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Statistical release

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Financial census of municipalities

for the year ended 30 June 2011

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Technical notes

Response rates for the 2011 financial year per province

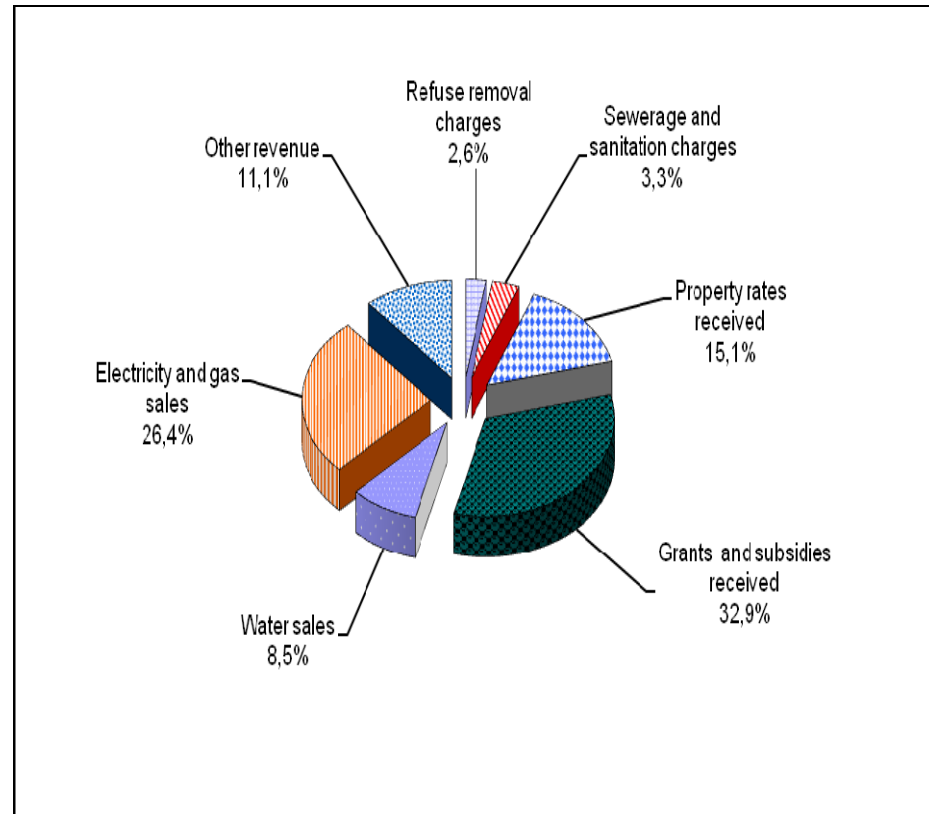
Province	Municipalities			Response rate
	Metros and district municipalities	Local municipalities	Total	
Western Cape	6	24	30	100%
Eastern Cape	7	38	45	100%
Northern Cape	5	27	32	100%
Free State	5	20	25	100%
KwaZulu-Natal	11	50	61	100%
North West	4	20	24	100%
Gauteng	6	9	15	100%
Mpumalanga	3	18	21	100%
Limpopo	5	25	30	100%
Total	52	231	283	100%

1. All 283 reporting units furnished the required information (100% response rate). However, the financial statements were not available to verify received data for the following four municipalities:

- (i) Kagisano in North West;
- (ii) Mamusa in North West;
- (iii) Nala in Free State; and
- (iv) Renosterberg in Northern Cape

Key findings

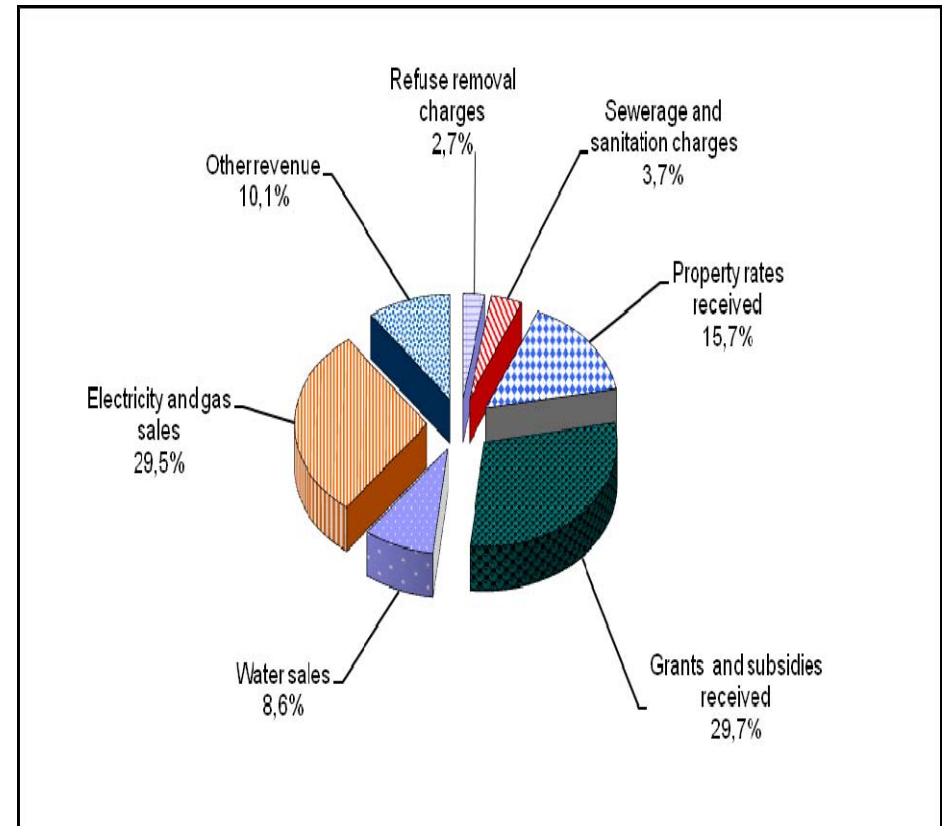
Figure A: Municipal revenue stream as a percentage of total revenue for the year ended 30 June 2010*



*Revised

The graph above shows that the largest contributor to municipal revenue for 30 June 2010 was 'Grants and subsidies received' (32,9%), followed by 'Electricity and gas sales' (26,4%), 'Property rates received' (15,1%), 'Other revenue' (11,1%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'Water sales' (8,5%), 'Sewerage and sanitation charges' (3,3%), and 'Refuse removal charges' (2,6%).

Figure B: Municipal revenue stream as a percentage of total revenue for the year ended 30 June 2011



The graph above shows that the largest contributor to municipal revenue for 30 June 2011 was 'Grants and subsidies received' (29,7%), followed by 'Electricity and gas sales' (29,5%), 'Property rates received' (15,7%), 'Other revenue' (10,1%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'Water sales' (8,6%), 'Sewerage and sanitation charges' (3,7%), and 'Refuse removal charges' (2,7%).

Table 1: Acid test ratio

Acid test ratio of municipalities for the financial years ended 30 June 2010 and 30 June 2011			
	Current assets minus inventory	Current liabilities	
Year	R million	R million	Acid test ratio
2010*	57 036	56 405	1,0:1
2011	65 008	61 380	1,1:1

Table 1 above reflects the acid test ratio (*calculated by taking the current assets minus inventory divided by the current liabilities*). For the financial years ended 30 June 2010 and 30 June 2011, municipalities had an acid test ratio of 1,0:1 and 1,1 :1 respectively.

Table 2: Current ratio

Current ratio of municipalities for the financial years ended 30 June 2010 and 30 June 2011			
	Current assets	Current liabilities	
Year	R million	R million	Current ratio
2010*	61 128	56 405	1,1:1
2011	69 528	61 380	1,1:1

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 1,1:1 for both the financial years ended 30 June 2010 and 30 June 2011.

*Revised

Table 3: Debt-to-income ratio

Debt-to-income ratio of municipalities for the financial years ended 30 June 2010 and 30 June 2011			
	Total liabilities	Total revenue	
Year	R million	R million	Debt to income ratio
2010*	117 074	179 344	0,7:1
2011	130 154	198 858	0,7:1

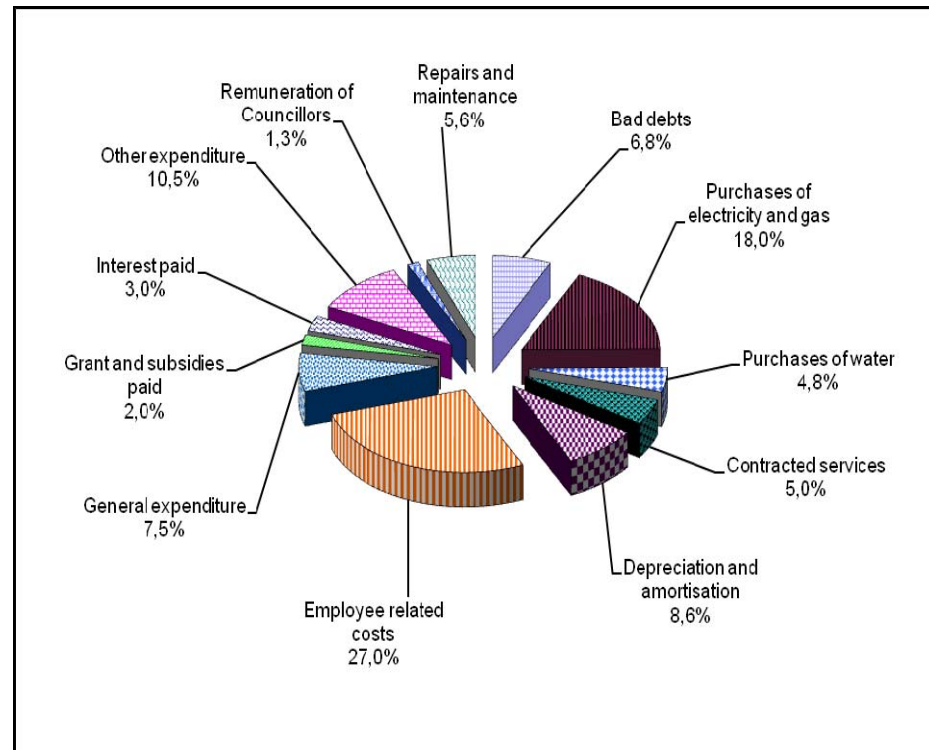
The debt to income ratio provides a simple measure of the total liabilities of municipalities compared with their total revenue. This ratio is viewed as important in the risk management process of an entity. As can be seen from Table 3 above, municipalities had a ratio of 0,7:1 for both the financial years ended 30 June 2010 and 30 June 2011.

Table 4: Debt ratio

Debt ratio of municipalities for the financial years ended 30 June 2010 and 30 June 2011			
	Total liabilities	Total assets	
Year	R million	R million	Debt ratio
2010*	117 074	408 421	0,29:1
2011	130 154	437 078	0,30:1

The debt ratio indicates the proportion of debt municipalities have relative to their assets and gives an idea as to how much municipalities rely on debt to finance their assets. This ratio assists entities to assess risks they are facing in terms of their debt load. Table 4 above depicts that, for 2010 and 2011, approximately 29% and 30% (respectively) of municipal assets were financed through debt.

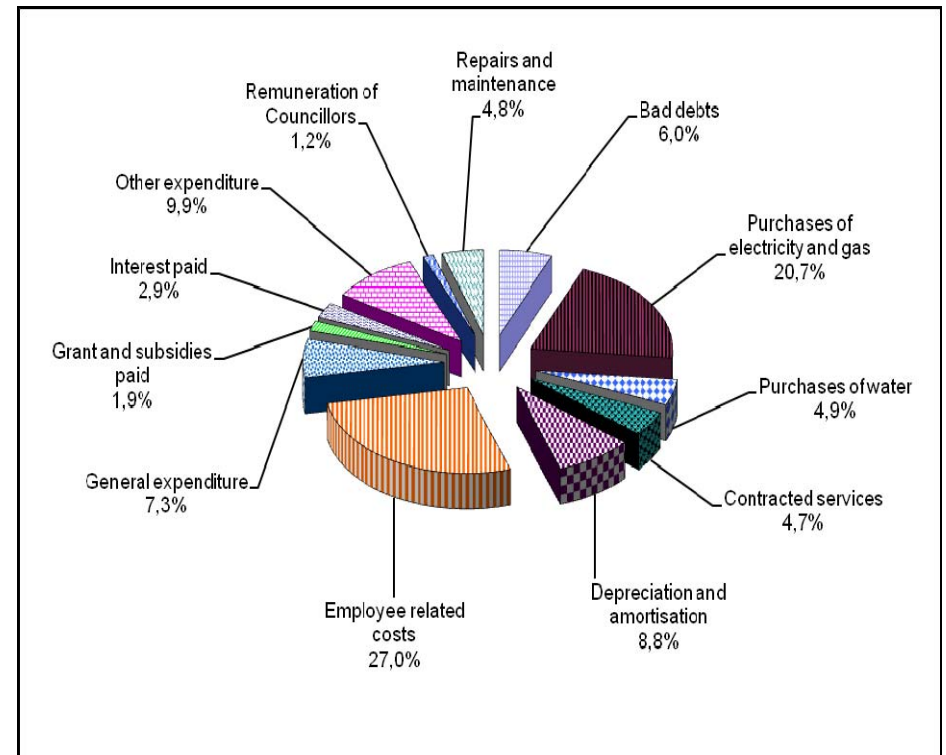
Figure C: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2010*



*Revised

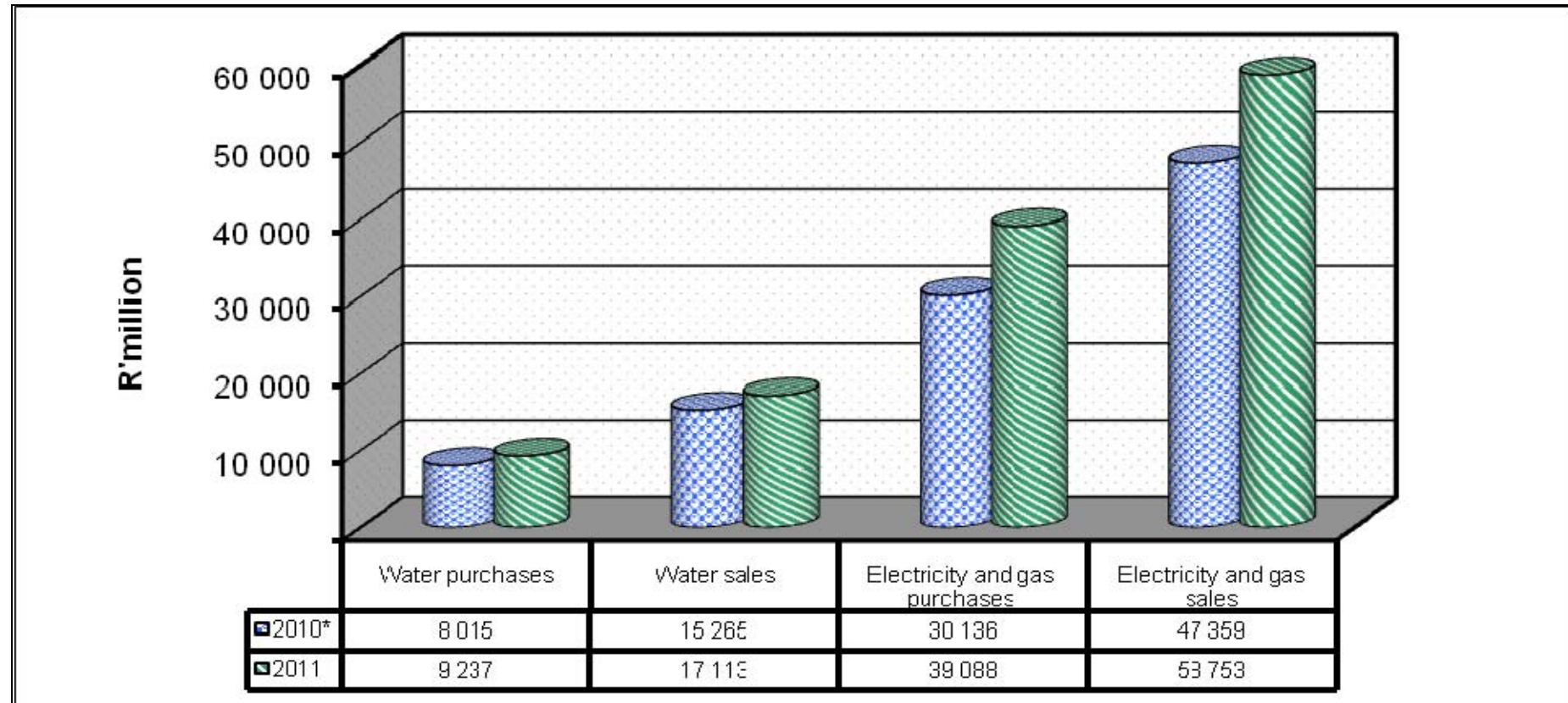
As depicted above, in 2010 the largest contributor to the municipal total operating expenditure was 'Employee-related costs' (27,0%), followed by 'Purchases of electricity and gas' (18,0%), 'Other expenditure' (10,5%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'Depreciation and amortisation' (8,6%), 'General expenses' (7,5%), 'Bad debts' (6,8%), 'Repairs and maintenance' (5,6%), 'Contracted services' (5,0%), 'Purchases of water' (4,8%), 'Interest paid' (3,0%), 'Grants and subsidies paid by municipalities' (2,0%), and 'Remuneration of councillors' (1,3%).

Figure D: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2011



As depicted above, in 2011 the largest contributor to the municipal total operating expenditure was 'Employee-related costs' (27,0%), followed by 'Purchases of electricity and gas' (20,7%), 'Other expenditure' (9,9%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'Depreciation and amortisation' (8,8%), 'General expenditure' (7,3%), 'Bad debts' (6,0%), 'Purchases of water' (4,9%), 'Repairs and maintenance' (4,8%), 'Contracted services' (4,7%), 'Interest paid' (2,9%), 'Grants and subsidies paid by municipalities' (1,9%), and 'Remuneration of councillors' (1,2%).

Figure E: Purchases and sales of water, electricity and gas for the years ended 30 June 2010 and 30 June 2011



*Revised

Purchases and sales of water, electricity and gas by municipalities increased from 2010 to 2011. Water purchases increased from R8 015 million in 2010 to R9 237 million in 2011 (15,2%), while water sales reflected an increase from R15 265 million to R17 113 million (12,1%) over the same period. Electricity and gas purchases increased from R30 136 million in 2010 to R39 088 million in 2011 (29,7%), while electricity and gas sales reflected an increase from R47 359 million in 2010 to R53 753 million in 2011 (13,3%).

PJ Lehohla
 Statistician-General

Part 1: Consolidated statement of financial position of municipalities as at 30 June 2010* and 30 June 2011

	2010*(a)	2011(b)	Difference ¹
	R'000	R'000	R'000
Net assets and liabilities			
Net assets			
Housing development fund	1 614 988	1 543 699	-71 289
Capital replacement reserve	3 438 468	3 807 879	369 411
Capitalisation reserve	4 648 719	4 325 981	-322 738
Government grant reserve	20 799 124	21 706 117	906 993
Donations and public contributions reserve	3 015 832	3 235 007	219 175
Self-insurance reserve	1 709 152	1 611 893	-97 259
Revaluation reserve	7 411 696	9 252 651	1 840 955
COID* reserve	315 283	363 205	47 922
Other reserves	8 062 027	8 305 013	242 986
Retained surplus/(accumulated deficit)	240 179 873	252 619 903	12 440 030
Outside shareholders' interest	151 561	152 398	837
Non-current liabilities			
Marketable loan stock and bonds			
Domestic loan stock held by:			
Other local government institutions	87 907	95 399	7 492
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other (includes public/private companies, individuals, etc.)	4 601 451	4 310 420	-291 031
Bonds held by:			
Other local government institutions	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other (includes public/private companies, individuals, etc.)	6 656 109	9 100 244	2 444 135
Long-term loans received from:			
National government	0	5 596	5 596
Provincial government	0	0	0
Local government institutions	4 919	4 660	-259
Development Bank of Southern Africa (DBSA)	14 671 739	15 097 321	425 582
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	4 381	3 549	-832
Banks	9 519 233	11 452 995	1 933 762
Insurers	0	0	0
Pension funds	0	0	0
Private companies	393 756	371 949	-21 807
Other domestic sources (Including INCA)	4 724 633	5 904 589	1 179 956
Long-term leases	682 997	565 512	-117 485
Non-current provisions	16 445 182	18 555 133	2 109 951

¹Difference (b-a)

²COID – Compensation Commissioner for Occupational Injuries and Diseases

³INCA – Infrastructure Finance Corporation Ltd

*Revised

Part 1: Consolidated statement of financial position of municipalities as at 30 June 2010* and 30 June 2011 (continued)

Net assets and liabilities	2010*(a)	2011(b)	Difference ¹
	R'000	R'000	R'000
Current liabilities			
Short-term loans and deposits from:			
Local government institutions	0	0	0
Development Bank of Southern Africa (DBSA)	1 945 883	2 030 895	85 012
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Banks	1 206 839	898 640	-308 199
Insurers	0	0	0
Pension funds	0	0	0
Private companies	30 133	41 609	11 476
Other domestic sources (including INCA)	1 318 540	1 274 776	-43 764
Unspent conditional grants	8 809 128	9 542 327	733 199
Current provisions	2 531 665	2 966 667	435 002
Short-term leases	321 364	383 666	62 302
VAT payable	1 717 045	2 199 376	482 331
Bank overdraft	1 015 490	1 249 721	234 231
Creditors:			
Trade creditors	18 398 420	19 402 713	1 004 293
Consumer deposits	3 200 277	3 615 390	415 113
Income received in advance	4 109 854	4 545 275	435 421
Other creditors	11 800 695	13 229 284	1 428 589
Liabilities not reflected elsewhere	2 876 761	3 306 456	429 695
Total net assets and liabilities	408 421 124	437 077 908	28 656 784

¹Difference (b-a)

³INCA – Infrastructure Finance Corporation Ltd

⁴VAT – Value added tax

*Revised

Part 1: Consolidated statement of financial position of municipalities as at 30 June 2010* and 30 June 2011 (continued)

Assets	2010*(a)	2011(b)	Difference ¹
	R'000	R'000	R'000
Non-current assets			
Property, plant, and equipment (PPE) (net carrying value)	327 015 816	346 556 894	19 541 078
Investment property	10 596 528	11 342 264	745 736
Intangible assets	2 153 661	2 171 269	17 608
Biological (cultivated) assets	79 814	86 715	6 901
Investments in marketable securities:			
Municipal stock/shares	3 033	3 033	0
Other marketable stock/shares:			
Government stock	42 826	48 472	5 646
Treasury bills	0	0	0
Other local government institutions	14 594	14 594	0
Public financial corporations stock	102	102	0
Public non-financial corporations stock	0	0	0
Other companies	108 079	175 314	67 235
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	1 400 309	1 760 164	359 855
Long-term loans, deposits, and investments			
Long-term receivables:			
Car loans	1 967	1 020	-947
Housing selling scheme loans	339 451	285 386	-54 065
Sewerage connection loans	1 502	2 052	550
Electricity appliance purchase scheme	0	0	0
Other	603 573	512 941	-90 632
Long-term loans to:			
Other local government institutions	5 078	1 499	-3 579
Public financial corporations	0	0	0
Public non-financial corporations	0	300	300
Individuals	0	0	0
Other companies/institutions	0	0	0
Long-term deposits and investments with:			
Banks	3 357 657	3 413 843	56 186
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other	988 269	953 254	-35 015
Current assets			
Inventory	4 092 356	4 520 235	427 879

¹Difference (b-a)

*Revised

Part 1: Consolidated statement of financial position of municipalities as at 30 June 2010* and 30 June 2011 (concluded)

Assets	2010*(a)	2011(b)	Difference ¹
	R'000	R'000	R'000
Short-term loans, deposits and investments			
Short-term loans to:			
Other local government institutions	1 743	16 885	15 142
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Individuals	194 394	149 358	-45 036
Other companies/institutions	4 471	5 006	535
Short-term deposits and investments with:			
Banks	16 492 156	17 030 068	537 912
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other	529 537	2 446 321	1 916 784
Debtors:			
Consumer debtors	20 361 572	24 284 399	3 922 827
Other debtors	9 780 809	9 812 169	31 360
VAT receivable	2 306 069	2 044 957	-261 112
Pre-paid expenses	122 963	54 924	-68 039
Petty cash and bank	7 242 114	9 163 914	1 921 800
Assets not reflected elsewhere	580 681	220 556	-360 125
Total assets	408 421 124	437 077 908	28 656 784

¹Difference (b-a)

⁴ VAT – Value added tax

⁶Includes suspense accounts and assets not separately listed on the questionnaire

*Revised

Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2010 and 30 June 2011: Expenditure

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference ¹
	2010*	2011	2010*	2011	2010*(a)	2011(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Employee-related costs	26 073 765	29 565 562	19 152 126	21 502 243	45 225 891	51 067 805	5 841 914
Remuneration of board of directors/councillors	2 132 330	2 212 181	0	0	2 132 330	2 212 181	79 851
Interest paid	2 352 836	2 271 977	2 704 443	3 211 481	5 057 279	5 483 458	426 179
Loss on disposal of property, plant and equipment	101 819	62 152	25 891	33 109	127 710	95 261	-32 449
Bad debts	5 011 309	5 158 341	6 394 142	6 184 493	11 405 451	11 342 834	-62 617
Contracted services	3 904 049	3 552 709	4 457 160	5 297 517	8 361 209	8 850 226	489 017
Collection costs	503 692	567 966	87 582	163 403	591 274	731 369	140 095
Depreciation and amortisation	5 702 244	6 952 172	8 665 876	9 702 328	14 368 120	16 654 500	2 286 380
Impairment loss	380 088	548 730	116 565	36 220	496 653	584 950	88 297
Repairs and maintenance	2 289 203	2 483 099	7 069 659	6 561 246	9 358 862	9 044 345	-314 517
Bulk purchases of electricity and gas	0	0	30 135 969	39 088 369	30 135 969	39 088 369	8 952 400
Bulk purchases of water	0	0	8 015 241	9 236 892	8 015 241	9 236 892	1 221 651
Grants and subsidies paid to:							
Other local government institutions	623 143	524 182	56 951	116 051	680 094	640 233	-39 861
Tertiary institutions of higher learning	17 392	32 701	0	0	17 392	32 701	15 309
Households or individuals	507 412	420 808	173 904	296 683	681 316	717 491	36 175
Non-profit institutions serving households	148 090	113 496	0	8 632	148 090	122 128	-25 962
Other	1 124 056	1 496 864	723 439	594 663	1 847 495	2 091 527	244 032
General expenditure:							
Accommodation, travelling and subsistence	342 598	395 996	49 971	72 038	392 569	468 034	75 465
Advertising, promotions and marketing	274 275	233 443	127 360	125 873	401 635	359 316	-42 319
Audit fees	445 440	533 979	48 955	54 131	494 395	588 110	93 715
Bank charges	180 200	197 449	24 095	34 552	204 295	232 001	27 706
Cleaning services	128 140	103 912	54 683	57 292	182 823	161 204	-21 619
Consultancy and professional fees	800 586	731 276	414 844	526 901	1 215 430	1 258 177	42 747
Entertainment costs	84 429	75 632	18 424	19 030	102 853	94 662	-8 191
Fuel and oil	376 962	398 958	508 519	580 887	885 481	979 845	94 364
Hiring of plant and equipment	221 543	174 621	407 541	376 823	629 084	551 444	-77 640
Insurance costs	638 126	615 429	171 901	218 086	810 027	833 515	23 488
Pharmaceutical	65 213	86 946	8 818	7 950	74 031	94 896	20 865

*Revised

¹Difference (b-a)

Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2010 and 30 June 2011: Expenditure (concluded)

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference ¹
	2010*	2011	2010*	2011	2010*(a)	2011(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Postal and courier services	172 882	175 068	27 419	30 115	200 301	205 183	4 882
Printing and stationery	353 442	382 217	78 850	79 288	432 292	461 505	29 213
Rebates for property rates	1 643 052	2 453 544	0	0	1 643 052	2 453 544	810 492
Rebates for service charges	0	0	581 118	542 723	581 118	542 723	-38 395
Rental of land, buildings and other structures	372 363	414 243	191 042	215 104	563 405	629 347	65 942
Rental of office equipment	371 268	392 167	40 437	31 256	411 705	423 423	11 718
Security services	685 775	827 059	528 133	512 847	1 213 908	1 339 906	125 998
Subscriptions and membership fees	162 684	176 706	16 992	78 632	179 676	255 338	75 662
Telecommunication services	714 096	733 083	201 361	208 368	915 457	941 451	25 994
Training and education	244 924	312 826	128 723	109 978	373 647	422 804	49 157
Transport costs	311 440	302 381	372 702	284 836	684 142	587 217	-96 925
Other expenditure	6 988 285	7 346 271	8 969 140	9 609 465	15 957 425	16 955 736	998 311
Taxation	0	0	356 326	277 687	356 326	277 687	-78 639
Surplus	32 999 845	33 981 793	13 282 693	16 598 440	46 282 538	50 580 233	4 297 695
Total expenditure	99 448 996	107 007 939	114 388 995	132 685 632	213 837 991	239 693 571	25 855 580

*Revised

¹Difference (b-a)

Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2010 and 30 June 2011: Income

	Total rates and general services		Total housing and trading services		Grand total		Difference ¹
	2010*	2011	2010*	2011	2010*(a)	2011(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Income							
Property rates from:							
Residential	12 219 382	12 972 945	0	0	12 219 382	12 972 945	753 563
Commercial or business	10 235 715	12 491 970	0	0	10 235 715	12 491 970	2 256 255
State	727 028	913 051	0	0	727 028	913 051	186 023
Other (includes agricultural, municipal, etc.)	3 849 931	4 747 309	0	0	3 849 931	4 747 309	897 378
Property rates – penalties imposed and collection charges	508 822	417 107	0	0	508 822	417 107	-91 715
Service charges:							
Sales of electricity and gas	0	0	47 359 106	58 752 683	47 359 106	58 752 683	11 393 577
Sales of water	0	0	15 265 362	17 112 712	15 265 362	17 112 712	1 847 350
Refuse removal charges	0	0	4 722 696	5 318 267	4 722 696	5 318 267	595 571
Sewerage and sanitation charges	0	0	6 002 827	7 446 660	6 002 827	7 446 660	1 443 833
Interest earned from:							
External investments	2 100 330	1 717 580	513 278	504 232	2 613 608	2 221 812	-391 796
Outstanding debtors	1 506 122	1 566 705	739 716	664 926	2 245 838	2 231 631	-14 207
Dividends received	52 565	77 097	53 336	54 294	105 901	131 391	25 490
Fines	996 371	1 100 441	28 569	16 417	1 024 940	1 116 858	91 918
Licences and permits	388 551	415 233	167 569	209 999	556 120	625 232	69 112
Income for agency services	643 261	682 196	206 645	215 249	849 906	897 445	47 539
Rental of facilities and equipment	537 329	567 798	848 122	903 861	1 385 451	1 471 659	86 208
Bad debts recovered	11 804	62 352	0	0	11 804	62 352	50 548
Public contributions and donations (including PPE)	317 553	385 674	346 220	414 394	663 773	800 068	136 295
Gains on the disposal of property, plant and equipment	186 946	93 054	166 606	69 258	353 552	162 312	-191 240
Subsidies from:							
National government	3 262 284	1 038 252	577 219	252 105	3 839 503	1 290 357	-2 549 146
Provincial government	1 346 556	1 027 905	114 474	177 937	1 461 030	1 205 842	-255 188
Local government	68 722	54 921	15 005	23 243	83 727	78 164	-5 563
Other	1 376 452	868 627	1 603 156	1 429 804	2 979 608	2 298 431	-681 177

*Revised

¹Difference (b-a)

Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2010 and 30 June 2011: Income (concluded)

Income	Total rates and general services		Total housing and trading services		Grand total		Difference ¹
	2010*	2011	2010*	2011	2010*(a)	2011(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Grants (including the equitable share) from:							
National government	25 263 148	28 118 922	13 236 804	14 797 325	38 499 952	42 916 247	4 416 295
Provincial government	2 934 747	2 675 429	1 112 674	743 833	4 047 421	3 419 262	-628 159
Local government	206 537	149 490	45 680	54 809	252 217	204 299	-47 918
Other	1 707 495	1 801 143	2 160 233	1 703 986	3 867 728	3 505 129	-362 599
Spent conditional grants	1 290 999	974 207	2 705 723	3 120 674	3 996 722	4 094 881	98 159
Other income	5 181 880	5 655 522	4 432 075	4 296 126	9 613 955	9 951 648	337 693
Deficit	22 528 466	26 433 009	11 965 900	14 402 838	34 494 366	40 835 847	6 341 481
Total income	99 448 996	107 007 939	114 388 995	132 685 632	213 837 991	239 693 571	25 855 580

*Revised

¹Difference (b-a)

Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Expenditure

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	8 914 839	9 865 750	2 077 999	2 522 273	2 969 157	3 292 147	2 642 201	2 838 456	2 083 957	2 396 805
Remuneration of board of directors/councillors	2 132 330	2 212 181	0	0	0	0	0	0	0	0
Interest paid	2 132 204	1 925 490	4 961	43 117	54 006	70 184	88 205	122 660	11 521	13 102
Loss on disposal of property, plant and equipment	92 222	58 452	54	86	5 833	944	2 433	1 524	660	556
Bad debts	3 763 594	4 206 867	15 215	20 058	125 540	127 913	212 824	83 304	268 262	262 220
Contracted services	1 923 336	2 009 209	83 702	65 268	355 141	280 869	153 222	181 980	180 720	91 290
Collection costs	437 030	502 373	0	0	3 444	3 900	256	0	3 790	12 452
Depreciation and amortisation	3 184 491	4 438 969	98 189	124 261	421 612	462 381	454 732	526 418	638 992	514 690
Impairment loss	337 635	516 929	371	158	2 940	10	9 791	93	17 661	19 187
Repairs and maintenance	1 107 343	1 237 130	37 209	37 805	324 197	295 853	278 055	319 413	161 152	176 765
Grants and subsidies paid to:										
Other local government institutions	392 342	247 842	682	596	30 227	21 153	272	350	183 721	238 547
Tertiary institutions of higher learning	11 090	20 295	0	0	1 779	1 582	4 522	6 283	0	0
Households or individuals	252 528	147 191	45 663	25 432	56 483	124 369	72 520	58 881	41 128	53 794
Non-profit institutions serving households	32 907	42 246	3 832	4 075	0	0	63 480	56 064	45 337	8 942
Other	979 579	1 327 250	14 440	7 539	13 384	7 835	31 701	27 543	58 996	116 548
General expenditure:										
Accommodation, travelling and subsistence	263 743	296 655	4 479	4 776	7 169	8 506	14 260	18 779	24 733	38 559
Advertising, promotions and marketing	172 979	140 144	8 806	8 439	15 732	12 513	7 713	11 128	48 369	44 389
Audit fees	422 834	510 388	2 117	1 503	54	708	2 589	2 290	4 396	6 518
Bank charges	168 390	189 030	13	6	715	422	1 721	46	500	796
Cleaning services	80 406	57 832	4 212	5 010	10 202	8 980	14 243	15 069	6 121	2 294
Consultancy and professional fees	594 661	506 388	2 808	12 595	14 712	15 373	47 741	39 842	107 148	124 168

*Revised

Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Expenditure (continued)

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	65 742	58 181	1 568	1 535	2 091	2 557	4 658	2 467	3 421	2 880
Fuel and oil	221 513	237 734	9 435	4 496	47 400	53 088	18 197	18 622	10 859	10 520
Hiring of plant and equipment	68 105	53 479	994	1 264	94 895	70 627	8 096	9 234	14 599	7 313
Insurance costs	462 167	458 221	27 008	18 565	39 979	45 433	34 829	29 250	10 221	9 676
Pharmaceutical	3 700	8 505	59 879	77 980	176	262	510	103	12	9
Postal and courier services	120 847	129 524	232	551	25 783	25 652	4 598	878	956	889
Printing and stationery	218 699	257 397	14 507	15 977	36 028	27 731	26 258	22 736	18 577	17 285
Rebates for property rates	1 036 353	1 769 984	192 095	214 236	409 338	449 819	5 196	15 085	53	2 152
Rebates for service charges	0	0	0	0	0	0	0	0	0	0
Rental of land, buildings and other structures	274 269	312 094	1 408	1 045	30 177	30 731	21 479	22 565	24 705	24 845
Rental of office equipment	333 381	316 859	2 977	2 538	11 651	8 047	8 517	23 390	4 888	4 198
Security services	236 712	311 099	18 717	33 097	116 609	132 853	64 479	50 911	11 589	43 767
Subscriptions and membership fees	141 529	155 633	1 799	560	3 826	1 383	2 664	1 351	1 831	2 108
Telecommunication services	454 511	483 266	88 012	86 663	18 075	17 567	49 078	50 851	29 353	25 489
Training and education	177 205	229 824	6 962	18 254	5 540	9 533	13 691	11 701	10 358	9 861
Transport costs	225 139	211 365	17 376	19 058	16 284	11 756	12 191	9 205	11 222	17 102
Other expenditure	4 077 699	3 915 835	235 795	165 398	413 460	465 886	466 230	877 871	862 112	689 554
Taxation	0	0	0	0	0	0	0	0	0	0
Surplus	30 182 659	33 141 351	126 849	86 729	226 866	64 437	126 601	100 536	1 993 651	418 820
Total expenditure	65 696 713	72 508 962	3 210 365	3 630 943	5 910 505	6 153 004	4 969 753	5 556 879	6 895 571	5 408 090

*Revised

Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Expenditure (continued)

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	3 942 246	4 822 753	1 553 260	1 685 821	1 064 273	1 204 458	825 833	937 099
Remuneration of board of directors/councillors	0	0	0	0	0	0	0	0
Interest paid	13 043	50 254	6 432	7 507	3 240	4 688	39 224	34 975
Loss on disposal of property, plant and equipment	24	329	254	132	196	118	143	11
Bad debts	283 620	253 416	30 057	12 482	91 109	56 376	221 088	135 705
Contracted services	695 491	494 532	220 264	222 754	195 685	124 586	96 488	82 221
Collection costs	59 137	49 170	0	0	6	71	29	0
Depreciation and amortisation	165 725	179 370	83 276	76 337	163 107	243 883	492 120	385 863
Impairment loss	4 714	5 596	61	9	6 908	5 674	7	1 074
Repairs and maintenance	114 825	104 558	32 640	30 091	39 423	108 493	194 359	172 991
Grants and subsidies paid to:								
Other local government institutions	0	0	2 580	168	13 319	15 481	0	45
Tertiary institutions of higher learning	1	4 541	0	0	0	0	0	0
Households or individuals	5 228	99	0	0	0	0	33 862	11 042
Non-profit institutions serving households	2 534	1 057	0	0	0	0	0	1 112
Other	1 863	2 790	3 248	1 066	2 260	128	18 585	6 165
General expenditure:								
Accommodation, travelling and subsistence	8 744	8 628	2 645	1 580	2 941	2 463	13 884	16 050
Advertising, promotions and marketing	1 602	999	682	366	1 106	645	17 286	14 820
Audit fees	85	24	23	0	486	812	12 856	11 736
Bank charges	8 605	7 027	0	0	95	0	161	122
Cleaning services	5 740	6 854	839	2 060	2 136	2 470	4 241	3 343
Consultancy and professional fees	3 603	7 679	99	235	915	1 421	28 899	23 575

*Revised

Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Expenditure (concluded)

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	1 054	853	1 104	915	544	454	4 247	5 790
Fuel and oil	34 536	42 381	11 796	11 796	9 909	6 122	13 317	14 199
Hiring of plant and equipment	16 528	17 771	2 468	2 082	11 803	11 567	4 055	1 284
Insurance costs	5 729	8 674	5 277	5 354	9 082	2 273	43 834	37 983
Pharmaceutical	179	7	61	29	8	51	688	0
Postal and courier services	6 256	6 081	267	341	408	947	13 535	10 205
Printing and stationery	23 189	24 874	2 842	3 189	8 290	7 517	5 052	5 511
Rebates for property rates	17	2 268	0	0	0	0	0	0
Rebates for service charges	0	0	0	0	0	0	0	0
Rental of land, buildings and other structures	9 827	12 016	3 967	4 689	4 793	5 198	1 738	1 060
Rental of office equipment	3 127	2 886	639	1 211	1 579	1 449	4 509	31 589
Security services	164 440	199 944	3 060	3 206	44 116	35 036	26 053	17 146
Subscriptions and membership fees	3 183	2 919	898	385	39	26	6 915	12 341
Telecommunication services	36 438	32 941	12 443	7 189	5 273	6 671	20 913	22 446
Training and education	11 758	14 921	7 254	7 424	8 887	8 287	3 269	3 021
Transport costs	13 909	14 338	4 401	10 680	3 750	4 017	7 168	4 860
Other expenditure	209 500	540 104	101 922	96 732	151 327	280 731	470 240	314 160
Taxation	0	0	0	0	0	0	0	0
Surplus	87 268	38 049	7 640	11 181	59 158	6 810	189 153	113 880
Total expenditure	5 943 768	6 960 703	2 102 399	2 207 011	1 906 171	2 148 923	2 813 751	2 433 424

*Revised

Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Income

	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011	2010*	2011
Income	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Property rates from:										
Residential	12 219 382	12 972 945	0	0	0	0	0	0	0	0
Commercial or business	10 235 715	12 491 970	0	0	0	0	0	0	0	0
State	727 028	913 051	0	0	0	0	0	0	0	0
Other (includes agricultural, municipal, etc.)	3 849 931	4 747 309	0	0	0	0	0	0	0	0
Property rates – penalties imposed and collection charges	508 822	417 107	0	0	0	0	0	0	0	0
Interest earned from:										
External investments	1 840 593	1 465 159	1	0	154 609	158 144	3 510	3 921	76 994	63 976
Outstanding debtors	1 480 110	1 552 209	111	98	117	1 002	21 670	3 943	2 561	805
Dividends received	52 565	77 097	0	0	0	0	0	0	0	0
Fines	79 600	78 594	153	2 439	799	1 446	101 526	101 460	2 717	8 603
Licences and permits	126 660	97 377	3 134	1 406	944	951	16 850	22 547	5 199	5 091
Income for agency services	141 243	139 909	32 151	30 967	926	651	1 458	3 238	9 920	35 605
Rental of facilities and equipment	264 235	264 882	1 715	3 518	99 132	130 485	89 463	98 875	72 733	42 996
Bad debts recovered	9 683	59 933	0	0	0	0	2 106	2 419	15	0
Public contributions and donations (including PPE)	114 506	262 715	1 986	458	44 477	15 834	74 106	41 154	68 318	48 923
Gains on the disposal of property, plant and equipment	117 745	78 467	189	66	2 549	4 064	41 504	5 064	24 511	4 365

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Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Income (continued)

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Subsidies from:										
National government	2 772 461	928 676	22 533	9 052	89 023	7 766	110 267	10 967	259 211	58 963
Provincial government	401 822	133 775	793 792	754 537	20 310	15 111	98 923	97 551	22 567	17 870
Local government	61 932	46 817	2 292	1 944	0	0	2 360	2 363	1 596	3 072
Other	1 185 177	625 241	5 394	2 643	16 438	17 108	16 919	73 007	120 826	134 739
Grants (including the equitable share) from:										
National government	20 102 142	24 550 549	305 099	246 435	1 279 085	825 924	552 761	629 355	2 155 073	1 146 428
Provincial government	2 313 758	2 241 960	127 177	118 498	5 453	5 399	57 872	54 426	386 894	231 962
Local government	149 655	85 356	12 447	13 931	0	8	3 992	3 035	37 326	47 153
Other	751 981	1 170 680	49 422	36 767	152 024	86 895	275 392	261 065	329 040	121 747
Spent conditional grants	975 414	712 201	9 369	409	38 742	20 775	38 149	28 433	95 604	106 284
Other income	3 392 656	4 422 446	68 816	103 377	171 039	252 335	218 931	227 171	649 717	199 762
Deficit	1 821 897	1 972 537	1 774 584	2 304 398	3 834 838	4 609 106	3 241 994	3 886 885	2 574 749	3 129 746
Total income	65 696 713	72 508 962	3 210 365	3 630 943	5 910 505	6 153 004	4 969 753	5 556 879	6 895 571	5 408 090

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Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Income (continued)

	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
Income	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Property rates from:								
Residential	0	0	0	0	0	0	0	0
Commercial or business	0	0	0	0	0	0	0	0
State	0	0	0	0	0	0	0	0
Other (includes agricultural, municipal, etc.)	0	0	0	0	0	0	0	0
Property rates – penalties imposed and collection charges	0	0	0	0	0	0	0	0
Interest earned from:								
External investments	19 991	22 341	0	0	2 745	27	1 887	4 012
Outstanding debtors	1 257	7 674	0	0	74	974	222	0
Dividends received	0	0	0	0	0	0	0	0
Fines	787 013	862 353	133	226	24 201	45 304	229	16
Licences and permits	206 061	255 236	105	212	28 444	24 669	1 154	7 744
Income for agency services	257 704	275 108	485	1 188	194 625	195 530	4 749	0
Rental of facilities and equipment	2 795	1 621	250	6	273	3 877	6 733	21 538
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	9 288	13 649	0	0	4 783	2 941	89	0
Gains on the disposal of property, plant and equipment	0	445	86	491	362	92	0	0

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Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2010 and 30 June 2011: Income (concluded)

	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
Income	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Subsidies from:								
National government	2 233	15 537	2 023	118	4 533	6 587	0	586
Provincial government	20	1 022	9 054	7 541	0	81	68	417
Local government	0	0	0	0	542	635	0	90
Other	2 163	595	12 671	4 476	8 548	9 527	8 316	1 291
Grants (including the equitable share) from:								
National government	231 701	252 564	75 156	57 764	89 372	106 354	472 759	303 549
Provincial government	11 617	13 996	7 579	7 112	20 409	207	3 988	1 869
Local government	0	0	2 582	0	0	0	535	7
Other	5 121	4 252	6 772	525	104 546	100 636	33 197	18 576
Spent conditional grants	160	0	17 319	21 202	9 646	0	106 596	84 903
Other income	212 718	109 064	44 766	41 415	60 988	21 183	362 249	278 769
Deficit	4 193 926	5 125 246	1 923 418	2 064 735	1 352 080	1 630 299	1 810 980	1 710 057
Total income	5 943 768	6 960 703	2 102 399	2 207 011	1 906 171	2 148 923	2 813 751	2 433 424

*Revised

Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Expenditure

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	1 050 840	1 061 922	836 047	987 313	3 300 719	3 414 551	2 003 086	2 250 112
Interest paid	59 246	112 048	17 858	54 979	28 148	59 967	290 449	343 097
Loss on disposal of property, plant and equipment	11 597	1 341	116	92	602	94	851	22 137
Bad debts	409 331	332 832	34 050	98 258	668 229	456 209	522 001	550 544
Contracted services	319 580	611 291	93 448	107 328	1 475 461	1 658 485	297 638	339 382
Collection costs	5 989	2 427	0	0	966	1	1 098	44 992
Depreciation and amortisation	313 552	352 419	127 617	205 308	685 662	586 824	688 626	911 580
Impairment loss	52 090	9 882	35	8	2 218	17 536	10 177	87
Repairs and maintenance	448 012	308 447	141 165	156 686	555 074	554 883	781 687	778 874
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
Grants and subsidies paid to:	0	0	0	0	0	0	0	0
Other local government institutions	0	504	1 488	887	1 835	0	2 602	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	0	3 392	0	0	12 748	14 286	12 407	20 202
Non-profit institutions serving households	0	0	0	0	0	0	0	0
Other	67 445	111 335	14 720	13 109	25 812	22 347	43 291	30 372
General expenditure:	0	0	0	0	0	0	0	0
Accommodation, travelling and subsistence	3 632	3 993	2 813	3 336	7 389	8 673	3 246	4 452
Advertising, promotions and marketing	2 764	3 768	5 967	4 942	13 733	14 805	48 902	46 535
Audit fees	1 021	1 042	1 142	1 232	9 989	10 210	4 132	5 787
Bank charges	64	63	120	145	354	180	8 065	7 953
Cleaning services	6 246	8 532	3 844	4 821	18 322	6 607	4 942	6 126
Consultancy and professional fees	25 056	32 790	18 129	18 466	46 738	46 380	44 894	78 164

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Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Expenditure (continued)

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	1 098	1 192	981	875	360	369	7 593	6 720
Fuel and oil	2 818	2 651	8 552	9 773	125 534	134 465	24 892	29 566
Hiring of plant and equipment	1 611	1 034	1 299	615	217 227	229 711	11 108	12 755
Insurance costs	7 768	8 761	6 984	6 606	6 972	10 856	13 123	7 675
Pharmaceutical	0	2	1	9	118	27	502	759
Postal and courier services	443	397	228	225	1 322	1 247	586	532
Printing and stationery	7 075	7 576	10 131	8 342	4 442	4 345	5 254	2 794
Rebates for property rates	0	0	0	0	0	0	0	0
Rebates for service charges	0	0	0	0	12 766	24 948	9 108	28 095
Rental of land, buildings and other structures	35 429	13 349	1 443	1 877	3 387	8 403	36 240	45 656
Rental of office equipment	1 259	5 327	497	866	12 524	11 412	4 154	1 507
Security services	21 788	22 237	15 942	14 055	59 595	18 840	38 359	37 347
Subscriptions and membership fees	566	245	519	150	517	218	621	407
Telecommunication services	13 321	14 547	9 171	9 536	13 294	13 774	21 203	15 128
Training and education	4 078	4 211	10 021	7 842	7 441	7 734	7 146	3 371
Transport costs	3 643	4 277	2 208	6 561	98 637	47 989	133 666	138 090
Other expenditure	1 624 485	1 348 580	236 305	249 879	701 555	935 864	1 250 688	1 279 479
Taxation	0	0	0	0	0	0	0	0
Surplus	134 767	152 483	49 458	62 536	690 354	1 026 308	2 880 014	3 369 018
Total expenditure	4 636 614	4 544 897	1 652 299	2 036 657	8 810 044	9 348 548	9 212 351	10 419 295

*Revised

Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Expenditure (continued)

Expenditure	Road transport		Water		Electricity		Other trading services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	3 280 857	3 759 847	3 790 529	4 385 848	4 399 204	5 099 350	490 844	543 300
Interest paid	233 365	272 668	815 602	969 959	1 232 858	1 357 244	26 917	41 519
Loss on disposal of property, plant and equipment	5 142	1 027	6 060	7 166	803	595	720	657
Bad debts	110 621	231 551	2 073 683	2 216 892	2 443 092	2 164 105	133 135	134 102
Contracted services	265 898	334 963	1 087 675	1 164 876	874 880	1 051 694	42 580	29 498
Collection costs	0	2 236	2 155	4 838	77 177	108 899	197	10
Depreciation and amortisation	2 717 967	3 047 224	2 056 800	2 187 560	2 003 841	2 278 710	71 811	132 703
Impairment loss	3 781	1 032	18 715	6 539	28 772	341	777	795
Repairs and maintenance	1 493 126	1 474 208	1 532 222	1 251 850	1 962 757	1 933 692	155 616	102 606
Bulk purchases of electricity and gas	0	0	0	0	30 135 969	39 088 369	0	0
Bulk purchases of water	0	0	8 015 241	9 236 892	0	0	0	0
Grants and subsidies paid to:								
Other local government institutions	17 878	17 032	5 686	0	154	0	27 308	97 628
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	0	9 407	35 833	32 198	52 280	134 425	60 636	82 773
Non-profit institutions serving households	0	8 632	0	0	0	0	0	0
Other	107 359	75 247	382 367	271 385	66 235	52 969	16 210	17 899
General expenditure:								
Accommodation, travelling and subsistence	10 588	12 851	10 376	22 448	8 997	10 585	2 930	5 700
Advertising, promotions and marketing	5 239	4 685	25 998	29 758	19 209	13 974	5 548	7 406
Audit fees	3 925	5 643	11 049	9 262	10 783	13 044	6 914	7 911
Bank charges	533	281	522	576	7 501	18 080	6 936	7 274
Cleaning services	8 529	9 581	3 011	9 230	5 847	6 805	3 942	5 590
Consultancy and professional fees	61 069	66 037	37 308	43 449	87 441	150 845	94 209	90 770

*Revised

Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Expenditure (concluded)

Expenditure	Road transport		Water		Electricity		Other trading services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	6 384	6 744	1 048	2 614	772	394	188	122
Fuel and oil	105 434	128 786	73 157	88 412	61 411	69 821	106 721	117 413
Hiring of plant and equipment	124 488	97 969	19 612	19 956	19 294	13 500	12 902	1 283
Insurance costs	34 759	68 473	16 597	17 685	84 729	96 499	969	1 531
Pharmaceutical	0	4	7 474	7 138	229	11	494	0
Postal and courier services	1 717	1 444	3 983	3 726	2 423	2 966	16 717	19 578
Printing and stationery	11 390	11 161	20 417	20 278	16 756	16 325	3 385	8 467
Rebates for property rates	0	0	0	0	0	0	0	0
Rebates for service charges	0	0	199 997	243 673	359 247	246 007	0	0
Rental of land, buildings and other structures	94 311	122 488	7 886	10 754	8 822	9 283	3 524	3 294
Rental of office equipment	7 604	1 381	5 337	3 274	8 662	7 069	400	420
Security services	133 425	146 838	132 852	137 617	100 853	112 572	25 319	23 341
Subscriptions and membership fees	2 135	452	2 023	1 444	2 422	752	8 189	74 964
Telecommunication services	37 368	42 308	31 444	37 400	51 144	48 955	24 416	26 720
Training and education	53 380	62 281	10 610	9 342	10 775	10 332	25 272	4 865
Transport costs	77 729	33 067	30 326	22 593	25 966	31 195	527	1 064
Other expenditure	1 279 805	1 274 565	2 399 781	2 720 669	1 264 733	1 389 256	211 788	411 173
Taxation	0	0	0	0	320 762	260 832	35 564	16 855
Surplus	556 518	606 124	2 550 053	3 529 101	6 307 508	7 688 171	114 021	164 699
Total expenditure	10 852 324	11 938 237	25 423 429	28 726 402	52 064 308	63 487 666	1 737 626	2 183 930

*Revised

Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Income

Income	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Service charges:								
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	4 722 696	5 318 267	0	0
Sewerage and sanitation charges	0	0	0	0	0	0	6 002 827	7 446 660
Interest earned from:								
External investments	72 251	54 792	8 456	9 775	101 330	107 683	3	2 389
Outstanding debtors	13 153	13 249	1 098	25	87 928	78 665	39 611	48 596
Dividends received	0	0	0	0	0	0	0	0
Fines	4 094	1 406	709	938	313	343	126	8
Licences and permits	286	268	1 939	1 328	92	601	605	0
Income for agency services	8 092	909	0	804	101 214	104 635	76	2 118
Rental of facilities and equipment	356 350	387 944	2 813	2 701	14 132	43 292	5 337	2 665
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	28 907	22 195	617	1 129	35	461	35 181	40 264
Gains on the disposal of property, plant and equipment	41 689	9 975	345	221	33 338	12 853	220	152
Subsidies from:								
National government	54 364	3 607	19 090	20 794	10 087	26 069	22 679	15 613
Provincial government	77 281	138 751	217	1 137	804	81	0	0
Local government	0	0	0	0	0	0	0	0
Other	90 167	87 855	2 431	190	439 393	449 160	19 786	11 224
Grants (including the equitable share) from:								
National government	1 005 333	1 005 890	541 632	615 297	843 478	1 199 244	1 232 904	1 527 493
Provincial government	642 559	278 612	6 465	30 763	10 156	338	12 963	7 699
Local government	13 619	20 546	360	604	0	613	14 346	10 627
Other	265 221	301 652	13 844	16 415	304 348	298 983	148 374	126 035
Spent conditional grants	145 303	156 716	2 479	3 510	316 278	303 904	236 619	294 079
Other income	714 282	631 343	75 011	54 017	284 789	273 678	413 767	410 043
Deficit	1 103 663	1 429 187	974 793	1 277 009	1 539 633	1 129 678	1 026 927	473 630
Total income	4 636 614	4 544 897	1 652 299	2 036 657	8 810 044	9 348 548	9 212 351	10 419 295

*Revised

Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2010 and 30 June 2011: Income (concluded)

	Road transport		Water		Electricity		Other trading services	
	2010*	2011	2010*	2011	2010*	2011	2010*	2011
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Income								
Service charges:								
Sales of electricity and gas	0	0	0	0	47 359 106	58 752 683	0	0
Sales of water	0	0	15 265 362	17 112 712	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
Interest earned from:								
External investments	99 947	100 575	11 333	11 801	212 313	197 115	7 645	20 102
Outstanding debtors	0	0	416 247	380 928	174 371	136 828	7 308	6 635
Dividends received	0	0	0	0	53 336	54 294	0	0
Fines	12 051	10 003	1 830	369	9 416	3 344	30	6
Licences and permits	164 634	207 724	0	18	0	45	13	15
Income for agency services	95 093	101 452	1 946	5 329	224	0	0	2
Rental of facilities and equipment	156 541	118 400	3 972	4 150	3 389	3 373	305 588	341 336
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	16 893	39 879	50 014	128 269	193 457	167 973	21 116	14 224
Gains on the disposal of property, plant and equipment	3 403	3 104	23 610	8 929	2 248	3 422	61 753	30 602
Subsidies from:								
National government	85 185	48 859	301 689	43 800	82 795	91 028	1 330	2 335
Provincial government	29 312	37 701	2 416	0	4 444	267	0	0
Local government	0	41	15 005	23 202	0	0	0	0
Other	136 597	69 933	528 776	456 676	368 942	354 766	17 064	0
Grants (including the equitable share) from:								
National government	3 108 117	3 161 604	4 243 621	4 839 303	1 958 248	1 796 314	303 471	652 180
Provincial government	86 440	183 094	122 448	115 735	226 144	111 195	5 499	16 397
Local government	4 408	5 950	8 777	11 361	4 170	2 967	0	2 141
Other	875 763	398 694	361 928	340 390	190 755	221 817	0	0
Spent conditional grants	471 155	174 720	1 205 289	1 843 941	148 824	168 164	179 776	175 640
Other income	807 814	545 351	911 472	1 190 247	746 822	750 086	478 118	441 361
Deficit	4 698 971	6 731 153	1 947 694	2 209 242	325 304	671 985	348 915	480 954
Total income	10 852 324	11 938 237	25 423 429	28 726 402	52 064 308	63 487 666	1 737 626	2 183 930

*Revised

Explanatory notes

Introduction	<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 2011 and revised data for 2010 in respect of:</p> <ul style="list-style-type: none"> • the consolidated statement of financial position of municipalities; • the consolidated statement of financial performance of municipalities – rates and general services; and • the consolidated statement of financial performance of municipalities – housing and trading services. <p>Unit data for each municipality for 2010 and 2011 is available on Stats SA's website.</p>
Scope of census of municipalities	<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>
Classification and accounting standards	<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), Generally Recognised Accounting Practice (GRAP). Questionnaires have been designed to take into account these new accounting standards adopted by municipalities.</p>
Statistical unit	<p>4 The statistical unit for the collection of information was the municipality.</p>
Reliability of estimates	<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>
Related publications	<p>6 Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • P9101 Capital expenditure by the public sector; • P9114 Financial census of municipalities (previous publications); • P0277 Quarterly employment statistics; • P9119.4 Financial statistics of consolidated general government; and • P0441 Gross domestic product.
Comparability with previous census	<p>7 This financial census of municipalities for the year ended 30 June 2011 is generally comparable with that of the year ended 30 June 2010.</p>

Symbols and abbreviations used	8	*	<p>Revised figures (but it must be noted that not all the figures reflected under 2010* changed as some were not revised or restated by municipalities)</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>Stats SA Statistics South Africa</p> <p>COID Compensation for Occupational Injuries and Diseases</p>
Revision of data	9		<p>Information for 2011 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>
Fluctuations between 2010* and 2011	10		<p>The fluctuations in the data between 2010 and 2011 can be due to:</p> <ul style="list-style-type: none"> • Revisions due to late response or revisions from respondents; • Change in the accounting practices and standards adopted by the respondents; • Municipalities acquiring entities; and/or • Differences in response rates – mainly financial statements received for verification purposes between 2010 and 2011 financial years.
Rounding-off of figures	11		<p>Slight discrepancies may occur between sum of the component items and totals where figures have been rounded off.</p>
Preliminary data	12		<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>Kagisano in North West; Mamusa in North West; Nala in Free State; and Renosterberg in Northern Cape.</p>

Glossary

Acid test ratio	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 entity is able to meet its current credit obligations without disposing of its inventory.
Biological (cultivated) assets	Biological or cultivated assets are livestock for breeding (including fish and poultry), dairy, draught, etc and vineyards, orchards and other plantations of trees yielding repeat products that are under the direct control, responsibility and management of municipalities
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 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.
Capitalisation reserve	<p>On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a capitalisation reserve instead of the accumulated surplus/deficit in terms of a directive (budget circular) issued by National Treasury. The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.</p> <p>The balance on the capitalisation reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the capitalisation reserve to the accumulated surplus/deficit. When an item of property, plant and equipment is disposed, the balance in the capitalisation reserve relating to such item is transferred to the accumulated surplus/deficit.</p>
COVID Reserve	This is money set aside for injuries, disablements, diseases and deaths caused by work-related activities. It is usually transferred from accumulated surplus account.
Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Consolidated statement of financial position	The aggregate or consolidated statement of financial position reports the entity'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.
Current assets	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; petty cash and bank.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the entity, 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), the total expenditure on housing and trading services (excluding the surplus).
Current liabilities	Current liabilities consist of external short-term loans and deposits; unspent conditional grants; current provisions; short-term leases; value added tax; bank overdraft; and creditors.

Current ratio	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.
Debt ratio	The proportion of debt the entity has relative to its assets.
Debt to income ratio	The measuring of the percentage of the entity's income that goes towards all debt payments.
Depreciation and amortisation	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.
District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality (refer to the Local Government: Municipal Structures Act (Act No. 117 of 1998)).
Donation and public contribution reserve	<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>
Employee-related costs	<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"> • 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 contributions 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 clothing and allowances (clothing, boots, overalls, etc., supplied to uniformed employees). <p>Note: Allowances to councillors are treated separately for the purpose of this census.</p>
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. 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.

Housing and trading services

Housing includes all activities associated with the provision of housing. Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), road transport (roads, public buses, parking garages, vehicle licensing and testing), water (water distribution, water storage), electricity (electricity distribution, electricity generation, street lighting) and other trading services which include environmental protection like pollution control, biodiversity & landscape and others like coastal protection etc., air transport, abattoirs, tourism, forestry, markets and licensing and regulation like licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and businesses.

Housing development fund

The housing development fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the housing development fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Examples of investment property: [IAS 40.8]

- land held for long-term capital appreciation;
- land held for undetermined future use;
- building leased out under an operating lease;
- vacant building held to be leased out under an operating lease; and
- property that is being constructed or developed for future use as investment property.

Intangible assets

Intangible assets refer to assets that cannot be touched, weighed or physically measured and include:

- mineral exploration rights;
- computer software; and
- patent, copyright, brand names and trademarks.

Local municipality	Local municipality refers to a municipality that shares a municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act (Act No.117 of 1998).
Long-term loans	Long-term loans are loans with an outstanding maturity of more than one year.
Marketable loan stock	Marketable loan stock refers to stocks, debentures and similar debt instruments that are freely negotiable, i.e. securities for which transfer registers are kept and which are usually listed on the stock exchange. Discounts originating with the issue of stocks below par are included in the stock liability.
Metropolitan municipality	Metropolitan municipality means an institution that has 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 A municipality (refer to the Local Government: Municipal Structures Act (Act No. 117 of 1998)).
Money market instruments	Money market instruments include bankers' acceptance, trade bills, and promissory notes, capital project bills, bridging debentures, negotiable certificates of deposits, Land Bank bills, Land Bank and the South African Reserve Bank's debentures.
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipalities as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
Net carrying value	Net carrying value (also known as the book value or carrying value) is the value of an asset according to its balance sheet, which is the original acquisition cost less accumulated depreciation, amortisation or impairment costs made against the asset and disposals if any.
Other expenditure	The following, among other items, are included in 'other expenditure': <ul style="list-style-type: none"> • administration charges/fees; • books and magazines; • conference expenses; • consumables; • industrial council levies; • inter-departmental charges/fees; • legal fees; • licences and trade licences; • materials and stores; • project fees; • protective clothing; and • sundries.
Other Income	The following, among other items, are included in 'Other income': <ul style="list-style-type: none"> • administration charges • commission received • discount received • fees (events applications, burial, admission, photostats, building plans etc • levies i.e. environmental • sundry income.
Property, plant and equipment	Property, plant and equipment are tangible assets which are not easily convertible into cash, and held by entities for their own use and as income generators or for rental to others that the entities anticipate using during more than one period.

Provision	<p>Provision is any amount set aside for the purpose of meeting the following:</p> <ul style="list-style-type: none"> • specific requirements where the amounts thereof can be closely estimated; and • specific commitments and contingencies as at the date of the balance sheet, where the amounts involved cannot be determined with significant accuracy. <p>Provision includes:</p> <ul style="list-style-type: none"> • bad debts; and • leave payouts.
Public corporations	<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>
Rates and general services	<p>Rates and general services include executive and council (all costs for mayoral, council and committee expenses, municipal manager, town secretary and chief executive), finance and administration (finance, human resources, information technology, property services, other administration like security services, legal services, fleet management, asset management, procurement etc.), planning and development (economic planning and development, town planning, corporate-wide strategic planning [IDPs, LEDs etc.], building regulations and enforcement, city engineer), health (clinics, ambulance, other including health inspection), community and social services (libraries and archive, museums and art galleries etc., community halls and facilities, cemeteries and crematoriums, child care, aged care and other community), public safety (police forces and traffic, fire, civil defence and other like disaster management), sport and recreation (community parks [including nurseries], sports grounds and stadiums, swimming pools, beaches, lakes, dams and jetties for recreation, camping sites etc.). These services are not economically self-supporting and are financed by imposing property rates, the receipt of grants and subsidies and other contributions.</p>
Repairs and maintenance	<p>Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the 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 subdivision, and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.</p>
Reserve	<p>Reserve denotes amounts set aside out of surpluses that are not designed to meet any liability, contingency, commitment or diminution in the value of assets known to exist as at the date of the balance sheet.</p>
Revaluation reserve	<p>The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on devalued amounts, are credited or charged to the Statement of Financial Performance.</p>
Self-insurance reserve	<p>The municipality has a self-insurance reserve amount set aside to offset potential losses or claims that cannot be insured externally (adapt to specific circumstances). The balance of the self-insurance reserve is determined based on 5% of the insurance risk carried by the municipality.</p>

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