

Statistical release

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Quarterly financial statistics of municipalities

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Key findings

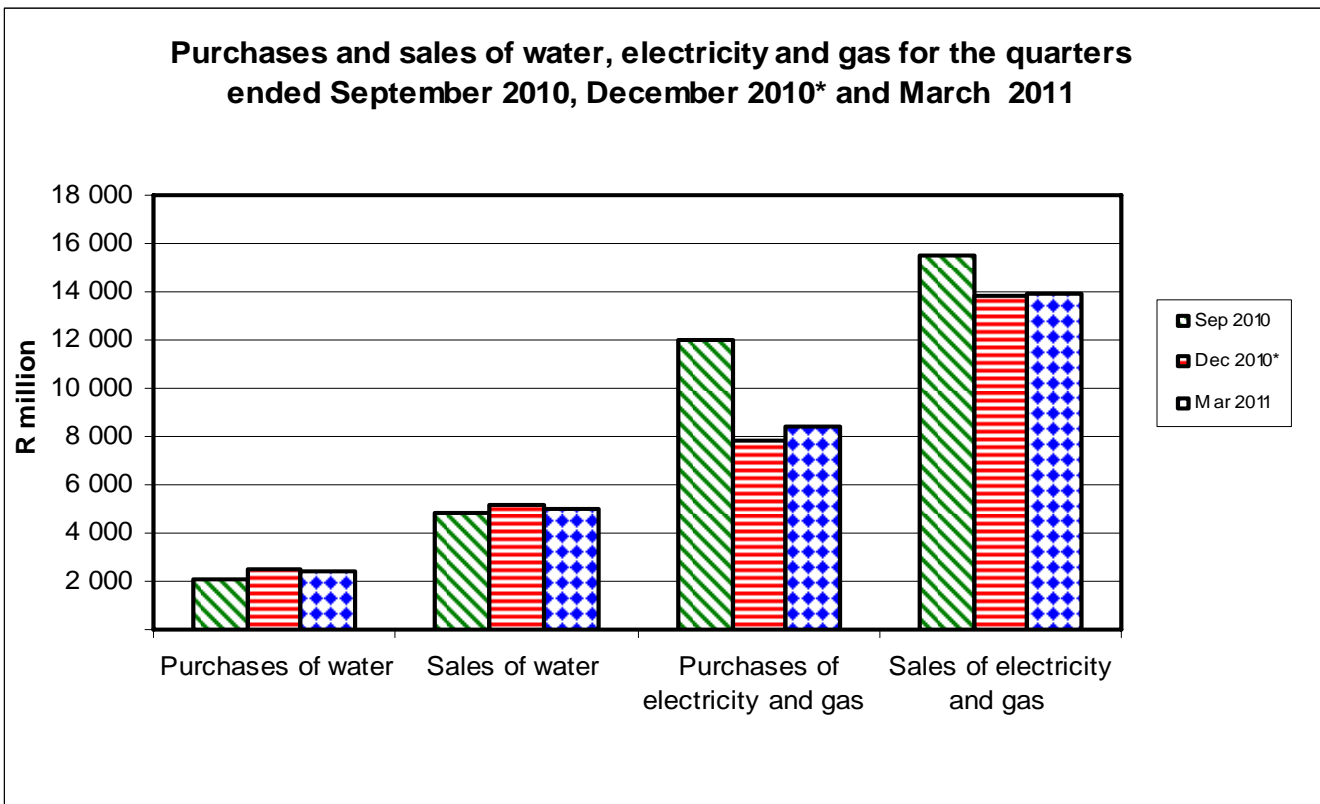
Item	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011	% change between quarters ended Dec. 2010 and Mar. 2011
	R million				
Purchases of water	2 073	2 474	2 401	-73	-3,0
Sales of water	4 868	5 178	5 009	-169	-3,3
Purchases of electricity and gas	12 028	7 853	8 423	570	7,3
Sales of electricity and gas	15 489	13 844	13 894	50	0,4
Property, plant and equipment (Net carrying value)	250 734	255 061	260 925	5 864	2,3

* Revised.

Purchases of water decreased by 3,0% between the quarters ended December 2010 and March 2011. Purchases of electricity and gas increased by 7,3% over the same period.

Sales of electricity and gas increased by 0,4% between the quarters ended December 2010 and March 2011. A decrease of 3,3% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 2,3% between the quarters ended December 2010 and March 2011.



*Revised.

**PJ Lehohla
Statistician-General**

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2010, December 2010 and March 2011 quarters

Net assets and liabilities	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Housing development fund	1 785	1 780	1 754	-26
Capital replacement reserve	18 519	17 647	17 563	-84
Capitalisation reserve	7 346	6 445	6 393	-52
Government grant reserve	23 132	23 835	23 513	-322
Donations and public contributions reserve	3 186	3 319	3 579	260
Self-insurance reserve	1 137	1 150	1 152	2
Revaluation reserve	10 019	10 419	10 425	6
COID ¹ reserve	1 499	1 500	1 500	0
Pre-GAMAP reserves and funds	2 567	2 334	2 114	-220
Retained surplus/Accumulated deficit	160 142	162 724	166 618	3 894
Outside shareholders' interest	0	0	0	0
Non-current liabilities				
Marketable loan stock and bonds				
Domestic loan stock held by:				
Other local government institutions	152	30	30	0
Public financial corporations	100	0	0	0
Public non-financial corporations	518	0	0	0
Private companies	0	0	0	0
Other	5 917	5 749	5 761	12
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	6 678	7 493	8 292	799
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	0	0	0	0
Local government institutions	28	28	28	0
Development Bank of Southern Africa (DBSA)	8 342	9 045	9 407	362
Local authorities loans fund	1	1	1	0
Public financial corporations	187	187	187	0
Public non-financial corporations	1	1	1	0
Banks	18 198	18 392	17 863	-529

* Revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2010, December 2010 and March 2011 quarters (continued)

Net assets and liabilities	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Insurers	2	2	2	0
Pension funds	106	106	106	0
Public Investment Corporation (PIC)	338	338	338	0
Private companies	9	9	9	0
Other domestic sources (including INCA ²)	5 450	5 444	5 393	-51
Long-term leases	389	389	387	-2
Non-current provisions	9 720	10 089	10 272	183
Current liabilities				
External short-term loans and deposits from:				
Local government institutions	1	1	1	0
Development Bank of Southern Africa (DBSA)	283	263	261	-2
Local authorities loans fund	3	3	3	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Banks	412	861	1 011	150
Insurers	0	0	0	0
Pension funds	2	2	2	0
Public Investment Corporation (PIC)	21	21	21	0
Private companies	1	1	1	0
Other domestic sources (including INCA ²)	191	187	187	0
Unspent conditional grants	9 070	8 770	9 529	759
Current provisions	6 136	6 405	6 605	200
Short-term leases	202	205	202	-3
VAT ³ payable	1 970	1 948	2 269	321
Bank overdraft	2 632	2 119	2 241	122
Creditors:				
Trade creditors	17 717	17 836	16 581	-1 255
Consumer deposits	3 133	3 177	3 225	48
Income received in advanced	497	447	482	35
Other creditors	9 845	10 002	9 511	-491
Liabilities not reflected elsewhere ⁴	4 499	4 531	4 622	91
Total net assets and liabilities	342 083	345 235	349 442	4 207

¹ COID: 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 2010, December 2010 and March 2011 quarters (continued)

Assets	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Property, plant and equipment (net carrying value)	250 734	255 061	260 925	5 864
Investment property	7 197	5 353	5 510	157
Intangible assets	1 761	1 848	1 877	29
Biological (cultivated) assets	48	48	48	0
Investments in marketable securities:				
Municipal stock/shares	2 410	2 418	2 293	-125
Other marketable stock/shares:				
Government stock	1	1	1	0
Treasury bills	0	0	0	0
Other local government institutions	39	39	39	0
Public financial corporations stock	2	2	2	0
Public non-financial corporations stock	0	0	0	0
Other companies	1 090	1 118	953	-165
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	743	740	740	0
Car loans	5	5	5	0
Housing selling scheme loans	335	328	322	-6
Sewerage connection loans	12	6	6	0
Electricity appliance purchase scheme	0	4	4	0
Other	2 508	2 442	2 450	8
Sponsored government housing loans to public welfare, organisations and individuals	0	0	0	0
External long-term loans, deposits and investments				
Long-term loans to:				
Other local government institutions	1	1	1	0
Public financial corporations	29	28	28	0
Public non-financial corporations	0	0	0	0
Other companies	0	0	0	0
Individuals	36	36	36	0
Other	35	35	35	0
Long-term deposits and other investments with:				
Public Investment Corporation (PIC)	32	32	32	0
Banks	2 506	2 491	2 987	496
Public financial corporations	1	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 2010, December 2010 and March 2011 quarters (concluded)

Assets	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Other	453	450	444	-6
Current assets:				
Inventory	2 933	3 026	3 023	-3
External short-term loans, deposits and investments				
Short-term loans to:				
Other local government institutions	1	1	1	0
Public financial corporations	264	264	264	0
Public non-financial corporations	0	0	0	0
Other companies	0	0	0	0
Individuals	1	1	1	0
Other	3 944	4 178	1 528	-2 650
Short-term deposits and other investments with:				
Public Investment Corporation (PIC)	215	215	215	0
Banks	19 241	18 579	20 324	1 745
Public financial corporations	8	8	8	0
Public non-financial corporations	0	0	0	0
Other	1 449	1 466	1 214	-252
Debtors:				
Consumer debtors	26 130	26 135	24 361	-1 774
Other debtors	7 653	7 718	6 613	-1 105
VAT ¹ receivable	1 543	1 537	1 555	18
Prepaid expenses	28	29	29	0
Petty cash and bank	7 385	8 119	10 026	1 907
Assets not reflected elsewhere ²	1 310	1 472	1 541	69
Total assets	342 083	345 235	349 442	4 207

¹ Valued Added Tax.

² Includes suspense accounts and assets not shown separately.

* Revised.

**Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2010, December 2010 and March 2011:
Expenditure**

Expenditure	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Employee related costs	7 305	8 311	7 645	-666
Remuneration of board of directors/councillors	497	527	564	37
Property rates paid	268	113	126	13
Interest paid	481	960	700	-260
Loss on the disposal of property, plant and equipment	0	3	2	- 1
Bad debts	498	476	703	227
Contracted services	629	617	681	64
Collection costs	69	96	93	-3
Depreciation and amortisation	745	1 124	936	-188
Impairment loss	0	0	0	0
Repairs and maintenance	365	392	412	20
Grants and subsidies paid to:				
Other local government institutions	74	124	133	9
Tertiary institutions of higher learning	0	0	0	0
Other	186	1 498	1 102	-396
General expenditure:				
Accommodation, travelling and subsistence	81	100	83	-17
Advertising	29	30	34	4
Audit Fees	67	170	127	-43
Bank charges	37	43	59	16
Cleaning services	15	19	18	-1
Consultancy fees	119	167	149	-18
Entertainment costs	17	17	15	-2
Fuel and oil	86	97	109	12
Hiring of plant and equipment	39	40	43	3
Insurance costs	226	116	74	-42
Membership fees	48	34	16	-18
Pharmaceutical	16	26	21	-5
Postage and stamps	43	49	54	5
Printing and stationery	79	83	83	0
Rental of land, buildings and other structures	119	108	80	-28
Rental of office equipment	37	49	47	-2
Security fees	205	225	273	48
Telecommunication services	129	160	178	18
Training and education	60	79	86	7
Transport costs	23	29	40	11
Other expenditure	3 354	2 531	3 045	514
Surplus	14 868	9 414	11 936	2 522
Total expenditure	30 814	27 827	29 667	1 840

* Revised.

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2010, December 2010 and March 2011: Income

Income	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Taxes on property				
Property rates from:				
National government	22	13	17	4
Provincial government	23	18	26	8
Local government institutions	1	1	1	0
Public corporations	8	5	10	5
Property rates and other:				
Rates from individuals and private companies	8 355	7 090	7 294	204
Property rates – penalties imposed and collection charges	136	449	470	21
Interest earned from:				
External investments	349	319	415	96
Outstanding debtors	339	354	366	12
Dividends received	0	0	0	0
Fines	252	286	292	6
Licences and permits	122	117	147	30
Income for agency services	206	226	227	1
Rental of facilities and equipment	127	123	148	25
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	4	9	11	2
Gains on the disposal of property, plant and equipment	14	22	53	31
Subsidies from:				
National government	65	44	61	17
Provincial government	63	50	69	19
Local government	0	0	0	0
Other	37	95	28	-67
Grants from (including equitable share):				
National government	12 165	10 220	10 248	28
Provincial government	234	242	180	-62
Local government	3	18	14	-4
Other	92	134	87	-47
Spent conditional grants	19	119	107	-12
Other income	2 487	2 006	2 984	978
Deficit	5 691	5 867	6 412	545
Total income	30 814	27 827	29 667	1 840

* Revised.

**Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2010, December 2010 and March 2011:
Expenditure**

Expenditure	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Employee related costs	4 317	4 948	4 513	-435
Property rates paid	12	3	3	0
Interest paid	263	679	410	-269
Loss on disposal of property, plant and equipment	0	0	2	2
Bad debts	803	894	1 064	170
Contracted services	820	1 168	1 083	-85
Collection costs	19	25	25	0
Depreciation and amortisation	1 313	1 619	1 728	109
Impairment loss	0	0	0	0
Repairs and maintenance	1 538	1 981	1 716	-265
Purchases of electricity and gas	12 028	7 853	8 423	570
Purchases of water	2 073	2 474	2 401	-73
Grants and subsidies paid to:				
Other local government institutions	5	8	7	-1
Tertiary institutions of higher learning	0	0	0	0
Other	188	235	266	31
General expenditure:				
Accommodation, travelling and subsistence	12	16	11	-5
Advertising	2	4	5	1
Audit fees	3	10	5	-5
Bank charges	1	1	1	0
Cleaning services	9	11	11	0
Consultancy fees	27	45	53	8
Entertainment costs	1	1	1	0
Fuel and oil	122	128	133	5
Hiring of plant and equipment	71	110	86	-24
Insurance costs	22	19	21	2
Membership fees	1	0	0	0
Pharmaceutical	1	3	3	0
Postage and courier services	1	3	2	-1
Printing and stationery	15	14	16	2
Rental of land, buildings and other structures	14	23	19	-4
Rental of office equipment	13	26	30	4
Security services	54	50	76	26
Telecommunication services	19	20	25	5
Training and education	8	12	9	-3
Transport costs	23	35	38	3
Other expenditure	2 804	3 694	3 335	-359
Surplus	4 337	4 119	5 455	1 336
Total expenditure	30 939	30 231	30 976	745

* Revised.

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2010, December 2010 and March 2011: Income

Income	September 2010	December 2010*	March 2011	Difference between quarters ended Dec. 2010 and Mar. 2011
	R million			
Interest earned from:				
External investments	19	26	36	10
Outstanding debtors	203	195	211	16
Dividends received	0	0	0	0
Fines	10	10	11	1
Licences and permits	44	42	47	5
Income for agency services	109	137	100	-37
Rental of facilities and equipment	149	199	175	-24
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	29	45	80	35
Gains on the disposal of property, plant and equipment	17	6	5	-1
Sales of electricity and gas	15 489	13 844	13 894	50
Sales of water	4 868	5 178	5 009	-169
Refuse removal charges	1 120	1 149	1 249	100
Sewerage and sanitation charges	1 121	1 185	1 279	94
Subsidies from:				
National government	34	60	55	-5
Provincial government	10	20	17	-3
Local government	0	0	0	0
Other	2	0	0	0
Grants from (including equitable share):				
National government	2 477	2 726	3 040	314
Provincial government	98	150	194	44
Local government	9	0	0	0
Other	216	241	348	107
Spent conditional grants	46	65	43	-22
Other income	969	1 045	1 555	510
Deficit	3 900	3 908	3 628	-280
Total income	30 939	30 231	30 976	745

* Revised.

Part 4 – Rebased tables for the financial year ended 30 June 2010: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2009	December 2009	March 2010	June 2010	Total 2010 ⁴
	R million				
Housing development fund	1 656	1 693	1 658	1 649	1 649
Capital replacement reserve	3 737	3 323	3 293	3 131	3 131
Capitalization reserve	2 361	3 418	3 886	3 464	3 464
Government grant reserve	14 051	14 200	14 213	13 127	13 127
Donations and public contributions reserve	949	953	813	880	880
Self-insurance reserve	1 034	1 056	1 028	983	983
Revaluation reserve	20 100	20 050	18 788	18 913	18 913
COID* reserve	238	234	234	262	262
Other reserves (including Pre-GAMAP reserves and funds)	1 315	1 418	1 371	1 336	1 336
Retained surplus/accumulated deficit	184 189	184 013	188 562	224 484	224 484
Outside shareholders' interest	0	0	0	156	156
Non-current liabilities					
Marketable loan stock and bonds:					
Domestic loan stock held by:					
Other local government institutions	0	0	0	0	0
Other	275	275	404	410	410
Bonds held by:					
Other	15 272	15 829	15 829	10 859	10 859
Long-term loans and deposits received from:					
National government	0	0	0	0	0
Provincial government	1	1	1	1	1
Local government institutions	7	7	7	4	4
Development Bank of Southern Africa (DBSA)	13 255	13 115	13 156	14 781	14 781
Local authorities loans fund	0	0	0	0	0
Public financial corporations	148	8	518	838	838
Public non-financial corporations	4	4	4	4	4
Banks	7 723	7 618	7 952	9 318	9 318
Insurers	2	2	2	2	2
Pension funds	0	0	0	0	0
Other domestic sources (including INCA) ²	1 648	2 125	2 171	2 998	2 998
Long-term leases	1 430	1 421	1 393	1 466	1 466
Non-current provisions	13 157	12 076	11 721	16 058	16 058
Current liabilities					
Short-term loans and deposits from:					
Local government institutions	1	1	1	1	1
Development Bank of Southern Africa (DBSA)	1 050	1 261	1 177	1 445	1 445

Part 4 – Rebased tables for the financial year ended 30 June 2010: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2009	December 2009	March 2010	June 2010	Total 2010 ⁴
	R million				
Local authorities loans fund	1	1	1	1	1
Public financial corporations	0	0	0	49	49
Public non-financial corporations	0	0	0	0	0
Banks	714	1 122	426	1 256	1 256
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA) ²	569	663	534	1 162	1 162
Unspent conditional grants	9 144	12 060	12 490	9 461	9 461
Current provisions	2 214	2 262	2 303	2 205	2 205
Short-term leases	387	398	400	443	443
Value Added Tax (VAT) payable	2 055	2 692	2 822	1 813	1 813
Bank overdraft	1 598	2 004	1 243	1 260	1 260
Creditors:					
Trade creditors	19 181	16 474	18 260	19 776	19 776
Consumer deposits	2 714	3 152	3 190	3 280	3 280
Income/payments received in advance	3 430	3 350	3 268	3 088	3 088
Other creditors	13 122	13 683	14 062	10 542	10 542
Liabilities not reflected elsewhere ³	9 173	10 418	6 446	192	192
Total net assets and liabilities	347 905	352 380	353 627	381 098	381 098

¹ COIDA: Compensation Commissioner for Occupational Injuries and Diseases.

² INCA: Infrastructure Finance Corporation Ltd.

³ Include suspense accounts and liabilities not shown separately.

⁴ Value of consolidated statement of financial position as at 30 June 2010.

Part 4 – Rebased tables for the financial year ended 30 June 2010: Consolidated statement of financial position of municipalities (continued)

Assets	September 2009	December 2009	March 2010	June 2010	Total 2010 ²
	R million				
Non-current assets					
Property, plant, and equipment (net carrying value)	269 136	273 902	273 064	304 220	304 220
Investment property	6 417	6 547	6 316	7 245	7 245
Intangible assets	1 194	1 425	1 420	2 207	2 207
Biological Assets	60	74	96	81	81
Investments in marketable securities:					
Municipal stock/shares	12	12	12	7	7
Other marketable stock/shares:					
Government stock	0	43	43	43	43
Treasury bills	0	0	0	0	0
Other local government institutions	0	0	0	0	0
Public financial corporations stock	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other companies	6	7	6	18	18
Investments in non-marketable instruments of other spheres of government and government institutions	0	0	0	613	613
Long-term receivables:					
Car loans	20	20	15	13	13
Housing selling scheme loans	345	335	332	335	335
Sewerage connection loans	10	10	10	10	10
Electricity appliance purchase scheme	0	0	0	4	4
Other	918	914	871	832	832
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	27	26	26	25	25
Public non-financial corporations	0	0	0	0	0
Other companies	0	0	0	0	0
Individuals	0	0	0	0	0
Other	0	0	0	0	0
Long-term deposits and other investments with:					
Banks	5 527	5 607	5 634	3 075	3 075
Public financial corporations	133	19	19	19	19
Public non-financial corporations	0	0	0	0	0
Other	1 702	1 695	1 709	1 173	1 173

Part 4 – Rebased tables for the financial year ended 30 June 2010: Consolidated statement of financial position of municipalities (continued)

Assets	September 2009	December 2009	March 2010	June 2010	Total 2010 ²
	R million				
Current assets					
Inventory	2 828	2 884	2 942	3 113	3 113
External short-term loans, deposits and investments:					
Short-term loans to:					
Other local government institutions	1	1	1	1	1
Public financial corporations	2	1	1	1	1
Public non-financial corporations	0	0	0	37	37
Individuals	2	2	2	1	1
Other companies	1	27	56	49	49
Short-term deposits and other investments with:					
Banks	19 521	18 882	19 004	14 623	14 623
Public financial corporations	0	0	0	2	2
Public non-financial corporations	0	0	0	0	0
Other	978	379	386	498	498
Other sundry debtors:					
Consumer debtors	19 749	18 860	18 617	20 470	20 470
Other debtors	8 674	8 431	8 276	10 018	10 018
VAT receivable	1 550	2 963	3 586	2 522	2 522
Prepaid expenses	183	219	214	266	266
Petty cash and bank	8 794	8 970	10 666	9 231	9 231
Assets not reflected elsewhere ¹	115	125	303	346	346
Total assets	347 905	352 380	353 627	381 098	381 098

¹ Include suspense accounts and assets not shown separately.

² Value of consolidated statement of financial position as at 30 June 2010.

Part 5 – Rebased tables for the financial year ended 30 June 2010: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2009	December 2009	March 2010	June 2010	Total 2010 ¹
	R million				
Employee related costs	6 366	6 711	6 413	6 779	26 269
Remuneration of board of directors/councillors	485	523	560	545	2 113
Interest paid	465	729	421	729	2 344
Loss on the disposal of property, plant and equipment	13	13	24	50	100
Bad debts	818	1 213	1 265	1 207	4 503
Contracted services	520	633	711	1 069	2 933
Collection costs	93	128	133	177	531
Depreciation and amortisation	1 347	705	1 539	1 870	5 461
Impairment loss	0	0	0	195	195
Repairs and maintenance	836	486	617	778	2 717
Grants and subsidies paid to:					
Other local government institutions	150	164	163	193	670
Tertiary institutions of higher learning	0	0	0	11	11
Other	510	569	388	476	1 943
General expenditure:					
Accommodation, travelling and subsistence	77	96	83	90	346
Advertising	62	51	57	75	245
Audit fees	45	175	121	97	438
Bank charges	35	41	44	56	176
Cleaning services	28	32	32	37	129
Consultancy and professional fees	138	201	207	270	816
Entertainment costs	20	20	21	20	81
Fuel and oil	98	80	126	155	459
Hiring of plant and equipment	54	45	50	50	199
Insurance costs	210	110	74	216	610
Pharmaceutical	17	16	16	18	67
Postal and courier services	35	56	49	51	191
Printing and stationery	82	73	92	100	347
Rebates for property rates	169	290	266	245	970
Rental of land, buildings and other Structures	106	72	79	90	347
Rental of office equipment	80	80	104	130	394
Security Fees	142	186	186	210	724
Subscriptions and membership fees	52	50	30	38	170
Telecommunication services	146	176	199	200	721
Training and education	51	79	69	75	274
Transport costs	66	87	74	99	326
Other expenditure	2 103	2 358	2 075	2 600	9 136
Surplus	10 351	9 302	9 404	5 752	34 809
Total expenditure	25 770	25 550	25 692	24 753	101 765

¹ The total of Sept 2009, Dec 2009, Mar 2010 and Jun 2010 quarters.

Part 5 – Rebased tables for the financial year ended 30 June 2010: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2009	December 2009	March 2010	June 2010	Total 2010 ¹
	R million				
Taxes on property					
Property rates from:					
Residential	4 410	4 300	4 025	3 458	16 193
Commercial	1 421	1 453	1 490	1 620	5 984
State (National, provincial etc)	216	191	178	179	764
Other (includes agricultural, municipal etc)	0	1 176	1 529	940	3 645
Property rates - penalties imposed and collection charges	222	93	92	117	524
Interest received from:					
Interest earned: External investments	414	483	535	597	2 029
Interest earned: Outstanding debtors	315	298	372	457	1 442
Dividends received	0	0	0	106	106
Fines	236	175	219	344	974
Licences and permits	108	87	108	126	429
Income for agency services	135	164	174	157	630
Rental of facilities and equipment	140	99	151	133	523
Bad debts recovered	0	0	0	4	4
Public contribution, donations/donated PPE	77	92	92	124	385
Gains on the disposal of property, plant and equipment	33	58	39	118	248
Subsidies from:					
National government	869	1 282	993	909	4 053
Provincial government	192	151	228	360	931
Local government	0	0	0	24	24
Other	39	31	751	567	1 388
Grants (including the equitable share) from:					
National government	8 670	6 585	6 235	5 383	26 873
Provincial government	571	800	369	574	2 314
Local government	25	31	31	38	125
Other	373	478	458	432	1 741
Spent conditional grant	88	405	476	335	1 304
Other income	903	995	1 763	1 471	5 132
Deficit	6 313	6 123	5 384	6 180	24 000
Total income	25 770	25 550	25 692	24 753	101 765

¹ The total of Sept 2009, Dec 2009, Mar 2010 and Jun 2010 quarters.

Part 6 – Rebased tables for the financial year ended 30 June 2010: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2009	December 2009	March 2010	June 2010	Total 2010 ¹
	R million				
Employee Related Costs	4 100	5 037	4 859	4 731	18 727
Interest paid	481	678	663	783	2 605
Loss on the disposal of property, plant and equipment	1	2	10	10	23
Bad debts	1 112	1 454	1 287	1 701	5 554
Contracted services	720	951	915	1 322	3 908
Collection costs	20	21	21	31	93
Depreciation and amortisation	920	1 309	2 650	2 934	7 813
Impairment loss	0	0	0	220	220
Repairs and maintenance	1 317	1 835	1 603	2 209	6 964
Bulk Purchases of Electricity and Gas	9 333	6 435	6 068	8 349	30 185
Bulk Purchases of Water	1 800	2 136	2 051	2 228	8 215
Grant and Subsidies Paid to:					
Other Local Government Institutions	0	0	0	227	227
Tertiary Institutions of Higher Learning	0	0	0	18	18
Other	186	271	255	215	927
General expenditure					
Accommodation, travelling and subsistence	10	15	14	11	50
Advertising	23	30	38	45	136
Audit fees	2	15	15	15	47
Bank charges	5	7	7	6	25
Cleaning services	17	10	14	13	54
Consultancy and professional fees	69	67	69	88	293
Entertainment costs	0	0	0	20	20
Fuel and oil	76	100	120	134	430
Hiring of plant and equipment	93	69	94	123	379
Insurance costs	26	26	46	41	139
Pharmaceutical	1	4	2	2	9
Postal and courier services	3	2	3	3	11
Printing and stationery	18	18	18	24	78
Rebates for property rates	16	9	16	18	59
Rental of land, buildings and other Structures	47	38	51	51	187
Rental of office equipment	7	4	12	16	39
Security Fees	75	121	138	161	495
Subscriptions and membership fees	0	0	0	8	8
Telecommunication services	40	40	44	57	181
Training and education	21	30	21	35	107
Transport costs	82	111	119	99	411
Other expenditure	1 707	2 065	2 173	3 106	9 051
Surplus	3 904	3 667	3 367	2 604	13 542
Total Expenditure	26 232	26 577	26 763	31 658	111 230

¹ The total of Sept 2009, Dec 2009, Mar 2010 and Jun 2010 quarters.

Part 6 – Rebased tables for the financial year ended 30 June 2010: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2009	December 2009	March 2010	June 2010	Total 2010 ¹
	R million				
Interest received from:					
External Investments	183	60	72	88	403
Outstanding Debtors	206	201	207	201	815
Dividends received	0	0	0	0	0
Fines	4	5	5	5	19
Licenses and Permits	31	44	46	44	165
Income for Agency Services	49	65	50	57	221
Rental of Facilities and Equipment	195	210	203	208	816
Bad Debts Recovered	0	0	0	0	0
Public Contributions, Donated/Contributed PPE	20	37	35	48	140
Gains on the Disposal of Property, Plant and Equipment	18	12	35	29	94
Sales of Electricity and Gas	12 521	11 316	11 137	11 861	46 835
Sales of Water	3 456	4 016	3 881	3 563	14 916
Refuse removal	1 022	1 249	1 181	1 196	4 648
Sewerage and sanitation	1 357	1 493	1 605	1 490	5 945
Subsidies from:					
National Government	76	180	223	159	638
Provincial Government	40	38	40	27	145
Local Government	0	4	8	4	16
Other	99	0	198	1 881	2 178
Grants from(include equitable share):					
National Government	2 668	2 676	2 997	3 547	11 888
Provincial Government	304	339	382	468	1 493
Local Government	34	236	112	112	494
Other	363	597	566	683	2 209
Spent Conditional Grant	204	38	64	490	796
Other Income	970	1 254	1 007	1 505	4 736
Deficit	2 412	2 507	2 709	3 992	11 620
Total Income	26 232	26 577	26 763	31 658	111 230

¹ The total of Sept 2009, Dec 2009, Mar 2010 and Jun 2010 quarters.

Notes**Forthcoming issue** **Issue** **Expected release date**

June 2011 September 2011

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 the 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

June quarter 2010:	85%
September quarter 2010:	85%
December quarter 2010:	83%
March quarter 2011:	82%

Reasons for fluctuation:

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

Rebasing

Data for quarterly financial statistics of municipalities for the year ended 30 June 2010 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 2010, December 2010 and March 2011 and the rebased figures for September 2009, December 2009, March 2010 and June 2010. The survey is designed to obtain financial information of local government institutions relating to:
- the consolidated statement of financial position of municipalities;
 - the consolidated statement of financial performance of municipalities – rates and general services; and
 - the consolidated statement of financial performance of municipalities – housing and trading services.
- Scope of the survey**
- 2 This survey covers quarterly financial information of all 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 General Accepted Municipal Accounting Practice (GAMAP) and also General Recognised Accounting Practice (GRAP).
- Survey methodology and design**
- 4 The statistical unit for the collection of information is the municipality.
- Imputation**
- 5 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.
- Revised figures**
- 6 Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data was received late by Stats SA (after cut-off date).
- Rounding off figures**
- 7 The figures in the tables have been rounded to the nearest digit shown, and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.
- Related publications**
- 8 Users may wish to refer to the following Stats SA publications:
- P9101 Capital expenditure of the public sector;
 - P9114 Financial census of municipalities;
 - P9119.4 Financial statistics of consolidated general government;
 - P0441 Gross domestic product;
 - P0277 Quarterly employment statistics; and
 - D9144 Quarterly financial statistics of municipalities.
- Symbols and abbreviations used**
- 9
- | | |
|----------|--|
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GRAP | General Recognised Accounting Practice |
| 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>
COID Reserve	This is money set aside for injuries, disablements, diseases and deaths caused by work related activities. It is usually transferred from accumulated surplus account.
Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Consolidated statement of financial position	The aggregate or consolidated statement of financial position reports the institution's financial position at a specific point in time (the end of the reporting period). This statement covers all assets, net assets and liabilities at the end of the reporting period.
Current assets	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; and petty cash and bank.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure of housing and trading services (excluding the surplus).
Current liabilities	Current liabilities consist of external short-term loans and deposits, unspent conditional grants, current provisions, short-term leases, Value added tax, bank overdraft and creditors.
Current provision	Current provision is a liability or an obligation of uncertain timing or amount for an entity, payable within twelve months.

District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality. Refer to the Local Government: Municipal Structures (Act No.117 of 1998).
Donation and Public Contribution Reserve	When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit.
Employee related costs	<p>Employees related costs includes payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee related costs also includes:</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 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	<p>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 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.</p> <p>When debtors are uncollectible, they are written off as expenses and are recorded as bad debts in the books of an institution. In some instances, the bad debts are recovered (receipt of an amount, partially or in full, previously written off as uncollectible) are recorded as income in an institution's books.</p>
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 Fund	The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the housing development fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act (Act No.117 of 1998).
Long-term loans	Long-term loans are loans with an outstanding maturity of more than one year.
Marketable loan stock	Marketable loan stock refers to stocks, debentures and similar debt instruments that are freely negotiable, i.e. securities for which transfer registers are kept and which are usually listed on the stock exchange. Discounts originating with the issue of stocks below par are included in the stock liability.
Metropolitan municipality	Metropolitan municipality means an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act (Act No.117 of 1998).
Money market instruments	Money market instruments include bankers' acceptance, trade bills, and promissory notes, capital project bills, bridging debentures, negotiable certificates of deposit, Land Bank bills, Land Bank and the South African Reserve Bank's debentures.
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials).
Net carrying value	Net carrying value (also known as the book value or carrying value) is the value of an asset according to its balance sheet, which is the original acquisition cost less accumulated depreciation, amortisation or impairment costs made against the asset and disposals if any.
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none">• 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 and as income generators or for rental to others that the entities anticipate using during more than one period.

Provision	<p>Provision is any amount set aside for the purpose of meeting the following:</p> <ul style="list-style-type: none">• specific requirements where the amounts thereof can be closely estimated; and• specific commitments and contingencies as at the date of the balance sheet, where the amounts involved cannot be determined with significant accuracy. <p>Provision includes:</p> <ul style="list-style-type: none">• bad debts; and• leave payouts.
Rates and general services	<p>Rates and general services include 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.</p>
Repairs and maintenance	<p>Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the municipality. Where considered necessary, the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this sub-division and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.</p>
Reserve	<p>Reserve denotes amounts set aside out of surpluses that are not designed to meet any liability, contingency, commitment or diminution in the value of assets known to exist as at the date of the balance sheet.</p>
Revaluation Reserve	<p>The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on devalued amounts, are credited or charged to the statement of financial performance.</p>
Self-insurance Reserve	<p>The municipality has a Self-insurance Reserve amount set aside to offset potential losses or claims that cannot be insured externally (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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