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Statistical release

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Quarterly financial statistics of municipalities

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Key findings

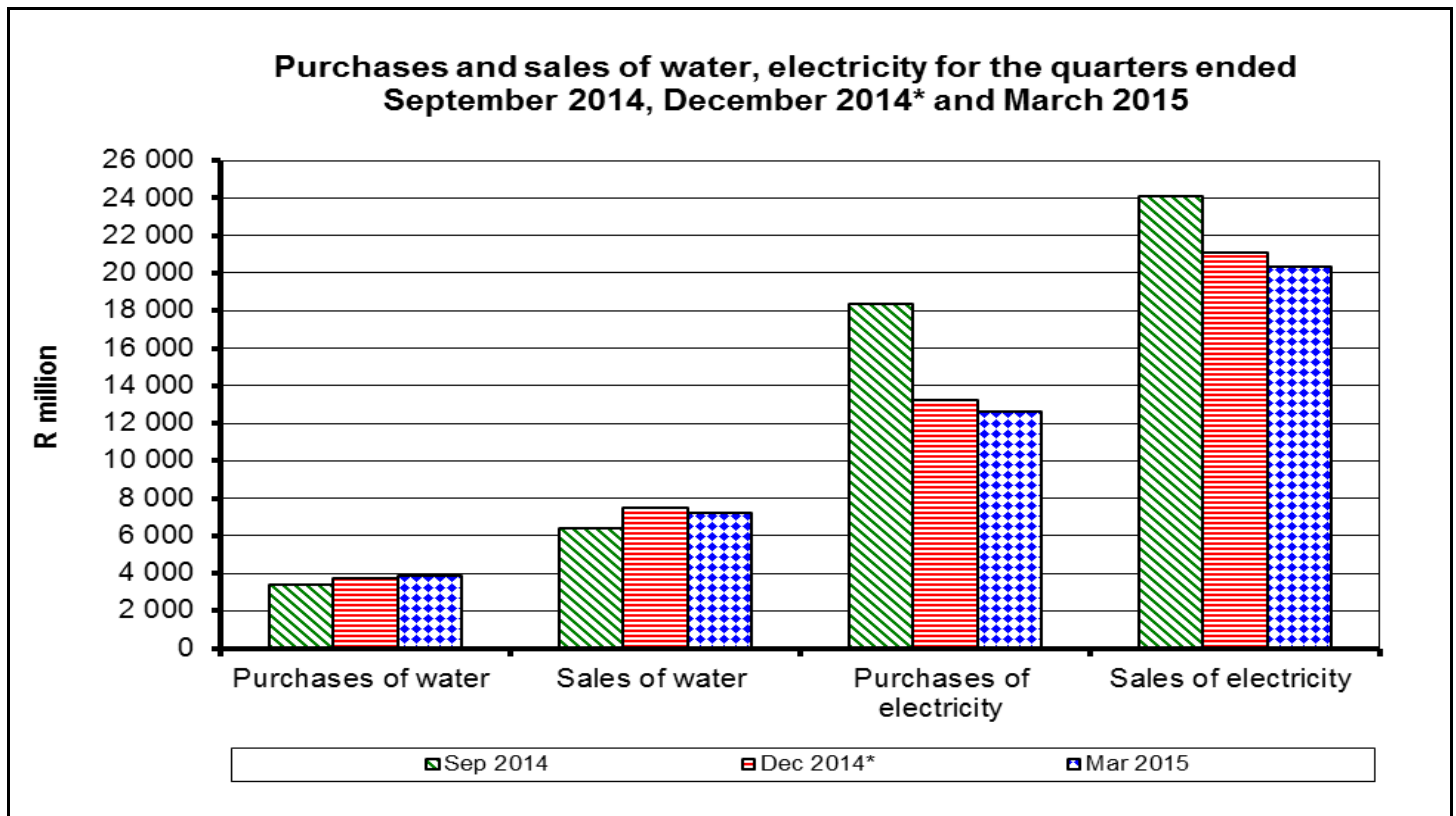
Item	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015	% change between quarters ended Dec. 2014 and Mar. 2015
	R million				
Purchases of water	3 345	3 718	3 821	103	2,8
Sales of water	6 351	7 461	7 187	-274	-3,7
Purchases of electricity	18 373	13 210	12 623	-587	-4,4
Sales of electricity	24 090	21 097	20 301	-796	-3,8
Employee-related costs	17 089	19 266	17 605	-1 661	-8,6

* Some figures have been revised.

Purchases of water increased by 2,8% between the quarters ended December 2014 and March 2015. Sales of water decreased by 3,7% over the same period.

Purchases of electricity decreased by 4,4% between the quarters ended December 2014 and March 2015. Sales of electricity decreased by 3,8% over the same period.

Employee-related costs decreased by 8,6% between the quarters ended December 2014 and March 2015.



* Some figures have been revised.

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2014, December 2014 and March 2015 quarters

Net assets and liabilities	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Net assets				
Housing development fund	987	960	938	-22
Capital replacement reserve	19 339	19 768	19 765	-3
Capitalisation reserve	1 814	1 756	1 728	-28
Government grant reserve	6 678	6 676	6 675	-1
Donations and public contributions reserve	378	372	369	-3
Self-insurance reserve	293	293	293	0
Revaluation reserve	9 557	9 566	9 566	0
COID ¹ reserve	174	174	174	0
Other reserves (including Pre-GAMAP reserves and funds)	3 073	3 070	3 070	0
Retained surplus/Accumulated deficit	405 133	410 745	418 034	7 289
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	0	0	0	0
Public non-financial corporations	0	0	0	0
Other (includes: public/private companies, individuals etc.)	6 712	6 657	6 578	-79
Bonds held by:				
Other local government institutions	0	0	0	0
Public financial corporations	6 418	7 876	7 709	-167
Public non-financial corporations	0	0	0	0
Other (includes: public/private companies, individuals etc.)	6 125	6 126	6 126	0
Long-term loans from:				
National government	0	0	0	0
Provincial government	0	0	0	0
Local government institutions	2	2	2	0
Development Bank of Southern Africa (DBSA)	15 452	15 454	15 410	-44
Local authorities loans fund	0	0	0	0
Public financial corporations	259	50	47	-3
Public non-financial corporations	0	0	0	0
Banks	10 796	10 639	10 610	-29
Insurers	0	0	0	0
Pension funds	23	23	23	0
Other domestic sources (including INCA ²)	7 952	6 683	6 910	227
Long-term leases	889	939	943	4
Non-current provisions	15 165	16 493	16 721	228
Retirement benefit obligations	15 495	15 662	15 706	44

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2014, December 2014 and March 2015 quarters (continued)

Net assets and liabilities	September 2014	December 2014 [*]	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Current liabilities				
Short-term loans from:				
National government	0	0	0	0
Provincial government	0	0	0	0
Local government institutions	2	2	2	0
Development Bank of Southern Africa (DBSA)	1 672	1 671	1 670	-1
Local authorities loans fund	0	0	0	0
Public financial corporations	0	0	0	0
Public non-financial corporations	0	0	0	0
Banks	2 170	1 886	675	-1 211
Insurers	0	0	0	0
Pension funds	1	1	1	0
Other domestic sources (including INCA ²)	1 950	1 508	1 324	-184
Short-term leases	462	402	397	-5
Current provisions	8 921	8 957	9 274	317
Retirement benefit obligations	2 702	2 699	2 700	1
Unspent conditional grants	12 938	13 144	16 760	3 616
VAT ³ payable	1 913	1 798	2 292	494
Bank overdraft	1 693	1 668	1 705	37
Creditors:				
Trade creditors	37 315	36 736	37 808	1 072
Consumer deposits	5 053	5 032	5 079	47
Income received in advance	953	950	1 016	66
Other creditors	9 228	9 294	9 722	428
Liabilities not reflected elsewhere ⁴	210	204	209	5
Total net assets and liabilities	619 897	625 936	638 031	12 095

¹ COID - Compensation Commissioner for Occupational Injuries and Diseases.

² INCA - Infrastructure Finance Corporation Ltd.

³ VAT - Value added tax.

⁴ Includes 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 2014, December 2014 and March 2015 quarters (continued)

Assets	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Non-current assets				
Property, plant and equipment (net carrying value)	471 628	476 877	478 773	1 896
Investment property	24 168	24 346	24 308	-38
Intangible assets	2 813	2 653	2 705	52
Biological (cultivated) assets	228	228	228	0
Investments in marketable securities:				
Municipal stock/shares	4 333	4 371	4 410	39
Other marketable stock/shares:				
Government stock	0	0	0	0
Treasury bills	0	0	0	0
Other local government institutions' stock	236	406	406	0
Public financial corporations' stock	1	1	1	0
Public non-financial corporations' stock	996	996	996	0
Companies' shares	74	73	81	8
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	137	130	124	-6
Sewerage connection loans	0	0	0	0
Electricity appliance purchase scheme	4	4	4	0
Other (including local government institutions)	603	554	527	-27
Long-term loans to:				
Other local government institutions	0	0	0	0
Public financial corporations	24	24	24	0
Public non-financial corporations	0	0	0	0
Other companies/institutions	5	5	5	0
Long-term deposits and other investments with:				
Banks	4 457	5 321	7 486	2 165
Public financial corporations	24	24	24	0
Public non-financial corporations	0	0	0	0
Other	1 329	1 414	1 402	-12

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of September 2014, December 2014 and March 2015 quarters (concluded)

Assets	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Current assets:				
Inventory	6 354	6 475	6 588	113
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	34	34	31	-3
Short-term deposits and other investments with:				
Banks	14 825	15 341	16 226	885
Public financial corporations	15	2	2	0
Public non-financial corporations	0	0	0	0
Other	3 527	3 795	5 989	2 194
Debtors:				
Consumer debtors	37 639	37 648	40 700	3 052
Other debtors (including short-term portion of long-term receivables)	17 860	16 158	15 114	-1 044
VAT ¹ receivable	2 715	2 923	2 061	-862
Prepaid expenses	200	202	202	0
Petty cash and bank	25 541	25 808	29 515	3 707
Assets not reflected elsewhere ²	127	123	99	-24
Total assets	619 897	625 936	638 031	12 095

¹ Value added tax.

² Includes 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 ended September 2014, December 2014 and March 2015:
Expenditure**

Expenditure	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Employee-related costs	10 877	12 334	11 221	-1 113
Remuneration of board of directors/councillors	743	763	763	0
Interest paid	832	1 128	947	-181
Loss on the disposal of property, plant and equipment	1	3	3	0
Bad debts	388	890	1 620	730
Contracted services	896	1 405	1 352	-53
Collection costs	97	174	180	6
Depreciation and amortisation	1 235	1 343	1 718	375
Impairment loss (PPE)	58	6	23	17
Repairs and maintenance	443	682	715	33
Grants and subsidies paid to:				
Other local government institutions	31	31	29	-2
Tertiary institutions of higher learning	0	0	1	1
Households or individuals	202	242	194	-48
Non-profit institutions serving households	0	1	1	0
Other	1 034	1 254	1 122	-132
General expenditure:				
Accommodation, travelling and subsistence	166	214	181	-33
Advertising, promotions and marketing	74	104	94	-10
Audit fees	113	346	231	-115
Bank charges	61	76	73	-3
Cleaning services	22	42	52	10
Consultancy and professional fees	222	302	303	1
Entertainment costs	17	20	18	-2
Fuel and oil	166	208	193	-15
Hiring of plant and equipment	137	220	47	-173
Insurance costs	434	119	150	31
Pharmaceutical	19	29	33	4
Postal and courier services	50	53	62	9
Printing and stationery	128	125	139	14
Rebates for property rates	1 064	805	942	137
Rental of land, buildings and other structures	106	112	95	-17
Rental of office equipment	70	102	142	40
Security services	306	544	448	-96
Subscriptions and membership fees	196	54	48	-6
Telecommunication services	155	217	208	-9
Training and education	109	123	149	26
Transport costs	38	48	41	-7
Other expenditure	3 635	4 229	4 298	69
Surplus	18 806	14 243	15 988	1 745
Total expenditure	42 931	42 591	43 824	1 233

* Some figures have been revised.

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2014, December 2014 and March 2015: Income

Income	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Taxes on property				
Property rates from:				
Residential	8 584	7 983	8 563	580
Commercial or business	2 405	2 518	3 039	521
State	383	206	128	-78
Other (includes agricultural, municipal, etc.)	1 866	1 708	1 542	-166
Property rates – penalties imposed and collection charges	69	74	78	4
Interest earned from:				
External investments	886	769	962	193
Outstanding debtors	611	650	768	118
Dividends received	0	0	0	0
Fines	255	826	1 581	755
Licences and permits	110	121	135	14
Income for agency services	213	204	221	17
Rental of facilities and equipment	206	296	191	-105
Bad debts recovered	1	1	2	1
Public contributions and donations (including property, plant and equipment)	14	13	15	2
Gains on the disposal of property, plant and equipment	17	79	51	-28
Grants and subsidies from:				
National government	15 845	14 824	14 693	-131
Provincial government	188	265	148	-117
Local government	4	14	3	-11
Other	26	43	74	31
Spent conditional grants	34	185	163	-22
Other income	3 509	3 754	4 193	439
Deficit	7 705	8 058	7 274	-784
Total income	42 931	42 591	43 824	1 233

* Some figures have been revised.

**Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2014, December 2014 and March 2015:
Expenditure**

Expenditure	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Employee-related costs	6 212	6 932	6 384	-548
Interest paid	421	1 159	695	-464
Loss on disposal of property, plant and equipment	0	2	0	-2
Bad debts	1 172	1 547	1 311	-236
Contracted services	949	1 440	1 278	-162
Collection costs	21	24	20	-4
Depreciation and amortisation	2 319	2 962	2 650	-312
Impairment loss (PPE)	116	6	26	20
Repairs and maintenance	2 008	2 773	2 450	-323
Bulk purchases:				
Purchases of water	3 345	3 718	3 821	103
Purchases of electricity	18 373	13 210	12 623	-587
Other bulk purchases	132	136	136	0
Grants and subsidies paid to:				
Other local government institutions	14	12	8	-4
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	141	182	201	19
Non-profit institutions serving households	0	0	0	0
Other	352	612	536	-76
General expenditure:				
Accommodation, travelling and subsistence	23	28	20	-8
Advertising, promotions and marketing	27	20	17	-3
Audit fees	7	24	24	0
Bank charges	4	3	4	1
Cleaning services	9	17	14	-3
Consultancy and professional fees	144	150	134	-16
Entertainment costs	1	1	1	0
Fuel and oil	179	192	189	-3
Hiring of plant and equipment	70	37	80	43
Insurance costs	46	45	29	-16
Pharmaceutical	2	4	4	0
Postal and courier services	2	2	2	0
Printing and stationery	78	75	74	-1
Rebates for service charges	207	345	265	-80
Rental of land, buildings and other structures	14	15	16	1
Rental of office equipment	163	205	167	-38
Security services	125	126	140	14
Subscriptions and membership fees	2	0	1	1
Telecommunication services	33	41	36	-5
Training and education	22	18	19	1
Transport costs	53	37	47	10
Other expenditure	3 909	4 562	4 688	126
Surplus	8 172	6 797	8 089	1 292
Total expenditure	48 867	47 459	46 199	-1 260

* Some figures have been revised.

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2014, December 2014 and March 2015: Income

Income	September 2014	December 2014*	March 2015	Difference between quarters ended Dec. 2014 and Mar. 2015
	R million			
Interest earned from:				
External investments	97	71	118	47
Outstanding debtors	275	270	294	24
Dividends received	0	0	0	0
Fines	12	11	16	5
Licences and permits	117	105	122	17
Income for agency services	130	137	147	10
Rental of facilities and equipment	230	207	223	16
Bad debts recovered	0	3	2	-1
Public contributions and donations (including property, plant and equipment)	26	41	41	0
Gains on the disposal of property, plant and equipment	4	4	5	1
Service charges:				
Sales of water	6 351	7 461	7 187	-274
Sales of electricity	24 090	21 097	20 301	-796
Refuse removal charges	2 237	2 219	2 223	4
Sewerage and sanitation charges	2 750	3 110	3 053	-57
Other service charges (e.g. fresh produce market)	109	88	89	1
Grants and subsidies from:				
National government	5 300	6 572	6 341	-231
Provincial government	166	400	256	-144
Local government	0	1	0	-1
Other	9	34	31	-3
Spent conditional grants	86	187	153	-34
Other income	1 218	1 126	1 538	412
Deficit	5 660	4 315	4 059	-256
Total income	48 867	47 459	46 199	-1 260

* Some figures have been revised.

Part 4 – Rebased tables for the financial year ended 30 June 2014: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Housing development fund	1 635	1 605	1 589	1 314	1 314
Capital replacement reserve	1 880	1 905	1 908	1 990	1 990
Capitalisation reserve	1 214	1 157	1 175	1 694	1 694
Government grant reserve	3 016	3 016	3 016	2 400	2 400
Donations and public contributions reserve	269	268	269	136	136
Self-insurance reserve	609	606	492	715	715
Revaluation reserve	15 384	15 093	15 093	11 274	11 274
COID ² reserve	158	158	173	177	177
Other reserves (including Pre-GAMAP reserves and funds)	1 943	1 940	1 940	2 973	2 973
Retained surplus/accumulated deficit	396 355	398 065	397 399	432 423	432 423
Outside shareholders' interest	0	0	0	273	273
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.)	213	209	206	233	233
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.)	15 948	14 659	13 831	18 329	18 329
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)	9 781	9 696	9 656	16 979	16 979
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	20 977	20 747	20 753	12 934	12 934
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	5 050	5 020	5 131	5 898	5 898
Long-term leases	678	671	685	927	927
Non-current provisions	11 367	11 428	11 485	13 132	13 132
Retirement benefits obligations	14 662	14 720	14 597	17 828	17 828

¹ Value of consolidated statement of financial position as at 30 June 2014 (refer to Publication P9114).

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 2014: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2013	December 2013	March 2014	June 2014	Total 2014 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)	1 058	993	994	1 078	1 078
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	4 087	4 003	3 980	3 545	3 545
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	245	188	115	794	794
Short-term leases	409	424	404	438	438
Current provisions	2 772	2 876	2 898	2 870	2 870
Retirement benefit obligations	1 023	1 022	1 019	1 075	1 075
Unspent conditional grants	11 487	12 932	15 720	10 429	10 429
VAT ⁴ payable	2 780	3 134	2 678	2 868	2 868
Bank overdraft	1 458	1 678	1 795	1 472	1 472
Creditors:					
Trade creditors	18 866	20 774	20 657	29 617	29 617
Consumer deposits	5 284	5 327	5 357	5 058	5 058
Income received in advance	2 782	2 709	3 037	4 385	4 385
Other creditors	18 211	19 784	19 159	23 558	23 558
Liabilities not reflected elsewhere ⁵	2 755	2 830	7 030	1 677	1 677
Total net assets and liabilities	574 356	579 637	584 241	630 493	630 493

¹ Value of consolidated statement of financial position as at 30 June 2014 (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 2014: Consolidated statement of financial position of municipalities (continued)

Assets	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Non-current assets	444 719	446 361	447 736	490 479	490 479
Property, plant, and equipment (net carrying value)	16 289	16 412	16 426	21 091	21 091
Investment property	2 816	2 885	2 874	3 177	3 177
Intangible assets	56	75	75	230	230
Biological (cultivated) assets					
Investments in marketable securities:	0	0	0	1	1
Municipal stock/shares					
Other marketable stock/shares:	0	0	0	70	70
Government stock					
Treasury bills	145	145	145	516	516
Other local government institutions' stock	0	0	0	0	0
Public financial corporations' stock	0	0	0	0	0
Public non-financial corporations' stock	104	104	104	71	71
Companies' shares	0	0	0	102	102
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere					
Long-term receivables, loans, deposits and investments					
Long-term receivables:	0	0	0	0	0
Car loans	203	194	191	172	172
Housing selling scheme loans	0	0	0	0	0
Sewerage connection loans	3	3	3	3	3
Electricity appliance purchase scheme	420	382	364	536	536
Other (including local government institutions)					
Long-term loans to:	0	0	0	0	0
Other local government institutions	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	4	4	4	1	1
Other companies/institutions					
Long-term deposits and investments with:	752	763	1 006	966	966
Banks	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	9 498	10 043	10 458	6 079	6 079
Other	444 719	446 361	447 736	490 479	490 479

¹ Value of consolidated statement of financial position as at 30 June 2014 (refer to Publication P9114).

Part 4 – Rebased tables for the financial year ended 30 June 2014: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Current assets :					
Inventory	4 905	4 838	4 726	6 723	6 723
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	1	1	1	1	1
Short-term deposits and other investments with:					
Banks	30 868	31 465	33 130	29 359	29 359
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	4 460	5 818	6 130	2 614	2 614
Debtors:					
Consumer debtors	30 442	30 132	28 887	31 860	31 860
Other debtors (including short-term portion of long-term receivables)	10 394	10 033	10 284	14 173	14 173
VAT ⁴ receivable	2 162	2 072	2 088	2 841	2 841
Prepaid expenses	524	517	517	486	486
Petty cash and bank	14 817	16 541	18 325	18 700	18 700
Assets not reflected elsewhere ⁶	774	849	767	242	242
Total assets	574 356	579 637	584 241	630 493	630 493

¹ Value of consolidated statement of financial position as at 30 June 2014 (refer to Publication P9114).

⁶ Includes suspense accounts and assets not shown separately.

Part 5 – Rebased tables for the financial year ended 30 June 2014: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Employee-related costs	8 720	9 970	9 301	9 742	37 733
Remuneration of board of directors/councillors	702	720	876	790	3 088
Interest paid	582	795	500	734	2 611
Loss on the disposal of property, plant and equipment	54	963	26	228	1 271
Bad debts	1 052	1 776	2 153	2 725	7 706
Contracted services	756	1 566	1 363	1 939	5 624
Collection costs	64	97	98	143	402
Depreciation and amortisation	1 928	2 278	2 424	4 092	10 722
Impairment loss (PPE)	112	17	24	321	474
Repairs and maintenance	438	743	753	1 280	3 214
Grants and subsidies paid to:					
Other local government institutions	90	99	90	197	476
Tertiary institutions of higher learning	5	5	5	6	21
Households or individuals	215	209	145	337	906
Non-profit institutions serving households	0	0	386	0	386
Other	412	389	423	483	1 707
General expenditure:					
Accommodation, travelling and subsistence	158	198	159	178	693
Advertising, promotions and marketing	73	90	116	183	462
Audit fees	114	325	206	158	803
Bank charges	59	69	69	71	268
Cleaning services	39	50	46	50	185
Consultancy and professional fees	211	272	254	424	1 161
Entertainment costs	32	28	29	40	129
Fuel and oil	128	147	173	181	629
Hiring of plant and equipment	146	275	239	101	761
Insurance costs	301	166	112	117	696
Pharmaceutical	7	33	28	30	98
Postal and courier services	113	125	106	97	441
Printing and stationery	106	129	139	211	585
Rebates for property rates	601	434	1 316	471	2 822
Rental of land, buildings and other structures	113	160	122	171	566
Rental of office equipment	92	111	97	126	426
Security services	171	246	254	269	940
Subscriptions and membership fees	146	88	39	92	365
Telecommunication services	159	177	188	296	820
Training and education	99	120	119	155	493
Transport costs	56	81	81	110	328
Other expenditure	2 453	3 532	3 181	4 897	14 063
Surplus	15 972	10 955	11 653	10 092	48 672
Total expenditure	36 479	37 438	37 293	41 537	152 747

¹The total of September 2013, December 2013, March 2014 and June 2014 quarters (refer to Publication P9114).

Part 5 – Rebased tables for the financial year ended 30 June 2014: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Taxes on property					
Property rates from:					
Residential	5 802	5 182	5 309	5 206	21 499
Commercial or business	3 736	3 253	3 359	3 789	14 137
State	515	357	471	292	1 635
Other (includes agricultural, municipal etc.)	1 580	1 214	1 278	1 683	5 755
Property rates - penalties imposed and collection charges	87	108	108	105	408
Interest earned from:					
External investments	439	473	635	552	2 099
Outstanding debtors	380	502	552	767	2 201
Dividends received	0	0	0	1	1
Fines	945	885	913	1 747	4 490
Licences and permits	106	99	117	124	446
Income for agency services	131	145	129	171	576
Rental of facilities and equipment	131	163	172	152	618
Bad debts recovered	237	5	5	39	286
Public contribution, donations (including property, plant and equipment)	284	0	166	215	665
Gains on the disposal of property, plant and equipment	15	22	24	40	101
Grants and subsidies from:					
National government	7 547	7 142	5 565	3 488	23 742
Provincial government	253	308	272	156	989
Local government	10	20	16	13	59
Other	70	119	107	123	419
Spent conditional grant	4 202	7 244	7 244	10 576	29 266
Other income	1 675	1 224	1 702	2 281	6 882
Deficit	8 334	8 973	9 149	10 017	36 473
Total income	36 479	37 438	37 293	41 537	152 747

¹ The total of September 2013, December 2013, March 2014 and June 2014 quarters (refer to Publication P9114).

Part 6 – Rebased tables for the financial year ended 30 June 2014: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Employee-related costs	7 275	8 155	7 438	7 759	30 627
Interest paid	543	820	1 488	1 112	3 963
Loss on the disposal of property, plant and equipment	5	20	10	236	271
Bad debts	1 954	1 750	2 366	3 049	9 119
Contracted services	1 121	1 839	1 683	2 247	6 890
Collection costs	46	85	67	74	272
Depreciation and amortisation	2 811	3 146	4 133	3 827	13 917
Impairment loss (PPE)	465	9	72	109	655
Repairs and maintenance	1 730	2 288	2 148	2 922	9 088
Bulk purchases:					
Purchases of water	3 134	3 396	3 617	3 677	13 824
Purchases of electricity	17 132	12 915	12 208	15 658	57 913
Other bulk purchases	21	21	21	22	85
Grant and subsidies paid to:					
Other local government institutions	27	44	60	63	194
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	231	288	359	619	1 497
Non-profit institutions serving households	40	40	40	40	160
Other	134	214	189	234	771
General expenditure					
Accommodation, travelling and subsistence	20	21	21	29	91
Advertising, promotions and marketing	47	92	52	101	292
Audit fees	10	21	14	9	54
Bank charges	3	2	22	9	36
Cleaning services	22	32	32	27	113
Consultancy and professional fees	81	98	106	241	526
Entertainment costs	7	0	3	10	20
Fuel and oil	194	267	258	329	1 048
Hiring of plant and equipment	37	61	60	173	331
Insurance costs	51	39	50	56	196
Pharmaceutical	2	3	6	4	15
Postal and courier services	7	7	10	6	30
Printing and stationery	49	32	41	42	164
Rebates for service charges	208	189	209	241	847
Rental of land, buildings and other structures	97	60	70	69	296
Rental of office equipment	6	8	16	23	53
Security services	102	90	105	119	416
Subscriptions and membership fees	8	5	5	10	28
Telecommunication services	52	50	58	59	219
Training and education	38	71	36	63	208
Transport costs	133	129	154	157	573
Other expenditure	1 262	1 530	1 696	2 451	6 939
Surplus	4 211	8 224	7 033	2 919	22 387
Total Expenditure	43 316	46 061	45 956	48 795	184 128

¹ The total of September 2013, December 2013, March 2014 and June 2014 quarters (refer to Publication P9114).

Part 6 – Rebased tables for the financial year ended 30 June 2014: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2013	December 2013	March 2014	June 2014	Total 2014 ¹
	R million				
Interest earned from:					
External investments	135	241	287	236	899
Outstanding debtors	380	314	403	370	1 467
Dividends received	0	0	0	0	0
Fines	10	11	11	18	50
Licences and permits	69	72	63	68	272
Income for agency services	128	129	128	178	563
Rental of facilities and equipment	244	314	270	328	1 156
Bad debts recovered	0	0	0	1	1
Public contributions, donations (including property, plant and equipment)	170	110	116	222	618
Gains on the disposal of property, plant and equipment	18	13	17	29	77
Service charges:					
Sales of water	5 623	6 021	6 087	6 274	24 005
Sales of electricity	22 549	19 674	19 013	20 315	81 551
Refuse removal charges	2 059	2 196	1 635	1 820	7 710
Sewerage and sanitation charges	2 397	2 421	2 394	2 551	9 763
Other services charges (e.g. fresh produce market)	303	289	275	414	1 281
Grants and subsidies from:					
National government	1 862	2 265	2 342	2 753	9 222
Provincial government	135	200	195	111	641
Local government	0	4	7	7	18
Other	107	239	139	142	627
Spent conditional grant	2 620	8 075	7 914	7 594	26 203
Other income	536	464	475	649	2 124
Deficit	3 971	3 009	4 185	4 715	15 880
Total income	43 316	46 061	45 956	48 795	184 128

¹ The total of September 2013, December 2013, March 2014 and June 2014 quarters (refer to Publication P9114).

Notes

Forthcoming issue	Issue	Expected release date
	June 2015	September 2015
Purpose of survey	<p>The <i>Quarterly financial statistics of municipalities</i> is a quarterly survey that covers local, district and metropolitan municipalities in South Africa. The results are used to estimate the gross domestic product (GDP) and its components as well as to assist the public sector with policy formulation and the financial analysis of municipalities.</p>	
Response rates	September quarter 2014:	90%
	December quarter 2014:	94%
	March quarter 2015:	97%

Reasons for fluctuations:

- Revisions which are due to late response and corrections reported by respondents; and/or
- Differences in response rates between the quarters; and/or
- Seasonality of variables in the survey

Rebasing

Data for quarterly financial statistics of municipalities for the year ended 30 June 2014 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 *Financial census of municipalities (P9114)*.

Explanatory notes

Introduction	<p>1 The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders 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 2014 December 2014 and March 2015 and the rebased figures for September 2013, December 2013, March 2014 and June 2014. 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 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 the cut-off date for submitting their questionnaires).</p>
Rounding off figures	<p>7 The figures in the tables have been rounded off 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 GRAP Generally Recognised Accounting Practice QES Quarterly Employment Statistics SIC Standard Industrial Classification of All Economic Activities Stats SA Statistics South Africa 0 nil or not applicable</p>

Glossary of selected variables used in this publication

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 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 (previously referred to as income statement) 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 (previously referred to as balance sheet) 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 those that can be converted into cash within one year. 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 refer to debts or obligations that are due within one year. 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, 1998 (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).• Also refer to the Quarterly Employment Statistics (QES, P0277) which measure employment and gross earnings of all employees on a given municipal payroll.
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, 1997 (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, 1998 (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, 1998 (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). Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
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	<p>The following are included in other expenditure:</p> <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	<p>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.</p>
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	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.
Value Added Tax	This is taxation imposed in respect of the supply of goods and services. It is collected in stages by enterprises but is ultimately charged in full to the final purchasers.
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