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# Statistical release

## P9114

# Financial census of municipalities

## for the year ended 30 June 2008

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## Technical notes

Response rates for 2008 per province.

Province	Municipalities		
	Metros and district municipalities	Local municipalities	Total
Western Cape	6	24	30
Eastern Cape	7	38	45
Northern Cape	5	27	32
Free State	5	20	25
KwaZulu-Natal	11	50	61
North West	4	21	25
Gauteng	6	8	14
Mpumalanga	3	18	21
Limpopo	5	25	30
<b>Total</b>	<b>52</b>	<b>231</b>	<b>283</b>

1. All 283 reporting units furnished the required information (100% response rate).
2. Demarcation issues: Moshaweng local municipality, which previously reported under North West, has now moved to Northern Cape as a result of the re-demarcation process.

## Key findings

**Table 1: Acid test ratio**

Acid test ratio of municipalities for the financial years ended 30 June 2007 and 30 June 2008			
Year	Current assets minus inventory	Current liabilities	Acid test ratio
	R million	R million	
2007*	52 512	36 483	1,4
2008	57 967	42 270	1,4

\* Revised

Table 1 above reflects the acid test ratio (calculated by taking the current assets minus inventory divided by the current liabilities). Municipalities had an acid test ratio of 1,4:1 for both financial years (ended 30 June 2007 and 30 June 2008).

*Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; VAT receivable; petty cash and bank.*

**Table 2: Current ratio**

Current ratio of municipalities for the financial years ended 30 June 2007 and 30 June 2008			
Year	Current assets	Current liabilities	Current ratio
	R million	R million	
2007*	54 012	36 483	1,5
2008	59 818	42 270	1,4

\* Revised

Table 2 above reflects the current ratio (also called the working capital ratio). The ratio measures the extent to which current assets can be disposed to liquidate the current liabilities. Municipalities had a current ratio of 1,5:1 for the year ended June 2007, while the current ratio for municipalities for the year ended 30 June 2008 was 1,4:1.

*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*

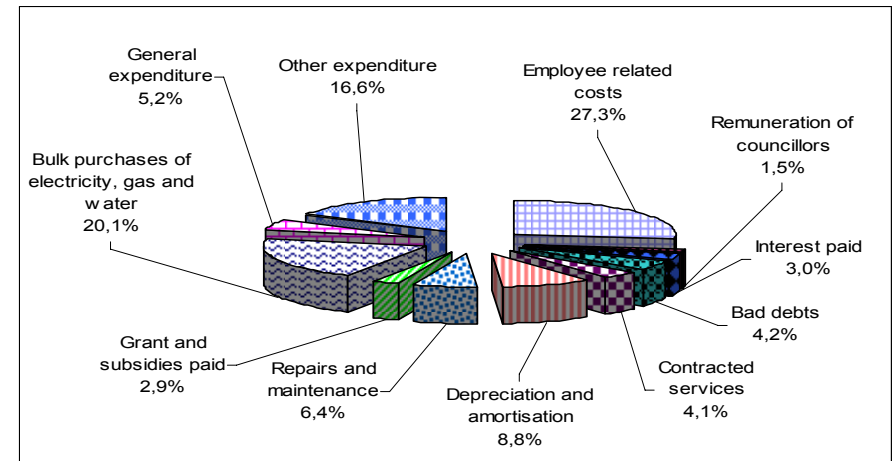
**Table 3: Municipal expenditure for the years ended 30 June 2007 and 30 June 2008**

Expenditure	2007		2008	
	R million	% contribution	R million	% contribution
Employee related costs	29 019	28,9	31 776	27,3
Remuneration of councillors	1 647	1,6	1 759	1,5
Interest paid	3 264	3,2	3 462	3,0
Bad debts	5 119	5,1	4 896	4,2
Contracted services	3 476	3,5	4 769	4,1
Depreciation and amortisation	8 504	8,5	10 209	8,8
Repairs and maintenance	5 983	6,0	7 397	6,4
Grants and subsidies paid	2 703	2,7	3 333	2,9
Bulk purchases of electricity, gas and water	21 467	21,4	23 372	20,1
General expenditure	4 530	4,5	6 037	5,2
Other expenditure	14 770	14,7	19 252	16,6
<b>Total expenditure*</b>	<b>100 481</b>	<b>100</b>	<b>116 262</b>	<b>100</b>

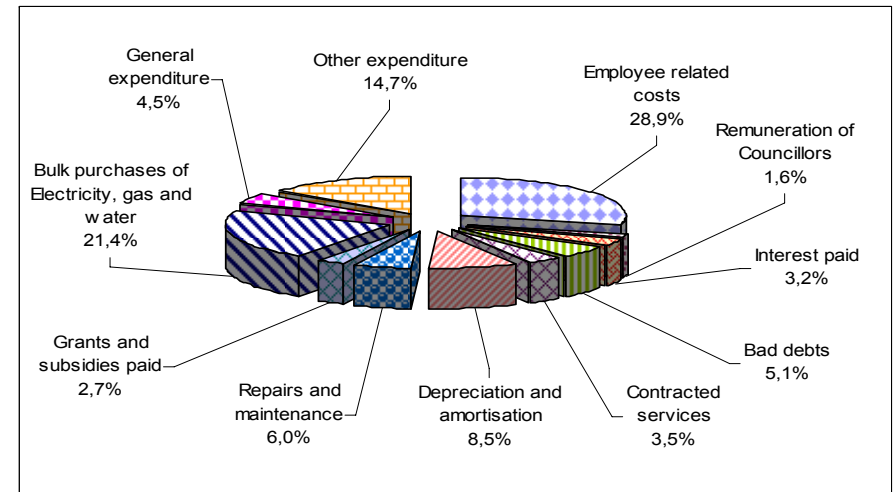
\*Excluding Surplus

Table 3 above reflects the contribution of expenditure items to the total expenditure for the years ended 30 June 2007 and 30 June 2008. The largest contributor for 2008 was employee related costs (27,3%), followed by bulk purchases of electricity, gas and water (20,1%).

**Figure A: Municipal expenditure patterns for the year ended 30 June 2008**



**Figure B: Municipal expenditure patterns for the year ended 30 June 2007**



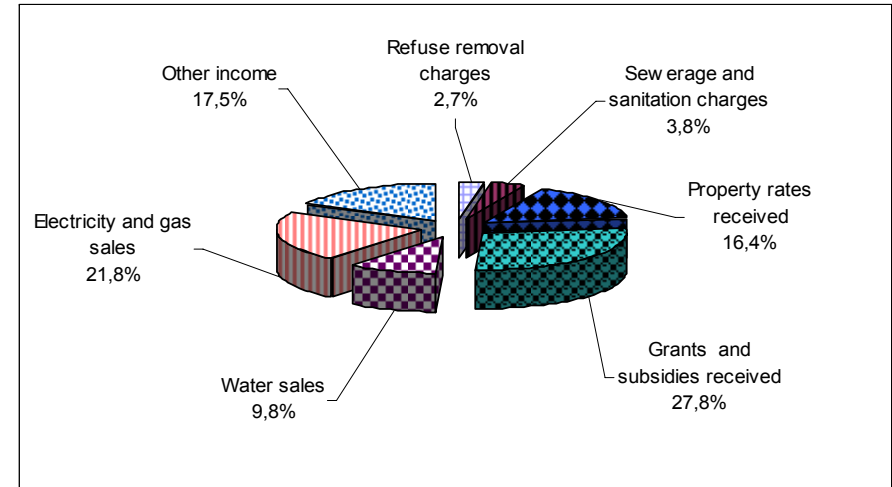
**Table 4: Municipal income for the years ended 30 June 2007 and 30 June 2008**

Income	2007		2008	
	R million	% contribution	R million	% contribution
Refuse removal charges	3 225	2,9	3 476	2,7
Sewerage and sanitation charges	4 474	4,1	4 875	3,8
Property rates received	18 331	16,6	20 956	16,4
Grants and subsidies received	29 244	26,6	35 535	27,8
Water sales	11 595	10,5	12 562	9,8
Electricity and gas sales	25 589	23,2	27 880	21,8
Other income	17 666	16,0	22 347	17,5
<b>Total income*</b>	<b>110 123</b>	<b>100</b>	<b>127 630</b>	<b>100</b>

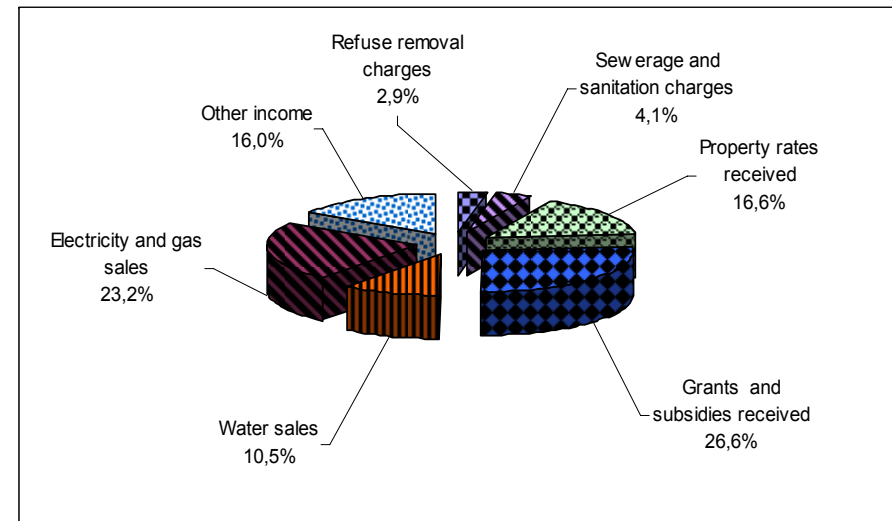
\*Excluding deficit

Table 4 above reflects the contribution of income items to the total income for the years ended 30 June 2007 and 30 June 2008. The largest contributor for 2008 was grants and subsidies received (27,8%), followed by electricity and gas sales (21,8%).

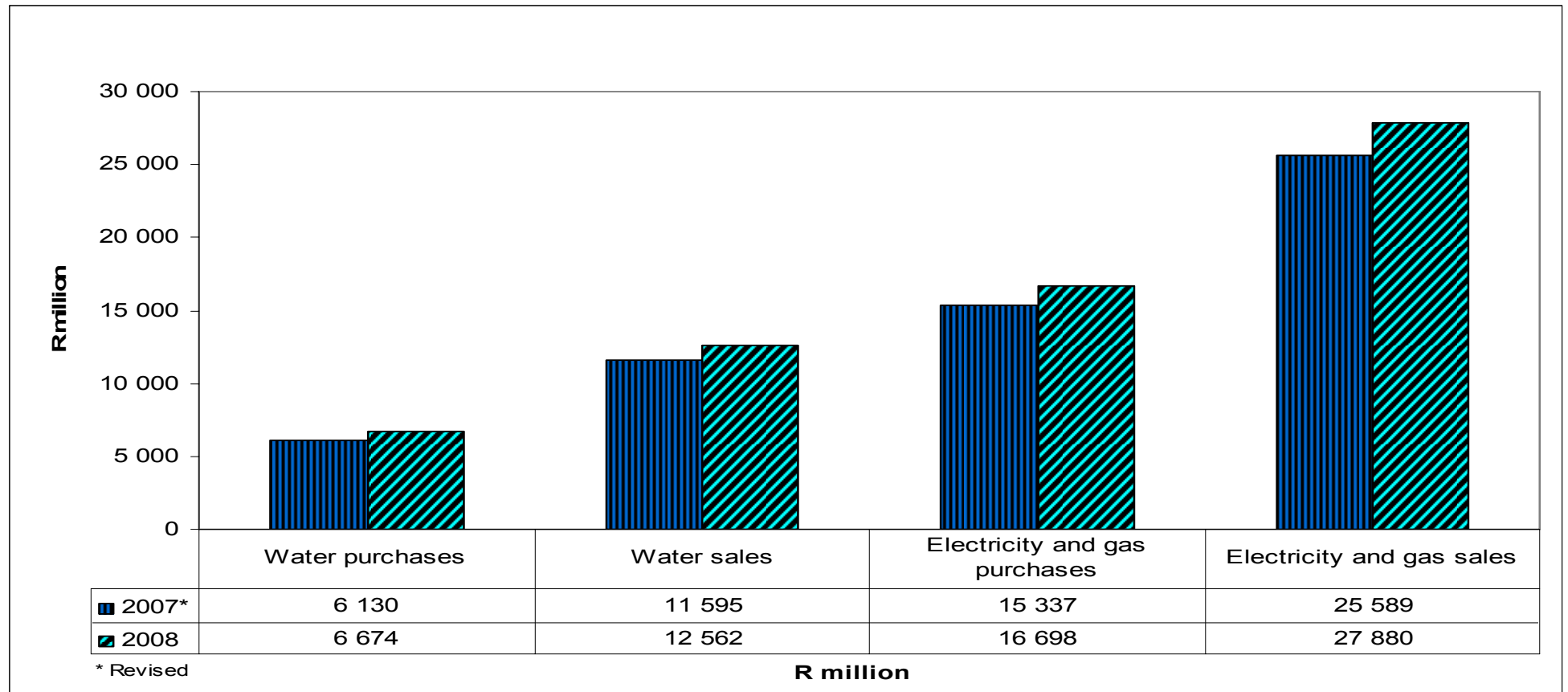
**Figure C: Municipal income patterns for the year ended 30 June 2008**



**Figure D: Municipal income patterns for the year ended 30 June 2007**



**Figure E: Purchases and sales of water, electricity and gas for the years ended 30 June 2007 and 30 June 2008**



Purchases and sales of water, electricity and gas by municipalities increased from 2007 to 2008. Water purchases by municipalities increased from R6,1 billion to R6,7 billion (8,9%), while water sales reflected an increase from R11,6 billion to R12,6 billion (8,3%) over the same period. Electricity and gas purchases by municipalities increased from R15,3 billion to R16,7 billion (8,9%), while electricity and gas sales reflected an increase from R25,6 billion to R27,9 billion (9,0%) over the same period.

**P J Lehohla**  
**Statistician-General**

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2007 and 30 June 2008**

Net assets and liabilities	2007*(a)	2008(b)	% change <sup>1</sup>
	R'000	R'000	
<b>Net assets:</b>			
Housing development funds	2 211 628	1 940 477	-12,3
Capital replacement reserve	4 431 112	4 958 014	11,9
Capitalisation reserve	7 339 264	6 995 493	-4,7
Government grant reserve	16 034 005	21 629 369	34,9
Donations and public contributions reserve	3 021 864	4 018 023	33,0
Self-insurance reserve	1 406 068	1 571 794	11,8
Revaluation reserve	2 388 034	3 851 332	61,3
COIDA reserve	185 507	209 930	13,2
Pre-GAMAP reserves and funds	3 874 269	4 055 404	4,7
Retained surplus/accumulated deficit	49 785 360	63 102 230	26,7
Outside shareholders' interest	0	0	0,0
<b>Non-current liabilities:</b>			
<b>Marketable loan stock and bonds</b>			
<b>Domestic loan stock held by</b>			
Other local government institutions	7 004	6 064	-13,4
Financial public corporations	270 952	270 868	0,0
Non-financial public corporations	0	0	0,0
Private companies	0	0	0,0
Other	628 963	1 570 005	149,6
<b>Bonds held by</b>			
Other local government institution	0	0	0,0
Financial public corporations	0	0	0,0
Non-financial public corporations	0	0	0,0
Private companies	0	0	0,0
Other	3 730 000	5 856 865	57,0
Government housing loans to public welfare organisations and individuals sponsored by the respondent	0	0	0,0
<b>Long-term loans received from</b>			
National government	1 046	661	-36,8
Provincial government	2 917	1 534	-47,4
Local government institutions	112 397	74 710	-33,5
Development Bank of Southern Africa	8 859 896	10 067 797	13,6
Local authorities loans fund	80 023	91 635	14,5
Financial public corporations	1 986	3 421	72,3
Non-financial public corporations	992	879	-11,4
Banks	5 745 938	5 882 753	2,4
Insurers	10 971	9 057	-17,4
Pension funds	3 333	2 646	-20,6
Public Investment Corporation	356 141	372 343	4,5
Private companies	3 855	2 824	-26,7
Other domestic sources (including INCA)	3 014 502	2 844 698	-5,6
Long-term leases	507 768	478 974	-5,7
Non-current provisions	7 369 486	8 104 298	10,0

\*Revised

<sup>1</sup>Percentage change formula: (b-a)/a\*100



**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2007 and 30 June 2008 (continued)**

Net assets and liabilities	2007*(a)	2008(b)	% change <sup>1</sup>
	R'000	R'000	
<b>Current liabilities:</b>			
<b>External short-term loans and deposits from</b>			
Local government institutions	8 581	4 623	-46,1
Development Bank of Southern Africa	887 741	1 173 155	32,2
Local authorities loans fund	812	990	21,9
Financial public corporations	0	317	-
Non-financial public corporations	114	113	-0,9
Banks	275 021	350 950	27,6
Insurers	12 823	19 332	50,8
Pension funds	0	0	0,0
Public Investment Corporations	15 000	20 000	33,3
Private companies	913	656	-28,1
Other domestic sources (including INCA)	307 029	439 261	43,1
Unspent conditional grants	5 922 672	9 203 552	55,4
Current provisions	1 797 889	2 144 004	19,3
Short-term leases	197 562	269 436	36,4
Value-added tax (VAT)	1 064 935	1 211 938	13,8
Bank overdraft	2 458 706	1 530 979	-37,7
<b>Creditors</b>			
Trade creditors	10 406 290	11 720 920	12,6
Consumer deposits	2 348 499	2 562 132	9,1
Income received in advance	2 658 893	3 068 582	15,4
Other creditors	8 119 634	8 549 194	5,3
Liabilities not reflected elsewhere**	6 717 270	9 319 470	38,7
<b>Total net assets and liabilities</b>	<b>164 585 665</b>	<b>199 563 702</b>	<b>21,3</b>

\*Revised

\*\*includes suspense accounts and deferred income or revenue

<sup>1</sup>Percentage change formula: (b-a)/a\*100

-The percentage change cannot be calculated meaningfully

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2007 and 30 June 2008 (continued)**

Assets	2007*(a)	2008(b)	% change <sup>1</sup>
	R'000	R'000	
<b>Non-current assets:</b>			
Property, plant, and equipment (net carrying value)	101 569 859	129 988 930	28,0
<b>Investments in marketable securities</b>			
Municipal stock/shares	14 790	9 016	-39,0
<b>Other marketable stock/shares</b>			
Government stock	32 290	36 403	12,7
Treasury bills	0	0	0,0
Other local government institutions	387 258	382 137	-1,3
Financial public corporations stock	3 793	3 793	0,0
Non-financial public corporations stock	49	41	-16,3
Other companies	93 515	43 655	-53,3
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	18 899	7 690	-59,3
<b>Long-term receivables</b>			
Loans to controlled municipal entities	1 406 839	1 448 483	3,0
Car loans	49 469	10 910	-77,9
Housing selling scheme loans	655 976	554 307	-15,5
Sewerage connection loans	13	6	-53,8
Electricity appliance purchase scheme	1 671	1 785	6,8
Other	861 720	778 662	-9,6
Government housing loans to public welfare organisations and individuals sponsored by the respondent	0	0	0,0
<b>Loans and deposits</b>			
<b>External long-term loans, deposits and investments</b>			
<b>Long-term loans to</b>			
Other local government institutions	19 494	19 011	-2,5
Financial public corporations	2 102	4 134	96,7
Non-financial public corporations	0	0	0,0
Other companies	6 972	7 440	6,7
Individuals	0	0	0,0
Other	555	463	-16,6
<b>Long-term deposits and other investments with</b>			
Public Investment Corporation	99	94	-5,1
Banks	4 543 286	5 619 311	23,7
Financial public corporations	68 040	75 069	10,3
Non-financial public corporations	69	35	-49,3
Other	652 127	554 248	-15,0

\*Revised

<sup>1</sup>Percentage change formula: (b-a)/a\*100

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2007 and 30 June 2008 (concluded)**

Assets	2007*(a)	2008(b)	% change <sup>1</sup>
	R'000	R'000	
<b>Current assets:</b>			
Inventory	1 499 617	1 851 104	23,4
<b>External short-term loans, deposits and investments</b>			
<b>Short-term loans to</b>			
Other local government institutions	1 218	1 969	61,7
Financial public corporations	236 363	315 120	33,3
Non-financial public corporations	0	0	0,0
Other companies	0	0	0,0
Individuals	0	0	0,0
Other	20 745	37 225	79,4
<b>Short-term deposits and other investments with</b>			
Public Investment Corporation	0	0	0,0
Banks	17 853 868	20 456 771	14,6
Financial public corporations	38 969	54 668	40,3
Non-financial public corporations	0	0	0,0
Other	490 624	557 317	13,6
<b>Debtors</b>			
Consumer debtors	16 832 135	17 945 322	6,6
Other debtors	5 645 603	6 828 779	21,0
Value-added tax (VAT) receivable	978 359	1 306 179	33,5
Prepaid expenses	104 833	65 758	-37,3
Petty cash and bank	10 309 461	10 398 050	0,9
Assets not reflected elsewhere**	184 985	199 817	8,0
<b>Total assets</b>	<b>164 585 665</b>	<b>199 563 702</b>	<b>21,3</b>

\*Revised

\*\*includes suspense accounts

<sup>1</sup>Percentage change formula: (b-a)/a\*100

**Part 2: Total statement of financial performance of municipalities for the years ended 30 June 2007 and 30 June 2008: Expenditure**

Expenditure	Total rates and general services		Total housing and trading services		Total		% change <sup>1</sup>
	2007*	2008	2007*	2008	2007*(a)	2008(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Employee related costs	18 413 970	19 336 380	10 605 314	12 439 144	29 019 284	31 775 524	9,5
Remuneration of board of directors/councillors	1 647 189	1 759 405	0	0	1 647 189	1 759 405	6,8
Property rates	222 271	194 827	10 649	89 144	232 920	283 971	21,9
Interest paid	2 083 461	2 290 516	1 180 202	1 171 746	3 263 663	3 462 262	6,1
Loss on the disposal of property, plant and equipment	79 451	136 880	10 116	89 096	89 567	225 976	152,3
Bad debts	2 411 877	3 172 686	2 706 670	1 723 419	5 118 547	4 896 105	-4,3
Contracted services	1 363 131	2 014 483	2 112 383	2 754 032	3 475 514	4 768 515	37,2
Collection costs	354 809	340 589	47 448	55 521	402 257	396 110	-1,5
Depreciation and amortisation	4 406 183	4 912 186	4 097 852	5 297 141	8 504 035	10 209 327	20,1
Impairment loss	~	77 801	~	27 266	~	105 067	-
Repairs and maintenance	1 926 208	1 760 773	4 056 559	5 636 050	5 982 767	7 396 823	23,6
Bulk purchases of electricity and gas	0	0	15 337 360	16 697 716	15 337 360	16 697 716	8,9
Bulk purchases of water	0	0	6 130 096	6 674 264	6 130 096	6 674 264	8,9
<b>Grants and subsidies paid to:</b>							
Other local government institutions	405 228	529 156	64 282	110 430	469 510	639 586	36,2
Tertiary institutions of higher learning	5 125	28 756	57 117	71	62 242	28 827	-53,7
Other	1 701 531	2 124 639	469 654	539 803	2 171 185	2 664 442	22,7
<b>General expenditure:</b>							
Accommodation	23 062	28 884	108 684	12 783	131 746	41 667	-68,4
Advertising	98 449	153 561	13 235	12 543	111 684	166 104	48,7
Bank charges	144 163	153 727	5 464	8 378	149 627	162 105	8,3
Cleaning services	54 041	58 275	21 137	24 432	75 178	82 707	10,0
Consultancy fees	207 110	427 695	77 046	137 240	284 156	564 935	98,8
Fuel and oil	215 330	256 683	316 604	499 139	531 934	755 822	42,1
Hiring of plant and equipment	111 550	137 615	183 766	314 337	295 316	451 952	53,0
Insurance costs	498 439	450 296	112 407	112 143	610 846	562 439	-7,9
Membership fees	56 673	114 267	3 261	1 995	59 934	116 262	94,0
Pharmaceutical	29 251	26 406	2 790	9 101	32 041	35 507	10,8
Postage and stamps	126 267	126 462	6 490	7 854	132 757	134 316	1,2
Printing and stationery	233 662	261 341	34 855	49 244	268 517	310 585	15,7
Rental of land, buildings and other structures	120 293	193 460	25 103	75 031	145 396	268 491	84,7
Rental of office equipment	150 606	149 474	23 596	21 312	174 202	170 786	-2,0
Security fees	331 129	496 999	66 296	122 895	397 425	619 894	56,0
Telecommunications services	469 665	542 489	74 542	147 383	544 207	689 872	26,8
Training and education	163 992	195 830	16 098	37 455	180 090	233 285	29,5
Transport	156 086	263 381	88 647	144 323	244 733	407 704	66,6
Travelling and subsistence	106 403	214 894	54 202	48 130	160 605	263 024	63,8
Other expenditure	6 833 692	6 903 926	7 211 193	11 302 654	14 044 885	18 206 580	29,6
Taxation	0	0	0	34 421	0	34 421	-
Surplus	20 404 829	25 906 508	8 979 108	10 268 921	29 383 937	36 175 429	23,1
<b>Total expenditure</b>	<b>65 555 126</b>	<b>75 741 250</b>	<b>64 310 226</b>	<b>76 696 557</b>	<b>129 865 352</b>	<b>152 437 807</b>	<b>17,4</b>

\*Revised

<sup>1</sup>Percentage change formula: (b-a)/a\*100

~This information was not collected separately in 2007\*

-The percentage change cannot be calculated meaningfully

**Part 2: Total statement of financial performance of municipalities for the years ended 30 June 2007 and 30 June 2008: Income**

Income	Rates and general services		Housing and trading services		Total		% change <sup>1</sup>
	2007*	2008	2007*	2008	2007* (a)	2008 (b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Property rates from:</b>							
National government	73 877	121 602	0	0	73 877	121 602	64,6
Provincial government	329 238	335 686	0	0	329 238	335 686	2,0
Local government institutions	4 943	6 929	0	0	4 943	6 929	40,2
Public corporations	1 646	1 150	0	0	1 646	1 150	-30,1
Individuals and private companies	17 921 381	20 490 188	0	0	17 921 381	20 490 188	14,3
Property rates-penalties imposed and collection charges	524 043	458 869	0	0	524 043	458 869	-12,4
<b>Service charges:</b>							
Sales of electricity and gas	0	0	25 588 688	27 880 420	25 588 688	27 880 420	9,0
Sales of water	0	0	11 594 555	12 562 489	11 594 555	12 562 489	8,3
Refuse removal charges	0	0	3 224 830	3 475 692	3 224 830	3 475 692	7,8
Sewerage and sanitation charges	0	0	4 473 668	4 874 544	4 473 668	4 874 544	9,0
<b>Interest received from:</b>							
Interest earned: External investments	2 618 396	3 284 295	284 612	430 953	2 903 008	3 715 248	28,0
Interest earned: Outstanding debtors	1 095 673	1 330 346	618 696	828 598	1 714 369	2 158 944	25,9
Dividends received	381	335	0	0	381	335	-12,1
Fines	1 015 127	1 090 103	23 617	33 761	1 038 744	1 123 864	8,2
Licences and permits	255 091	312 540	145 732	183 195	400 823	495 735	23,7
Income for agency services	781 032	729 271	95 983	220 096	877 015	949 367	8,2
Rental of facilities and equipment	649 277	501 265	315 987	587 726	965 264	1 088 991	12,8
Bad debts recovered	18 508	871	14	165	18 522	1 036	-94,4
Public contributions and donations	641 595	1 226 793	51 650	60 075	693 245	1 286 868	85,6
Gains on the disposal of property, plant and equipment	252 624	222 035	41 835	93 687	294 459	315 722	7,2
<b>Subsidies from:</b>							
National government	3 459 888	2 201 837	620 587	1 064 040	4 080 475	3 265 877	-20,0
Provincial government	802 478	1 030 981	91 336	369 915	893 814	1 400 896	56,7
Local government	60 401	19 162	8 065	10 502	68 466	29 664	-56,7
Other	1 058 133	296 266	457 994	1 202 639	1 516 127	1 498 905	-1,1
<b>Grants (including the equitable share) from:</b>							
National government	12 039 606	16 221 667	5 062 265	5 372 056	17 101 871	21 593 723	26,3
Provincial government	1 632 981	1 506 588	861 062	1 832 565	2 494 043	3 339 153	33,9
Local government	114 034	93 047	68 725	141 486	182 759	234 533	28,3
Other	1 499 749	1 985 859	387 402	647 670	1 887 151	2 633 529	39,6
Spent conditional grant	657 444	892 453	362 102	646 192	1 019 546	1 538 645	50,9
Other income	5 390 893	5 271 761	2 845 393	5 479 898	8 236 286	10 751 659	30,5
Deficit	12 656 687	16 109 351	7 085 428	8 698 193	19 742 115	24 807 544	25,7
<b>Total income</b>	<b>65 555 126</b>	<b>75 741 250</b>	<b>64 310 226</b>	<b>76 696 557</b>	<b>129 865 352</b>	<b>152 437 807</b>	<b>17,4</b>

\*Revised

<sup>1</sup>Percentage change formula: (b-a)/a\*100

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008:  
Expenditure**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee related costs	7 678 348	7 239 967	1 551 723	1 510 818	1 359 468	1 433 287	1 621 453	2 090 994	1 174 919	1 598 685
Remuneration of board of directors/councillors	1 637 371	1 751 823	0	2 102	0	288	0	1 385	0	2 858
Property rates	163 584	65 381	4 805	2 997	450	6 974	34 708	13 590	384	1 307
Interest	1 989 492	1 836 309	3 524	63 996	7 626	117 460	24 683	25 400	31 056	218 310
Loss on the disposal of property, plant and equipment	46 257	105 702	124	1 003	578	157	665	349	2 357	25 759
Bad debts	1 940 709	2 799 506	33 308	24 547	273 901	94 572	65 778	95 324	14 704	31 601
Contracted services	695 530	944 805	32 510	83 485	83 902	80 514	53 544	110 578	53 724	80 218
Collection costs	264 825	255 663	0	0	84 817	1 115	0	1 471	506	189
Depreciation and amortisation	2 326 518	3 267 179	131 371	103 014	217 340	285 226	320 210	259 473	340 914	505 288
Impairment loss	~	67 209	~	0	~	0	~	10 592	~	0
Repairs and maintenance	993 566	720 443	56 181	56 537	324 531	265 636	127 934	199 534	117 357	110 691
<b>Grants and subsidies paid to:</b>										
Other local government institutions	279 465	213 589	3 968	3 927	731	0	834	15 195	114 469	284 516
Tertiary institutions of higher learning	3 496	20 333	0	0	12	0	86	5 445	142	58
Other	1 398 384	1 687 870	15 072	11 367	63 561	21 374	52 122	166 907	36 295	122 284
<b>General expenditure:</b>										
Accommodation	13 275	16 480	157	1 472	30	6 843	2 323	875	1 184	1 777
Advertising	83 980	120 944	464	1 204	269	3 121	2 315	3 685	2 879	11 572
Bank charges	143 211	150 369	0	2	172	2 442	56	1	0	380
Cleaning services	30 841	31 267	1 191	2 187	1 824	2 491	6 908	7 257	2 015	2 711
Consultancy fees	164 205	354 437	4 733	1 952	1 773	10 742	1 408	7 200	17 046	22 278
Fuel and oil	78 817	108 449	4 261	5 574	32 234	30 922	16 022	25 936	5 500	11 529
Hiring of plant and equipment	90 055	38 180	3 892	2 872	1 092	2 731	5 564	13 247	1 513	8 234
Insurance costs	455 648	397 618	2 894	3 686	3 146	10 159	9 452	9 171	7 732	7 981

\*Revised

~This information was not collected separately in 2007\*

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008:  
Expenditure (continued)**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Membership fees	51 501	111 053	295	233	13	343	1 130	407	1 332	565
Pharmaceutical	1 577	1 569	24 384	24 022	143	133	3 012	7	9	1
Postage and stamps	117 106	103 530	362	322	154	257	2 130	1 382	495	463
Printing and stationery	133 538	167 583	9 648	13 393	3 108	3 812	13 795	16 826	14 814	15 689
Rental of land, buildings and other structures	88 025	133 993	3 202	3 517	2 203	1 751	13 685	19 594	6 597	13 978
Rental of office equipment	78 127	110 349	4 603	2 588	814	6 587	4 992	10 483	4 758	5 462
Security fees	194 077	212 667	3 636	5 354	2 331	10 686	9 285	75 873	5 118	5 130
Telecommunications services	315 328	378 054	19 584	17 232	9 507	13 163	22 302	37 946	23 357	26 919
Training and education	125 249	143 587	1 973	4 803	2 213	3 875	2 343	9 221	14 698	8 533
Transport	99 973	189 636	6 588	2 797	5 652	8 112	12 251	24 684	2 347	2 634
Travelling and subsistence	69 517	144 521	2 597	5 304	2 759	7 275	6 660	13 203	6 641	17 592
Other expenditure	3 698 216	3 623 632	213 156	245 409	268 440	816 932	243 963	435 335	662 238	723 552
Taxation	0	0	0	0	0	0	0	0	0	0
Surplus	18 676 873	23 294 681	12 011	10 879	4 032	3 962	56 762	115 364	476 342	1 531 588
<b>Total expenditure</b>	<b>44 126 684</b>	<b>50 808 378</b>	<b>2 152 217</b>	<b>2 218 595</b>	<b>2 758 826</b>	<b>3 252 942</b>	<b>2 738 375</b>	<b>3 823 934</b>	<b>3 143 442</b>	<b>5 400 332</b>

\*Revised

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Expenditure (continued)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee related costs	1 735 988	2 838 707	719 077	1 140 426	1 527 092	698 848	1 045 902	784 648
Remuneration of board of directors/councillors	0	125	0	518	0	0	9 818	306
Property rates	7 403	5 961	7 414	3 754	0	272	3 523	94 591
Interest	5 092	5 019	3 578	3 990	2 918	665	15 492	19 367
Loss on the disposal of property, plant and equipment	251	3 790	16	97	3	0	29 200	23
Bad debts	16 958	11 552	5 893	9 978	727	2 995	59 899	102 611
Contracted services	258 385	525 897	92 568	107 869	41 544	14 261	51 424	66 856
Collection costs	220	80 554	0	0	0	596	4 441	1 001
Depreciation and amortisation	64 882	233 634	46 868	85 583	145 064	61 165	813 016	111 624
Impairment loss	~	0	~	0	~	0	~	0
Repairs and maintenance	68 616	107 684	27 286	71 371	66 183	55 082	144 554	173 795
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	0	954	2 648	2 758	8 321	2 049	960
Tertiary institutions of higher learning	0	0	0	0	0	0	1 389	2 920
Other	89	10 689	2 604	11 470	16 962	375	116 442	92 303
<b>General expenditure:</b>								
Accommodation	273	475	280	367	97	317	5 443	278
Advertising	175	798	132	2 321	296	285	7 939	9 631
Bank charges	171	377	0	0	119	0	434	156
Cleaning services	1 258	2 658	171	936	3 294	3 015	6 539	5 753
Consultancy fees	4 246	12 465	62	1 108	4 823	2 399	8 814	15 114
Fuel and oil	23 293	31 743	8 450	19 337	22 046	2 682	24 707	20 511
Hiring of plant and equipment	1 751	9 381	616	59 877	3 838	249	3 229	2 844
Insurance costs	3 853	10 743	2 964	4 334	2 011	2 190	10 739	4 414

\*Revised

~This information was not collected separately in 2007\*



**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Expenditure (concluded)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Membership fees	133	495	61	237	141	54	2 067	880
Pharmaceutical	6	0	50	30	11	0	59	644
Postage and stamps	914	5 372	31	154	2 520	147	2 555	14 835
Printing and stationery	30 920	25 997	1 740	3 971	13 037	6 127	13 062	7 943
Rental of land, buildings and other structures	3 164	12 330	417	1 785	267	1 071	2 733	5 441
Rental of office equipment	8 065	3 946	552	329	719	908	47 976	8 822
Security fees	79 518	141 171	283	547	19 371	13 151	17 510	32 420
Telecommunications services	13 136	26 844	8 304	13 897	21 007	6 942	37 140	21 492
Training and education	4 161	6 945	2 312	2 859	4 106	2 605	6 937	13 402
Transport	7 000	18 880	8 701	6 182	1 607	8 033	11 967	2 423
Travelling and subsistence	2 954	6 625	919	2 366	3 646	5 771	10 710	12 237
Other expenditure	271 716	297 976	74 251	114 479	644 117	202 664	757 595	443 947
Taxation	0	0	0	0	0	0	0	0
Surplus	77 060	54 381	1 535	4 842	17 785	9 774	1 082 429	881 037
<b>Total expenditure</b>	<b>2 691 651</b>	<b>4 493 214</b>	<b>1 018 089</b>	<b>1 677 662</b>	<b>2 568 109</b>	<b>1 110 964</b>	<b>4 357 733</b>	<b>2 955 229</b>

\*Revised

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Income**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Property rates from:</b>										
National government	73 572	121 602	0	0	0	0	137	0	0	0
Provincial government	307 486	334 687	0	766	0	0	247	233	0	0
Local government institutions	3 559	6 129	0	0	0	0	0	800	0	0
Public corporations	1 646	1 150	0	0	0	0	0	0	0	0
Individuals and private companies	17 640 172	20 479 241	0	1 151	0	0	0	7 259	0	2 234
Property rates-penalties imposed and collection charges	523 504	458 856	0	0	0	13	0	0	0	0
<b>Interest received from:</b>										
Interest earned: External investments	2 538 107	3 182 757	38	176	612	3 615	32 329	2 303	20	55 576
Interest earned: Outstanding debtors	1 068 284	1 303 324	324	16 557	9	179	1 611	21	13 791	1 529
Dividends received	361	332	0	0	12	0	8	2	0	1
Fines	57 272	65 718	765	569	2 664	1 159	9 438	15 794	2 487	2 554
Licences and permits	38 485	70 410	71	5 836	2 280	73	4 881	20 595	10 368	3 605
Income for agency services	185 814	208 589	42 607	2 699	1 452	320	3 160	709		386
Rental of facilities and equipment	479 630	349 637	996	787	31 551	55 443	43 280	48 166	33 827	8 354
Bad debts recovered	18 503	859	0	0	0	0	0	0	0	12
Public contributions and donations	305 441	1 218 865	0	207	0	252	0	1 265	5	5 988

\*Revised

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Income (continued)**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Gains on the disposal of property, plant and equipment	152 862	211 203	71	1 333	1 449	271	4 102	194	31 168	4 659
<b>Subsidies from:</b>										
National government	2 661 697	1 666 331	22 206	5 992	28 985	47 678	133 403	90 945	289 879	223 362
Provincial government	397 852	420 511	358 385	436 723	620	1 362	4 399	27 168	16 591	44 005
Local government	2 716	4 965	969	0	0	56	813	7 728	55 307	5 114
Other	761 073	166 432	8 050	4 348	32 658	10 969	13 095	12 607	79 830	74 038
<b>Grants (including the equitable share) from:</b>										
National government	10 850 663	13 210 579	43 849	83 163	36 776	71 868	160 840	220 852	315 193	1 583 475
Provincial government	746 615	572 161	275 600	236 864	40 600	455 350	25 633	57 790	332 356	126 513
Local government	84 774	58 755	10 856	853	2	1 656	1 040	906	5 572	26 555
Other	1 175 839	1 168 402	12 619	24 597	5 091	41 144	17 725	71 318	211 646	383 040
Spent conditional grant	355 011	428 352	1 891	12 035	17 436	36 271	3 063	70 224	272 676	316 535
Other income	3 186 146	4 168 286	80 659	98 656	124 688	64 336	208 812	165 587	248 470	318 426
Deficit	509 600	930 245	1 292 261	1 285 283	2 431 941	2 460 927	2 070 359	3 001 468	1 224 256	2 214 371
<b>Total income</b>	<b>44 126 684</b>	<b>50 808 378</b>	<b>2 152 217</b>	<b>2 218 595</b>	<b>2 758 826</b>	<b>3 252 942</b>	<b>2 738 375</b>	<b>3 823 934</b>	<b>3 143 442</b>	<b>5 400 332</b>

\*Revised

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Income (continued)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Property rates from:</b>								
National government	0	0	0	0	0	0	168	0
Provincial government	0	0	0	0	0	0	21 505	0
Local government institutions	0	0	0	0	0	0	1 384	0
Public corporations	0	0	0	0	0	0	0	0
Individuals and private companies	0	0	0	0	0	282	281 209	21
Property rates-penalties imposed and collection charges	0	0	0	0	0	0	539	0
<b>Interest received from:</b>								
Interest earned: External investments	1 668	757	0	14	300	443	45 322	38 654
Interest earned: Outstanding debtors	0	1 357	0	941	0	0	11 654	6 438
Dividends received	0	0	0	0	0	0	0	0
Fines	632 154	989 523	779	4 434	308 413	10 202	1 155	150
Licences and permits	112 746	181 136	260	487	80 618	19 274	5 382	11 124
Income for agency services	217 429	241 247	276	1 755	194 823	198 876	135 471	74 690
Rental of facilities and equipment	1 257	1 933	207	202	1 182	4 811	57 347	31 932
Bad debts recovered	5	0	0	0	0	0	0	0
Public contributions and donations	0	108	6 957	13	0	53	329 192	42

\*Revised

**Part 3: Statement of financial performance of municipalities for rates and general services for the years ended 30 June 2007 and 30 June 2008: Income (concluded)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Gains on the disposal of property, plant and equipment	285	3 290	900	150	462	73	61 325	862
<b>Subsidies from:</b>								
National government	9 760	19 052	84 243	6 820	13 255	23 248	216 460	118 409
Provincial government	566	12 064	0	2 853	15 959	86 136	8 106	159
Local government	0	1 075	566	0	0	224	30	0
Other	0	8 426	0	5 403	13 804	160	149 623	13 883
<b>Grants (including the equitable share) from:</b>								
National government	10 008	104 759	11 799	95 438	19 684	233 683	590 794	617 850
Provincial government	20 552	1 333	7 752	3 739	66 208	3 834	117 665	49 004
Local government	96	3 780	86	257	0	35	11 608	250
Other	50 165	13 104	2 843	28 247	4 713	8 359	19 108	247 648
Spent conditional grant	1 824	12	0	0	326	0	5 217	29 024
Other income	188 814	125 978	38 153	51 551	77 257	21 097	1 237 894	257 844
Deficit	1 444 322	2 784 280	863 268	1 475 358	1 771 105	500 174	1 049 575	1 457 245
<b>Total income</b>	<b>2 691 651</b>	<b>4 493 214</b>	<b>1 018 089</b>	<b>1 677 662</b>	<b>2 568 109</b>	<b>1 110 964</b>	<b>4 357 733</b>	<b>2 955 229</b>

\*Revised

**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Expenditure**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste, water management	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee related costs	553 670	604 096	539 314	420 529	1 770 352	2 118 730	873 591	999 366
Property rates	2 128	25 883	17	25	2	8 227	20	18 988
Interest paid	5 047	159 304	1 942	149	35 658	51 527	313 716	121 115
Loss on the disposal of property, plant and equipment	272	10 296	0	62	81	2 100	17	3 707
Bad debts	165 849	80 484	1 258	0	201 369	195 663	272 828	133 963
Contracted services	31 904	100 148	64 351	11 450	836 552	900 291	131 884	368 720
Collection costs	1 802	2 957	0	562	0	425	812	0
Depreciation and amortisation	259 315	181 983	7 669	18 729	496 502	515 978	437 430	575 158
Impairment loss	~	0	~	0	~	0	~	0
Repairs and maintenance	228 229	259 252	28 513	14 087	273 962	632 661	415 613	523 999
Bulk purchases of electricity and gas	0	0	0	0	0	0	0	0
Bulk purchases of water	0	0	0	0	0	0	0	0
<b>Grant and subsidies paid to:</b>								
Other local government institutions	306	17 695	2 319	1 515	4 811	1 331	108	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	71
Other	229 832	217 470	3 273	1 269	27 272	43 393	23 608	56 630
<b>General expenditure:</b>								
Accommodation	92	66	0	3	51	150	53	140
Advertising	196	508	91	164	716	1 156	279	543
Bank charges	0	1	0	2 895	32	30	0	215
Cleaning services	1 778	2 001	96	1 230	7 211	5 238	2 788	2 119
Consultancy fees	6 286	19 498	2 631	1 374	8 168	13 961	1 354	7 806
Fuel and oil	2 988	6 043	2 261	5 334	97 285	159 432	18 748	26 565
Hiring of plant and equipment	4 412	4 350	458	258	48 229	155 449	13 077	21 575
Insurance costs	5 953	7 034	879	572	5 768	8 427	5 334	8 271

\*Revised

~This information was not collected separately in 2007\*

**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Expenditure (continued)**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste, water management	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Membership fees	53	158	131	130	27	57	88	112
Pharmaceutical	43	1	27	559	20	52	423	1 339
Postage and stamps	220	433	89	132	344	639	256	373
Printing and stationery	2 753	2 839	1 241	1 160	2 797	2 268	4 602	1 715
Security fees	2 032	2 933	439	552	4 142	28 556	2 395	3 936
Rental of land, buildings and other structures	494	677	205	743	4 302	10 716	964	1 720
Rental of office equipment	2 841	2 853	2 048	5 619	14 282	19 508	5 775	9 806
Telecommunications services	7 520	8 730	1 306	1 673	5 198	8 270	5 175	4 725
Training and education	151	1 953	1 248	629	3 263	3 315	872	1 191
Transport	499	1 330	453	323	37 575	47 554	9 738	14 439
Travelling and subsistence	6 124	5 978	1 074	3 724	1 157	4 298	1 785	2 192
Other expenditure	628 015	1 232 140	183 567	178 564	1 011 781	1 214 888	1 194 743	1 505 050
Taxation	0	0	0	0	0	19 884	0	0
Surplus	94 005	764 491	64 299	16 712	569 251	340 787	2 521 241	2 592 761
<b>Total expenditure</b>	<b>2 244 809</b>	<b>3 723 585</b>	<b>911 199</b>	<b>690 727</b>	<b>5 468 160</b>	<b>6 514 961</b>	<b>6 259 317</b>	<b>7 008 310</b>

\*Revised

**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Expenditure (continued)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee related costs	1 623 856	1 990 212	2 441 278	2 792 381	2 592 135	2 923 698	211 118	590 132
Property rates	6	3 627	7 250	6 190	313	13 881	913	12 323
Interest paid	87 342	77 851	230 894	345 665	475 852	412 486	29 751	3 649
Loss on the disposal of property, plant and equipment	62	10 952	1 519	28 192	24	32 473	8 141	1 314
Bad debts	56 661	62 504	1 201 838	651 473	789 969	594 603	16 898	4 729
Contracted services	147 189	444 098	558 249	437 276	268 869	403 722	73 385	88 327
Collection costs	2 057	3 801	4 127	2 271	38 380	45 505	270	0
Depreciation and amortisation	784 898	1 188 413	1 035 922	1 564 010	1 003 952	1 194 627	72 164	58 243
Impairment loss	~	24 417	~	2 849	~	0	~	0
Repairs and maintenance	1 204 898	1 210 850	732 630	1 357 898	1 150 929	1 581 678	21 785	55 625
Bulk purchases of electricity and gas	0	0	0	0	15 337 360	16 697 716	0	0
Bulk purchases of water	0	0	6 130 096	6 674 264	0	0	0	0
<b>Grant and subsidies paid to:</b>								
Other local government institutions	5 973	11 395	42 553	70 016	8 212	8 478	0	0
Tertiary institutions of higher learning	0	0	35 423	0	21 694	0	0	0
Other	36 925	64 561	121 389	81 380	15 764	72 482	11 591	2 618
<b>General expenditure:</b>								
Accommodation	88	57	478	522	107 922	11 820	0	25
Advertising	3 085	664	1 777	2 096	6 347	3 375	744	4 037
Bank charges	170	473	361	184	2 934	573	1 967	4 007
Cleaning services	1 725	2 428	1 431	4 980	4 463	4 648	1 645	1 788
Consultancy fees	12 131	40 413	12 524	15 113	31 884	33 371	2 068	5 704
Fuel and oil	103 089	136 908	42 276	65 753	43 876	68 924	6 081	30 180
Hiring of plant and equipment	72 290	70 334	21 765	26 314	23 311	34 973	224	1 084
Insurance costs	12 857	49 168	40 335	12 237	40 787	25 284	494	1 150

\*Revised

~This information was not collected separately in 2007\*



**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Expenditure (concluded)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Membership fees	867	57	382	289	1 403	1 130	310	62
Pharmaceutical	13	94	2 161	6 740	56	316	47	0
Postage and stamps	195	550	2 187	3 756	2 412	1 890	787	81
Printing and stationery	6 307	18 268	8 175	10 631	8 018	9 119	962	3 244
Security fees	2 243	5 885	1 312	7 117	8 471	25 014	4 069	1 038
Rental of land, buildings and other structures	2 196	1 378	9 976	4 021	5 290	1 991	169	66
Rental of office equipment	25 483	56 252	6 010	10 045	9 857	18 017	0	795
Telecommunications services	18 443	72 741	12 382	17 601	23 187	31 664	1 331	1 979
Training and education	3 289	17 503	2 888	5 275	3 354	7 332	1 033	257
Transport	12 244	31 128	10 723	21 559	17 168	27 986	247	4
Travelling and subsistence	16 051	5 178	9 689	13 971	17 248	11 642	1 074	1 147
Other expenditure	1 080 729	1 393 241	1 724 659	3 159 585	1 241 438	2 284 315	146 261	334 871
Taxation	0	7 927	0	0	0	0	0	6 610
Surplus	213 517	193 749	1 558 021	2 592 864	3 944 448	3 663 253	14 326	104 304
<b>Total expenditure</b>	<b>5 536 879</b>	<b>7 197 077</b>	<b>16 012 680</b>	<b>19 994 518</b>	<b>27 247 327</b>	<b>30 247 986</b>	<b>629 855</b>	<b>1 319 393</b>

\*Revised

**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Income**

Income	Housing		Environmental protection		Waste management (solid waste)		Waste, water management	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Service charges:</b>								
Sales of electricity and gas	0	0	0	0	0	0	0	0
Sales of water	0	0	0	0	0	0	0	0
Refuse removal charges	0	0	0	0	3 224 830	3 475 692	0	0
Sewerage and sanitation charges	0	0	0	0	0	0	4 473 668	4 874 544
<b>Interest received from:</b>								
Interest earned from: External investments	90 794	220 311	438	0	22 665	41 483	6 305	71 009
Interest earned from: Outstanding debtors	16 478	24 318	9 100	0	40 009	69 447	62 040	69 020
Dividends received	0	0	0	0	0	0	0	0
Fines	4	15 293	124	72	56	5 004	781	2 312
Licences and permits	984	865	161	175	970	407	19	227
Income for agency services	0	0	0	0	0	0	1 842	49
Rental of facilities and equipment	192 879	430 308	1 186	2 036	4 393	32 458	5 265	41 800
Bad Debts Recovered	0	140	0	0	5	1	1	6
Public contributions and donations	300	1 004	0	536	6 029	1 532	5 122	1 559
Gains on the disposal of property, plant and equipment	12 513	5 523	0	0	1 737	3 217	535	2 183
<b>Subsidies from:</b>								
National government	7 236	124 494	7 778	17 947	43 934	99 625	45 686	129 260
Provincial government	30 723	92 960	946	6 313	6 601	31 916	4 153	6 997
Local government	0	0	0	0	6 037	9 844	0	0
Other	85 570	28 663	1 400	16 073	47 758	232 066	27 744	85 850
<b>Grants from (include equitable share):</b>								
National government	418 871	122 449	362 563	26 868	898 812	907 221	503 506	628 845
Provincial government	473 408	948 747	6 405	10 911	41 298	21 617	34 396	17 831
Local government	9 753	2	2 043	182	0	0	7 384	21 211
Other	73 499	85 206	5 140	10 885	48 896	7 109	40 420	136 428
Spent conditional grant	39 203	48 589	0	128	1 809	2 104	77 066	57 727
Other income	109 935	503 114	52 738	24 158	423 553	603 208	669 213	466 670
Deficit	682 659	1 071 599	461 177	574 443	648 768	971 010	294 171	394 782
<b>Total income</b>	<b>2 244 809</b>	<b>3 723 585</b>	<b>911 199</b>	<b>690 727</b>	<b>5 468 160</b>	<b>6 514 961</b>	<b>6 259 317</b>	<b>7 008 310</b>

\*Revised

**Part 4: Statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2007 and 30 June 2008: Income (concluded)**

Income	Road transport		Water		Electricity		Other trading services	
	2007*	2008	2007*	2008	2007*	2008	2007*	2008
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Service charges:</b>								
Sales of electricity and gas	0	0	0	0	25 588 688	27 880 420	0	0
Sales of water	0	0	11 594 555	12 562 489	0	0	0	0
Refuse removal charges	0	0	0	0	0	0	0	0
Sewerage and sanitation charges	0	0	0	0	0	0	0	0
<b>Interest received from:</b>								
Interest earned from: External investments	548	9 336	132 285	40 531	28 600	45 756	2 977	2 527
Interest earned from: Outstanding debtors	3 937	2 768	301 803	525 061	185 240	137 893	89	91
Dividends received	0	0	0	0	0	0	0	0
Fines	13 514	6 648	413	350	8 725	4 075	0	7
Licences and permits	140 431	179 665	32	4	1 784	1 798	1 351	54
Income for agency services	89 775	216 341	2 475	1 643	1 891	156	0	1 907
Rental of facilities and equipment	18 262	16 779	2 796	11 375	1 990	5 908	89 216	47 062
Bad Debts Recovered	0	0	3	5	5	6	0	7
Public contributions and donations	0	731	5 161	2 588	30 693	52 125	4 345	0
Gains on the disposal of property, plant and equipment	5 606	62 829	4 019	3 413	17 401	15 790	24	732
<b>Subsidies from:</b>								
National government	64 408	172 539	428 889	389 860	22 402	122 447	254	7 868
Provincial government	19 835	133 142	13 772	38 725	15 306	59 862	0	0
Local government	0	0	2 028	658	0	0	0	0
Other	216 015	273 557	23 083	470 541	45 842	79 716	10 582	16 173
<b>Grants from (include equitable share):</b>								
National government	889 012	936 309	1 419 029	1 255 865	426 865	975 896	143 607	518 603
Provincial government	222 504	533 724	60 052	247 796	22 858	51 939	141	0
Local government	2 550	113 077	45 112	6 958	1 883	0	0	56
Other	37 920	77 206	89 063	271 947	92 239	58 137	225	752
Spent conditional grant	62 299	197 823	134 898	266 485	46 827	72 509	0	827
Other income	365 446	392 905	454 165	2 381 601	566 547	480 629	203 796	627 613
Deficit	3 384 817	3 871 698	1 299 047	1 516 623	141 541	202 924	173 248	95 114
<b>Total income</b>	<b>5 536 879</b>	<b>7 197 077</b>	<b>16 012 680</b>	<b>19 994 518</b>	<b>27 247 327</b>	<b>30 247 986</b>	<b>629 855</b>	<b>1 319 393</b>

\*Revised

## Explanatory notes

<b>Introduction</b>	<p>1 The purpose of this census is to provide both stakeholders and users with information that allows analyses and assessment of the state of municipal finances.</p> <p>The publication consists of aggregated preliminary data for 2008 and revised 2007 in respect of:</p> <ul style="list-style-type: none"> <li>• the consolidated statement of financial position of municipalities;</li> <li>• statement of financial performance of municipalities – rates and general services; and</li> <li>• statement of financial performance of municipalities – housing and trading services.</li> </ul> <p>Unit data for each municipality for 2007 and 2008 is available on the Statistics SA's website.</p>
<b>Scope of census of municipalities</b>	<p>2 All institutions defined as local government institutions in terms of Act No. 117 of 1998 (the Municipal Act), Act No. 108 of 1996 (Constitution of the Republic of South Africa), Act No.209 of 1993 (Local Government Transition Act) and Act No.97 of 1996 (Local Government Transitional Act, Second Amendment Act) were included in this survey. The questionnaire for this survey was designed to address primarily the national accounts requirements of Statistics South Africa and the South African Reserve Bank. This statistical release contains financial information furnished by the respondents.</p>
<b>Classification and accounting standards</b>	<p>3 For the purposes of classification of local government institutions according to activities, Stats SA used the <i>Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, January 1993</i>. Activities of the local government institutions also adhere to the General Accepted Municipal Accounting Practice (GAMAP), General Recognised Accounting Practice (GRAP) and requirements of the Institute of Municipal Finance Officers (IMFO). Questionnaires have been designed to take into account the different accounting standards.</p>
<b>Statistical unit</b>	<p>4 The statistical unit for the collection of information was the municipality.</p>
<b>Reliability of estimates</b>	<p>5 Estimates are based on information furnished by respondents. These estimates are verified (using internal and external sources) and edited before being published.</p> <p>Estimates for the current year in this publication are preliminary, while estimates for the previous year are now regarded as final.</p>
<b>Related publications</b>	<p>6 Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> <li>• P9101 Capital expenditure of the public sector;</li> <li>• P9114 Financial census of municipalities;</li> <li>• P0277 Quarterly employment statistics;</li> <li>• P9119.4 Financial statistics of consolidated general government; and</li> <li>• P0441 Gross domestic product.</li> </ul>
<b>Comparability with previous census</b>	<p>7 This financial census of municipalities for the year ended 30 June 2008 is generally comparable with that of the year ended 30 June 2007.</p>

<b>Symbols and abbreviations used</b>	8	<p>- The percentage change cannot be calculated meaningfully</p> <p>~ This information was not collected in 2007*</p> <p>2007* Revised figures</p> <p>Inca Infrastructure Finance Corporation Ltd</p> <p>0 Nil or not applicable</p> <p>GAMAP Generally Accepted Municipal Accounting Practice</p> <p>GRAP Generally Recognised Accounting Practice</p> <p>IMFO Institute of Municipal Finance Officers</p> <p>Stats SA Statistics South Africa</p> <p>COIDA The Compensation Commissioner for Occupational Injuries and Diseases</p>
<b>Revision of data</b>	9	<p>Information for 2008 should be regarded as preliminary, and may be revised. The revised figures are due to late submission of the data to Stats SA or respondents reporting revisions. The latter are normally the result of post-balance sheet events (events that occur between the balance sheet date and date on which the financial statements are approved by the municipal council) as well as through auditing of the financial statements.</p>
<b>Fluctuations between 2007 and 2008</b>	10	<p>The fluctuations in the data between 2007 and 2008 can be due to:</p> <ul style="list-style-type: none"> <li>• Revisions due to late response or revisions from respondents;</li> <li>• Change in the accounting practices and standards adopted by the respondents;</li> <li>• Municipalities acquiring entities; and/or</li> <li>• Differences in response rates are mainly audited financial statements received for verification purposes between 2007 and 2008 financial year.</li> </ul>
<b>Preliminary data</b>	11	<p>All 283 reporting units furnished the required information (100% response rate), however the financial statements were not available to verify provided data for the following:</p> <p>Makhudutamaga local municipality; Mamusa local municipality; and Oudtshoorn local municipality.</p>

## Glossary

<b>Acid test ratio</b>	The acid test ratio is calculated as current assets minus inventory divided by current liabilities. The accepted acid test ratio is considered to be 1:1. In other words the institution is able to meet its current credit obligations without disposing of its inventory.
<b>Acquisition of fixed assets</b>	The aggregate capital statement (or acquisition of fixed assets statement) shows the total capital expenditure incurred by each service during the year. Details of purchases and sales of assets are reflected in the aggregate capital statement, but appear in the consolidated balance sheet as a single amount (normally the item in the consolidated balance sheet is referred to as 'fixed assets').
<b>Capital replacement reserve (CRR)</b>	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 only 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.
<b>Capitalisation reserve</b>	<p>On the implementation of GAMAP/GRAP, the balances on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a capitalisation reserve instead of the accumulated surplus/deficit in terms of a directive (budget circular) issued by National Treasury. The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.</p> <p>The balance on the capitalisation reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the capitalisation reserve to the accumulated surplus/deficit. When an item of property, plant and equipment is disposed, the balance in the capitalisation reserve relating to such item is transferred to the accumulated surplus/deficit.</p>
<b>Consolidated statement of financial position</b>	The aggregate or consolidated statement of financial position reports the institution's financial position at a specific point in time (the end of the reporting period). This statement covers all assets, net assets and liabilities at the end of the financial year.
<b>Current assets</b>	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; VAT receivable; petty cash and bank.
<b>Current expenditure</b>	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 consumption 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).
<b>Current liabilities</b>	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.

<b>Current ratio</b>	<p>The current ratio is calculated as current assets divided by current liabilities. This ratio measures the extent to which current or short-term assets can be disposed to liquidate the current or short-term liabilities.</p>
<b>Depreciation and amortisation</b>	<p>Depreciation is the deduction for the reasonable allowance for the wear and tear of long-term tangible assets and amortisation is the deduction for the reasonable allowance for the wear and tear of intangible assets.</p> <p>Loans redeemed are included in depreciation and amortisation for the low capacity municipalities who are still in transition to the new accounting practices and standards.</p>
<b>District municipality</b>	<p>District municipality refers to a municipality 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 C municipality. (Refer to Local Government: Municipal Structures Act, No.117 of 1998.)</p>
<b>Donation and public contribution reserve</b>	<p>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.</p> <p>The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions. When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.</p>
<b>Employee related cost</b>	<p>Compensation of employees includes payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Compensation of employees also includes;</p> <ul style="list-style-type: none"><li>• basic compensation;</li><li>• allowances;</li><li>• contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which contributions may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy etc.;</li><li>• uniform clothing and allowances (clothing, boots, overalls, etc., supplied to uniformed employees); and</li><li>• allowances to councillors are treated separately for the purpose of this census.</li></ul>

<b>Government grant reserve</b>	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. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit. When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.
<b>Housing and trading services</b>	Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include abattoirs, electricity and gas, markets, passenger transport, water and other trading services (forestry, agriculture, airports, mineral baths, stone crushing and sand supply services).
<b>Housing development funds</b>	The housing development fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the housing development fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.
<b>Levies</b>	Levies include both regional service and regional establishment levies collected by the districts and metropolitan municipalities. Regional service levy is the payroll tax paid by registered levy payers on total remuneration of their employees in terms of the Local Government Act (LGTA) of 1993. Regional establishment levy is the turnover tax paid by businesses on their total turnover in terms of the relevant legislation.
<b>Local municipality</b>	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.
<b>Long-term loans</b>	Long-term loans are loans with an outstanding maturity of more than one year.
<b>Marketable loan stock</b>	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.
<b>Metropolitan municipality</b>	Metropolitan municipality means an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to Local Government: Municipal Structures Act. (Act No.117 of 1998).
<b>Money market instruments</b>	Money market instruments include bankers' acceptance, trade bills, and promissory notes, capital project bills, bridging debentures, negotiable certificates of deposit, Land Bank bills, Land Bank and the South African Reserve Bank's debentures.



<b>Municipality</b>	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipalities as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
<b>Other expenditure</b>	<p>The following are included in other expenditure:</p> <ul style="list-style-type: none"> <li>• administration charges/fees;</li> <li>• audit fees;</li> <li>• books and magazines;</li> <li>• consumables;</li> <li>• legal fees;</li> <li>• licences and trade licences;</li> <li>• professional fees;</li> <li>• refreshments; and</li> <li>• sundries.</li> </ul>
<b>Provision</b>	<p>Provision is any amount set aside for the purpose of meeting the following:</p> <ul style="list-style-type: none"> <li>• specific requirements where the amounts thereof can be closely estimated; and</li> <li>• specific commitments and contingencies as at the date of the balance sheet, where the amounts involved cannot be determined with significant accuracy.</li> </ul> <p>Provision includes:</p> <ul style="list-style-type: none"> <li>• bad debts; and</li> <li>• leave payouts</li> </ul>
<b>Public corporations</b>	<p>Public corporations comprise public non-financial corporations and public financial corporations.</p> <p>Public non-financial corporations consist of residential non-financial corporations and quasi-corporations that are subject to control by government units which sell industrial or commercial goods and services to the public on a large scale. Public financial corporations consist of all corporations, quasi-corporations, and non-profit institutions (NPIs) principally engaged in financial intermediation or in auxiliary financial activities closely related to financial intermediation.</p>
<b>Rates and general services</b>	Rates and general services include ambulance, fire control (or fire fighting), health (clinics, old age homes), roads and storm-water, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.). These services are not economically self-supporting and are financed by imposing assessment rates, other rates, the receipt of subsidies and other contributions.
<b>Repairs and maintenance</b>	Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the department. 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.
<b>Reserve</b>	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.

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