

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:					
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
	Year-on-year % change, unadjusted					
Purchases of water	13,5	6,1	9,4	-9,6	-10,3	7,2
Sales of water	14,6	9,7	15,8	6,2	2,5	18,4
Purchases of electricity	14,0	15,6	0,1	-0,6	5,6	-7,6
Sales of electricity	13,5	5,3	12,2	6,9	-1,1	5,5

* Some figures have been revised.

Table A shows annual growth rates in the purchases and sales of water and electricity, based on rand values. From the June 2016 quarter to the June 2017 quarter, purchases of water increased by 7,2% and sales of water increased by 18,4%, while purchases of electricity decreased by 7,6% and sales of electricity increased by 5,5%.

Table B – Purchases and sales of water and electricity, seasonally adjusted*

Item	Quarter ended:					
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	-1,7	-7,6	4,5	-4,3	-2,3	9,0
Sales of water	3,5	-0,6	6,3	-2,6	-0,5	14,9
Purchases of electricity	0,5	5,9	-3,1	1,4	-1,7	-4,1
Sales of electricity	5,6	-3,6	5,2	-2,9	2,7	0,9

* Some figures have been revised.

Table B shows quarterly growth rates in the purchases and sales of water and electricity, based on seasonally adjusted rand values. From the March 2016 quarter to the June 2017 quarter, purchases of water increased by 9,0% and sales of water increased by 14,9%, while purchases of electricity decreased by 4,1% and sales of electricity increased by 0,9%.

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

Annexures A and B provide more detail and longer time series for water and electricity purchases and sales.

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

Figure 1 – Purchases and sales of water, seasonally adjusted, R million

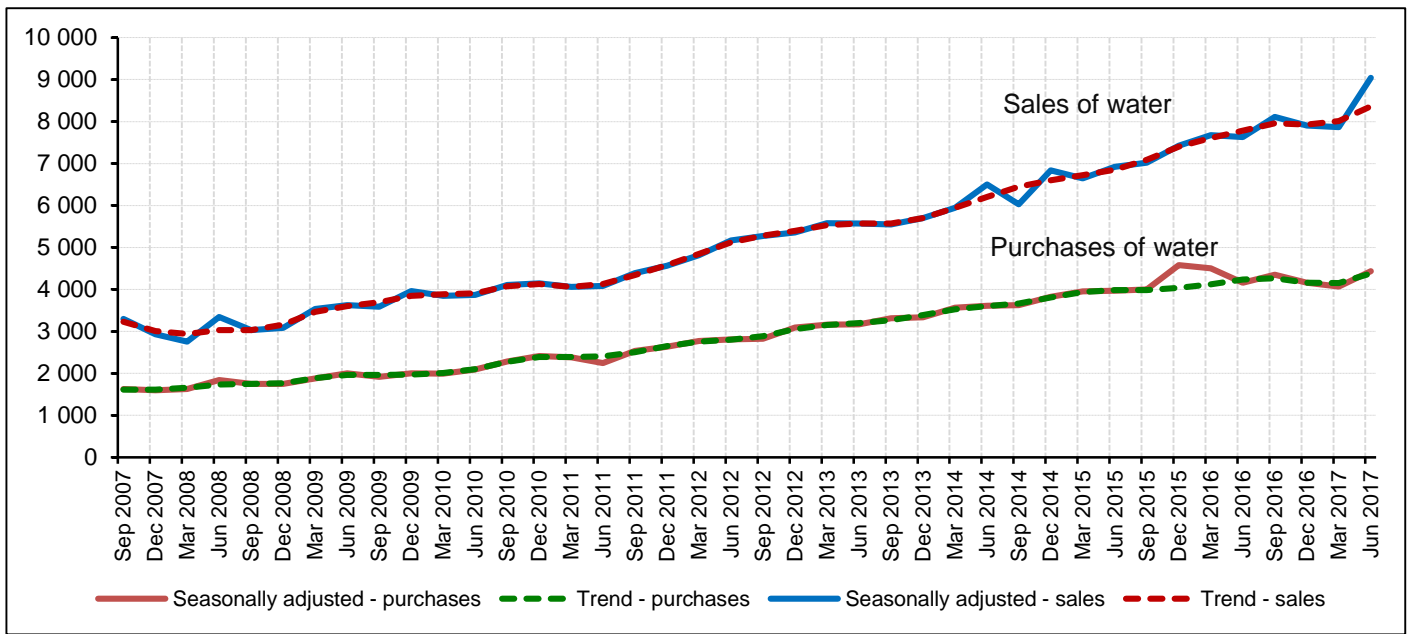
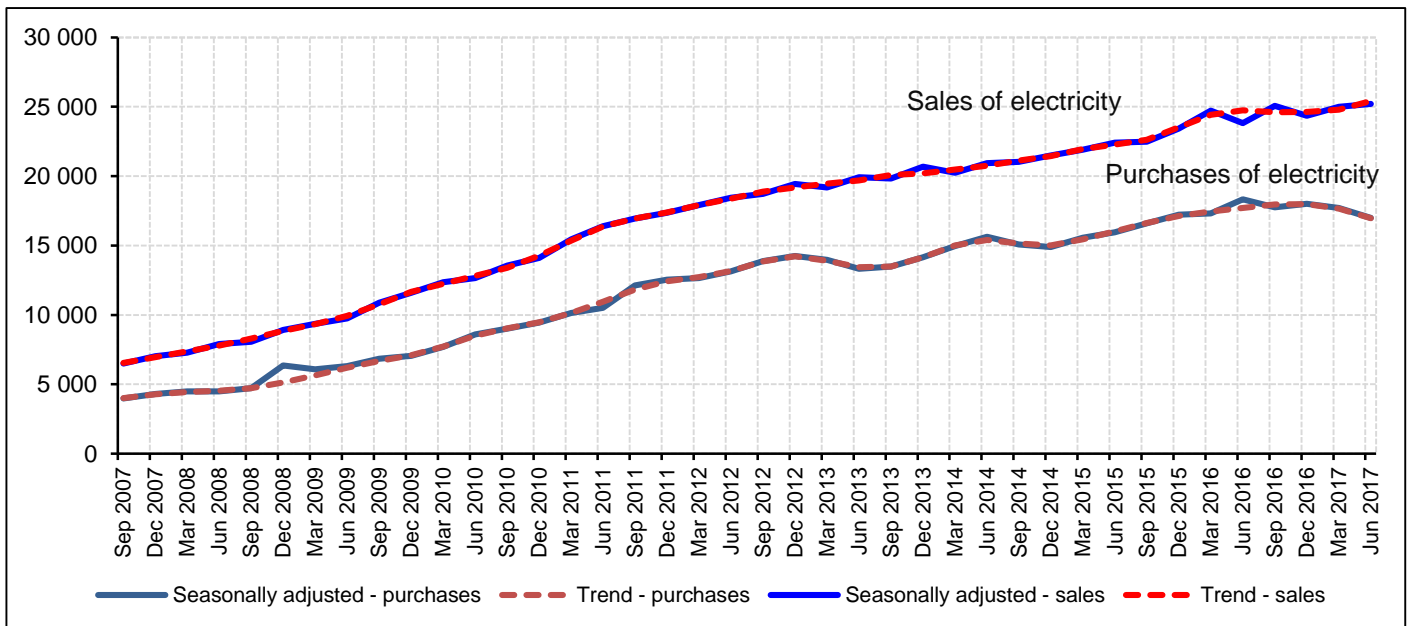


Figure 2 – Purchases and sales of electricity, seasonally adjusted, R million



PJ Lehohla
Statistician-General

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended September 2016, December 2016, March 2017 and June 2017: Expenditure – South Africa

Expenditure	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
	R million				
Employee-related costs	20 319	21 869	20 563	22 712	2 149
Remuneration of board of directors/councillors	825	847	981	952	-29
Interest paid	1 316	2 313	2 509	2 934	425
Loss on the disposal of property, plant and equipment	30	7	9	81	72
Bad debts	2 385	3 241	2 934	4 788	1 854
Contracted services	2 424	4 087	3 168	5 099	1 931
Collection costs	125	83	114	283	169
Depreciation and amortisation	4 087	4 399	5 166	5 402	236
Impairment loss (PPE)	0	5	2	160	158
Repairs and maintenance	2 008	3 001	3 708	3 841	133
Bulk purchases:					
Purchases of water	4 233	4 151	4 035	4 605	570
Purchases of electricity	20 545	16 102	15 638	17 328	1 690
Other bulk purchases	10	4	7	33	26
Grants and subsidies paid to:					
Other local government institutions	23	54	22	56	34
Tertiary institutions of higher learning	0	1	3	76	73
Households or individuals	794	952	454	774	320
Non-profit institutions serving households	2	4	3	18	15
Other	1 689	1 438	1 614	2 353	739
General expenditure:					
Accommodation, travelling and subsistence	172	218	194	245	51
Advertising, promotions and marketing	63	136	97	194	97
Audit fees	124	423	268	129	-139
Bank charges	85	107	99	127	28
Cleaning services	83	110	87	118	31
Consultancy and professional fees	559	829	849	814	-35
Entertainment costs	23	41	22	55	33
Fuel and oil	305	335	440	465	25
Hiring of plant and equipment	142	352	273	335	62
Insurance costs	356	269	173	163	-10
Pharmaceutical	47	37	44	43	-1
Postal and courier services	55	61	68	75	7
Printing and stationery	106	134	164	152	-12
Rebates for property rates	1 627	1 256	1 803	1 592	-211
Rebates for service charges	142	113	114	173	59
Rental of land, buildings and other structures	167	200	100	193	93
Rental of office equipment	240	262	472	384	-88
Security services	497	758	615	925	310
Subscriptions and membership fees	197	72	55	115	60
Telecommunication services	189	243	215	270	55
Training and education	145	195	120	237	117
Transport costs	155	260	241	245	4
Other expenditure	6 427	8 071	7 317	11 290	3 973
Surplus	43 513	23 450	24 359	6 535	-17 824
Total expenditure	116 234	100 490	99 119	96 369	-2 750

* Some figures have been revised.

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended September 2016, December 2016, March 2017 and June 2017: Income – South Africa

Income	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
	R million				
Property rates from:					
Residential	10 209	8 370	8 620	8 993	373
Commercial or business	3 060	2 776	3 152	2 792	-360
State	1 305	599	712	658	-54
Other (includes agricultural, municipal, etc.)	2 484	1 659	1 623	1 140	-483
Property rates - penalties imposed and collection charges	64	52	53	64	11
Service charges					
Sales of water	8 175	8 142	7 919	8 637	718
Sales of electricity	29 486	23 620	22 570	24 163	1 593
Refuse removal charges	2 787	2 511	2 468	2 550	82
Sewerage and sanitation charges	3 893	3 061	3 120	3 280	160
Other service charges (e.g. fresh produce market etc.)	7	1	48	44	-4
Interest earned from:					
External investments	1 139	1 267	1 669	1 391	-278
Outstanding debtors	1 313	1 257	1 609	1 672	63
Dividends received	0	0	0	0	0
Fines	795	853	823	1 003	180
Licences and permits	298	297	337	276	-61
Income for agency services	180	164	211	262	51
Rental of facilities and equipment	466	658	528	601	73
Bad debts recovered	9	1	1	26	25
Public contributions and donations (including PPE)	55	110	146	467	321
Gains on the disposal of property, plant and equipment	47	15	59	93	34
Grants and subsidies from:					
National government	22 438	21 163	16 913	7 101	-9 812
Provincial government	575	596	644	575	-69
Local government	1	96	1	4	3
Other	463	538	206	195	-11
Spent conditional grant	6 340	4 658	6 511	6 560	49
Other income	4 374	4 005	4 006	3 882	-124
Deficit	16 271	14 021	15 170	19 940	4 770
Total income	116 234	100 490	99 119	96 369	-2 750

* Some figures have been revised.

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2016, December 2016, March 2017 and June 2017: Expenditure – South Africa

Expenditure	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
	R million				
Employee-related costs	12 773	13 956	13 352	14 853	1 501
Remuneration of board of directors/councillors	825	847	981	952	-29
Interest paid	1 006	1 279	1 130	1 363	233
Loss on the disposal of property, plant and equipment	20	5	8	74	66
Bad debts	981	1 370	438	2 234	1 796
Contracted services	1 093	1 531	1 600	2 144	544
Collection costs	110	55	113	276	163
Depreciation and amortisation	1 091	1 257	1 434	1 564	130
Impairment loss (PPE)	0	5	0	141	141
Repairs and maintenance	320	752	678	1 089	411
Grants and subsidies paid to:					
Other local government institutions	21	41	10	39	29
Tertiary institutions of higher learning	0	1	3	76	73
Households or individuals	239	214	250	203	-47
Non-profit institutions serving households	2	4	3	9	6
Other	1 172	1 157	1 252	2 205	953
General expenditure:					
Accommodation, travelling and subsistence	149	189	167	212	45
Advertising, promotions and marketing	45	115	86	171	85
Audit fees	108	408	245	122	-123
Bank charges	80	98	96	124	28
Cleaning services	31	40	51	46	-5
Consultancy and professional fees	354	455	556	574	18
Entertainment costs	23	39	21	49	28
Fuel and oil	154	157	270	216	-54
Hiring of plant and equipment	76	210	148	208	60
Insurance costs	279	205	125	122	-3
Pharmaceutical	46	35	42	39	-3
Postal and courier services	53	59	63	72	9
Printing and stationery	88	108	139	133	-6
Rebates for property rates	1 627	1 256	1 803	1 592	-211
Rental of land, buildings and other structures	145	164	89	161	72
Rental of office equipment	61	96	103	91	-12
Security services	352	517	482	694	212
Subscriptions and membership fees	195	71	54	103	49
Telecommunication services	153	206	170	206	36
Training and education	124	167	107	199	92
Transport costs	31	60	81	23	-58
Other expenditure	3 811	3 899	3 003	6 241	3 238
Surplus	25 714	16 270	16 495	-919	-17 414
Total expenditure	53 352	47 298	45 648	37 701	-7 947

* Some figures have been revised.

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2016, December 2016, March 2017 and June 2017: Income – South Africa

Income	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
	R million				
Taxes on property					
Property rates from:					
Residential	10 209	8 370	8 620	8 993	373
Commercial or business	3 060	2 776	3 152	2 792	-360
State	1 305	599	712	658	-54
Other (includes agricultural, municipal, etc.)	2 484	1 659	1 623	1 140	-483
Property rates – penalties imposed and collection charges	64	52	53	64	11
Interest earned from:					
External investments	1 095	1 179	1 309	1 333	24
Outstanding debtors	906	933	1 222	1 204	-18
Dividends received	0	0	0	0	0
Fines	573	618	577	762	185
Licences and permits	95	93	90	89	-1
Income for agency services	95	47	87	93	6
Rental of facilities and equipment	252	446	218	346	128
Bad debts recovered	9	1	1	26	25
Public contributions and donations (including property, plant and equipment)	14	52	24	203	179
Gains on the disposal of property, plant and equipment	46	13	42	75	33
Grants and subsidies from:					
National government	18 339	15 219	12 110	3 786	-8 324
Provincial government	383	260	349	260	-89
Local government	1	10	1	3	2
Other	285	393	39	121	82
Spent conditional grants	2 541	2 333	2 923	2 658	-265
Other income	3 022	2 717	3 023	1 829	-1 194
Deficit	8 574	9 528	9 473	11 266	1 793
Total income	53 352	47 298	45 648	37 701	-7 947

* Some figures have been revised.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2016, December 2016, March 2017 and June 2017: Expenditure – South Africa

Expenditure	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
	R million				
Employee-related costs	7 546	7 913	7 211	7 859	648
Interest paid	310	1 034	1 379	1 571	192
Loss on disposal of property, plant and equipment	10	2	1	7	6
Bad debts	1 404	1 871	2 496	2 554	58
Contracted services	1 331	2 556	1 568	2 955	1 387
Collection costs	15	28	1	7	6
Depreciation and amortisation	2 996	3 142	3 732	3 838	106
Impairment loss (PPE)	0	0	2	19	17
Repairs and maintenance	1 688	2 249	3 030	2 752	-278
Bulk purchases:					
Purchases of water	4 233	4 151	4 035	4 605	570
Purchases of electricity	20 545	16 102	15 638	17 328	1 690
Other bulk purchases	10	4	7	33	26
Grants and subsidies paid to:					
Other local government institutions	2	13	12	17	5
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	555	738	204	571	367
Non-profit institutions serving households	0	0	0	9	9
Other	517	281	362	148	-214
General expenditure:					
Accommodation, travelling and subsistence	23	29	27	33	6
Advertising, promotions and marketing	18	21	11	23	12
Audit fees	16	15	23	7	-16
Bank charges	5	9	3	3	0
Cleaning services	52	70	36	72	36
Consultancy and professional fees	205	374	293	240	-53
Entertainment costs	0	2	1	6	5
Fuel and oil	151	178	170	249	79
Hiring of plant and equipment	66	142	125	127	2
Insurance costs	77	64	48	41	-7
Pharmaceutical	1	2	2	4	2
Postal and courier services	2	2	5	3	-2
Printing and stationery	18	26	25	19	-6
Rebates for service charges	142	113	114	173	59
Rental of land, buildings and other structures	22	36	11	32	21
Rental of office equipment	179	166	369	293	-76
Security services	145	241	133	231	98
Subscriptions and membership fees	2	1	1	12	11
Telecommunication services	36	37	45	64	19
Training and education	21	28	13	38	25
Transport costs	124	200	160	222	62
Other expenditure	2 616	4 172	4 314	5 049	735
Surplus	17 799	7 180	7 864	7 454	-410
Total expenditure	62 882	53 192	53 471	58 668	5 197

* Some figures have been revised.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2016, December 2016, March 2017 and June 2017: Income – South Africa

Income	September 2016	December 2016	March 2017*	June 2017	Difference between quarters ended Mar. 2017 and Jun. 2017
R million					
Interest earned from:					
External investments	44	88	360	58	-302
Outstanding debtors	407	324	387	468	81
Dividends received	0	0	0	0	0
Fines	222	235	246	241	-5
Licences and permits	203	204	247	187	-60
Income for agency services	85	117	124	169	45
Rental of facilities and equipment	214	212	310	255	-55
Bad debts recovered	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	41	58	122	264	142
Gains on the disposal of property, plant and equipment	1	2	17	18	1
Service charges:					
Sales of water	8 175	8 142	7 919	8 637	718
Sales of electricity	29 486	23 620	22 570	24 163	1 593
Refuse removal charges	2 787	2 511	2 468	2 550	82
Sewerage and sanitation charges	3 893	3 061	3 120	3 280	160
Other service charges (e.g. fresh produce market)	7	1	48	44	-4
Grants and subsidies from:					
National government	4 099	5 944	4 803	3 315	-1 488
Provincial government	192	336	295	315	20
Local government	0	86	0	1	1
Other	178	145	167	74	-93
Spent conditional grants	3 799	2 325	3 588	3 902	314
Other income	1 352	1 288	983	2 053	1 070
Deficit	7 697	4 493	5 697	8 674	2 977
Total income	62 882	53 192	53 471	58 668	5 197

* Some figures have been revised.

Annexure A – 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 07	1 489		1 630		3 246		3 297	
Dec 07	1 661		1 597	-2,0	3 031		2 933	-11,0
Mar 08	1 615		1 624	1,7	2 865		2 759	-5,9
Jun 08	1 938		1 844	13,5	3 153		3 346	21,3
Sep 08	1 601	7,5	1 750	-5,1	2 989	-7,9	3 032	-9,4
Dec 08	1 816	9,3	1 747	-0,2	3 195	5,4	3 088	1,8
Mar 09	1 877	16,2	1 883	7,8	3 663	27,9	3 534	14,4
Jun 09	2 098	8,3	2 004	6,4	3 419	8,4	3 629	2,7
Sep 09	1 756	9,7	1 917	-4,3	3 537	18,3	3 586	-1,2
Dec 09	2 084	14,8	2 005	4,6	4 110	28,6	3 961	10,5
Mar 10	2 001	6,6	1 997	-0,4	3 972	8,4	3 844	-3,0
Jun 10	2 174	3,6	2 093	4,8	3 646	6,6	3 873	0,8
Sep 10	2 100	19,6	2 284	9,1	4 056	14,7	4 109	6,1
Dec 10	2 505	20,2	2 413	5,6	4 315	5,0	4 141	0,8
Mar 11	2 406	20,2	2 385	-1,2	4 169	5,0	4 058	-2,0
Jun 11	2 312	6,3	2 246	-5,8	3 848	5,5	4 085	0,7
Sep 11	2 345	11,7	2 533	12,8	4 342	7,1	4 387	7,4
Dec 11	2 723	8,7	2 632	3,9	4 769	10,5	4 567	4,1
Mar 12	2 813	16,9	2 774	5,4	4 919	18,0	4 818	5,5
Jun 12	2 865	23,9	2 807	1,2	4 876	26,7	5 165	7,2
Sep 12	2 646	12,8	2 828	0,7	5 239	20,7	5 275	2,1
Dec 12	3 172	16,5	3 090	9,3	5 597	17,4	5 361	1,6
Mar 13	3 211	14,1	3 157	2,2	5 658	15,0	5 577	4,0
Jun 13	3 221	12,4	3 168	0,3	5 279	8,3	5 572	-0,1
Sep 13	3 134	18,4	3 310	4,5	5 542	5,8	5 552	-0,4
Dec 13	3 396	7,1	3 337	0,8	5 935	6,0	5 704	2,7
Mar 14	3 617	12,6	3 566	6,9	6 000	6,0	5 942	4,2
Jun 14	3 676	14,1	3 608	1,2	6 186	17,2	6 498	9,4
Sep 14	3 474	10,8	3 627	0,5	6 037	8,9	6 031	-7,2
Dec 14	3 861	13,7	3 828	5,5	7 092	19,5	6 839	13,4
Mar 15	3 961	9,5	3 952	3,2	6 742	12,4	6 648	-2,8
Jun 15	4 048	10,1	3 972	0,5	6 651	7,5	6 925	4,2
Sep 15	3 868	11,3	4 002	0,8	7 057	16,9	7 023	1,4
Dec 15	4 593	19,0	4 582	14,5	7 670	8,2	7 422	5,7
Mar 16	4 497	13,5	4 503	-1,7	7 723	14,6	7 680	3,5
Jun 16	4 296	6,1	4 162	-7,6	7 295	9,7	7 631	-0,6
Sep 16	4 233	9,4	4 351	4,5	8 175	15,8	8 115	6,3
Dec 16	4 151	-9,6	4 162	-4,3	8 142	6,2	7 905	-2,6
Mar 17	4 035	-10,3	4 068	-2,3	7 919	2,5	7 867	-0,5
Jun 17	4 605	7,2	4 436	9,0	8 637	18,4	9 039	14,9

Annexure B – 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 07	5 256		3 995		7 546		6 506	
Dec 07	3 857		4 298	7,6	6 837		7 022	7,9
Mar 08	3 667		4 489	4,4	6 639		7 288	3,8
Jun 08	4 317		4 501	0,3	7 440		7 903	8,4
Sep 08	6 491	23,5	4 731	5,1	9 093	20,5	8 063	2,0
Dec 08	5 685	47,4	6 350	34,2	8 874	29,8	8 910	10,5
Mar 09	4 870	32,8	6 075	-4,3	8 476	27,7	9 358	5,0
Jun 09	6 085	41,0	6 319	4,0	9 199	23,6	9 751	4,2
Sep 09	9 318	43,6	6 841	8,3	12 661	39,2	10 885	11,6
Dec 09	6 424	13,0	7 053	3,1	11 442	28,9	11 586	6,4
Mar 10	6 058	24,4	7 695	9,1	11 262	32,9	12 367	6,7
Jun 10	8 336	37,0	8 591	11,6	11 994	30,4	12 668	2,4
Sep 10	12 361	32,7	9 019	5,0	15 662	23,7	13 546	6,9
Dec 10	8 070	25,6	9 450	4,8	13 999	22,3	14 116	4,2
Mar 11	8 605	42,0	10 152	7,4	13 942	23,8	15 444	9,4
Jun 11	10 277	23,3	10 519	3,6	15 608	30,1	16 386	6,1
Sep 11	15 271	23,5	12 133	15,3	19 719	25,9	16 950	3,4
Dec 11	10 934	35,5	12 537	3,3	17 514	25,1	17 354	2,4
Mar 12	10 390	20,7	12 655	0,9	16 269	16,7	17 924	3,3
Jun 12	12 965	26,2	13 134	3,8	17 695	13,4	18 442	2,9
Sep 12	17 492	14,5	13 885	5,7	21 692	10,0	18 730	1,6
Dec 12	13 058	19,4	14 257	2,7	18 626	6,3	19 434	3,8
Mar 13	11 432	10,0	13 980	-1,9	17 763	9,2	19 194	-1,2
Jun 13	13 297	2,6	13 324	-4,7	19 218	8,6	19 921	3,8
Sep 13	17 309	-1,0	13 491	1,3	22 445	3,5	19 835	-0,4
Dec 13	13 049	-0,1	14 165	5,0	19 583	5,1	20 692	4,3
Mar 14	12 334	7,9	14 967	5,7	18 925	6,5	20 257	-2,1
Jun 14	15 821	19,0	15 634	4,5	20 222	5,2	20 929	3,3
Sep 14	19 038	10,0	15 081	-3,5	23 726	5,7	21 031	0,5
Dec 14	13 688	4,9	14 895	-1,2	20 779	6,1	21 503	2,2
Mar 15	12 997	5,4	15 566	4,5	20 115	6,3	21 904	1,9
Jun 15	16 222	2,5	15 959	2,5	21 764	7,6	22 421	2,4
Sep 15	20 521	7,8	16 606	4,1	26 281	10,8	22 482	0,3
Dec 15	16 207	18,4	17 230	3,8	22 272	7,2	23 420	4,2
Mar 16	14 812	14,0	17 313	0,5	22 829	13,5	24 725	5,6
Jun 16	18 751	15,6	18 337	5,9	22 908	5,3	23 831	-3,6
Sep 16	20 545	0,1	17 763	-3,1	29 486	12,2	25 070	5,2
Dec 16	16 102	-0,6	18 017	1,4	23 802	6,9	24 342	-2,9
Mar 17	15 638	5,6	17 707	-1,7	22 570	-1,1	24 990	2,7
Jun 17	17 328	-7,6	16 983	-4,1	24 163	5,5	25 210	0,9

Notes

Forthcoming issue	Issue	Expected release date
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	September 2017	December 2017
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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 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

September 2016 quarter:	99% (of 257)
December 2016 quarter:	100% (of 257)
March 2017 quarter:	99% (of 257)
June 2017 quarter:	100% (of 257)

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 June 2016, September, December 2016 March 2017 and June 2017. 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 <i>Standard Industrial Classification of All Economic Activities</i> (SIC), Fifth Edition, and Report No.09-90-02 of January 1993. Activities of local government institutions also adhere to the accounting standards and requirements in terms of the <i>Generally Recognised Accounting Practice</i> (GRAP).</p> <p>The <i>Standard Chart of Accounts for municipalities and municipal entities</i> (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	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.	
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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 <i>Quarterly Employment Statistics</i> (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).
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). Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
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.
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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