
Statistical release

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Quarterly financial statistics of municipalities

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Key findings

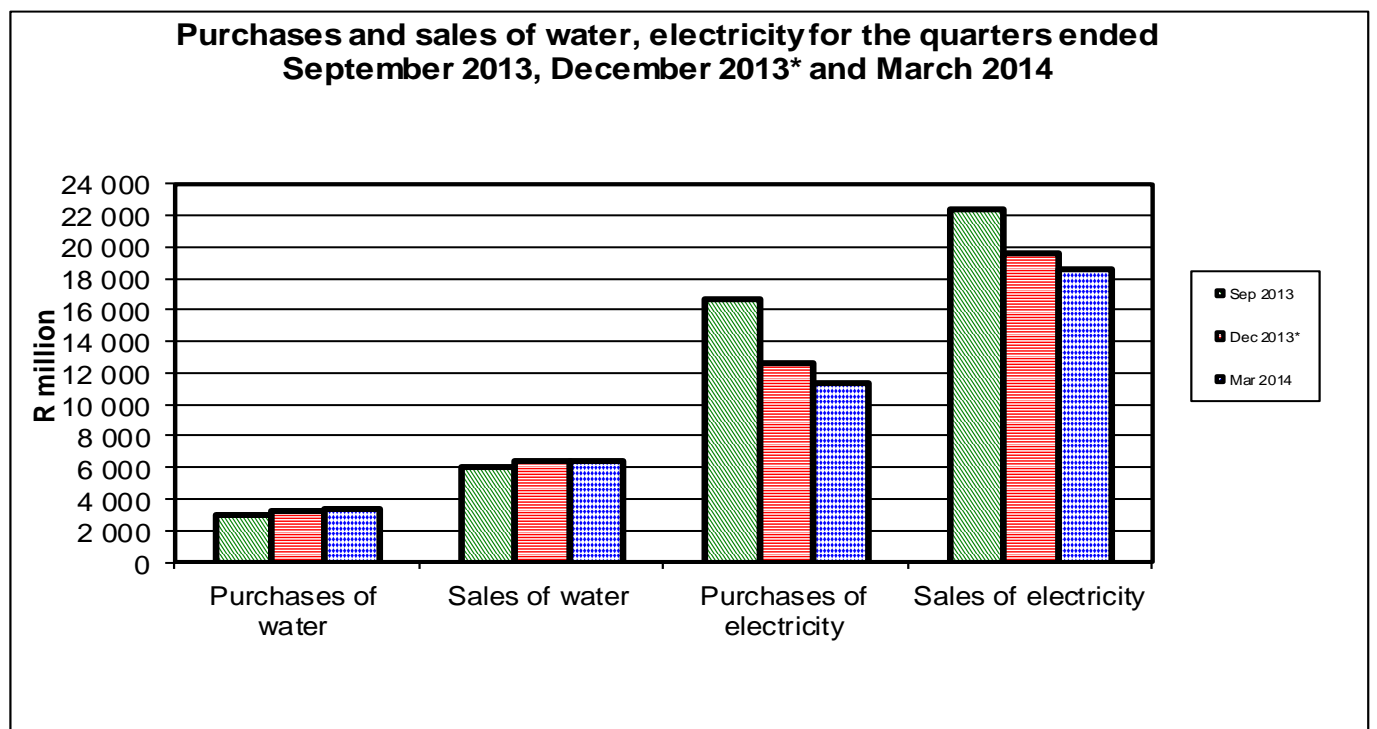
Item	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014	% change between quarters ended Dec. 2013 and Mar. 2014
	R million				
Purchases of water	3 014	3 266	3 318	52	1,6
Sales of water	5 980	6 404	6 463	59	0,9
Purchases of electricity	16 752	12 629	11 402	-1 227	-9,7
Sales of electricity	22 431	19 571	18 630	-941	-4,8
Property, plant and equipment (net carrying value)	425 120	426 689	428 004	1 315	0,3

* Some figures have been revised.

Purchases of water increased by 1,6% between the quarters ended December 2013 and March 2014. Purchases of electricity decreased by 9,7% over the same period.

Sales of electricity decreased by 4,8% between the quarters ended December 2013 and March 2014. An increase of 0,9% was recorded in the sales of water over the same period.

Property, plant and equipment increased by 0,3% between the quarters ended December 2013 and March 2014.



*Some figures have been revised.

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2013, December 2013 and March 2014 quarters

Net assets and liabilities	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Net assets				
Housing development fund	1 229	1 207	1 195	-12
Capital replacement reserve	18 045	18 292	18 322	30
Capitalisation reserve	1 300	1 239	1 258	19
Government grant reserve	8 395	8 395	8 395	0
Donations and public contributions reserve	747	744	749	5
Self-insurance reserve	240	239	194	-45
Revaluation reserve	11 618	11 398	11 398	0
COVID ¹ reserve	176	176	192	16
Other reserves (including Pre-GAMAP reserves and funds)	1 916	1 913	1 913	0
Retained surplus/Accumulated deficit	359 742	360 857	364 673	3 816
Outside shareholders' interest	0	0	0	0
Non-current liabilities				
Domestic loan stock held by:				
Other local government institutions	0	0	0	0
Public financial corporations	29	29	29	0
Public non-financial corporations	0	0	0	0
Other (includes: public/private companies, individuals etc.)	7 010	6 875	6 780	-95
Bonds held by:				
Other local government institutions	0	0	0	0
Public financial corporations	6 751	6 751	6 584	-167
Public non-financial corporations	0	0	0	0
Other (includes: public/private companies, individuals etc.)	5 297	4 869	4 594	-275
Long-term loans from:				
National government	0	0	0	0
Provincial government	0	0	0	0
Local government institutions	5	5	5	0
Development Bank of Southern Africa (DBSA)	8 958	8 880	8 843	-37
Local authorities loans fund	0	0	0	0
Public financial corporations	287	278	272	-6
Public non-financial corporations	0	0	0	0
Banks	17 529	17 337	17 342	5
Insurers	0	0	0	0
Pension funds	28	28	28	0
Other domestic sources (including INCA ²)	6 717	6 677	6 825	148
Long-term leases	818	810	827	17
Non-current provisions	12 317	12 383	12 444	61
Retirement benefit obligations	12 788	12 838	12 731	-107

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2013, December 2013 and March 2014 quarters (continued)

Net assets and liabilities	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Current liabilities				
Short-term loans from:				
National government	0	0	0	0
Provincial government	0	0	0	0
Local government institutions	1	1	1	0
Development Bank of Southern Africa (DBSA)	645	605	606	1
Local authorities loans fund	0	0	0	0
Public financial corporations	5	5	5	0
Public non-financial corporations	0	0	0	0
Banks	1 946	1 906	1 895	-11
Insurers	0	0	0	0
Pension funds	2	2	2	0
Other domestic sources (including INCA ²)	647	498	304	-194
Short-term leases	381	395	376	-19
Current provisions	8 414	8 728	8 796	68
Retirement benefit obligations	2 397	2 395	2 387	-8
Unspent conditional grants	12 379	13 936	16 941	3 005
VAT ³ payable	1 767	1 992	1 702	-290
Bank overdraft	1 706	1 963	2 100	137
Creditors:				
Trade creditors	27 973	30 801	30 552	-249
Consumer deposits	4 669	4 707	4 733	26
Income received in advance	654	637	714	77
Other creditors	6 533	7 097	6 949	-148
Liabilities not reflected elsewhere ⁴	368	378	941	563
Total net assets and liabilities	552 429	558 266	564 597	6 331

¹COID - Compensation Commissioner for Occupational Injuries and Diseases.

²INCA - Infrastructure Finance Corporation Ltd.

³VAT - Value added tax.

⁴Includes suspense accounts and liabilities not shown separately.

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2013, December 2013 and March 2014 quarters (continued)

Assets	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
R million				
Non-current assets				
Property, plant and equipment (net carrying value)	425 120	426 689	428 004	1 315
Investment property	18 373	18 512	18 528	16
Intangible assets	2 630	2 694	2 684	-10
Biological (cultivated) assets	55	73	73	0
Investments in marketable securities:				
Municipal stock/shares	834	833	1 658	825
Other marketable stock/shares:				
Government stock	0	0	0	0
Treasury bills	0	0	0	0
Other local government institutions' stock	64	64	64	0
Public financial corporations' stock	0	0	0	0
Public non-financial corporations' stock	1 075	1 075	1 075	0
Companies' shares	108	108	108	0
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	0
Long-term receivables:				
Car loans	0	0	0	0
Housing selling scheme loans	170	162	160	-2
Sewerage connection loans	0	0	0	0
Electricity appliance purchase scheme	4	4	4	0
Other (including local government institutions)	469	427	407	-20
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	22	22	22	0
Long-term deposits and other investments with:				
Banks	4 995	5 068	6 283	1 215
Public financial corporations	23	22	22	0
Public non-financial corporations	0	0	0	0
Other	2 039	2 156	2 245	89

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2013, December 2013 and March 2014 quarters (concluded)

Assets	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Current assets:				
Inventory	4 360	4 300	4 201	-99
Short-term loans, deposits and investments				
Short-term loans to:				
Other local government institutions	0	0	0	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Other companies/institutions	30	33	33	0
Short-term deposits and other investments with:				
Banks	15 346	15 643	16 471	828
Public financial corporations	50	43	47	4
Public non-financial corporations	0	0	0	0
Other	6 648	8 672	9 136	464
Debtors:				
Consumer debtors	36 140	35 771	34 293	-1 478
Other debtors (including short-term portion of long-term receivables)	10 526	10 160	10 415	255
VAT ¹ receivable	1 849	1 772	1 786	14
Prepaid expenses	220	217	217	0
Petty cash and bank	21 037	23 484	26 420	2 936
Assets not reflected elsewhere ²	208	228	207	-21
Total assets	552 429	558 266	564 597	6 331

¹Value added tax.

²Includes suspense accounts and assets not shown separately.

* Some figures have been revised.

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters September 2013, December 2013 and March 2014: Expenditure

Expenditure	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Employee-related costs	9 576	10 949	10 283	-666
Remuneration of board of directors/councillors	689	707	863	156
Interest paid	830	1 133	705	-428
Loss on the disposal of property, plant and equipment	23	409	11	-398
Bad debts	338	571	694	123
Contracted services	671	1 391	1 196	-195
Collection costs	81	123	125	2
Depreciation and amortisation	1 044	1 234	1 154	-80
Impairment loss (PPE)	66	10	14	4
Repairs and maintenance	323	548	565	17
Grants and subsidies paid to:				
Other local government institutions	30	33	44	11
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	175	170	122	-48
Non-profit institutions serving households	0	0	0	0
Other	1 000	945	1 046	101
General expenditure:				
Accommodation, travelling and subsistence	139	174	146	-28
Advertising, promotions and marketing	57	71	92	21
Audit fees	103	295	186	-109
Bank charges	58	68	68	0
Cleaning services	29	37	32	-5
Consultancy and professional fees	205	264	246	-18
Entertainment costs	21	18	19	1
Fuel and oil	173	199	235	36
Hiring of plant and equipment	119	224	188	-36
Insurance costs	279	154	105	-49
Pharmaceutical	7	32	28	-4
Postal and courier services	72	80	69	-11
Printing and stationery	89	109	118	9
Rebates for property rates	944	682	1 028	346
Rental of land, buildings and other structures	102	144	118	-26
Rental of office equipment	39	47	43	-4
Security services	301	432	453	21
Subscriptions and membership fees	142	85	43	-42
Telecommunication services	155	173	185	12
Training and education	108	131	133	2
Transport costs	32	46	45	-1
Other expenditure	3 181	4 580	4 495	-85
Surplus	19 775	12 301	12 844	543
Total expenditure	40 976	38 569	37 741	-828

* Some figures have been revised.

**Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2013, December 2013 and March 2014:
Income**

Income	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Taxes on property				
Property rates from:				
Residential	7 505	6 703	6 876	173
Commercial or business	2 964	2 581	2 723	142
State	287	199	278	79
Other (includes agricultural, municipal, etc.)	1 329	1 021	1 092	71
Property rates – penalties imposed and collection charges	62	77	78	1
Interest earned from:				
External investments	682	735	1 082	347
Outstanding debtors	472	623	689	66
Dividends received	0	0	0	0
Fines	266	249	247	-2
Licences and permits	117	109	139	30
Income for agency services	190	210	186	-24
Rental of facilities and equipment	174	216	229	13
Bad debts recovered	44	1	22	21
Public contributions and donations (including property, plant and equipment)	41	0	26	26
Gains on the disposal of property, plant and equipment	25	36	35	-1
Grants and subsidies from:				
National government	15 694	14 852	11 892	-2 960
Provincial government	128	156	139	-17
Local government	9	17	14	-3
Other	74	125	119	-6
Spent conditional grants	29	50	37	-13
Other income	3 208	2 344	3 278	934
Deficit	7 676	8 265	8 560	295
Total income	40 976	38 569	37 741	-828

* Some figures have been revised.

**Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters September 2013, December 2013 and March 2014:
Expenditure**

Expenditure	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Employee-related costs	5 930	6 647	6 054	-593
Interest paid	436	659	1 197	538
Loss on disposal of property, plant and equipment	1	4	2	-2
Bad debts	1 082	969	1 310	341
Contracted services	891	1 462	1 339	-123
Collection costs	18	33	26	-7
Depreciation and amortisation	2 028	2 270	3 152	882
Impairment loss (PPE)	103	2	16	14
Repairs and maintenance	1 765	2 335	2 208	-127
Bulk purchases:				
Purchases of water	3 014	3 266	3 318	52
Purchases of electricity	16 752	12 629	11 402	-1 227
Other bulk purchases	132	133	134	1
Grants and subsidies paid to:				
Other local government institutions	30	49	66	17
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	134	167	199	32
Non-profit institutions serving households	0	0	0	0
Other	314	499	517	18
General expenditure:				
Accommodation, travelling and subsistence	23	24	28	4
Advertising, promotions and marketing	21	41	23	-18
Audit fees	10	22	26	4
Bank charges	4	3	4	1
Cleaning services	15	22	22	0
Consultancy and professional fees	82	99	105	6
Entertainment costs	2	0	1	1
Fuel and oil	158	217	211	-6
Hiring of plant and equipment	50	84	82	-2
Insurance costs	43	33	42	9
Pharmaceutical	2	3	6	3
Postal and courier services	2	2	3	1
Printing and stationery	92	59	77	18
Rebates for service charges	228	207	230	23
Rental of land, buildings and other structures	219	134	157	23
Rental of office equipment	5	6	13	7
Security services	116	102	119	17
Subscriptions and membership fees	3	2	2	0
Telecommunication services	33	32	37	5
Training and education	20	37	18	-19
Transport costs	63	61	73	12
Other expenditure	3 493	4 233	4 605	372
Surplus	8 552	6 993	6 980	-13
Total expenditure	45 866	43 540	43 804	264

* Some figures have been revised.

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2013, December 2013 and March 2014: Income

Income	September 2013	December 2013*	March 2014	Difference between quarters ended Dec. 2013 and Mar. 2014
	R million			
Interest earned from:				
External investments	69	123	145	22
Outstanding debtors	301	249	321	72
Dividends received	0	0	0	0
Fines	14	15	15	0
Licences and permits	116	121	107	-14
Income for agency services	119	120	119	-1
Rental of facilities and equipment	233	300	258	-42
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	76	49	52	3
Gains on the disposal of property, plant and equipment	11	8	10	2
Service charges:				
Sales of water	5 980	6 404	6 463	59
Sales of electricity	22 431	19 571	18 630	-941
Refuse removal charges	2 166	2 310	1 958	-352
Sewerage and sanitation charges	2 584	2 610	2 571	-39
Other service charges (e.g. fresh produce market)	22	21	20	-1
Grants and subsidies from:				
National government	4 645	5 651	5 722	71
Provincial government	190	282	272	-10
Local government	0	1	2	1
Other	110	245	155	-90
Spent conditional grants	49	151	170	19
Other income	1 785	1 547	1 626	79
Deficit	4 965	3 762	5 188	1 426
Total income	45 866	43 540	43 804	264

* Some figures have been revised.

Part 4 – Rebased tables for the financial year ended 30 June 2013: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Housing development fund	1 485	1 466	1 460	1 358	1 358
Capital replacement reserve	1 705	1 764	1 788	1 826	1 826
Capitalisation reserve	123	133	136	77	77
Government grant reserve	1 854	1 858	1 858	2 507	2 507
Donations and public contributions reserve	11	11	11	11	11
Self-insurance reserve	602	609	611	675	675
Revaluation reserve	6 683	6 740	6 691	11 685	11 685
COID ² reserve	218	218	218	234	234
Other reserves (including Pre-GAMAP reserves and funds)	3 477	2 905	2 905	2 173	2 173
Retained surplus/accumulated deficit	303 964	321 313	323 726	404 228	404 228
Outside shareholders' interest	0	0	0	178	178
Non-current liabilities					
Marketable loan stock and bonds:					
Domestic loan stock 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 (includes: public/private companies, individuals etc.)	288	289	424	399	399
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 (includes: public/private companies, individuals etc.)	16 360	16 488	16 326	16 306	16 306
Long-term loans and deposits received from:					
National government	0	0	0	0	0
Provincial government	0	0	0	0	0
Local government institutions	0	0	0	0	0
Development Bank of Southern Africa (DBSA)	14 822	14 572	14 011	13 480	13 480
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	13 902	13 018	13 528	15 537	15 537
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	5 153	4 413	5 100	5 436	5 436
Long-term leases	1 621	1 619	1 608	1 199	1 199
Non-current provisions	12 358	10 155	10 275	11 106	11 106
Retirement benefits obligations	14 056	14 577	14 532	16 148	16 148

¹ Value of consolidated statement of financial position as at 30 June 2013 (refer to Publication P9114).

² COID - Compensation Commissioner for Occupational Injuries and Diseases.

³INCA - Infrastructure Finance Corporation Ltd.

Part 4 – Rebased tables for the financial year ended 30 June 2013: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Current liabilities					
Short-term loans from:					
National government	0	0	0	0	0
Provincial government	0	0	0	0	0
Local government institutions	0	0	0	0	0
Development Bank of Southern Africa (DBSA)	1 557	1 760	1 794	2 226	2 226
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	2 923	2 921	3 050	3 543	3 543
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	959	1 485	846	644	644
Short-term leases	750	707	710	515	515
Current provisions	2 983	3 066	3 189	3 340	3 340
Retirement benefit obligations	748	659	660	808	808
Unspent conditional grants	7 869	9 001	12 282	11 574	11 574
VAT ⁴ payable	3 480	3 627	3 818	2 677	2 677
Bank overdraft	1 183	3 532	3 482	1 257	1 257
Creditors:					
Trade creditors	19 602	18 493	18 050	26 440	26 440
Consumer deposits	4 063	4 458	4 232	4 614	4 614
Income received in advance	2 926	2 608	2 701	4 038	4 038
Other creditors	14 426	15 747	15 162	18 351	18 351
Liabilities not reflected elsewhere ⁵	20 909	20 073	25 051	1 250	1 250
Total net assets and liabilities	483 060	500 285	510 235	585 840	585 840

¹ Value of consolidated statement of financial position as at 30 June 2013 (refer to Publication P9114).

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 2013: Consolidated statement of financial position of municipalities (continued)

Assets	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Non-current assets					
Property, plant, and equipment (net carrying value)	380 171	384 389	385 610	451 804	451 804
Investment property	15 958	16 298	16 238	21 370	21 370
Intangible assets	2 209	2 578	2 165	2 751	2 751
Biological (cultivated) assets	166	124	129	131	131
Investments in marketable securities:					
Municipal stock/shares	1	1	1	1	1
Other marketable stock/shares:					
Government stock	0	0	0	61	61
Treasury bills	0	0	0	0	0
Other local government institutions' stock	0	0	0	0	0
Public financial corporations' stock	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Companies' shares	66	66	69	29	29
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	2 902	2 902
Long-term receivables, loans, deposits and investments					
Long-term receivables:					
Car loans	0	0	0	42	42
Housing selling scheme loans	346	338	331	305	305
Sewerage connection loans	0	0	0	1	1
Electricity appliance purchase scheme	0	0	0	5	5
Other (including local government institutions)	1 968	1 902	2 056	645	645
Long-term loans to:					
Other local government institutions	0	0	0	0	0
Public financial corporations	3	3	3	3	3
Public non-financial corporations	0	0	0	0	0
Other companies/institutions	0	0	0	0	0
Long-term deposits and investments with:					
Banks	1 299	1 465	1 746	1 088	1 088
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	4	4
Other	3 901	4 158	4 473	3 413	3 413

¹ Value of consolidated statement of financial position as at 30 June 2013 (refer to Publication P9114).

Part 4 – Rebased tables for the financial year ended 30 June 2013: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Current assets :					
Inventory	4 023	4 059	3 997	5 891	5 891
Short-term receivables, loans, deposits and investments					
Short-term loans to:					
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 companies/institutions	105	77	77	64	64
Short-term deposits and other investments with:					
Banks	20 285	29 894	33 958	31 490	31 490
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	3 294	1 952	3 193	2 664	2 664
Debtors:					
Consumer debtors	26 303	25 512	26 328	29 619	29 619
Other debtors (including short-term portion of long-term receivables)	10 765	12 635	11 667	11 724	11 724
VAT ⁴ receivable	1 518	1 430	1 381	1 933	1 933
Prepaid expenses	31	33	31	136	136
Petty cash and bank	9 733	12 567	15 965	17 528	17 528
Assets not reflected elsewhere ⁶	915	804	817	236	236
Total assets	483 060	500 285	510 235	585 840	585 840

¹ Value of consolidated statement of financial position as at 30 June 2013 (refer to Publication P9114).

⁶ Includes suspense accounts and assets not shown separately.

Part 5 – Rebased tables for the financial year ended 30 June 2013: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Employee-related costs	7 677	8 618	8 207	8 351	32 853
Remuneration of board of directors/councillors	661	703	761	772	2 897
Interest paid	501	650	460	656	2 267
Loss on the disposal of property, plant and equipment	5	9	18	359	391
Bad debts	883	1 550	1 226	2 312	5 971
Contracted services	612	982	924	1 628	4 146
Collection costs	86	141	119	234	580
Depreciation and amortisation	2 062	2 383	2 320	4 347	11 112
Impairment loss (PPE)	195	63	66	73	397
Repairs and maintenance	522	688	689	1 052	2 951
Grants and subsidies paid to:					
Other local government institutions	96	75	121	212	504
Tertiary institutions of higher learning	0	0	14	0	14
Households or individuals	224	269	225	253	971
Non-profit institutions serving households	66	65	65	66	262
Other	478	481	616	687	2 262
General expenditure:					
Accommodation, travelling and subsistence	118	139	122	178	557
Advertising, promotions and marketing	67	99	65	118	349
Audit fees	106	247	189	179	721
Bank charges	44	56	57	96	253
Cleaning services	23	40	34	45	142
Consultancy and professional fees	161	230	310	364	1 065
Entertainment costs	23	33	31	33	120
Fuel and oil	103	142	150	184	579
Hiring of plant and equipment	71	84	60	122	337
Insurance costs	215	96	180	138	629
Pharmaceutical	20	26	17	33	96
Postal and courier services	43	50	54	61	208
Printing and stationery	128	118	106	156	508
Rebates for property rates	502	411	1 095	372	2 380
Rental of land, buildings and other structures	111	111	114	101	437
Rental of office equipment	86	77	89	87	339
Security services	186	205	242	292	925
Subscriptions and membership fees	153	43	15	68	279
Telecommunication services	165	199	176	224	764
Training and education	82	90	99	168	439
Transport costs	83	56	83	90	312
Other expenditure	2 330	2 730	2 643	4 106	11 809
Surplus	15 814	14 228	10 583	5 999	46 624
Total expenditure	34 702	36 187	32 345	34 216	137 450

¹The total of September 2012, December 2012, March 2013 and June 2013 quarters (refer to Publication P9114).

Part 5 – Rebased tables for the financial year ended 30 June 2013: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Taxes on property					
Property rates from:					
Residential	5 433	4 822	4 779	5 230	20 264
Commercial or business	2 831	2 788	2 898	2 793	11 310
State	593	316	313	44	1 266
Other (includes agricultural, municipal etc.)	1 485	882	1 391	1 627	5 385
Property rates - penalties imposed and collection charges	94	117	110	64	385
Interest earned from:					
External investments	478	490	571	951	2 490
Outstanding debtors	376	398	517	531	1 822
Dividends received	0	0	0	0	0
Fines	292	300	219	382	1 193
Licences and permits	120	117	125	101	463
Income for agency services	175	210	222	242	849
Rental of facilities and equipment	171	179	190	225	765
Bad debts recovered	0	0	32	193	225
Public contribution, donations (including property, plant and equipment)	82	82	47	258	469
Gains on the disposal of property, plant and equipment	12	22	23	40	97
Grants and subsidies from:					
National government	8 351	6 906	6 074	4 205	25 536
Provincial government	318	437	370	550	1 675
Local government	12	8	8	7	35
Other	104	181	257	236	778
Spent conditional grant	5 283	7 976	3 626	5 283	22 168
Other income	1 732	1 576	1 970	2 181	7 459
Deficit	6 760	8 380	8 603	9 073	32 816
Total income	34 702	36 187	32 345	34 216	137 450

¹The total of September 2012, December 2012, March 2013 and June 2013 quarters (refer to Publication P9114).

Part 6 – Rebased tables for the financial year ended 30 June 2013: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Employee-related costs	6 167	7 280	7 017	6 928	27 392
Interest paid	815	740	439	2 006	4 000
Loss on the disposal of property, plant and equipment	8	16	150	149	323
Bad debts	1 764	1 734	1 677	2 615	7 790
Contracted services	1 219	1 664	1 558	1 992	6 433
Collection costs	46	64	67	85	262
Depreciation and amortisation	2 782	2 946	3 654	2 939	12 321
Impairment loss (PPE)	138	29	23	26	216
Repairs and maintenance	1 542	2 131	2 013	3 251	8 937
Bulk purchases:					
Purchases of water	2 593	3 109	3 147	3 156	12 005
Purchases of electricity	17 486	13 053	11 428	13 293	55 260
Other bulk purchases	27	27	30	29	113
Grant and subsidies paid to:					
Other local government institutions	23	0	12	17	52
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	180	285	265	308	1 038
Non-profit institutions serving households	30	30	30	31	121
Other	107	168	178	200	653
General expenditure					
Accommodation, travelling and subsistence	21	23	19	26	89
Advertising, promotions and marketing	36	76	32	79	223
Audit fees	13	28	12	16	69
Bank charges	3	7	10	18	38
Cleaning services	22	20	23	21	86
Consultancy and professional fees	90	118	102	212	522
Entertainment costs	2	5	9	9	25
Fuel and oil	182	224	209	288	903
Hiring of plant and equipment	81	114	129	136	460
Insurance costs	65	48	32	46	191
Pharmaceutical	7	9	9	8	33
Postal and courier services	3	6	6	8	23
Printing and stationery	24	27	24	38	113
Rebates for service charges	148	202	153	173	676
Rental of land, buildings and other structures	97	59	65	68	289
Rental of office equipment	5	12	10	21	48
Security services	80	91	73	109	353
Subscriptions and membership fees	13	5	6	10	34
Telecommunication services	50	48	48	62	208
Training and education	38	53	58	75	224
Transport costs	80	114	124	132	450
Other expenditure	957	1 213	1 374	1 766	5 310
Surplus	6 290	5 147	4 893	3 678	20 008
Total Expenditure	43 234	40 925	39 108	44 024	167 291

¹The total of September 2012, December 2012, March 2013 and June 2013 quarters (refer to Publication P9114).

Part 6 – Rebased tables for the financial year ended 30 June 2013: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2012	December 2012	March 2013	June 2013	Total 2013 ¹
	R million				
Interest earned from:					
External investments	130	117	110	136	493
Outstanding debtors	254	270	249	240	1 013
Dividends received	0	0	0	0	0
Fines	18	18	20	11	67
Licences and permits	49	56	90	83	278
Income for agency services	68	71	97	81	317
Rental of facilities and equipment	245	254	219	252	970
Bad debts recovered	0	0	0	0	0
Public contributions, donations (including property, plant and equipment)	83	65	72	142	362
Gains on the disposal of property, plant and equipment	0	13	2	45	60
Service charges:					
Sales of water	5 255	5 614	5 675	5 294	21 838
Sales of electricity	21 678	18 614	17 751	19 204	77 247
Refuse removal charges	1 671	1 639	1 660	1 767	6 737
Sewerage and sanitation charges	2 160	1 907	2 207	2 279	8 553
Other services charges (e.g. fresh produce market)	264	264	132	374	1 034
Grants and subsidies from:					
National government	1 763	1 767	1 744	2 167	7 441
Provincial government	81	123	110	184	498
Local government	0	41	0	0	41
Other	208	359	402	455	1 424
Spent conditional grant	4 916	5 091	3 687	9 481	23 175
Other income	419	462	459	500	1 840
Deficit	3 972	4 180	4 422	1 329	13 903
Total income	43 234	40 925	39 108	44 024	167 291

¹The total of September 2012, December 2012, March 2013 and June 2013 quarters (refer to Publication P9114).

Notes

Forthcoming issue	Issue	Expected release date
	June 2014	September 2014
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 2013:	84%
	December quarter 2013:	87%
	March quarter 2014:	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 2013 are aligned to the annual financial census of municipalities for the respective year (which is verified in using the annual financial statements from municipalities). Refer to <i>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 2013, December 2013 and March 2014 and the rebased figures for September 2012, December 2012, March 2013 and June 2013. 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</i>, Fifth Edition, and Report No.09-90-02 of January 1993 (SIC). Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Accepted Municipal Accounting Practice (GAMAP) and also Generally 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 <i>Capital expenditure of the public sector;</i> • P9114 <i>Financial census of municipalities;</i> • P9119.4 <i>Financial statistics of consolidated general government;</i> • P0441 <i>Gross domestic product; and</i> • P0277 <i>Quarterly employment statistics;</i> 										
Symbols and abbreviations used	<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>Generally 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	Generally 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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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 are assets that can easily be converted into cash within one year during the normal course of business. 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>Employee-related costs include payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none">• basic compensation;• allowances;• contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy, etc.; and• uniform and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees).
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 (such as pollution control, biodiversity & landscape and coastal protection etc.), air transport, abattoirs, tourism, forestry, markets and licensing & regulation (such as licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business).

Housing Development Fund	Housing Development Fund is a fund into which all proceeds from housing developments, which include rental income and sales of houses, are paid, as per the Housing Act (Act No. 107 of 1997). Note: 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. 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 refers to an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act (Act No.117 of 1998).
Money market instruments	Money market instruments include bankers' acceptance, trade bills, promissory notes, capital project bills, bridging debentures, negotiable certificates of deposit, Land Bank bills, and Land Bank and South African Reserve Bank 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 financial year.

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 refer to municipal services that are not economically self-supporting and are financed by imposing assessment and other rates, the receipt of subsidies and other contributions. This includes ambulance services, fire control (or fire-fighting), health services (clinics, old-age homes), roads and storm water drainage, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.).</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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