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Statistical release

P9110

Quarterly financial statistics of municipalities

March 2010

**Embargoed until:
30 June 2010
10:00**

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Forthcoming issue:

June 2010

Expected release date

September 2010

Statistics South Africa • Mbalom-balo ya Afrika Tshipembe • Tinhlayo-tiko ta Afrika-Dzonga • Divalopalo tsa Aforika Borwa • Ezezibalo zaseNingizimu Afrika
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Key findings

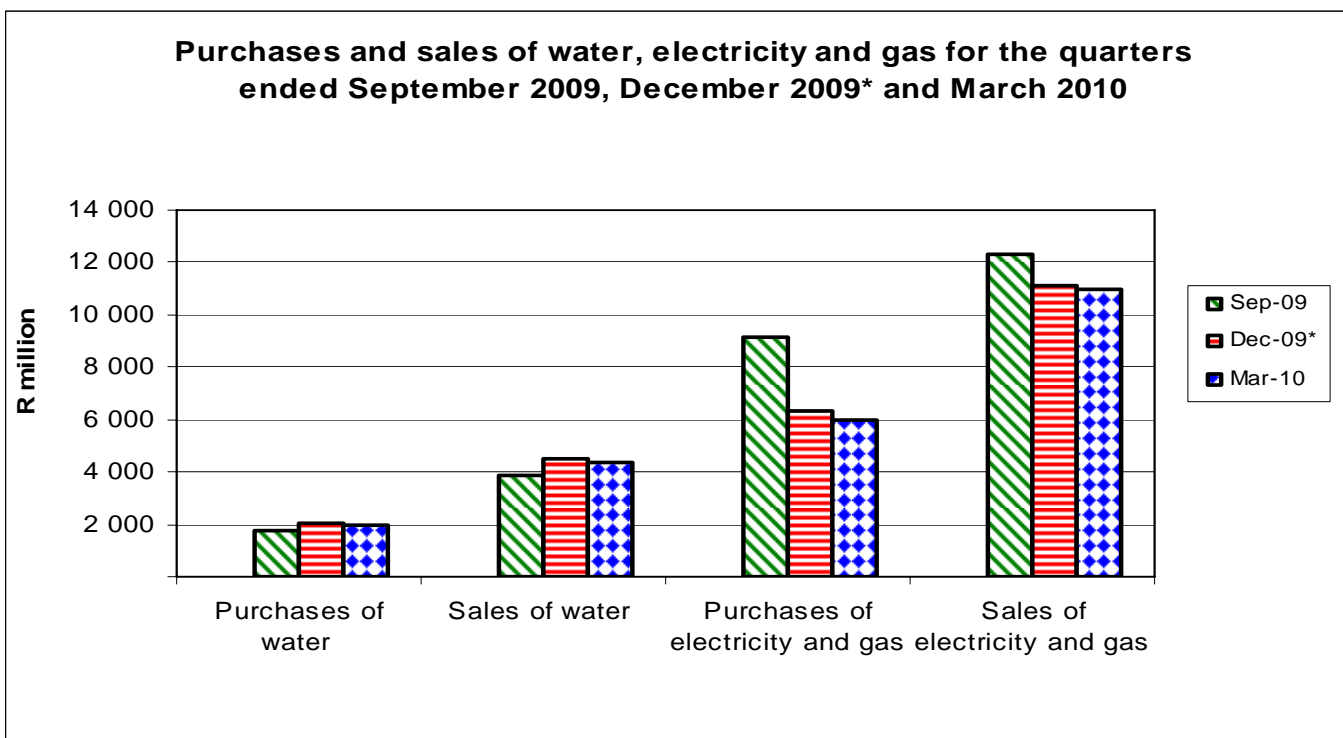
Item	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010	% change between quarters ended Dec. 2009 and Mar. 2010
	R million				
Purchases of water	1 733	2 057	1 975	-82	-4,0
Sales of water	3 903	4 536	4 377	-159	-3,5
Purchases of electricity and gas	9 165	6 319	5 976	-343	-5,4
Sales of electricity and gas	12 328	11 141	10 990	-151	-1,4
Property, plant and equipment (Net carrying value)	209 919	213 637	213 421	-216	-0,1

* Revised

Purchases of water decreased by 4,0% between the quarters ended December 2009 and March 2010. Purchases of electricity and gas decreased by 5,4% over the same period.

Sales of electricity and gas decreased by 1,4% between the quarters ended December 2009 and March 2010. A decrease of 3,5% was recorded in the sales of water over the same period.

Property, plant and equipment decreased by 0,1% between the quarters ended December 2009 and March 2010.



*Revised

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2009, December 2009 and March 2010 quarters

Net assets and liabilities	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Housing development funds	1 880	1 922	1 875	- 47
Capital replacement reserve	21 181	18 831	18 643	- 188
Capitalisation reserve	4 492	6 503	6 266	- 237
Government grant reserve	22 653	22 894	22 943	49
Donations and public contributions reserve	3 247	3 258	3 254	- 4
Self-insurance reserve	1 117	1 141	1 110	- 31
Revaluation reserve	15 422	15 383	15 414	31
COIDA ¹ reserve	264	260	260	0
Pre-GAMAP reserves and funds	2 142	2 310	2 234	- 76
Retained Surplus/Accumulated deficit	120 367	120 252	122 862	2 610
Outside shareholders' interest	0	0	0	0
Non-current liabilities				
Marketable loan stock and bonds	0	0	0	0
Domestic loan stock held by:				
Other local government institutions	294	15	15	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Private companies	0	0	0	0
Other	4 490	4 487	6 486	1 999
Bonds held by:				
Other local government institutions	0	0	0	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Private companies	0	0	0	0
Other	9 348	9 689	9 689	0
Government housing loans to public welfare organisations and individuals sponsored by the respondent	0	0	0	0
Long-term loans received from:				
National government	0	0	0	0
Provincial government	1	1	1	0
Local government institutions	38	38	38	0
Development Bank of Southern Africa (DBSA)	11 051	10 934	10 971	37
Local authorities loans fund	1	1	1	0
Public financial corporations	59	3	3	0
Public non-financial corporations	1	1	1	0
Banks	7 996	7 888	8 438	550

* Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2009, December 2009 and March 2010 quarters (continued)

Net assets and liabilities	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Insurers	2	2	2	0
Pension funds	2	2	2	0
Public Investment Corporation (PIC)	338	338	338	0
Private companies	0	0	0	0
Other domestic sources (Including INCA ²)	2 099	2 805	2 846	41
Long-term leases	315	313	306	- 7
Non-current provisions	8 886	8 156	8 198	42
Current liabilities:				
External short-term loans and deposits from:				
Local government institutions	1	1	1	0
Development Bank of Southern Africa (DBSA)	450	540	502	- 38
Local authorities loans fund	3	3	3	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Banks	310	487	185	- 302
Insurers	0	0	0	0
Pension funds	0	0	0	0
Public Investment Corporation (PIC)	20	20	20	0
Private companies	1	1	1	0
Other domestic sources (including INCA)	94	113	114	1
Unspent conditional grants	8 160	10 762	11 203	441
Current provisions	5 836	5 962	6 065	103
Short-term leases	208	214	215	1
VAT ³ payable	1 799	2 356	2 466	110
Bank overdraft	2 123	2 662	1 652	-1 010
Creditors:				
Trade creditors	17 797	15 285	15 368	83
Consumer deposits	2 533	2 942	2 974	32
Income received in advance	2 305	2 251	2 200	- 51
Other creditors	7 574	7 898	8 068	170
Liabilities not reflected elsewhere ⁴	3 902	5 165	4 617	- 548
Total net assets and liabilities	290 802	294 089	297 850	3 761

¹ COIDA: Compensation Commissioner for Occupational Injuries and Diseases

² INCA: Infrastructure Finance Corporation Ltd

³ Valued Added Tax

⁴ Includes suspense accounts and liabilities not shown separately

* Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2009, December 2009 and March 2010 quarters (continued)

Assets	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Property, plant and equipment (net carrying value)	209 919	213 637	213 421	-216
Investment property	6 152	6 277	6 340	63
Intangible assets	1 115	1 331	1 329	-2
Biological (cultivated) assets	36	45	45	0
Investments in marketable securities:				
Municipal stock/shares	3 984	3 802	3 825	23
Other marketable stock/shares:				
Government stock	0	1	1	0
Treasury bills	0	0	0	0
Other local government institutions	39	39	39	0
Public financial corporations stock	0	0	0	0
Public non-financial corporations stock	0	0	0	0
Other companies	362	431	372	-59
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	0
Long-term receivables:				
Loans to controlled municipal entities	23	23	23	0
Car loans	9	9	7	-2
Housing selling scheme loans	535	520	516	-4
Sewerage connection loans	12	12	12	0
Electricity appliance purchase scheme	0	0	0	0
Other	2 372	2 362	2 251	-111
Sponsored government housing loans to public welfare and organisations and individuals	1	1	1	0
External long-term loans, deposits and investments:				
Long-term loans to:				
Other local government institutions	1	1	1	0
Public financial corporations	32	31	31	0
Public non-financial corporations	0	0	0	0
Other companies	0	0	0	0
Individuals	32	36	36	0
Other	38	38	38	0
Long-term deposits and other investments with:				
Public Investment Corporation (PIC)	32	32	32	0
Banks	6 188	6 278	6 311	33
Public financial corporations	7	1	1	0
Public non-financial corporations	0	0	0	0

* Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2009, December 2009 and March 2010 quarters (concluded)

Assets	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Other	698	695	697	2
Current assets:				
Inventory	2 489	2 529	2 480	-49
External short-term loans, deposits and investments				
Short-term loans to:				
Other local government institutions	1	1	1	0
Public financial corporations	426	181	181	0
Public non-financial corporations	0	0	0	0
Other companies	0	0	0	0
Individuals	2	2	2	0
Other	70	2 450	5 060	2 610
Short-term deposits and other investments with:				
Public Investment Corporation (PIC)	211	217	215	-2
Banks	13 921	13 465	13 429	-36
Public financial corporations	1	1	1	0
Public non-financial corporations	0	0	0	0
Other	3 233	1 118	1 118	0
Debtors:				
Consumer debtors	23 749	22 680	22 378	-302
Other debtors	6 892	6 699	6 554	-145
VAT receivable	974	1 862	2 248	386
Prepaid expenses	35	42	41	-1
Petty cash and bank	6 684	6 818	8 384	1 566
Assets not reflected elsewhere ¹	527	422	429	7
Total assets	290 802	294 089	297 850	3 761

¹Includes 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 2009, December 2009 and March 2010: Expenditure

Expenditure	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Employee related costs	6 611	6 968	6 649	-319
Remuneration of board of directors/councillors	447	482	509	27
Property rates	145	248	95	-153
Interest paid	582	912	523	-389
Loss on the disposal of property, plant and equipment	2	2	4	2
Bad debts	299	443	459	16
Contracted services	412	502	566	64
Collection cost	60	83	86	3
Depreciation	698	365	403	38
Impairment loss	0	0	0	0
Repairs and maintenance	614	357	464	107
Grants and subsidies paid to:				
Other local government institutions	665	727	722	-5
Tertiary institutions of higher learning	0	0	0	0
Other	191	213	156	-57
General expenditure:				
Accommodation	71	88	75	-13
Advertising	34	28	31	3
Audit fees	39	151	106	-45
Bank charges	34	40	43	3
Cleaning services	15	17	17	0
Consultancy fees	105	153	152	-1
Entertainment costs	17	17	18	1
Fuel and oil	78	64	99	35
Hiring of plant and equipment	56	47	52	5
Insurance costs	153	80	53	-27
Membership fees	33	32	19	-13
Pharmaceutical	12	11	12	1
Postage and stamps	34	55	48	-7
Printing and stationery	77	69	98	29
Rental of land, buildings and other structures	131	88	96	8
Rental of office equipment	33	33	45	12
Security fees	160	210	218	8
Telecommunication services	124	150	170	20
Training and education	45	70	61	-9
Transport	26	34	35	1
Other expenditure	3 022	3 389	2 862	-527
Surplus	11 793	8 089	10 179	2 090
Total expenditure	26 818	24 217	25 125	908

* Revised

Part 2 – Statement of financial performance of municipalities for rates and general services for the quarters ended September 2009, December 2009 and March 2010: Income

Income	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Taxes on property				
Property rates from:				
National government	18	13	14	1
Provincial government	15	15	14	-1
Local government institutions	1	2	1	-1
Public corporations	0	10	13	3
Property rates and other:				
Rates from individuals and private companies	7 097	6 973	6 915	-58
Property rates - penalties imposed and collection charges	197	83	84	1
Interest received from:				
Interest earned: External investments	347	405	479	74
Interest earned: Outstanding debtors	303	286	359	73
Dividend received	0	0	0	0
Fines	266	197	245	48
Licences and permits	103	83	119	36
Income for agency services	181	221	243	22
Rental of facilities	122	86	126	40
Bad debts recovered	0	0	0	0
Public contribution, donations/donated PPE	5	6	6	0
Gains on the disposal of property, plant and equipment	17	30	21	-9
Subsidies from:				
National government	21	31	26	-5
Provincial government	42	33	51	18
Local government	0	0	0	0
Other	10	8	4	-4
Grants from (including equitable share):				
National government	10 446	7 934	8 835	901
Provincial government	240	336	323	-13
Local government	4	5	5	0
Other	149	191	176	-15
Spent conditional grant	5	23	27	4
Other income	1 770	1 951	2 513	562
Deficit	5 459	5 295	4 526	-769
Total income	26 818	24 217	25 125	908

* Revised

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2009, December 2009 and March 2010: Expenditure

Expenditure	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Employee related costs	3 462	4 253	4 092	-161
Property rates paid	5	3	3	0
Interest paid	412	581	568	-13
Loss on disposal of property, plant and equipment	1	1	7	6
Bad debts	667	872	781	-91
Contracted services	655	865	825	-40
Collection costs	18	19	19	0
Depreciation and amortisation	699	994	888	-106
Impairment loss	0	0	0	0
Repairs and maintenance	1 425	1 985	1 730	-255
Purchases of electricity and gas	9 165	6 319	5 976	-343
Purchases of water	1 733	2 057	1 975	-82
Grants and subsidies paid to:				
Other local government institutions	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0
Other	201	293	242	-51
General Expenditure:				
Accommodation, travelling and subsistence	12	18	17	-1
Advertising	3	4	4	0
Audit fees	1	7	7	0
Bank charges	2	3	3	0
Cleaning services	12	7	10	3
Consultancy fees	41	40	41	1
Entertainment costs	0	0	0	0
Fuel and oil	92	121	145	24
Hiring of plant and equipment	80	59	83	24
Insurance costs	18	18	15	-3
Membership fees	0	0	0	0
Pharmaceutical	1	4	2	-2
Postage and courier services	2	1	2	1
Printing and stationery	13	13	13	0
Rental of land, buildings and other structures	11	9	12	3
Rental of office equipment	8	4	7	3
Security services	32	52	60	8
Telecommunication services	21	21	23	2
Training and education	9	13	9	-4
Transport costs	29	39	42	3
Other expenditure	2 475	2 994	3 170	176
Surplus	3 688	3 639	4 380	741
Total expenditure	24 993	25 308	25 151	-157

* Revised

Part 3 – Statement of financial performance of municipalities for housing and trading services for the quarters ended September 2009, December 2009 and March 2010: Income

Income	September 2009	December 2009*	March 2010	Difference between quarters ended Dec. 2009 and Mar. 2010
	R million			
Interest earned from:				
Interest earned: External investments	58	19	22	3
Interest earned: Outstanding debtors	213	207	213	6
Dividends received	0	0	0	0
Fines	7	10	10	0
Licences and permits	38	54	55	1
Income for agency services	91	121	90	-31
Rental of facilities and equipment	148	159	156	-3
Bad debts recovered	3	0	0	0
Public contributions and donations (including property, plant and equipment)	12	22	19	-3
Gains on the disposal of property, plant and equipment	3	2	5	3
Sales of electricity and gas	12 328	11 141	10 990	-151
Sales of water	3 903	4 536	4 377	-159
Refuse removal	885	1 082	1 025	-57
Sewerage and sanitation	861	947	1 016	69
Subsidies from:				
National government	48	112	132	20
Provincial government	17	16	17	1
Local government	0	1	2	1
Other	1	0	1	1
Grants from (include equitable share):				
National government	2 003	2 009	2 042	33
Provincial government	155	173	201	28
Local government	3	21	10	-11
Other	115	189	178	-11
Spent conditional grant	48	9	11	2
Other income	1 041	1 347	1 132	-215
Deficit	3 012	3 131	3 447	316
Total income	24 993	25 308	25 151	-157

* Revised

Part 4 – Rebased tables for the financial year ended 30 June 2009: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2008	December 2008	March 2009	June 2009	Total 2009 ⁴
	R million				
Housing development fund	1 309	1 769	1 774	1 759	1 759
Capital replacement reserve, capitalisation reserve, government grant reserve: Donations and public contribution reserve, self insurance reserve, revaluation reserve and COIDA ¹ reserve	55 644	58 655	58 610	59 487	59 487
Retained surplus/accumulated deficit	122 465	140 000	148 521	156 893	156 893
Outside shareholders' interest	0	0	0	145	145
Non-current liabilities					
Marketable loan stock:					
Domestic loan stock held by:					
Other local government institutions	24	23	23	23	23
Other	1 035	1 260	1 261	1 646	1 646
Bonds held by:					
Other	6 226	9 910	9 898	9 898	9 898
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	15	15	15	15	15
Provincial government	3	3	3	2	2
Local government institutions	1	5	5	5	5
Development Bank of Southern Africa (DBSA)	11 374	12 717	12 885	12 906	12 906
Local authorities loans fund	4	7	7	7	7
Public financial corporations	4	5	3	3	3
Public non-financial corporations	0	0	0	0	0
Banks	3 638	4 283	4 417	4 831	4 831
Insurers	0	0	0	0	0
Pension funds	0	0	0	3 072	3 072
Public Investment Corporation (PIC)	55	55	55	55	55
Other domestic sources (including INCA) ²	6 674	3 413	3 502	3 470	3 470
Long-term leases	1 213	867	871	915	915
Non-current provisions	3 115	7 235	7 226	7 834	7 834

Part 4 – Rebased tables for the financial year ended 30 June 2009: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2008	December 2008	March 2009	June 2009	Total 2009 ⁴
	R million				
Current liabilities					
External short-term loans from and deposits from:					
Local government institutions	1	1	1	1	1
Development Bank of Southern Africa (DBSA)	752	943	904	894	894
Local authorities loans fund	2	1	1	1	1
Public financial corporations	0	0	0	3	3
Banks	691	885	885	840	840
Public Investment Corporation (PIC)	0	0	0	395	395
Other domestic sources (including INCA) ²	748	634	630	665	665
Unspent conditional grants	9 116	14 738	10 591	10 007	10 007
Current provisions	588	588	1 771	2 105	2 105
Short-term leases	131	333	327	342	342
Value Added Tax (VAT) payable	1 446	1 694	1 740	1 682	1 682
Bank overdraft	2 489	2 042	1 643	1 696	1 696
Creditors:					
Trade creditors	13 637	12 044	12 149	15 339	15 339
Consumer deposits	2 907	2 952	2 980	2 980	2 980
Income received in advance	3 019	3 425	3 442	3 482	3 482
Other creditors	9 629	9 363	9 060	9 980	9 980
Liabilities not reflected elsewhere ³	4 651	2 388	2 937	2 741	2 741
Total net assets and liabilities	262 606	292 253	298 137	316 119	316 119

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 2009

Part 4 – Rebased tables for the financial year ended 30 June 2009: Consolidated statement of financial position of municipalities (continued)

Assets	September 2008	December 2008	March 2009	June 2009	Total 2009 ²
	R million				
Non-current assets					
Property, plant, and equipment (net carrying value)	191 991	216 546	223 520	241 751	241 751
Investment property	3 859	9 543	7 207	7 410	7 410
Investments in marketable securities:					
Municipal stock/shares	191	1 636	1 636	1 798	1 798
Other marketable stock/shares:					
Government stock	37	37	37	37	37
Public financial corporations stock	4	4	4	4	4
Other	51	61	61	61	61
Investments in non-marketable instruments of other spheres of government and government institutions	2 296	80	80	80	80
Long-term receivables:					
Loans to controlled municipal entities	142	148	142	142	142
Car loans	45	45	45	39	39
Housing selling scheme loans	257	463	463	461	461
Sewerage connection loans	0	0	0	12	12
Electricity appliance purchase scheme	0	0	0	0	0
Other	592	591	592	588	588
Sponsored government housing loans to public welfare and organisations and individuals	4	4	4	4	4
Loans and deposits:					
External long-term loans, deposits and investments:					
Long-term loans to:					
Other local government institutions	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Other companies	0	0	0	39	39
Individuals	0	0	0	0	0
Other	175	58	58	58	58

Part 4 – Rebased tables for the financial year ended 30 June 2009: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2008	December 2008	March 2009	June 2009	Total 2009 ²
	R million				
Long-term deposits and other investments with:					
Public Investment Corporation (PIC)	0	0	0	0	0
Banks	2 688	1 990	2 085	2 138	2 138
Other	613	536	524	537	537
Current assets					
Inventory	2 880	3 009	3 034	2 997	2 997
External short-term loans, deposits and investments:					
Short-term loans to:					
Public financial corporations	192	1 000	1 000	1 000	1 000
Public non-financial corporations	0	0	0	0	0
Other companies	0	0	0	10	10
Individuals	0	0	0	0	0
Other	2	2	2	2	2
Short-term deposits and other investments with:					
Public Investment Corporation (PIC)	0	0	0	0	0
Banks	10 357	12 613	12 812	11 639	11 639
Other	406	565	567	566	566
Other sundry debtors:					
Consumer debtors	14 077	19 052	19 429	19 867	19 867
Other debtors	9 534	7 679	7 305	8 224	8 224
Prepaid expenses	27	52	48	48	48
Petty cash and bank	14 567	14 278	15 245	14 143	14 143
Assets not reflected elsewhere ¹	7 619	2 261	2 237	2 464	2 464
Total assets	262 606	292 253	298 137	316 119	316 119

¹ Includes suspense accounts and assets not shown separately

² Value of consolidated statement of financial position as at 30 June 2009

Part 5 – Rebased tables for the financial year ended 30 June 2009: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2008	December 2008	March 2009	June 2009	Total 2009 ¹
	R million				
Employee related costs	4 915	5 917	5 348	5 891	22 071
Remuneration of board of directors/councillors	405	448	518	566	1 937
Property rates	99	76	66	92	333
Interest paid	273	437	294	447	1 451
Loss on the disposal of property, plant and equipment	2	2	9	38	51
Bad debts	497	943	897	1 361	3 698
Contracted services	490	542	520	623	2 175
Collection costs	72	113	110	141	436
Depreciation	344	1 199	1 197	1 271	4 011
Repairs and maintenance	463	640	578	740	2 421
Grants and subsidies paid to:					
Other local government institutions	15	10	232	142	399
Tertiary institutions of higher learning	1	2	2	2	7
Other	1 184	490	462	312	2 448
General expenditure:					
Accommodation, travelling and subsistence	82	86	76	104	348
Advertising	34	48	56	48	186
Bank Charges	17	25	59	43	144
Cleaning Services	15	21	17	15	68
Consultancy Fees	79	113	157	222	571
Fuel and Oil	77	99	85	103	364
Hiring of Plant and Equipment	24	68	65	69	226
Insurance Costs	151	186	172	135	644
Membership Fees	27	27	38	20	112
Pharmaceutical	4	16	11	15	46
Postage and courier services	26	37	51	40	154
Printing and Stationery	59	68	120	107	354
Rental of Land, Buildings and Other Structures	39	53	114	106	312
Rental of Office Equipment	58	72	82	94	306
Security Fees	67	101	224	193	585
Telecommunication Services	109	133	200	177	619
Training and Education	48	55	79	90	272
Transport costs	56	77	61	98	292
Other expenditure	3 126	2 007	2 836	3 517	11 486
Surplus	9 977	9 675	9 730	2 544	31 926
Total expenditure	22 835	23 786	24 466	19 366	90 453

¹The total of Sept 2008, Dec 2008, Mar 2009 and Jun 2009 quarters

Part 5 – Rebased tables for the financial year ended 30 June 2009: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2008	December 2008	March 2009	June 2009	Total 2009 ¹
	R million				
Taxes on property					
Property rates from:					
National government	10	7	6	6	29
Provincial government	107	127	88	77	399
Local government institutions	76	51	51	25	203
Public corporations	0	0	0	0	0
Rates from individuals and private companies	5 159	5 121	5 791	5 436	21 507
Property rates - penalties imposed and collection charges	161	143	133	172	609
Interest received from:					
Interest earned: External investments	734	904	944	964	3 546
Interest earned: Outstanding debtors	399	469	517	375	1 760
Dividend received	0	108	0	0	108
Fines	325	328	279	291	1 223
Licences and permits	88	85	101	134	408
Income for agency services	181	164	177	186	708
Rental of facilities and equipment	100	151	212	143	606
Bad debts recovered	0	0	0	1	1
Public contribution, donations/donated PPE	300	110	30	40	480
Gains on the disposal of property, plant and equipment	26	28	125	57	236
Subsidies from:					
National government	1 480	277	404	455	2 616
Provincial government	218	198	186	211	813
Local government	30	0	0	0	30
Other	355	266	473	502	1 596
Grants (including the equitable share) from:					
National government	5 460	5 163	6 363	5 853	22 839
Provincial government	1 228	1 122	920	1 026	4 296
Local government	283	52	32	26	393
Other	42	309	317	261	929
Spent conditional grant	401	112	134	98	745
Other income	1 393	1 519	1 050	970	4 932
Deficit	4 279	6 972	6 133	2 057	19 441
Total income	22 835	23 786	24 466	19 366	90 453

¹The total of Sept 2008, Dec 2008, Mar 2009 and Jun 2009 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2009: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2008	December 2008	March 2009	June 2009	Total 2009 ¹
	R million				
Employee related costs	3 779	4 461	4 280	4 251	16 771
Property rates	41	26	33	36	136
Interest paid	637	389	759	883	2 668
Bad debts written off	866	1 068	1 028	1 920	4 882
Collection cost	17	18	19	23	77
Depreciation	445	2 002	1 805	2 189	6 441
Repairs and maintenance	1 133	1 734	1 424	2 043	6 334
Bulk purchases of electricity and gas	6 446	5 646	4 836	6 041	22 969
Bulk purchases of water	1 663	1 885	1 949	2 179	7 676
Loss on disposal of property, plant and equipment	11	0	17	29	57
Contracted services	479	1 054	768	895	3 196
Grant and subsidies paid to:					
Other local government institutions	42	21	21	22	106
Tertiary institutions of higher learning	1	2	2	2	7
Other	93	373	292	307	1 065
General expenditure					
Accommodation, travelling and subsistence	11	13	14	13	51
Advertising	15	10	15	20	60
Bank charges	4	4	3	3	14
Cleaning services	4	5	8	9	26
Consultancy fees	34	47	52	69	202
Fuel and oil	143	124	154	137	558
Hiring of plant and equipment	86	63	67	106	322
Insurance costs	24	42	50	51	167
Membership fees	0	1	1	2	4
Pharmaceutical	0	3	3	4	10
Postage and courier services	5	0	3	4	12
Printing and stationery	19	15	20	24	78
Rental of land, buildings and other structures	21	42	50	51	164
Rental of office equipment	15	2	17	22	56
Security fees	37	83	67	78	265
Telecommunication services	40	40	46	61	187
Training and education	10	20	18	21	69
Transport costs	39	79	105	87	310
Other expenditure	2 603	1 283	2 515	2 943	9 344
Surplus	3 348	2 692	2 843	1 674	10 557
Total expenditure	22 111	23 247	23 284	26 199	94 841

¹The total of Sept 2008, Dec 2008, Mar 2009 and Jun 2009 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2009: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2008	December 2008	March 2009	June 2009	Total 2009 ¹
	R million				
Interest received from:					
Interest received from: External investments	74	294	179	69	616
Interest received from: Outstanding debtors	192	265	278	130	865
Fines	2	4	2	4	12
Licenses and permits	47	43	35	41	166
Income for agency services	10	40	36	39	125
Rental of facilities and equipment	110	103	199	134	546
Bad debts recovered	0	0	0	0	0
Public contributions, donated/contributed PPE	13	28	30	176	247
Gains on the disposal of property, plant and equipment	8	87	48	12	155
Sales of electricity and gas	9 059	8 840	8 444	9 163	35 506
Sales of water	2 965	3 169	3 634	3 391	13 159
Refuse removal	1 024	964	1 106	1 089	4 183
Sewerage and sanitation	1 225	1 212	1 395	1 301	5 133
Subsidies from:					
National government	135	118	156	156	565
Provincial government	25	28	35	27	115
Local government	2	4	4	4	14
Other	424	318	531	743	2 016
Grants from(include equitable share):					
National government	1 363	1 725	2 659	2 960	8 707
Provincial government	204	104	132	123	563
Local government	20	13	17	14	64
Other	736	878	953	1 145	3 712
Spent conditional grant	144	111	144	160	559
Other income	1 719	1 416	1 552	1 742	6 429
Deficit	2 610	3 483	1 715	3 576	11 384
Total income	22 111	23 247	23 284	26 199	94 841

¹ The total of Sept 2008, Dec 2008, Mar 2009 and Jun 2009 quarters

Notes

Forthcoming issue	Issue	Expected release date
	June 2010	September 2010
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 2009:	82%
	December quarter 2009:	83%
	March quarter 2010:	83%
Reasons for fluctuation:	<ul style="list-style-type: none">• 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 year ended 30 June 2009 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 <i>Financial census of municipalities P9114</i> .	

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 municipal finances.
- This publication contains estimates for the quarters ended September 2009, December 2009 and March 2010. The survey is designed to obtain financial information of municipalities 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).
- Survey methodology and design**
- 4 The statistical unit for the collection of information is the municipality.
- Imputation**
- 5 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.
- Revised figures**
- 6 Estimates for the 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**
- 7 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**
- 8 Users may wish to refer to the following Stats SA publications:
- P9101 Capital expenditure of the public sector;
 - P9114 Financial census of municipalities;
 - P9119.4 Financial statistics of consolidated general government;
 - P0441 Gross domestic product;
 - P0277 Quarterly employment statistics; and
 - D9144 Quarterly financial statistics of municipalities.
- Symbols and abbreviations used**
- 9
- | | |
|----------|--|
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GRAP | General Recognised Accounting Practice |
| IMFO | Institute of Municipal Finance Officers |
| SIC | Standard Industrial Classification |
| Stats SA | Statistics South Africa |
| 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).

General expenditure

The following are included in general expenditure: accommodation, travelling and subsistence; advertising; bank charges; bad debts (see below) cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance cost; membership fees; pharmaceutical; 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.

When debtors are uncollectable it is written off and regarded as an expense and is recorded as bad debts. In some instances, the bad debts recovered (receipt of an amount, partially or in full, previously written off as uncollectable) are included in other income.

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

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