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# Statistical release

## P9114

# Financial census of municipalities

## for the year ended 30 June 2014

**Embargoed until:**  
**15 June 2015**  
**13:00**

**Enquiries:**

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User Information Services  
+27 12 310 8600

**Forthcoming issue: | Expected release date**

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June 2015

June 2016

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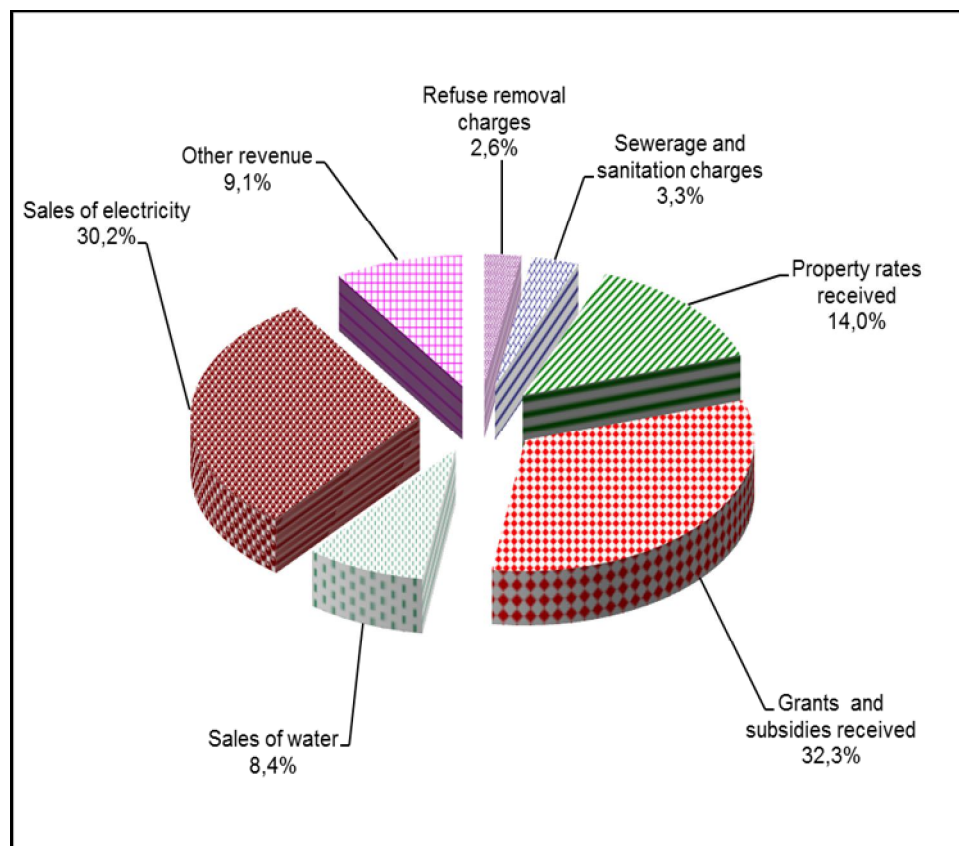
## Technical notes

Response rates for the 2014 financial year per province

Province	Municipalities				Response rate
	Metropolitan municipalities (MMs)	District municipalities (DMs)	Local municipalities (LMs)	Total	
Western Cape	1	5	24	30	100%
Eastern Cape	2	6	37	45	100%
Northern Cape	0	5	27	32	100%
Free State	1	4	19	24	100%
KwaZulu-Natal	1	10	50	61	100%
North West	0	4	19	23	100%
Gauteng	3	2	7	12	100%
Mpumalanga	0	3	18	21	100%
Limpopo	0	5	25	30	100%
<b>Total</b>	<b>8</b>	<b>44</b>	<b>226</b>	<b>278</b>	<b>100%</b>

### Key findings

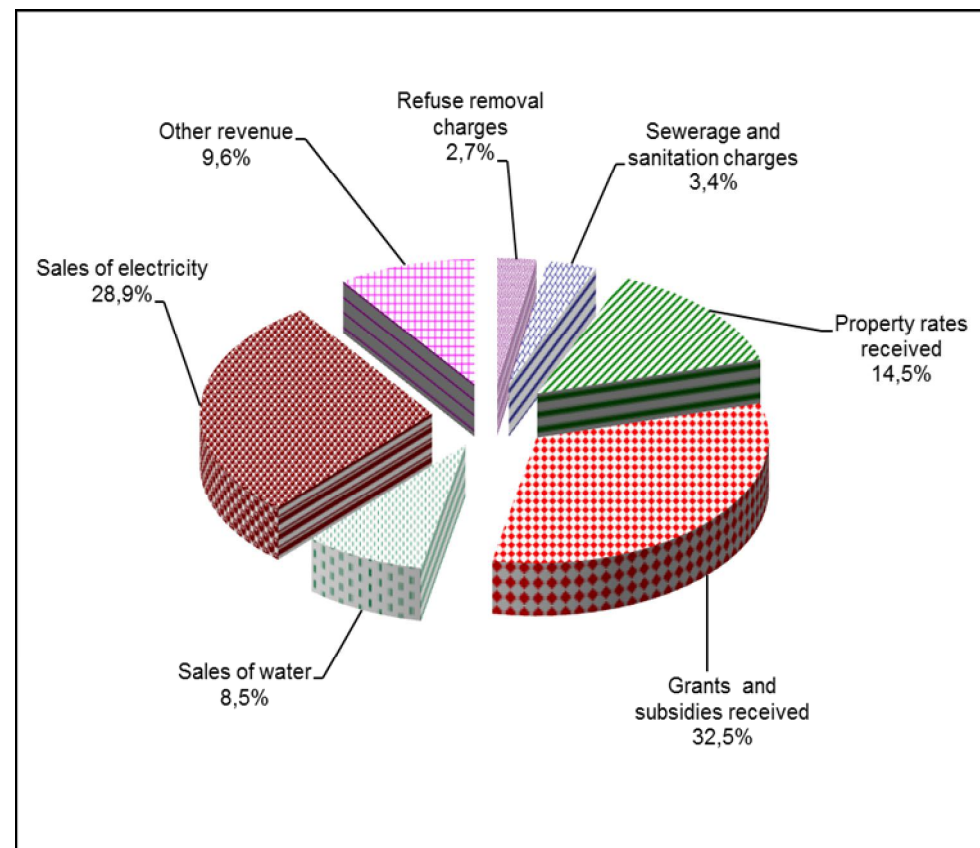
**Figure A: Municipal revenue stream as a percentage of total revenue for the year ended 30 June 2013\***



\*Some figures have been revised.

The graph above shows that the largest contributor to municipal revenue for the year ended 30 June 2013 was 'grants and subsidies received' (32,3%), followed by 'sales of electricity' (30,2%), 'property rates received' (14,0%), 'other revenue' (9,1%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'sales of water' (8,4%), '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 2014**



The graph above shows that the largest contributor to municipal revenue for the year ended 30 June 2014 was 'grants and subsidies received' (32,5%), followed by 'sales of electricity' (28,9%), 'property rates received' (14,5%), 'other revenue' (9,6%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'sales of water' (8,5%), 'sewerage and sanitation charges' (3,4%), and 'refuse removal charges' (2,7%).

**Table 1: Acid test ratio**

Year	Acid test ratio of municipalities for the financial years ended 30 June 2013 and 30 June 2014		
	Current assets minus inventory	Current liabilities	Acid test ratio
	R million	R million	
2013*	94 450	81 135	1,2:1
2014	100 035	87 187	1,1:1

\*Some figures have been revised.

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 2013 and 30 June 2014, municipalities had an acid test ratio of 1,2:1 and 1,1:1 respectively.

**Table 2: Current ratio**

Year	Current ratio of municipalities for the financial years ended 30 June 2013 and 30 June 2014		
	Current assets	Current liabilities	Current ratio
	R million	R million	
2013*	100 762	81 135	1,2:1
2014	106 758	87 187	1,2:1

\*Some figures have been revised.

Table 2 above reflects the current ratio (*also called the working capital ratio*). The ratio measures the extent to which current assets provide cover to meet current liabilities. For both the financial years ended 30 June 2013 and 30 June 2014, municipalities had a current ratio of 1,2:1.

**Table 3: Debt-to-income ratio**

Year	Debt-to-income ratio of municipalities for the financial years ended 30 June 2013 and 30 June 2014		
	Total liabilities	Total revenue	Debt to income ratio
	R million	R million	
2013*	162 539	258 551	0,6:1
2014	175 125	284 521	0,6:1

\*Some figures have been revised.

The debt to income ratio provides a simple measure of the total liabilities of municipalities compared with their total revenue. This ratio is important in the risk management process of an entity. As can be seen from Table 3 above, municipalities had a ratio of 0,6:1 for both the financial years ended 30 June 2013 and 30 June 2014.

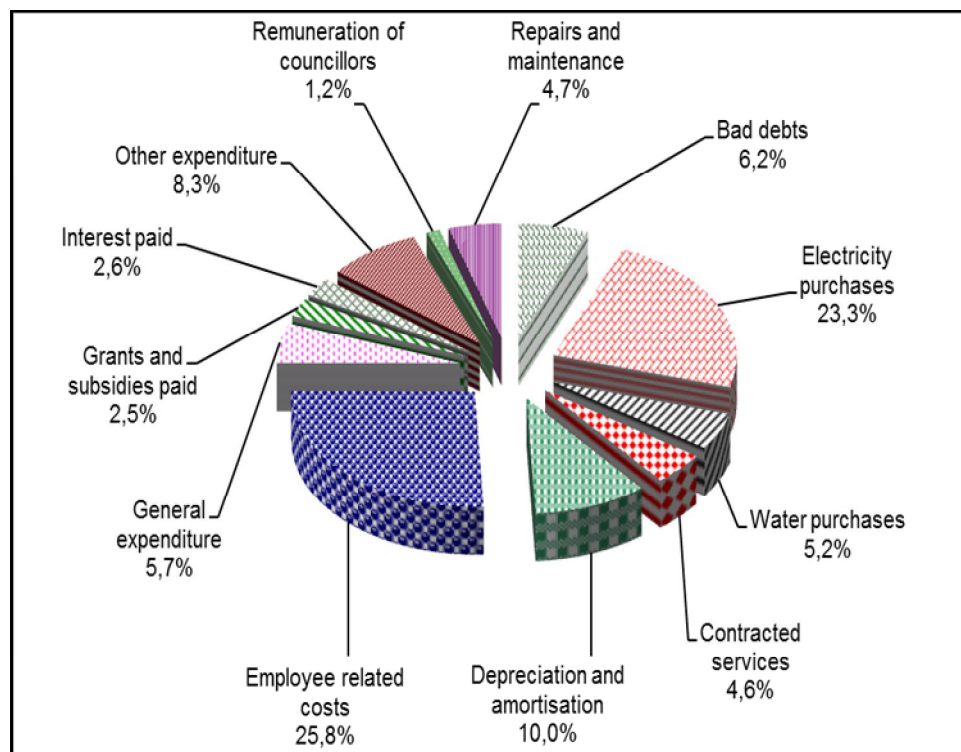
**Table 4: Debt ratio**

Year	Debt ratio of municipalities for the financial years ended 30 June 2013 and 30 June 2014		
	Total liabilities	Total assets	Debt ratio
	R million	R million	
2013*	162 539	597 595	0,27:1
2014	175 125	630 493	0,28:1

\*Some figures have been revised.

The debt ratio indicates the proportion of debt municipalities have relative to their assets and provides an indication 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 the 2013 financial year, approximately 27% of municipal assets were financed through debt; and approximately 28% for the 2014 financial year.

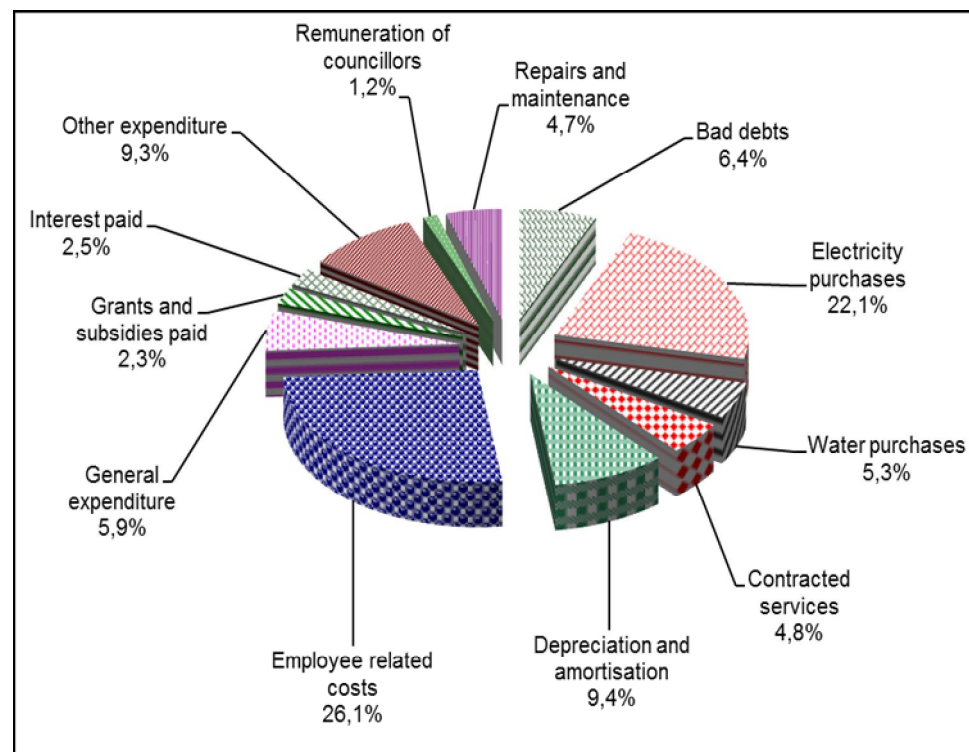
**Figure C: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2013\***



\*Some figures have been revised.

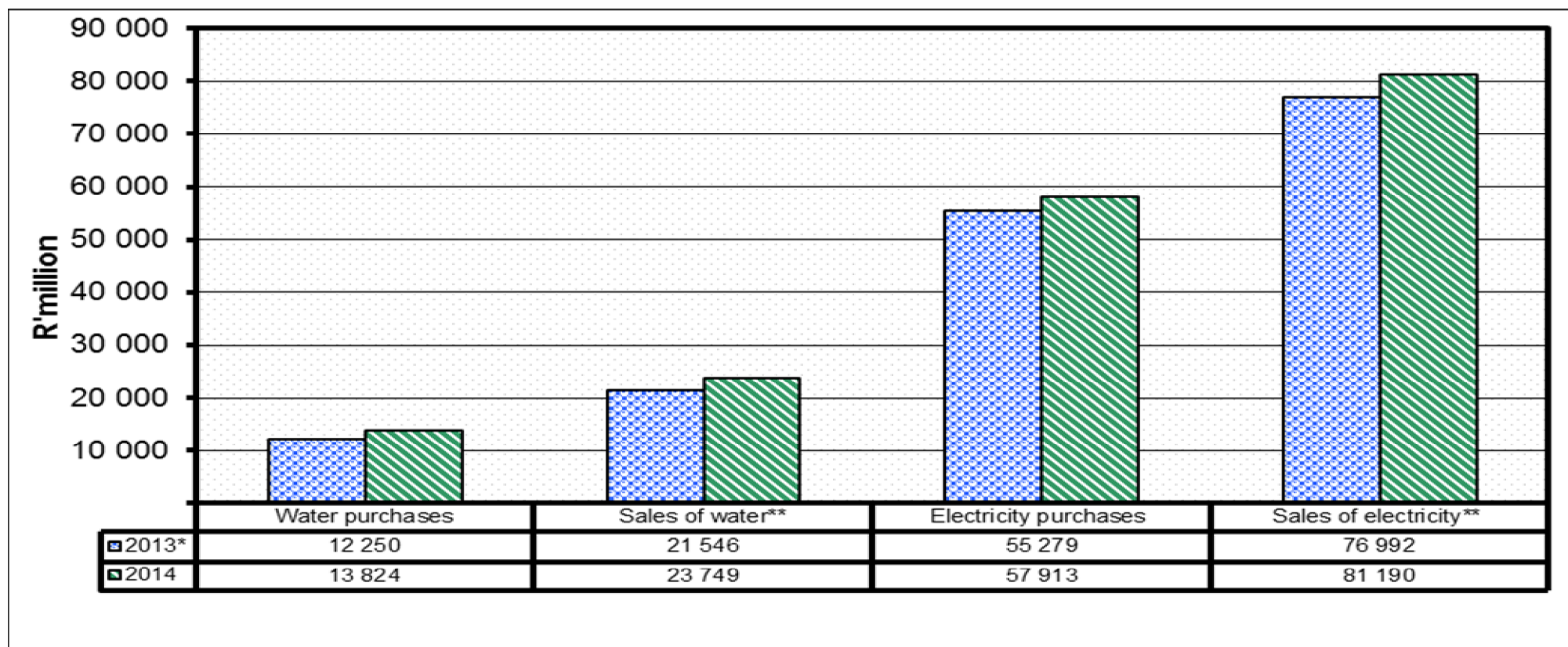
As depicted above, in 2013 the largest contributor to municipal total operating expenditure was 'employee-related costs' (25,8%), followed by 'electricity purchases' (23,3%), 'depreciation and amortisation' (10,0%), 'other expenditure' (8,3%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'bad debts' (6,2%), 'general expenditure' (5,7%) (which consists of accommodation, travel and subsistence costs, audit fees, bank charges, consultancy and professional fees, fuel and oil, hiring of equipment, insurance costs, subscriptions and membership fees, telecommunication costs, etc.), 'water purchases' (5,2%), 'repairs and maintenance' (4,7%), 'contracted services' (4,6%), 'interest paid' (2,6%), 'grants and subsidies paid' (2,5%), and 'remuneration of councillors' (1,2%).

**Figure D: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2014**



As depicted above, in 2014 the largest contributor to municipal total operating expenditure was 'employee-related costs' (26,1%), followed by 'electricity purchases' (22,1%), 'depreciation and amortisation' (9,4%), 'other expenditure' (9,3%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'bad debts' (6,4%), 'general expenditure' (5,9%) (which consists of accommodation, travel and subsistence costs, audit fees, bank charges, consultancy and professional fees, fuel and oil, hiring of equipment, insurance costs, subscriptions and membership fees, telecommunication costs, etc.), 'water purchases' (5,3%), 'contracted services' (4,8%), 'repairs and maintenance' (4,7%), 'interest paid' (2,5%), 'grants and subsidies paid' (2,3%), and 'remuneration of councillors' (1,2%).

**Figure E: Purchases and sales of water and electricity for the financial years ended 30 June 2013 and 30 June 2014**



\*Some figures have been revised.

\*\*Sales of water and electricity are net of rebates (income forgone) for these services

Purchases of water increased from R12 250 million in 2013 to R13 824 million in 2014 (12,8%), while sales of water reflected an increase from R21 546 million to R23 749 million (10,2%) over the same period. Purchases of electricity increased from R55 279 million in 2013 to R57 913 million in 2014 (4,8%), while sales of electricity reflected an increase from R76 992 million in 2013 to R81 190 million in 2014 (5,5%).

**PJ Lehohla**  
**Statistician-General**

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2013\* and 30 June 2014**

	2013*(a)	2014(b)	Difference <sup>1</sup>
	R'000	R'000	R'000
<b>Net assets and liabilities</b>			
<b>Net assets</b>			
Housing development fund	1 456 995	1 313 522	-143 473
Capital replacement reserve	1 993 888	1 990 280	-3 608
Capitalisation reserve	1 659 728	1 693 732	34 004
Government grant reserve	1 940 184	2 400 364	460 180
Donations and public contributions reserve	103 809	135 631	31 822
Self-insurance reserve	671 911	715 212	43 301
Revaluation reserve	10 704 358	11 274 149	569 791
COID <sup>2</sup> reserve	250 374	176 665	-73 709
Other reserves	3 060 027	2 973 368	-86 659
Retained surplus/(accumulated deficit)	413 037 296	432 423 058	19 385 762
Outside shareholders' interest	177 889	272 602	94 713
<b>Non-current liabilities</b>			
<b>Marketable loan stock and bonds</b>			
<b>Domestic loan stock held by:</b>			
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.)	265 587	233 082	-32 505
<b>Bonds held by:</b>			
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.)	16 086 000	18 329 000	2 243 000
<b>Long-term loans from:</b>			
National government	0	0	0
Provincial government	0	0	0
Local government institutions	0	0	0
Development Bank of Southern Africa (DBSA)	14 642 451	16 979 154	2 336 703
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Banks	14 054 860	12 933 859	-1 121 001
Insurers	0	0	0
Pension funds	0	0	0
Other domestic sources (including INCA <sup>3</sup> )	6 342 349	5 897 926	-444 423
Long-term leases	834 783	926 595	91 812
Non-current provisions	10 881 882	13 132 086	2 250 204
Retirement benefit obligations	17 018 975	17 828 505	809 530

<sup>1</sup>Difference (b-a).

<sup>2</sup>COID . Compensation Commissioner for Occupational Injuries and Diseases.

<sup>3</sup>INCA . Infrastructure Finance Corporation Ltd.

\*Some figures have been revised.



**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2013\* and 30 June 2014 (continued)**

Net assets and liabilities	2013*(a)	2014(b)	Difference <sup>1</sup>
	R'000	R'000	R'000
<b>Current liabilities</b>			
<b>Short-term loans from:</b>			
National government	0	0	0
Provincial government	0	0	0
Local government institutions	0	0	0
Development Bank of Southern Africa (DBSA)	1 064 016	1 077 793	13 777
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Banks	4 761 205	3 545 078	-1 216 127
Insurers	0	0	0
Pension funds	0	0	0
Other domestic sources (including INCA <sup>3</sup> )	564 557	794 408	229 851
Short-term leases	405 226	438 207	32 981
Current provisions	3 330 103	2 869 910	-460 193
Retirement benefit obligations	1 017 923	1 075 088	57 165
Unspent conditional grants	11 432 877	10 429 246	-1 003 631
VAT <sup>4</sup> payable	2 769 792	2 867 656	97 864
Bank overdraft	1 204 540	1 471 604	267 064
<b>Creditors:</b>			
Trade creditors	25 714 886	29 617 134	3 902 248
Consumer deposits	4 671 841	5 057 885	386 044
Income received in advance	3 884 550	4 385 024	500 474
Other creditors	20 313 250	23 558 302	3 245 052
Liabilities not reflected elsewhere <sup>5</sup>	1 277 037	1 677 266	400 229
<b>Total net assets and liabilities</b>	<b>597 595 149</b>	<b>630 493 391</b>	<b>32 898 242</b>

<sup>1</sup>Difference (b-a).

<sup>3</sup>INCA . Infrastructure Finance Corporation Ltd.

<sup>4</sup>VAT . Value added tax.

<sup>5</sup>Includes suspense accounts and liabilities not separately listed on the questionnaire.

\*Some figures have been revised.

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2013\* and 30 June 2014 (continued)**

	2013*(a)	2014(b)	Difference <sup>1</sup>
	R'000	R'000	R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (PPE) (net carrying value)	464 416 299	490 478 609	26 062 310
Investment property	20 520 404	21 091 007	570 603
Intangible assets	3 150 309	3 176 635	26 326
Biological (cultivated) assets	181 462	229 656	48 194
<b>Investments in marketable securities:</b>			
Municipal stock/shares	711	711	0
<b>Other marketable stock/shares:</b>			
Government stock	60 746	69 820	9 074
Treasury bills	0	0	0
Other local government institutions stock	980 441	516 038	-464 403
Public financial corporations stock	0	0	0
Public non-financial corporations stock	0	0	0
Companies shares	14 714	71 437	56 723
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	795 034	101 994	-693 040
<b>Long-term receivables, loans, deposits, and investments</b>			
<b>Long-term receivables:</b>			
Car loans	0	0	0
Housing selling scheme loans	173 167	171 720	-1 447
Sewerage connection loans	0	0	0
Electricity appliance purchase scheme	4 003	3 119	-884
Other (including local government institutions)	1 752 868	536 087	-1 216 781
<b>Long-term loans to:</b>			
Other local government institutions	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other companies/institutions	916	836	-80
<b>Long-term deposits and investments with:</b>			
Banks	944 662	965 852	21 190
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other	3 512 237	6 079 432	2 567 195
<b>Current assets</b>			
Inventory	6 311 671	6 722 995	411 324

<sup>1</sup>Difference (b-a).

\*Some figures have been revised.

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2013\* and 30 June 2014 (concluded)**

<b>Assets</b>	<b>2013*(a)</b>	<b>2014(b)</b>	<b>Difference<sup>1</sup></b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Short-term loans, deposits and investments</b>			
<b>Short-term loans to:</b>			
Other local government institutions	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other companies/institutions	1 022	979	-43
<b>Short-term deposits and investments with:</b>			
Banks	30 472 836	29 359 177	-1 113 659
Public financial corporations	0	0	0
Public non-financial corporations	0	0	0
Other	2 860 458	2 614 291	-246 167
<b>Debtors:</b>			
Consumer debtors	28 294 013	31 860 523	3 566 510
Other debtors (including short-term portion of long-term receivables)	12 388 597	14 173 045	1 784 448
VAT <sup>4</sup> receivable	2 120 835	2 840 860	720 025
Pre-paid expenses	109 145	486 520	377 375
Petty cash and bank	18 203 483	18 699 539	496 056
Assets not reflected elsewhere <sup>6</sup>	325 116	242 509	-82 607
<b>Total assets</b>	<b>597 595 149</b>	<b>630 493 391</b>	<b>32 898 242</b>

<sup>1</sup>Difference (b-a).

<sup>4</sup> VAT . Value added tax.

<sup>6</sup>Includes suspense accounts and assets not separately listed on the questionnaire.

\*Some figures have been revised.

**Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2013 and 30 June 2014: Expenditure**

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2013*	2014	2013*	2014	2013*(a)	2014(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Employee-related costs	32 782 973	37 732 530	28 450 748	30 626 670	61 233 721	68 359 200	7 125 479
Remuneration of board of directors/councillors	2 838 086	3 088 455	0	0	2 838 086	3 088 455	250 369
Interest paid	2 285 896	2 611 008	3 998 793	3 962 826	6 284 689	6 573 834	289 145
Loss on disposal of property, plant and equipment	493 482	1 270 506	382 466	270 810	875 948	1 541 316	665 368
Bad debts	5 478 247	7 705 628	9 161 115	9 118 613	14 639 362	16 824 241	2 184 879
Contracted services	4 261 544	5 624 174	6 632 035	6 890 489	10 893 579	12 514 663	1 621 084
Collection costs	497 852	402 228	261 590	272 265	759 442	674 493	-84 949
Depreciation and amortisation	11 101 132	10 721 657	12 686 903	13 916 595	23 788 035	24 638 252	850 217
Impairment loss (PPE)	381 557	473 968	195 367	655 043	576 924	1 129 011	552 087
Repairs and maintenance	2 851 261	3 214 016	8 271 967	9 088 326	11 123 228	12 302 342	1 179 114
<b>Bulk purchases:</b>							
Purchases of water	0	0	12 250 374	13 823 518	12 250 374	13 823 518	1 573 144
Purchases of electricity	0	0	55 278 853	57 913 129	55 278 853	57 913 129	2 634 276
Other (e.g. sewer purification etc.)	0	0	80 009	85 425	80 009	85 425	5 416
<b>Grants and subsidies paid to:</b>							
Other local government institutions	495 470	476 220	54 504	193 852	549 974	670 072	120 098
Tertiary institutions of higher learning	13 955	20 521	0	0	13 955	20 521	6 566
Households or individuals	1 186 922	906 016	1 028 464	1 496 897	2 215 386	2 402 913	187 527
Non-profit institutions serving households	267 526	385 772	129 377	159 744	396 903	545 516	148 613
Other	2 138 271	1 707 203	684 206	771 354	2 822 477	2 478 557	-343 920
<b>General expenditure:</b>							
Accommodation, travelling and subsistence	554 295	693 104	97 454	90 529	651 749	783 633	131 884
Advertising, promotions and marketing	365 206	461 816	222 824	292 207	588 030	754 023	165 993
Audit fees	707 512	802 951	71 265	53 638	778 777	856 589	77 812
Bank charges	252 494	268 370	39 136	35 981	291 630	304 351	12 721
Cleaning services	160 940	185 010	81 888	112 530	242 828	297 540	54 712
Consultancy and professional fees	1 130 608	1 161 347	497 416	526 215	1 628 024	1 687 562	59 538
Entertainment costs	116 902	128 645	23 897	19 843	140 799	148 488	7 689
Fuel and oil	573 385	629 255	896 665	1 048 205	1 470 050	1 677 460	207 410

<sup>1</sup>Difference (b-a).

\*Some figures have been revised.

**Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2013 and 30 June 2014: Expenditure (concluded)**

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2013*	2014	2013*	2014	2013*(a)	2014(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Hiring of plant and equipment	279 064	761 462	476 525	331 281	755 589	1 092 743	337 154
Insurance costs	631 899	696 103	176 599	196 243	808 498	892 346	83 848
Pharmaceutical	94 775	97 760	33 495	14 641	128 270	112 401	-15 869
Postal and courier services	210 962	440 823	23 138	30 308	234 100	471 131	237 031
Printing and stationery	520 164	584 870	113 819	163 551	633 983	748 421	114 438
Rebates for property rates	2 619 013	2 822 487	0	0	2 619 013	2 822 487	203 474
Rebates for service charges	0	0	754 075	847 145	754 075	847 145	93 070
Rental of land, buildings and other structures	378 251	565 760	285 703	296 383	663 954	862 143	198 189
Rental of office equipment	371 869	425 792	47 489	53 473	419 358	479 265	59 907
Security services	871 669	940 324	349 075	415 823	1 220 744	1 356 147	135 403
Subscriptions and membership fees	292 592	364 939	33 573	27 865	326 165	392 804	66 639
Telecommunication services	809 969	820 141	212 000	218 673	1 021 969	1 038 814	16 845
Training and education	444 208	493 471	227 375	208 337	671 583	701 808	30 225
Transport costs	353 805	328 373	426 825	573 351	780 630	901 724	121 094
Other expenditure	12 544 070	14 063 281	4 684 074	6 540 180	17 228 144	20 603 461	3 375 317
Taxation	0	0	80 488	398 495	80 488	398 495	318 007
Surplus	46 040 298	48 671 064	19 572 005	22 387 428	65 612 303	71 058 492	5 446 189
<b>Total expenditure</b>	<b>137 398 124</b>	<b>152 747 050</b>	<b>168 973 574</b>	<b>184 127 881</b>	<b>306 371 698</b>	<b>336 874 931</b>	<b>30 503 233</b>

<sup>1</sup>Difference (b-a).

\*Some figures have been revised.

**Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2013 and 30 June 2014: Income**

Income	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2013*	2014	2013*	2014	2013*(a)	2014(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Property rates from:</b>	19 957 862	21 499 239	0	0	19 957 862	21 499 239	1 541 377
Residential	11 342 967	14 136 986	0	0	11 342 967	14 136 986	2 794 019
Commercial or business	1 446 205	1 634 725	0	0	1 446 205	1 634 725	188 520
State	5 416 762	5 755 063	0	0	5 416 762	5 755 063	338 301
Other (includes agricultural, municipal, etc.)	293 423	407 763	0	0	293 423	407 763	114 340
Property rates . penalties imposed and collection charges							
<b>Service charges:</b>	0	0	21 772 705	24 005 091	21 772 705	24 005 091	2 232 386
Sales of water	0	0	77 298 821	81 551 499	77 298 821	81 551 499	4 252 678
Sales of electricity	0	0	6 715 389	7 710 212	6 715 389	7 710 212	994 823
Refuse removal charges	0	0	8 600 845	9 762 553	8 600 845	9 762 553	1 161 708
Sewerage and sanitation charges	0	0	1 085 954	1 280 804	1 085 954	1 280 804	194 850
Other service charges (e.g. fresh produce market etc.)							
<b>Interest earned from:</b>	2 447 026	2 099 116	518 007	899 201	2 965 033	2 998 317	33 284
External investments	1 950 714	2 201 461	1 038 418	1 466 786	2 989 132	3 668 247	679 115
Outstanding debtors	1 402	763	110	118	1 512	881	-631
Dividends received	1 471 929	4 489 982	69 062	50 058	1 540 991	4 540 040	2 999 049
Fines	435 048	446 452	297 593	271 732	732 641	718 184	-14 457
Licences and permits	583 622	576 304	498 312	562 947	1 081 934	1 139 251	57 317
Income for agency services	727 342	618 024	969 853	1 156 208	1 697 195	1 774 232	77 037
Rental of facilities and equipment	346 447	285 799	0	847	346 447	286 646	-59 801
Bad debts recovered	548 947	664 730	360 123	617 711	909 070	1 282 441	373 371
Public contributions and donations (including PPE)	96 956	100 853	52 449	77 031	149 405	177 884	28 479
Gains on the disposal of property, plant and equipment							
<b>Grants and subsidies from:</b>	22 817 767	23 741 762	8 411 443	9 222 272	31 229 210	32 964 034	1 734 824
National government	1 490 519	988 867	434 834	640 581	1 925 353	1 629 448	-295 905
Provincial government	33 237	59 252	32 992	17 802	66 229	77 054	10 825
Local government	818 190	418 595	1 425 617	627 075	2 243 807	1 045 670	-1 198 137
Other	23 139 712	29 265 815	23 922 375	26 202 821	47 062 087	55 468 636	8 406 549
Spent conditional grants	19 957 862	21 499 239	0	0	19 957 862	21 499 239	1 541 377

<sup>1</sup>Difference (b-a).

\*Some figures have been revised.

**Part 2: Consolidated statement of financial performance of municipalities for the years ended 30 June 2013 and 30 June 2014: Income (concluded)**

	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2013*	2014	2013*	2014	2013*(a)	2014(b)	
<b>Income</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Other income	8 150 321	6 882 264	1 530 180	2 124 126	9 680 501	9 006 390	-674 111
Deficit	33 881 726	36 473 235	13 938 492	15 880 406	47 820 218	52 353 641	4 533 423
<b>Total income</b>	<b>137 398 124</b>	<b>152 747 050</b>	<b>168 973 574</b>	<b>184 127 881</b>	<b>306 371 698</b>	<b>336 874 931</b>	<b>30 503 233</b>

<sup>1</sup>Difference (b-a).

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	9 810 924	12 190 162	2 639 231	2 857 469	4 065 704	4 371 941	3 348 384	3 727 316	2 970 176	3 309 710
Remuneration of board of directors/councillors	2 838 086	3 088 455	0	0	0	0	0	0	0	0
Interest paid	1 806 369	2 012 589	63 318	75 527	96 048	99 428	143 528	227 515	34 350	25 699
Loss on disposal of property, plant and equipment	461 686	806 032	1 226	1 135	13 549	3 576	1 427	17 072	12 067	17 541
Bad debts	4 789 539	6 385 198	97 179	80 280	148 331	148 815	126 804	48 410	90 583	114 709
Contracted services	1 793 845	2 387 299	213 348	150 575	367 099	254 475	334 684	496 667	410 277	645 152
Collection costs	405 724	377 166	52 354	0	0	11 497	943	10	76	21
Depreciation and amortisation	7 774 550	7 554 138	120 887	244 587	552 528	618 043	858 269	644 185	784 209	523 168
Impairment loss (PPE)	331 428	263 846	1 439	249	14 388	66 052	6 555	13 671	459	10 068
Repairs and maintenance	1 283 001	1 359 330	31 232	30 427	467 842	513 154	440 492	464 188	112 114	125 924
<b>Grants and subsidies paid to:</b>										
Other local government institutions	115 877	150 404	115	29	0	0	320	538	337 114	301 764
Tertiary institutions of higher learning	13 590	20 521	0	0	0	0	0	0	365	0
Households or individuals	739 183	520 701	16 564	14 390	33 347	34 842	19 247	35 049	135 215	6 539
Non-profit institutions serving households	6 453	110 856	24 732	0	133 597	183 690	75 802	52 997	9 324	2 541
Other	1 568 304	1 334 315	22 165	24 998	10 544	4 285	328 935	67 860	166 513	255 677
<b>General expenditure:</b>										
Accommodation, travelling and subsistence	398 588	480 269	26 241	10 459	8 254	10 855	36 743	39 504	41 454	42 802
Advertising, promotions and marketing	265 646	342 863	8 730	5 447	9 069	14 753	16 381	30 609	45 326	42 352
Audit fees	655 928	748 391	3 526	2 756	769	20 799	4 577	980	8 812	3 341
Bank charges	235 215	243 287	8 594	11 278	1 402	4 904	0	147	729	260
Cleaning services	103 740	119 490	2 830	3 073	9 269	15 919	15 104	15 240	12 896	12 244
Consultancy and professional fees	939 626	1 023 339	14 551	15 765	11 538	10 775	19 300	40 521	89 482	49 500

\*Some figures have been revised.



**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (continued)**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	82 186	90 885	4 333	5 793	8 147	6 821	7 345	8 132	8 935	7 824
Fuel and oil	339 031	382 999	6 636	7 133	79 502	92 135	25 511	26 060	13 845	12 991
Hiring of plant and equipment	152 326	555 066	2 409	2 975	72 462	105 689	14 658	62 210	9 266	9 993
Insurance costs	482 970	559 272	16 775	16 871	69 313	63 976	21 299	11 397	10 776	3 503
Pharmaceutical	456	305	91 938	95 602	1 497	1 218	375	402	5	1
Postal and courier services	159 192	193 084	281	77	31 736	230 348	2 083	1 224	1 388	735
Printing and stationery	273 646	312 951	19 828	16 478	35 449	42 600	78 890	91 160	30 072	29 273
Rebates for property rates	1 655 467	1 814 844	110 674	140 558	490 279	502 100	310 007	256 521	2 536	18 890
Rental of land, buildings and other structures	201 302	351 562	17 641	16 724	18 867	19 107	42 113	61 188	32 432	33 378
Rental of office equipment	220 175	215 387	1 852	1 850	9 020	10 457	54 940	69 152	5 820	3 820
Security services	396 307	344 554	18 643	17 029	135 975	151 529	86 650	93 520	7 098	17 174
Subscriptions and membership fees	273 018	348 875	462	529	2 104	1 499	5 684	3 780	1 436	972
Telecommunication services	623 671	609 140	17 159	13 923	24 883	29 406	39 175	37 336	21 002	21 886
Training and education	293 381	369 903	45 644	6 907	18 233	41 141	39 143	33 568	12 796	10 461
Transport costs	180 194	189 490	1 783	1 801	72 806	64 730	16 157	10 258	33 258	31 493
Other expenditure	9 376 890	9 389 931	197 438	534 110	731 660	619 211	526 000	876 442	641 214	951 389
Taxation	0	0	0	0	0	0	0	0	0	0
Surplus	44 151 663	46 415 400	24 810	2 795	41 016	35 865	538 612	138 042	749 151	1 346 514
<b>Total expenditure</b>	<b>95 199 177</b>	<b>103 662 299</b>	<b>3 926 568</b>	<b>4 409 599</b>	<b>7 786 227</b>	<b>8 405 635</b>	<b>7 586 137</b>	<b>7 702 871</b>	<b>6 842 571</b>	<b>7 989 309</b>

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (continued)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	5 689 337	6 281 531	2 037 977	2 421 640	1 154 510	1 257 813	1 066 730	1 314 948
Remuneration of board of directors/councillors	0	0	0	0	0	0	0	0
Interest paid	34 352	42 415	11 374	9 262	22 953	20 689	73 604	97 884
Loss on disposal of property, plant and equipment	3 252	2 462	16	730	42	372	217	421 586
Bad debts	62 489	435 278	8 042	3 646	14 991	104 014	140 289	385 278
Contracted services	488 049	784 333	433 900	447 758	133 812	330 488	86 530	127 427
Collection costs	33 167	1 289	1 053	0	0	0	4 535	12 245
Depreciation and amortisation	307 689	272 857	111 243	85 210	176 445	368 692	415 312	410 777
Impairment loss (PPE)	18 561	96 614	1 757	6 457	38	11 185	6 932	5 826
Repairs and maintenance	190 033	215 924	39 727	65 342	100 506	90 212	186 314	349 515
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	0	13 619	6 146	23 636	17 339	4 789	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	118 313	191 181	15 568	8 254	101 656	85 316	7 829	9 744
Non-profit institutions serving households	2 060	6 043	0	0	0	0	15 558	29 645
Other	13 713	509	666	1 772	10 277	11 956	17 154	5 831
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	18 467	76 296	6 955	7 954	7 798	8 234	9 795	16 731
Advertising, promotions and marketing	2 382	1 886	531	454	3 287	4 019	13 854	19 433
Audit fees	27 080	16 969	10	86	185	251	6 625	9 378
Bank charges	6 281	8 314	28	98	71	82	174	0
Cleaning services	7 831	4 421	1 735	483	3 570	4 086	3 965	10 054
Consultancy and professional fees	23 292	2 972	1 361	975	2 152	2 079	29 306	15 421

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (concluded)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	1 351	1 909	166	156	1 240	1 620	3 199	5 505
Fuel and oil	72 605	49 865	19 852	21 916	5 769	5 345	10 634	30 811
Hiring of plant and equipment	20 007	17 812	2 601	2 259	2 979	3 511	2 356	1 947
Insurance costs	13 072	9 517	6 417	4 061	4 113	792	7 164	26 714
Pharmaceutical	5	9	469	10	30	29	0	184
Postal and courier services	8 013	7 400	100	54	3 009	898	5 160	7 003
Printing and stationery	50 489	71 562	4 131	4 208	8 383	10 307	19 276	6 331
Rebates for property rates	45 714	89 574	1	0	0	0	4 335	0
Rental of land, buildings and other structures	46 242	53 123	7 999	15 121	2 813	2 662	8 842	12 895
Rental of office equipment	25 692	55 343	34 625	53 503	4 085	409	15 660	15 871
Security services	139 818	211 180	19 737	10 482	59 354	74 065	8 087	20 791
Subscriptions and membership fees	2 222	4 767	1 897	2 289	3 372	1 736	2 397	492
Telecommunication services	28 124	33 220	9 084	13 084	6 492	7 394	40 379	54 752
Training and education	14 763	17 402	7 678	6 144	8 512	5 637	4 058	2 308
Transport costs	15 083	7 275	19 587	7 633	2 864	1 478	12 073	14 215
Other expenditure	378 445	818 264	120 473	124 060	263 950	184 464	308 000	565 410
Taxation	0	0	0	0	0	0	0	0
Surplus	148 188	162 640	13 492	39 801	11 267	53 803	362 099	476 204
<b>Total expenditure</b>	<b>8 056 181</b>	<b>10 052 156</b>	<b>2 953 871</b>	<b>3 371 048</b>	<b>2 144 161</b>	<b>2 670 977</b>	<b>2 903 231</b>	<b>4 483 156</b>

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Income**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	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>										
Residential	19 957 862	21 499 239	0	0	0	0	0	0	0	0
Commercial or business	11 342 967	14 136 986	0	0	0	0	0	0	0	0
State	1 446 205	1 634 725	0	0	0	0	0	0	0	0
Other (includes agricultural, municipal, etc.)	5 416 762	5 755 063	0	0	0	0	0	0	0	0
Property rates . penalties imposed and collection charges	293 423	407 763	0	0	0	0	0	0	0	0
<b>Interest earned from:</b>										
External investments	2 032 334	1 734 868	1 913	80 463	255 098	184 738	13 957	18 387	128 496	48 449
Outstanding debtors	1 901 845	2 134 762	727	6 640	63	259	27 705	4 312	15 297	29 104
Dividends received	1 374	763	0	0	0	0	0	0	0	0
Fines	307 831	805 494	51	89	2 860	3 427	80 921	94 640	2 701	14 813
Licences and permits	69 162	95 887	2 177	2 231	1 947	2 108	14 750	45 129	8 913	19 032
Income for agency services	247 717	254 210	13 664	381	1 607	14 407	13 264	11 671	5 761	0
Rental of facilities and equipment	274 663	268 925	3 286	4 854	251 355	187 418	115 373	96 328	56 011	45 989
Bad debts recovered	346 447	242 879	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	386 598	492 488	2 118	12 182	6 365	16 886	27 751	14 695	61 079	102 368
Gains on the disposal of property, plant and equipment	65 429	59 438	29	54	22 638	25 510	106	4 665	7 119	10 855

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Income (continued)**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Grants and subsidies from:</b>										
National government	18 855 518	20 552 127	159 101	196 408	277 056	306 660	837 411	388 682	1 421 219	1 219 794
Provincial government	930 945	418 627	422 012	469 588	11 024	9 530	40 430	39 679	60 363	46 429
Local government	25 712	34 674	4 860	0	0	842	0	1 012	783	16 449
Other	604 315	108 341	73 658	53 330	16 548	19 654	68 916	40 136	46 052	177 356
Spent conditional grants	18 346 998	23 597 501	733 101	677 856	1 046 401	1 584 773	878 934	784 981	1 078 253	1 356 844
Other income	7 168 337	5 665 420	63 995	117 887	98 671	78 566	111 933	247 363	470 789	263 355
Deficit	5 176 733	3 762 119	2 445 876	2 787 636	5 794 594	5 970 857	5 354 686	5 911 191	3 479 735	4 638 472
<b>Total income</b>	<b>95 199 177</b>	<b>103 662 299</b>	<b>3 926 568</b>	<b>4 409 599</b>	<b>7 786 227</b>	<b>8 405 635</b>	<b>7 586 137</b>	<b>7 702 871</b>	<b>6 842 571</b>	<b>7 989 309</b>

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Income (continued)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2013* R'000	2014 R'000	2013* R'000	2014 R'000	2013* R'000	2014 R'000	2013* R'000	2014 R'000
<b>Property rates from:</b>								
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
<b>Interest earned from:</b>								
External investments	12 011	29 566	0	0	17	4	3 200	2 641
Outstanding debtors	3 178	3 382	0	8 627	1 405	1 097	494	13 278
Dividends received	28	0	0	0	0	0	0	0
Fines	1 014 393	3 348 674	90	2 112	63 082	217 431	0	3 302
Licences and permits	302 163	259 354	330	1 668	32 210	21 043	3 396	0
Income for agency services	263 361	224 014	1 527	1 300	7 388	33 512	29 333	36 809
Rental of facilities and equipment	14 061	2 817	418	2 999	1 067	2 763	11 108	5 931
Bad debts recovered	0	0	0	0	0	0	0	42 920
Public contributions and donations (including PPE)	4 065	11 848	1 981	5 973	311	8 290	58 679	0
Gains on the disposal of property, plant and equipment	166	178	312	15	237	138	920	0

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2013 and 30 June 2014:  
Income (concluded)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Grants and subsidies from:</b>								
National government	127 015	52 487	83 592	123 429	14 510	75 379	1 042 345	826 796
Provincial government	3 696	0	15 249	0	835	2 011	5 965	3 003
Local government	0	0	0	6 275	0	0	1 882	0
Other	0	6 681	0	4 457	7 659	7 596	1 042	1 044
Spent conditional grants	319 804	382 080	186 376	125 653	190 555	166 668	359 290	589 459
Other income	137 644	122 209	36 906	115 445	23 199	99 380	38 847	172 639
Deficit	5 854 596	5 608 866	2 627 090	2 973 095	1 801 686	2 035 665	1 346 730	2 785 334
<b>Total income</b>	<b>8 056 181</b>	<b>10 052 156</b>	<b>2 953 871</b>	<b>3 371 048</b>	<b>2 144 161</b>	<b>2 670 977</b>	<b>2 903 231</b>	<b>4 483 156</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	1 401 615	1 784 927	1 117 822	1 208 067	4 546 282	5 072 198	3 094 794	3 165 427
Interest paid	204 459	159 774	29 471	14 141	256 242	270 967	450 775	388 987
Loss on disposal of property, plant and equipment	1 490	5 170	18 612	354	104 715	12 144	844	29 627
Bad debts	356 042	577 728	46 792	11 695	696 785	962 860	1 049 789	846 237
Contracted services	638 182	703 202	119 391	95 427	1 633 691	1 525 553	710 506	861 181
Collection costs	19 372	20 558	3	63	7 650	74 785	61 721	32 562
Depreciation and amortisation	416 686	572 280	167 702	109 409	645 300	738 768	1 167 129	1 621 467
Impairment loss (PPE)	7 727	509 792	458	5	12 115	12 972	9 063	48 017
Repairs and maintenance	213 983	500 076	79 458	68 652	606 772	512 323	854 119	977 292
<b>Bulk purchases:</b>								
Purchases of water	0	0	0	0	0	0	0	0
Purchases of electricity	0	0	0	0	0	0	0	0
Other bulk purchases	0	0	0	0	47	231	79 962	85 194
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	0	626	7 149	0	6 851	0	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	131 676	101 508	1 132	985	122 119	292 773	148 394	371 230
Non-profit institutions serving households	18 454	18 544	12 062	16 025	15 224	35 669	0	5 212
Other	79 747	79 890	11 079	6 212	20 806	12 367	11 659	48 320
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	6 117	7 250	6 787	7 837	9 781	9 475	3 709	4 903
Advertising, promotions and marketing	5 185	6 486	22 675	30 225	43 241	17 298	61 424	45 625
Audit fees	1 147	1 957	1 816	1 700	15 819	4 957	8 024	8 809
Bank charges	99	233	2 398	216	1 200	783	2 588	5 391
Cleaning services	4 003	9 132	6 638	8 726	38 204	47 779	8 965	10 345
Consultancy and professional fees	50 599	51 169	11 399	19 897	43 710	41 681	35 999	23 233

\*Some figures have been revised.



**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (continued)**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	673	1 053	675	281	2 702	1 187	5 944	1 561
Fuel and oil	20 834	75 001	10 547	8 273	197 137	261 316	52 012	53 450
Hiring of plant and equipment	107	3 398	1 359	6 855	211 113	95 234	25 571	16 718
Insurance costs	9 934	8 338	5 971	4 692	7 513	6 169	13 044	4 939
Pharmaceutical	0	2	1 391	5	157	8	1 072	1 715
Postal and courier services	394	418	279	290	1 052	544	453	150
Printing and stationery	10 689	13 733	6 013	11 199	5 232	7 232	8 754	3 916
Rebates for service charges	0	0	0	0	106 752	136 671	109 600	92 626
Rental of land, buildings and other structures	37 283	32 414	3 392	3 305	11 343	17 518	18 574	5 492
Rental of office equipment	1 094	1 492	672	72	15 067	6 104	1 249	10 590
Security services	26 700	42 401	20 611	20 866	4 057	31 387	17 249	5 850
Subscriptions and membership fees	493	475	960	1 109	854	755	10 940	12 879
Telecommunication services	12 563	12 788	4 763	8 783	13 099	11 426	17 781	17 225
Training and education	9 876	4 699	6 830	9 680	10 972	6 688	26 648	17 539
Transport costs	37 190	81 105	5 807	8 936	82 402	73 921	161 044	200 672
Other expenditure	521 442	726 028	143 891	86 422	498 530	670 205	591 662	749 729
Taxation	2 257	0	0	0	0	0	1 118	212 611
Surplus	400 532	795 430	62 639	39 399	1 214 092	1 612 259	4 558 788	5 738 113
<b>Total expenditure</b>	<b>4 648 644</b>	<b>6 908 451</b>	<b>1 932 121</b>	<b>1 816 952</b>	<b>11 201 777</b>	<b>12 591 058</b>	<b>13 380 967</b>	<b>15 724 834</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (continued)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	4 940 760	5 353 652	6 072 384	6 055 047	6 577 537	6 975 818	699 554	1 011 534
Interest paid	525 542	389 169	1 049 269	1 011 272	1 429 130	1 669 652	53 905	58 864
Loss on disposal of property, plant and equipment	70 419	45 543	83 129	117 948	81 055	59 466	22 202	558
Bad debts	280 788	266 763	3 045 149	3 125 307	3 559 872	3 204 150	125 898	123 873
Contracted services	454 414	800 228	1 457 961	1 417 937	1 518 372	1 428 009	99 518	58 952
Collection costs	747	1 203	14 924	16 967	104 716	78 225	52 457	47 902
Depreciation and amortisation	3 479 755	3 767 120	3 573 758	3 766 174	2 905 412	3 118 852	331 161	222 525
Impairment loss (PPE)	62 263	42 018	86 793	23 373	13 980	13 166	2 968	5 700
Repairs and maintenance	1 932 644	2 158 987	2 059 200	2 000 233	2 410 790	2 584 912	115 001	285 851
<b>Bulk purchases:</b>								
Purchases of water	0	0	12 250 374	13 823 518	0	0	0	0
Purchases of electricity	0	0	0	0	55 278 853	57 913 129	0	0
Other bulk purchases	0	0	0	0	0	0	0	0
<b>Grants and subsidies paid to:</b>								
Other local government institutions	2 384	0	51 494	179 852	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	32 182	145 960	252 713	226 076	277 880	272 951	62 368	85 414
Non-profit institutions serving households	13 380	16 235	13 341	0	3 471	542	53 445	67 517
Other	106 532	106 445	326 409	401 715	116 210	95 609	11 764	20 796
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	16 232	20 645	41 097	24 550	10 945	11 787	2 786	4 082
Advertising, promotions and marketing	16 532	70 757	37 588	75 590	17 451	26 235	18 728	19 991
Audit fees	1 110	1 336	21 565	12 034	16 409	16 977	5 375	5 868
Bank charges	695	1 010	2 157	1 355	18 844	17 483	11 155	9 510
Cleaning services	8 992	10 434	4 551	9 704	6 459	8 730	4 076	7 680
Consultancy and professional fees	37 203	57 660	88 093	64 957	141 563	186 382	88 850	81 236

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014:  
Expenditure (concluded)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	4 507	12 836	4 171	575	4 040	1 893	1 185	457
Fuel and oil	199 701	229 903	162 287	162 597	120 300	93 708	133 847	163 957
Hiring of plant and equipment	110 768	86 533	90 226	63 752	35 748	57 295	1 633	1 496
Insurance costs	58 131	44 456	18 440	12 092	60 594	82 472	2 972	33 085
Pharmaceutical	0	524	11 283	11 719	19 579	5	13	663
Postal and courier services	319	6 561	4 290	4 088	2 226	2 655	14 125	15 602
Printing and stationery	33 516	60 904	25 201	29 522	15 649	23 163	8 765	13 882
Rebates for service charges	0	0	226 855	255 774	306 819	361 154	4 049	920
Rental of land, buildings and other structures	112 146	102 637	16 391	29 949	11 536	16 118	75 038	88 950
Rental of office equipment	12 245	10 872	6 884	9 572	9 880	14 325	398	446
Security services	127 859	144 939	67 266	72 600	55 613	65 084	29 720	32 696
Subscriptions and membership fees	5 315	5 617	4 730	3 923	1 849	1 385	8 432	1 722
Telecommunication services	57 694	62 066	37 200	27 310	53 463	55 568	15 437	23 507
Training and education	87 861	99 014	39 623	17 152	40 298	46 200	5 267	7 365
Transport costs	41 865	57 391	44 526	77 003	35 943	50 218	18 048	24 105
Other expenditure	752 509	908 242	1 647 994	2 468 209	486 564	845 804	41 482	85 541
Taxation	25	0	18	0	47 533	125 424	29 537	60 460
Surplus	1 469 683	1 208 347	3 241 145	4 000 416	8 240 334	8 597 701	384 792	395 763
<b>Total expenditure</b>	<b>15 056 718</b>	<b>16 296 007</b>	<b>36 180 479</b>	<b>39 599 862</b>	<b>84 036 917</b>	<b>88 122 247</b>	<b>2 535 951</b>	<b>3 068 470</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014: Income**

Income	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2013* R'000	2014 R'000	2013* R'000	2014 R'000	2013* R'000	2014 R'000	2013* R'000	2014 R'000
<b>Service charges:</b>								
Sales of water	0	0	0	0	0	0	0	0
Sales of electricity	0	0	0	0	0	0	0	0
Refuse removal charges	0	0	0	0	6 715 389	7 710 212	0	0
Sewerage and sanitation charges	0	0	0	0	0	0	8 600 845	9 762 553
Other service charges (e.g. fresh produce market etc.)	0	0	0	0	0	0	0	0
<b>Interest earned from:</b>								
External investments	61 079	72 476	20 588	17 221	129 592	169 949	11 714	88 133
Outstanding debtors	28 257	29 491	785	1 079	86 585	149 072	133 514	184 636
Dividends received	5	8	11	15	3	0	6	7
Fines	1	357	1 202	973	276	359	4 210	29
Licences and permits	375	7 132	4 192	10 859	778	1 532	1 301	6 525
Income for agency services	3 966	4 585	16	4 085	105 668	99 622	0	14 212
Rental of facilities and equipment	498 341	503 447	3 014	3 176	31 686	13 642	5 734	6 380
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	11	2 591	4 729	3 188	3 406	27 654	25 128	86 974
Gains on the disposal of property, plant and equipment	3 213	29 015	3 130	156	8 832	4 554	1 216	5 648
<b>Grants and subsidies from:</b>								
National government	61 796	474 049	125 295	110 383	551 214	827 032	1 212 013	1 329 187
Provincial government	323 829	349 435	825	3 416	3 243	16 339	10 961	66 416
Local government	0	0	0	0	404	0	7 250	0
Other	104 057	79 706	2 810	3 136	332 287	95 752	71 726	42 334
Spent conditional grants	2 588 438	2 533 687	785 659	863 399	2 191 594	2 576 502	2 248 377	3 470 686
Other income	87 801	140 234	47 617	25 305	99 414	202 577	195 725	190 148
Deficit	887 475	2 682 238	932 248	770 561	941 406	696 260	851 247	470 966
<b>Total income</b>	<b>4 648 644</b>	<b>6 908 451</b>	<b>1 932 121</b>	<b>1 816 952</b>	<b>11 201 777</b>	<b>12 591 058</b>	<b>13 380 967</b>	<b>15 724 834</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2013 and 30 June 2014: Income (concluded)**

	Road transport		Water		Electricity		Other trading services	
	2013*	2014	2013*	2014	2013*	2014	2013*	2014
Income	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Service charges:</b>								
Sales of water	0	0	21 772 705	24 005 091	0	0	0	0
Sales of electricity	0	0	0	0	77 298 821	81 551 499	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
Other service charges (e.g. fresh produce market, etc.)	0	0	0	0	0	0	1 085 954	1 280 804
<b>Interest earned from:</b>								
External investments	133 510	344 114	38 726	59 445	117 395	144 263	5 403	3 600
Outstanding debtors	6 476	14 207	451 169	628 360	324 002	447 698	7 630	12 243
Dividends received	74	76	6	9	5	3	0	0
Fines	13 065	28 346	29 529	170	20 778	19 747	1	77
Licences and permits	288 546	242 937	476	824	1 594	1 898	331	25
Income for agency services	369 105	412 150	0	0	0	4 725	19 557	23 568
Rental of facilities and equipment	264 021	407 260	5 912	7 385	2 217	4 151	158 928	210 767
Bad debts recovered	0	0	0	41	0	806	0	0
Public contributions and donations (including PPE)	87 675	213 963	56 410	71 200	130 845	188 201	51 919	23 940
Gains on the disposal of property, plant and equipment	14 695	19 261	17 276	15 192	4 087	3 202	0	3
<b>Grants and subsidies from:</b>								
National government	2 467 541	3 091 836	2 794 981	2 264 657	1 066 731	1 054 705	131 872	70 423
Provincial government	76 124	142 105	9 446	54 175	2 450	4 637	7 956	4 058
Local government	972	1 593	22 415	11 941	1 951	4 261	0	7
Other	47 645	143 296	592 906	64 209	274 186	138 523	0	60 119
Spent conditional grants	5 474 766	5 479 248	6 779 628	7 528 759	3 239 756	3 117 839	614 157	632 701
Other income	290 165	450 447	413 194	436 898	369 849	593 826	26 415	84 691
Deficit	5 522 338	5 305 168	3 195 700	4 451 506	1 182 250	842 263	425 828	661 444
<b>Total income</b>	<b>15 056 718</b>	<b>16 296 007</b>	<b>36 180 479</b>	<b>39 599 862</b>	<b>84 036 917</b>	<b>88 122 247</b>	<b>2 535 951</b>	<b>3 068 470</b>

\*Some figures have been revised.

## Explanatory notes

<b>Introduction</b>	<p><b>1</b> 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 2014 and revised data for 2013 in respect of:</p> <ul style="list-style-type: none"> <li>• the consolidated statement of financial position of municipalities;</li> <li>• the consolidated statement of financial performance of municipalities . rates and general services; and</li> <li>• the consolidated statement of financial performance of municipalities . housing and trading services.</li> </ul> <p>Unit data (for each municipality) for 2013 and 2014 are available on Stats SA's website.</p>
<b>Scope of census of municipalities</b>	<p><b>2</b> All institutions defined as local government institutions in terms of the Municipal Act, 1998 (Act No. 117 of 1998), Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), Local Government Transition Act, 1993 (Act No. 209 of 1993) and Local Government Transitional Act, Second Amendment Act, 1996 (Act No. 97 of 1996) 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><b>3</b> For the purposes of classification of local government institutions according to activities, Stats SA used the <i>Standard Industrial Classification of all Economic Activities</i> (SIC), Fifth edition, January 1993. 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>
<b>Imputation</b>	<p><b>4</b> For the 2014 financial year there was no imputation for both unit and item as all municipalities supplied their annual financial statements.</p>
<b>Statistical unit</b>	<p><b>5</b> The statistical unit for the collection of information was the municipality.</p>
<b>Reliability of estimates</b>	<p><b>6</b> 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><b>7</b> Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> <li>• P9110 <i>Quarterly financial statistics of municipalities</i>;</li> <li>• P9114 <i>Financial census of municipalities (previous publications)</i>;</li> <li>• P0277 <i>Quarterly employment statistics</i>;</li> <li>• P9119.4 <i>Financial statistics of consolidated general government</i>; and</li> <li>• P0441 <i>Gross domestic product</i>.</li> </ul>
<b>Comparability with previous census</b>	<p><b>8</b> This financial census of municipalities for the year ended 30 June 2014 is generally comparable with the publication for the year ended 30 June 2013.</p>

<b>Symbols and abbreviations used</b>	<b>9</b>	<p>*</p> <p>INCA</p> <p>0</p> <p>GAMAP</p> <p>GRAP</p> <p>Stats SA</p> <p>COID</p>	<p>Some figures have been revised</p> <p>Infrastructure Finance Corporation Ltd</p> <p>Nil or not applicable</p> <p>Generally Accepted Municipal Accounting Practice</p> <p>Generally Recognised Accounting Practice</p> <p>Statistics South Africa</p> <p>Compensation for Occupational Injuries and Diseases</p>
<b>Revision of data</b>	<b>10</b>	<p>Information for 2014 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 2013* and 2014</b>	<b>11</b>	<p>The fluctuations in the data between 2013 and 2014 can be due to:</p> <ul style="list-style-type: none"> <li>• Revisions due to late responses or revisions from respondents;</li> <li>• Municipalities acquiring or disestablishing entities; and/or</li> </ul>	
<b>Rounding-off of figures</b>	<b>12</b>	<p>Slight discrepancies may occur between sum of the component items and totals where figures have been rounded off.</p>	
<b>Preliminary data</b>	<b>13</b>	<p>All 278 reporting units furnished the required information (100% response rate).</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 entity is able to meet its current credit obligations without disposing of its inventory.
<b>Biological (cultivated) assets</b>	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.
<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 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>
<b>COID Reserve</b>	This is money set aside for injuries, disablements, diseases and deaths caused by work-related activities. It is usually transferred from accumulated surplus account.
<b>Consolidated statement of financial performance</b>	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.
<b>Consolidated statement of financial position</b>	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.
<b>Current assets</b>	Current assets consist of inventories; external short-term loans, deposits and investments; debtors; prepaid expenses; petty cash and bank.
<b>Current expenditure</b>	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).
<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>	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.
<b>Debt ratio</b>	The proportion of debt the entity has relative to its assets.
<b>Debt to income ratio</b>	The measuring of the percentage of the entity's income that goes towards all debt payments.
<b>Depreciation and amortisation</b>	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.
<b>District municipality</b>	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)).
<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 costs</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.; and</li> <li>• uniform clothing and allowances (clothing, boots, overalls, etc., supplied to uniformed employees).</li> </ul> <p>Note: Allowances to councillors are treated separately for the purpose of this census.</p>
<b>General expenditure</b>	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.

<b>Local municipality</b>	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).
<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 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)).
<b>Money market instruments</b>	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.
<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>Net carrying value</b>	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.
<b>Other expenditure</b>	The following, among other items, are included in 'other expenditure': <ul style="list-style-type: none"> <li>• administration charges/fees;</li> <li>• books and magazines;</li> <li>• conference expenses;</li> <li>• consumables;</li> <li>• industrial council levies;</li> <li>• inter-departmental charges/fees;</li> <li>• legal fees;</li> <li>• licences and trade licences;</li> <li>• materials and stores;</li> <li>• project fees;</li> <li>• protective clothing; and</li> <li>• sundries.</li> </ul>
<b>Other Income</b>	The following, among other items, are included in 'Other income': <ul style="list-style-type: none"> <li>• administration charges;</li> <li>• commission received;</li> <li>• discount received;</li> <li>• fees (events applications, burial, admission, photostats, building plans, etc.);</li> <li>• levies i.e. environmental; and</li> <li>• sundry income.</li> </ul>
<b>Property, plant and equipment</b>	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.

<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>	<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>
<b>Repairs and maintenance</b>	<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>
<b>Reserve</b>	<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>
<b>Revaluation reserve</b>	<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>
<b>Self-insurance reserve</b>	<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>

**Value Added Tax**

This is taxation imposed in respect of the supply of goods and services. It is collected in stages by enterprises but is ultimately charged in full to the final purchasers.

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