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Statistical release

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Quarterly financial statistics of municipalities

March 2012

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Enquiries:

Jacob Shai
+27(12) 310 8306

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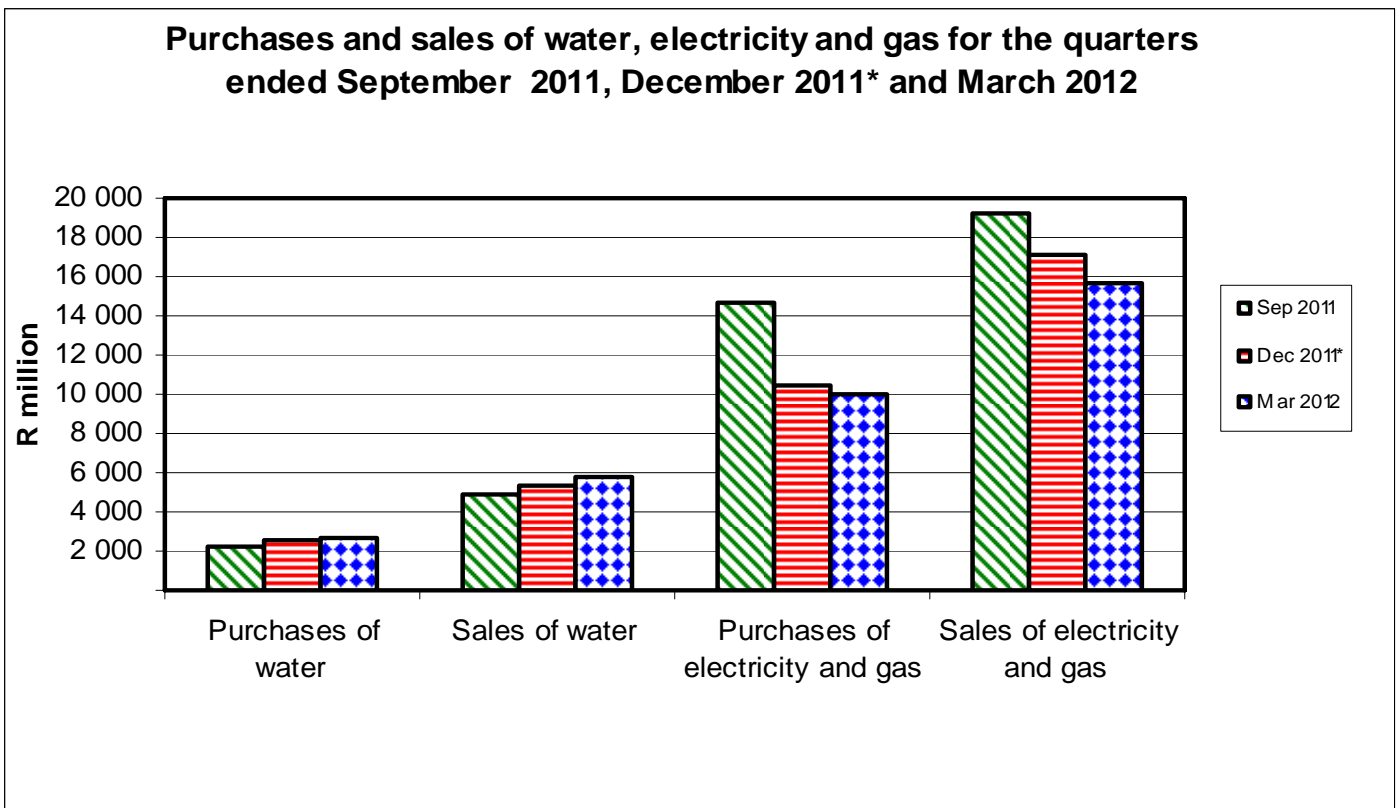
Item	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012	% change between quarters ended Dec. 2011 and Mar. 2012
	R million				
Purchases of water	2 189	2 543	2 635	92	3,6
Sales of water	4 878	5 358	5 745	387	7,2
Purchases of electricity and gas	14 652	10 491	10 012	-479	-4,6
Sales of electricity and gas	19 210	17 062	15 691	-1 371	-8,0
Property, plant and equipment (net carrying value)	321 032	322 121	323 834	1 713	0,5

* Revised

Purchases of water increased by 3,6% between the quarters ended December 2011 and March 2012. Purchases of electricity and gas decreased by 4,6% over the same period.

Sales of electricity and gas decreased by 8,0% between the quarters ended December 2011 and March 2012. An increase of 7,2% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 0,5% between the quarters ended December 2011 and March 2012.



*Revised

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2011, December 2011 and March 2012 quarters

Net assets and liabilities	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Housing development fund	1 666	1 685	1 666	-19
Capital replacement reserve	16 270	16 566	16 608	42
Capitalisation reserve	10 141	10 108	10 078	-30
Government grant reserve	18 354	18 347	18 318	-29
Donations and public contributions reserve	3 354	3 378	3 378	0
Self-insurance reserve	969	1 010	1 034	24
Revaluation reserve	7 119	7 062	7 386	324
COID ¹ reserve	1 513	316	321	5
Other reserves	3 227	3 022	3 021	-1
Retained surplus/Accumulated deficit	220 443	225 664	231 446	5 782
Outside shareholders' interest	0	0	0	0
Non-current liabilities				
Marketable loan stock and bonds				
Domestic loan stock 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
Other	5 611	5 476	5 367	-109
Bonds held by:				
Other local government institutions	0	0	0	0
Public financial corporations	7 451	7 451	7 451	0
Public non-financial corporations	0	0	11	11
Other	1 655	1 675	1 654	-21
Long-term loans and deposits from:				
National government	0	0	0	0
Provincial government	5	5	5	0
Local government institutions	25	25	25	0
Development Bank of Southern Africa (DBSA)	9 642	9 710	9 602	-108
Local authorities loans fund	1	1	1	0
Public financial corporations	809	799	824	25
Public non-financial corporations	0	0	0	0
Banks	16 875	16 329	16 019	-310

¹COID - Compensation Commissioner for Occupational Injuries and Diseases

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2011, December 2011 and March 2012 quarters (continued)

Net assets and liabilities	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Insurers	2	2	2	0
Pension funds	142	142	142	0
Private companies	0	0	0	0
Other domestic sources (including INCA ²)	6 730	7 125	6 458	-667
Long-term leases	796	428	428	0
Non-current provisions	8 134	10 207	10 071	-136
Retirement benefit obligations	5 177	6 358	6 501	143
Current liabilities				
Short-term loans and deposits from:				
Local government institutions	1	1	1	0
Development Bank of Southern Africa (DBSA)	320	358	358	0
Local authorities loans fund	2	2	2	0
Public financial corporations	0	1	1	0
Public non-financial corporations	0	0	0	0
Banks	1 049	1 210	1 217	7
Insurers	1	1	1	0
Pension funds	3	3	3	0
Private companies	0	0	0	0
Other domestic sources (including INCA ²)	635	526	1 112	586
Unspent conditional grants	9 553	11 083	15 022	3 939
Current provisions	7 042	7 341	7 620	279
Retirement benefit obligations	1 609	1 625	1 668	43
Short-term leases	341	325	326	1
VAT ³ payable	2 916	2 985	2 814	-171
Bank overdraft	1 340	2 325	1 711	-614
Creditors:				
Trade creditors	23 672	22 850	22 267	-583
Consumer deposits	3 645	3 686	3 805	119
Income received in advance	495	464	508	44
Other creditors	6 578	4 781	3 866	-915
Liabilities not reflected elsewhere ⁴	8 130	6 802	6 859	57
Total net assets and liabilities	413 443	419 260	426 978	7 718

²INCA - Infrastructure Finance Corporation Ltd

³VAT - Value added tax

⁴Includes suspense accounts and liabilities not shown separately

*Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2011, December 2011 and March 2012 quarters (continued)

Assets	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Property, plant and equipment (net carrying value)	321 032	322 121	323 834	1 713
Investment property	8 175	8 865	9 058	193
Intangible assets	1 843	1 761	1 747	-14
Biological (cultivated) assets	83	83	83	0
Investments in marketable securities:				
Municipal stock/shares	1 174	1 175	3 223	2 048
Other marketable stock/shares:				
Government stock	0	0	0	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/institutions	298	293	293	0
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	0
Long-term receivables, loans, deposits and investments				
Long-term receivables:				
Car loans	1	1	1	0
Housing selling scheme loans	229	223	217	-6
Sewerage connection loans	6	6	6	0
Electricity appliance purchase scheme	6	6	6	0
Other (including local government institutions)	1 093	1 136	1 121	-15
Long-term loans to:				
Other local government institutions	0	0	0	0
Public financial corporations	34	34	34	0
Public non-financial corporations	0	0	0	0
Other companies/institutions	313	428	425	-3
Long-term deposits and investments with:				
Banks	1 482	1 430	1 864	434

*Revised

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2011, December 2011 and March 2012 quarters (concluded)

Assets	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Public financial corporations	58	39	35	-4
Public non-financial corporations	0	0	0	0
Other	4 413	4 942	5 485	543
Current assets:				
Inventory	4 047	4 154	4 211	57
Short-term receivables, loans, deposits and investments				
Short-term loans to:				
Other local government institutions	2	2	2	0
Public financial corporations	113	113	113	0
Public non-financial corporations	0	0	0	0
Other companies/institutions	472	1 451	2 450	999
Short-term deposits and other investments with:				
Banks	10 691	11 971	13 924	1 953
Public financial corporations	26	35	40	5
Public non-financial corporations	0	0	0	0
Other	1 358	1 284	1 304	20
Debtors:				
Consumer debtors	30 971	29 256	29 146	-110
Other debtors (including short-term portion of long-term receivables)	8 693	10 323	9 322	-1 001
VAT ⁵ receivable	1 360	1 257	1 275	18
Prepaid expenses	59	59	59	0
Petty cash and bank	13 957	15 994	16 873	879
Assets not reflected elsewhere ⁶	1 415	779	788	9
Total assets	413 443	419 260	426 978	7 718

⁵Value added tax

⁶Includes 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 September 2011, December 2011 and March 2012: Expenditure

Expenditure	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Employee-related costs	7 887	9 018	8 375	-643
Remuneration of board of directors/councillors	558	557	654	97
Interest paid	759	703	806	103
Loss on the disposal of property, plant and equipment	7	3	21	18
Bad debts	502	662	667	5
Contracted services	567	948	839	-109
Collection costs	79	113	83	-30
Depreciation and amortisation	1 057	1 031	1 152	121
Impairment loss	66	0	33	33
Repairs and maintenance	318	504	461	-43
Grants and subsidies paid to:				
Other local government institutions	103	144	146	2
Tertiary institutions of higher learning	0	15	12	-3
Households or individuals	28	77	116	39
Non-profit institutions serving households	0	0	0	0
Other	851	1 015	1 053	38
General expenditure:				
Accommodation, travelling and subsistence	111	109	118	9
Advertising, promotions and marketing	37	52	50	-2
Audit fees	72	203	161	-42
Bank charges	49	56	48	-8
Cleaning services	17	29	28	-1
Consultancy and professional fees	149	166	195	29
Entertainment costs	19	22	22	0
Fuel and oil	137	139	160	21
Hiring of plant and equipment	38	65	52	-13
Insurance costs	196	97	63	-34
Pharmaceutical	12	17	21	4
Postal and courier services	38	45	47	2
Printing and stationery	78	96	101	5
Rebates for property rates	317	687	514	-173
Rental of land, buildings and other structures	94	91	113	22
Rental of office equipment	52	39	58	19
Security services	246	305	331	26
Subscriptions and membership fees	91	30	35	5
Telecommunication services	137	169	177	8
Training and education	61	89	80	-9
Transport costs	35	47	46	-1
Other expenditure	3 070	3 109	3 362	253
Surplus	15 212	11 032	12 319	1 287
Total expenditure	33 050	31 484	32 519	1 035

*Revised

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2011, December 2011 and March 2012: Income

Income	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Taxes on property				
Property rates from:				
Residential	6 197	5 940	5 681	-259
Commercial or business	459	676	610	-66
State	103	143	97	-46
Other (includes agricultural, municipal, etc.)	2 366	2 364	2 091	-273
Property rates – penalties imposed and collection charges	102	98	124	26
Interest earned from:				
External investments	330	417	485	68
Outstanding debtors	342	434	415	-19
Dividends received	0	0	0	0
Fines	274	293	299	6
Licences and permits	117	128	153	25
Income for agency services	172	213	175	-38
Rental of facilities and equipment	160	178	202	24
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	6	4	10	6
Gains on the disposal of property, plant and equipment	39	27	136	109
Subsidies from:				
National government	50	143	68	-75
Provincial government	16	24	23	-1
Local government	0	0	0	0
Other	9	63	35	-28
Grants (including equitable share) from:				
National government	13 066	10 173	10 626	453
Provincial government	248	144	235	91
Local government	8	6	7	1
Other	183	313	126	-187
Spent conditional grants	25	43	59	16
Other income	2 652	2 560	4 760	2 200
Deficit	6 126	7 100	6 102	-998
Total income	33 050	31 484	32 519	1 035

*Revised

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2011, December 2011 and March 2012:
Expenditure

Expenditure	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Employee-related costs	4 527	5 088	4 940	-148
Interest paid	382	393	545	152
Loss on disposal of property, plant and equipment	0	1	6	5
Bad debts	914	824	1 049	225
Contracted services	1 018	1 048	1 337	289
Collection costs	17	19	24	5
Depreciation and amortisation	1 710	2 094	1 889	-205
Impairment loss	71	0	14	14
Repairs and maintenance	1 412	1 850	1 943	93
Bulk purchases:				
Purchases of water	2 189	2 543	2 635	92
Purchases of electricity and gas	14 652	10 491	10 012	-479
Other (e.g. sewer purification)	191	10	107	97
Grants and subsidies paid to:				
Other local government institutions	13	3	0	-3
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	44	88	112	24
Non-profit institutions serving households	0	0	1	1
Other	206	239	371	132
General expenditure:				
Accommodation, travelling and subsistence	13	16	14	-2
Advertising, promotions and marketing	4	9	6	-3
Audit fees	3	14	14	0
Bank charges	2	2	9	7
Cleaning services	9	22	18	-4
Consultancy and professional fees	29	56	137	81
Entertainment costs	0	1	1	0
Fuel and oil	133	170	195	25
Hiring of plant and equipment	79	145	149	4
Insurance costs	25	17	16	-1
Pharmaceutical	2	3	2	-1
Postal and courier services	1	2	2	0
Printing and stationery	14	16	12	-4
Rebates for service charges	134	171	160	-11
Rental of land, buildings and other structures	13	24	24	0
Rental of office equipment	13	28	43	15
Security services	55	73	78	5
Subscriptions and membership fees	1	1	1	0
Telecommunication services	17	24	25	1
Training and education	7	13	11	-2
Transport costs	28	37	37	0
Other expenditure	2 955	3 346	3 739	393
Surplus	5 588	6 588	4 938	-1 650
Total expenditure	36 471	35 469	34 616	-853

* Revised

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2011, December 2011 and March 2012: Income

Income	September 2011	December 2011*	March 2012	Difference between quarters ended Dec. 2011 and Mar. 2012
	R million			
Interest earned from:				
External investments	24	25	27	2
Outstanding debtors	201	239	229	-10
Dividends received	0	0	0	0
Fines	10	10	14	4
Licences and permits	48	68	74	6
Income for agency services	151	157	152	-5
Rental of facilities and equipment	168	199	199	0
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	27	32	28	-4
Gains on the disposal of property, plant and equipment	5	1	6	5
Sales of water	4 878	5 358	5 745	387
Sales of electricity and gas	19 210	17 062	15 691	-1 371
Refuse removal charges	1 277	1 331	1 432	101
Sewerage and sanitation charges	1 460	1 535	1 875	340
Other service charges (e.g. fresh produce market)	7	9	7	-2
Subsidies from:				
National government	93	22	44	22
Provincial government	18	32	35	3
Local government	0	0	0	0
Other	0	11	11	0
Grants (including equitable share) from:				
National government	3 311	4 103	3 504	-599
Provincial government	99	210	133	-77
Local government	9	5	0	-5
Other	45	105	95	-10
Spent conditional grants	21	54	122	68
Other income	1 398	1 571	1 128	-443
Deficit	4 011	3 330	4 065	735
Total income	36 471	35 469	34 616	-853

*Revised

Part 4 – Rebased tables for the financial year ended 30 June 2011: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Housing development fund	1 650	1 646	1 622	1 544	1 544
Capital replacement reserve	4 530	4 317	4 287	3 808	3 808
Capitalisation reserve	3 273	2 872	2 849	4 326	4 326
Government grant reserve	27 004	27 824	27 431	21 706	21 706
Donations and public contributions reserve	3 052	3 179	3 419	3 235	3 235
Self-insurance reserve	1 818	1 839	1 842	1 612	1 612
Revaluation reserve	16 148	16 793	16 872	9 253	9 253
COID ² reserve	361	362	362	363	363
Other reserves	7 346	6 679	6 050	8 305	8 305
Retained surplus/accumulated deficit	149 357	145 148	149 123	252 620	252 620
Outside shareholders' interest	0	0	0	152	152
Non-current liabilities					
Marketable loan stock and bonds:					
Domestic loan stock held by:					
Other local government institutions	0	0	0	95	95
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	4 514	4 386	4 395	4 310	4 310
Bonds held by:					
Other local government institutions	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	36 630	41 101	45 484	9 100	9 100
Long-term loans and deposits received from:					
National government	0	0	0	5	5
Provincial government	0	0	0	0	0
Local government institutions	6	6	6	5	5
Development Bank of Southern Africa (DBSA)	13 212	14 326	14 888	15 097	15 097
Local authorities loans fund	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	4	4
Banks	11 917	12 044	11 698	11 453	11 453
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Private companies	0	0	0	372	372
Other domestic sources (including INCA ³)	4 978	4 973	4 929	5 905	5 905

¹ Value of consolidated statement of financial position as at 30 June 2011

² COID - Compensation Commissioner for Occupational Injuries and Diseases

³ INCA - Infrastructure Finance Corporation Ltd

Part 4 – Rebased tables for the financial year ended 30 June 2011: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Long-term leases	483	483	480	566	566
Non-current provisions	13 275	13 779	14 208	18 555	18 555
Current liabilities					
Short-term loans and deposits from:					
Local government institutions	0	0	0	0	0
Development Bank of Southern Africa (DBSA)	1 250	1 161	1 148	2 031	2 031
Local authorities loans fund	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Banks	377	787	926	899	899
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Private companies	0	0	0	42	42
Other domestic sources (including INCA ³)	772	758	765	1 275	1 275
Unspent conditional grants	10 468	10 121	11 078	9 542	9 542
Current provisions	2 538	2 650	2 681	2 967	2 967
Short-term leases	240	244	240	384	384
VAT ⁴ payable	1 754	1 734	2 020	2 199	2 199
Bank overdraft	816	657	695	1 250	1 250
Creditors:					
Trade creditors	13 760	13 853	12 875	19 403	19 403
Consumer deposits	3 348	3 395	3 446	3 615	3 615
Income received in advance	4 837	4 350	4 691	4 545	4 545
Other creditors	18 775	19 074	18 063	13 229	13 229
Liabilities not reflected elsewhere ⁵	2 237	2 253	2 299	3 306	3 306
Total net assets and liabilities	360 726	362 794	370 872	437 078	437 078

¹ Value of consolidated statement of financial position as at 30 June 2011

⁴ VAT - Value added tax

⁵ Includes suspense accounts and liabilities not shown separately

Part 4 – Rebased tables for the financial year ended 30 June 2011: Consolidated statement of financial position of municipalities (continued)

Assets	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Non-current assets					
Property, plant, and equipment (net carrying value)	271 100	275 779	282 174	346 557	346 557
Investment property	10 464	7 783	8 011	11 342	11 342
Intangible assets	1 999	2 097	2 131	2 171	2 171
Biological assets	51	51	51	87	87
Investments in marketable securities:					
Municipal stock/shares	6	6	6	3	3
Other marketable stock/shares:					
Government stock	0	0	0	49	49
Treasury bills	0	0	0	0	0
Other local government institutions	15	15	15	15	15
Public financial corporations stock	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other companies/institutions	844	866	738	175	175
Investments in non-marketable instruments of other spheres of government and government institutions	0	0	0	1 760	1 760
Long-term receivables, loans, deposits and investments					
Long-term receivables:					
Car loans	3	3	3	1	1
Housing selling scheme loans	417	408	401	285	285
Sewerage connection loans	4	2	2	2	2
Electricity appliance purchase scheme	0	0	0	0	0
Other (including local government institutions)	1 153	1 129	1 132	513	513
Long-term loans to:					
Other local government institutions	2	2	2	2	2
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Individuals	0	0	0	0	0
Other companies/institutions	0	0	0	0	0
Long-term deposits and investments with:					
Banks	5 425	5 393	6 326	3 414	3 414
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	106	105	301	953	953

¹ Value of consolidated statement of financial position as at 30 June 2011

Part 4 – Rebased tables for the financial year ended 30 June 2011: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Current assets :					
Inventory	3 384	3 491	3 487	4 520	4 520
Short-term receivables, loans, deposits and investments					
Short-term loans to:					
Other local government institutions	9	9	9	17	17
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Individuals	0	0	0	150	150
Other companies/institutions	26	28	10	5	5
Short-term deposits and other investments with:					
Banks	22 971	22 180	24 353	17 030	17 030
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	2 536	2 562	2 178	2 446	2 446
Debtors:					
Consumer debtors	22 850	22 854	21 265	24 284	24 284
Other debtors (including short-term portion of long-term receivables)	8 893	8 968	7 663	9 812	9 812
VAT ⁴ receivable	2 442	2 433	2 469	2 045	2 045
Prepaid expenses	26	27	27	55	55
Petty cash and bank	5 715	6 283	7 783	9 164	9 164
Assets not reflected elsewhere ⁵	285	320	335	221	221
Total assets	360 726	362 794	370 872	437 078	437 078

¹ Value of consolidated statement of financial position as at 30 June 2011

⁵ Includes suspense accounts and assets not shown separately

Part 5 – Rebased tables for the financial year ended 30 June 2011: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Employee-related costs	6 914	7 865	7 211	7 576	29 566
Remuneration of board of directors/councillors	515	545	586	566	2 212
Interest paid	363	724	528	657	2 272
Loss on the disposal of property, plant and equipment	0	9	6	47	62
Bad debts	883	844	1 238	2 193	5 158
Contracted services	780	765	841	1 167	3 553
Collection costs	108	150	149	161	568
Depreciation and amortisation	1 300	1 960	1 580	2 112	6 952
Impairment loss	0	0	0	549	549
Repairs and maintenance	522	560	624	777	2 483
Grants and subsidies paid to:					
Other local government institutions	63	105	117	239	524
Tertiary institutions of higher learning	0	0	0	33	33
Households or individuals	0	0	0	421	421
Non-profit institutions serving households	0	0	0	114	114
Other	69	557	396	475	1 497
General expenditure:					
Accommodation, travelling and subsistence	90	111	91	104	396
Advertising, promotions and marketing	47	49	53	84	233
Audit fees	75	189	143	127	534
Bank charges	40	46	61	50	197
Cleaning services	20	26	23	35	104
Consultancy and professional fees	130	182	162	257	731
Entertainment costs	18	18	16	24	76
Fuel and oil	77	87	99	136	399
Hiring of plant and equipment	35	36	35	69	175
Insurance costs	283	146	89	97	615
Pharmaceutical	17	28	23	19	87
Postal and courier services	39	44	47	45	175
Printing and stationery	90	94	96	102	382
Rebates for property rates	916	386	424	728	2 454
Rental of land, buildings and other structures	116	105	81	112	414
Rental of office equipment	74	98	94	126	392
Security services	168	185	217	257	827
Subscriptions and membership fees	65	47	33	32	177
Telecommunication services	142	176	198	217	733
Training and education	56	73	77	107	313
Transport costs	54	68	76	104	302
Other expenditure	1 792	1 352	1 535	2 667	7 346
Surplus	13 407	8 709	10 027	1 839	33 982
Total expenditure	29 268	26 339	26 976	24 425	107 008

¹The total of Sept 2010, Dec 2010, Mar 2011 and June 2011 quarters

Part 5 – Rebased tables for the financial year ended 30 June 2011: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Taxes on property					
Property rates from:					
Residential	3 666	3 111	3 173	3 023	12 973
Commercial or business	3 531	2 996	3 055	2 910	12 492
State	276	190	251	196	913
Other (includes agricultural, municipal etc.)	1 257	838	1 535	1 117	4 747
Property rates - penalties imposed and collection charges	35	117	177	88	417
Interest earned from:					
External investments	341	311	402	664	1 718
Outstanding debtors	378	395	404	390	1 567
Dividends received	0	0	0	77	77
Fines	247	280	289	285	1 101
Licences and permits	105	100	110	100	415
Income for agency services	151	165	166	200	682
Rental of facilities and equipment	130	127	150	161	568
Bad debts recovered	0	0	0	62	62
Public contribution, donations (including property, plant and equipment)	23	52	63	248	386
Gains on the disposal of property, plant and equipment	12	19	43	19	93
Subsidies from:					
National government	397	269	177	195	1 038
Provincial government	336	266	208	218	1 028
Local government	0	0	0	55	55
Other	131	336	88	314	869
Grants (including the equitable share) from:					
National government	9 298	7 812	6 679	4 330	28 119
Provincial government	838	866	616	355	2 675
Local government	12	65	47	25	149
Other	472	687	380	262	1 801
Spent conditional grant	42	260	223	449	974
Other income	1 400	1 129	1 690	1 437	5 656
Deficit	6 190	5 948	7 050	7 245	26 433
Total income	29 268	26 339	26 976	24 425	107 008

¹The total of Sept 2010, Dec 2010, Mar 2011 and June 2011 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2011: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Employee-related costs	5 064	5 803	5 307	5 328	21 502
Interest paid	439	1 131	678	963	3 211
Loss on the disposal of property, plant and equipment	0	0	13	20	33
Bad debts	1 326	1 477	1 756	1 626	6 185
Contracted services	992	1 412	1 307	1 587	5 298
Collection costs	31	41	41	50	163
Depreciation and amortisation	1 879	2 315	2 428	3 080	9 702
Impairment loss	0	0	0	36	36
Repairs and maintenance	1 358	1 749	1 518	1 936	6 561
Bulk purchases:					
Purchases of water	12 290	8 024	8 556	10 218	39 088
Purchases of electricity and gas	2 080	2 482	2 384	2 291	9 237
Grant and subsidies paid to:					
Other local government institutions	29	46	41	0	116
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	0	0	0	297	297
Non-profit institutions serving households	0	0	0	9	9
Other	100	125	142	228	595
General expenditure					
Accommodation, travelling and subsistence	16	21	14	21	72
Advertising , promotions and marketing	15	30	37	44	126
Audit fees	6	21	10	17	54
Bank charges	5	5	10	15	35
Cleaning services	11	14	14	18	57
Consultancy and professional fees	61	101	119	246	527
Entertainment costs	5	5	4	5	19
Fuel and oil	122	128	133	198	581
Hiring of plant and equipment	67	103	81	126	377
Insurance costs	63	55	43	57	218
Pharmaceutical	2	2	2	2	8
Postal and courier services	3	10	7	10	30
Printing and stationery	20	18	20	21	79
Rebates for property rates	0	0	0	543	543
Rental of land, buildings and other structures	34	56	48	77	215
Rental of office equipment	4	8	9	10	31
Security services	113	104	158	138	513
Subscriptions and membership fees	26	0	0	53	79
Telecommunication services	42	45	56	65	208
Training and education	20	31	26	33	110
Transport costs	40	60	79	106	285
Other expenditure	1 985	2 606	2 370	2 927	9 888
Surplus	3 841	3 645	5 471	3 641	16 598
Total Expenditure	32 089	31 673	32 882	36 042	132 686

¹The total of Sept 2010, Dec 2010, Mar 2011 and June 2011 quarters

Part 6 – Rebased tables for the financial year ended 30 June 2011: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2010	December 2010	March 2011	June 2011	Total 2011 ¹
	R million				
Interest earned from:					
External investments	87	119	156	142	504
Outstanding debtors	167	161	173	164	665
Dividends received	0	0	0	54	54
Fines	4	4	5	4	17
Licences and permits	39	38	68	65	210
Income for agency services	45	57	47	66	215
Rental of facilities and equipment	192	255	224	233	904
Bad debts recovered	0	0	0	0	0
Public contributions, donations (including property, plant and equipment)	55	85	151	123	414
Gains on the disposal of property, plant and equipment	38	14	12	5	69
Service charges:					
Sales of water	15 541	13 891	13 834	15 487	58 753
Sales of electricity and gas	4 236	4 506	4 353	4 018	17 113
Refuse removal	1 258	1 290	1 394	1 376	5 318
Sewerage and sanitation	1 680	1 776	1 894	2 097	7 447
Subsidies from:					
National government	50	88	66	48	252
Provincial government	25	47	59	47	178
Local government	0	0	0	23	23
Other	1 430	0	0	0	1 430
Grants (including the equitable share) from:					
National government	3 090	3 400	3 882	4 425	14 797
Provincial government	139	213	262	130	744
Local government	55	0	0	0	55
Other	157	175	1 125	247	1 704
Spent conditional grant	802	1 133	611	575	3 121
Other income	737	795	1 048	1 716	4 296
Deficit	2 262	3 626	3 518	4 997	14 403
Total income	32 089	31 673	32 882	36 042	132 686

¹The total of Sept 2010, Dec 2010, Mar 2011 and June 2011 quarters

Notes

Forthcoming issue	Issue	Expected release date
	June 2012	September 2012
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 2011:	86%
	December quarter 2011:	85%
	March quarter 2012:	86%
Reasons for fluctuation:	<ul style="list-style-type: none">• Change in accounting practices and standards adopted by the respondents.• Revisions due to late response and corrections reported by respondents.	
Rebasing	Data for quarterly financial statistics of municipalities for the year ended 30 June 2011 are aligned to the annual financial census of municipalities for the respective year (which is verified using the annual financial statements from municipalities). <i>Refer to Financial census of municipalities P9114.</i>	

Explanatory notes

Introduction	<p>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.</p> <p>This publication contains estimates for the quarters ended September 2011, December 2011 and March 2012 and the rebased figures for September 2010, December 2010, March 2011 and June 2011. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> • the consolidated statement of financial 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	<p>2 This survey covers quarterly financial information of all 278 municipalities.</p>										
Classification and accounting standards	<p>3 For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the <i>Standard Industrial Classification of all Economic Activities, Fifth Edition, and Report No.09-90-02 of January 1993 (SIC)</i>. 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).</p>										
Survey methodology and design	<p>4 The statistical unit for the collection of information is the municipality.</p>										
Imputation	<p>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.</p>										
Revised figures	<p>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 were received late by Stats SA (after cut-off date).</p>										
Rounding off figures	<p>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.</p>										
Related publications	<p>8 Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • 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	<p>9</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">GAMAP</td> <td>Generally Accepted Municipal Accounting Practice</td> </tr> <tr> <td>GRAP</td> <td>General Recognised Accounting Practice</td> </tr> <tr> <td>SIC</td> <td>Standard Industrial Classification</td> </tr> <tr> <td>Stats SA</td> <td>Statistics South Africa</td> </tr> <tr> <td>0</td> <td>nil or not applicable</td> </tr> </table>	GAMAP	Generally Accepted Municipal Accounting Practice	GRAP	General Recognised Accounting Practice	SIC	Standard Industrial Classification	Stats SA	Statistics South Africa	0	nil or not applicable
GAMAP	Generally Accepted Municipal Accounting Practice										
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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>
COVID 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 (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>Employee-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 include:</p> <ul style="list-style-type: none"> • basic compensation; • allowances; • contributions to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen’s compensation, etc., which may be regarded 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; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
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	Housing includes all activities associated with the provision of housing. Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), road transport (roads, public buses, parking garages, vehicle licensing and testing), water (water distribution, water storage), electricity (electricity distribution, electricity generation, street lighting) and other trading services which include environmental protection like pollution control, biodiversity & landscape and others like coastal protection etc., air transport, abattoirs, tourism, forestry, markets and licensing and regulation like licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business.

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"> • departmental charges/fees; • books and magazines; • consumables; • licences and trade licences; • workshops; • 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 executive and council (all costs for mayoral, council and committee expenses, municipal manager, town secretary and chief executive), finance and administration (finance, human resources, information technology, property services, other administration like security services, legal services, fleet management, asset management, procurement etc.), planning and development (economic planning and development, town planning, corporate-wide strategic planning [IDPs, LEDs etc.], building regulations and enforcement, city engineer), health (clinics, ambulance, other including health inspection), community and social services (libraries and archive, museums and art galleries etc., community halls and facilities, cemeteries and crematoriums, child care, aged care and other community), public safety (police forces and traffic, fire, civil defence and other like disaster management), sport and recreation (community parks [including nurseries], sports grounds and stadiums, swimming pools, beaches, lakes, dams and jetties for recreation, camping sites etc.). These services are not economically self-supporting and are financed by imposing property rates, the receipt of grants and 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 (adapted 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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Postal address: Private Bag X44, Pretoria, 0001

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