

MUSINA LOCAL MUNICIPALITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Musina Local Municipality
ANNUAL FINANCIAL STATEMENT
for the year ended 30 June 2022

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**Annual Financial Statements
for
Musina Local Municipality
LIM 341**

for the year ended 30 June: **2022**

Province:

AFS rounding:

Contact Information:

Accounting Officer (Acting)	Nephawe LT
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Chief Financial Officer: (Acting)	Murulana L
Contact telephone number:	0155346176
Contact e-mail address:	thomasn@musina.gov.za

Name of contact at provincial treasury:	M Nkuna
Contact telephone number:	015 291 8400
Contact e-mail address:	NkunaMC@treasury.limpopo.gov.za

Name of relevant Auditor:	D Debeila
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Name of contact at National Treasury:	Thomas Matjeni
Contact telephone number:	012 315 5792
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Legal form of entity:	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
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Nature of business and principal activities:	The provision of services (electricity and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
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Legislation governing the municipality's operations:	Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Constitution of the Republic of South Africa (Act 108 of 1998) Municipal Property Rates Act (Act of 6 2004) Division of Revenue Act (Act 1 of 2007)
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Annual Financial Statements
for
Musina Local Municipality
LIM 341

Members of council	Name	Appointment date	Resignation date
Mayor	G Mawela	Nov-21	
Speaker	E S Shirilele	Nov-21	
Chief whip	MF Mafela	Nov-21	
Exco	VM Manavhela	Nov-21	
Exco	V Milanzi	Nov-21	
Exco	R Luambo	Nov-21	
Exco	S Phiri	Nov-21	
Member	M Munzhelele	Nov-21	
MPAC Chair	E Makhado	Nov-21	
Member	D Mokobi	Nov-21	
Member	C Nematshavhawe	Nov-21	
Member	E Nkhata	Nov-21	
Member	C Makhani	Nov-21	
Member	T Mammbede	Nov-21	
Member	F Nemukombame	Nov-21	
Member	P Ramofhi	Nov-21	
Member	R Rambambukwa	Nov-21	
Member	S Ndhlovu	Nov-21	
Member	D Makhura	Nov-21	
Member	A Mamafa	Nov-21	
Member	J Mariba	Nov-21	
Member	M Van Staden	Nov-21	
Member	P Herman	Nov-21	
Member	E Maphari	Nov-21	
Mayor	M E Muhlope	Aug-16	Nov-21
Speaker	G Netshisaulu	Aug-16	Nov-21
Chief whip	M F Mafela	Aug-16	Nov-21
Exco	E S Shirilele	Aug-16	Nov-21
Exco	G N Milanzi	Aug-16	Nov-21
Exco	J Khunwana	Aug-16	Jul-21
Exco	E Magwira	Aug-16	Nov-21
Member	S M Phiri	Aug-16	Nov-21
MPAC Chair	P Nare	Aug-16	Nov-21
Member	P Sakala	Aug-16	Nov-21
Member	R Netshivhulana	Aug-16	Nov-21
Member	T Netshipale	Aug-16	Nov-21
Member	R Gadabeni	Aug-16	Nov-21
Member	P Mbedzi	Aug-16	Nov-21
Member	J Mukwevho	Aug-16	Nov-21
Member	R Mavhungu	Aug-16	Nov-21
Member	D Makhura	Aug-16	Nov-21
Member	P Nyabane	Aug-16	Nov-21
Member	E Makatu	Aug-16	Nov-21
Member	R Fick	Aug-16	Nov-21
Member	E Mamafa	Aug-16	Nov-21
Member	E Makhesha	Aug-16	Nov-21
Member	B Ndou	Jun-19	Nov-21
Member	A Raselabe	Aug-16	Nov-21
Grading of local authority:	03		

Registered office	Musina Municipality
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Business address	Civic Centre 21 Irwin Street Musina 0900
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Postal address	Private bag X611 Musina 0900
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**Annual Financial Statements
for
Musina Local Municipality
LIM 341**

Bankers	ABSA
Auditors	Auditor-General of South Africa (AGSA)

Musina Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022

Approval of Financial Statements and Accounting Officers responsibility.

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I as the Accounting Officer, acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I have set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, I am satisfied that the municipality has or have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Musina Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

I am primarily responsible for the financial affairs of the municipality.

I would like to bring to your attention the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 29 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditor, being the Auditor General of South Africa, is responsible for independently auditing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 01 to 71, which have been prepared on the going concern basis, were approved on 31 August 2022

Acting Accounting Officer :Nephawe LT
Date: 31 August 2022

Musina Local Municipality ANNUAL FINANCIAL STATEMENT for the year ended 30 June 2022

Abbreviations

COGTA	Co-operative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
MSIG	Municipal System Improvement Grant
LGSETA	Local Government Services Sector Education & Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
INEP	Integrated National Electricity Programme
FMG	Financial Management Grant
EPWP	Expanded Public Works Programme Integrated Grant

Musina Local Municipality
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2021/2022	2020/2020 Restated
		R	R
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	5,715,066	12,473,161
Receivables From Exchange Transactions	3	31,075,059	27,917,755
Receivables From Non-exchange Transactions	4	20,787,921	21,450,701
Inventories	5	29,361,217	31,287,509
Other Current Assets	6	9,311,568	15,213,525
Total Current Assets		96,250,830	108,342,651
Non-Current Assets			
Investments	7	10,731,000	10,731,000
Investment Property	8	169,854,200	173,984,200
Property, Plant and Equipment	9	433,991,779	429,646,698
Heritage Assets	10	65,210	65,210
Intangible Assets	11	266,229	8,492
Total Non-current Assets		614,908,418	614,435,600
TOTAL ASSETS		711,159,249	722,778,251
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	436,785	383,714
Consumer Deposits	13	5,083,887	4,781,337
Trade and Other Payables From Exchange Transactions	14	166,992,723	187,273,177
Trade and Other Payables From non-Exchange Transactions	14.1	351,037,078	325,889,022
Unspent Transfers and Subsidies	15	5,578,721	0
Provisions	16	4,625,287	3,873,287
Other Current Liabilities	17	343,000	327,000
Total Current Liabilities		534,097,482	522,527,538
Non-current Liabilities			
Financial Liabilities	12	362,495	799,180
Provisions	16	26,479,963	26,531,963
Other Non-current Liabilities	17	21,407,000	18,796,000
Total Non-current Liabilities		48,249,458	46,127,143
TOTAL LIABILITIES		582,346,940	568,654,681
NET ASSETS			
Accumulated Surplus / (Deficit)		128,812,308	154,123,571
Reserves		128,812,308	154,123,571
TOTAL NET ASSETS		128,812,308	154,123,571

Musina Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2022

	Note	2021/2022	2020/2021 Restated
		R	R
Revenue			
Non-Exchange Revenue			
Property Rates	18	25,683,933	24,787,414
Transfers and Subsidies – Operational	25	174,429,000	195,305,000
Fines, Penalties and Forfeits	23	3,122,500	2,694,700
Other Revenue-LG SETA	26	1,948,842	1,088,733
Donations	52	4,363,478	-
Exchange Revenue			
Service Charges - Electricity	19	152,980,531	143,855,458
Service Charges – Waste Management	19	14,367,687	12,420,239
Rental	20	692,931	558,297
Interest on Investments	21	469,109	494,381
Interest on Receivables	22	4,963,673	2,778,799
Licences and Permits	24	2,098,991	2,285,624
Other Revenue	26	11,752,166	9,433,830
Total Revenue (excl. capital transfers and subsidies)		396,872,841	395,702,477
Expenditure			
Employee Related Costs	28	151,682,716	150,949,955
Remuneration of Councillors	29	10,097,007	10,525,533
Debt Impairment / Write-off	3 & 4	41,885,423	30,798,422
Depreciation and Amortisation	30	30,060,665	28,518,998
Asset Impairment	30	1,824,331	1,620,431
Finance Costs	31	121,724	2,620,820
Bulk Purchases	32	137,919,076	116,843,934
Inventory Consumed	33	4,200,207	3,766,783
Contracted Services	34	37,408,169	25,698,978
Transfers and Subsidies	35	4,565,000	4,339,000
Operational Costs	36	31,519,060	29,759,856
Loss on Disposal of Assets	27	-	-
Total Expenditure		451,283,379	405,442,711
Surplus/(Deficit)		-54,410,538	-9,740,234
Gain on Post retirement Medical Aid Benefit Liability	27	-	-
Transfers and Subsidies – Capital	25	31,409,279	37,793,234
Gain on revaluation of Assets	27	-2,310,000	1,810,200
Surplus/(Deficit) After Capital Transfers and Contributions		-25,311,259	29,863,200
Surplus/(Deficit) Prior year errors		-	-

Surplus/(Deficit) for the year		-25,311,259	29,863,200
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Musina Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2022

	Accumulated Surplus / (Deficit)	TOTAL
	R	R
Balance of retained earnings 30 June 2020	96,556,363	96,556,363
Prior period errors	27,704,007	27,704,007
Restated balance	124,260,370	124,260,370
Surplus/deficit for 2021	29,863,200	29,863,200
Closing balance for 2021	154,123,570	
Balance as previously reported	154,123,570	154,123,570
Effect of prior period errors	-	-
Surplus/deficit 2022	-25,311,259	-25,311,259
Closing balance for 2022	128,812,311	128,812,311

For details refer to note 37

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Musina Local Municipality								
COMPARISON OF BUDGET AND ACTUAL AMOUNTS								
for the year ended 30 June 2022								
	2021/2022							
	R							
	Original Budget	*Budget adjustments	Final adjustments budget	**Shifting of funds	***Virement	Final Budget	Actual Outcome	Variance
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Financial Performance								
Property rates	22,698,000	-	22,698,000	-	-	22,698,000	25,683,933	2,985,933
Service charges	189,125,000	-	189,125,000	-	-	189,125,000	167,348,218	-21,776,782
Rental of facilities and equipment	668,000	-	668,000	-	-	668,000	692,931	24,931
Interest earned - external investments	1,244,000	-	1,244,000	-	-	1,244,000	469,109	-774,891
Interest earned - outstanding debtors	3,180,000	2,977,000	6,157,000	-	-	6,157,000	4,963,673	-1,193,327
Fines	3,276,000	-	3,276,000	-	-	3,276,000	3,122,500	-153,500
Licences and permits	5,509,000	-	5,509,000	-	-	5,509,000	2,098,991	-3,410,009
Transfers recognised - operational	174,429,000	-	174,429,000	-	-	174,429,000	174,429,000	-0
Other revenue	13,731,000	-	13,731,000	-	-	13,731,000	18,064,487	4,333,487
Gains on disposal of PPE	23,693,000	-	23,693,000	-	-	23,693,000	-2,310,000	-26,003,000
Total Revenue (excluding capital transfers and contributions)	437,553,000	2,977,000	440,530,000	-	-	440,530,000	394,562,841	-45,967,159
Employee related costs	158,392,000	-	158,392,000	-	-	158,392,000	151,682,716	-6,709,284
Remuneration of councillors	12,822,000	-1,000,000	11,822,000	-	-	11,822,000	10,097,007	-1,724,993
Debt impairment	8,325,000	-	8,325,000	-	-	8,325,000	41,885,423	33,560,423
Depreciation & asset impairment	34,265,000	-	34,265,000	-	-	34,265,000	31,884,997	-2,380,003
Finance charges	1,777,000	-	1,777,000	-	-	1,777,000	121,724	-1,655,276
Bulk purchases	129,748,000	-	129,748,000	-	-	129,748,000	137,919,076	8,171,076
Other materials	8,414,000	-	8,414,000	-	-	8,414,000	4,200,207	-4,213,793
Contracted services	37,238,000	4,110,000	41,348,000	-	-	41,348,000	37,408,169	-3,939,831
Transfers and grants	6,073,000	-	6,073,000	-	-	6,073,000	4,565,000	-1,508,000
Other expenditure	32,534,000	-	32,534,000	-	-	32,534,000	31,519,060	-1,014,940
Total Expenditure	429,588,000	3,110,000	432,698,000	-	-	432,698,000	451,283,379	18,585,379
Surplus/(Deficit)	7,965,000	-133,000	7,832,000	-	-	7,832,000	-56,720,538	-27,381,781
Transfers and subsidies - capital	-	-	-	-	-	-	-	-
Contributions recognised	36,988,000	-	36,988,000	-	-	36,988,000	31,409,279	-5,578,721
Surplus/(Deficit) after capital transfers & contributions	44,953,000	-133,000	44,820,000	-	-	44,820,000	-25,311,259	19,508,741
Surplus/(Deficit) for the year	44,953,000	-133,000	44,820,000	-	-	44,820,000	-25,311,259	19,508,741
Reconciliation to statement of financial performance								
Total Revenue (excl. capital transfers and subsidies)	437,553,000	2,977,000	440,530,000	-	-	440,530,000	394,562,841	-45,967,159
Total Expenditure	429,588,000	3,110,000	432,698,000	-	-	432,698,000	451,283,379	18,585,379
Transfers and Subsidies – Capital	36,988,000	-	36,988,000	-	-	36,988,000	31,409,279	-5,578,721
Surplus/(deficit) per the statement of financial performance	44,953,000	-133,000	44,820,000	-	-	44,820,000	-25,311,259	19,508,741

Musina Local Municipality
COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 30 June 2022

Comparison of Budget and Actual Amounts for the year ended 30 June 2022 (Continued)

	2021/2022 R							
	Original Budget [1]	*Budget adjustments [2]	Final adjustments budget [3]	**Shifting of funds [4]	***Virement [5]	Final Budget [6]	Actual Outcome [7]	Variance [8]
Capital expenditure and fund source								
Transfers recognised – capital	36,988,000	-	36,988,000	-	-	36,988,000	31,409,279	-5,578,721
Financial position								
Total Current assets	146,265,000	-	146,265,000	-	-	146,265,000	96,250,830	-50,014,170
Total non current assets	367,814,000	-	367,814,000	-	-	367,814,000	614,908,418	247,094,418
Total current liabilities	86,492,000	-	86,492,000	-	-	86,492,000	534,097,482	447,605,482
Total non current liabilities	22,645,000	-	22,645,000	-	-	22,645,000	48,249,458	25,604,458
Net Assets	404,942,000	-	404,942,000			404,942,000	128,812,308	-276,129,692
Comparison of Budget and Actual Amounts for the year ended 30 June 2022 (Continued)								
	2021/2022 R							
	Original Budget [1]	*Budget adjustments [2]	Final adjustments budget [3]	**Shifting of funds [4]	***Virement [5]	Final Budget [6]	Actual Outcome [7]	Variance [8]
Cash flows								
Net Cash flow from (used) operating	17,410,000	-	17,410,000	-	-	17,410,000	23,753,551	-6,343,551
Net cash flow from(used) Investing Activities	10,668,000	-	10,668,000	-	-	10,668,000	-30,592,711	-19,924,711
Net cash flow from (used) Financing	6,185,000	-	6,185,000	-	-	6,185,000	81,064	6,266,064
Net increase/decrease in cash held	557,000	-	34,263,000	-	-	34,263,000	-6,758,096	41,021,096

Musina Local Municipality
COMPARISON OF BUDGET AND ACTUAL AMOUNTS
for the year ended 30 June 2022

Comparison of Budget and Actual Amounts for the year ended 30 June 2021 (Continued)

	2020/2021 R		
	Final Budget	Actual outcome	Variance
Financial Performance			
Property rates	21,413,000	24,787,414	3,374,414
Service charges	178,420,000	156,275,697	-22,144,303
Rental of facilities and equipment	630,000	558,297	-71,703
Interest earned-external investment	1,174,000	494,381	-679,619
Interest earned-outstanding debtors	3,000,000	2,778,799	-221,201
Fines	3,091,000	2,694,700	-396,300
Licence and Permits	5,197,000	2,285,624	-2,911,376
Transfers recognised – operational	195,305,000	195,305,000	-
Other own revenue	13,459,000	10,522,563	-2,936,437
Gains and Losses	5,371,000	1,810,200	-4,610,278
Total revenue (excl capital transfers and contributions)	427,060,000	397,512,677	-30,596,801
Employee costs	154,154,000	150,949,955	-3,204,045
Remuneration of councillors	11,586,000	10,525,533	-1,060,467
Debt impairment	7,854,000	30,798,422	22,944,422
Depreciation & asset impairment	32,325,000	30,139,429	-2,185,571
Finance charges	1,676,000	2,620,820	944,820
Materials and bulk purchases	122,404,000	116,843,934	-5,560,066
Other material	7,938,000	3,766,783	-4,171,217
Contracted Services	40,346,000	25,698,978	-14,647,022
Transfers and grants	5,729,000	4,339,000	-1,390,000
Other expenditure	32,579,000	29,759,856	-2,819,144
Loss on disposal of PPE	-	-	-
Total expenditure	416,591,000	405,442,711	-11,148,289
Surplus/(deficit)	10,469,000		
Transfers and subsidies – capital	-	37,793,234	37,793,234
Contributions recognised	38,215,000		
Surplus/(deficit) after capital transfers and contributions	48,684,000	29,863,200	-79,538,325
Reconciliation to statement of financial performance			
Total Revenue (excl. capital transfers and subsidies)	427,060,000	397,512,677	-30,596,801
Total Expenditure	416,591,000	405,442,711	-11,148,289
Transfers and Subsidies – Capital	38,215,000	37,793,234	-421,766
Surplus/(deficit) per the statement of financial performance	48,684,000	29,863,200	78,547,200
Capital expenditure and fund source			
Transfers recognised – capital	38,215,000	37,793,234	-421,766
Financial position			
Total current assets	157,901,000	108,342,651	-49,558,349
Total non-current assets	546,970,000	614,435,600	67,465,600
Total current liabilities	94,339,000	522,527,538	428,188,538
Total non-current liabilities	4,769,000	46,127,143	41,358,143
Net Assets	605,763,000	154,123,570	-451,639,430
Cash Flows			
Net cash from (used) operating activities	55,617,000	34,368,048	89,985,048
Net cash from (used) investing activities	-48,684,000	-36,549,125	-12,134,875
Net cash from (used) financing activities	-2,527,000	1,986,837	-4,513,837
Net increase/decrease in cash held	4,406,000	-194,240	4,600,240

Refer to note 56 for variance explanations.

Musina Local Municipality SEGMENTS for the year ended 30 June 2022						
	2021/2022					
	R					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Segment Revenue						
External revenue from non-exchange transaction	3,122,500	-	25,683,933	180,741,320	-	209,547,753
External revenue from exchange transactions	2,098,991	-	167,348,218	12,445,097	-	181,892,306
Revenue from transactions with other segments	-	-	-	31,409,279	-	31,409,279
Interest revenue	-	-	-	5,432,782	-	5,432,782
Segment Expenses						
Total segment expenses	12,711,820	-	335,418,067	71,255,503	-2,310,000	417,075,389
Depreciation and amortisation	-	-	-	31,884,997	-	31,884,997
Interest expense	-	-	-	12,993	-	12,993
Surplus/deficit for the year	-7,490,329	-	-142,385,916	126,874,986	-2,310,000	-25,311,259

	2021/2022					
	R					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Other Information						
Segment assets	3,330,730	-	83,608,532	624,219,986	-	711,159,249
Segment liabilities	-	-	518,029,801	63,954,644	-	581,984,445
Additions to non-current assets	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenses (included above)	-	-	-	-	-	-
Cash flows from operating activities	-	-	23,753,551	-	-	23,753,551
Cash flows from investing activities	-	-	-30,592,711	-	-	-30,592,711
Cash flows from financing activities	-	-	81,064	-	-	81,064

	2020/2021					
	R					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Segment Revenue						
External revenue from non-exchange transaction	7,523,609	-	21,257,109	146,868,000	-	175,648,717
External revenue from exchange transactions	-	-	149,747,551	10,524,766	1,396,000	161,668,316
Revenue from transactions with other segments	-	-	-	28,793,561	-	28,793,561
Interest revenue	-	-	-	3,647,913	-	3,647,913
Segment Expenses						
Total segment expenses	8,952,594	-	295,660,675	48,718,731	-	353,332,000
Depreciation and amortisation	-	-	-	34,842,579	-	34,842,579
Interest expense	-	-	-	6,290,130	-	6,290,130
Internal charges	0	0	0	0	0	0
Surplus/deficit for the year	-1,428,985	-	-124,656,016	99,982,800	1,396,000	-24,706,202

	2020/2021					
	R					
	Community and public safety	Economic and environmental	Trading Services	Other	Unallocated	Total
Other Information						
Segment assets	3,284,063	-	114,781,423	605,249,254	-	723,314,740
Segment liabilities	-	-	516,071,671	27,953,865	-	544,025,536
Additions to non-current assets	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenses (included above)	-	-	-	-	-	-
Cash flows from operating activities	-	-	39,494,330	-	-	39,494,330
Cash flows from investing activities	-	-	25,267,713	-	-	25,267,713
Cash flows from financing activities	-	-	3,012,688	-	-	3,012,688

Musina Local Municipality CASH FLOW STATEMENT for the year ended 30 June 2021		
Note	2022	2021 Restated
	R	R
OPERATING ACTIVITIES		
Receipts	380,720,008	413,820,072
Sales of goods and services	174,360,886	167,067,727
Grants	180,007,844	228,726,001
Interest received	5,432,782	2,828,308
Other receipts	20,918,496	15,198,035
Payments	356,966,457	379,452,024
Employee costs	161,779,723	161,475,486
Suppliers	195,065,010	217,761,897
Interest paid	121,724	214,641
Net cash from operating activities	23,753,551	34,368,048
INVESTING ACTIVITIES		
Purchase of fixed assets	-36,025,493	-38,919,591
Sale of Investments	-	2,181,648
Interest received	5,432,782	188,818
Net cash from Investing activities	-30,592,711	-36,549,125
FINANCING ACTIVITIES		
Increase /Decrease Finance Lease	383,614	-944,757
Decrease in long term Loans	-	2,945,382
Increase/Decrease in consumer deposit	-302,550	-13,788
Net cash outflow from financing activities	81,064	1,986,837
Net increase / (decrease)	-6,758,096	-194,239
Net at beginning of period	12,473,161	12,667,400
Net at end of period	5,715,065	12,473,161

Notes to the financial statements

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
30 JUNE 2022

1 BASIS OF ACCOUNTING

1.1.1 BASIS OF PRESENTATION

These annual financial statements have been prepared in accordance with standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months. Refer to note 54.

1.1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparative are restated accordingly.

Certain comparative figures have been reclassified.

The nature and reasons for the reclassification and restatement are disclosed in note 38 correction of prior period error to the financial statements.

1.1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

New standards and interpretations

Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later period.

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

Financial guarantee contracts issued

-Loan commitments issued

-Classification of financial assets

-Amortised cost of financial assets

- Impairment of financial assets

- Disclosures

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities.

The municipality does not envisage the adoption of the guideline until such time as it becomes applicable to the municipality's operations

Guideline and accounting for Landfill site

The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) (the Constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the applicable Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill (hereafter referred to as "land"), the landfill site asset and the related rehabilitation provision

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's audited annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual audited annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

New standards and interpretations (continued)

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

A person or a close member of that person's family is related to the reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity;
- is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

Close member of the family of a person;

Management;

Related parties;

Remuneration; and

Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

Control;

Related party transactions; and

Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the

municipality's operations.
It is unlikely that the standard will have a material impact on the municipality's audited annual financial statements

1.2 PROPERTY, PLANT AND EQUIPMENT

1.2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an item of property, plant and equipment was under construction at year end (Work in progress), such assets will be disclosed in aggregate per class of the assets and not individually to reflect each project. Such assets will not be depreciated until they are completed.

1.2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.2.3 DEPRECIATION

Depreciation is calculated on historical cost, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	Years
Infrastructure Assets	
Roads, pavement, double seals, road signs and road markings	15-40
Street names, signs and parking meters	5
Car parks, bus terminals and taxi ranks	20
Electricity - Mass lights	15
Electricity - Transformers	15
Electricity - Street lights	15
Housing	30
Street lighting	25
Refuse sites	30
Bridges	40
Community Assets	
Parks and gardens	30
Sport fields	30
Community halls	30
Libraries	30
Recreation facilities	30
Clinics	30
Fire services	30
Cemeteries	30
Other Assets	
Motor vehicles	5
Plant and equipment	5
Security measures	3
Buildings	30
IT equipment	3
Office equipment	5

Finance leased assets are depreciated over the lease term.

Land is not depreciated as it is regarded as having an infinite life.

The useful life of an item of property plant and equipment is reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge from the current and future periods gets adjusted. During the year items of property, plant and equipment useful life was assessed and based on the assessment there were no changes to prior year estimates.

1.2.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.3 HERITAGE ASSETS

1.3.1 INITIAL RECOGNITION

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

At initial recognition, the municipality measures heritage assets at cost once it meets the definition of heritage assets. However, where a heritage asset was acquired through a non-exchange transaction (i.e. where it acquired the heritage assets for no or a nominal value), its cost is its fair value as at the date of acquisition.

1.3.2 SUBSEQUENT MEASUREMENT – REVALUATION MODEL

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

1.3.3 Derecognition

When the heritage assets are permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

1.4 INTANGIBLE ASSETS

1.4.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised. All other cost incurred on intangible assets during the exemption period has been expensed.

1.4.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.4.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software 3-5

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.4.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.5 INVESTMENT PROPERTY

1.5.1 INITIAL RECOGNITION

Investment property includes property held to earn income, or capital appreciation rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

An asset is derecognised when it is disposed off or when no future economic benefits or service potential is expected. Any gain or loss is recognised in surplus or deficit.

1.5.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

1.5.3 DERECOGNITION

Investment property is derecognised when it is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

1.6 INVENTORIES

1.6.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, delivery costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.6.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Assets (Land inventory) held for sale are measured at cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method.

1.7 FINANCIAL INSTRUMENTS

1.7.1 INITIAL RECOGNITION

Financial assets and liabilities are recognised on the municipality's statement of financial position when the municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at cost.

1.7.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with GRAP 104.

1.7.2.1 INVESTMENTS

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

1.7.2.2 RECEIVABLES (EXCHANGE AND NON-EXCHANGE)

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

1.7.2.3 TRADE PAYABLES (EXCHANGE AND NON EXCHANGE) AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

1.7.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.7.3 DERECOGNITION

A financial asset or the specifically identified cash flows of an asset is derecognised when:

- a) The cash-flows from the asset expire, are settled or waived;
- b) Significant risks and rewards are transferred to another party; or
- c) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

1.7.4 GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

1.7.5 OFFSETTING

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.7.6 IMPAIRMENTS

All financial assets measured at amortised cost, or cost are subject to an impairment review. The Municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it will include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date on which the impairment is reversed. The amount of the reversal shall be recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

1.8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure can only be condoned through council resolution after submission of investigation report by MPAC.

1.9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.10 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.11 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land). Provisions include, Long service, Medical aid and provision for leave accrual.

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

1.12 LEASES

1.12.1 OPERATING AND FINANCE LEASE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

1.13 REVENUE

1.13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on 3 month average usage.

Service charges relating to refuse removal are recognised on a monthly basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

- Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.
- Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.
- Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale and where prepaid electricity is not fully consumed or utilised at the end of the reporting period, revenue will be recognised to the extent that the prepaid electricity has been consumed

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

Fines constitute of traffic fines. Revenue from traffic fines is recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

1.14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.15 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund
- National fund for Municipal workers

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

a) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

1.16 EMPLOYEE BENEFITS

Remuneration to employees is recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs.

The costs of all short-term employee benefits, such as leave pay, are recognised in the period the employee renders the related service.

Leave pay accrual

The liability is based on the total amount of leave days due to the employees on the reporting date and on their total remuneration package.

Provision for Performance Bonuses

A provision in respect of the liability relating to the anticipated costs of 13th cheque bonuses payable to all employees is maintained. Where performance appraisals have not yet been performed at year-end, a performance bonus provision is raised based on the employment contract stipulations and previous performance bonus payment trends.

Long service awards

Employees, who have completed 10 years' unbroken service, are entitled to receive a once-off cash award. The cash award is included in the employee's salary in the month of the service anniversary. The calculations are made by an actuary appointed by the Municipality on a competitive bidding process and is similar to accounting for post retirement benefits.

1.17 IMPAIRMENT OF ASSETS

1.17.1 IMPAIRMENT OF ASSETS - NON - CASH GENERATING ASSETS

Those assets held by the Municipality without an intention of generating a commercial return from such asset. The Municipality assesses at each reporting date whether any indications exist that an asset may be impaired. When such an indication exists, the Municipality estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined by using either the depreciated replacement cost, restoration cost or service unit approach, depending on the availability of data and the nature of the impairment. If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in carrying amount of an asset due to the reversal of impairment loss should not exceed what the asset's original carrying would have been if no impairment loss were recognised.

1.17.2 IMPAIRMENT OF ASSETS - CASH GENERATING ASSETS

Those assets held by the Municipality for the purpose of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated Municipality, it generates a commercial return.

The Municipality assesses at each reporting date whether there is any indication that an asset or cash-generating unit to which an asset belongs to may be impaired. When such an indication exists, the Municipality estimates the recoverable amount of the asset. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The future expected cash flows are discounted at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. If the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in the carrying amount of an asset due to the reversal of an impairment loss should not exceed what the carrying amount would have been if no impairment loss had been recognised.

1.18 COMMITMENTS

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for and approved and not contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

1.19 RELATED PARTIES

The Municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the Municipality.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not more or no less favourable than the terms it would use to conclude transactions with another Municipality or person are disclosed.

1.20 BUDGET INFORMATION

Municipality is typically subjected to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar measures. General purpose financial reporting by municipalities must provide information on whether resources were obtained and used in accordance with the legally adopted budget. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements. Percentage movements of +/-10% or more are regarded as significant and are followed up.

1.21 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements in conformity with GRAP required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Municipality's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable. This includes the following: provision for bad debts, provision for land fill sites, defined benefits, impairments of assets and rehabilitation of landfill sites, fair value of investment property and impairment of trade receivables

1.22 CONSUMER DEPOSITS

Initial and Subsequent measurement

These are deposits that held by the municipality for all accounts that the municipality has with the customers, deposits are reviewed each year when tariffs are taken to council, after the review the deposit will be adjusted to reflect any changes to value if there are differences. The deposit is then paid out to customers on termination of the accounts provided the account holder does not have any liabilities on their accounts. This is disclosed under current liabilities.

1.23 TRANSFERS OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL

The objective of this standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions. In event of a transfer of function between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus/deficit.

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

1.25 VALUE ADDED TAX

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

The municipality accounts for VAT on the payment/receipts basis. Output VAT is only payable as and when the purchase consideration is received and input tax can only be claimed as and when payments are made.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

2 CASH AND CASH EQUIVALENTS

2.1 Cash and cash equivalents

	2021/2022 R	2020/2021 R
<i>Cash and cash equivalents consist of the following:</i>		
Cash at bank	5,715,066	12,473,161
Total cash and cash equivalents	5,715,066	12,473,161

Cash at banks earns interest at floating rates based on daily bank deposit rates

2.2 Bank accounts

	2021/2022 R	2021/2022 R
<i>The municipality has the following bank accounts:</i>		
ABSA Bank Limited - Musina Branch: Account Number 2050550179	3,284,435	4,940,776
ABSA Bank Limited - Musina Branch: Account Number 4074881456	178,491	357,601
ABSA Bank Limited - Musina Branch: Account Number 9357757331	2,252,140	7,174,785
Total	5,715,066	12,473,161

2.3 Difference between Cash Book and Bank Statement

	2021/2022 R		
	Cash book	Bank Statement	Difference
ABSA Bank Limited - Musina Branch: Account Number 2050550179	5,715,066	3,284,435	2,430,631
ABSA Bank Limited - Musina Branch: Account Number 4074881456	-	178,491	-178,491
ABSA Bank Limited - Musina Branch: Account Number 9357757331	-	2,252,140	-2,252,140

Difference between Cash Book and Bank Statement (Continued)

	2020/2021 R		
	Cash book	Bank Statement	Difference
ABSA Bank Limited - Musina Branch: Account Number 2050550179	12,667,402	4,940,776	7,726,626
ABSA Bank Limited - Musina Branch: Account Number 4074881456	-	357,601	-357,601
ABSA Bank Limited - Musina Branch: Account Number 9357757331	-	7,174,785	-9,991,966

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

3 Receivables from exchange transactions

		2021/2022	2020/2021
		R	R
Consumer receivables from exchange transactions	3.1		
Electricity		17,996,594	15,256,972
Waste Management		11,674,616	10,610,763
Other receivables from exchange transactions	3.2		
Housing Selling Scheme		42,538	44,579
Interest on overdue accounts		53,924	803,011
Land Sale Debtors		93,548	94,048
Merchandising, Jobbing and Contracts		303,742	944,897
Pre Paid Cigicell		88,917	116,525
Property rental		148,328	46,959
Cut off billing		672,852	-
Total Receivables from Exchange Transactions		31,075,059	27,917,755

The amounts disclosed in this note is net of impairment.

3.1 Consumer Receivables

	2021/2022		
	R		
	Gross	Impairment	Total
Consumer receivables from exchange transactions			
Electricity	29,463,422	11,466,828	17,996,594
Waste Management	16,625,948	4,951,332	11,674,616
Total consumer receivables from exchange transactions	46,089,370	16,418,159	29,671,210
Consumer receivables from non-exchange transactions			
Property Rates	48,010,275	30,553,084	17,457,190
Total consumer receivables from non-exchange transactions	48,010,275	30,553,084	17,457,190
Total consumer receivables	94,099,644	46,971,243	47,128,401

Consumer Receivables -(Continued)

	2020/2021		
	R		
	Gross	Impairment	Total
Consumer receivables from exchange transactions			
Electricity	23,702,855	8,445,883	15,256,972
Waste Management	14,495,258	3,884,495	10,610,763
Total consumer receivables from exchange transactions	38,198,112	12,330,377	25,867,735
Consumer receivables from non-exchange transactions			
Property Rates	41,556,170	23,389,533	18,166,638
Total consumer receivables from non-exchange transactions	41,556,170	23,389,533	18,166,638
Total consumer receivables	79,754,283	35,719,910	44,034,373

3.1.1 Impairment Reconciliation of Consumer Receivables

	2021/2022			
	R			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions				
Electricity	8,445,883	3,020,945	-	11,466,828
Waste Management	3,884,495	1,066,837	-	4,951,332
Total	12,330,377	4,087,782	-	16,418,159
Consumer receivables from non-exchange transactions				
Property Rates	23,389,533	7,163,551	-	30,553,084
Total consumer receivables from non-exchange transactions	23,389,533	7,163,551	-	30,553,084
Total consumer receivables	35,719,910	11,251,334	-	46,971,243

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Impairment Reconciliation of Consumer Receivables (Continued)

	2020/2021			
	R			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions				
Electricity	8,414,752	31,131	-	8,445,883
Waste Management	4,246,706	-	362,212	3,884,495
Total	12,661,458	31,131	362,212	12,330,377
Consumer receivables from non-exchange transactions				
Property Rates	20,919,316	2,470,216	-	23,389,533
Total consumer receivables from non-exchange transactions	20,919,316	2,470,216	-	23,389,533
Total consumer receivables	33,580,775	2,501,347	362,212	35,719,910

3.1.2 Aging of Consumer Receivables

	2021/2022			
	R			
	Total	Current	30 days	60 days
Consumer receivables from exchange transactions				
<i>Aging by debt type</i>				
Electricity	29,463,428	5,459,338	1,794,920	1,416,027
Waste Management	16,628,804	1,427,518	726,358	628,154
Total by debt type	46,092,232	6,886,856	2,521,278	2,044,181
<i>Aging per customer group</i>				
Organs of State	8,177,886	236,291	113,818	95,423
Commercial Customers	8,840,230	3,475,409	570,612	410,932
Households	23,312,956	2,544,637	1,539,646	1,245,829
Other	5,761,160	630,519	297,202	291,998
Total by customer group	46,092,232	6,886,856	2,521,278	2,044,181

Aging of Consumer Receivables - (Continued)

	2021/2022		
	R		
	90 days	120 days	120+ days
Consumer receivables from exchange transactions			
<i>Aging by debt type</i>			
Electricity	1,179,301	862,309	18,751,532
Waste Management	560,595	515,076	12,771,104
Total by debt type	1,739,896	1,377,385	31,522,636
<i>Aging per customer group</i>			
Organs of State	145,262	100,643	7,486,449
Commercial Customers	370,392	399,776	3,613,109
Households	978,703	760,791	16,243,351
Other	245,539	116,176	4,179,726
Total by customer group	1,739,896	1,377,385	31,522,636

Aging of Consumer Receivable (Continued)

	2021/2022			
	R			
	Total	Current	30 days	60 days
Consumer receivables from non-exchange transactions				
<i>Aging by debt type</i>				
Property Rates	48,091,307	2,058,175	1,315,035	1,135,124
Total by debt type	48,091,307	2,058,175	1,315,035	1,135,124
<i>Aging per customer group</i>				
Organs of State	4,955,537	47,981	37,297	23,778
Commercial Customers	17,350,832	619,698	336,249	306,807
Households	14,218,859	876,227	608,220	521,208
Other	11,566,079	514,269	333,269	283,332
Total by customer group	48,091,306	2,058,175	1,315,035	1,135,124

Musina Local Municipality
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for the year ended 30 June 2022

Aging of Consumer Receivable (Continued)

	2021/2022		
	R		
	90 days	120 days	120+ days
Consumer receivables from non-exchange transactions			
<i>Aging by debt type</i>			
Property Rates	932,557	865,596	41,784,820
Total by debt type	932,557	865,596	41,784,820
<i>Aging per customer group</i>			
Organs of State	18,758	16,435	4,811,287
Commercial Customers	250,729	243,189	15,594,161
Households	415,802	377,981	11,419,421
Other	247,268	227,991	9,959,951
Total by customer group	932,557	865,596	41,784,820

Aging of Consumer Receivable (Continued)

	2020/2021			
	R			
	Total	Current	30 days	60 days
Consumer receivables from exchange transactions				
<i>Aging by debt type</i>				
Electricity	23,702,855	4,787,585	1,669,877	1,294,255
Waste Management	14,501,548	1,301,561	752,836	570,611
Total by debt type	38,204,403	6,089,146	2,422,712	1,864,866
<i>Aging per customer group</i>				
Organs of State	3,891,700	285,660	681,151	131,402
Commercial Customers	8,786,592	2,903,185	209,020	500,197
Households	19,764,937	2,257,044	1,224,017	973,336
Other	5,761,174	643,257	308,525	259,932
Total by customer group	38,204,403	6,089,146	2,422,712	1,864,866

Aging of Consumer Receivable (Continued)

	2020/2021		
	R		
	90 days	120 days	120+ days
Consumer receivables from exchange transactions			
<i>Aging by debt type</i>			
Electricity	1,069,190	852,798	14,029,151
Waste Management	632,954	520,741	10,722,845
Total by debt type	1,702,144	1,373,539	24,751,996
<i>Aging per customer group</i>			
Organs of State	96,286	107,013	2,590,188
Commercial Customers	318,655	348,082	4,507,453
Households	899,879	755,528	13,655,134
Cutt off - billing	387,323	162,916	3,999,221
Total by customer group	1,702,144	1,373,539	24,751,996

Aging of Consumer Receivable (Continued)

	2020/2021			
	R			
	Total	Current	30 days	60 days
Consumer receivables from non-exchange transactions				
<i>Aging by debt type</i>				
Property Rates	41,555,638	1,803,995	1,048,960	913,356
Total by debt type	41,555,638	1,803,995	1,048,960	913,356
<i>Aging per customer group</i>				
Organs of State	4,232,464	44,147	27,226	25,651
Commercial Customers	15,235,417	569,727	247,104	251,735
Households	12,319,564	747,278	476,018	389,209
Other	9,768,193	442,843	298,612	246,760
Total by customer group	41,555,638	1,803,995	1,048,960	913,356

Musina Local Municipality
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Aging of Consumer Receivable (Continued)

	2020/2021		
	R		
	90 days	120 days	120+ days
Consumer receivables from non-exchange transactions			
<i>Aging by debt type</i>			
Property Rates	836,104	767,379	36,185,844
Total by debt type	836,104	767,379	36,185,844
<i>Aging per customer group</i>			
Organs of State	25,678	19,208	4,090,553
Commercial Customers	213,256	206,870	13,746,725
Households	362,019	322,008	10,023,032
Other	235,151	219,293	8,325,534
Total by customer group	836,104	767,379	36,185,844

3.1.3 Credit Quality of Consumer Receivables

	2020/2021	2019/2020
	R	R
	1,309,733	1,145,444

3.1.4 Collection Rate of Consumer Receivables

	2021/2022	2020/2021
Business	77%	39%
Government	82%	60%
Households	80%	80%
Other	98%	90%
Overall collection rate	84%	77%

3.2 Other Receivables From Exchange Transactions

	2021/2022		
	R		
	Gross	Impairment	Total
Housing Selling Scheme	42,538	-	42,538
Interest	627,388	573,464	53,924
Land Sale Debtors	93,548	-	93,548
Merchandising, Jobbing and Contracts	926,665	622,923	303,742
Property Rental Debtors	631,730	483,402	148,328
Pre Paid Elec - Cigicell	88,917	-	88,917
Cut off Billing	672,852	-	672,852
Total	3,083,637	1,679,789	1,403,848

Other Receivables From Exchange Transactions - Continued

	2020/2021		
	R		
	Gross	Impairment	Total
Housing Selling Scheme	44,579	-	44,579
Interest	1,083,080	280,069	803,011
Land Sale Debtors	94,048	-	94,048
Merchandising, Jobbing and Contracts	971,946	27,049	944,897
Property Rental Debtors	315,649	268,690	46,959
Pre Paid Elec - Cigicell	116,525	-	116,525
Total	2,625,827	575,808	2,050,019

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
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3.2.1 Impairment Reconciliation of Other Receivables From Exchange Transactions

	2021/2022			
	R			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Interest	280,069	293,395	-	573,464
Merchandising, Jobbing and Contracts	27,049	595,874	-	622,923
Property Rental Debtors	268,690	214,712	-	483,402
Total	575,808	1,103,981	-	1,679,789

Impairment Reconciliation of Other Receivables From Exchange Transactions- Continued

	2020/2021			
	R			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Interest	230,560	49,509	-	280,069
Merchandising, Jobbing and Contracts	27,049	-	-	27,049
Property Rental Debtors	336,553	-	67,863	268,690
Total	594,162	49,509	67,863	575,808

3.2.2 Aging of Other Receivables From Exchange Transactions

	2021/2022			
	R			
	Total	Current	30 days	60 days
Housing Selling Scheme	42,538	-	196	97
Interest	627,388	-	-	-
Land Sale Debtors	93,548	-	-	-
Merchandising, Jobbing and Contracts	926,665	-	61,448	2,461
Property Rental Debtors	631,730	-	-	-
Cutt off revenue billing	672,852	672,852.00	-	-
Cigi cell	88,917	88,917	-	-
Total	3,083,638	672,852	61,643	2,558

Aging of Other Receivables From Exchange Transactions- (Continued)

	2021/2022		
	R		
	90 days	120 days	120+ days
Housing Selling Scheme	96	95	42,054
Interest	-	-	627,388
Land Sale Debtors	-	-	93,548
Merchandising, Jobbing and Contracts	2,441	2,422	857,892
Property Rental Debtors	-	-	631,730
Cut off revenue billing	-	-	-
Total	2,538	2,518	2,252,612

Aging of Other Receivables from Exchange Transactions (Continued)

	2020/2021			
	R			
	Total	Current	30 days	60 days
Housing Selling Scheme	44,579	98	98	97
Interest	1,083,080	-	-	-
Land Sale Debtors	94,148	-	-	-
Merchandising, Jobbing and Contracts	971,945	10,132	51,316	2,461
Property Rental Debtors	315,648	-	-	-
Cut-OFF	-	-	-	-
Total	2,509,400	10,231	51,413	2,558

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Aging of Other Receivables from Exchange Transactions (Continued)

	2020/2021		
	R		
	90 days	120 days	120+ days
Housing Selling Scheme	96	95	44,095
Interest	-	-	1,083,080
Land Sale Debtors	-	-	94,148
Merchandising, Jobbing and Contracts	2,441	2,422	903,172
Property Rental Debtors	-	-	315,648
Total	2,538	2,518	2,440,143

3.2.3 Credit Quality of Other Receivables From Exchange Transactions

	2021/2022	2020/2021
	R	R
	569,809	526,231

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

4 Receivables from Non-Exchange Transactions

		2021/2022 R	2020/2021 R
Consumer receivables			
Property Rates	3.1	17,457,190	18,166,638
Other receivables			
Fines	4.1	3,330,730	3,284,063
Sundry Debtors		-	-
Vhembe District Municipality		-	-
Total Receivables		20,787,921	21,450,701

4.1 Other Receivables from Non-Exchange Transactions

	2021/2022 R		
	Gross	Impairment	Total
Fines	17,530,160	14,199,430	3,330,730
Sundry Debtors	350,289	350,289	-
Vhembe District Municipality	309,174,358	309,174,358	-
Total	327,054,808	323,724,077	3,330,730

Other Receivables from Non-Exchange Transactions - (Continued)

	2020/2021 R		
	Gross	Impairment	Total
Fines	14,927,560	11,643,497	3,284,063
Sundry Debtors	350,289	350,289	-
Vhembe District Municipality	282,206,886	282,206,886	-
Total	297,484,736	294,200,672	3,284,063

4.1.1 Impairment Reconciliation of Other Receivables from Non-exchange Transactions

	2021/2022 R			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Fines	11,643,497	2,555,933	-	14,199,430
Sundry Debtors	350,289	-	-	350,289
Vhembe District Municipality	282,206,886	26,967,472	-	309,174,358
Total	294,200,672	29,523,405	-	323,724,077

Impairment Reconciliation of Other Receivables from Non-exchange Transactions - (Continued)

	2020/2021 R			
	Opening balance	Impairment raised	Impairment reversed / debt w/off	Closing balance
Fines	10,367,887	1,275,610	-	11,643,497
Sundry Debtors	350,289	-	-	350,289
Vhembe District Municipality	254,804,854	27,402,032	-	282,206,886
Total	265,523,031	28,677,641	-	294,200,672

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

5 Inventories

	2021/2022	2020/2021
	R	R
Consumables stock and Material	1,274,617	1,860,909
Land	28,086,600	29,426,600
Total Inventories	29,361,217	31,287,509

R0 (2019/2020: R0) of total inventory was carried at fair value less cost to sell.

The amount of write-down of inventories recognized as an expense is R729 000 (2019/2020: R0).

R0 million previously written-down was reversed during the current year.

6 Other Current Assets

	2021/2022	2020/2021
	R	R
VAT Input	110,101,019	83,115,623
VAT Output	100,789,451	67,902,098
VAT RECEIVABLES	9,311,568	15,213,525

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors, However for the purpose of financial statements VAT is presented on the accrual basis.

7 Investments

7.1 Carrying Value of Investments

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2022				
Eskom Bank Guarantee	-	10,731,000	-	10,731,000
Day Call	-	-	-	-
Net Investment				
Transferred to Current Investments	-	-	-	-
Transferred to Cash and Cash Equivalents	-	-	-	-
Total	-	10,731,000	-	10,731,000

Carrying Value of Investments (Continued)

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2021				
Eskom Bank Guarantee	-	10,731,000	-	10,731,000
Day Call	-	-	-	-
Net Investment				
Transferred to Current Investments	-	-	-	-
Transferred to Cash and Cash Equivalents	-	-	-	-
Total	-	10,731,000	-	10,731,000

7.2 Investments Pledged as Collateral

	2021/2022	2020/2021
	R	R
Carrying value of investments pledged as collateral	10,731,000	10,731,000

Three (3) Months recurring investment made with ABSA. This investment is used as Eskom guarantee in case the Municipality does not meet its obligation to pay eskom, loss can only occur in a case where the municipality becomes insolvent.

8 Investment Property

Reconciliation of fair value

	2021/2022	2020/2021
	R	R
Opening Carrying Value	173,984,200	172,174,000
Gain Fair Value Adjustments	-	1,810,200
Loss on Fair Value Adjustment	2,310,000	-
Carrying Value of Disposals	1,820,000	-
Closing Carrying Value	169,854,200	173,984,200

Investment property includes property held to earn income and for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

The fair value of the entity's investment property at 30 June 2022 has been arrived at on the basis of a valuation carried out at that date by Eli Stroh Valuers, independent valuers that are not related to the entity. Eli Stroh Valuers are members of the South African institute of valuers, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to South Africa's Valuation standards, was arrived at by reference to market evidence of transaction prices for similar properties.

Valuation methodology:

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Use was made of comparable sale transactions which took place more or less round about the valuation date. Each and every sale was analysed to determine the following: - Was the comparable sale using an arm's length transaction? - The utility must be comparable. - Location must be comparable. - Rental values are taken into account. - The price on which Res 1, 2, 3 and 4 and also business properties sell for in the market. - The price which agricultural properties sell for converted to R/ha value and applied accordingly, irrigation, grazing etc. - In the case of income producing properties which have been sold the yield is taken into account determining the capitalisation rate. Remember income producing properties are categorized in different groups and the correct capitalisation rate applicable to each of those groups applied. Thus, in summarizing the Comparable Sales Approach was used throughout the valuation process. Generally, the Capitalization Approach is used to determine market value where properties generate income.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

9 Property, Plant and Equipment
9.1 Reconciliation of Carrying Value

	2021/2022						
	R						
	Land	Buildings	Infrastructure Assets	Community Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2020	81,817,863	56,300,094	239,060,137	49,251,863	701,268	2,515,473	429,646,698
Cost/Revaluation	85498679	80,455,030	428,620,730	60,826,269	16,089,522	13,460,044	684,950,274
Accumulated depreciation and impairment losses	-3,680,816	-24,154,936	-189,560,593	-11,574,406	-15,388,254	-10,944,571	-255,303,576
Additions from Acquisitions	-	824,393	8,420,125	340,900	6,049,971	824,411	16,459,800
Capital under Construction	-	3,807,157	14,030,925	1,859,088	-	-	19,697,170
Depreciation	-1,617,453	-2,694,298	-22,416,235	-1,679,573	-622,044	-897,865	-29,927,468
Carrying value of disposals	-60,000	-	-	-	-	-	-60,000
Cost/Revaluation	-	-	-891,167	-	(180,000)	-1,573,030	-2,644,196
Accumulated depreciation and impairment losses	-	-	891,167	-	180,000	1,573,030	2,644,196
Impairment loss/Reversal of impairment loss	-	-576,526	-1,246,209	-	-99	-1,587	-1,824,421
Transfers Depreciation	-	-	-	-	-	-	-
Other movements Cost	-	1,737,206	2,471,896	-4,209,101	-	-	-
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2021	80,140,410	59,398,025	240,320,639	45,563,177	6,129,097	2,440,433	433,991,779
Cost/Revaluation	85,438,679	86,823,785	452,652,509	58,817,156	21,959,494	12,711,425	718,403,048
Accumulated depreciation and impairment	-5,298,269	-27,425,760	-212,331,870	-13,253,980	-15,830,397	-10,270,993	-284,411,269

Other Assets consists of Equipment, Furniture, and Vehicles. Details of the sub-categories is indicated in Appendix B.

Refer to Appendix B for more detail on property, plant and equipment.

Reconciliation of Carrying Value (Continued)

	2020/2021						
	R						
	Land	Buildings	Infrastructure Assets	Community Assets	Transport Assets	Other Assets	Total
Opening Carrying Value at 1 July 2019	59,918,258	55,057,553	236,217,604	44,770,243	1,955,141	1,574,260	399,493,059
Cost/Revaluation	61,947,795	76,862,375	403,215,763	54,866,854	16,089,522	12,823,376	625,805,686
Accumulated Depreciation and Impairment	-2,029,537	-21,804,823	-166,998,158	-10,096,611	-14,134,381	-11,249,116	-226,312,626
Additions from Acquisitions	23,550,884	-	3,979,825	4,347,768	-	1,780,907	33,659,383
Capital under Construction	-	4,273,827	18,250,574	2,302,835	-	-	24,827,236
Depreciation	-1,651,279	-2,350,113	-20,948,230	-1,477,795	-1,253,873	-833,469	-28,514,759
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-1,144,239	-1,144,239
Accumulated depreciation and impairment losses	-	-	-	-	-	1,144,239	1,144,239
Impairment loss/Reversal of impairment loss	-	-	-1,620,431	-	-	-6,226	-1,626,657
Transfers Depreciation	-	-	-	-	-	-	-
Other movements Cost	-	-	-	-	-	-	-
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2020	81,817,863	56,300,094	239,060,137	49,251,863	701,268	2,515,473	429,646,698
Cost/Revaluation	85,498,679	80,455,030	428,620,730	60,826,269	16,089,522	13,460,044	684,950,274
Accumulated depreciation and impairment losses	-3,680,816	-24,154,936	-189,560,593	-11,574,406	-15,388,254	-10,944,571	-255,303,576

Musina Local Municipality
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for the year ended 30 June 2022

Other Assets consists of Equipment, Furniture, and leased assets. Details of the sub-categories is indicated in Appendix B

The Municipality has leased Printing machines from Dido Digital on finance lease, the usefull lives are linked to the term of the lease contract which is 3 years, the lease will expire in March 2024.

Refer to Appendix B for more detail on property, plant and equipment

During the year impairment test was performed on all categories of Property, Plant and Equipment. The method which was used to determine the recoverable amount was the higher of fair value less costs and value in use. The impairment existed in the category of roads infrastructure.

The engineer estimated the costs of damages of each class of infrastrucutre assets based on quoted prices available in the market to restore the infrastructure and the professional knowledge based on the industry norms.

9.2

	2021/2022					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment	-	-	-	-	-	-
Of which:	-	-	-	-	-	-
Accumulated borrowing costs included in the carrying amount of property, plant and equipment	-	-	-	-	-	-
Borrowing costs capitalised during the period	-	-	-	-	-	-
Carrying value of property, plant and equipment taking significantly longer than expected	-	-	-	-	-	-
Carrying value of property, plant and equipment halted	-	3,496,699	1,518,646	-	-	5,015,345

Property, Plant and Equipment Under Construction (Continued)

	2020/2021					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Accumulated expenditure included in carrying value of property, plant and equipment	-	3,496,699	1,518,646	-	-	5,015,345
Of which:	-	-	-	-	-	-
Accumulated borrowing costs included in the carrying amount of property, plant and equipment	-	-	-	-	-	-
Borrowing costs capitalised during the period	-	-	-	-	-	-
Carrying value of property, plant and equipment taking significantly longer than expected	-	-	-	-	-	-
Carrying value of property, plant and equipment halted	-	3,496,699	1,518,646	-	-	5,015,345

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

9.3 Property, Plant and Equipment Contractual Commitments

	2021/2022					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of property, plant and equipment (Approved and contracted for)	-	-	-	-	-	-
Commitments for the acquisition of property, plant and equipment (Approved but not yet contracted for)	-	666,235	11,931,616	-	-	12,597,851
Commitments to construct or develop property, plant and equipment	-	-	-	-	-	-
Commitments to enhance existing property, plant and equipment	-	-	-	-	-	-
Commitments to repair / maintain property, plant and equipment	-	-	-	-	-	-
Total	-	-	-	-	-	-

Property, Plant and Equipment Contractual Commitments (Continued)

	2020/2021					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following commitments exist at the reporting date</i>						
Commitments for the acquisition of property, plant and equipment (Approved and contracted for)	-	-	-	-	-	-
Commitments for the acquisition of property, plant and equipment (Approved but not yet contracted for)	-	-	14,989,310	-	-	14,989,310
Commitments to enhance existing property, plant and equipment	-	-	-	-	-	-
Commitments to repair / maintain property, plant and equipment	-	-	-	-	-	-
Total	-	-	14,989,310	-	-	14,989,310

9.4 Maintenance of Property, Plant and Equipment

	2021/2022					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	1,595,794	423,838	-	15,139	2,034,770
Total	-	-	-	-	-	-

Maintenance of Property, Plant and Equipment - (Continued)

	2020/2021					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
<i>The following maintenance costs were incurred:</i>						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	1,290,878	200,027	-	34,012	1,524,917
Total	-	-	-	-	-	-

9.4.1 Maintenance of Property, Plant and Equipment by Nature and Type of Expenditure

	2021/2022					
	R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Direct Costs	-	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-	-
Maintenance of Buildings and Facilities	-	-	423,838	-	-	423,838
Maintenance of Equipment	-	-	-	-	15,139	15,139
Maintenance of Unspecified Assets (Infrastructure)	-	1,595,794	-	-	-	1,595,794

Musina Local Municipality NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022					
Indirect costs	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-
Total	-	1,595,794	423,838	15,139	2,034,770

Musina Local Municipality NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2022						
	2020/2021 R					
	Land and Buildings	Infrastructure Assets	Community Assets	Leased Assets	Other Assets	Total
Direct Costs	-	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-	-
Maintenance of Buildings and Facilities	-	-	200,027	-	-	200,027
Maintenance of Equipment	-	-	-	-	34,012	34,012
Maintenance of Unspecified Assets (Infrastructure)	-	1,290,878	-	-	-	1,290,878
Indirect costs	-	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-	-
Total	-	1,290,878	200,027	-	34,012	1,524,917

9.5 Funding of Property, Plant and Equipment Acquisitions

Funding of Property, Plant and Equipment Acquisitions		Funding Type	2021/2022	2020/2021
			R	R
Additions to property, plant and equipment was funded from the following sources:				
Land and Buildings	MIG		4,631,549	6,076,035
Include funding source				
Infrastructure Assets				
Include funding source	MIG and ENEP		22,451,050	22,230,399
Community Assets				
Include funding source	MIG		2,199,988	6,650,603
Other Assets				
Include funding source	Own Income		824,411	1,780,907
Total			30,106,999	36,737,944

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

10 Heritage Assets

10.1 Reconciliation of Carrying Value

	2021/2022	2020/2021
	R	R
	Other Assets	Other Assets
Opening Carrying Value 2021	65,210	65,210
Cost at fair value	65,210	65,210
Accumulated Impairment Losses	-	-
Closing Carrying Value 2022	65,210	65,210
Cost at fair value	65,210	65,210
Accumulated Impairment Losses	-	-

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

All heritage asset were acquired through a non-exchange transaction, as a result the heritage assets costs were measured at its fair value.

The heritage assets were fair valued at year end by an independent Valuer -Eli Stroh (Pty) Ltd, using methods and assumptions consistent with GRAP 103.

Heritage assets were valued by the firm Eli Stroh (Pty) Ltd on 30 June 2022

11 Intangible Assets

11.1 Reconciliation of Carrying Value

	2020/2021	2019/2020
	R	R
Opening Carrying Value at 1 July 2021	8,492	12,732
Cost	319,650	319,650
Accumulated Depreciation and Impairment	311,157	306,917
Additions from Acquisitions	390,845	-
Depreciation [Note 30]	133,108	4,240
Closing Carrying Value at 30 June 2022	266,229	8,492
Cost	710,495	319,650
Accumulated Depreciation and Impairment	444,265	311,157

Included in Computer software is the Licence for microsoft.

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

12 Financial Liabilities

Carrying Value of Financial Liabilities

	2021/2022	2020/2021
	R	R
Finance leases	362,495	799,180
Sub-total		
Transferred to Current Liabilities	436,785	383,714
Total	799,280	1,182,894

12.1 Finance Lease Payable

	2021/2022	2020/2021
	R	R
Total Future Minimum Lease Payments		
Within 1 year	505,438	505,438
2 to 5 years	379,079	884,517
More than 5 years	-	-
Less: Future Finance Charges	-85,338	-207,061
Present value of minimum lease payments		
Within 1 year	436,785	383,714
2 to 5 years	362,495	799,180
More than 5 years	-	-
Non-current Liability	362,495	799,180
Current Liability	436,785	383,714
Total	799,280	1,182,894

The entity entered into a finance lease agreement with Dido digital document for the finance of copy machines purchased, over a 3 year lease term. The assumed borrowing rate on the copy machines is 10,5% per annum and interest is charged at the beginning of each month. The finance lease agreement does not provide for contingent lease payments. There were no defaults or breaches and the no terms and conditions were renegotiated during the reporting period.

13 Consumer Deposits

	2021/2022	2020/2021
	R	R
Electricity	3,800,514	3,638,899
Refuse	1,283,374	1,142,438
Total	5,083,887	4,781,337

Deposits are released on termination of the contract or when the contractual services are delivered.

13.1 Guarantees held in lieu (Eskom guarantee)

	2021/2022	2020/2021
	R	R
Electricity	10,731,000	10,731,000
Total	10,731,000	10,731,000

14 Trade and Other Payables

		2021/2022	2020/2021
		R	R
Affiliates, Related Parties and Principal Agent	14.1	351,037,078	325,889,022
Bulk Purchases	14.2	64,715,904	85,832,867
Contractors	14.3	11,547,880	11,449,580
Control and Clearing Accounts	14.4	2,668,125	3,689,171
Employee Benefits	14.5	26,976,724	25,315,971
Other Payables	14.6	61,084,092	60,985,587
Total		518,029,801	513,162,199

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

14.1 Affiliates, Related Parties and Principal Agent

	2021/2022	2020/2021
	R	R
Vhembe District Municipality	338,997,594	310,316,225
Department Transport	12,039,484	15,572,797
Total	351,037,078	325,889,022

14.2 Bulk Purchases

	2021/2022	2020/2021
	R	R
Bulk Electricity	64,715,904	85,832,867
Total	64,715,904	85,832,867

14.3 Contractors

	2021/2022	2020/2021
	R	R
Retentions	11,547,880	11,449,580
Total	11,547,880	11,449,580

14.4 Control and Clearing Accounts

	2020/2021	2019/2020
	R	R
Employee Deductions FICS	2,244,572	3,506,775
Prepaid Electricity	423,553	182,396
Total	2,668,125	3,689,171

14.5 Employee Benefits

	2021/2022	2020/2021
	R	R
Leave Accrual	23,502,784	21,911,694
Annual Bonus	3,473,940	3,404,287
Total	26,976,724	25,315,971

14.6 Other Payables

	2021/2022	2020/2021
	R	R
Sale of stands	28,962,276	29,913,641
Solly Noor	3,286,986	3,465,783
Cemetery upgrade	2,481,568	2,481,568
Payables and Accruals	15,997,293	15,758,363
Unallocated Deposits	2,928,264	3,191,590
Credit Card	785,486	337,528
Advance Payments	6,618,100	5,814,417
Hall Deposits	24,119	22,698
Total	61,084,092	60,985,587

The fair value of trade and other payables approximates their carrying amounts.

15 Unspent Transfers and Subsidies

		2021/2022			
		R			
		Opening Balance	Funds Received	Funds Utilised	Closing Balance
Capital					
Allocations	15.1	-0	36,988,000	31,409,279	5,578,721
Operational					
Allocations	15.2	-	174,429,000	174,429,000	-
Total		-0	211,417,000	205,838,279	5,578,721

Unspent Transfers and Subsidies - (Continued)

		2020/2021			
		R			
		Opening Balance	Funds Received	Funds Utilised	Closing Balance
Capital					
Allocations	15.1	4,372,234	33,421,000	37,793,234	-0
Operational					
Allocations	15.2	-	195,305,000	195,305,000	-
Total		4,372,234	228,726,000	233,098,234	

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

15.1 Unspent Capital Allocations

	2021/2022			
	R			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
MIG	-	36,988,000	31,409,279	5,578,721
Total	-	36,988,000	31,409,279	5,578,721

Unspent Capital Allocations - (Continued)

	2020/2021			
	R			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
MIG	4,372,234	33,421,000	37,793,234	-
Total	4,372,234	33,421,000	37,793,234	-

15.2 Unspent Operational Allocations - (Continued)

	2021/2022			
	R			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Equitable share	-	169,864,000	169,864,000	-
FMG	-	2,850,000	2,850,000	-
EPWP	-	1,715,000	1,715,000	-
Total	-	174,429,000	174,429,000	-

Unspent Operational Allocations - (Continued)

	2020/2021			
	R			
	Opening Balance	Funds Received	Funds Utilised	Closing Balance
Equitable share	-	190,966,000	190,966,000	-
FMG	-	2,700,000	2,700,000	-
EPWP	-	1,639,000	1,639,000	-
Total	-	195,305,000	195,305,000	-

These amounts are invested in ring-fenced investment until utilised.

16 Provisions

		2021/2022	2020/2021
		R	R
Long-service Awards	16.1	8,510,000	7,810,000
Provision for landfill site	16.2	22,595,250	22,595,250
Total		31,105,250	30,405,250

16.1 Long-service awards

	2021/2022	2020/2021
	R	R
Opening Balance	7,810,000	7,305,000
Additional Provisions Raised	700,000	505,000
Closing Balance	8,510,000	7,810,000
Transferred to Current Provisions	1,211,000	459,000
Total Non-current provision	7,299,000	7,351,000

Unfunded Accrued Liability

	2021/2022	2020/2021
	R	R
Opening balance	7,810,000	7,305,000
Current-service cost	747,000	715,000
Interest cost	693,000	516,000
Actuarial (Gain)/Loss	-281,000	169,000
Expected employer benefit vesting	-459,000	-895,000
Closing Balance	8,510,000	7,810,000
Projected accrued liability	8,791,000	7,641,000

Net liability to reflect in the balance sheet

	2021/2022	2020/2021
	R	R
Opening balance	7,810,000	7,305,000
Current-service cost	747,000	715,000
Interest cost	693,000	516,000
Actuarial (Gain)/Loss recognised in P&L	-281,000	169,000
Net Periodic Cost Recognised in P&L	8,969,000	8,705,000
Actual employer benefits payments	-459,000	-895,000
Closing Balance	8,510,000	7,810,000

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Long service award projections/provisions is an actuarial assumption. This is the total value of the long service awards that are expected to be awarded to eligible employees over the year based on the data at the previous valuation date.

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service.

Long service awards for levels of past service

Completed service (In years)	Long service Bonus (% of annual Salary)	Description
10	4.0%	10 /250* annual salary
15	8.0%	20 /250* annual salary
20,25,30,35,40,45	12.0%	30 /250* annual salary
Key financial assumptions		
Assumption	Value p.a 21/22	Value p.a 20/21
Discount rate	10.87%	9.13%
General Salary inflation (Long-term)	7.33%	5.77%
Net effective discount rate	3.30%	3.18%

The next general earnings increase was assumed to take place 1 July 2023

Long service award liability was valued by Arch actuaries at 30 June 2022

16.2 Environmental rehabilitation

Reconciliation of Provision	2022	2021
Opening	22,595,250	2,583,694
Additions	-	23,550,884
Interest	-	2,344,610
Landfill site expenditure	-	-5,883,938
Revenue in kind	-	-
Closing balance	22,595,250	22,595,250
Non- current Liabilities	19,180,963	19,180,963
Current liabilities	3,414,287	3,414,287
	22,595,250	22,595,250

Environmental rehabilitation Provision

The provision for environmental rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of future obligation discounted at 9.023%, which is the Average government Bond rate/Interest rate as at June 2022

Key Assumptions used

The Remaining Useful life (RUL) of landfill site 7 31
Commencement date: 01-Jul-20
Expiry date : 30-Jun-27
CPI : 4.80%
Average government bond rate/Interest rate: 9.02%

17 Other Liabilities

Defined Benefit Obligations-Post Medical aid benefit.

		2021/2022	2020/2021
		R	R
Present value of defined benefit obligation	17.1	21,750,000	19,123,000
Total		21,750,000	19,123,000

17.1 Reconciliation of Present Value of the Defined Benefit Obligations

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
Defined benefit obligation at 1 July 2020			
Opening Balance		15,599,000	16,648,478
Interest Cost		1,691,000	1,296,681
Current Service Cost		992,000	1,600,215
Contributions Received		1,159,000	-3,706,154
Actuarial (Gains) / Losses		-318,000	-240,220
Defined benefit obligation at 30 June 2021		19,123,000	15,599,000
Current Portion		327,000	318,000
Non current portion		18,796,000	15,281,000
Interest Cost		1,980,000	1,691,000
Current Service Cost		1,227,000	992,000
Contributions Received		-327,000	1,159,000
Actuarial (Gains) / Losses		-253,000	-318,000
Defined benefit obligation at 30 June 2022		21,750,000	19,123,000
Current Portion		343,000	327,000
Non current portion		21,407,000	18,796,000

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

17.2 Analysis of Funding

	2021/2022	2020/2021
The Municipality provides certain post-retirement medical aid benefits. These medical aid benefits are unfunded. These projections assume that the Municipality's health care arrangement and subsidy policy will remain as outlined in the valuation report and that all the actuarial assumptions made are borne out in practice. In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet vehicle.		
The following assumptions were used :		
Discount rate	10.44%	10.95%
Health care cost inflation rate	7.03%	6.93%
Net effective discount rate	3.19%	3.76%

The assumptions on the discount rate were based on market valuation for the period which Sensitivity of valuation result to changes in main assumptions

Sensitivity Analysis on the accrued Liability 30/06/2022

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	21.734	3.886	25.620	18%
	-1%	15.318	3.308	18.626	-14%

Sensitivity Analysis on the accrued Liability 30/06/2021

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	18.769	3.84	22.61	18%
	-1%	13.073	3.25	16.33	-15%

Sensitivity Analysis on current-service and interest cost 30/06/2022

Assumption	Change	Current service cost	Interest cost	Total	Change %
Health care inflation	+1%	15,100,000	2,344,000	3,854,000	20%
	-1%	1,005,000	1,688,000	2,693,000	-16%

Sensitivity Analysis on current-service and interest cost 30/06/2021

Assumption	Change	Current service cost	Interest cost	Total	Change %
Health care inflation	+1%	1,220,000	1,988,000	3,208,000	20%
	-1%	813,000	1,451,000	2,264,000	-16%

RETIREMENT BENEFIT INFORMATION

Defined contribution plan

The following are defined contribution plans: Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. These contributions have been expensed.

Defined benefit plan

The following are defined benefit plans: Municipal Gratuity Fund. This plan is not treated as defined benefit plans as defined by IAS19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par. 30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. The municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.

Certain employees of the municipality belong to the Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. The most recent actuarial valuation was done in 2022. These valuations indicate that the plan is in a sound financial position.

17.3 Net Benefit Expense

	Defined Benefit Plan	Post-Employment Medical Benefits	Total
For the year ended 30 June 2022			
Current Service Costs		1,980,000	1,980,000
Curtailments / Settlements		1,227,000	1,227,000
Interest Cost on Benefit Obligation		-327,000	-327,000
Actuarial Gains / Losses Recognised		-253,000	-253,000
Total expense recognised in the statement of financial performance		2,627,000	2,627,000
For the year ended 30 June 2021			
Current Service Costs		1,691,000	1,691,000
Interest Cost on Benefit Obligation		992,000	992,000
Curtailments / Settlements		1,159,000	1,159,000
Actuarial Gains / Losses Recognised		-318,000	-318,000
Total expense recognised in the statement of financial performance		3,524,000	3,524,000

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

17.4 Reconciliation of Fair value of Plan Assets

There are no plan assets

Post medical aid benefit liability was valued by Arch actuaries at 30 June 2022

18 Property Rates

	2021/2022	2020/2021
	R	R
Business and Commercial Properties	6,360,142	8,857,140
Farm Properties: Agricultural Purposes	5,560,796	5,408,064
Industrial Properties	1,664,262	1,594,625
Other categories	2,714,143	364,699
Public Service Infrastructure Properties	157,319	120,001
Residential Properties: Developed	8,697,919	8,145,088
Residential Properties: Vacant Land	529,352	297,796
Total	25,683,933	24,787,414

Valuations

	2021/2022	2020/2021
	R	R
Farm Prop - Agricultural	3,331,350,000	3,331,350,000
Residential 1	1,838,975,800	1,838,975,800
Business 1	876,242,000	876,242,000
Industrial 1	131,965,000	131,965,000
Municipal Properties	339,027,400	339,027,400
Private Sport/Social Clubs	12,160,000	12,160,000
Property use for Multi Purpose	167,680,000	167,680,000
Churches	20,281,000	20,281,000
Business And Commercial - Sectional Title	280,000,000	280,000,000
Farm Prop - Business & Commerc	164,310,000	164,310,000
Farm Prop - Other	198,540,000	198,540,000
Farm Prop - Residential	6,700,000	6,700,000
State Owned - Agricultural	229,280,000	229,280,000
State Owned - Commercial	193,010,000	193,010,000
State Owned - Public Benefit	78,309,000	78,309,000
State Owned - Residential	75,560,000	75,560,000
State Owned - Schools	86,680,000	86,680,000
Land Assistance Act	87,380,000	87,380,000
National Monuments	2,000	2,000
Part Remainder	71,104,000	71,104,000
Public Benefit	60,237,000	60,237,000
Public Service Infrastructure	91,030,300	91,030,300
Private Schools	2,400,000	2,400,000
Residential - Inconsistan Use	174,558,000	174,558,000
Residential - Sectional Title	40,798,000	40,798,000
Residential Vacant	68,948,100	68,948,100
Special	24,787,000	24,787,000
Protected Areas	98,350,000	98,350,000
Total	8,749,664,600	8,749,664,600

Valuations on land and buildings are performed every four years. The last valuation was done by MOD HOPE (Pty) Ltd and came into effect on 1 July 2018. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

Rates are levied on an annual basis on state and De Beers property owners, and other rates are levied monthly. Interest at 15% per annum are levied on outstanding rates.

19 Service Charges

	2021/2022	2020/2021
	R	R
Electricity		
Consumption - Electricity	85,399,643	61,842,958
Other - Electricity	67,580,888	82,012,500
Total	152,980,531	143,855,458
Waste Management		
Consumption – Waste Management	14,367,687	12,420,239
Total	14,367,687	12,420,239
Total Service Charges	167,348,218	156,275,697

20 Rental

	2021/2022	2020/2021
	R	R
Non-market Related	405,310	394,868
Rent on Land	287,620	163,429
Total	692,931	558,297

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

21. Interests on Investments

	2021/2022 R	2020/2021 R
Bank Accounts	77,213	73,559
Short-term Investments and Call Accounts	391,896	420,823
Total	469,109	494,381

22. Interest Earned From Receivables

		2021/2022 R	2020/2021 R
Exchange Receivables	22.1	2,555,358	1,615,677
Non-exchange Receivables	22.2	2,408,315	1,163,122
Total		4,963,673	2,778,799

22.1. Interest Earned From Exchange Receivables

	2021/2022 R	2020/2021 R
Consumer Receivables		
Electricity	1,502,278	1,006,380
Waste Management	1,038,665	600,955
Other Receivables		
Housing Selling Schemes	492	6,614
Property Rental Debtors	13,923	1,728
Total	2,555,358	1,615,677

22.2. Interest Earned From Non-exchange Receivables

	2021/2022 R	2020/2021 R
Property Rates	2,408,315	1,163,122
Total	2,408,315	1,163,122
Total Receivables	4,963,673	2,778,799

23. Fines, Penalties and Forfeits

		2021/2022 R	2020/2021 R
Fines	23.1	3,122,500	2,694,700
Total		3,122,500	2,694,700

23.1. Fines

	2021/2022 R	2020/2021 R
Traffic Fines		
Municipal Fines	3,122,500	2,694,700
Total	3,122,500	2,694,700

24. Licenses and Permits

	2021/2022 R	2020/2021 R
Exchange Revenue	2,098,991	2,285,624
Non-exchange Revenue		
Total	2,098,991	2,285,624

Licenses and Permits – Exchange

24.1. Revenue

	2021/2022 R	2020/2021 R
Road and Transport: Drivers Licence Certificate	2,098,991	2,285,624
Total	2,098,991	2,285,624

25. Transfers and Subsidies

		2021/2022 R	2020/2021 R
Operational Allocations	25.1	174,429,000	195,305,000
Total Transfers and Subsidies: Operational		174,429,000	195,305,000
Capital Allocations	25.2	31,409,279	37,793,234
Total Transfers and Subsidies: Capital		31,409,279	37,793,234
Total		205,838,279	233,098,234

25.1. Allocations: Operational

	2021/2022 R	2020/2021 R
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Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Equitable share	169,864,000	190,966,000
FMG	2,850,000	2,700,000
EPWP	1,715,000	1,639,000
Total	174,429,000	195,305,000

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

25.2 Allocations : Capital

	2021/2022	2020/2021
	R	R
MIG	31,409,279	37,793,234
Total	31,409,279	37,793,234

Equitable share - In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy that was approved by Council (Tariff List).

EPWP - This grant is used to pay salaries for temporary staff.

26 Operational Revenue

	2021/2022	2020/2021
	R	R
Sundry Income	7,307,622	7,666,666
LG Seta	1,948,842	1,088,733
Tenders General	224,209	661,863
Membership fees - Library	-	3,981
Permits - Clearance	8,859	5,845
Grave Fees & Stone	243,603	231,472
Building Plans	485,683	544,003
Sale of Stands	3,482,191	320,000
Total	13,701,008	10,522,563

27 Gain/Loss on Disposal of Fixed and Intangible Assets

		2021/2022	2020/2021
		R	R
Gains on Disposal	27.1	-	1,810,200
Losses on Disposal	27.2	2,310,000	-
Total		2,310,000	1,810,200

27.1 Gains/losses on revaluation

	2021/2022	2020/2021
	R	R
Investment Property	2,310,000	1,810,200
Total	2,310,000	1,810,200

Musina Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

28 Employee Related Costs

		2021/2022 R	2020/2021 R
Senior Management	28.1	3,799,713	3,799,424
Municipal Staff	28.2	147,883,003	147,150,531
Total		151,682,716	150,949,955

28.1 Senior Management Costs

	2021/2022 R			
	Municipal Manager	Chief Financial Officer	Community Service Manager	Corporate Service Manager
Annual Salary	1,176,303	781,900	-	806,268
Bonuses	106,664	-	-	87,189
Car allowance	103,610	157,064	-	240,006
Acting	-	-	-	-
Leave Days	-	-	-	-
Rural Allowance	55,405	45,339	-	45,339
U.I.F	-	2,069	-	-
Medical	-	51,696	-	-
Pension	-	140,742	-	-
Skills	-	-	-	-
Subsistence and travelling expense	-	-	-	-
Total	1,442,102	1,178,809	-	1,178,802

Senior Management Costs - (Continued)

	2021/2022 R		
	Development and Planning Manager	Technical Manager	Total
Annual Salary	-	-	2,764,531
Bonuses	-	-	193,854
Car allowance	-	-	500,679
Acting	-	-	-
Leave Days	-	-	-
Rural Allowance	-	-	146,143
U.I.F	-	-	2,069
Medical	-	-	51,696
Pension	-	-	140,742
Skills	-	-	-
Subsistence and travelling expense	-	-	-
Total	-	-	3,799,713

Senior Management Costs (Continued)

	2020/2021 R			
	Municipal Manager	Chief Financial Officer	Community Service Manager	Corporate Service Manager
Annual Salary	1,176,303	781,900	-	806,268
Bonuses	106,664	-	-	87,189
Car allowance	103,329	159,317	-	260,006
Acting	-	-	-	-
Leave Days	-	-	-	-
Acting allowance	-	-	-	-
Rural allowance	55,465	45,339	-	45,339
U.I.F	-	1,784.64	-	-
Medical	-	49,719.60	-	-
Pension	-	140,742.00	-	-
Subsistence and travelling expense	-	-	-	-
Total	1,441,821	1,178,802	-	1,178,802

Senior Management Costs (Continued)

	2020/2021		
	R		
	Development and Planning Manager	Technical Manager	Total
Annual Salary	-	-	2,764,531
Bonuses	-	-	173,853
Car allowance	-	-	522,652
Acting	-	-	-
Leave Days	-	-	-
Rural Allowance	-	-	146,143
U.I.F	-	-	1,785
Medical	-	-	49,720
Pension	-	-	140,742
Subsistence and travelling expense	-	-	-
Total			3,799,424

28.2 Municipal Staff

	2021/2022	2020/2021
	R	R
Salaries and Wages	88,278,497	88,404,193
Contributions for UIF, pensions and medical aids	26,413,133	26,643,373
Travel, motor car, accommodation, subsistence and other allowances	11,897,989	10,785,107
Housing benefits and allowances	139,854	130,994
Overtime payments	9,448,749	9,728,400
Bonuses	7,054,560	8,069,656
Long-service awards	700,000	595,000
Other employee related costs	1,296,213	1,269,440
Provision for leave	2,593,353	1,406,573
Annual Bonus - Provision	68,653	207,793
Total	147,893,001	147,156,531

Position of GM Technical, GM Community and GM EDP were vacant during the year as at 30 June 2022

29 Remuneration of Councillors

		2021/2022	2020/2021
		R	R
Mayor	28.1	894,710	938,251
Speaker	29.2	740,177	759,479
Chief Whip	29.3	517,738	714,787
Executive Committee	29.4	412,352	418,388
Full Time Councillors	29.5	1,885,421	2,144,361
All Other Councillors	29.6	6,546,009	6,550,267
Total		10,097,007	10,525,533

29.1 Mayor

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	639,602	670,388
3G	3,600	3,600
Cell phone Allowance	38,307	40,800
Travelling Allowance	713,201	723,463
Total	894,710	938,251

29.2 Speaker

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	523,703	536,309
3G	3,600	3,600
Cell phone Allowance	38,307	40,800
Travelling Allowance	174,568	178,770
Total	740,177	759,479

29.3 Chief Whip

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	356,873	502,790
3G	3,600	3,600
Cell phone Allowance	38,307	40,800
Travelling Allowance	118,959	167,597
Total	517,739	714,787

29.4 Executive Committee

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	277,633	290,491
3G	3,600	3,600
Cell phone Allowance	38,307	40,800
Travelling Allowance	92,611	93,497
Total	412,151	418,388

29.5 Full time Councillors

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	1,322,104	1,508,371
3G	10,897	10,800
Cell phone Allowance	116,017	122,400
Travelling Allowance	436,403	502,790
Total	1,885,421	2,144,361

29.6 All Other Councillors

	2021/2022	2020/2021
	R	R
Allowances and Service Related Benefits		
Basic Salary	2,664,367	2,606,112
3G	59,920	60,172
Cell phone Allowance	696,546	681,947
Travelling Allowance	1,225,776	1,202,037
Total	5,646,609	5,550,261

The Mayor, Speaker and executive councillors are all full time. Each is provided with an office and secretarial support at the cost of Council. The Mayor has use of a Council owned vehicle and driver for official duties. Disclosure in terms of the MFMA, 2003, Section 124(1)(a)

29.7 Councillor's arrear consumer accounts

	Amount outstanding for more than 90 days
None	-

30 Depreciation, Amortisation and Impairment

		2021/2022	2020/2021
		R	R
Amortisation			
Intangible Assets	11.1	133,108	4,240
Depreciation			
Property, Plant and Equipment	9.1	29,927,558	28,514,759
Impairment Loss / Reversal Of Impairment			
Property, Plant and Equipment	9.1	1,824,331	1,620,431
Total		31,884,997	30,139,429

31 Finance cost

		2021/2022	2020/2021
		R	R
Interest	31.1	121,724	2,620,820
Total		121,724	2,620,820

31.1 Interest Cost

		2021/2022	2020/2021
		R	R
Annuity Loans		121,724	276,210
Rehabilitation of Landfill sites			2,344,610
Total		121,724	2,620,820

32 Bulk Purchases

		2021/2022	2020/2021
		R	R
Electricity: Eskom		137,919,076	116,843,934
Total		137,919,076	116,843,934

32.1 Electricity Losses

	2021/2022	2020/2021
	Units	Units
Bulk Purchases	93,560,412	94,151,828
Sales	75,291,654	72,144,940
Usage	84,966,709	83,327,670
Total sales and usage	160,258,364	155,472,610
Free basic electricity	1,872,113	1,749,590
Grant total	162,130,477	157,222,600
kWh lost	8,593,703	10,824,158
Percentage loss	9.19%	13.07%

The loss is due to the tampering of meters and illegal connections.

33 Inventory Consumed (Repair & Maintenance)

		2021/2022	2020/2021
		R	R
Land		1,340,000	889,000
Materials and Supplies		2,860,207	2,877,783
Total		4,200,207	3,766,783

33.1 Inventory adjustments

		2021/2022	2020/2021
		R	R
Inventory - Write-down to net-realizable value		-	729,000
Total		-	729,000

During the year the Municipality made major repairs electrical distribution networks. The cost incurred is treated as expense because it does not meet the criteria of capitalisation. There were inventory write-down to the Value of R729 000.

34 Contracted Services

		2021/2022	2020/2021
		R	R
Consultants and Professional Services	34.1	14,959,197	12,282,233
Contractors	34.2	14,746,590	11,480,449
Outsourced Services	34.3	7,702,381	1,936,295
Total		37,408,168	25,698,978

34.1 Consultants and Professional Services		
	2021/2022	2020/2021
	R	R
Business Advisory Services		
Accounting and Auditing	334,608	919,763
Business and Financial Management	461,603	993,838
Consultance and Professional	11,551,035	8,293,878
Medical Examinations	1,195,922	1,060,085
Occupational Health and Safety	207,094	124,280
Total Business and Advisory Services	13,754,262	11,391,844
Legal Services		
Legal Advice and Litigation	1,204,936	890,394
Total Legal Services	1,204,936	890,394
Total Consultants and Professional Services	14,959,197	12,282,233

34.2 Contractors		
	2021/2022	2020/2021
	R	R
General Services		
Safeguard and Security	12,711,820	9,955,533
Total General Services	12,711,820	9,955,533
Maintenance Services		
Maintenance of Buildings and Facilities	423,838	200,027
Maintenance of Equipment	15,139	34,012
Maintenance of Unspecified Assets	1,595,734	1,290,878
Total Maintenance Services	2,034,710	1,524,917
Total Contractor	14,746,530	11,480,450

34.3 Outsourced Services		
	2021/2022	2020/2021
	R	R
Business and Advisory Services		
Valuer	523,950	1,556,020
Total Business and Advisory Services	523,950	1,556,020
General Services		
Catering Services	447,280	58,198
Drivers Licence Cards	346,906	322,078
Dispensing Site	6,384,245	-
Total General Services	7,178,431	380,276
Total Outsourced Services	7,702,381	1,936,296

35 Transfers and Subsidies			
		2020/2021	2020/2021
		R	R
Operational			
Monetary Allocations	35.1	4,565,000	4,339,000
Total Transfers and Subsidies- Operational		4,565,000	4,339,000
Total Transfers and Subsidies- Capital			
Total		4,565,000	4,339,000

35.1 Monetary Allocations: Operational		
	2021/2022	2020/2021
	R	R
PMG	2,850,000	2,700,000
SPWP	1,715,000	1,639,000
Total	4,565,000	4,339,000

Disclosure in terms of the MFMA, 2003 Section 123(1)(b)

36 Operational Costs

	2021/2022	2020/2021
	R	R
Advertising	106,424	301,763
Audit fees	4,324,548	4,139,163
Bank charges	643,447	441,738
Bursaries	1,815,959	822,965
Conferences and delegations	223,212	88,235
Entertainment	19,576	105,702
Fuel and oil	3,529,610	1,709,508
Insurance	4,760,234	8,747,166
License fees - vehicles	147,255	244,555
License fees - computers	1,341,946	564,796
Membership fees	39,055	19,485
Postage	536,027	452,964
Printing and stationery	640,436	458,140
Skills development levies	1,140,700	1,011,980
Stock and materials		13,418
Sale	1,543,010	1,626,095
Telephone cost	2,400,983	2,304,256
Travel and subsistence	5,700,501	3,159,058
Uniforms & overalls	2,585	3,409,983
Hire of equipment	508,217	-
Municipal Activities	203,342	77,317
Interest rate payment	12,993	61,569
Township Establishment	1,880,000	-
Total	31,515,060	29,755,854

37 Net Cash From/(Used) Operating Activities

	2021/2022	2020/2021
	R	R
Surplus/(deficit) for the year	-25,311,259	29,863,200
Adjustment for: Non cash items		
Depreciation and amortisation	30,060,665	28,518,998
Finance costs	121,724	2,620,820
Interest on investments and receivables	-5,432,782	-3,273,181
Gain on Post Medical Aid Benefit Liability	-	-
Contribution to provisions bad debts	41,885,423	30,798,422
Fair value adjustments	2,310,000	-1,810,200
Impairment loss / (reversal of impairment loss)	1,824,331	1,620,431
Provisions	3,311,000	-10,117,936
Operating surplus before working capital changes:	48,769,102	78,220,554
(Increase)/decrease in inventories	1,926,292	636,963
(Increase)/decrease in trade receivables-exchange transaction	-18,671,265	-13,995,384
(Increase)/decrease in other receivables-non exchange	-3,060,412	2,129,208
(Increase)/decrease in VAT receivable	5,941,431	16,156,037
Increase/(decrease) in conditional grants and receipts	-5,578,721	4,372,233
Increase/(decrease) in trade payables-exchange transaction	-4,716,287	19,694,473
Increase/(decrease) in consumer deposits	302,550	13,788
Increase in payables from non exchange	-1,159,139	-73,059,827
Cash generated by/(utilised in) operations	23,753,551	34,368,045

38 Correction prior year errors

There were no prior period error identified in the current year

39 Unauthorised, Irregular, Fruitless and wasteful expenditure disallowed

		2021/2022	2020/2021
		R	R
Unauthorised expenditure	39.1	117,870,071	99,294,693
Fruitless and wasteful expenditure	39.2	52,636,820	52,623,827
Irregular expenditure	39.3	87,959,246	194,054,030
Total		258,466,137	345,962,550

39.1 Unauthorised expenditure		
	2021/2022	2020/2021
	R	R
Opening balance	99,284,693	99,284,693
Unauthorised expenditure prior year	-	-
Unauthorised expenditure current year	18,585,379	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	117,870,071	99,284,693

This relates to expenditure on non cash items not budget for.

39.2 Fruitless and wasteful expenditure		
	2021/2022	2020/2021
	R	R
Opening balance -	52,623,827	52,666,793
Fruitless and wasteful expenditure current year	12,993	61,569
Condoned or written off by Council	-	-104,535
Transfer to irregular	-	-
To be recovered - contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	52,636,820	52,623,827

Fruitless and wasteful relates to interest on late payments, overtime time paid to employees and overpayment to suppliers.

39.3 Irregular expenditure		
	2021/2022	2020/2021
	R	R
Opening balance	194,054,030	170,871,926
Irregular expenditure-current year	29,709,251	23,182,104
Identified in the current year	-	-
Condoned or written off by Council	135,804,035	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	87,969,246	194,054,030

Due to deviations from the procurement processes (invitations of three written quotations, increase to bidding price, and no relevant contract or tender documentation) that were approved on the basis of it being an emergency, while it was possible to comply with the requirements or where proper planning would have prevented the deviations. Due to contracts that were extended or renewed to such an extent that competitive bidding processes were being circumvented. Not comply with conditions as stipulated in the DORA allocation (By using the Conditional grants for other commitments) and not complying with the basic conditions of employment by paying employees overtime more than 40 hours a week were it could have been avoided.

Irregular expenditure is always calculated inclusive of VAT while the figures disclosed above have been presented in this set of AFS exclusive of VAT

40 Additional Disclosures in Terms of Municipal Finance Management Act

40.1 Contributions to SALGA		
	2021/2022	2020/2021
	R	R
Opening balance	2,453,484	2,054,146
Council subscriptions	-	1,712,094
Amount paid - current	-	-
Amount paid - previous years	1,712,094	1,312,756
Balance unpaid	741,390	2,453,484

40.2 Audit fees		
	2021/2022	2020/2021
	R	R
Opening balance	36,336	2,347,411
Current year audit fee	4,973,270	4,760,037
Amount paid - current year	4,973,270	5,154,811
Amount paid - previous years	36,336	1,916,301
Balance unpaid	0	36,336

40.3 VAT		
	2021/2022	2020/2021
	R	R
VAT input receivables and VAT output payables are shown in note 6. All VAT returns have been submitted by the due date throughout the year.		

40.4 PAYE and UIF		
	2021/2022	2020/2021
	R	R
Opening balance	1,986,741	1,986,741
Current year payroll deductions	25,413,762	24,409,894
Amount paid - current year	25,413,762	22,417,821
Amount paid - previous years	1,986,741	1,746,292
Balance unpaid	-	1,986,741

40.5 Pension and Medical Aid Deductions

	2021/2022	2020/2021
	R	R
Opening balance	1,858,322	1,583,113
Current year payroll deductions and Council Contributions	23,085,863	22,069,056
Amount paid - current year	21,614,698	20,210,734
Amount paid - previous years	1,858,322	1,583,113
Balance unpaid	1,471,165	1,858,322

41 Capital Commitments

Commitments in respect of capital expenditure

	2021/2022	2020/2021
	R	R
- Approved and contracted for	12,987,851	19,509,272
Infrastructure	966,235	17,256,293
Community	11,921,616	2,253,979
- Approved but not yet contracted for	28,669,637	14,989,310
Infrastructure	7,813,491	14,989,310
Community	20,856,146	-
SubTotal	41,657,488	34,498,582

Commitments in respect of operating project expenditure

	2021/2022	2020/2021
	R	R
- Approved and contracted for	43,156,295	72,560,528
Budget & Treasury	43,156,295	72,560,528
- Approved but not yet contracted for	1,635,650	1,553,900
Infrastructure	1,635,650	1,553,900
SubTotal	44,791,945	74,114,428
Total	86,059,433	108,613,010

This expenditure will be financed from:

	2021/2022	2020/2021
	R	R
- External Loans	-	-
- Government Grants	42,903,138	36,052,483
- Own resources	43,156,295	72,560,528
Total	86,059,433	108,613,011

42 Contingent Liabilities

	2021/2022	2020/2021
	R	R
The following contingent liabilities have been incurred by Musina Municipality:		
The Minister of water affairs is suing the municipality for water charges , total amount claimed	1,530,368	1,530,368

43 Contingent Assets

	2021/2022	2020/2021
	R	R
The following services were received in-kind by Musina Municipality during the year		
The Municipality did not have any contingent assets during the year.	-	-

44 Related Party Disclosures

44.1 Remuneration of key management personnel - refer to note 28

Other remuneration and compensation provided to key management and their close family members (Paragraph 34(b))

During the reporting period the Municipality provided total remuneration and compensation of R 2 008 650 (2022) to close family members of, and key management personnel. This amount consists of the remuneration of Municipal employee who are close members of the members of key management personnel.

44.2 Remuneration Councillors - refer to note 29

During the reporting period the Municipality provided total remuneration and compensation of R874 599 (2022) to close family members of, and councillors. This amount consists of the remuneration of Municipal employees who are close members of the members of Councillors.

45 Events after the Reporting Date

	2021/2022	2020/2021
	R	R
The Accounting officer is not aware of any significant material matter or circumstances that occurred after year end that warrant adjustment of or disclosure in the financial statement.	-	-

46 Key Sources of Estimation Uncertainty and Judgements

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
Recoverable amounts of property, plant and equipment
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)
Present value of defined benefit obligation
Provision for doubtful debts
Impairment of assets
Provision for long-term service award
Fair Value

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:
Impairment of assets
Provisions

47 Risk Management

47.1 Maximum credit risk exposure

	2021/2022 R	2020/2021 R
Financial assets exposed to credit risk at year end were as follows:		
ABSA Bank - Fixed deposits	10,731,000	10,731,000
ABSA Bank - Current/Cheque account	5,715,066	12,473,161
VAT Receivable	9,311,568	15,213,525
Trade and other receivables	51,862,980	49,368,456

These balances represent the maximum exposure to credit risk.

The municipality is exposed to an ABSA bank guarantee in favour of Eskom amounting to R10 731 000

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

There were no changes to the risk management in the current year

47.2 Liquidity risk

		2021/2022 R	2020/2021 R
Consumer deposit	Less than 1 year	5,083,887	
	Between 1 and 2 years		4,781,337
	Between 2 and 5 years		
Over 5 years			
Trade payables from exchange transaction	Less than 1 year	166,992,723	187,273,177
	Between 1 and 2 years		
	Between 2 and 5 years		
Over 5 years			
Trade payables from non exchange transaction	Less than 1 year	351,037,078	325,889,022
	Between 1 and 2 years		
	Between 2 and 5 years		
Over 5 years			
Long term Liabilities	Less than 1 year	-	-
	Between 1 and 2 years	-	-
	Between 2 and 5 years		
Over 5 years			
Finance lease obligation	Less than 1 year	436,785	436,785
	Between 1 and 2 years	362,495	362,495
	Between 2 and 5 years		
Over 5 years			
Unspent grant	Less than 1 year	5,578,721	-
	Between 1 and 2 years		
	Between 2 and 5 years		
Over 5 years			

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table above analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

There were no changes to the liquidity and risk management in the current year

48 Change in Accounting Policy

The were no changes in accounting policy

49 Change in Estimate

The useful lives of all asset classes were adjusted during 2021/2022 to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 9. The effect of changing the remaining useful life of assets for the Municipality during 2021/2022 has decreased the depreciation charge for the current year by R 591 619. It is impracticable to estimate the effect of these changes on future periods

50 Operational Grant Expenditure

	2021/2022	2020/2021
	R	R
Finance Management grant (FMG)	2,850,000	2,700,000
EPWP	1,715,000	1,639,000
Total	4,565,000	4,339,000

51 Income Forgone

	2021/2022	2020/2021
	R	R
Assessment Rates	178,790	139,787
Total	178,790	139,787

52 In-Kind Donations and Assistance

	2021/2022	2020/2021
	R	R
Impairment Of Transport	4,361,478.25	-

This relates to a mobile testing truck that was donated by national department of transport

53 Deviation from Procurement Processes - Supply Chain Regulation 36(2)

	2021/2022	2020/2021
	R	R
53.1 Technical Department		
28 Occasions	787,269	314,191
Supplier - Various		
Deviation due to sole provider of the required service		
53.3 Budget & Treasury Office		
27 Occasions	851,153	560,895
Deviation due to sole provider of the required service		
Supplier - Various		
53.4 Community Services		
5 Occasion	61,025	36,435
Supplier - Various		
Deviation due to sole provider of the required service		
53.5 Corporate Services		
21 Occasions	236,295	2,940,565
Supplier - Various		
Deviation due to sole provider of the required service		
53.6 Municipal Manager Office		
44 Occasions	1,095,508	511,878
Supplier - Various		
Deviation due to sole provider of the required service		
53.7 Integrated Development plan		
2 Occasion	6,431	2,008
Supplier - Various		
Deviation due to sole provider of the required service		
53.8 Mayors Office		
5 Occasions	97,328	20,000
Supplier - Various		
Deviation due to sole provider of the required service		
Total	3,135,009	4,381,872

There was no other non-compliance with section 125(c) (e) of the MFMA

54 Going Concern

The financial statements have been prepared on a going concern basis.

The municipality is experiencing liquidity challenges as evident by the following :

- Deficit of R -25 311 259 compared to the surplus of R29 863 200 in the previous year.

- Net current liability position of R 534 007 480 (2021: R 520 527 538).

- The Eskom liability amounting to (64 715 904) (2021: 85 832 867) at year was significant contributor to the current liability balance

- Low collection of amount owed to the municipality in relation to exchange and non exchange receivables from Vhembe District R309 174 358

The municipality's plans to mitigate the risk highlighted above includes the following:

- Signed payment agreement with Eskom which will see the outstanding amount settled by July 2023.

- The DBSA Loan is paid as per the agreement and the balance was fully paid by July 2021.

- Reduction of overtime work to a maximum of 40 hours per month which will result in a saving of about R 2 000 000.

- Stricter cash management to spend when cash is available.

- Council approved resolution to sell most of land it owns in 2022/23 to improve revenue generation. This can bring about R90m to the Municipality.

- The development of revenue strategies to enhance the collection of amounts owed, seek new avenues of revenue generations

The achievement of some of the above strategies is not certain as they depend on factors outside the municipal control such as high take up of

land sales, effective and positive response by consumers on the revenue strategies.

The accounting officer is satisfied that these strategies are achievable under the circumstances and that active management of cash flow

strategies will be implemented to ensure the achievement of these strategies.

The COVID 19 pandemic has developed rapidly in 2020/21. Various measures were implemented, however, municipality was not adversely affected as the collection rate remain steadily the same and there were no major delays in the construction of capital projects.

55 Principal and Agents

55.1 Department Of Transport

The Municipality has entered into an agreement with the Department of Transport under which the Department serves as a Principal and the Municipality as an agent. Under this arrangement, the Municipality performs licensing functions on behalf of the department of transport and in return a commission of 20% of the total revenue collected from this services. The balance of 80% is transferred to the department of transport. The following is a summary of carrying values of assets, liabilities, revenue and expenditure as a result of the arrangements at year end.

	2021/2022	2020/2021
	R	R
Non-Exchange Revenue		
Revenue- 20% agency fees	2,933,313	2,943,055
Current Liabilities		
Liabilities- Unpaid 80% at year end.	12,039,484	15,572,797

55.2 Vhembe District Municipality

The Municipality and Vhembe district Municipality entered into legislated arrangement under which the municipality serves as an agent and Vhembe district as a Principal under this arrangement. Musina Local Municipality performs water functions on behalf of the Vhembe district, all monies earned by the Musina Municipality from water services are disclosed as a liability and any monies paid by Musina Municipality to ensure smooth running of the water function are disclosed as a receivable by Musina Local Municipality.

	2021/2022	2020/2021
	R	R
Current Liabilities		
Revenue	338,997,594	310,316,225
Current receivables		
Expenses paid	309,174,358	282,206,886

56 COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Variance explanation-Only significant Variances.

Property rates-This is due to an increase on annual approved tariffs

Service charges- This is due to a decrease in lower sales of prepaid electricity than what the Municipality anticipated.

Interest earned -external investment- This is due to a lower repo rate during the year

License and Permits- This is due to lower registration of vehicle rate

Employee cost-This is due to resignations and mortality during the year

Remuneration to councillors-This is due to a reduction in the Exco committee from 4 to 3 resulting in less package paid.

Bad debts impairment-This is due to more debtors not paying their accounts in time and most of them being doubtful

Depreciation and asset impairment-This is due to a decrease on impairment on roads, most assets were repaired during the year.
Bulk purchases- This is due to a increase e in sales of prepaid electricity than what the Municipality anticipated resulting in more purchases from Eskom by the
Other Materials-This is due to less usage of stationery as employees work on rotational basis.
Contacted services-This is due to an decrease on maintenance of vehicle.
Transfer and grants-The municipality did not receive the MSG grant in the current year
Other expenditure-The difference is minimal.
Rental of facilities and equipment-This is due to less rentals on Muniapal property rental due unforeseen different levels of covid lockdowns.
Other revenue-This is due to less transferring of stand ownership from the Municipality to the private owners resulting in less revenue and high liabilities.
Finance charges- This is due to overpayment to reduce the loan excessively on the abisa Loan resulting in less interest paid on the loan.

Mapping	Function	Old V
Consultants and professional	Administrative and	
Consultants and professional	Administrative and	
Consultants and professional	Administrative and	
maintenance equipment	Administrative and	
salaries and wages	Administrative and	
salaries and wages	Administrative and	
salaries and wages	Administrative and	
salaries and wages	Administrative and	
salaries and wages	Administrative and	
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Salaries and wages	Administrative and	
Salaries and wages	Administrative and	
Salaries and wages	Administrative and	
Salaries and wages	Administrative and	
inventory expenditure	Administrative and	
inventory expenditure	Administrative and	
Stock and materials	Administrative and	
Advertising	Administrative and	
Advertising	Administrative and	
Telephone	Administrative and	
Postage	Administrative and	
Postage	Administrative and	
Telephone	Administrative and	
Telephone	Administrative and	

Printing	Administrative an
Printing	Administrative an
Conferences and delegation	Administrative an
Conferences and delegation	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Travel and Substistence	Administrative an
Protective clothing	Administrative an
Protective clothing	Administrative an

SegmentDesc	AccType	TotalActual
Business and Advisory: Organisational	E	0
Business and Advisory: Research and Advisory	E	24639.61
Business and Advisory: Research and Advisory	E	0
Contractors: Maintenance of Equipment	E	0
Accommodation Travel and Incidental	E	0
Housing Benefits and Incidental: Housing Benefits	E	0
Housing Benefits and Incidental: Housing Benefits	E	0
Acting Allowance	E	0
Service Related Benefits: Acting and Post Related Allowances	E	0
Acting Allowance	E	63175.54
Rural allowance	E	0
Leave	E	47663.79
Long Service	E	700000
Corporate Admin Overtime	E	0
Overtime	E	0
Overtime: Non Structured	E	0
Overtime: Non Structured	E	0
Shift Allowance	E	0
Overtime	E	66624.26
Standby Allowance	E	0
Allowances: Travel or Motor Vehicle	E	0
Allowances: Travel or Motor Vehicle	E	0
Allowances: Travel or Motor Vehicle	E	606991.8
Salaries Wages and Allowances: Basic Salary and Wages	E	6076270.42
Salaries Wages and Allowances: Basic Salary and Wages	E	0
Salaries Wages and Allowances: Bonuses	E	573258.6
Salaries Wages and Allowances: Bonuses	E	0
Bargaining Council	E	1575.9
Bargaining	E	0
Social Contributions: Bargaining Council	E	0
Social Contributions: Group Life Insurance	E	29568.9
Social Contributions: Group Life Insurance	E	0
Social Contributions: Medical	E	0
Social Contributions: Medical	E	325035.6
Social Contributions: Pension	E	1076734.25
Social Contributions: Pension	E	0
Social Contributions: Unemployment Insurance	E	47966.36
Social Contributions: Unemployment Insurance	E	0
CFO Housing New	E	0
CFO Travel Allowance	E	0
CFO Medical	E	0
CFO Pension	E	0
CFO UIF	E	0
CFO Housing	E	0
GM Corporate	E	0
Accommodation Travel and Incidental	E	0
Allowance: Travel or Motor Vehicle	E	0
Salaries and Allowances: Basic Salary	E	806268.12
Expenditure: Inventory Consumed: Materials and Supplies	E	-
Expenditure: Inventory Consumed: Materials and Supplies New	E	154,296.85
Infrastructure: Network and Communication Infrastructure	E	0
Advertising Publicity and Marketing: Corporate and Municipal	E	-
Advertising Publicity and Marketing: Corporate and Municipal	E	31,993.61
Communication: Cellular Contract (Subscription and Calls)	E	0
Communication: Postage/Stamps/Frinking Machines	E	85
Communication: Postage/Stamps/Frinking Machines	E	0
Communication: Telephone Fax Telegraph and Telex	E	59319.02
Communication: Telephone Fax Telegraph and Telex	E	0

Expenditure: Operational Cost: Printing Publications and Boo	E	50233.14
Expenditure: Operational Cost: Printing Publications and Boo	E	0
Seminars Conferences Workshops and Events: National	E	16050
Seminars Conferences Workshops and Events: National	E	0
Domestic: Accommodation	E	34106.01
Domestic: Daily Allowance	E	23400
Domestic: Daily Allowance	E	0
Domestic: Incidental Cost	E	0
Transport without Operator: Car Rental	E	0
Transport without Operator: Own Transport	E	189783.32
Foreign: Accommodation	E	0
Expenditure: Operational Cost: Uniform and Protective Clothi	E	1577.2
Expenditure: Operational Cost: Uniform and Protective Clothi	E	0

RemainingBudget	Pending	Amended	SegmentD	KPIDescri	KPADescri	ProjectTyp	ItemLv01
0	0	0	0	Business a	Basic service delivery	P	Expenditur
46832.39	0	0	0	Business a	Local Economic Devel	P	Expenditur
0	0	0	0	Business and Advisory:	Research	P	Expenditur
0	0	0	0	Contractor:	Basic service delivery	P	Expenditur
0	0	0	0	Allowances:	Accommodation; Trav	P	Expenditur
0	0	0	0	Housing B	Local Economic Devel	P	Expenditur
0	0	0	0	Housing B	Basic service delivery	P	Expenditur
0	0	0	0	Service Re	Local Economic Devel	P	Expenditur
0	0	0	0	Service Re	Basic service delivery	P	Expenditur
3736.46	0	0	0	Service Related Benefits:	Acting ar	P	Expenditur
0	0	0	0	Service Related Benefits:	Acting ar	P	Expenditur
-47663.79	0	0	0	Service Related Benefits:	Leave P	P	Expenditur
-178252	0	0	0	Service Related Benefits:	Long Se	P	Expenditur
192612	0	0	0	Overtime:	Non Structured	P	Expenditur
0	0	0	0	Overtime:	N Local Economic Devel	P	Expenditur
0	0	0	0	Overtime:	N Basic service delivery	P	Expenditur
0	0	0	0	Overtime:	Non Structured	P	Expenditur
0	0	0	0	Overtime:	S Local Economic Devel	P	Expenditur
-66624.26	0	0	0	Overtime:	Structured	P	Expenditur
0	0	0	0	Service Re	Local Economic Devel	P	Expenditur
0	0	0	0	Allowances:	Travel or Motor Vehicl	P	Expenditur
0	0	0	0	Allowances	Basic service delivery	P	Expenditur
18892.2	0	0	0	Allowances	Local Economic Devel	P	Expenditur
859297.58	0	0	0	Salaries; V	Local Economic Devel	P	Expenditur
0	0	0	0	Salaries; V	Basic service delivery	P	Expenditur
184241.4	0	0	0	Salaries; V	Local Economic Devel	P	Expenditur
0	0	0	0	Salaries; V	Basic service delivery	P	Expenditur
1748.1	0	0	0	Social Contributions:	Bargaining C	P	Expenditur
0	0	0	0	Social Con	Local Economic Devel	P	Expenditur
0	0	0	0	Social Con	Basic service delivery	P	Expenditur
2711.1	0	0	0	Social Con	Local Economic Devel	P	Expenditur
0	0	0	0	Social Con	Basic service delivery	P	Expenditur
0	0	0	0	Social Con	Basic service delivery	P	Expenditur
5012.4	0	0	0	Social Con	Local Economic Devel	P	Expenditur
39673.75	0	0	0	Social Con	Local Economic Devel	P	Expenditur
0	0	0	0	Social Con	Basic service delivery	P	Expenditur
1269.64	0	0	0	Social Con	Local Economic Devel	P	Expenditur
0	0	0	0	Social Con	Basic service delivery	P	Expenditur
0	0	0	0	Allowance:	Housing Benefits	P	Expenditur
0	0	0	0	Allowance:	Travel or Motor Vehicle	P	Expenditur
0	0	0	0	Social Contributions:	Medical	P	Expenditur
0	0	0	0	Social Contributions:	Pension	P	Expenditur
0	0	0	0	Social Contributions:	Unemployme	P	Expenditur
0	0	0	0	Allowance:	Housing Benefits	P	Expenditur
0	0	0	0	Salaries and Allowances:	Basic Sa	P	Expenditur
0	0	0	0	Allowance:	Accommodation; Trave	P	Expenditur
0	0	0	0	Allowance:	Local Economic Devel	P	Expenditur
25715.88	0	0	0	Salaries ar	Local Economic Devel	P	Expenditur
-	0	0	0	Inventory C	Basic service delivery	P	Expenditur
-106,164.85	0	0	0	Inventory C	Local Economic Devel	P	Expenditur
0	0	0	0	Infrastructu	Basic service delivery	P	Expenditur
-	-	-	-	Advertisin	Basic service delivery	P	Expenditur
5,242.39	-	-	-	Advertisin	Local Economic Deve	P	Expenditur
0	0	0	0	Communic	Basic service delivery	P	Expenditur
443	0	0	0	Communic	Local Economic Devel	P	Expenditur
0	0	0	0	Communic	Basic service delivery	P	Expenditur
289436.98	0	0	0	Communic	Local Economic Devel	P	Expenditur
0	0	0	0	Communic	Basic service delivery	P	Expenditur

199750.86	0	0	0	Operationa Local Economic Devel P	Expenditur
0	0	0	0	Operationa Basic service delivery ; P	Expenditur
-4710	0	0	0	Seminars; ; Local Economic Devel P	Expenditur
0	0	0	0	Seminars; ; Basic service delivery ; P	Expenditur
21189.99	0	0	0	Domestic:A Local Economic Devel P	Expenditur
23172	0	0	0	Domestic:E Local Economic Devel P	Expenditur
0	0	0	0	Domestic:E Basic service delivery ; P	Expenditur
0	0	0	0	Domestic:II Local Economic Devel P	Expenditur
3156	0	0	0	Transport v Local Economic Devel P	Expenditur
4460.68	0	0	0	Transport v Local Economic Devel P	Expenditur
0	0	0	0	Foreign:Ac Local Economic Devel P	Expenditur
-1577.2	0	0	0	Operational Cost:Uniform and Pro P	Expenditur
0	0	0	0	Operational Cost:Uniform and Pro P	Expenditur

ItemLvl02 ItemLvl03 ItemLvl04 ItemLvl05 ItemLvl06 ItemLvl07 ItemLvl08 ItemLvl09 ItemLvl10

Contracted Consultant: Business a Organisational

Contracted Consultant: Business a Research and Advisory

Contracted Consultant: Business a Research and Advisory

Contracted Contractor: Maintenance of Equipment

Employee I Municipal S Salaries; V Allowances Accommodation; Travel and Incidental

Employee I Municipal S Salaries; V Allowances Housing Bc Housing Benefits

Employee I Municipal S Salaries; V Allowances Housing Bc Housing Benefits

Employee I Municipal S Salaries; V Allowances Service Re Acting and Post Related Allowances

Employee I Municipal S Salaries; V Allowances Service Re Acting and Post Related Allowances

Employee I Municipal S Salaries; V Allowances Service Re Acting and Post Related Allowances

Employee I Municipal S Salaries; V Allowances Service Re Acting and Post Related Allowances

Employee I Municipal S Salaries; V Allowances Service Re Leave Pay

Employee I Municipal S Salaries; V Allowances Service Re Long Service Award

Employee I Municipal S Salaries; V Allowances Service Re Overtime Non Structured

Employee I Municipal S Salaries; V Allowances Service Re Overtime Non Structured

Employee I Municipal S Salaries; V Allowances Service Re Overtime Non Structured

Employee I Municipal S Salaries; V Allowances Service Re Overtime Non Structured

Employee I Municipal S Salaries; V Allowances Service Re Overtime Shift Additional Remuneration

Employee I Municipal S Salaries; V Allowances Service Re Overtime Structured

Employee I Municipal S Salaries; V Allowances Service Re Standby Allowance

Employee I Municipal S Salaries; V Allowances Travel or Motor Vehicle

Employee I Municipal S Salaries; V Allowances Travel or Motor Vehicle

Employee I Municipal S Salaries; V Allowances Travel or Motor Vehicle

Employee I Municipal S Salaries; V Basic Salary and Wages

Employee I Municipal S Salaries; V Basic Salary and Wages

Employee I Municipal S Salaries; V Bonuses

Employee I Municipal S Salaries; V Bonuses

Employee I Municipal S Social Con Bargaining Council

Employee I Municipal S Social Con Bargaining Council

Employee I Municipal S Social Con Bargaining Council

Employee I Municipal S Social Con Group Life Insurance

Employee I Municipal S Social Con Group Life Insurance

Employee I Municipal S Social Con Medical

Employee I Municipal S Social Con Medical

Employee I Municipal S Social Con Pension

Employee I Municipal S Social Con Pension

Employee I Municipal S Social Con Unemployment Insurance

Employee I Municipal S Social Con Unemployment Insurance

Employee I Senior Mar Chief Finar Salaries an Allowance Housing Benefits

Employee I Senior Mar Chief Finar Salaries an Allowance Travel or Motor Vehicle

Employee I Senior Mar Chief Finar Social Con Medical

Employee I Senior Mar Chief Finar Social Con Pension

Employee I Senior Mar Chief Finar Social Con Unemployment Insurance

Employee I Senior Mar Designatioi Salaries an Allowance Housing Benefits

Employee I Senior Mar Designatioi Salaries an Basic Salary

Employee I Senior Mar Municipal I Salaries an Allowance Accommodation; Travel and Incidental

Employee I Senior Mar Municipal I Salaries an Allowance Travel or Motor Vehicle

Employee I Senior Mar Municipal I Salaries an Basic Salary

Inventory C Materials and Supplies

Inventory C Materials and Supplies

Operating I Infrastructu Network and Communication Infrastructure

Operation: Advertising Corporate and Municipal Activities

Operation: Advertising Corporate and Municipal Activities

Operationa Communic Cellular Expenditure

Operationa Communic Postage/Stamps/Frinking Machines

Operationa Communic Postage/Stamps/Frinking Machines

Operationa Communic Telephone; Fax; Telegraph and Telex

Operationa Communic Telephone; Fax; Telegraph and Telex

Operationa Printing; Publications and Books
Operationa Printing; Publications and Books
Operationa Registratio Seminars; National
Operationa Registratio Seminars; National
Operationa Travel and Domestic Accommodation
Operationa Travel and Domestic Daily Allowance
Operationa Travel and Domestic Daily Allowance
Operationa Travel and Domestic Incidental Cost
Operationa Travel and Domestic Transport v Car Rental
Operationa Travel and Domestic Transport v Own Transport
Operationa Travel and Foreign Accommodation
Operationa Uniform and Protective Clothing
Operationa Uniform and Protective Clothing

[illegible]

[illegible]

FunctionLv	FunctionLv	FunctionLv	FunctionLv	ProjectGUI	FunctionGI	ItemGUID	CostingGU	FundingGL
port				63348e37-	0f52d9e5-9	eaf6f09b-c	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	42fbd460-f	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	42fbd460-f	47c7ba65-	ac97d0b1-
port				63348e37-	0f52d9e5-9	2032e879-i	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	51688b00-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	7f35558a-3	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	7f35558a-3	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	00897d04-	47c7ba65-	d97cec8e-
port				63348e37-	0f52d9e5-9	00897d04-	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	00897d04-	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	00897d04-	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	d47ca0da-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	c546ffb1-f	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	21eb537d-	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	21eb537d-	47c7ba65-	d97cec8e-
port				63348e37-	0f52d9e5-9	21eb537d-	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	21eb537d-	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	d771016b-i	47c7ba65-	d97cec8e-
port				53d432c7-	0f52d9e5-9	ac152fb6-d	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	2d2b9e8e-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	ef1d73f9-3	47c7ba65-	ac97d0b1-
port				63348e37-	0f52d9e5-9	ef1d73f9-3	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	ef1d73f9-3	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	1c05d43b-	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	1c05d43b-	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	80f4e079-f	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	80f4e079-f	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	2b28ccfb-d	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	2b28ccfb-d	47c7ba65-	d97cec8e-
port				63348e37-	0f52d9e5-9	2b28ccfb-d	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	57f5b54f-7	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	57f5b54f-7	47c7ba65-	ac97d0b1-
port				63348e37-	0f52d9e5-9	b8bb0470-i	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	b8bb0470-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	b6792f2f-0	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	b6792f2f-0	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	b23abe1e-i	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	b23abe1e-i	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	4bdb4c1b-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	700079bd-	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	46eb4d74-	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	db416aed-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	b421cc09-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	0555c7b5-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	0b91884e-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	c3251e6a-i	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	ee4fc231-a	47c7ba65-	b24ed953-
port				53d432c7-	0f52d9e5-9	bc55a561-i	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	b51e2dcf-f	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	b51e2dcf-f	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	671fb61f-2	47c7ba65-	ac97d0b1-
port				63348e37-	0f52d9e5-	94ded894-	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-	94ded894-	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	c0330128-i	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	5890cecb-i	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	5890cecb-i	47c7ba65-	ac97d0b1-
port				53d432c7-	0f52d9e5-9	941ab780-i	47c7ba65-	b24ed953-
port				63348e37-	0f52d9e5-9	941ab780-i	47c7ba65-	ac97d0b1-

port	53d432c7-!0f52d9e5-946fc8d46-147c7ba65-!b24ed953-!
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port	53d432c7-!0f52d9e5-981ddb85d-!47c7ba65-!b24ed953-!
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port	53d432c7-!0f52d9e5-9a950ce9a-!47c7ba65-!b24ed953-!
port	53d432c7-!0f52d9e5-9b97a40d5-!47c7ba65-!b24ed953-!
port	53d432c7-!0f52d9e5-9b97a40d5-!47c7ba65-!ac97d0b1-!

[illegible]

[illegible]