792	43 513	22 161	-21 352
Total expenditure	97 695	94 860	97 242	116 234	100 119	-16 115

* Some figures have been revised.

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended December 2015 - December 2016: Income – South Africa

Income	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
	R million					
Property rates from:						
Residential	8 194	7 724	8 255	10 209	8 340	-1 869
Commercial or business	2 577	2 430	2 964	3 060	2 776	-284
State	637	733	663	1 305	600	-705
Other (includes agricultural, municipal, etc.)	1 591	1 229	1 600	2 484	1 662	-822
Property rates - penalties imposed and collection charges	65	62	64	64	52	-12
Service charges						
Sales of water	7 856	7 910	7 473	8 175	8 148	-27
Sales of electricity	22 432	22 993	23 073	29 486	23 802	-5 684
Refuse removal charges	2 386	2 361	2 399	2 787	2 471	-316
Sewerage and sanitation charges	3 022	3 016	3 073	3 893	2 993	-900
Other service charges (e.g. fresh produce market etc.)	108	142	147	7	1	-6
Interest earned from:						
External investments	1 082	1 627	1 647	1 139	1 262	123
Outstanding debtors	1 265	1 221	1 270	1 313	1 283	-30
Dividends received	0	0	0	0	0	0
Fines	901	813	1 178	795	853	58
Licences and permits	324	291	308	298	300	2
Income for agency services	418	347	377	180	163	-17
Rental of facilities and equipment	469	479	445	466	602	136
Bad debts recovered	13	8	16	9	-1	-10
Public contributions and donations (including PPE)	81	92	530	55	110	55
Gains on the disposal of property, plant and equipment	58	31	228	47	15	-32
Grants and subsidies from:						
National government	20 786	18 963	10 453	22 438	20 996	-1 442
Provincial government	717	652	566	575	784	209
Local government	2	109	4	1	96	95
Other	683	638	622	463	522	59
Spent conditional grant	4 128	3 897	4 597	6 340	4 063	-2 277
Other income	3 782	4 060	8 230	4 374	4 060	-314
Deficit	14 118	13 032	17 060	16 271	14 166	-2 105
Total income	97 695	94 860	97 242	116 234	100 119	-16 115

* Some figures have been revised.

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2015 - December 2016: Expenditure – South Africa

Expenditure	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
	R million					
Employee-related costs	13 253	12 325	12 424	12 773	14 378	1 605
Remuneration of board of directors/councillors	821	939	902	825	860	35
Interest paid	1 225	1 048	1 230	1 006	1 497	491
Loss on the disposal of property, plant and equipment	1	2	55	20	5	-15
Bad debts	872	1 245	1 828	981	1 441	460
Contracted services	1 562	1 203	1 842	1 093	1 538	445
Collection costs	230	167	131	110	91	-19
Depreciation and amortisation	1 616	1 694	2 593	1 091	1 265	174
Impairment loss (PPE)	1	0	517	0	10	10
Repairs and maintenance	657	654	996	320	752	432
Grants and subsidies paid to:						
Other local government institutions	17	99	133	21	65	44
Tertiary institutions of higher learning	0	0	0	0	1	1
Households or individuals	284	286	226	239	225	-14
Non-profit institutions serving households	1	3	1	2	4	2
Other	1 597	1 355	1 544	1 172	1 159	-13
General expenditure:						
Accommodation, travelling and subsistence	240	150	215	149	189	40
Advertising, promotions and marketing	96	108	267	45	123	78
Audit fees	427	190	149	108	407	299
Bank charges	95	67	69	80	103	23
Cleaning services	42	42	43	31	40	9
Consultancy and professional fees	327	396	523	354	471	117
Entertainment costs	26	48	31	23	39	16
Fuel and oil	195	159	235	154	159	5
Hiring of plant and equipment	138	122	235	76	212	136
Insurance costs	180	128	100	279	204	-75
Pharmaceutical	36	40	25	46	35	-11
Postal and courier services	63	69	65	53	62	9
Printing and stationery	128	107	181	88	120	32
Rebates for property rates	1 412	1 501	1 615	1 627	1 263	-364
Rental of land, buildings and other structures	112	112	45	145	163	18
Rental of office equipment	97	89	94	61	96	35
Security services	455	486	634	352	522	170
Subscriptions and membership fees	73	51	140	195	71	-124
Telecommunication services	187	249	267	153	210	57
Training and education	156	148	186	124	168	44
Transport costs	33	38	47	31	60	29
Other expenditure	4 832	3 792	5 475	3 811	4 070	259
Surplus	14 233	14 117	5 139	25 714	15 616	-10 098
Total expenditure	45 720	43 229	40 202	53 352	47 690	-5 662

* Some figures have been revised.

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2015 - December 2016: Income – South Africa

Income	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
	R million					
Taxes on property						
Property rates from:						
Residential	8 194	7 724	8 255	10 209	8 340	-1 869
Commercial or business	2 577	2 430	2 964	3 060	2 776	-284
State	637	733	663	1 305	600	-705
Other (includes agricultural, municipal, etc.)	1 591	1 229	1 600	2 484	1 662	-822
Property rates – penalties imposed and collection charges	65	62	64	64	52	-12
Interest earned from:						
External investments	1 005	1 386	1 557	1 095	1 182	87
Outstanding debtors	823	832	840	906	948	42
Dividends received	0	0	0	0	0	0
Fines	689	598	950	573	618	45
Licences and permits	98	97	104	95	96	1
Income for agency services	341	283	273	95	46	-49
Rental of facilities and equipment	225	238	196	252	391	139
Bad debts recovered	11	8	16	9	-1	-10
Public contributions and donations (including property, plant and equipment)	23	24	218	14	52	38
Gains on the disposal of property, plant and equipment	56	25	226	46	13	-33
Grants and subsidies from:						
National government	14 842	13 129	5 055	18 339	15 333	-3 006
Provincial government	339	321	259	383	392	9
Local government	2	108	3	1	10	9
Other	306	290	255	285	407	122
Spent conditional grants	2 240	1 905	1 885	2 541	2 411	-130
Other income	2 867	2 986	5 069	3 022	2 777	-245
Deficit	8 789	8 821	9 750	8 574	9 585	1 011
Total income	45 720	43 229	40 202	53 352	47 690	-5 662

* Some figures have been revised.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2015 - December 2016: Expenditure – South Africa

Expenditure	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
Employee-related costs	7 828	7 233	7 085	7 546	7 811	265
Interest paid	1 056	878	1 277	310	1 034	724
Loss on disposal of property, plant and equipment	2	76	-47	10	2	-8
Bad debts	1 291	1 431	1 846	1 404	1 874	470
Contracted services	1 991	1 700	2 343	1 331	2 580	1 249
Collection costs	22	24	82	15	37	22
Depreciation and amortisation	3 432	3 776	3 436	2 996	3 138	142
Impairment loss (PPE)	0	1	0	0	0	0
Repairs and maintenance	2 615	2 405	3 646	1 688	2 295	607
Bulk purchases:						
Purchases of water	4 259	4 170	3 983	4 233	4 157	-76
Purchases of electricity	15 668	14 320	18 127	20 545	16 088	-4 457
Other bulk purchases	33	27	27	10	8	-2
Grants and subsidies paid to:						
Other local government institutions	2	5	32	2	13	11
Tertiary institutions of higher learning	0	0	0	0	0	0
Households or individuals	488	423	490	555	753	198
Non-profit institutions serving households	0	0	0	0	0	0
Other	884	702	2 037	517	36	-481
General expenditure:						
Accommodation, travelling and subsistence	31	25	29	23	30	7
Advertising, promotions and marketing	30	28	46	18	21	3
Audit fees	25	14	6	16	14	-2
Bank charges	5	4	4	5	9	4
Cleaning services	44	39	62	52	68	16
Consultancy and professional fees	121	262	421	205	374	169
Entertainment costs	1	2	4	0	2	2
Fuel and oil	242	220	263	151	178	27
Hiring of plant and equipment	103	107	115	66	141	75
Insurance costs	53	60	32	77	64	-13
Pharmaceutical	1	1	2	1	2	1
Postal and courier services	2	2	3	2	2	0
Printing and stationery	31	28	30	18	26	8
Rebates for service charges	93	144	122	142	139	-3
Rental of land, buildings and other structures	39	28	38	22	36	14
Rental of office equipment	178	148	208	179	173	-6
Security services	206	224	271	145	241	96
Subscriptions and membership fees	3	2	3	2	1	-1
Telecommunication services	31	38	72	36	37	1
Training and education	29	35	51	21	28	7
Transport costs	213	160	239	124	263	139
Other expenditure	4 354	3 871	6 002	2 616	4 209	1 593
Surplus	6 569	9 018	4 653	17 799	6 545	-11 254
Total expenditure	51 975	51 631	57 040	62 882	52 429	-10 453

* Some figures have been revised.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2015 - December 2016: Income – South Africa

Income	December 2015	March 2016	June 2016	September 2016*	December 2016	Difference between quarters ended Sep. 2016 and Dec. 2016
	R million					
Interest earned from:						
External investments	77	241	90	44	80	36
Outstanding debtors	442	389	430	407	335	-72
Dividends received	0	0	0	0	0	0
Fines	212	215	228	222	235	13
Licences and permits	226	194	204	203	204	1
Income for agency services	77	64	104	85	117	32
Rental of facilities and equipment	244	241	249	214	211	-3
Bad debts recovered	2	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	58	68	312	41	58	17
Gains on the disposal of property, plant and equipment	2	6	2	1	2	1
Service charges:						
Sales of water	7 856	7 910	7 473	8 175	8 148	-27
Sales of electricity	22 432	22 993	23 073	29 486	23 802	-5 684
Refuse removal charges	2 386	2 361	2 399	2 787	2 471	-316
Sewerage and sanitation charges	3 022	3 016	3 073	3 893	2 993	-900
Other service charges (e.g. fresh produce market)	108	142	147	7	1	-6
Grants and subsidies from:						
National government	5 944	5 834	5 398	4 099	5 663	1 564
Provincial government	378	331	307	192	392	200
Local government	0	1	1	0	86	86
Other	377	348	367	178	115	-63
Spent conditional grants	1 888	1 992	2 712	3 799	1 652	-2 147
Other income	915	1 074	3 161	1 352	1 283	-69
Deficit	5 329	4 211	7 310	7 697	4 581	-3 116
Total income	51 975	51 631	57 040	62 882	52 429	-10 453

* Some figures have been revised.

Table 7 – Purchases and sales of water

Quarter ended	Purchases of water				Sales of water			
	Actual (unadjusted)		Seasonally adjusted		Actual (unadjusted)		Seasonally adjusted	
	R million	Year-on-year % change	R million	Quarter-on-quarter % change	R million	Year-on-year % change	R million	Quarter-on-quarter % change
Sep 2007	1 489		1 630		3 246		3 297	
Dec 2007	1 661		1 597	-2,0	3 031		2 933	-11,0
Mar 2008	1 615		1 622	1,6	2 865		2 759	-5,9
Jun 2008	1 938		1 846	13,8	3 153		3 346	21,3
Sep 2008	1 601	7,5	1 750	-5,2	2 989	-7,9	3 032	-9,4
Dec 2008	1 816	9,3	1 747	-0,2	3 195	5,4	3 088	1,8
Mar 2009	1 877	16,2	1 880	7,6	3 663	27,9	3 534	14,4
Jun 2009	2 098	8,3	2 006	6,7	3 419	8,4	3 629	2,7
Sep 2009	1 756	9,7	1 918	-4,4	3 537	18,3	3 586	-1,2
Dec 2009	2 084	14,8	2 003	4,4	4 110	28,6	3 961	10,5
Mar 2010	2 001	6,6	1 995	-0,4	3 972	8,4	3 844	-3,0
Jun 2010	2 174	3,6	2 095	5,0	3 646	6,6	3 873	0,8
Sep 2010	2 100	19,6	2 286	9,1	4 056	14,7	4 109	6,1
Dec 2010	2 505	20,2	2 409	5,4	4 315	5,0	4 141	0,8
Mar 2011	2 406	20,2	2 383	-1,1	4 169	5,0	4 057	-2,0
Jun 2011	2 312	6,3	2 250	-5,6	3 848	5,5	4 084	0,7
Sep 2011	2 345	11,7	2 539	12,8	4 342	7,1	4 391	7,5
Dec 2011	2 723	8,7	2 623	3,3	4 769	10,5	4 564	3,9
Mar 2012	2 813	16,9	2 769	5,6	4 919	18,0	4 817	5,5
Jun 2012	2 865	23,9	2 816	1,7	4 876	26,7	5 163	7,2
Sep 2012	2 646	12,8	2 842	0,9	5 239	20,7	5 285	2,4
Dec 2012	3 172	16,5	3 066	7,9	5 597	17,4	5 353	1,3
Mar 2013	3 211	14,1	3 147	2,6	5 658	15,0	5 574	4,1
Jun 2013	3 221	12,4	3 192	1,4	5 279	8,3	5 567	-0,1
Sep 2013	3 134	18,4	3 335	4,5	5 542	5,8	5 573	0,1
Dec 2013	3 396	7,1	3 300	-1,0	5 935	6,0	5 697	2,2
Mar 2014	3 617	12,6	3 532	7,0	6 000	6,0	5 926	4,0
Jun 2014	3 676	14,1	3 671	3,9	6 186	17,2	6 493	9,6
Sep 2014	3 474	10,8	3 653	-0,5	6 037	8,9	6 072	-6,5
Dec 2014	3 861	13,7	3 777	3,4	7 092	19,5	6 819	12,3
Mar 2015	3 961	9,5	3 857	2,1	6 742	12,4	6 669	-2,2
Jun 2015	4 048	10,1	4 070	5,5	6 651	7,5	6 958	4,3
Sep 2015	3 587	3,3	3 729	-8,4	7 228	19,7	7 271	4,5
Dec 2015	4 259	10,3	4 193	12,4	7 856	10,8	7 564	4,0
Mar 2016	4 170	5,3	4 054	-3,3	7 910	17,3	7 831	3,5
Jun 2016	3 983	-1,6	4 025	-0,7	7 473	12,4	7 799	-0,4
Sep 2016	4 233	18,0	4 363	8,4	8 175	13,1	8 229	5,5
Dec 2016	4 157	-2,4	4 112	-5,8	8 148	3,7	7 849	-4,6

Table 8 – Purchases and sales of electricity

Quarter ended	Purchases of electricity				Sales of electricity			
	Actual (unadjusted)		Seasonally adjusted		Actual (unadjusted)		Seasonally adjusted	
	R million	Year-on-year % change	R million	Quarter-on-quarter % change	R million	Year-on-year % change	R million	Quarter-on-quarter % change
Sep 2007	5 256		4 016		7 546		6 496	
Dec 2007	3 857		4 319	7,5	6 837		7 000	7,8
Mar 2008	3 667		4 510	4,4	6 639		7 266	3,8
Jun 2008	4 317		4 502	-0,2	7 440		7 894	8,6
Sep 2008	6 491	23,5	4 734	5,2	9 093	20,5	8 058	2,1
Dec 2008	5 685	47,4	6 409	35,4	8 874	29,8	8 857	9,9
Mar 2009	4 870	32,8	6 057	-5,5	8 476	27,7	9 377	5,9
Jun 2009	6 085	41,0	6 317	4,3	9 199	23,6	9 741	3,9
Sep 2009	9 318	43,6	6 861	8,6	12 661	39,2	10 884	11,7
Dec 2009	6 424	13,0	7 089	3,3	11 442	28,9	11 528	5,9
Mar 2010	6 058	24,4	7 699	8,6	11 262	32,9	12 377	7,4
Jun 2010	8 336	37,0	8 589	11,6	11 994	30,4	12 660	2,3
Sep 2010	12 361	32,7	8 995	4,7	15 662	23,7	13 566	7,2
Dec 2010	8 070	25,6	9 438	4,9	13 999	22,3	14 116	4,1
Mar 2011	8 605	42,0	10 215	8,2	13 942	23,8	15 370	8,9
Jun 2011	10 277	23,3	10 521	3,0	15 608	30,1	16 384	6,6
Sep 2011	15 271	23,5	12 014	14,2	19 719	25,9	17 076	4,2
Dec 2011	10 934	35,5	12 368	2,9	17 514	25,1	17 592	3,0
Mar 2012	10 390	20,7	12 651	2,3	16 269	16,7	17 887	1,7
Jun 2012	12 965	26,2	13 143	3,9	17 695	13,4	18 457	3,2
Sep 2012	17 492	14,5	13 970	6,3	21 692	10,0	18 706	1,3
Dec 2012	13 058	19,4	14 332	2,6	18 626	6,3	19 313	3,2
Mar 2013	11 432	10,0	13 992	-2,4	17 763	9,2	19 174	-0,7
Jun 2013	13 297	2,6	13 304	-4,9	19 218	8,6	19 969	4,1
Sep 2013	17 309	-1,0	13 493	1,4	22 445	3,5	19 873	-0,5
Dec 2013	13 049	-0,1	14 238	5,5	19 583	5,1	20 515	3,2
Mar 2014	12 334	7,9	15 037	5,6	18 925	6,5	20 242	-1,3
Jun 2014	15 821	19,0	15 551	3,4	20 222	5,2	21 032	3,9
Sep 2014	19 038	10,0	15 099	-2,9	23 726	5,7	21 013	-0,1
Dec 2014	13 688	4,9	15 007	-0,6	20 779	6,1	21 316	1,4
Mar 2015	12 997	5,4	15 676	4,5	20 115	6,3	21 993	3,2
Jun 2015	16 222	2,5	15 726	0,3	21 764	7,6	22 738	3,4
Sep 2015	19 839	4,2	16 072	2,2	26 470	11,6	22 620	-0,5
Dec 2015	15 668	14,5	16 762	4,3	22 432	8,0	23 410	3,5
Mar 2016	14 320	10,2	17 108	2,1	23 088	14,8	24 812	6,0
Jun 2016	18 127	11,7	17 428	1,9	23 073	6,0	24 213	-2,4
Sep 2016	20 545	3,6	17 499	0,4	29 486	11,4	25 224	4,2
Dec 2016	16 088	2,7	17 853	2,0	23 802	6,1	24 809	-1,6

Notes

Forthcoming issue

Issue	Expected release date
March 2017	June 2017

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 as inputs into the gross domestic product (GDP) calculation as well as to assist the public sector with policy formulation and the financial analysis of municipalities.

Response rates

December quarter 2015:	99% (of 278)
March quarter 2016:	100% (of 278)
June quarter 2016:	100% (of 278)
September quarter 2016:	99% (of 257)
December quarter 2016:	100% (of 257)

The following municipalities did not submit their figures for September 2016 by the cut-off date:

1. Walter Sisulu Local Municipality – Eastern Cape
2. Lephalale Local Municipality – Limpopo

Estimates for the above two respondents were imputed.

Explanatory notes

Introduction	1	<p>The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended December 2015, March 2016, June 2016, September 2016 and December 2016. 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 performance 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	<p>This survey covers quarterly financial information of all 257 municipalities. Unadjusted data for all municipalities are available with effect from September 2016. Only water (sales and purchases) and electricity (sales and purchases) have seasonally adjusted estimates, and these are available at the national level only (not at provincial or municipal level).</p>
Classification and accounting standards	3	<p>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 local government institutions also adhere to the accounting standards and requirements in terms of the Generally Recognised Accounting Practice (GRAP).</p> <p>The Standard Chart of Accounts for municipalities and municipal entities (MSCOA) was implemented from July 2016. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.</p>
Survey methodology and design	4	<p>The statistical unit for the collection of information is the municipality.</p>
Imputation	5	<p>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	6	<p>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 the cut-off date for submitting their questionnaires).</p>
Rounding off figures	7	<p>The figures in the tables have been rounded off 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.</p>
Related publications	8	<p>Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • P9101 <i>Capital expenditure of the public sector;</i> • P9114 <i>Financial census of municipalities;</i> • P9119.4 <i>Financial statistics of consolidated general government;</i> • P0441 <i>Gross domestic product; and</i> • P0277 <i>Quarterly employment statistics</i>

Symbols and abbreviations used

9	GRAP	Generally Recognised Accounting Practice
	QES	Quarterly Employment Statistics
	SIC	Standard Industrial Classification of All Economic Activities
	Stats SA	Statistics South Africa
	0	Nil or not applicable

Seasonal adjustment

10	<p>Seasonally adjusted estimates are generated each quarter using the X-12 Seasonal Adjustment Program developed by the US Bureau of the Census. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be recognised more clearly. Seasonal adjustment does not aim to remove irregular or non-seasonal influences which may be present in any particular quarter. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series, even after adjustment for seasonal variations. Therefore, the quarter-to-quarter movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour. The X-12-ARIMA procedure for purchases and sales of water and electricity is described in more detail on the Stats SA website:.....:</p> <p>http://www.statssa.gov.za/publications/P9110/Seasonal_adjustment_QFSM_December_2016.pdf</p>	
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Glossary of selected variables used in this publication

Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance (previously referred to as income statement) 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.
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).
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, 1998 (Act No.117 of 1998).
Employee-related costs	<p>Employee-related costs include 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;• 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 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 and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees).• also refer to the Quarterly Employment Statistics (QES, P0277) which measure employment and gross earnings of all employees on a given municipal payroll.
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.
Housing and trading services	Housing includes all activities associated with the municipal 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 (such as pollution control, biodiversity & landscape and coastal protection etc.), air transport, abattoirs, tourism, forestry, markets and licensing & regulation (such as licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business).
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, 1998 (Act No.117 of 1998).

Metropolitan municipality

Metropolitan municipality refers to 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, 1998 (Act No.117 of 1998).

Other expenditure

The following are included in other expenditure:

- departmental charges/fees;
- books and magazines;
- consumables;
- licences and trade licences;
- workshops;
- refreshments; and
- sundries.

Rates and general services

Rates and general services refer to municipal services that are not economically self-supporting and are financed by imposing assessment and other rates, the receipt of subsidies and other contributions. This includes ambulance services, fire control (or fire-fighting), health services (clinics, old-age homes), roads and storm water drainage, 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.).

Repairs and maintenance

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 subdivision 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.

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