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# Statistical release

## P9114

# Financial census of municipalities

## for the year ended 30 June 2015

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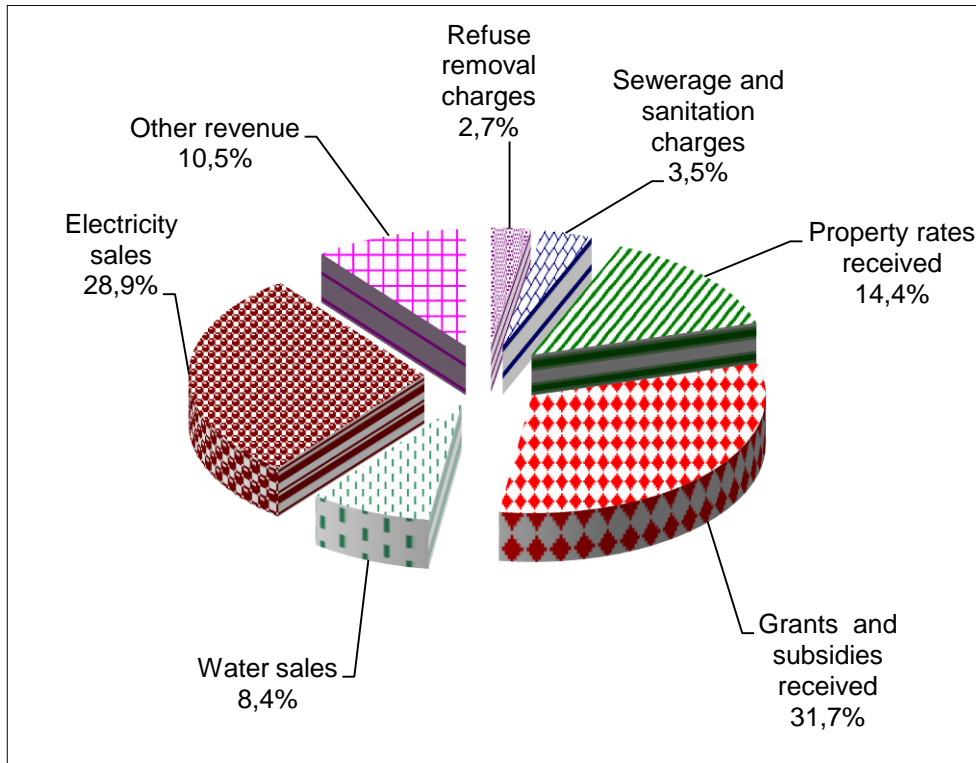
**Technical notes**

Response rates for the 2015 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**

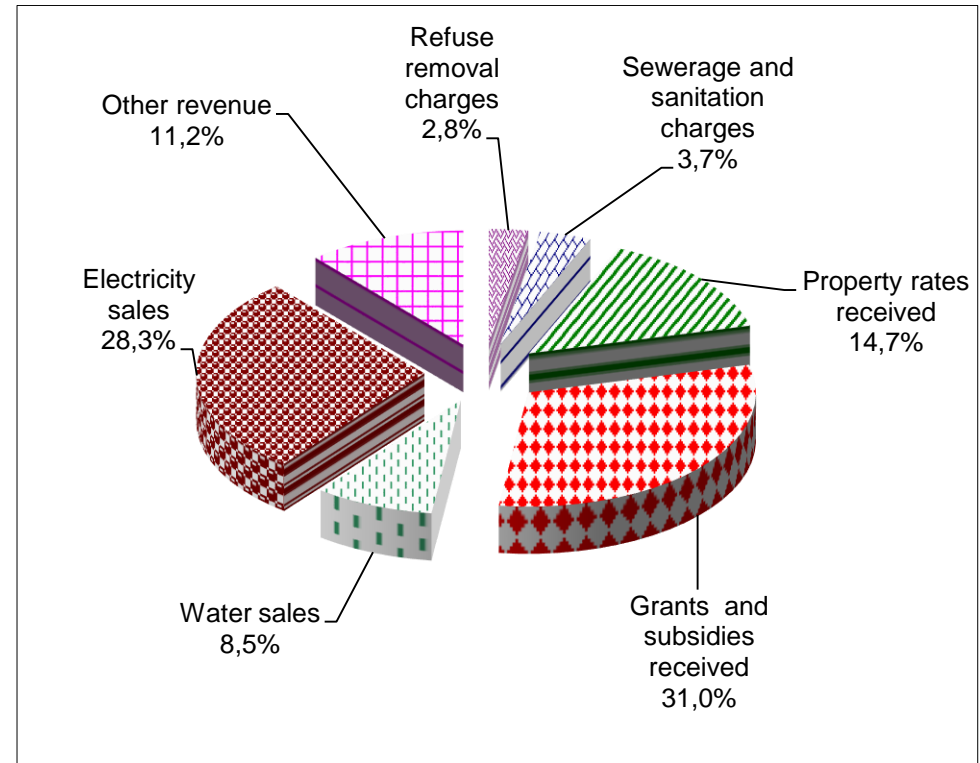
**Figure A: Municipal revenue stream as a percentage of total revenue for the year ended 30 June 2014\***



\*Some figures have been revised.

The graph above shows that the largest contributor to municipal revenue for the year ended 30 June 2014 was 'grants and subsidies received' (31,7%), followed by 'electricity sales' (28,9%), 'property rates received' (14,4%), 'other revenue' (10,5%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'water sales' (8,4%), 'sewerage and sanitation charges' (3,5%), and 'refuse removal charges' (2,7%).

**Figure B: Municipal revenue stream as a percentage of total revenue for the year ended 30 June 2015**



The graph above shows that the largest contributor to municipal revenue for the year ended 30 June 2015 was 'grants and subsidies received' (31,0%), followed by 'electricity sales' (28,3%), 'property rates received' (14,7%), 'other revenue' (11,2%) (which consists of fines, licences and permits, public contributions and donations, etc.), 'water sales' (8,5%), 'sewerage and sanitation charges' (3,7%), and 'refuse removal charges' (2,8%).

**Table 1: Acid test ratio**

Year	Acid test ratio of municipalities for the financial years ended 30 June 2014 and 30 June 2015		
	Current assets minus inventory	Current liabilities	Acid test ratio
	R million	R million	
2014*	100 210	88 351	1,1:1
2015	109 301	97 726	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 2014 and 30 June 2015, municipalities had an acid test ratio of 1,1:1 for both years.

**Table 2: Current ratio**

Year	Current ratio of municipalities for the financial years ended 30 June 2014 and 30 June 2015		
	Current assets	Current liabilities	Current ratio
	R million	R million	
2014*	106 404	88 351	1,2:1
2015	115 185	97 726	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 2014 and 30 June 2015, 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 2014 and 30 June 2015		
	Total liabilities	Total revenue	Debt to income ratio
	R million	R million	
2014*	176 414	283 477	0,6:1
2015	196 812	309 028	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 2014 and 30 June 2015.

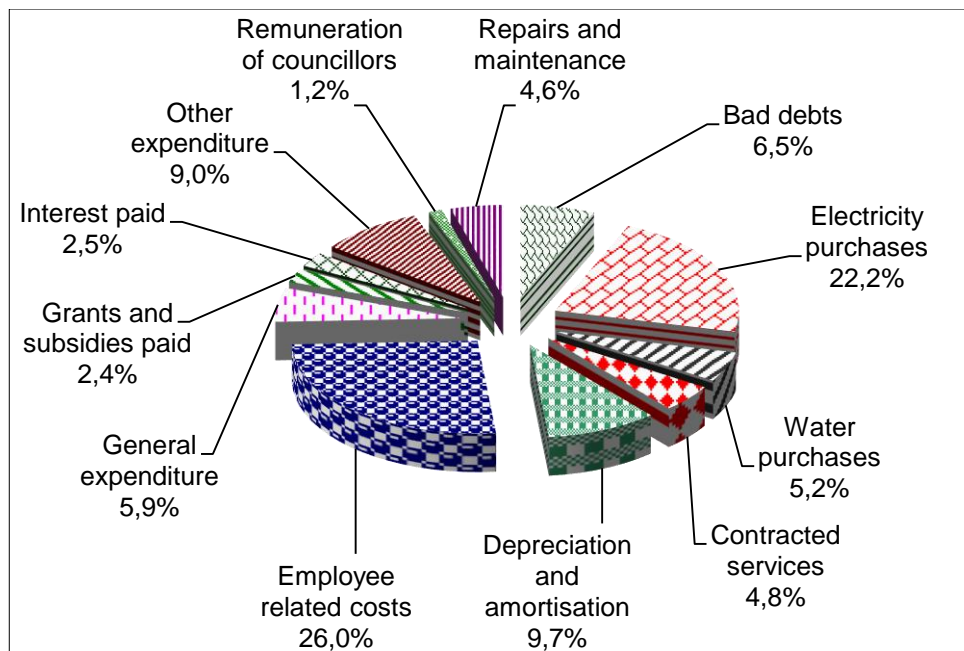
**Table 4: Debt ratio**

Year	Debt ratio of municipalities for the financial years ended 30 June 2014 and 30 June 2015		
	Total liabilities	Total assets	Debt ratio
	R million	R million	
2014*	176 414	652 871	0,27:1
2015	196 812	696 963	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 2014 financial year, approximately 27% of municipal assets were financed through debt; and approximately 28% for the 2015 financial year.

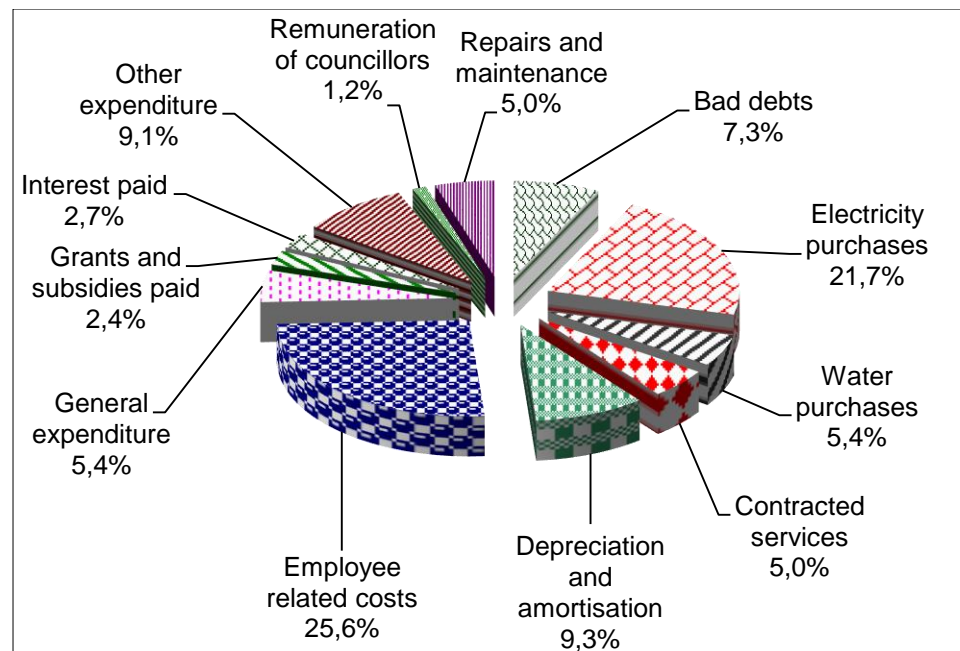
**Figure C: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2014\***



\*Some figures have been revised.

As depicted above, in 2014 the largest contributor to municipal total operating expenditure was 'employee-related costs' (26,0%), followed by 'electricity purchases' (22,2%), 'depreciation and amortisation' (9,7%), 'other expenditure' (9,0%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'bad debts' (6,5%), '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' (5,2%), 'contracted services' (4,8%), 'repairs and maintenance' (4,6%), 'interest paid' (2,5%), 'grants and subsidies paid' (2,4%), and 'remuneration of councillors' (1,2%).

**Figure D: Municipal expenditure patterns as a percentage of the total expenditure for the year ended 30 June 2015**



As depicted above, in 2015 the largest contributor to municipal total operating expenditure was 'employee-related costs' (25,6%), followed by 'electricity purchases' (21,7%), 'depreciation and amortisation' (9,3%), 'other expenditure' (9,1%) (which consists of collection costs, loss on disposal of property, plant and equipment, impairment loss, etc.), 'bad debts' (7,3%), 'general expenditure' (5,4%) (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' (5,4%), 'contracted services' (5,0%), 'repairs and maintenance' (5,0%), 'interest paid' (2,7%), 'grants and subsidies paid' (2,4%), and 'remuneration of councillors' (1,2%).

**Figure E: Breakdown of disposal of property, plant, and equipment and other assets in the year to 30 June 2015**

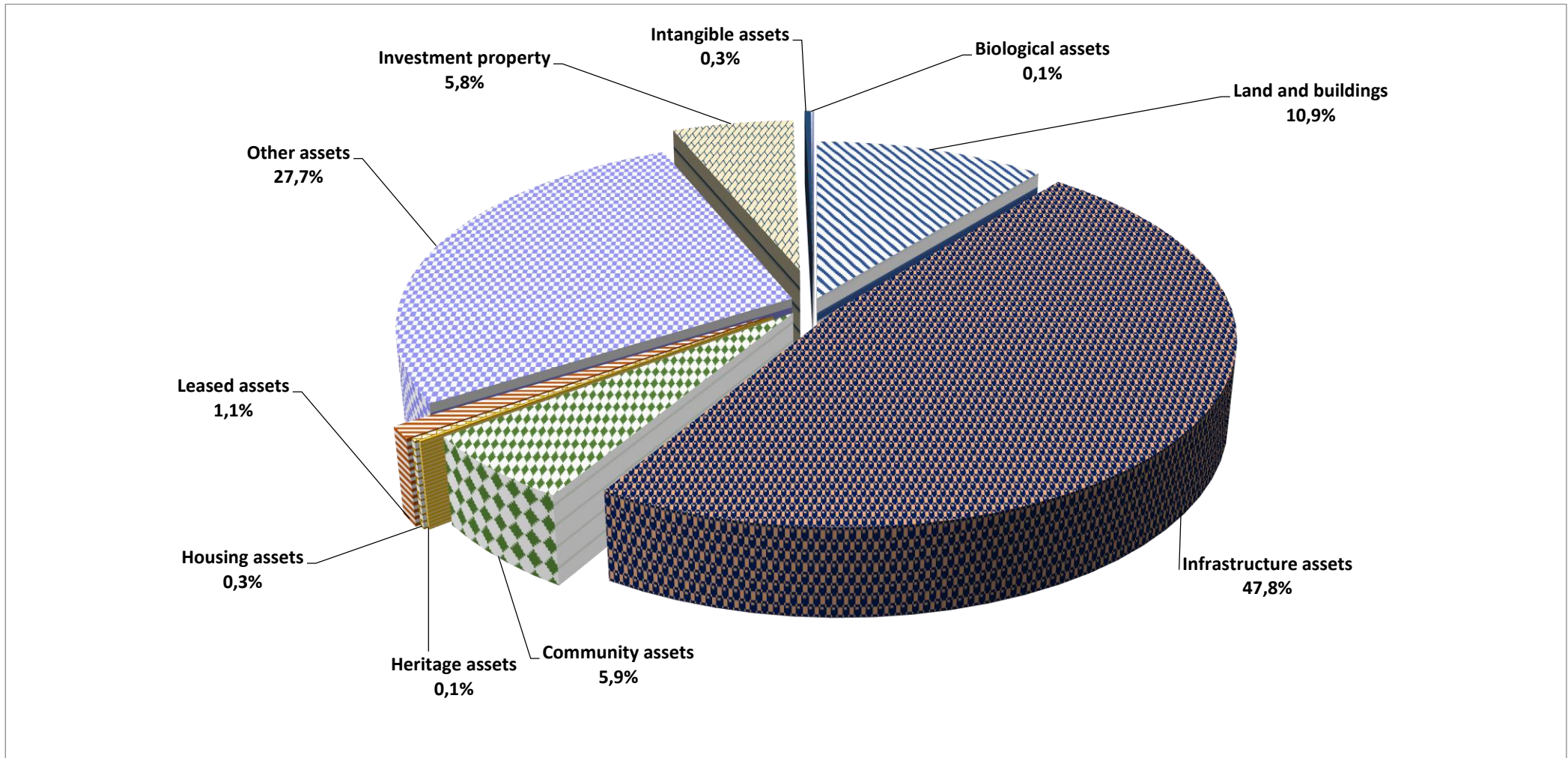
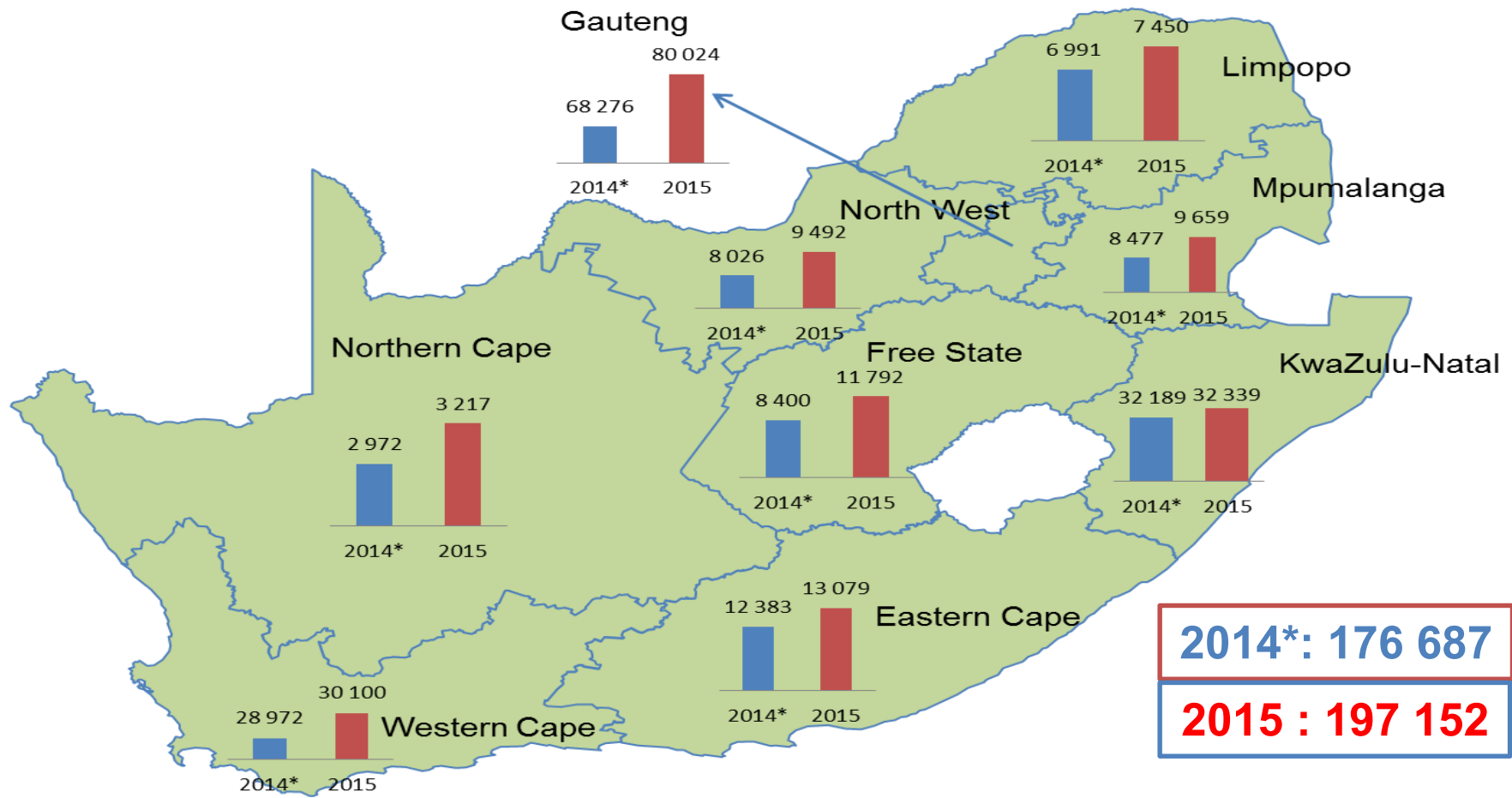


Figure E above shows the disposal of property, plant, and equipment and other assets in the year to 30 June 2015. Out of total disposals of R1 902 million, 'infrastructure assets' (which consists of roads, sewerage mains and purifications, electricity mains and generation, water reservoirs etc.) contributed the highest proportion (47,8%), followed by 'other assets' (which consists of landfill sites, office equipment, motor vehicles, refuse tankers, councillors' regalia etc.) (27,8%), and 'land and buildings' (10,7%).

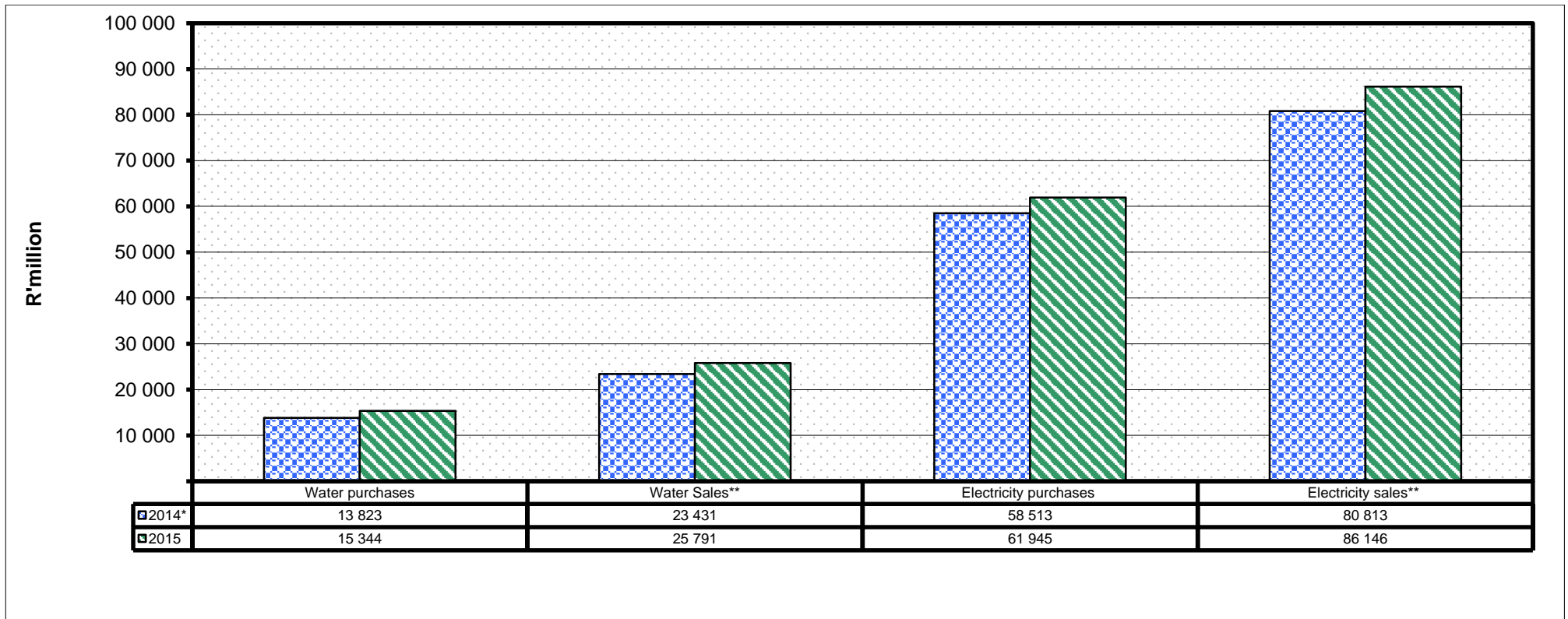
**Figure F: Municipal total liabilities per province as at 30 June 2014 and 30 June 2015**



The above municipal total liabilities exclude the net assets as outlined in part 1 below (see page 9 below). On 30 June 2015, municipalities owed their suppliers and other creditors an amount of R197 152 million, 11,6% more than 2014. The provinces which showed the highest percentage increases between 2014 and 2015 were Free State (40,4%), North West (18,3%), Gauteng (17,2%) and Mpumalanga (13,9%). The provinces which contributed least to the increase in total liabilities between 2014 and 2015 were KwaZulu-Natal (0,5%), Western Cape (3,9%), Eastern Cape (5,6%) and Limpopo (6,6%).



**Figure G: Purchases and sales of water and electricity for the financial years ended 30 June 2014 and 30 June 2015**



\*Some figures have been revised.

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

Purchases of water increased from R13 823 million in 2014 to R15 344 million in 2015 (11,0%), while sales of water reflected an increase from R23 431 million to R25 791 million (10,1%) over the same period. Purchases of electricity increased from R58 513 million in 2014 to R61 945 million in 2015 (5,9%), while sales of electricity reflected an increase from R80 813 million in 2014 to R86 146 million in 2015 (6,6%).

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

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2014\* and 30 June 2015**

	2014*(a)	2015(b)	Difference <sup>1</sup>
	R'000	R'000	R'000
<b>Net assets and liabilities</b>			
<b>Net assets</b>			
Housing development fund	1 156 288	1 043 027	-113 261
Capital replacement reserve	901 874	1 127 151	225 277
Capitalisation reserve	180 116	169 537	-10 579
Government grant reserve	1 140 444	1 295 314	154 870
Donations and public contributions reserve	1 574	1 236	-338
Self-insurance reserve	66 952	86 224	19 272
Revaluation reserve	14 265 045	15 767 436	1 502 391
COID <sup>2</sup> reserve	85 597	98 955	13 358
Other reserves	3 026 024	3 671 525	645 501
Retained surplus/(accumulated deficit)	455 360 747	476 550 491	21 189 744
Outside shareholders' interest	272 602	339 881	67 279
<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	15 358	15 164	-194
Public non-financial corporations	0	0	0
Other (includes public/private companies, individuals, etc.)	473	344	-129
<b>Bonds held by:</b>			
Other local government institutions	0	0	0
Public financial corporations	1 246 960	1 246 960	0
Public non-financial corporations	0	0	0
Other (includes public/private companies, individuals, etc.)	17 195 456	17 505 948	310 492
<b>Long-term loans from:</b>			
National government	632	743	111
Provincial government	0	0	0
Local government institutions	0	0	0
Development Bank of Southern Africa (DBSA)	15 876 530	18 531 678	2 655 148
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	8 003	83 038	75 035
Banks	12 384 521	17 245 844	4 861 323
Insurers	15 239	0	-15 239
Pension funds	0	0	0
Other domestic sources (including INCA <sup>3</sup> )	7 136 621	8 221 914	1 085 293
Long-term leases	885 865	866 334	-19 531
Non-current provisions	13 682 752	14 788 079	1 105 327
Retirement benefit obligations	17 854 724	18 585 717	730 993

<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 2014\* and 30 June 2015 (continued)**

	2014*(a)	2015(b)	Difference <sup>1</sup>
	R'000	R'000	R'000
<b>Net assets and liabilities</b>			
<b>Current liabilities</b>			
<b>Short-term loans from:</b>			
National government	7 754	2 169	-5 585
Provincial government	0	0	0
Local government institutions	4 290	497	-3 793
Development Bank of Southern Africa (DBSA)	2 163 982	2 428 009	264 027
Local authorities loans fund	0	0	0
Public financial corporations	0	0	0
Public non-financial corporations	5 353	5 403	50
Banks	2 650 616	1 536 603	-1 114 013
Insurers	15 557	0	-15 557
Pension funds	0	0	0
Other domestic sources (including INCA <sup>3</sup> )	901 657	889 743	-11 914
Short-term leases	390 993	534 881	143 888
Current provisions	3 357 856	3 808 957	451 101
Retirement benefit obligations	941 355	1 556 038	614 683
Unspent conditional grants	10 052 325	8 804 793	-1 247 532
VAT <sup>4</sup> payable	1 309 077	1 300 527	-8 550
Bank overdraft	1 515 761	1 584 390	68 629
<b>Creditors:</b>			
Trade creditors	32 252 779	39 871 195	7 618 416
Consumer deposits	5 074 574	5 529 613	455 039
Income received in advance	4 494 885	4 821 088	326 203
Other creditors	23 220 318	25 054 428	1 834 110
Liabilities not reflected elsewhere <sup>5</sup>	1 751 931	1 991 774	239 843
<b>Total net assets and liabilities</b>	<b>652 871 460</b>	<b>696 962 648</b>	<b>44 091 188</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 2014\* and 30 June 2015 (continued)**

	2014*(a)	2015(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)	513 034 175	543 958 115	30 923 940
Investment property	21 248 162	21 530 382	282 220
Intangible assets	3 312 123	3 548 536	236 413
Biological (cultivated) assets	211 029	205 872	-5 157
<b>Investments in marketable securities:</b>			
Municipal stock/shares	711	711	0
<b>Other marketable stock/shares:</b>			
Government stock	69 820	76 655	6 835
Treasury bills	0	0	0
Other local government institutions' stock	0	0	0
Public financial corporations' stock	0	0	0
Public non-financial corporations' stock	139	141	2
Companies' shares	86 050	56 246	-29 804
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	801 938	1 642 161	840 223
<b>Long-term receivables, loans, deposits, and investments</b>			
<b>Long-term receivables:</b>			
Car loans	231	77	-154
Housing selling scheme loans	173 137	157 419	-15 718
Sewerage connection loans	0	0	0
Electricity appliance purchase scheme	0	0	0
Other (including local government institutions)	534 317	586 276	51 959
<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	213	171	-42
<b>Long-term deposits and investments with:</b>			
Banks	4 245 055	8 016 615	3 771 560
Public financial corporations	0	0	0
Public non-financial corporations	34 425	37 093	2 668
Other	2 584 073	1 833 205	-750 868
<b>Current assets</b>			
Inventory	6 194 306	5 884 245	-310 061

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

\*Some figures have been revised.

**Part 1: Consolidated statement of financial position of municipalities as at 30 June 2014\* and 30 June 2015 (concluded)**

<b>Assets</b>	<b>2014*(a)</b>	<b>2015(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	32 367	42 561	10 194
<b>Short-term deposits and investments with:</b>			
Banks	27 691 287	27 616 577	-74 710
Public financial corporations	0	0	0
Public non-financial corporations	101	261	160
Other	3 003 199	2 082 288	-920 911
<b>Debtors:</b>			
Consumer debtors	31 437 148	34 349 878	2 912 730
Other debtors (including short-term portion of long-term receivables)	14 417 252	17 975 682	3 558 430
VAT <sup>4</sup> receivable	2 805 467	2 829 245	23 778
Pre-paid expenses	401 694	288 730	-112 964
Petty cash and bank	20 421 321	24 115 928	3 694 607
Assets not reflected elsewhere <sup>6</sup>	131 720	127 578	-4 142
<b>Total assets</b>	<b>652 871 460</b>	<b>696 962 648</b>	<b>44 091 188</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: The consolidated analysis statement of property, plant and equipment, and other assets as at 30 June 2015**

	Carrying value (beginning of the year)	Additions (during the year)	Under construction (during the year)	Revaluations (during the year)	Less: Depreciation and amortisation (during the year)	Less: Impairment loss (during the year)	Less: Disposals (during the year)	Add: Accumulated depreciation (disposed assets during the year)	Carrying value (end of the year)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Land and buildings</b>	<b>75 388 076</b>	<b>1 622 008</b>	<b>1 417 518</b>	<b>202 269</b>	<b>1 714 276</b>	<b>208 273</b>	<b>207 981</b>	<b>39 002</b>	<b>76 538 343</b>
Land	35 640 554	694 139	14 386	92 673	0	167 250	79 977	0	36 194 525
Buildings	39 747 522	927 869	1 403 132	109 596	1 714 276	41 023	128 004	39 002	40 343 818
<b>Infrastructure assets</b>	<b>351 815 961</b>	<b>12 548 826</b>	<b>30 456 359</b>	<b>1 491 805</b>	<b>17 541 315</b>	<b>733 444</b>	<b>909 097</b>	<b>245 058</b>	<b>377 374 153</b>
Drains	10 327 477	351 888	63 293	21 991	303 113	4	64 197	53 760	10 451 095
Roads	69 017 286	2 516 210	2 924 833	35 056	3 953 587	26 433	181 966	45 814	70 377 213
Beach empowerments	84 900	979	4 764	0	3 431	0	0	0	87 212
Sewerage mains and purifications	21 759 573	534 710	944 761	45	1 086 689	10 473	21 091	14 978	22 135 814
Electricity generation	5 520 991	302 867	26 440	0	283 796	0	22 352	0	5 544 150
Electricity mains	23 962 754	915 397	725 108	1 427 240	1 201 189	16 233	105 104	35 587	25 743 560
Electricity peak loads equipment	5 856 288	333 524	1 203	0	227 674	0	36	12	5 963 317
Water purification	8 687 928	480 466	339 365	0	578 451	4 553	4 040	6 653	8 927 368
Reservoirs-water	6 024 921	121 423	375 748	178	174 410	1 761	5 965	2 650	6 342 784
Water meters	334 337	17 878	28 316	0	21 477	0	30	0	359 024
Water mains	31 761 507	1 185 689	2 286 295	-45	1 494 871	117 482	158 255	77 743	33 540 581
Other	168 477 999	5 787 795	22 736 233	7 340	8 212 627	556 505	346 061	7 861	187 902 035
<b>Community assets</b>	<b>36 708 598</b>	<b>975 966</b>	<b>747 074</b>	<b>21 108</b>	<b>1 931 676</b>	<b>44 373</b>	<b>112 769</b>	<b>49 297</b>	<b>36 413 225</b>
Parks and gardens	618 679	34 280	6 262	0	31 664	0	939	547	627 165
Libraries	734 304	41 645	3 722	0	47 886	5	1 804	223	730 199
Recreation facilities	13 040 065	173 626	101 144	0	582 450	12 163	14 939	13 119	12 718 402
Civic buildings	3 644 939	246 454	69 095	18 115	199 249	1 169	1 893	278	3 776 570
Other	18 670 611	479 961	566 851	2 993	1 070 427	31 036	93 194	35 130	18 560 889
<b>Heritage assets</b>	<b>5 761 481</b>	<b>10 025</b>	<b>33 510</b>	<b>52 205</b>	<b>448</b>	<b>644</b>	<b>2 011</b>	<b>0</b>	<b>5 854 118</b>
Historical buildings	603 280	3 180	0	1 001	0	641	0	0	606 820
Paintings and art galleries	583 406	3 970	0	219	445	0	0	0	587 150
Other	4 574 795	2 875	33 510	50 985	3	3	2 011	0	4 660 148

**Part 2: Property, plant and equipment, investment property, intangibles assets and biological (cultivated) assets as at 30 June 2015 (concluded)**

	Carrying value (beginning of the year)	Additions (during the year)	Under construction (during the year)	Revaluations (during the year)	Less: Depreciation and amortisation (during the year)	Less: Impairment loss (during the year)	Less: Disposals (during the year)	Add: Accumulated depreciation (disposed assets during the year)	Carrying value (end of the year)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Housing assets</b>	<b>2 398 615</b>	<b>171 485</b>	<b>191 553</b>	<b>0</b>	<b>93 887</b>	<b>150</b>	<b>4 759</b>	<b>3 366</b>	<b>2 666 223</b>
Housing rental stock	1 751 548	169 947	0	0	73 445	0	4 562	3 320	1 846 808
Other	647 067	1 538	191 553	0	20 442	150	197	46	819 415
<b>Leased assets</b>	<b>531 024</b>	<b>447 374</b>	<b>1 890</b>	<b>8 719</b>	<b>210 574</b>	<b>238</b>	<b>20 504</b>	<b>8 756</b>	<b>766 447</b>
<b>Other assets</b>	<b>39 705 532</b>	<b>6 760 781</b>	<b>2 729 843</b>	<b>101 216</b>	<b>4 395 467</b>	<b>276 677</b>	<b>527 073</b>	<b>247 451</b>	<b>44 345 606</b>
Landfill sites	1 199 686	162 256	15 313	47 027	148 640	4 775	54 488	0	1 216 379
Office equipment	767 677	230 855	201	177	258 604	1 333	18 522	12 444	732 895
Furniture and fittings	1 114 267	204 983	306	1 363	288 836	2 004	22 771	15 929	1 023 237
Bins and containers	96 324	47 319	10	14	16 593	132	62	23	126 903
Emergency equipment	111 439	31 625	20	0	25 237	32	994	755	117 576
Motor vehicles	4 192 671	766 941	0	2 836	778 693	13 019	146 046	67 030	4 091 720
Fire engines	785 330	120 554	0	6	115 171	1 190	5 681	1 225	785 073
Refuse tankers	16 348	14 992	524	0	3 268	0	430	179	28 345
Computer equipment	1 232 842	402 072	0	0	385 567	803	52 114	39 408	1 235 838
Councillors' regalia	1 747	702	0	0	436	0	0	0	2 013
Conservancy tankers	4 358	4 345	130	0	1 444	0	0	0	7 389
Water crafts	193	0	0	0	46	0	0	0	147
Plant and other equipment	13 472 482	866 205	14 699	6	850 157	178 572	54 485	21 999	13 292 177
Other	16 710 168	3 907 932	2 698 640	49 787	1 522 775	74 817	171 480	88 459	21 685 914
<b>TOTAL PPE</b>	<b>512 309 287</b>	<b>22 536 465</b>	<b>35 577 747</b>	<b>1 877 322</b>	<b>25 887 643</b>	<b>1 263 799</b>	<b>1 784 194</b>	<b>592 930</b>	<b>543 958 115</b>
<b>Investment property</b>	<b>21 088 598</b>	<b>478 169</b>	<b>11 667</b>	<b>251 290</b>	<b>79 771</b>	<b>108 261</b>	<b>111 338</b>	<b>28</b>	<b>21 530 382</b>
<b>Intangible assets</b>	<b>3 635 875</b>	<b>428 485</b>	<b>114 693</b>	<b>1 478</b>	<b>606 641</b>	<b>19 784</b>	<b>5 959</b>	<b>389</b>	<b>3 548 536</b>
<b>Biological (cultivated) assets</b>	<b>201 396</b>	<b>6 057</b>	<b>302</b>	<b>2 431</b>	<b>734</b>	<b>1 707</b>	<b>1 873</b>	<b>0</b>	<b>205 872</b>
<b>TOTAL</b>	<b>537 235 156</b>	<b>23 449 176</b>	<b>35 704 409</b>	<b>2 132 521</b>	<b>26 574 789</b>	<b>1 393 551</b>	<b>1 903 364</b>	<b>593 347</b>	<b>569 242 905</b>

**Part 3: Consolidated statement of financial performance of municipalities for the years ended 30 June 2014 and 30 June 2015: Expenditure**

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup> R'000
	2014*	2015	2014*	2015	2014*(a)	2015(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	
Employee-related costs	39 823 320	46 789 094	28 804 728	26 258 972	68 628 048	73 048 066	4 420 018
Remuneration of board of directors/councillors	3 088 960	3 288 866	0	0	3 088 960	3 288 866	199 906
Interest paid	3 205 881	4 882 407	3 515 396	2 720 202	6 721 277	7 602 609	881 332
Loss on disposal of property, plant and equipment	1 448 847	685 741	166 215	146 254	1 615 062	831 995	-783 067
Bad debts	8 604 441	11 289 838	8 526 746	9 400 903	17 131 187	20 690 741	3 559 554
Contracted services	6 060 577	8 370 864	6 587 478	5 919 148	12 648 055	14 290 012	1 641 957
Collection costs	488 294	846 417	230 667	93 228	718 961	939 645	220 684
Depreciation and amortisation	11 189 149	12 571 101	14 471 481	14 003 688	25 660 630	26 574 789	914 159
Impairment loss (PPE)	1 142 228	1 146 431	94 271	237 775	1 236 499	1 384 206	147 707
Repairs and maintenance	3 249 182	5 518 603	8 831 021	8 726 222	12 080 203	14 244 825	2 164 622
<b>Bulk purchases:</b>							
Purchases of water	0	0	13 823 299	15 344 212	13 823 299	15 344 212	1 520 913
Purchases of electricity	0	0	58 512 623	61 945 038	58 512 623	61 945 038	3 432 415
Other (e.g. sewer purification etc.)	0	0	84 593	83 654	84 593	83 654	-939
<b>Grants and subsidies paid to:</b>							
Other local government institutions	628 297	670 927	190 430	62 453	818 727	733 380	-85 347
Tertiary institutions of higher learning	413	321	0	0	413	321	-92
Households or individuals	1 287 262	1 221 454	1 454 817	1 747 394	2 742 079	2 968 848	226 769
Non-profit institutions serving households	108 692	7 082	72 130	0	180 822	7 082	-173 740
Other	1 488 420	2 137 120	998 744	950 204	2 487 164	3 087 324	600 160
<b>General expenditure:</b>							
Accommodation, travelling and subsistence	642 140	723 179	92 047	88 554	734 187	811 733	77 546
Advertising, promotions and marketing	484 916	559 210	262 771	158 615	747 687	717 825	-29 862
Audit fees	828 989	876 858	53 848	55 749	882 837	932 607	49 770
Bank charges	282 472	282 492	32 559	13 355	315 031	295 847	-19 184
Cleaning services	175 717	128 926	108 622	62 294	284 339	191 220	-93 119
Consultancy and professional fees	1 312 904	1 706 658	529 490	625 059	1 842 394	2 331 717	489 323
Entertainment costs	92 509	89 026	5 121	7 939	97 630	96 965	-665
Fuel and oil	708 816	814 624	1 158 390	882 201	1 867 206	1 696 825	-170 381

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

\*Some figures have been revised.



**Part 3: Consolidated statement of financial performance of municipalities for the years ended 30 June 2014 and 30 June 2015: Expenditure (concluded)**

Expenditure	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2014*	2015	2014*	2015	2014*(a)	2015(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Hiring of plant and equipment	1 091 506	558 965	348 731	254 432	1 440 237	813 397	-626 840
Insurance costs	731 533	750 860	132 003	86 561	863 536	837 421	-26 115
Pharmaceutical	97 436	109 251	13 452	12 928	110 888	122 179	11 291
Postal and courier services	431 183	234 827	28 499	6 829	459 682	241 656	-218 026
Printing and stationery	595 178	562 343	144 854	133 408	740 032	695 751	-44 281
Rebates for property rates	2 886 860	3 102 965	0	0	2 886 860	3 102 965	216 105
Rebates for service charges	0	0	812 148	1 127 939	812 148	1 127 939	315 791
Rental of land, buildings and other structures	558 371	520 989	600 116	747 812	1 158 487	1 268 801	110 314
Rental of office equipment	200 579	218 553	31 172	41 726	231 751	260 279	28 528
Security services	969 899	1 150 701	321 047	343 916	1 290 946	1 494 617	203 671
Subscriptions and membership fees	364 536	400 936	18 519	14 233	383 055	415 169	32 114
Telecommunication services	803 457	835 021	204 911	180 262	1 008 368	1 015 283	6 915
Training and education	535 098	533 774	144 330	152 619	679 428	686 393	6 965
Transport costs	263 123	163 801	276 319	190 810	539 442	354 611	-184 831
Other expenditure	12 040 439	11 230 187	7 733 373	11 200 426	19 773 812	22 430 613	2 656 801
Taxation	12 069	25 178	389 760	239 928	401 829	265 106	-136 723
Surplus	48 006 013	46 186 477	23 292 765	30 260 538	71 298 778	76 447 015	5 148 237
<b>Total expenditure</b>	<b>155 929 706</b>	<b>171 192 067</b>	<b>183 099 486</b>	<b>194 527 480</b>	<b>339 029 192</b>	<b>365 719 547</b>	<b>26 690 355</b>

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

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for the years ended 30 June 2014 and 30 June 2015: Income**

	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup> R'000
	2014* R'000	2015 R'000	2014* R'000	2015 R'000	2014*(a) R'000	2015(b) R'000	
<b>Income</b>							
<b>Property rates from:</b>							
Residential	21 714 616	23 333 508	0	0	21 714 616	23 333 508	1 618 892
Commercial or business	13 610 253	15 178 649	0	0	13 610 253	15 178 649	1 568 396
State	1 707 765	2 058 085	0	0	1 707 765	2 058 085	350 320
Other (includes agricultural, municipal, etc.)	5 752 226	6 835 277	0	0	5 752 226	6 835 277	1 083 051
Property rates – penalties imposed and collection charges	412 769	427 969	0	0	412 769	427 969	15 200
<b>Service charges:</b>							
Sales of water	0	0	23 663 281	26 522 087	23 663 281	26 522 087	2 858 806
Sales of electricity	0	0	81 175 263	86 383 959	81 175 263	86 383 959	5 208 696
Refuse removal charges	0	0	7 694 226	8 484 719	7 694 226	8 484 719	790 493
Sewerage and sanitation charges	0	0	9 767 489	11 235 171	9 767 489	11 235 171	1 467 682
Other service charges (e.g. fresh produce market etc.)	0	0	1 014 446	1 244 513	1 014 446	1 244 513	230 067
<b>Interest earned from:</b>							
External investments	2 304 534	3 238 303	887 590	419 786	3 192 124	3 658 089	465 965
Outstanding debtors	2 277 919	2 605 334	1 141 769	1 049 376	3 419 688	3 654 710	235 022
Dividends received	478	791	118	41	596	832	236
Fines	4 221 996	4 267 830	47 707	42 831	4 269 703	4 310 661	40 958
Licences and permits	483 268	419 890	260 884	291 478	744 152	711 368	-32 784
Income for agency services	610 470	686 794	542 492	580 111	1 152 962	1 266 905	113 943
Rental of facilities and equipment	791 691	1 081 409	984 032	857 348	1 775 723	1 938 757	163 034
Bad debts recovered	60 294	67 848	847	0	61 141	67 848	6 707
Public contributions and donations (including PPE)	723 248	1 060 398	591 332	279 900	1 314 580	1 340 298	25 718
Gains on the disposal of property, plant and equipment	113 886	204 565	64 055	60 685	177 941	265 250	87 309
<b>Grants and subsides from:</b>							
National government	24 930 023	23 425 333	9 104 817	11 460 353	34 034 840	34 885 686	850 846
Provincial government	875 165	781 504	605 499	1 022 950	1 480 664	1 804 454	323 790
Local government	33 555	52 124	13 534	30 166	47 089	82 290	35 201
Other	319 190	308 348	325 487	798 325	644 677	1 106 673	461 996
Spent conditional grants	28 987 199	37 649 636	23 388 716	18 849 862	52 375 915	56 499 498	4 123 583

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

\*Some figures have been revised.

**Part 3: Consolidated statement of financial performance of municipalities for the years ended 30 June 2014 and 30 June 2015: Income (concluded)**

Income	Total rates and general services		Total housing and trading services		Grand total		Difference <sup>1</sup>
	2014*	2015	2014*	2015	2014*(a)	2015(b)	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Other income	7 794 880	10 950 394	4 477 622	4 779 858	12 272 502	15 730 252	3 457 750
Deficit	38 204 281	36 558 078	17 348 280	20 133 961	55 552 561	56 692 039	1 139 478
<b>Total income</b>	<b>155 929 706</b>	<b>171 192 067</b>	<b>183 099 486</b>	<b>194 527 480</b>	<b>339 029 192</b>	<b>365 719 547</b>	<b>26 690 355</b>

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

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	13 859 111	19 640 733	2 793 907	3 028 527	3 904 963	2 963 279	4 101 171	4 527 111	3 531 554	3 550 730
Remuneration of board of directors/councillors	3 088 960	3 288 866	0	0	0	0	0	0	0	0
Interest paid	2 824 419	4 559 623	71 956	44 245	95 959	82 302	35 202	30 125	25 565	20 632
Loss on disposal of property, plant and equipment	1 412 701	659 365	1 134	498	3 616	679	18 436	1 210	7 920	1 939
Bad debts	6 794 516	8 619 003	31 968	5 294	54 689	5 546	69 427	72 747	94 015	73 715
Contracted services	2 807 415	4 568 697	149 823	44 636	252 649	261 145	529 701	408 346	713 323	195 156
Collection costs	481 044	781 519	0	0	4 727	0	10	1 427	21	1 697
Depreciation and amortisation	7 856 307	8 655 490	110 569	91 939	835 067	917 634	526 162	588 058	640 891	467 250
Impairment loss (PPE)	294 727	1 044 687	249	33 455	30 084	4 352	6 718	72	703 035	419
Repairs and maintenance	1 553 230	3 585 997	31 581	33 398	444 532	414 134	501 624	308 053	115 031	131 064
<b>Grants and subsidies paid to:</b>										
Other local government institutions	280 478	585 797	0	0	0	0	200	200	324 134	51 747
Tertiary institutions of higher learning	413	321	0	0	0	0	0	0	0	0
Households or individuals	813 694	1 124 806	12 236	11 086	29 601	3 924	31 785	10 356	0	56 235
Non-profit institutions serving households	4 588	5 667	0	0	675	0	50 994	0	0	957
Other	1 125 216	1 566 576	24 977	20 664	5 003	4 039	62 364	189 416	249 457	181 825
<b>General expenditure:</b>										
Accommodation, travelling and subsistence	501 165	577 276	10 287	7 464	2 968	4 690	36 009	39 444	44 990	49 516
Advertising, promotions and marketing	381 447	417 706	5 285	597	4 834	1 645	31 702	77 401	42 609	27 967
Audit fees	775 682	858 323	3	2 858	20 614	172	2 658	2 239	3 348	5 995
Bank charges	266 503	265 999	2 704	0	3 776	131	704	1 313	265	861
Cleaning services	120 262	81 079	1 995	2 729	11 309	16 728	14 299	20 647	11 585	1 086
Consultancy and professional fees	1 094 044	1 424 112	2 766	5 664	9 474	13 204	34 853	37 382	58 885	89 153

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (continued)**

Expenditure	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	66 609	79 873	3 246	436	4 136	873	6 843	2 975	7 589	2 387
Fuel and oil	376 150	419 798	10 197	9 869	54 419	55 102	24 652	38 249	14 912	20 760
Hiring of plant and equipment	886 259	473 617	3 373	5 244	106 409	12 595	64 852	16 339	3 433	7 077
Insurance costs	612 061	699 298	16 871	1 487	62 362	5 642	6 855	6 520	3 997	4 332
Pharmaceutical	305	1 314	94 559	107 205	1 209	249	402	344	1	0
Postal and courier services	186 947	213 709	63	49	230 276	281	487	813	725	2 153
Printing and stationery	321 861	343 149	16 461	20 648	41 293	7 963	26 408	26 361	22 772	22 180
Rebates for property rates	1 879 217	3 099 924	140 558	0	502 100	0	256 521	2 963	18 890	0
Rental of land, buildings and other structures	419 849	403 749	6 331	8 495	16 851	1 463	41 033	28 974	34 809	28 275
Rental of office equipment	157 870	203 075	1 765	1 626	562	792	3 441	3 540	3 113	3 420
Security services	371 552	315 846	17 191	22 607	186 675	81 084	93 087	115 520	17 267	10 201
Subscriptions and membership fees	349 616	390 574	535	258	1 351	248	2 774	3 859	1 165	3 299
Telecommunication services	583 000	628 667	15 340	13 834	18 626	12 026	37 671	35 909	22 479	24 167
Training and education	379 582	413 416	6 592	6 938	40 931	7 830	34 657	23 304	10 211	18 737
Transport costs	135 857	116 679	1 159	951	62 026	10 087	8 387	14 380	28 936	4 397
Other expenditure	7 197 246	6 190 015	362 125	375 888	665 725	662 993	1 029 487	1 352 097	961 606	1 157 959
Taxation	9 928	18 576	0	0	0	0	0	20	2 141	6 582
Surplus	45 845 198	41 944 679	1 858	29 857	36 893	98 313	168 152	280 048	1 195 144	913 032
<b>Total expenditure</b>	<b>106 115 029</b>	<b>118 267 600</b>	<b>3 949 664</b>	<b>3 938 446</b>	<b>7 746 384</b>	<b>5 651 145</b>	<b>7 859 728</b>	<b>8 267 762</b>	<b>8 915 818</b>	<b>7 136 902</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (continued)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	6 294 721	5 159 091	2 423 609	2 523 295	1 250 243	2 774 133	1 664 041	2 622 195
Remuneration of board of directors/councillors	0	0	0	0	0	0	0	0
Interest paid	42 682	12 233	21 254	19 576	18 240	41 659	70 604	72 012
Loss on disposal of property, plant and equipment	1 235	18 919	693	1 208	368	946	2 744	977
Bad debts	1 049 760	978 881	3 649	16 008	91 494	729 897	414 923	788 747
Contracted services	801 459	564 325	370 065	86 285	307 137	367 241	129 005	1 875 033
Collection costs	1 289	3 508	0	82	0	56 191	1 203	1 993
Depreciation and amortisation	378 908	129 058	116 907	140 360	358 623	161 468	365 715	1 419 844
Impairment loss (PPE)	87 945	8 502	4 866	74	43	674	14 561	54 196
Repairs and maintenance	218 760	103 579	62 175	58 273	89 321	114 036	232 928	770 069
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	0	6 146	4 141	17 339	29 007	0	35
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	191 181	0	8 254	0	85 316	0	115 195	15 047
Non-profit institutions serving households	0	0	0	0	0	0	52 435	458
Other	6 381	155	1 202	14 389	12 227	8 608	1 593	151 448
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	20 036	18 385	8 092	4 196	8 154	6 380	10 439	15 828
Advertising, promotions and marketing	1 642	1 175	694	1 540	3 835	369	12 868	30 810
Audit fees	16 969	6 324	86	108	251	0	9 378	839
Bank charges	8 314	13 957	98	0	82	72	26	159
Cleaning services	3 668	681	199	1 519	3 972	1 961	8 428	2 496
Consultancy and professional fees	26 262	4 693	914	1 252	2 066	2 972	83 640	128 226

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (concluded)**

Expenditure	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	885	225	91	76	1 569	608	1 541	1 573
Fuel and oil	52 348	50 752	21 317	20 132	4 301	70 427	150 520	129 535
Hiring of plant and equipment	19 166	7 526	2 329	3 217	3 689	9 804	1 996	23 546
Insurance costs	3 406	4 623	4 009	4 627	779	2 261	21 193	22 070
Pharmaceutical	9	0	10	15	29	6	912	118
Postal and courier services	4 743	11 305	54	40	612	2 799	7 276	3 678
Printing and stationery	136 375	100 035	2 836	2 982	9 645	13 423	17 527	25 602
Rebates for property rates	89 574	0	0	78	0	0	0	0
Rental of land, buildings and other structures	13 703	1 765	11 303	2 584	2 503	3 888	11 989	41 796
Rental of office equipment	18 193	3 106	915	1 145	289	1 296	14 431	553
Security services	106 861	348 215	12 114	8 740	49 005	63 008	116 147	185 480
Subscriptions and membership fees	4 748	464	2 290	248	1 746	201	311	1 785
Telecommunication services	30 385	12 099	11 304	9 715	6 632	9 898	78 020	88 706
Training and education	11 698	6 795	2 904	4 921	5 281	11 991	43 242	39 842
Transport costs	4 497	6 829	7 243	8 813	1 016	281	14 002	1 384
Other expenditure	915 195	599 439	141 729	129 010	216 887	306 242	550 439	456 544
Taxation	0	0	0	0	0	0	0	0
Surplus	149 275	349 069	43 748	212 442	32 361	138 282	533 384	2 220 755
<b>Total expenditure</b>	<b>10 712 273</b>	<b>8 525 713</b>	<b>3 293 099</b>	<b>3 281 091</b>	<b>2 585 055</b>	<b>4 930 029</b>	<b>4 752 656</b>	<b>11 193 379</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Income**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	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	21 704 646	22 686 820	0	0	0	0	0	0	9 970	18 005
Commercial or business	13 598 569	15 166 371	0	0	0	0	0	0	11 684	12 278
State	1 693 550	1 804 127	0	0	0	0	0	0	14 215	11 429
Other (includes agricultural, municipal, etc.)	5 752 226	6 835 277	0	0	0	0	0	0	0	0
Property rates – penalties imposed and collection charges	412 769	397 762	0	0	0	0	0	0	0	0
<b>Interest earned from:</b>										
External investments	2 020 199	2 789 032	1 746	0	169 494	14 102	17 368	5 923	30 007	18 568
Outstanding debtors	2 228 597	2 578 488	53	65	259	0	4 112	156	5 277	64
Dividends received	478	780	0	0	0	0	0	0	0	5
Fines	633 126	298 752	89	142	3 427	619	94 973	79 304	14 813	32 632
Licences and permits	76 747	75 348	2 230	2 380	2 110	1 261	45 140	19 358	19 032	34 344
Income for agency services	250 371	288 409	381	0	14 407	13 936	11 210	8 171	0	415
Rental of facilities and equipment	310 593	752 285	1 783	2 832	194 066	173 675	100 014	77 905	50 803	45 393
Bad debts recovered	60 294	67 848	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	516 944	880 020	2 152	505	16 886	22 792	50 474	14 589	97 191	112 276
Gains on the disposal of property, plant and equipment	58 924	192 423	54	49	25 510	898	5 001	192	10 330	1 392

\*Some figures have been revised.



**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Income (continued)**

Income	Finance, administration, executive and council		Health services		Sport and recreation		Community and social services		Planning and development	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	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	22 275 238	20 365 488	75 250	112 815	179 602	76 965	349 044	657 286	1 203 194	866 370
Provincial government	320 131	77 668	465 962	511 733	9 530	5 806	37 827	81 172	36 701	15 474
Local government	10 290	43 013	0	968	842	127	333	1 898	16 190	153
Other	80 792	153 669	53 330	22 215	2 964	39 482	16 995	25 756	153 849	63 343
Spent conditional grants	24 456 889	29 508 518	533 819	633 738	708 030	229 442	617 637	878 038	1 103 123	957 554
Other income	5 504 289	7 229 907	90 832	26 928	239 499	143 242	342 012	274 331	468 135	850 691
Deficit	4 149 367	6 075 595	2 721 983	2 624 076	6 179 758	4 928 798	6 167 588	6 143 683	5 671 304	4 096 516
<b>Total income</b>	<b>106 115 029</b>	<b>118 267 600</b>	<b>3 949 664</b>	<b>3 938 446</b>	<b>7 746 384</b>	<b>5 651 145</b>	<b>7 859 728</b>	<b>8 267 762</b>	<b>8 915 818</b>	<b>7 136 902</b>

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Income (continued)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Property rates from:</b>								
Residential	0	0	0	0	0	0	0	628 683
Commercial or business	0	0	0	0	0	0	0	0
State	0	0	0	0	0	0	0	242 529
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	30 207
<b>Interest earned from:</b>								
External investments	29 566	0	0	0	4	1	36 150	410 677
Outstanding debtors	3 382	0	8 627	0	1 097	1 044	26 515	25 517
Dividends received	0	0	0	0	0	0	0	6
Fines	3 307 170	2 688 969	2 112	437	162 553	1 166 864	3 733	111
Licences and permits	254 340	206 099	1 668	382	10 290	72 060	71 711	8 658
Income for agency services	256 480	300 200	1 300	1 034	33 512	19 145	42 809	55 484
Rental of facilities and equipment	1 371	585	2 999	0	2 593	4 257	127 469	24 477
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	8 390	0	5 973	0	8 120	4 493	17 118	25 723
Gains on the disposal of property, plant and equipment	1 748	0	15	54	138	335	12 166	9 222

\*Some figures have been revised.

**Part 4: Consolidated statement of financial performance of municipalities for rates and general services for the years ended 30 June 2014 and 30 June 2015:  
Income (concluded)**

Income	Traffic control		Fire protection		Other public order and safety		Other rates and general services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Grants and subsidies from:</b>								
National government	44 887	44 943	85 827	64 841	53 270	204 012	663 711	1 032 613
Provincial government	106	3 179	0	30	1 905	22 303	3 003	64 139
Local government	0	0	5 900	5 786	0	0	0	179
Other	6 681	833	4 457	7	12	43	110	3 000
Spent conditional grants	295 400	75 599	127 728	361 570	185 813	236 638	958 760	4 768 539
Other income	108 443	146 463	144 815	131 239	115 485	115 415	781 370	2 032 178
Deficit	6 394 309	5 058 843	2 901 678	2 715 711	2 010 263	3 083 419	2 008 031	1 831 437
<b>Total income</b>	<b>10 712 273</b>	<b>8 525 713</b>	<b>3 293 099</b>	<b>3 281 091</b>	<b>2 585 055</b>	<b>4 930 029</b>	<b>4 752 656</b>	<b>11 193 379</b>

\*Some figures have been revised.

**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	1 841 343	1 264 634	727 567	828 110	5 052 693	5 028 380	2 975 794	2 161 727
Interest paid	158 980	183 719	2 534	13 623	258 748	247 583	385 732	268 536
Loss on disposal of property, plant and equipment	5 520	15 987	238	39	12 144	4 727	5 851	1 026
Bad debts	639 519	1 126 250	51 926	49 206	1 143 885	873 531	818 811	839 429
Contracted services	689 309	634 039	125 938	141 144	1 553 613	1 682 098	832 361	557 810
Collection costs	19 133	9 968	63	0	74 785	0	32 562	2 105
Depreciation and amortisation	564 132	515 950	97 891	90 518	718 589	649 966	1 723 646	1 439 872
Impairment loss (PPE)	10 394	9 933	5	0	12 972	6 503	6 463	126 186
Repairs and maintenance	370 224	154 730	59 611	33 046	562 326	512 558	1 036 006	812 432
<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	231	117	84 362	83 537
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	0	7 149	1 552	6 851	7 181	0	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	101 508	161 072	985	261	304 281	234 266	391 472	385 159
Non-profit institutions serving households	15 224	0	16 025	0	35 669	0	5 212	0
Other	366 108	458 835	6 212	7 991	11 948	31 308	41 561	61 253
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	6 629	7 366	6 124	6 375	8 909	6 759	4 740	3 096
Advertising, promotions and marketing	4 299	6 194	30 260	208	17 070	3 856	29 713	452
Audit fees	1 984	1 765	652	14	5 552	7 662	8 798	2 551
Bank charges	234	161	20	8	783	92	2 262	51
Cleaning services	9 170	8 812	3 924	3 066	47 654	10 936	9 908	9 485
Consultancy and professional fees	23 897	96 779	11 314	5 217	45 210	38 739	24 778	3 047

\*Some figures have been revised.

**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (continued)**

Expenditure	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	1 231	727	280	405	1 183	376	349	254
Fuel and oil	63 070	26 679	8 498	7 686	265 545	230 188	195 150	43 150
Hiring of plant and equipment	11 335	15 740	2 819	7 649	94 500	69 406	16 403	28 909
Insurance costs	7 744	8 969	535	787	4 138	4 476	4 925	5 160
Pharmaceutical	2	1	5	1	8	2	1 713	2 416
Postal and courier services	113	101	179	21	537	182	137	324
Printing and stationery	8 950	9 184	5 770	2 468	7 332	7 012	3 856	2 570
Rebates for service charges	0	0	0	0	136 254	75 212	81 983	74 603
Rental of land, buildings and other structures	27 656	41 257	2 041	162	13 218	13 914	5 480	2 726
Rental of office equipment	1 140	647	72	49	5 292	10 601	954	5 944
Security services	40 523	38 769	620	5 825	30 957	47 180	5 690	22 003
Subscriptions and membership fees	463	392	288	127	739	301	10 607	102
Telecommunication services	24 882	22 246	5 556	5 241	10 486	9 505	16 459	5 075
Training and education	3 351	2 705	6 238	1 365	6 068	8 101	17 032	6 579
Transport costs	34 137	1 009	5 695	3 566	39 291	44 540	38 862	2 688
Other expenditure	979 445	1 617 484	96 970	204 392	794 714	1 395 516	767 258	741 969
Taxation	1 726	0	0	0	1 396	0	2 094	507
Surplus	1 252 780	1 668 607	30 373	152 353	1 493 562	1 779 398	6 017 472	7 737 151
<b>Total expenditure</b>	<b>7 286 155</b>	<b>8 110 711</b>	<b>1 314 377</b>	<b>1 572 475</b>	<b>12 779 133</b>	<b>13 042 172</b>	<b>15 606 456</b>	<b>15 439 884</b>

\*Some figures have been revised.

**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (continued)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee-related costs	4 613 389	4 567 123	6 006 065	6 214 337	6 931 494	5 733 811	656 383	460 850
Interest paid	386 298	359 327	972 297	705 096	1 330 830	897 616	19 977	44 702
Loss on disposal of property, plant and equipment	48 488	12 741	46 434	67 515	47 404	44 144	136	75
Bad debts	160 730	122 259	3 005 150	3 197 958	2 624 581	3 189 772	82 144	2 498
Contracted services	987 404	1 434 381	1 450 403	738 829	929 031	695 156	19 419	35 691
Collection costs	0	107	1 726	4 413	55 766	76 622	46 632	13
Depreciation and amortisation	4 295 710	5 581 319	3 740 590	2 724 027	3 199 705	2 924 785	131 218	77 251
Impairment loss (PPE)	17 960	61 778	8 613	27 174	37 854	5 358	10	843
Repairs and maintenance	2 025 972	1 912 782	2 061 791	2 095 299	2 587 796	3 119 023	127 295	86 352
<b>Bulk purchases:</b>								
Purchases of water	0	0	13 823 299	15 344 212	0	0	0	0
Purchases of electricity	0	0	0	0	58 512 623	61 945 038	0	0
Other bulk purchases	0	0	0	0	0	0	0	0
<b>Grants and subsidies paid to:</b>								
Other local government institutions	0	20 752	176 430	32 968	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0	0
Households or individuals	131 850	25 926	222 176	653 798	302 545	286 912	0	0
Non-profit institutions serving households	0	0	0	0	0	0	0	0
Other	100 731	23 436	356 048	281 565	95 346	59 171	20 790	26 645
<b>General expenditure:</b>								
Accommodation, travelling and subsistence	17 459	20 337	24 551	20 942	17 351	17 555	6 284	6 124
Advertising, promotions and marketing	67 487	13 827	71 086	17 491	20 131	22 053	22 725	94 534
Audit fees	6 280	5 779	11 656	14 526	16 977	20 818	1 949	2 634
Bank charges	1 994	2 023	691	276	17 483	2 450	9 092	8 294
Cleaning services	8 830	9 628	9 671	3 469	8 336	5 098	11 129	11 800
Consultancy and professional fees	103 002	114 584	62 830	50 350	249 666	301 094	8 793	15 249

\*Some figures have been revised.

**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015:  
Expenditure (concluded)**

Expenditure	Road transport		Water		Electricity		Other trading services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Entertainment costs	913	1 809	575	3 518	462	797	128	53
Fuel and oil	308 526	268 595	160 024	196 273	97 803	91 825	59 774	17 805
Hiring of plant and equipment	85 073	24 231	80 008	98 791	57 952	9 215	641	491
Insurance costs	36 859	12 253	6 917	8 125	40 921	43 446	29 964	3 345
Pharmaceutical	0	0	11 719	10 504	5	4	0	0
Postal and courier services	6 246	123	4 045	4 385	1 787	1 643	15 455	50
Printing and stationery	35 184	44 010	32 799	35 748	42 670	28 335	8 293	4 081
Rebates for service charges	0	0	232 137	731 329	361 774	237 529	0	9 266
Rental of land, buildings and other structures	21 995	35 849	122 348	133 729	403 906	515 952	3 472	4 223
Rental of office equipment	9 652	7 110	9 568	15 298	4 055	1 848	439	229
Security services	31 944	31 467	71 691	59 251	121 796	122 364	17 826	17 057
Subscriptions and membership fees	611	10 589	3 921	1 523	1 479	830	411	369
Telecommunication services	51 255	44 580	25 992	29 122	54 229	60 754	16 052	3 739
Training and education	57 449	85 189	11 204	26 370	37 727	20 383	5 261	1 927
Transport costs	46 082	82 665	60 743	37 594	32 586	18 518	18 923	230
Other expenditure	1 328 268	1 781 726	2 420 417	2 597 463	1 208 575	2 670 334	137 726	191 542
Taxation	0	0	0	0	362 881	229 382	21 663	10 039
Surplus	1 211 392	1 453 721	3 768 055	5 831 740	8 576 151	10 470 731	942 980	1 166 837
<b>Total expenditure</b>	<b>16 205 033</b>	<b>18 172 026</b>	<b>39 073 670</b>	<b>42 015 008</b>	<b>88 391 678</b>	<b>93 870 366</b>	<b>2 442 984</b>	<b>2 304 838</b>

\*Some figures have been revised.

**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015:  
Income**

Income	Housing		Environmental protection		Waste management (solid waste)		Waste water management (sewerage and sanitation)	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
	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	0	0	0	0	0	0
Sales of electricity	0	0	0	0	0	0	0	0
Refuse removal charges	0	0	0	0	7 694 226	8 484 719	0	0
Sewerage and sanitation charges	0	0	0	0	0	0	9 767 489	11 235 171
Other service charges (e.g. fresh produce market etc.)	0	0	0	0	0	0	0	0
<b>Interest earned from:</b>								
External investments	71 424	34 233	5 744	17 598	155 419	7 677	71 167	734
Outstanding debtors	29 475	32 144	1 079	4 122	143 910	109 277	133 013	86 465
Dividends received	8	0	15	0	0	0	7	41
Fines	357	54	973	127	359	306	29	3
Licences and permits	7 157	461	10 834	841	1 532	2 669	6 525	0
Income for agency services	0	0	4 085	2 817	99 622	0	14 212	0
Rental of facilities and equipment	499 180	555 109	703	4 966	9 642	11 620	5 126	2 615
Bad debts recovered	0	0	0	0	0	0	0	0
Public contributions and donations (including PPE)	2 591	352	3 188	3 801	27 464	5	86 411	35 504
Gains on the disposal of property, plant and equipment	29 015	16 903	156	88	4 554	4 009	4 199	71
<b>Grants and subsidies from:</b>								
National government	504 984	1 189 341	39 808	209 747	483 299	1 014 187	825 500	962 483
Provincial government	349 435	807 816	3 416	1 617	16 253	8 785	71 783	17 651
Local government	0	3 549	0	2 408	0	317	0	3 297
Other	456	149 677	3 067	13 568	22 541	16 000	7 247	139 930
Spent conditional grants	3 556 070	3 970 592	303 821	81 441	2 298 185	863 176	3 453 059	1 962 429
Other income	180 009	84 054	110 236	93 689	572 507	368 151	692 301	210 898
Deficit	2 055 994	1 266 426	827 252	1 135 645	1 249 620	2 151 274	468 388	782 592
<b>Total income</b>	<b>7 286 155</b>	<b>8 110 711</b>	<b>1 314 377</b>	<b>1 572 475</b>	<b>12 779 133</b>	<b>13 042 172</b>	<b>15 606 456</b>	<b>15 439 884</b>

\*Some figures have been revised.



**Part 5: Consolidated statement of financial performance of municipalities for housing and trading services for the years ended 30 June 2014 and 30 June 2015: Income (concluded)**

	Road transport		Water		Electricity		Other trading services	
	2014*	2015	2014*	2015	2014*	2015	2014*	2015
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	23 663 281	26 522 087	0	0	0	0
Sales of electricity	0	0	0	0	81 175 263	86 383 959	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	1 014 446	1 244 513
<b>Interest earned from:</b>								
External investments	312 605	20 528	124 324	84 058	139 599	247 085	7 308	7 873
Outstanding debtors	1 727	12 888	543 133	528 775	287 698	275 141	1 734	564
Dividends received	76	0	9	0	3	0	0	0
Fines	23 992	20 045	170	53	21 750	22 191	77	52
Licences and permits	233 987	287 459	824	5	0	18	25	25
Income for agency services	419 846	575 948	0	1 344	4 725	0	2	2
Rental of facilities and equipment	306 109	171 257	7 385	8 729	2 351	2 898	153 536	100 154
Bad debts recovered	0	0	41	0	806	0	0	0
Public contributions and donations (including PPE)	199 324	31 189	71 200	29 708	181 214	179 341	19 940	0
Gains on the disposal of property, plant and equipment	7 734	52	15 192	5 317	3 202	34 245	3	0
<b>Grants and subsidies from:</b>								
National government	2 271 258	3 326 435	3 329 272	3 008 129	1 581 066	1 733 609	69 630	16 422
Provincial government	107 826	86 939	52 149	87 217	4 637	3 575	0	9 350
Local government	1 593	1 799	11 941	14 490	0	229	0	4 077
Other	116 712	333 671	15 455	96 406	99 890	49 073	60 119	0
Spent conditional grants	5 707 000	5 044 227	5 304 686	4 964 450	2 506 613	1 948 647	259 282	14 900
Other income	737 482	1 112 349	834 817	783 974	940 948	1 567 298	409 322	559 445
Deficit	5 757 762	7 147 240	5 099 791	5 880 266	1 441 913	1 423 057	447 560	347 461
<b>Total income</b>	<b>16 205 033</b>	<b>18 172 026</b>	<b>39 073 670</b>	<b>42 015 008</b>	<b>88 391 678</b>	<b>93 870 366</b>	<b>2 442 984</b>	<b>2 304 838</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 2015 and revised data for 2014 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 2014 and 2015 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 2015 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. 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 2015 is generally comparable with the publication for the year ended 30 June 2014.</p>

<b>Symbols and abbreviations used</b>	<b>9</b>	* INCA 0 GAMAP GRAP Stats SA COID	Some figures have been revised Infrastructure Finance Corporation Ltd Nil or not applicable Generally Accepted Municipal Accounting Practice Generally Recognised Accounting Practice Statistics South Africa Compensation for Occupational Injuries and Diseases
<b>Revision of data</b>	<b>10</b>		Information for 2015 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.
<b>Fluctuations between 2014* and 2015</b>	<b>11</b>		The fluctuations in the data between 2014 and 2015 can be due to: <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>		Slight discrepancies may occur between sum of the component items and totals where figures have been rounded off.
<b>Preliminary data</b>	<b>13</b>		All 278 reporting units furnished the required information (100% response rate).

## 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>
<b>Value Added Tax</b>	<p>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.</p>



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