



**Statistics
South Africa**

Preferred supplier of quality statistics



Statistical release

P9110

Quarterly financial statistics of municipalities

March 2009

**Embargoed until:
29 June 2009
13:00**

Enquiries:

Jacob Shai
+27(12) 310 8306

Forthcoming issue:

June 2009

Expected release date

30 September 2009

Statistics South Africa • Mbalom-balo ya Afrika Tshipembe • Tihlayo-tiko ta Afrika-Dzonga • Divalopalo tsa Aforika Borwa • Ezezibalo zaseNingizimu Afrika
Divalopalo tša Afrika Borwa • Divalopalo tsa Afrika Borwa • Ubalo lwaseMzantsi Afrika • Telubalo eNingizimu Afrika • iNanimbalo leSewula Afrika • Statistiek Suid-Afrika

Contents

	Key findings	3
Part 1	Consolidated statement of financial position of municipalities as at the end of September 2008, December 2008 and March 2009 quarters.....	4
Part 2	Statement of financial performance of municipalities for rates and general services for the quarters ended September 2008, December 2008 and March 2009: Expenditure.....	8
Part 2	Statement of financial performance of municipalities for rates and general services for the quarters ended September 2008, December 2008 and March 2009: Income.....	9
Part 3	Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2008, December 2008 and March 2009: Expenditure	10
Part 3	Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2008, December 2008 and March 2009: Income.....	11
Part 4	Rebased tables for the financial year ended 30 June 2008: Consolidated statement of financial position of municipalities.....	12
Part 5	Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for rates and general services: Expenditure.....	16
Part 5	Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for rates and general services: Income.....	17
Part 6	Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for housing and trading services: Expenditure	18
Part 6	Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for housing and trading services: Income.....	19
	Notes.....	20
	Explanatory notes.....	21
	Glossary.....	22
	General information.....	26

Key findings

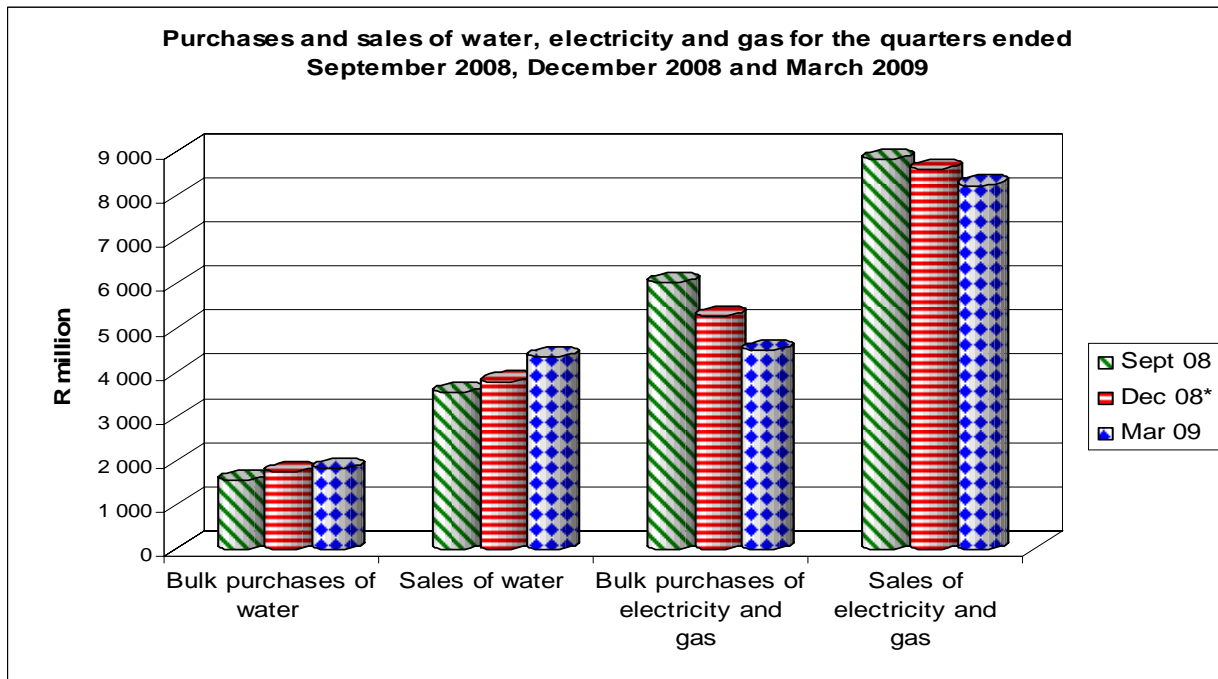
Item	September 2008	December 2008*	March 2008	% change between quarters ended Dec. 2008 and Mar. 2008
	R million			
Purchases of water	1 547	1 754	1 813	3,4
Sales of water	3 548	3 792	4 335	14,3
Purchases of electricity and gas	6 016	5 269	4 506	-14,5
Sales of electricity and gas	8 812	8 599	8 227	-4,3
Property, plant, and equipment (Net carrying value)	114 119	128 581	132 523	3,1

* Revised

Purchases of water increased by 3,4% between the quarters ended December 2008 and March 2009. Purchases of electricity and gas decreased by 14,5% over the same period.

Sales of electricity and gas decreased by 4,3% between the quarters ended December 2008 and March 2009. An increase of 14,3% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 3,1% between the quarters ended December 2008 and March 2009.



*Revised

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2008, December 2008 and March 2009 quarters

Net assets and liabilities	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Housing development fund	1 372	1 854	1 859	0,3
Capital replacement reserve, capitalisation reserve, government grant reserve: Donations and public contribution reserve, self-insurance reserve, revaluation reserve and COIDA ¹ reserve	51 444	54 228	54 115	-0,2
Retained surplus/accumulated deficit	59 287	67 680	71 174	5,2
Outside shareholders' interest	60	0	0	0,0
Non-current liabilities				
Marketable loan stock:				
Other local government institutions	285	280	280	0,0
Other	3 004	3 658	3 659	0,0
Bonds held by:				
Other	3 740	5 953	5 946	-0,1
Other non-current liabilities				
Government housing loans to public welfare organisations and individuals sponsored by the respondent	6	5	5	0,0
Other long-term loans received from:				
National government	70	71	71	0,0
Provincial government	3	3	3	0,0
Local government institutions	11	63	63	0,0
Development Bank of Southern Africa	6 439	7 199	7 294	1,3
Local authorities loans fund	1	2	2	0,0
Financial public corporations	92	126	76	-39,7
Non-financial public corporations	95	3	1	-66,7
Banks	6 442	7 584	7 821	3,1
Insurers	95	2	2	0,0
Pension funds	1	0	0	0,0
Public Investment Corporation	339	339	339	0,0
Other domestic sources (including INCA) ²	4 795	2 452	2 516	2,6
Long-term leases	330	236	237	0,4
Non-current provisions	3 009	6 989	6 981	-0,1

* Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2008, December 2008 and March 2009 quarters (continued)

Net assets and liabilities	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Current liabilities				
External short-term loans from and deposits from:				
Local government institutions	2	3	3	0,0
Development Bank of Southern Africa	385	483	463	-4,1
Local authorities loans fund	11	7	7	0,0
Financial public corporations	9	4	4	0,0
Banks	356	456	456	0,0
Public Investment Corporation	0	0	0	0,0
Other domestic sources (including INCA) ²	190	161	160	-0,6
Unspent conditional grants	5 809	9 392	9 611	2,3
Current provisions	1 533	1 535	1 746	13,7
Short-term leases	86	218	218	0,0
Value added tax payable	1 052	1 233	1 268	2,8
Bank overdraft	2 781	2 282	1 824	-20,1
Creditors:				
Trade creditors	10 840	9 574	9 671	1,0
Consumer deposits	2 375	2 412	2 434	0,9
Income received in advance	2 134	2 421	2 432	0,5
Other creditors	6 605	6 423	6 207	-3,4
Liabilities not reflected elsewhere ³	9 157	4 694	5 747	22,4
Total net assets and liabilities	184 245	200 025	204 695	2,3

¹ COIDA: Compensation Commissioner for Occupational Injuries and Diseases

² INCA: Infrastructure Finance Corporation Ltd

³ Includes suspense accounts and liabilities not shown separately

* Revised

Part 1 – Consolidated statement of financial position for municipalities as at the end of September 2008, December 2008 and March 2009 quarters (continued)

Assets	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Property, plant, and equipment (net carrying value)	114 119	128 581	132 523	3,1
Investment property	588	1 454	1 098	-24,5
Leased assets	108	255	256	0,4
Investments in marketable securities:				
Municipal stock/shares	46	393	393	0,0
Other marketable stock/shares:				
Government stock	23	23	23	0,0
Financial public corporations stock	4	4	4	0,0
Other	446	535	535	0,0
Investments in non-marketable instruments of other spheres of government and government institutions	1 636	57	57	0,0
Long-term receivables:				
Loans to controlled municipal entities	24	25	24	-4,0
Car loans	16	16	16	0,0
Housing selling scheme loans	335	603	604	0,2
Sewerage connection loans	0	0	0	0,0
Electricity appliance purchase scheme	3	3	3	0,0
Other	2 282	2 279	2 282	0,1
Sponsored government housing loans to public welfare and organisations and individuals	5	5	5	0,0
Loans and deposits:				
External long-term loans, deposits and investments:				
Long-term loans to:				
Other local government institutions	411	11	11	0,0
Financial public corporations	18	32	32	0,0
Other companies	0	0	0	0,0
Individuals	655	37	37	0,0
Other	205	68	68	0,0

*Revised

Part 1 – Consolidated statement of financial position for municipalities as at the end of September 2008, December 2008 and March 2009 quarters (concluded)

Assets	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Long-term deposits and other investments with:				
Public Investment Corporation	4	4	4	0,0
Banks	8 406	6 222	6 507	4,6
Other	929	812	793	-2,3
Current assets				
Inventory	1 722	1 799	1 813	0,8
External short-term loans, deposits and investments:				
Short-term loans to:				
Financial public corporations	63	328	328	0,0
Non-financial public corporations	0	0	0	0,0
Other companies	0	0	0	0,0
Individuals	13	9	9	0,0
Other	66	73	72	-1,4
Short-term deposits and other investments with:				
Public Investment Corporation	290	190	190	0,0
Banks	12 617	15 366	15 585	1,4
Other	3 256	4 531	4 552	0,5
Other sundry debtors:				
Consumer debtors	15 031	20 343	20 720	1,9
Other debtors	8 375	6 745	6 423	-4,8
Prepaid expenses	20	38	35	-7,9
Petty cash and bank	7 997	7 838	8 365	6,7
Assets not reflected elsewhere ¹	4 532	1 346	1 328	-1,3
Total assets	184 245	200 025	204 695	2,3

¹ Includes suspense accounts and assets not shown separately
 * Revised

Part 2 – Statement of financial performance of municipalities for rates and general services for the quarters ended September 2008, December 2008 and March 2009: Expenditure

Expenditure	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Employee related costs	5 558	6 691	6 067	-9,3
Remuneration of board of directors/councillors	364	402	436	8,5
Property rates	78	60	42	-30,0
Interest paid	460	737	496	-32,7
Loss on the disposal of property, plant and equipment	1	1	4	300,0
Bad debts	249	472	449	-4,9
Contracted services	581	643	616	-4,2
Collection costs	47	74	72	-2,7
Depreciation	223	777	776	-0,1
Repairs and maintenance	527	729	658	-9,7
Grants and subsidies paid to:				
Other local government institutions	90	61	78	27,9
Tertiary institutions of higher learning	0	0	0	0,0
Other	425	176	160	-9,1
General expenditure:				
Accommodation	9	8	7	-12,5
Advertising	25	35	31	-11,4
Bank charges	17	24	25	4,2
Cleaning services	11	15	11	-26,7
Consultancy fees	64	91	126	38,5
Fuel and oil	97	126	93	-26,2
Hiring of plant and equipment	30	83	54	-34,9
Insurance costs	74	91	84	-7,7
Membership fees	20	20	28	40,0
Pharmaceutical	5	19	12	-36,8
Postage and stamps	24	34	32	-5,9
Printing and stationery	47	54	63	16,7
Security fees	65	99	119	20,2
Rental of land, buildings and other structures	40	55	62	12,7
Rental of office equipment	24	30	33	10,0
Telecommunication services	91	111	135	21,6
Training and education	33	38	39	2,6
Transport	24	33	26	-21,2
Travelling and subsistence	57	61	51	-16,4
Other expenditure	4 528	2 906	4 136	42,3
Surplus	9 517	9 228	10 513	13,9
Total expenditure	23 405	23 984	25 534	6,5

* Revised

Part 2 – Statement of financial performance of municipalities for rates and general services for the quarters ended September 2008, December 2008 and March 2009: Income

Income	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Taxes on property				
Property rates from:				
National government	18	13	17	30,8
Provincial government	11	13	9	-30,8
Local government institutions	3	2	2	0,0
Public corporations	0	0	0	0,0
Property rates and other:				
Rates from individuals and private companies	5 376	5 336	6 026	12,9
Property rates - penalties imposed and collection charges	143	127	118	-7,1
Interest received from:				
Interest earned: External investments	604	743	771	3,8
Interest earned: Outstanding debtors	533	627	691	10,2
Dividend received	0	2	1	-50,0
Fines	307	310	268	-13,5
Licences and permits	76	73	85	16,4
Income for agency services	159	144	156	8,3
Rental of facilities	94	142	199	40,1
Bad debts recovered	0	0	0	0,0
Public contribution, donations/donated PPE	30	11	3	-72,7
Gains on the disposal of property, plant and equipment	20	21	94	347,6
Subsidies from:				
National government	198	37	27	-27,0
Provincial government	34	31	25	-19,4
Local government	1	0	0	0,0
Other	12	9	16	77,8
Grants (including the equitable share) from:				
National government	6 734	6 368	7 668	20,4
Provincial government	358	327	370	13,1
Local government	44	8	5	-37,5
Other	149	1 100	1 127	2,5
Spent conditional grants	90	25	30	20,0
Other income	2 873	3 133	2 173	-30,7
Deficit	5 538	5 382	5 653	5,0
Total income	23 405	23 984	25 534	6,5

* Revised

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2008, December 2008 and March 2009: Expenditure

Expenditure	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Employee related costs	2 832	3 343	3 208	-4,0
Property rates	24	15	19	26,7
Interest paid	257	157	306	94,9
Bad debts written off	459	566	545	-3,7
Collection costs	12	13	14	7,7
Depreciation	224	1 007	908	-9,8
Repairs and maintenance	1 100	1 683	1 380	-18,0
Purchases of electricity and gas	6 016	5 269	4 506	-14,5
Purchases of water	1 547	1 754	1 813	3,4
Loss on disposal of property, plant and equipment	2	0	3	-
Contracted services	459	1 009	733	-27,4
Grants and subsidies paid to:				
Other local government institutions	24	12	12	0,0
Tertiary institutions of higher learning	0	0	0	0,0
Other	70	282	221	-21,6
General expenditure:				
Accommodation	3	4	4	0,0
Advertising	3	2	3	50,0
Bank charges	2	2	2	0,0
Cleaning services	7	10	15	50,0
Consultancy fees	28	38	42	10,5
Fuel and oil	113	98	122	24,5
Hiring of plant and equipment	67	49	52	6,1
Insurance costs	15	26	31	19,2
Membership fees	0	1	1	0,0
Pharmaceutical	0	1	1	0,0
Postage and stamps	3	0	2	-
Printing and stationery	10	8	11	37,5
Security fees	22	50	40	-20,0
Rental of land, buildings and other structures	5	10	12	20,0
Rental of office equipment	7	1	6	500,0
Telecommunication services	18	18	21	16,7
Training and education	4	8	7	-12,5
Transport	21	42	56	33,3
Travelling and subsistence	10	11	12	9,1
Other expenditure	3 357	1 655	2 675	61,6
Surplus	2 850	2 720	3 078	13,2
Total expenditure	19 571	19 864	19 861	0,0

*Revised

-The percentage change cannot be calculated meaningfully

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2008, December 2008 and March 2009: Income

Income	September 2008	December 2008*	March 2009	% change between quarters ended Dec. 2008 and Mar. 2009
	R million			
Subsidies from:				
National government	63	55	73	32,7
Provincial government	45	52	64	23,1
Local government	0	0	0	0,0
Other	4	3	5	66,7
Grants from (include equitable share):				
National government	993	1 257	1 938	54,2
Provincial government	285	145	185	27,6
Local government	6	4	5	25,0
Other	88	105	114	8,6
Spent conditional grants	89	69	89	29,0
Rental of facilities and equipment	120	113	98	-13,3
Interest received from:				
Interest received from: External investments	22	87	53	-39,1
Interest received from: Outstanding debtors	207	285	300	5,3
Sales of electricity and gas	8 812	8 599	8 227	-4,3
Sales of water	3 548	3 792	4 335	14,3
Refuse removal	767	722	827	14,5
Sewerage and sanitation	751	743	855	15,1
Fines	10	19	11	-42,1
Gains on the disposal of property, plant and equipment	4	44	24	-45,5
Bad debts recovered	0	7	3	-57,1
Licences and permits	30	27	22	-18,5
Income for agency services	33	132	120	-9,1
Public contributions, donated/contributed PPE	6	13	14	7,7
Other income	1 513	1 246	1 479	18,7
Deficit	2 175	2 345	1 020	-56,5
Total income	19 571	19 864	19 861	0,0

* Revised

Part 4 – Rebased tables for the financial year ended 30 June 2008: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2007	December 2007	March 2008	June 2008	Total 2008 ⁴
	R million				
Housing development fund	1 782	1 917	1 758	1 940	1 940
Capital replacement reserve, capitalisation reserve, government grant reserve: Donations and public contribution reserve, self-insurance reserve, revaluation reserve and COIDA ¹ reserve	43 902	44 066	45 205	47 289	47 289
Retained surplus/accumulated deficit	58 639	59 837	60 739	63 102	63 102
Outside shareholders' interest	0	0	0	0	0
Non-current liabilities					
Marketable loan stock:					
Other local government institutions	6	6	6	6	6
Other	1 449	1 650	1 661	1 841	1 841
Bonds held by:					
Other	6 084	5 822	5 823	5 857	5 857
Other non-current liabilities					
Government housing loans to public welfare organisations and individuals sponsored by the respondent	0	0	0	0	0
Other long-term loans received from:					
National government	1	1	1	1	1
Provincial government	2	2	2	2	2
Local government institutions	99	75	75	75	75
Development Bank of Southern Africa	10 135	9 680	10 456	10 068	10 068
Local authorities loans fund	77	92	92	92	92
Financial public corporations	4	4	4	3	3
Non-financial public corporations	1	1	1	1	1
Banks	6 056	7 055	6 338	5 883	5 883
Insurers	14	30	29	28	28
Pension funds	1	1	0	3	3
Public Investment Corporation	372	372	372	372	372
Other domestic sources (including INCA) ²	2 689	2 708	2 959	2 849	2 849
Long-term leases	451	460	483	479	479
Non-current provisions	6 753	7 868	7 626	8 104	8 104

Part 4 – Rebased tables for the financial year ended 30 June 2008: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2007	December 2007	March 2008	June 2008	Total 2008 ⁴
	R million				
Current liabilities					
External short-term loans from and deposits from:					
Local government institutions	7	4	5	5	5
Development Bank of Southern Africa	1 100	1 109	1 180	1 173	1 173
Local authorities loans fund	1	1	1	1	1
Financial public corporations	0	0	0	0	0
Banks	247	336	337	351	351
Public Investment Corporation	0	0	0	20	20
Other domestic sources (including INCA) ²	428	409	470	439	439
Unspent conditional grants	7 184	8 411	9 302	9 204	9 204
Current provisions	2 188	2 257	2 422	2 144	2 144
Short-term leases	301	261	242	269	269
Value added tax payable	883	987	1 068	1 212	1 212
Bank overdraft	1 396	1 719	1 543	1 531	1 531
Creditors:					
Trade creditors	8 900	8 107	7 874	11 721	11 721
Consumer deposits	2 123	2 214	2 243	2 562	2 562
Income received in advance	2 530	2 749	2 713	3 069	3 069
Other creditors	7 879	8 119	8 024	8 549	8 549
Liabilities not reflected elsewhere ³	12 006	10 144	13 583	9 319	9 319
Total net assets and liabilities	185 690	188 474	194 637	199 564	199 564

¹ COIDA: Compensation Commissioner for Occupational Injuries and Diseases

² INCA: Infrastructure Finance Corporation Ltd

³ Includes suspense accounts and liabilities not shown separately

⁴ Value of consolidated statement of financial position as at 30 June 2008

Part 4 – Rebased tables for the financial year ended 30 June 2008: Consolidated statement of financial position of municipalities (continued)

Assets	September 2007	December 2007	March 2008	June 2008	Total 2008 ²
	R million				
Property, plant, and equipment (net carrying value)	116 976	119 147	120 020	126 996	126 996
Investment property	863	2 346	2 338	2 506	2 506
Leased assets	440	453	443	487	487
Investments in marketable securities:					
Municipal stock/shares	5	8	9	9	9
Other marketable stock/shares:					
Government stock	29	36	36	36	36
Financial public corporations stock	4	4	4	4	4
Other	397	392	407	426	426
Investments in non-marketable instruments of other spheres of government and government institutions	8	8	8	8	8
Long-term receivables:					
Loans to controlled municipal entities	1 262	1 262	1 262	1 449	1 449
Car loans	10	9	9	11	11
Housing selling scheme loans	575	535	534	554	554
Sewerage connection loans	0	0	0	0	0
Electricity appliance purchase scheme	4	2	2	2	2
Other	780	773	748	779	779
Sponsored government housing loans to public welfare and organisations and individuals	0	0	0	0	0
Loans and deposits:					
External long-term loans, deposits and investments:					
Long-term loans to:					
Other local government institutions	19	19	20	19	19
Financial public corporations	4	4	4	4	4
Other companies	0	0	2	8	8
Individuals	0	0	0	0	0
Other	1	0	0	0	0

Part 4 – Rebased tables for the financial year ended 30 June 2008: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2007	December 2007	March 2008	June 2008	Total 2008 ²
	R million				
Long-term deposits and other investments with:					
Public Investment Corporation	0	0	0	0	0
Banks	4 577	4 699	4 727	5 619	5 619
Other	254	592	601	629	629
Current assets					
Inventory	1 586	1 740	1 734	1 851	1 851
External short-term loans, deposits and investments:					
Short-term loans to:					
Financial public corporations	970	315	315	315	315
Non-financial public corporations	0	0	0	0	0
Other companies	0	0	0	0	0
Individuals	0	0	0	0	0
Other	32	32	32	39	39
Short-term deposits and other investments with:					
Public Investment Corporation	0	0	0	0	0
Banks	20 047	21 438	24 067	20 457	20 457
Other	481	575	598	612	612
Other sundry debtors:					
Consumer debtors	17 208	17 146	17 547	17 945	17 945
Other debtors	5 707	6 182	7 420	8 135	8 135
Prepaid expenses	219	68	74	66	66
Petty cash and bank	9 448	9 715	11 191	10 398	10 398
Assets not reflected elsewhere ¹	3 784	974	485	200	200
Total assets	185 690	188 474	194 637	199 564	199 564

¹ Includes suspense accounts and assets not shown separately

² Value of consolidated statement of financial position as at 30 June 2008

Part 5 – Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2007	December 2007	March 2008	June 2008	Total 2008 ¹
	R million				
Employee related costs	4 636	4 940	4 875	4 885	19 336
Remuneration of board of directors/councillors	349	446	432	532	1 759
Property rates	38	48	49	60	195
Interest paid	615	515	500	661	2 291
Loss on the disposal of property, plant and equipment	0	11	11	115	137
Bad debts	746	721	741	965	3 173
Contracted services	350	562	512	590	2 014
Collection costs	66	86	91	98	341
Depreciation	1 301	1 340	1 358	913	4 912
Repairs and maintenance	284	512	478	487	1 761
Grants and subsidies paid to:					
Other local government institutions	106	130	135	158	529
Tertiary institutions of higher learning	7	7	7	8	29
Other	496	515	481	633	2 125
General expenditure:					
Accommodation	6	7	7	9	29
Advertising	54	26	33	41	154
Bank charges	30	43	43	38	154
Cleaning services	7	14	16	21	58
Consultancy fees	84	115	101	128	428
Fuel and oil	46	67	67	77	257
Hiring of plant and equipment	37	37	26	38	138
Insurance costs	132	106	111	101	450
Membership fees	26	28	28	32	114
Pharmaceutical	2	9	9	6	26
Postage and stamps	22	29	37	38	126
Printing and stationery	46	63	71	81	261
Security fees	123	135	108	131	497
Rental of land, buildings and other structures	43	54	53	43	193
Rental of office equipment	24	37	39	49	149
Telecommunication services	86	126	137	193	542
Training and education	39	46	48	63	196
Transport	46	74	59	84	263
Travelling and subsistence	49	45	46	75	215
Other expenditure	1 884	1 925	1 688	1 485	6 982
Surplus	7 104	6 583	6 352	5 868	25 907
Total expenditure	18 884	19 402	18 749	18 706	75 741

¹The total of Sept 2007, Dec 2007, Mar 2008 and Jun 2008 quarters

Part 5 – Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2007	December 2007	March 2008	June 2008	Total 2008 ¹
	R million				
Taxes on property					
Property rates from:					
National government	35	32	29	26	122
Provincial government	79	89	94	74	336
Local government institutions	1	2	2	2	7
Public corporations	0	1	0	0	1
Property rates and other:					
Rates from individuals and private companies	5 927	5 552	4 448	4 563	20 490
Property rates - penalties imposed and collection charges	110	112	116	121	459
Interest received from:					
Interest earned: External investments	625	780	749	1 130	3 284
Interest earned: Outstanding debtors	237	365	380	348	1 330
Dividends received	0	0	0	0	0
Fines	276	264	274	276	1 090
Licences and permits	54	83	87	89	313
Income for agency services	147	181	185	216	729
Rental of facilities	101	151	139	110	501
Bad debts recovered	0	0	0	1	1
Public contributions, donations/donated PPE	281	315	324	307	1 227
Gains on the disposal of property, plant and equipment	30	59	59	74	222
Subsidies from:					
National government	478	588	638	498	2 202
Provincial government	221	287	291	232	1 031
Local government	4	5	5	5	19
Other	71	73	75	77	296
Grants (including the equitable share) from:					
National government	3 787	4 162	4 562	3 711	16 222
Provincial government	374	388	397	348	1 507
Local government	20	25	26	22	93
Other	443	527	552	464	1 986
Spent conditional grants	179	251	251	211	892
Other income	1 527	1 392	1 146	1 207	5 272
Deficit	3 877	3 718	3 920	4 594	16 109
Total income	18 884	19 402	18 749	18 706	75 741

¹The total of Sept 2007, Dec 2007, Mar 2008 and Jun 2008 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2007	December 2007	March 2008	June 2008	Total 2008 ¹
	R million				
Employee related costs	2 942	3 245	3 118	3 134	12 439
Property rates	23	21	21	24	89
Interest paid	252	278	281	361	1 172
Bad debts written off	445	408	353	517	1 723
Collection costs	8	16	16	16	56
Depreciation	1 199	1 417	1 357	1 324	5 297
Repairs and maintenance	1 138	1 437	1 334	1 727	5 636
Purchases of electricity and gas	5 133	3 767	3 582	4 216	16 698
Purchases of water	1 482	1 654	1 608	1 930	6 674
Loss on disposal of property, plant and equipment	0	29	30	30	89
Contracted services	522	701	673	858	2 754
Grants and subsidies paid to:					
Other local government institutions	10	35	33	33	111
Tertiary institutions of higher learning	0	0	0	0	0
Other	135	133	133	139	540
General expenditure:					
Accommodation	3	3	3	4	13
Advertising	3	3	3	4	13
Bank charges	0	0	0	8	8
Cleaning services	3	6	8	8	25
Consultancy fees	15	11	8	103	137
Fuel and oil	50	75	88	286	499
Hiring of plant and equipment	35	51	54	174	314
Insurance costs	36	32	30	14	112
Membership fees	0	0	0	2	2
Pharmaceutical	0	0	0	9	9
Postage and stamps	2	2	2	2	8
Printing and stationery	7	13	11	18	49
Security fees	28	31	27	37	123
Rental of land, buildings and other structures	15	23	23	14	75
Rental of office equipment	3	6	6	6	21
Telecommunication services	24	37	37	49	147
Training and education	8	11	11	8	38
Transport	51	34	36	23	144
Travelling and subsistence	9	12	12	15	48
Other expenditure	2 753	2 901	2 517	3 194	11 365
Surplus	2 965	1 948	2 389	2 967	10 269
Total expenditure	19 299	18 340	17 804	21 254	76 697

¹The total of Sept 2007, Dec 2007, Mar 2008 and Jun 2008 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2008: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2007	December 2007	March 2008	June 2008	Total 2008 ¹
	R million				
Subsidies from:					
National government	247	259	271	287	1 064
Provincial government	81	92	96	101	370
Local government	0	0	0	10	10
Other	0	401	401	401	1 203
Grants from (include equitable share):					
National government	854	1 478	1 630	1 410	5 372
Provincial government	399	475	528	431	1 833
Local government	29	33	35	44	141
Other	137	169	169	173	648
Spent conditional grants	86	173	180	207	646
Rental of facilities and equipment	121	152	167	148	588
Interest received from:					
Interest received from: External investments	100	114	118	99	431
Interest received from: Outstanding debtors	191	254	252	132	829
Sales of electricity and gas	7 392	6 698	6 503	7 287	27 880
Sales of water	3 317	3 097	2 928	3 220	12 562
Refuse removal	863	801	893	919	3 476
Sewerage and sanitation	1 328	1 212	1 176	1 159	4 875
Fines	6	8	10	10	34
Gains on the disposal of property, plant and equipment	21	21	21	31	94
Bad debts recovered	0	0	0	0	0
Licences and permits	39	39	42	63	183
Income for agency services	68	70	71	11	220
Public contributions, donated/contributed PPE	9	17	17	17	60
Other income	1 391	1 035	1 049	2 005	5 480
Deficit	2 620	1 742	1 247	3 089	8 698
Total income	19 299	18 340	17 804	21 254	76 697

¹The total of Sept 2007, Dec 2007, Mar 2008 and Jun 2008 quarters

Notes

Forthcoming issue Issue Expected release date

June 2009 30 September 2009

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 September quarter 2008: 83%
 December quarter 2008: 86%
 March quarter 2009: 84%

Reasons for fluctuation:

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

Rebasing Data for Quarterly financial statistics of municipalities for the years ended 30 June 2008 are aligned to the annual Financial census of municipalities for the respective year (which is verified using the annual financial statements from municipalities). Refer to *Financial census of municipalities P9114*.

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 September 2008, December 2008 and March 2009. The survey is designed to obtain financial information of local government institutions relating to:
- the consolidated statement of financial position of municipalities;
 - the statement of financial performance of municipalities – rates and general services; and
 - the statement of financial performance of municipalities – housing and trading services.
- Scope of the survey** 2 This survey covers quarterly financial information of all 283 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, 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 Institute of Municipal Finance Officers (IMFO) and also General Recognised Accounting Practice (GRAP).
- Collection of levies** 4 Although regional council levies were abolished with effect from 1 July 2006, income in respect of these funds are arrear amounts based on taxes on payroll and turnover collected by local authorities to fund mainly infrastructural development projects.
- Survey methodology and design** 5 The statistical unit for the collection of information is the municipality.
- Imputation** 6 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.
- Revised figures** 7 Estimates for the quarters are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and late submission of their data to Stats SA.
- Rounding off figures** 8 The figures in the tables have been rounded to the nearest digit shown. There may be slight discrepancies between the sums of the constituent items and the totals shown.
- Related publications** 9 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** 10
- | | |
|----------|---|
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GRAP | General Recognised Accounting Practice |
| IMFO | Institute of Municipal Finance Officers |
| SIC | Standard Industrial Classification |
| Stats SA | Statistics South Africa |
| - | The percentage change cannot be calculated meaningfully |
| 0 | nil or not applicable |

Glossary

Capital replacement reserve (CRR)	In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/deficit to the CRR in terms of a council resolution. The cash in the designated CRR bank account can 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>
Consolidated statement of financial position	The aggregate or consolidated statement of financial position reports the institution's financial position at a specific point in time (the end of the reporting period). This statement covers all assets, net assets and liabilities at the end of the financial year.
Current assets	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; and petty cash and bank.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the consumption of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure 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 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 cost

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

Compensation of employees also includes:

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

Government Grant Reserve

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

Housing and trading services

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

Housing development funds

The housing development fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the housing development fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Levies

Levies include both regional service and regional establishment levies collected by the districts and metropolitan municipalities. Regional service levy is the payroll tax paid by registered levy payers on total remuneration of their employees in terms of the Local Government Transition Act (LGTA) of 1993. Regional establishment levy is the turnover tax paid by businesses on their total turnover in terms of the relevant legislation.

Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality.
Long-term loans	Long-term loans are loans with an outstanding maturity of more than one year.
Marketable loan stock	Marketable loan stock refers to stocks, debentures and similar debt instruments that are freely negotiable, i.e. securities for which transfer registers are kept and which are usually listed on the stock exchange. Discounts originating with the issue of stocks below par are included in the stock liability.
Metropolitan municipality	Metropolitan municipality means an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to 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 account, which is the original acquisition cost less accumulated depreciation, amortisation or impairment costs made against the asset.
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none">• administration charges/fees;• audit fees;• books and magazines;• consumables;• legal fees;• licences and trade licences;• professional fees;• refreshments; and• sundries.
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 or for rental to others that the entities anticipate using during more than one period.
Provision	Provision is any amount set aside for the purpose of meeting the following: <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. Provision includes: <ul style="list-style-type: none">• bad debts; and• leave payouts.

Rates and general services	Rates and general services include ambulance, fire control (or fire fighting), health (clinics, old-age homes), roads and storm-water, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.). These services are not economically self-supporting and are financed by imposing assessment rates, other rates, the receipt of subsidies and other contributions.
Repairs and maintenance	Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the department. Where considered necessary, the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this sub-division and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.
Reserve	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.
Revaluation reserve	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.
Self-insurance reserve	The municipality has a self-insurance reserve amount set aside to offset potential losses or claims that cannot be insured externally (adapt to specific circumstances). The balance of the self-insurance reserve is determined based on 5% of the insurance risk carried by the municipality.

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