



The South Africa I know, the home I understand

Statistical release

P9110

Quarterly financial statistics of municipalities

March 2016

**Embargoed until:
30 June 2016
14:30**

Enquiries:

User Information Services
+27 (012) 310 8600

Forthcoming issue:

June 2016

Expected release date

September 2016

Contents

Key findings	1
Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended September 2015, December 2015 and March 2016: Expenditure – South Africa	2
Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended September 2015, December 2015 and March 2016: Income – South Africa	3
Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2015, December 2015 and March 2016: Expenditure	4
Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2015, December 2015 and March 2016: Income.....	5
Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2015, December 2015 and March 2016: Expenditure	6
Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2015, December 2015 and March 2016: Income.....	7
Annexure A	8
Rebased tables for the financial year ended 30 June 2015: Consolidated statement of financial position of municipalities	8
Annexure B	12
Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for rates and general services: Expenditure.....	12
Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for rates and general services: Income	13
Annexure C	14
Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for housing and trading services: Expenditure	14
Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for housing and trading services: Income	15
Notes	16
Explanatory notes	17
Glossary of selected variables used in this publication	18
General information	22

Key findings

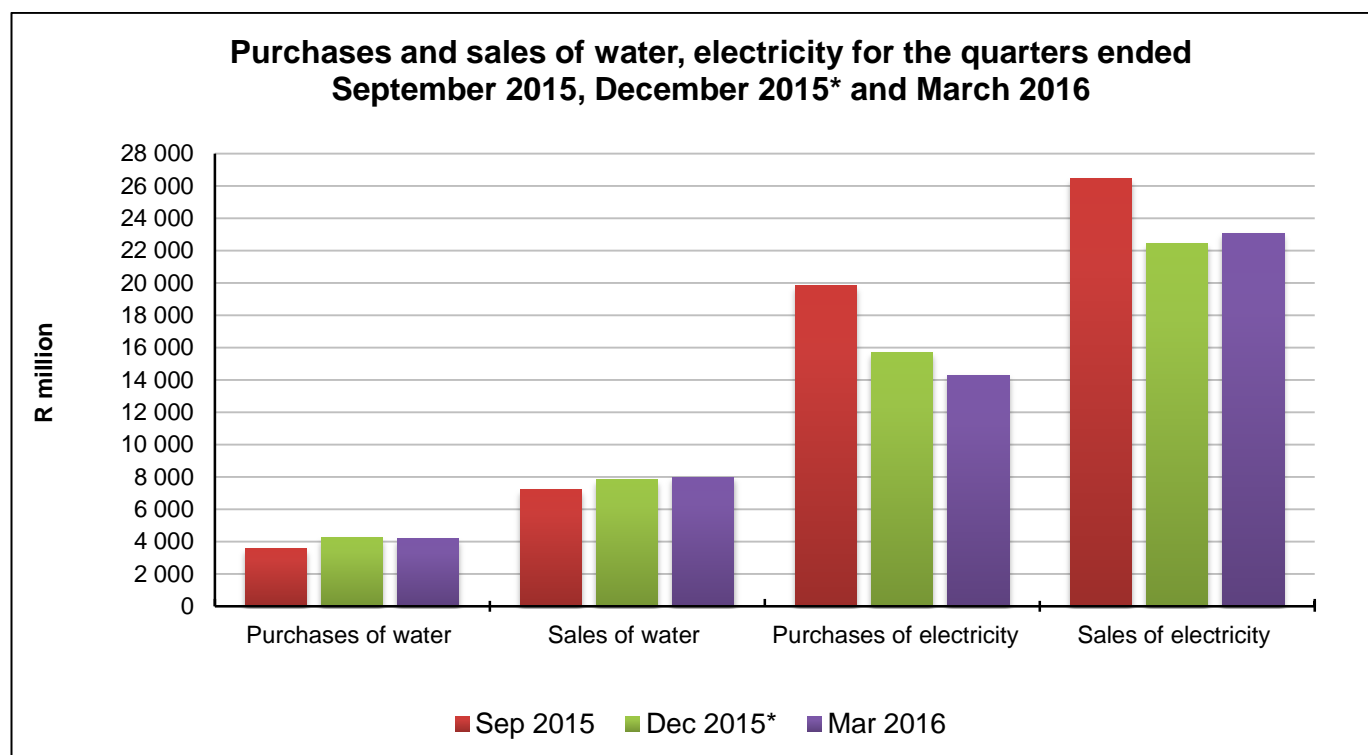
Item	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016	% change between quarters ended Dec. 2015 and Mar. 2016
	R million				
Purchases of water	3 587	4 259	4 194	-65	-1,5
Sales of water	7 228	7 856	7 991	135	1,7
Purchases of electricity	19 839	15 668	14 306	-1 362	-8,7
Sales of electricity	26 470	22 432	23 088	656	2,9
Employee-related costs	18 386	21 081	19 719	-1 362	-6,5

* Some figures have been revised.

Purchases of water decreased by 1,5% between the quarters ended December 2015 and March 2016. Sales of water increased by 1,7% over the same period.

Purchases of electricity decreased by 8,7% between the quarters ended December 2015 and March 2016. Sales of electricity increased by 2,9% over the same period.

Employee-related costs decreased by 6,5% between the quarters ended December 2015 and March 2016.



* Some figures have been revised.

PJ Lehohla
Statistician-General

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended September 2015, December 2015 and March 2016: Expenditure – South Africa

Expenditure	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
	R million			
Employee-related costs	18 386	21 081	19 719	-1 362
Remuneration of board of directors/councillors	808	821	942	121
Interest paid	1 642	2 281	1 932	-349
Loss on the disposal of property, plant and equipment	0	3	3	0
Bad debts	2 282	2 163	2 851	688
Contracted services	1 932	3 553	2 923	-630
Collection costs	131	252	191	-61
Depreciation and amortisation	3 499	5 048	5 579	531
Impairment loss (PPE)	0	1	2	1
Repairs and maintenance	2 468	3 272	3 091	-181
Bulk purchases:				
Purchases of water	3 587	4 259	4 194	-65
Purchases of electricity	19 839	15 668	14 306	-1 362
Other bulk purchases	23	33	28	-5
Grants and subsidies paid to:				
Other local government institutions	79	19	79	60
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	681	772	746	-26
Non-profit institutions serving households	3	1	3	2
Other	1 853	2 481	2 069	-412
General expenditure:				
Accommodation, travelling and subsistence	196	271	181	-90
Advertising, promotions and marketing	78	126	136	10
Audit fees	139	452	209	-243
Bank charges	94	100	100	0
Cleaning services	57	86	81	-5
Consultancy and professional fees	323	448	427	-21
Entertainment costs	18	27	50	23
Fuel and oil	310	437	389	-48
Hiring of plant and equipment	150	241	231	-10
Insurance costs	438	233	197	-36
Pharmaceutical	31	37	41	4
Postal and courier services	51	65	71	6
Printing and stationery	151	159	143	-16
Rebates for property rates	1 796	1 412	1 521	109
Rebates for service charges	133	93	144	51
Rental of land, buildings and other structures	133	151	140	-11
Rental of office equipment	351	275	240	-35
Security services	472	661	737	76
Subscriptions and membership fees	159	76	73	-3
Telecommunication services	171	218	288	70
Training and education	142	185	185	0
Transport costs	116	246	199	-47
Other expenditure	7 856	9 186	8 211	-975
Surplus	36 014	20 802	23 792	2 990
Total expenditure	106 592	97 695	96 444	-1 251

* Some figures have been revised.

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended September 2015, December 2015 and March 2016: Income – South Africa

Income	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
	R million			
Property rates from:				
Residential	10 139	8 194	7 736	-458
Commercial or business	2 655	2 577	2 432	-145
State	1 047	637	738	101
Other (includes agricultural, municipal etc.)	2 111	1 591	1 440	-151
Property rates - penalties imposed and collection charges	71	65	63	-2
Service charges				
Sales of water	7 228	7 856	7 991	135
Sales of electricity	26 470	22 432	23 088	656
Refuse removal charges	2 614	2 386	2 362	-24
Sewerage and sanitation charges	3 286	3 022	3 018	-4
Other service charges (e.g. fresh produce market etc.)	94	108	142	34
Interest earned from:				
External investments	985	1 082	1 964	882
Outstanding debtors	1 099	1 265	1 253	-12
Dividends received	0	0	0	0
Fines	796	901	863	-38
Licences and permits	339	324	297	-27
Income for agency services	256	418	322	-96
Rental of facilities and equipment	429	469	481	12
Bad debts recovered	70	13	8	-5
Public contributions and donations (including PPE)	40	81	91	10
Gains on the disposal of property, plant and equipment	28	58	31	-27
Grants and subsidies from:				
National government	25 439	20 786	19 580	-1 206
Provincial government	535	717	646	-71
Local government	1	2	5	3
Other	472	683	638	-45
Spent conditional grant	2 063	4 128	3 788	-340
Other income	3 538	3 782	4 290	508
Deficit	14 787	14 118	13 177	-941
Total income	106 592	97 695	96 444	-1 251

* Some figures have been revised.

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2015, December 2015 and March 2016: Expenditure

Expenditure	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
	R million			
Employee-related costs	11 395	13 253	12 342	-911
Remuneration of board of directors/councillors	808	821	942	121
Interest paid	968	1 225	1 051	-174
Loss on the disposal of property, plant and equipment	0	1	2	1
Bad debts	804	872	1 416	544
Contracted services	769	1 562	1 211	-351
Collection costs	116	230	167	-63
Depreciation and amortisation	870	1 616	1 699	83
Impairment loss (PPE)	0	1	0	-1
Repairs and maintenance	406	657	661	4
Grants and subsidies paid to:				
Other local government institutions	76	17	74	57
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	290	284	289	5
Non-profit institutions serving households	3	1	3	2
Other	1 329	1 597	1 357	-240
General expenditure:				
Accommodation, travelling and subsistence	171	240	156	-84
Advertising, promotions and marketing	62	96	108	12
Audit fees	131	427	196	-231
Bank charges	89	95	96	1
Cleaning services	32	42	42	0
Consultancy and professional fees	242	327	269	-58
Entertainment costs	17	26	48	22
Fuel and oil	126	195	164	-31
Hiring of plant and equipment	92	138	122	-16
Insurance costs	376	180	136	-44
Pharmaceutical	30	36	40	4
Postal and courier services	49	63	69	6
Printing and stationery	120	128	108	-20
Rebates for property rates	1 796	1 412	1 521	109
Rental of land, buildings and other structures	113	112	112	0
Rental of office equipment	63	97	91	-6
Security services	335	455	490	35
Subscriptions and membership fees	156	73	71	-2
Telecommunication services	140	187	250	63
Training and education	115	156	148	-8
Transport costs	37	33	38	5
Other expenditure	4 322	4 832	4 039	-793
Surplus	25 130	14 233	14 937	704
Total expenditure	51 578	45 720	44 465	-1 255

* Some figures have been revised.

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended September 2015, December 2015 and March 2016: Income

Income	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
	R million			
Taxes on property				
Property rates from:				
Residential	10 139	8 194	7 736	-458
Commercial or business	2 655	2 577	2 432	-145
State	1 047	637	738	101
Other (includes agricultural, municipal, etc.)	2 111	1 591	1 440	-151
Property rates – penalties imposed and collection charges	71	65	63	-2
Interest earned from:				
External investments	870	1 005	1 721	716
Outstanding debtors	717	823	860	37
Dividends received	0	0	0	0
Fines	589	689	646	-43
Licences and permits	101	98	103	5
Income for agency services	182	341	258	-83
Rental of facilities and equipment	214	225	240	15
Bad debts recovered	69	11	8	-3
Public contributions and donations (including property, plant and equipment)	3	23	26	3
Gains on the disposal of property, plant and equipment	25	56	25	-31
Grants and subsidies from:				
National government	19 910	14 842	13 683	-1 159
Provincial government	336	339	324	-15
Local government	1	2	4	2
Other	259	306	290	-16
Spent conditional grants	1 320	2 240	1 836	-404
Other income	2 751	2 867	3 194	327
Deficit	8 208	8 789	8 838	49
Total income	51 578	45 720	44 465	-1 255

* Some figures have been revised.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2015, December 2015 and March 2016: Expenditure

Expenditure	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
	R million			
Employee-related costs	6 991	7 828	7 377	-451
Interest paid	674	1 056	881	-175
Loss on disposal of property, plant and equipment	0	2	1	-1
Bad debts	1 478	1 291	1 435	144
Contracted services	1 163	1 991	1 712	-279
Collection costs	15	22	24	2
Depreciation and amortisation	2 629	3 432	3 880	448
Impairment loss (PPE)	0	0	2	2
Repairs and maintenance	2 062	2 615	2 430	-185
Bulk purchases:				
Purchases of water	3 587	4 259	4 194	-65
Purchases of electricity	19 839	15 668	14 306	-1 362
Other bulk purchases	23	33	28	-5
Grants and subsidies paid to:				
Other local government institutions	3	2	5	3
Tertiary institutions of higher learning	0	0	0	
Households or individuals	391	488	457	-31
Non-profit institutions serving households	0	0	0	
Other	524	884	712	-172
General expenditure:				
Accommodation, travelling and subsistence	25	31	25	-6
Advertising, promotions and marketing	16	30	28	-2
Audit fees	8	25	13	-12
Bank charges	5	5	4	-1
Cleaning services	25	44	39	-5
Consultancy and professional fees	81	121	158	37
Entertainment costs	1	1	2	1
Fuel and oil	184	242	225	-17
Hiring of plant and equipment	58	103	109	6
Insurance costs	62	53	61	8
Pharmaceutical	1	1	1	0
Postal and courier services	2	2	2	0
Printing and stationery	31	31	35	4
Rebates for service charges	133	93	144	51
Rental of land, buildings and other structures	20	39	28	-11
Rental of office equipment	288	178	149	-29
Security services	137	206	247	41
Subscriptions and membership fees	3	3	2	-1
Telecommunication services	31	31	38	7
Training and education	27	29	37	8
Transport costs	79	213	161	-52
Other expenditure	3 534	4 354	4 172	-182
Surplus	10 884	6 569	8 855	2 286
Total expenditure	55 014	51 975	51 979	4

* Some figures have been revised.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended September 2015, December 2015 and March 2016: Income

Income	September 2015	December 2015*	March 2016	Difference between quarters ended Dec. 2015 and Mar. 2016
Interest earned from:				
External investments	115	77	243	166
Outstanding debtors	382	442	393	-49
Dividends received	0	0	0	0
Fines	207	212	217	5
Licences and permits	238	226	194	-32
Income for agency services	74	77	64	-13
Rental of facilities and equipment	215	244	241	-3
Bad debts recovered	1	2	0	-2
Public contributions and donations (including property, plant and equipment)	37	58	65	7
Gains on the disposal of property, plant and equipment	3	2	6	4
Service charges:				
Sales of water	7 228	7 856	7 991	135
Sales of electricity	26 470	22 432	23 088	656
Refuse removal charges	2 614	2 386	2 362	-24
Sewerage and sanitation charges	3 286	3 022	3 018	-4
Other service charges (e.g. fresh produce market)	94	108	142	34
Grants and subsidies from:				
National government	5 529	5 944	5 897	-47
Provincial government	199	378	322	-56
Local government	0	0	1	1
Other	213	377	348	-29
Spent conditional grants	743	1 888	1 952	64
Other income	787	915	1 096	181
Deficit	6 579	5 329	4 339	-990
Total income	55 014	51 975	51 979	4

* Some figures have been revised.

Annexure A

Rebased tables for the financial year ended 30 June 2015: Consolidated statement of financial position of municipalities

Net assets and liabilities	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Housing development fund	1 221	1 188	1 161	1 043	1 043
Capital replacement reserve	7 578	7 746	7 745	1 127	1 127
Capitalisation reserve	1 056	1 022	1 006	170	170
Government grant reserve	9 299	9 296	9 295	1 295	1 295
Donations and public contributions reserve	3	3	3	1	1
Self-insurance reserve	40	40	40	86	86
Revaluation reserve	16 619	16 635	16 635	15 767	15 767
COID ² reserve	94	94	94	99	99
Other reserves (including Pre-GAMAP reserves and funds)	45 136	45 092	45 092	3 672	3 672
Retained surplus/accumulated deficit	413 541	421 890	436 524	476 550	476 550
Outside shareholders' interest	0	0	0	340	340
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	15	15
Public non-financial corporations	0	0	0	0	0
Other (includes: public/private companies, individuals etc.)	0	0	0	0	0
Bonds held by:					
Other local government institutions	0	0	0	0	0
Public financial corporations	0	0	0	1 247	1 247
Public non-financial corporations	0	0	0	0	0
Other (includes: public/private companies, individuals etc.)	6 120	6 121	6 121	17 506	17 506
Long-term loans and deposits received from:					
National government	0	0	0	1	1
Provincial government	0	0	0	0	0
Local government institutions	0	0	0	0	0
Development Bank of Southern Africa (DBSA)	16 034	16 036	15 923	18 532	18 532
Local authorities loans fund	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	83	83
Banks	9 456	9 319	9 291	17 246	17 246
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	9 698	8 150	8 427	8 222	8 222
Long-term leases	1 105	1 167	1 172	866	866
Non-current provisions	14 706	15 993	16 393	14 788	14 788
Retirement benefits obligations	16 862	17 044	17 070	18 586	18 586

¹ Value of consolidated statement of financial position as at 30 June 2015 (refer to Publication P9114).

² COID - Compensation Commissioner for Occupational Injuries and Diseases.

³ INCA - Infrastructure Finance Corporation Ltd.

Rebased tables for the financial year ended 30 June 2015: Consolidated statement of financial position of municipalities (continued)

Net assets and liabilities	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Current liabilities					
Short-term loans from:					
National government	0	0	0	2	2
Provincial government	0	0	0	0	0
Local government institutions	0	0	0	1	1
Development Bank of Southern Africa (DBSA)	1 605	1 604	1 599	2 428	2 428
Local authorities loans fund	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	5	5
Banks	1 382	1 201	428	1 537	1 537
Insurers	0	0	0	0	0
Pension funds	0	0	0	0	0
Other domestic sources (including INCA ³)	2 455	1 898	1 667	890	890
Short-term leases	554	482	476	535	535
Current provisions	8 449	8 483	8 779	3 809	3 809
Retirement benefit obligations	3 274	3 271	3 253	1 556	1 556
Unspent conditional grants	12 162	12 355	15 831	8 805	8 805
VAT ⁴ payable	1 736	1 631	2 082	1 301	1 301
Bank overdraft	2 566	2 528	2 584	1 584	1 584
Creditors:					
Trade creditors	34 249	33 718	34 653	39 871	39 871
Consumer deposits	5 097	5 076	5 124	5 530	5 530
Income received in advance	1 313	1 309	1 398	4 821	4 821
Other creditors	12 633	12 723	13 307	25 054	25 054
Liabilities not reflected elsewhere ⁵	210	204	213	1 992	1 992
Total net assets and liabilities	656 253	663 321	683 384	696 963	696 963

¹ Value of consolidated statement of financial position as at 30 June 2015 (refer to Publication P9114).

⁴ VAT - Value added tax.

⁵ Includes suspense accounts and liabilities not shown separately.

Rebased tables for the financial year ended 30 June 2015: Consolidated statement of financial position of municipalities (continued)

Assets	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Non-current assets					
Property, plant and equipment (net carrying value)	489 554	495 002	496 964	543 958	543 958
Investment property	26 141	26 334	26 292	21 530	21 530
Intangible assets	2 969	2 800	2 855	3 549	3 549
Biological (cultivated) assets	213	213	213	206	206
Investments in marketable securities:					
Municipal stock/shares	4 333	4 371	4 410	1	1
Other marketable stock/shares:					
Government stock	0	0	0	77	77
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' stock	0	0	0	0	0
Companies' shares	44	43	48	56	56
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	1 642	1 642
Long-term receivables, loans, deposits and investments					
Long-term receivables:					
Car loans	0	0	0	0	0
Housing selling scheme loans	185	176	167	158	158
Sewerage connection loans	0	0	0	0	0
Electricity appliance purchase scheme	0	0	0	0	0
Other (including local government institutions)	324	298	283	586	586
Long-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	0	0	0	0	0
Long-term deposits and investments with:					
Banks	5 694	6 798	9 398	8 017	8 017
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	37	37
Other	652	694	688	1 833	1 833

¹ Value of consolidated statement of financial position as at 30 June 2015 (refer to Publication P9114).

Rebased tables for the financial year ended 30 June 2015: Consolidated statement of financial position of municipalities (concluded)

Assets	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Current assets:					
Inventory	6 827	6 957	7 096	5 884	5 884
Short-term receivables, loans, deposits and investments					
Short-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	0	0	0	0	0
Other companies/institutions	0	0	0	43	43
Short-term deposits and other investments with:					
Banks	11 308	11 702	12 481	27 617	27 617
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other	13 505	14 531	22 829	2 083	2 083
Debtors:					
Consumer debtors	35 358	35 366	38 357	34 350	34 350
Other debtors (including short-term portion of long-term receivables)	18 360	16 611	15 556	17 976	17 976
VAT ⁴ receivable	3 260	3 510	2 472	2 829	2 829
Prepaid expenses	649	656	656	289	289
Petty cash and bank	36 843	37 228	42 586	24 116	24 116
Assets not reflected elsewhere ⁶	33	32	33	126	126
Total assets	656 253	663 321	683 384	696 963	696 963

¹ Value of consolidated statement of financial position as at 30 June 2015 (refer to Publication P9114).

⁶ Includes suspense accounts and assets not shown separately.

Annexure B

Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Employee-related costs	11 231	12 735	11 593	11 230	46 789
Remuneration of board of directors/councillors	762	783	793	951	3 289
Interest paid	972	1 318	1 069	1 523	4 882
Loss on the disposal of property, plant and equipment	1	2	2	681	686
Bad debts	950	2 178	3 355	4 807	11 290
Contracted services	1 374	2 155	2 079	2 763	8 371
Collection costs	106	190	202	348	846
Depreciation and amortisation	2 511	2 731	3 508	3 821	12 571
Impairment loss (PPE)	274	28	108	736	1 146
Repairs and maintenance	917	1 411	1 351	1 840	5 519
Grants and subsidies paid to:					
Other local government institutions	146	146	137	242	671
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	286	342	276	317	1 221
Non-profit institutions serving households	0	7	0	0	7
Other	485	588	486	578	2 137
General expenditure:					
Accommodation, travelling and subsistence	166	214	149	194	723
Advertising, promotions and marketing	105	148	129	177	559
Audit fees	117	357	230	173	877
Bank charges	62	78	69	73	282
Cleaning services	17	33	41	38	129
Consultancy and professional fees	302	411	419	575	1 707
Entertainment costs	19	22	21	27	89
Fuel and oil	171	214	200	230	815
Hiring of plant and equipment	136	218	47	158	559
Insurance costs	403	111	136	101	751
Pharmaceutical	19	29	33	28	109
Postal and courier services	52	55	64	64	235
Printing and stationery	130	127	140	165	562
Rebates for property rates	900	681	792	730	3 103
Rental of land, buildings and other structures	132	140	118	131	521
Rental of office equipment	31	45	54	89	219
Security services	195	346	286	324	1 151
Subscriptions and membership fees	200	55	44	102	401
Telecommunication services	165	231	218	221	835
Training and education	105	119	131	179	534
Transport costs	35	45	37	47	164
Other expenditure	2 334	2 715	2 415	3 791	11 255
Surplus	10 281	12 861	11 350	11 695	46 187
Total expenditure	36 092	43 869	42 082	49 149	171 192

¹ The total of September 2014, December 2014, March 2015 and June 2015 quarters (refer to Publication P9114).

Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for rates and general services: Income

Income	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Taxes on property					
Property rates from:					
Residential	6 334	5 891	6 181	4 928	23 334
Commercial or business	3 520	3 686	4 418	3 555	15 179
State	807	434	270	547	2 058
Other (includes agricultural, municipal etc.)	1 927	1 764	1 595	1 549	6 835
Property rates - penalties imposed and collection charges	105	112	118	93	428
Interest earned from:					
External investments	732	636	795	1 075	3 238
Outstanding debtors	578	615	728	684	2 605
Dividends received	0	0	0	1	1
Fines	289	936	1 775	1 268	4 268
Licences and permits	94	103	107	116	420
Income for agency services	166	159	173	189	687
Rental of facilities and equipment	243	350	223	265	1 081
Bad debts recovered	11	11	23	23	68
Public contribution, donations (including property, plant and equipment)	201	186	201	472	1 060
Gains on the disposal of property, plant and equipment	16	76	49	64	205
Grants and subsidies from:					
National government	7 395	6 919	6 055	3 056	23 425
Provincial government	188	265	168	161	782
Local government	7	26	4	15	52
Other	43	72	120	73	308
Spent conditional grant	1 709	9 299	8 143	18 499	37 650
Other income	2 696	2 884	3 006	2 364	10 950
Deficit	9 031	9 445	7 930	10 152	36 558
Total income	36 092	43 869	42 082	49 149	171 192

¹ The total of September 2014, December 2014, March 2015 and June 2015 quarters (refer to Publication P9114).

Annexure C

Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Employee-related costs	6 242	6 965	6 485	6 567	26 259
Interest paid	332	914	546	928	2 720
Loss on the disposal of property, plant and equipment	0	49	0	97	146
Bad debts	1 984	2 619	2 190	2 608	9 401
Contracted services	993	1 506	1 338	2 082	5 919
Collection costs	22	25	21	25	93
Depreciation and amortisation	2 918	3 727	3 330	4 029	14 004
Impairment loss (PPE)	165	9	37	27	238
Repairs and maintenance	1 709	2 360	2 064	2 593	8 726
Bulk purchases:					
Purchases of water	3 474	3 861	3 961	4 048	15 344
Purchases of electricity	19 038	13 688	12 997	16 222	61 945
Other bulk purchases	18	19	19	28	84
Grant and subsidies paid to:					
Other local government institutions	15	13	5	29	62
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	375	485	450	437	1 747
Non-profit institutions serving households	0	0	0	0	0
Other	177	308	228	237	950
General expenditure					
Accommodation, travelling and subsistence	19	24	17	29	89
Advertising, promotions and marketing	49	36	31	43	159
Audit fees	8	26	14	8	56
Bank charges	3	2	3	5	13
Cleaning services	9	17	14	22	62
Consultancy and professional fees	146	152	131	196	625
Entertainment costs	2	2	2	2	8
Fuel and oil	180	194	249	259	882
Hiring of plant and equipment	63	33	71	87	254
Insurance costs	27	27	17	16	87
Pharmaceutical	2	4	2	5	13
Postal and courier services	2	2	2	1	7
Printing and stationery	34	33	32	34	133
Rebates for service charges	230	383	272	243	1 128
Rental of land, buildings and other structures	143	154	164	287	748
Rental of office equipment	9	12	10	11	42
Security services	70	71	79	124	344
Subscriptions and membership fees	4	0	2	8	14
Telecommunication services	39	49	41	51	180
Training and education	42	34	38	39	153
Transport costs	52	36	46	57	191
Other expenditure	2 386	2 785	2 604	3 665	11 440
Surplus	5 802	5 553	6 155	12 751	30 261
Total Expenditure	46 783	46 177	43 667	57 900	194 527

¹ The total of September 2014, December 2014, March 2015 and June 2015 quarters (refer to Publication P9114).

Rebased tables for the financial year ended 30 June 2015: Statement of financial performance of municipalities for housing and trading services: Income

Income	September 2014	December 2014	March 2015	June 2015	Total 2015 ¹
	R million				
Interest earned from:					
External investments	99	72	117	132	420
Outstanding debtors	250	246	272	281	1 049
Dividends received	0	0	0	0	0
Fines	10	9	13	11	43
Licences and permits	77	69	80	65	291
Income for agency services	121	128	160	171	580
Rental of facilities and equipment	218	196	212	231	857
Bad debts recovered	0	0	0	0	0
Public contributions, donations (including property, plant and equipment)	29	46	45	160	280
Gains on the disposal of property, plant and equipment	14	14	18	15	61
Service charges:					
Sales of water	6 037	7 092	6 742	6 651	26 522
Sales of electricity	23 726	20 779	20 115	21 764	86 384
Refuse removal charges	2 211	2 193	2 189	1 892	8 485
Sewerage and sanitation charges	2 678	3 029	2 911	2 617	11 235
Other services charges (e.g. fresh produce market)	365	295	298	287	1 245
Grants and subsidies from:					
National government	2 257	2 798	2 663	3 742	11 460
Provincial government	175	423	293	132	1 023
Local government	0	15	0	15	30
Other	77	292	120	309	798
Spent conditional grant	1 334	2 901	2 374	12 241	18 850
Other income	1 007	931	1 120	1 722	4 780
Deficit	6 098	4 649	3 925	5 462	20 134
Total income	46 783	46 177	43 667	57 900	194 527

¹ The total of September 2014, December 2014, March 2015 and June 2015 quarters (refer to Publication P9114).

Notes

Forthcoming issue	Issue	Expected release date
--------------------------	--------------	------------------------------

	June 2016	September 2016
--	-----------	----------------

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 as inputs into the gross domestic product (GDP) calculation as well as to assist the public sector with policy formulation and the financial analysis of municipalities.

Response rates	September quarter 2015:	99%
	December quarter 2015:	99%
	March quarter 2016:	100%

Reasons for fluctuations:

- Revisions 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 2015 are aligned to the annual financial census of municipalities for the respective year (which is verified by using the annual financial statements from municipalities).

Refer to *Financial census of municipalities* (P9114).

Explanatory notes

- Introduction**
- 1 The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.
- This publication contains estimates for the quarters ended September 2015, December 2015 and March 2016. The survey is designed to obtain financial information of local government institutions relating to:
- the consolidated statement of financial position of municipalities;
 - the consolidated statement of financial performance of municipalities – rates and general services; and
 - the consolidated statement of financial performance of municipalities – housing and trading services.
- Scope of the survey**
- 2 This survey covers quarterly financial information of all 278 municipalities.
- Classification and accounting standards**
- 3 For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the *Standard Industrial Classification of All Economic Activities*, Fifth Edition, 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).
- The Standard Chart of Accounts for Municipalities and Municipal entities (MSCOA) is currently being pilot-tested in some municipalities including all eight metropolitan municipalities by National Treasury. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts. This revised accounting practice accounts in part for fluctuations when comparing variables over different quarters.
- Survey methodology and design**
- 4 The statistical unit for the collection of information is the municipality.
- Imputation**
- 5 The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.
- Revised figures**
- 6 Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after the cut-off date for submitting their questionnaires).
- Rounding off figures**
- 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.
- Related publications**
- 8 Users may wish to refer to the following Stats SA publications:
- P9101 *Capital expenditure of the public sector;*
 - P9114 *Financial census of municipalities;*
 - P9119.4 *Financial statistics of consolidated general government;*
 - P0441 *Gross domestic product; and*
 - P0277 *Quarterly employment statistics*

Symbols and abbreviations used

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

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	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.
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 municipal 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).
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	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	Provision is any amount set aside for the purpose of meeting the following: <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. Provision includes: <ul style="list-style-type: none"> • bad debts; and • leave payouts.

Rates and general services	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.).
Repairs and maintenance	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.
Reserve	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.
Revaluation Reserve	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.
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.
Technical enquiries	
Malibongwe Mhemhe	Telephone number: (012) 310 6928 Email: malibongwem@statssa.gov.za
Charles Thobela	Telephone number: (012) 310 2935 Email: charlest@statssa.gov.za

General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data whenever they process, apply, utilise, publish or distribute the data, and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Mbombela
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via online services. For more details about our electronic services, contact Stats SA's user information service at (012) 310 8600.

You can also visit us on the Internet at: www.statssa.gov.za

General enquiries

User information services Telephone number: (+27 12) 310 8600/8390
Email address: info@statssa.gov.za

Orders/subscription: Telephone number: (+27 12) 310 8044
E-mail: magdaj@statssa.gov.za

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA