MUSINA LOCAL MUNICIPALITY

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LOCAL MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Musina Local Municipality

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

CONTECTS **Page Number**

Annual Financial Statements
for
Musina Local Municipality
LIM 341

for the year ended 30 June: ***2024***

Province:	Limpopo
AFS rounding:	***R (i.e. only cents)***

Contact Information:

Accounting Officer	NT Tshiwanammbi
Chief Financial Officer:	L Murulana
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Contact telephone number:	015 291 8400
Contact e-mail address:	NkunaMC@treasury.limpopo.gov.za
Name of relevant Auditor:	ML Leputu
Contact telephone number:	0152839316
Contact e-mail address:	MokgadiL@agsa.co.za
Name of contact at National Treasury:	Thomas Matjeni
Contact telephone number:	012 315 5792
Contact e-mail address:	thomas.matjeni@treasury.gov.za
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)
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.
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 6 of 2004) Division of Revenue Act (Act 1 of 2007)

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	
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 Mammbeda	Nov-21	
Member	F Nemukombame	Nov-21	
Member	P Ramofhi	Nov-21	
Member	R Rabambukwa	Nov-21	
Member	S Ndhlovu	Nov-21	
Member	D Makhura	Nov-21	
Member	J Mariba	Nov-21	
Member	M Van Staden	Nov-21	
Member	P Herman	Nov-21	
Member	E Maphari	Nov-21	
Member	Machete TJ	May-23	
Exco	Munyai R	May-23	
Grading of local authority:	03		

Registered office	Musina Local Municipality
Business address	Civic Centre 21 Irwin Street Musina 0900
Postal address	Private bag X611 Musina 0900
Bankers	ABSA
Auditors	Auditor-General of South Africa (AGSA)

Approval of Financial Statements and Accounting Officers resposibility.

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 were 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 2025 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 which have been prepared on a going concern basis,were approved on 31 August 2024

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Accounting Officer :Tshiwanammbi NT

Date: 31 August 2024

Abbreviations

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

Musina Local Municipality
STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Note	2023/2024	2022/2023
		R	R
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	10,327,276	12,818,683
Receivables From Exchange Transactions	3	43,651,654	34,197,907
Receivables From Non-exchange Transactions	4	18,312,553	17,295,189
Inventories	5	24,528,048	25,504,408
Vat Receivable	6	13,217,756	11,950,315
Total Current Assets		**110,037,286**	**101,766,502**
Non-Current Assets			
Investments	7	13,168,893	10,731,000
Investment Property	8	205,009,670	203,449,000
Property, Plant and Equipment	9	462,338,187	439,036,978
Heritage Assets	10	65,210	65,210
Intangible Assets	11	403,744	380,780
Total Non-current Assets		**680,985,704**	**653,662,968**
TOTAL ASSETS		**791,022,990**	**755,429,470**
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	-	362,494
Consumer Deposits	13	6,134,724	5,767,896
Trade and Other Payables From Exchange Transactions	14.2	178,163,707	184,815,153
Trade and Other Payables From non-Exchange Transactions	14.1	34,788,253	42,197,840
Unspent Transfers and Subsidies	15	10,505,925	10,106,761
Provisions	16	2,892,000	2,197,000
Other Current Liabilities	17	497,000	335,000
VAT Payable	6	4,935,962	7,055,365
Total Current Liabilities		**237,917,570**	**252,837,509**
Non-current Liabilities			
Financial Liabilities	12	-	-
Provisions	16	26,239,564	22,555,505
Other Non-current Liabilities	17	14,385,000	19,364,000
Total Non-current Liabilities		**40,624,564**	**41,919,505**
TOTAL LIABILITIES		**278,542,134**	**294,757,014**
NET ASSETS		512,480,856	460,672,456
Accumulated Surplus / (Deficit)		512,480,856	460,672,456
Reserves			
TOTAL NET ASSETS		**512,480,856**	**460,672,456**

Musina Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2024

	Note	2023/2024	2022/2023
		R	R
Revenue			
Non-Exchange Revenue			
Property Rates	**18**	28,763,617	26,814,069
Transfers and Subsidies – Operational	**25**	220,628,000	198,183,000
Transfers and Subsidies – Capital	**25**	36,353,836	30,940,960
Fines, Penalties and Forfeits	**23**	3,878,500	3,427,950
Other Revenue-LG SETA	**26**	4,678,587	1,646,778
Donations	**52**	-	16,744,000
Provision For impairment reversal	**4**	-	315,440,897
Interest on Receivables	**22**	3,754,553	3,072,588
Exchange Revenue			
Service Charges - Electricity	**19**	193,714,405	147,859,444
Service Charges – Waste Management	**19**	21,278,636	19,262,506
Rental	**20**	396,735	469,342
Interest on Investments	**21**	1,978,298	1,586,227
Interest on Receivables	**22**	3,366,009	2,904,917
Licences and Permits	**24**	2,145,420	2,125,626
Other Revenue	**26**	11,283,076	13,253,773
Total Revenue (excl. capital transfers and subsidies)		**532,219,672**	**783,732,077**
Expenditure			
Employee Related Costs	**28**	161,204,366	155,415,594
Remuneration of Councillors	**29**	11,366,548	10,295,048
Debt Impairment / Write-off	**3 & 4**	8,094,373	13,770,223
Depreciation and Amortisation	**30**	32,412,041	30,843,532
Asset Impairment	**30**	1,472,844	8,405,107
Finance Costs	**31**	1,417,763	1,234,989
Bulk Purchases	**32**	173,878,174	126,091,640
Inventory Consumed	**33**	3,183,204	7,270,296
Contracted Services	**34**	42,954,791	35,955,447
Transfers and Subsidies	**35**	4,287,000	4,390,000
Operational Costs	**36**	46,857,841	48,187,986
Loss on Disposal of Assets	**27.1**	-	319,616
Total Expenditure		**487,128,945**	**442,179,479**
Surplus/(Deficit)		45,090,727	341,552,598
Gain on Post retirement Medical Aid Benefit Liability	**27**	4,817,000	2,051,000
Gain (Loss) on revaluation of Assets	**27.2**	1,900,670	48,304,800
Surplus/(Deficit) After Capital Transfers and Contributions		**51,808,397**	**391,908,398**
Surplus/(Deficit) Prior year errors		-	-
Surplus/(Deficit) for the year		**51,808,397**	**391,908,398**

Musina Local Municipality
Statement of changes in net assets
for the year ended 30 June 2024

	Accumulated Surplus / (Deficit) R	TOTAL R
Balance Of accumulated surplus 30 June 2022	99,431,794	99,431,794
Prior period errors	-30,667,744	-30,667,744
Restated balance	**68,764,050**	**68,764,050**
Surplus/deficit for 2023	**391,908,398**	**391,908,398**
Closing balance for 2023	**460,672,458**	
Balance as previously reported	490,819,565	490,819,565
Effect of prior period errors	-30,147,107	-30,147,107
Surplus/deficit 2024	**51,808,397**	**51,808,397**
Closing balance for 2024	**512,480,855**	**512,480,855**

For details refer to note 38 -

Musina Local Municipality

COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2024

	2023/2024							
	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]
Financial Performance								
Property rates	26,950,000	-	26,950,000	-	-	26,950,000	28,763,617	-1,813,617
Service charges	176,127,000	4,903,000	181,030,000	-	-	181,030,000	214,993,042	-33,963,042
Rental of facilities and equipment	588,000	-	588,000	-	-	588,000	396,735	191,265
Interest earned - external investments	555,000	300,000	855,000	-	-	855,000	1,978,298	-1,123,298
Interest earned - outstanding debtors	5,767,000	-	5,767,000	-	-	5,767,000	7,120,562	-1,353,562
Fines	4,075,000	-	4,075,000	-	-	4,075,000	3,878,500	196,500
Licences and permits	2,565,000	-	2,565,000	-	-	2,565,000	2,145,420	419,580
Transfers recognised - operational	220,628,000	6,507,000	227,135,000	-	-	227,135,000	220,628,000	6,507,000
Other revenue	93,612,000	-	93,612,000	-	-	93,612,000	22,679,333	70,932,667
Total Revenue (excluding capital transfers and contributions)	**530,867,000**	**11,710,000**	**542,577,000**	**-**	**-**	**542,577,000**	**502,583,507**	**39,993,493**
Employee related costs	164,268,000	-	164,268,000	-	-	164,268,000	161,204,366	3,063,634
Remuneration of councillors	11,428,000	-	11,428,000	-	-	11,428,000	11,366,548	61,452
Debt impairment	45,000,000	-20,000,000	25,000,000	-	-	25,000,000	8,094,373	16,905,627
Depreciation & asset impairment	34,000,000	-	34,000,000	-	-	34,000,000	33,884,885	115,115
Finance charges	525,000	-	525,000	-	-	525,000	1,417,763	-892,763
Bulk purchases	144,815,000	-	144,815,000	-	-	144,815,000	173,878,174	-29,063,174
Other materials	4,678,000	-	4,678,000	-	-	4,678,000	3,183,204	1,494,796
Contracted services	39,279,000	1,037,000	40,316,000	-	-	40,316,000	42,954,791	-2,638,791
Transfers and grants	4,987,000	6,507,000	11,494,000	-	-	11,494,000	4,287,000	7,207,000
Other expenditure	35,888,000	6,028,000	41,916,000	-	-	41,916,000	46,857,841	-4,941,841
Loss on disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	**484,868,000**	**-6,428,000**	**478,440,000**	**-**	**-**	**478,440,000**	**487,128,945**	**-8,688,945**
Surplus/(Deficit)	**45,999,000**	**18,138,000**	**64,137,000**	**-**	**-**	**64,137,000**	**15,454,562**	**31,304,549**
Transfers and subsidies - capital	34,036,000	8,271,000	42,307,000			42,307,000	36,353,836	5,953,164
Contributions recognised	-	-	-		-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	**80,035,000**	**26,409,000**	**106,444,000**	**-**	**-**	**106,444,000**	**51,808,397**	**158,252,397**
Surplus/(Deficit) for the year	**80,035,000**	**26,409,000**	**106,444,000**	**-**	**-**	**106,444,000**	**51,808,397**	**158,252,397**
Reconciliation to statement of financial performance								
Total Revenue (excl. capital transfers and subsidies)	530,867,000	11,710,000	542,577,000		-	542,577,000	502,583,507	-39,993,493
Total Expenditure	484,868,000	-6,428,000	478,440,000	-	-	478,440,000	487,128,945	8,688,945
Transfers and Subsidies – Capital	-	-	-	-		-	36,353,836	36,353,836
Surplus/(deficit) per the statement of financial performance	**45,999,000**	**18,138,000**	**64,137,000**	**-**	**-**	**64,137,000**	**51,808,397**	**115,945,397**

Musina Local Municipality

COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2024 (Continued)

	2023/2024 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	-	-	-	-	-	-	36,353,836	36,353,836
Financial position								
Total Current assets	178,390,000	26,407,000	204,797,000	-	-	204,797,000	110,037,286	-94,759,714
Total non current assets	547,831,000	17,867,000	565,698,000	-	-	565,698,000	680,985,704	115,287,704
Total current liabilities	81,891,000	9,592,000	91,483,000	-	-	91,483,000	237,917,570	146,434,570
Total non current liabilities	6,500,000	-	6,500,000	-	-	6,500,000	40,624,564	34,124,564
Net Assets	637,830,000	34,682,000	672,512,000			672,512,000	512,480,856	-160,031,144

Comparison of Budget and Actual Amounts for the year ended 30 June 2024 (Continued)

	2023/2024 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	125,617,000	-8,095,000	117,522,000	-	-	117,522,000	56,297,227	61,224,773
Net cash flow from(used) Investing Activities	-80,036,000	-17,867,000	-97,903,000	-	-	-97,903,000	-58,792,923	-156,695,923
Net cash flow from (used) Financing	-	-	-	-	-	-	4,334	4,334
Net increase/decrease in cash held	45,581,000	-25,962,000	19,619,000	-	-	19,619,000	-2,491,362	22,110,362

Musina Local Municipality

COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2024

Comparison of Budget and Actual Amounts for the year ended 30 June 2023 (Continued)

	2022/2023 R		
	Final Budget	**Actual outcome**	**Variance**
Financial Performance			
Property rates	25,814,000	26,814,069	1,000,069
Service charges	179,572,000	167,121,950	-12,450,050
Rental of facilities and equipment	558,000	469,342	-88,658
Interest earned-external investment	527,000	1,586,227	1,059,227
Interest earned-outstanding debtors	5,477,000	5,977,505	500,505
Fines	3,870,000	3,427,950	-442,050
Licence and Permits	2,436,000	2,125,626	-310,374
Transfers recognised – operational	199,191,000	198,183,000	-1,008,000
Other own revenue	108,108,000	347,085,448	238,977,448
Gain on provision-Post medical aid benefit	-	2,051,000	2,051,000
Gains on revaluation of investment property	-	48,304,800	48,304,800
Total revenue (excl capital transfers and contributions)	**525,553,000**	**803,146,917**	**277,593,917**
Employee costs	168,037,000	155,415,594	-12,621,406
Remuneration of councillors	12,823,000	10,295,048	-2,527,952
Debt impairement	41,307,000	13,770,223	-27,536,777
Depreciation & asset impairment	30,942,000	39,248,639	8,306,639
Finance charges	499,000	1,234,989	735,989
Materials and bulk purchases	130,000,000	126,091,640	-3,908,360
Other material	3,493,000	7,270,296	3,777,296
Contracted Services	40,903,000	35,955,447	-4,947,553
Transfers and grants	3,723,000	4,390,000	667,000
Other expenditure	41,708,000	48,187,986	6,479,986
Loss on disposal of PPE	-	319,616	319,616
Total expenditure	**473,435,000**	**442,179,479**	**-31,255,521**
Surplus/(deficit)	**52,118,000**	**360,967,438**	**246,338,396**
Transfers and subsidies – capital	-	-	-
Contributions recognised	32,713,000	30,940,960	-1,772,040
Surplus/(deficit) after capital transfers and contributions	**84,831,000**	**391,908,398**	**476,739,398**
Reconciliation to statement of financial performance			
Total Revenue (excl. capital transfers and subsidies)	525,553,000	803,146,917	277,593,917
Total Expenditure	473,435,000	442,179,479	-31,255,521
Transfers and Subsidies – Capital	32,713,000	30,940,960	-1,772,040
Surplus/(deficit) per the statement of financial performance	**84,831,000**	**391,908,398**	**476,739,398**
Capital expenditure and fund source			
Transfers recognised – capital	32,713,000	30,940,960	-1,772,040
Financial position			
Total current assets	208,936,000	101,766,502	-107,169,498
Total non-current assets	537,358,000	653,662,968	116,304,968
Total current liabilities	77,195,000	252,837,509	175,642,509
Total non-current liabilities	6,500,000	41,919,505	35,419,505
Net Assets	662,599,000	460,672,456	-201,926,544
Cash Flows			
Net cash from (used) operating activities	88,273,000	50,024,250	38,248,750
Net cash from (used) investing activities	48,275,000	-42,632,066	5,642,934
Net cash from (used) financing activities	-	-288,611	288,611
Net increase/decrease in cash held	39,998,000	7,103,573	32,894,427

Refer to note 56 for varience explanations.

Musina Local Municipality
SEGMENTS
for the year ended 30 June 2024

Segment information

General information

Identification of segments

The report is based municipality departments which are reportable segments and where performance is measurable.Management uses these same segments for compilation of the IDP,SDBIP, budget and monthly and quarterly reporting.The segments were organised around type of service delivered and target market. Management uses the same segments for determining strategic objectives. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The segments of the municipality were not aggregated.

The following are the reportable segments of the municipality. These are reportable segments as well as the goods and or services for each segment as set out below:

Reportable segment	Goods and services
Executive and council	Provides political leadership to the municipality for the generation of economic benefits and service potential
Budget and Treasury	Provides financial administration to the municipality for generation of economic benefits and service potential
Economic development planning and environment	Provides for waste management , town planning , local economic development and environment sustainability for the generation of economic benefits and service potential
Technical Services	Road transport,electricity , housing and building inspection, project management unit,waste water management and all infrastructure services to the municipality for the generation of economic benefits and service potential
Corporate services	Provides legal and administration management services including human capital and information and comunication technology to the muncipality for the generation of economic benefts and service potential
Municipal Managers Office	Provides for adminstration, leadership,performance monitoring,intergrated development plan,risk management and internal audit functions to the muncipality for the generation of economic benefits and service potential
Community Services	Provides social services, public safety,public spaces, libraries and indigents administration to the municipality for generation of economic benefits and service potential

	2023/2024 R				
	Community and public safety	**Trading Services**	**Other**	**Unallocated**	**Total**
Segment Revenue					
External revenue from non-exchange transaction	3,878,500	28,763,617	229,061,140	-	261,703,257
External revenue from exchange transactions	2,145,420	214,993,042	11,679,811	-	228,818,273
Revenue from transactions with other segments	-	-	43,071,506	-	43,071,506
Interest revenue	-	-	5,344,307	-	5,344,307
Segment Expenses					-
Total segment expenses	-	439,444,923.77	12,302,611	-	451,747,534.81
Depreciation and amortisation	-	-	33,884,885.03	-	33,884,885.03
Interest expense	-	-	1,496,525	-	1,496,525
Surplus/deficit for the year	6,023,920	-195,688,265	241,472,742	-	51,808,397

	2023/2024 R				
	Community and public safety	**Trading Services**	**Other**	**Unallocated**	**Total**
Other Information					
Segment assets	1,884,671	94,934,860	694,203,459	-	791,022,990
Segment liabilities	-	212,951,960	65,590,174	-	278,542,134
Additions to non-current assets	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-
Non-cash expenses (included above)	-	-	-	-	-
Cash flows from operating activities	40,360,761.67		15,936,465.07	-	56,297,227
Cash flows from investing activities	(58,961,423.41)	168,500	-	-	(58,792,923)
Cash flows from financing activities	-	366,828	(362,493.79)	-	4,334

	2022/2023 R				
	Community and public safety	**Trading Services**	**Other**	**Unallocated**	**Total**
Segment Revenue					
External revenue from non-exchange transaction	3,427,950	29,886,657	532,014,675	-	565,329,282
External revenue from exchange transactions	2,125,626	167,121,950	13,723,115	-	182,970,690
Revenue from transactions with other segments	-	-	81,296,760	-	81,296,760
Interest revenue	-	-	4,491,145	-	4,491,145
Segment Expenses					-
Total segment expenses	(13,780,657)	(347,781,201)	(42,076,827)	-	-403,638,684.33
Depreciation and amortisation	-	-	(39,248,678)	-	(39,248,678)
Interest expense	-	-	-	-	-
Surplus/deficit for the year	(8,227,080.95)	(150,772,594.00)	589,448,868	-	391,200,515

Musina Local Municipality
SEGMENTS
for the year ended 30 June 2024

Segment information

General information

Identification of segments

The report is based municipality departments which are reportable segments and where performance is measurable.Management uses these same segments for compilation of the IDP,SDBIP, budget and monthly and quarterly reporting.The segments were organised around type of service delivered and target market. Management uses the same segments for determining strategic objectives. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The segments of the municipality were not aggregated.

The following are the reportable segments of the municipality. These are reportable segments as well as the goods and or services for each segment as set out below:

Reportable segment	**Goods and services**
Executive and council	Provides political leadership to the municipality for the generation of economic benefits and service potential
Budget and Treasury	Provides financial administration to the municipality for generation of economic benefits and service potential
Economic development planning and environment	Provides for waste management , town planning , local economic development and environment sustainability for the generation of economic benefits and service potential
Technical Services	Road transport,electricity , housing and building inspection, project management unit,waste water management and all infrastructure services to the municipality for the generation of economic benefits and service potential
Corporate services	Provides legal and administration management services including human capital and information and comunication technology to the muncipality for the generation of economic benefts and service potential
Municipal Managers Office	Provides for adminstration, leadership,performance monitoring,intergrated development plan,risk management and internal audit functions to the muncipality for the generation of economic benefits and service potential
Community Services	Provides social services, public safety,public spaces, libraries and indigents administration to the municipality for generation of economic benefits and service potential

2023/2024

	2022/2023 R				
	Community and public safety	Trading Services	Other	Unallocated	Total
Other Information					
Segment assets	917 485	88 898 702	665 613 283	-	755 429 470
Segment liabilities	-	227 012 993	67 744 021	-	294 757 014
Additions to non-current assets	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-
Non-cash expenses (included above)	-	-	-	-	-
Cash flows from operating activities	1 838 000	18 100 289	30 085 960	-	50 024 249
Cash flows from investing activities	(38 817 516)		(3 814 550)	-	(42 632 066)
Cash flows from financing activities	-	148.175.00	-436,786.00	-	-288,611.00

Musina Local Municipality
CASH FLOW STATEMENT

for the year ended 30 June 2024

	Note	2024	2023
		R	R
OPERATING ACTIVITIES			
Receipts		**514,053,353**	**437,965,152**
Sales of goods and services		240,719,203	185,507,157
Grants		257,381,000	233,652,000
Interest received		1,978,298	1,586,227
Other receipts		13,974,852	17,219,768
Payments		**457,756,126**	**387,940,902**
Employee costs		170,422,929	162,442,458
Suppliers		287,316,512	225,429,791
Interest paid		16,685	68,653
Net cash from operating activities	37	**56,297,227**	**50,024,250**
INVESTING ACTIVITIES			
Purchase of fixed assets		(56,523,530)	(42,351,949)
Purchase of Intangible assets		(171,500)	(280,117)
Purchase of Investment Property		(2,437,893)	-
Sale of Investment property		340,000	-
Net cash from Investing activities		**(58,792,923)**	**(42,632,066)**
FINANCING ACTIVITIES			
Increase /Decrease Finance Lease		(362,494)	-436,786
Decrease in long term Loans		-	-
Increase/Decrease in consumer deposit		366,828	148,175
Net cash outflow from financing activities		**4,334**	**-288,611**
Net increase / (decrease)		- 2,491,362	7,103,573
Net at beginning of period		12,818,638	5,715,065
Net at end of period	2	**10,327,276**	**12,818,638**

Notes to the financial statements

Index to the Notes

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 New standards and interpratations

Standards and interpretations effective and adopted in the current year

There are no standards adopted in the current year that are relevant to the municipality's operations

Standards and interpretations early adopted

The municipality has chosen not to early adopt any standarsds and interpretations

Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have not been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods:

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

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, it's 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 agrregate 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 SUBEQUENT 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	
Infrastructure Assets	**Years**
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 assesment 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.

1.2.5 Site restoration and dismanting cost

The Municipality has an obligation to dismantle, remove and restore items of PPE. Such obligations are referred to as decommisioning, restoration and similar liabilities. The cost of an item of PPE includes the initial estimate of the cost of dismatling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item acquired or as a consequence of having used item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to; or deducted from, the cost of related asset in the current period.

(b) If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit, and

(c) If the adjustment results in an addition to the cost of an cost of asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. if it such an indication, the assets is tested for impairment by estimating its receivable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash generating assets and/or impairment of non-cash generating assets

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, it's 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 SUBEQUENT 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. Asset (Land inventory) held for sale are measured at the lower of cost and net realisable value. 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 should be impaired.Impairments is detemined in line with GRAP 104 as follows “An entity 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 (see paragraph .58). If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. “

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 submmision of investigation report by MPAC.

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 that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements. Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the municipal council must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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.

Interest earned.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and The amount of the revenue can be measured reliably. Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

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

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.

Investment income

Investment income is recognised on a time-proportion basis using the effective interest method

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 competetive bidding proccess 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 no 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,provisision for land fill sites, defined benefits,impairments of assets and rehabiliatation of landfill sites,fair value of investment property and impairment of trade

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 tarrifs 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 are disclosed under current liabilities.

1.23 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.

1.24 MATERIALITY

Ommisions or mistatements of items are material if they could, individually or collectively, influence the decision or assesments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or mistatements judged in the surronding circumstances. The nature or size of the information item, or a combination of both could be the determining factor.

Assessing whether an omission or mistatement could influnce decisions of users, and so be material, requires consideration of the characteristics of those users. The framework for the preparation and presentation of financial statements states that the users are assumed to have a reasonable knowledge or government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonbly be expected to be influenced in making and evaluating decisions.

1.25 Segment information

General information Identification of segments The mandate of the municipality is to provide basic services to the community over which it governs. In order to properly execute its mandate and achieve its strategic goals, internal management reporting is based on each service objective. The componets below have been identified as individually significant segments for the purposes of reporting according to these service objectives. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:
-those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
-and those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).
The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.
The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

2 CASH AND CASH EQUIVALENTS

2.1 Cash and cash equivalents

	2023/2024 R	2022/2023 R
Cash and cash equivalents consist of the following:		
Cash at bank	10,327,276	12,818,683
Total cash and cash equivalents	**10,327,276**	**12,818,683**

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

2.2 Bank accounts

	2023/2024 R	2022/2023 R
The municipality has the following bank accounts:		
ABSA Bank Limited - Musina Branch: Account Number 2050550179	9,790,536	1,013,539
ABSA Bank Limited - Musina Branch: Account Number 4074881456	448,463	195,162
ABSA Bank Limited - Musina Branch: Account Number 9357757331	88,277	11,609,982
Total	**10,327,276**	**12,818,683**

2.3 Difference between Cash Book and Bank Statement

	2023/2024 R		
	Cash book	**Bank Statement**	**Difference**
ABSA Bank Limited - Musina Branch: Account Number 2050550179	10,327,276	9,790,536	536,740
ABSA Bank Limited - Musina Branch: Account Number 4074881456	-	448,463	-448,463
ABSA Bank Limited - Musina Branch: Account Number 9357757331	-	88,277	-88,277

Difference between Cash Book and Bank Statement (Continued)

	2022/2023 R		
	Cash book	**Bank Statement**	**Difference**
ABSA Bank Limited - Musina Branch: Account Number 2050550179	12,818,683	1,013,539	11,805,144
ABSA Bank Limited - Musina Branch: Account Number 4074881456	-	195,162	-195,162
ABSA Bank Limited - Musina Branch: Account Number 9357757331	-	11,609,982	-11,609,982

Musina Local Municipality
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for the year ended 30 June 2024

3 Receivables from exchange transactions

		2023/2024 R	2022/2023 R
Consumer receivables from exchange transactions	**3.1**		
Electricity		27,272,842	19,419,165
Waste Management		13,504,507	13,440,301
Other receivables from exchange transactions	**3.2**		
Housing Selling Scheme		2,822	1,355
Interest on overdue accounts	.	2,538	2,538
Land Sale Debtors		-	-0
Merchandising, Jobbing and Contracts		12,919	48,253
Pre Paid Cigicell		578,320	175,405
Property rental		18,842	-0
Cut off billing		-	403,008
Accrued Investment interest		134,620	-
Section 57 Managers		2,124,243	707,883
Total Receivables from Exchange Transactions		**43,651,654**	**34,197,907**

The amounts disclosed in this note is net of impairment.

3.1 Consumer Receivables

	2023/2024 R		
	Gross	**Impairment**	**Total**
Consumer receivables from exchange transactions			
Electricity	41,595,667	14,322,824	27,272,842
Waste Management	21,624,914	8,120,407	13,504,507
Total consumer receivables from exchange transactions	**63,220,581**	**22,443,231**	**40,777,349**
Consumer receivables from non-exchange transactions			
Property Rates	52,121,152	35,693,269	16,427,883
Total consumer receivables from non-exchange transactions	**52,121,152**	**35,693,269**	**16,427,883**
Total consumer receivables	**115,341,732**	**58,136,500**	**57,205,232**

Consumer Receivables -(Continued)

	2022/2023 R		
	Gross	**Impairment**	**Total**
Consumer receivables from exchange transactions			
Electricity	34,862,499	15,443,334	19,419,165
Waste Management	19,228,632	5,788,331	13,440,301
Total consumer receivables from exchange transactions	**54,091,131**	**21,231,666**	**32,859,465**
Consumer receivables from non-exchange transactions			
Property Rates	46,910,654	30,532,950	16,377,704
Total consumer receivables from non-exchange transactions	**46,910,654**	**30,532,950**	**16,377,704**
Total consumer receivables	**101,001,785**	**51,764,615**	**49,237,170**

Musina Local Municipality
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3.1.1 Impairment Reconciliation of Consumer Receivables

	2023/2024 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt written off**	**Closing balance**
Consumer receivables from exchange transactions				
Electricity	15,443,334	-	1,120,510	14,322,824
Waste Management	5,788,331	2,332,076	-	8,120,407
Total	**21,231,666**	**2,332,076**	**1,120,510**	**22,443,231**
Consumer receivables from non-exchange transactions				
Property Rates	30,532,950	5,160,319	-	35,693,269
Total consumer receivables from non-exchange transactions	**30,532,950**	**5,160,319**	**-**	**35,693,269**
Total consumer receivables	**51,764,615**	**7,492,395**	**1,120,510**	**58,136,500**

Impairment Reconciliation of Consumer Receivables (Continued)

	2022/2023 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt written off**	**Closing balance**
Consumer receivables from exchange transactions				
Electricity	11,466,828	3,976,507	-	15,443,334
Waste Management	4,951,332	836,999	-	5,788,331
Total	**16,418,159**	**4,813,506**	**-**	**21,231,666**
Consumer receivables from non-exchange transactions				
Property Rates	31,993,195	-	1,460,245	30,532,950
Total consumer receivables from non-exchange transactions	**31,993,195**	**-**	**1,460,245**	**30,532,950**
Total consumer receivables	**48,411,354**	**4,813,506**	**1,460,245**	**51,764,615**

3.1.2 Aging of Consumer Receivables

	2023/2024 R			
	Total	**Current**	**30 days**	**60 days**
Consumer receivables from exchange transactions				
Aging by debt type				
Electricity	41,595,667	9,442,547	1,947,355	1,486,425
Waste Management	21,624,914	1,724,600	887,230	729,641
Total by debt type	**63,220,581**	**11,167,147**	**2,834,585**	**2,216,066**
Aging per customer group				
Organs of State	4,250,272	322,013	94,282	101,208
Commercial Customers	19,794,019	5,079,990	1,011,677	618,264
Households	32,304,017	4,887,924	1,522,899	1,337,377
Other	6,872,273	877,220	205,727	159,216
Total by customer group	**63,220,581**	**11,167,147**	**2,834,585**	**2,216,066**

Aging of Consumer Receivables - (Continued)

	2023/2024 R		
	90 days	**120 days**	**120+ days**
Consumer receivables from exchange transactions			
Aging by debt type			
Electricity	1,045,945	944,049	26,729,345
Waste Management	979,674	856,895	16,446,875
Total by debt type	**2,025,620**	**1,800,944**	**43,176,220**
Aging per customer group			
Organs of State	83,788	89,902	3,559,078
Commercial Customers	513,425	466,625	12,104,037
Households	1,303,358	1,115,175	22,137,283
Other	125,048	129,242	5,375,822
Total by customer group	**2,025,620**	**1,800,944**	**43,176,220**

Aging of Consumer Receivable (Continued)

	2023/2024 R			
	Total	**Current**	**30 days**	**60 days**
Consumer receivables from non-exchange transactions				
Aging by debt type				
Property Rates	51,817,691	2,564,503	1,257,115	1,094,724
Total by debt type	**51,817,691**	**2,564,503**	**1,257,115**	**1,094,724**
Aging per customer group				
Organs of State	1,185,069	17,539	28,476	14,932
Commercial Customers	15,276,095	651,427	282,387	255,928
Households	19,859,771	1,288,575	737,127	654,170
Other	15,800,217	606,962	355,704	326,577
Total by customer group	**52,121,151**	**2,564,503**	**1,403,694**	**1,251,606**

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Aging of Consumer Receivable (Continued)

	2023/2024 R		
	90 days	120 days	120+ days
Consumer receivables from non-exchange transactions			
Aging by debt type			
Property Rates	1,139,183	1,088,935	44,673,230
Total by debt type	**1,139,183**	**1,088,935**	**44,673,230**
Aging per customer group			
Organs of State	14,779	14,658	1,094,685
Commercial Customers	246,591	241,928	13,597,834
Households	571,569	530,645	16,077,685
Other	306,245	301,704	13,903,026
Total by customer group	**1,139,183**	**1,088,935**	**44,673,230**

Aging of Consumer Receivable (Continued)

	2022/2023 R			
	Total	Current	30 days	60 days
Consumer receivables from exchange transactions				
Aging by debt type				
Electricity	34,862,500	7,208,653	3,383,090	1,171,038
Waste Management	19,228,632	2,096,282	1,191,799	967,516
Total by debt type	**54,091,132**	**9,304,935**	**4,574,889**	**2,138,554**
Aging per customer group				
Organs of State	3,412,103	164,894	172,622	220,628
Commercial Customers	16,670,921	5,134,101	812,796	405,377
Households	28,082,293	3,303,277	3,344,068	1,393,271
Other	5,925,876	702,662	245,403	119,278
Total by customer group	**54,091,193**	**9,304,934**	**4,574,889**	**2,138,554**

Aging of Consumer Receivable (Continued)

	2022/2023 R		
	90 days	120 days	120+ days
Consumer receivables from exchange transactions			
Aging by debt type			
Electricity	871,549	820,820	21,407,350
Waste Management	818,922	631,905	13,522,208
Total by debt type	**1,690,471**	**1,452,725**	**34,929,558**
Aging per customer group			
Organs of State	145,945	129,643	2,578,371
Commercial Customers	301,437	353,746	9,663,464
Households	1,137,145	875,054	18,029,478
Cutt off - billing	105,944	94,345	4,658,244
Total by customer group	**1,690,471**	**1,452,788**	**34,929,557**

Aging of Consumer Receivable (Continued)

	2022/2023 R			
	Total	Current	30 days	60 days
Consumer receivables from non-exchange transactions				
Aging by debt type				
Property Rates	46,910,654	2,107,161	1,257,115	1,094,724
Total by debt type	**46,910,654**	**2,107,161**	**1,257,115**	**1,094,724**
Aging per customer group				
Organs of State	1,221,710	14,816	12,442	12,328
Commercial Customers	15,663,516	618,525	274,215	257,727
Households	16,339,158	982,855	675,400	559,802
Other	13,686,269	490,964	295,059	264,868
Total by customer group	**46,910,653**	**2,107,160**	**1,257,116**	**1,094,725**

Musina Local Municipality
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Aging of Consumer Receivable (Continued)

	2022/2023 R		
	90 days	**120 days**	**120+ days**
Consumer receivables from non-exchange transactions			
Aging by debt type			
Property Rates	1,007,176	967,818	40,476,660
Total by debt type	**1,007,176**	**967,818**	**40,476,660**
Aging per customer group			
Organs of State	12,213	12,099	1,157,812
Commercial Customers	240,444	235,952	14,036,653
Households	499,835	470,728	13,150,538
Other	254,684	249,038	12,131,656
Total by customer group	**1,007,176**	**967,817**	**40,476,659**

3.1.3 Collection Rate of Consumer Receivables

	2023/2024	2022/2023
Business	87%	77%
Government	89%	82%
Households	83%	80%
Other	98%	98%
Overall collection rate	**89%**	**84%**

3.2 Other Receivables From Exchange Transactions

	2023/2024 R		
	Gross	**Impairment**	**Total**
Housing Selling Scheme	45,360	42,538	2,822
Interest	2,538	0	2,538
Land Sale Debtors	93,548	93,548	-
Merchandising, Jobbing and Contracts	861,102	848,183	12,919
Property Rental Debtors	349,759	330,917	18,842
Pre Paid Elec - Cigicell	578,320		578,320
Section 57 managers	2,124,243	-	2,124,243
Accrued Interest	134,620	-	134,620
Total	**4,189,491**	**1,315,187**	**2,874,304**

Other Receivables From Exchange Transactions - Continued

	2022/2023 R		
	Gross	**Impairment**	**Total**
Housing Selling Scheme	43,893	42,538	1,355
Interest	2,538	0	2,538
Land Sale Debtors	93,548	93,548	-0
Merchandising, Jobbing and Contracts	868,013	819,760	48,253
Property Rental Debtors	301,840	301,840	-0
Pre Paid Elec - Cigicell	175,405	-	175,405
Cut Off Billing	403,008	-	403,008
Section 57 Managers	707,883	-	707,883
Total	**2,596,127**	**1,257,686**	**1,338,441**

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3.2.1 Impairment Reconciliation of Other Receivables From Exchange Transactions

	2023/2024 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt w/off**	**Closing balance**
Housing Selling Scheme	42,538	-	-	42,538
Interest	0	-	-	0
Land Sale Debtors	93,548	-	-	93,548
Merchandising, Jobbing and Contracts	819,760	28,423	-	848,183
Property Rental Debtors	301,840	29,078	-	330,917
Total	**1,257,686**	**57,501**	**-**	**1,315,187**

Impairment Reconciliation of Other Receivables From Exchange Transactions- Continued

	2022/2023 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt w/off**	**Closing balance**
Housing Selling Scheme	-	42,538	-	42,538
Interest	573,464	-	573,464	0.16
Land Sale Debtors	-	93,548	-	93,548
Merchandising, Jobbing and Contracts	835,834	-	16,074	819,760
Property Rental Debtors	483,402	-	181,562	301,840
Total	**1,892,700**	**136,086**	**771,100**	**1,257,686**

3.2.2 Aging of Other Receivables From Exchange Transactions

	2023/2024 R			
	Total	**Current**	**30 days**	**60 days**
Housing Selling Scheme	45,360	127	126	125
Interest	2,538	-	-	-
Land Sale Debtors	93,548	-	-	-
Merchandising, Jobbing and Contracts	861,102	3,299	24,144	3,214
Property Rental Debtors	349,759	13,714	3,244	3,205
Cutt off revenue billing	2,124,243	2,124,243	-	-
Cigi cell	578,320	578,320	-	-
Total	**4,054,871**	**2,719,703**	**27,514**	**6,545**

Aging of Other Receivables From Exchange Transactions- (Continued)

	2023/2024 R		
	90 days	**120 days**	**120+ days**
Housing Selling Scheme	124	123	44,735
Interest	-	-	2,538
Land Sale Debtors	-	-	93,548
Merchandising, Jobbing and Contracts	3,194	3,140	824,111
Property Rental Debtors	3,053	-	326,544
Cut off revenue billing	-	-	-
Total	**6,371**	**3,263**	**1,291,475**

Musina Local Municipality
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Aging of Other Receivables from Exchange Transactions (Continued)

	2022/2023 R			
	Total	**Current**	**30 days**	**60 days**
Housing Selling Scheme	43,893	117	116	116
Interest	2,539	-	-	-
Land Sale Debtors	93,548	-	-	-
Merchandising, Jobbing and Contracts	813,865	3,015	2,951	3,346
Property Rental Debtors	301,841	12,688	-	-
Cut-OFF	403,008	403,008	-	-
Cigicell	175,405	175,405	-	-
Total	**1,834,099**	**418,828**	**3,067**	**3,462**

Aging of Other Receivables from Exchange Transactions (Continued)

	2022/2023 R		
	90 days	**120 days**	**120+ days**
Housing Selling Scheme	115	114	43,315
Interest	1,443	-	1,096
Land Sale Debtors	-	-	93,548
Merchandising, Jobbing and Contracts	3,476	2,891	798,186
Property Rental Debtors	-	-	289,153
Total	**5,034**	**3,005**	**1,225,298**

4 Receivables from Non-Exchange Transactions

		2023/2024 R	2022/2023 R
Consumer receivables			
Property Rates	**3.1**	16,427,883	16,377,704
Other receivables			
Fines	**4.1**	1,786,740	826,495
Sundry Debtors		97,931	90,990
Total Receivables		**18,312,553**	**17,295,189**

4.1 Other Receivables from Non-Exchange Transactions

	2023/2024 R		
	Gross	**Impairment**	**Total**
Fines	8,933,700	7,146,961	1,786,740
Sundry Debtors	448,220	350,289	97,931
Total	**9,381,920**	**7,497,250**	**1,884,671**

Other Receivables from Non-Exchange Transactions - (Continued)

	2022/2023 R		
	Gross	**Impairment**	**Total**
Fines	6,357,650	5,531,156	826,495
Sundry Debtors	441,279	350,289	90,990
Total	**6,798,930**	**5,881,445**	**917,485**

4.1.1 Impairment Reconciliation of Other Receivables from Non-exchange Transactions

	2023/2024 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt w/off**	**Closing balance**
Fines	5,531,156	1,615,805	-	7,146,961
Sundry Debtors	350,289	-	-	350,289
Total	**5,881,445**	**1,615,805**	**-**	**7,497,250**

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

	2022/2023 R			
	Opening balance	**Impairment raised**	**Impairment reversed / debt w/off**	**Closing balance**
Fines	11,797,695	-	6,266,539	5,531,156
Sundry Debtors	350,289	-	-	350,289
Vhembe District Municipality	309,174,358	-	309,174,358	-
Total	**321,322,342**	**-**	**315,440,897**	**5,881,445**

5 Inventories

	2023/2024 R	2022/2023 R
Consumables stock and Material	1,131,328	1,562,688
Land	23,396,720	23,941,720
Total Inventories	24,528,048	25,504,408

R0 (2023/2024:) of total inventory was carried at fair value less cost to sell.
The amount of write-down of inventories recognized as an expense is R0 (2023/2024: R0).
R0 million previously written-down was reversed during the current year.

6 VAT

	2023/2024 R	2022/2023 R	
Current Assets			
VAT Input Receivables-Accruals	13,217,756	11,950,315	
VAT Input Receivables as per VAT 201	-	-	
Current Liabilities			
VAT Output Payables- Accruals	4,935,962	7,055,365	4,894,950
VAT Output Payables as per VAT 201	2,646,133	1,185,051	

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 on trasaction that have not been settled and on cash basis on transaction that have been settled.

7 Investments

7.1 Carrying Value of Investments

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2024				
Eskom Bank Guarantee	-	13,168,893		13,168,893
Total	**-**	**13,168,893**	**-**	**13,168,893**

Carrying Value of Investments (Continued)

	Fair Value	Amortised Cost	Cost	Total
Carrying value as at 30 June 2023				
Eskom Bank Guarantee	-	10,731,000		10,731,000
Total	**-**	**10,731,000**	**-**	**10,731,000**

7.2 Investments Pledged as Collateral

	2023/2024 R	2022/2023 R
Carrying value of investments pledged as collateral	13,168,893	10,731,000

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.During the year this investment was increased from R10 731 000 from the previous year to R13 168 893 in the current year.The increase on the guarantee is due to the requirement to increase a deposit for electricity capacity.Included in the increase is the deposit paid and interest received.

8 Investment Property
Reconciliation of fair value

	2023/2024 R	2022/2023 R
Opening Carrying Value	203,449,000	156,564,200
Gain Fair Value Adjustments	1,900,670	48,304,800
Loss on Fair Value Adjustment	-	
Carrying Value of Disposals	-340,000	-1,420,000
Closing Carrying Value	**205,009,670**	**203,449,000**

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 2024 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:

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.

9 Property, Plant and Equipment

9.1 Reconciliation of Carrying Value

	2023/2024 R						
	Land	**Buildings**	**Infrastructure Assets**	**Community Assets**	**Transport Assets**	**Other Assets**	**Total**
Opening Carrying Value at 1 July 2023	**42,705,200**	**77,359,033**	**258,829,349**	**51,790,871**	**4,828,117**	**3,524,409**	**439,036,978**
Cost/Revaluation	42,705,200	108,019,566	487,647,082	72,167,831	20,295,187	15,101,965	745,936,832
Accumulated depreciation and impairment losses	-	-30,660,534	-228,817,734	-20,376,959	-15,467,071	-11,577,556	-306,899,854
Additions from Acquisitions	-	-	5,629,544	-	13,876,496	1,576,327	21,082,367
Capital under Construction	-	9,263,807	26,177,403	-	-	-	35,441,210
Depreciation	-	-3,145,080	-23,160,658	-1,963,364	-2,236,541	-1,757,862	-32,263,505
Carrying value of disposals	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	(2,191,153)	-2,341,419	-4,532,572
Accumulated depreciation and impairment losses	-	-	-	-	2,191,153	2,341,419	4,532,572
Impairment loss/Reversal of impairment loss	-	-73,833	-317,010	-1,034,956	-7,421	-39,624	-1,472,844
Transfers Depreciation	-	-	-	-	-		-
Other movements Cost	-	-	-	513,981	-	-	513,981
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2024	**42,705,200**	**83,403,927**	**267,158,627**	**49,306,532**	**16,460,652**	**3,303,250**	**462,338,187**
Cost/Revaluation	42,705,200	117,283,373	519,454,029	72,681,812	31,980,530	14,336,873	798,441,818
Accumulated depreciation and impairment	-	-33,879,447	-252,295,403	-23,375,280	-15,519,879	-11,033,623	-336,103,631

A Project under community assets, Muswodi sport centre under work in progress with a carrying value of R1 518 646 is halted as a result of land dispute between the two chiefs regarding ownership of the land where the Municipality is constructing the sport facility, impairment to the Value of R 1 518 646 was also recognised.
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)

	2022/2023 R						
	Land	**Buildings**	**Infrastructure Assets**	**Community Assets**	**Transport Assets**	**Other Assets**	**Total**
Opening Carrying Value at 1 July 2022	**42,705,200**	**65,533,311**	**247,708,267**	**54,337,503**	**5,682,823**	**2,389,222**	**418,356,327**
Cost/Revaluation	42,705,200	93,174,580	459,797,135	68,119,610	21,959,494	12,711,556	698,467,575
Accumulated Depreciation and Impairment	-	-27,641,269	-212,088,868	-13,782,107	-16,276,670	-10,322,334	-280,111,248
Additions from Acquisitions	-	3,619,783	21,698,363	667,815	1,084,640	2,449,752	29,520,353
Capital under Construction	-	11,816,218	14,461,504	3,965,648	-	-	30,243,370
Depreciation	-	-2,927,639	-22,828,520	-2,079,160	-1,529,070	-1,313,576	-30,677,965
Carrying value of disposals	-	-	-	-	**-0**	-	**-0**
Cost/Revaluation	-	-	-9,486,178	-	-2,748,946	-59,343	-12,294,467
Accumulated depreciation and impairment losses	-	-	9,486,178	-	2,748,946	59,343	12,294,467
Impairment loss/Reversal of impairment loss	-	-91,626	-3,386,523	-4,515,692	-410,276	-989	-8,405,107
Transfers Depreciation	-	-	-	-	-	-	-
Other movements Cost	-	-591,015	1,176,257	-585,242	-	-	-0
Other movements-Depreciation	-	-	-	-	-	-	-
Closing Carrying Value at 30 June 2023	**42,705,200**	**77,359,033**	**258,829,349**	**51,790,871**	**4,828,117**	**3,524,409**	**439,036,978**
Cost/Revaluation	42,705,200	108,019,566	487,647,082	72,167,831	20,295,187	15,101,965	745,936,832
Accumulated depreciation and impairment losses	-	-30,660,534	-228,817,734	-20,376,959	-15,467,071	-11,577,556	-306,899,854

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 useful lives are linked to the term of the lease contract which is 3 years, the lease will expired in March 2024.

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

During the year impairment tests were perfomed on all categories of Property, Plant and Equipment. The method which was used to determine the irrecoverable 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 infrastructure assets based on quoted prices available in the market to restore
9.2 the infrastructure and the professional knowledge based on the industry norms.

	2023/2024 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)

	2022/2023 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

9.3 Property, Plant and Equipment Contractual Commitments

	2023/2024 R					
	Land and Buildings	**Infrastructure Assets**	**Community Assets**	**Leased Assets**	**Other Assets**	**Total**
The following commitments exist at the reporting date						
Commitments for the acquisition of property, plant and equipment - (Approved and contracted for)	-	34,152,620	-	-	-	34,152,619.71
Commitments for the acquisition of property, plant and equipment - (Approved but not yet contracted for)	-	54,080,700	10,019,298	-	-	64,099,998
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	-	88,233,320	10,019,298	-	-	98,252,618

Property, Plant and Equipment Contractual Commitments (Continued)

	2022/2023 R					
	Land and Buildings	**Infrastructure Assets**	**Community Assets**	**Leased Assets**	**Other Assets**	**Total**
The following commitments exist at the reporting date						
Commitments for the acquisition of property, plant and equipment - (Approved and contracted for)	-	25,563,427	-	-	-	25,563,427
Commitments for the acquisition of property, plant and equipment - (Approved but not yet contracted for)	-	25,234,200	7,100,000	-	-	32,334,200
Commitments to enhance existing property, plant and equipment	-		-	-	-	-
Commitments to repair / maintain property, plant and equipment	-	-	-	-	-	-
Total	**-**	**25,234,200**	**7,100,000**	**-**	**-**	**57,897,627**

9.4 Maintenance of Property, Plant and Equipment

	2023/2024 R					
	Land and Buildings	**Infrastructure Assets**	**Community Assets**	**Leased Assets**	**Other Assets**	**Total**
The following maintenance costs were incurred:						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	1,717,564	117,544		256,043	2,091,151
Total						

Maintenance of Property, Plant and Equipment - (Continued)

	2022/2023 R					
	Land and Buildings	**Infrastructure Assets**	**Community Assets**	**Leased Assets**	**Other Assets**	**Total**
The following maintenance costs were incurred:						
Preventative Maintenance	-	-	-	-	-	-
Corrective Maintenance	-	1,516,434	155,302		188,422	1,860,159
Total						

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

	2023/2024 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	-	-	117,544			117,544
Maintenance of Equipment	-	-	-	-	256,043	256,043
Maintenance of Unspecified Assets (Infrastructure)	-	1,717,564	-	-	-	1,717,564
Indirect costs	-	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-	-
Total	-	1,717,564	117,544	-	256,043	2,091,151

	2022/2023 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	-	-	155,302	-	-	155,302
Maintenance of Equipment	-	-	-	-	188,422	188,422
Maintenance of Unspecified Assets (Infrastructure)	-	1,516,434	-	-	-	1,516,434
Indirect costs	-	-	-	-	-	-
List per mSCOA account description	-	-	-	-	-	-
Total	-	1,516,434	155,302	-	188,422	1,860,159

9.5 Funding of Property, Plant and Equipment Acquisitions

	Funding Type	2023/2024 R	2022/2023 R
Additions to property, plant and equipment was funded from the following sources:			
Land and Buildings	MIG	9,263,807	15,436,001
Include funding source			
Infrastructure Assets			
Include funding source	MIG and ENEP	31,806,947	36,159,867
Community Assets			
Include funding source	MIG	-	3,965,648
Other Assets			
Include funding source	Own Income	15,452,823	3,534,392
Total		**56,523,577**	**59,095,908**

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10 Heritage Assets
10.1 Reconciliation of Carrying Value

	2023/2024 R Other Assets	2022/2023 R Other Assets
Opening Carrying Value 2023	**65,210**	**65,210**
At fair value	65,210	65,210
Closing Carrying Value 2024	**65,210**	**65,210**
At fair value	65,210	65,210

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 2024

11 Intangible Assets
11.1 Reconciliation of Carrying Value

	2023/2024 R	2022/2023 R
Opening Carrying Value at 1 July 2023	**380,780**	**266,229**
Cost	990,612	710,495
Accumulated Depreciation and Impairment	609,832	444,265
Additions from Acquisitions	171,500	280,117
Depreciation **[Note 30]**	148,536	165,567
Closing Carrying Value at 30 June 2024	**403,744**	**380,780**
Cost	1,162,112	990,612
Accumulated Depreciation and Impairment	758,368	609,832

Included in Computer software is the Licence for microsoft.

12 Financial Liabilities

Carrying Value of Financial Liabilities

	2023/2024 R	2022/2023 R
Finance leases	-	-
Sub-total		
Transferred to Current Liabilities	-	362,494
Total	-	362,494
DBSA	-	-
ABSA		-
Total Short Term	**-**	**-**
Total Borrowings	**-**	**-**

12.1 Finance Lease Payable

	2023/2024 R	2022/2023 R
Total Future Minimum Lease Payments		
Within 1 year	-	362,494
2 to 5 years	-	-
More than 5 years	-	
Less: Future Finance Charges	-	-16,685
Present Value of Minimum Lease Payments		
Within 1 year	-	362,494
2 to 5 years	-	-
More than 5 years		
Non-current Liability	-	-
Current Liability	-	362,494
Total	**-**	**362,494**

The Finance lease agreement between Dido and MLM has expired in April 2024

13 Consumer Deposits

	2023/2024 R	2022/2023 R
Electricity	4,819,103	4,508,056
Refuse	1,315,620	1,259,840
Total	**6,134,724**	**5,767,896**

Deposits are released on termination of the contract.

13.1 Guarantees held in lieu (Eskom guarantee)

	2023/2024 R	2022/2023 R
Electricity	13,168,893	10,731,000
Total	**13,168,893**	**10,731,000**

14.1 Payables from non Exchange transactions

		2023/2024 R	2022/2023 R
Affiliates, Related Parties and Principal Agent	**14.1**	34,788,253	42,197,840

14.2 Payables from Exchange Transactions

Bulk Purchases	**14.2**	41,954,652	63,411,216
Contractors	**14.3**	13,554,324	11,367,348
Control and Clearing Accounts	**14.4**	7,888,656	6,012,344
Employee Benefits	**14.5**	27,222,776	27,538,791
Other Payables	**14.6**	87,543,300	76,485,455
Total		**178,163,707**	**184,815,153**

14.1.1 Affiliates, Related Parties and Principal Agent

	2023/2024 R	2022/2023 R
Vhembe District Municipality	30,900,512	34,472,572
Department Transport	3,887,741	7,725,269
Total	**34,788,253**	**42,197,840**

14.2.1 Bulk Purchases

	2023/2024 R	2022/2023 R
Bulk Electricity	41,954,652	63,411,216
Total	**41,954,652**	**63,411,216**

14.2.2 Contractors

	2023/2024 R	2022/2023 R
Retentions	13,554,324	11,367,348
Total	**13,554,324**	**11,367,348**

14.2.3 Control and Clearing Accounts

5	2023/2024 R	2022/2023 R
Employee Deductions FICS	7,103,140	5,395,489
Prepaid Electricity	785,516	616,855
Total	**7,888,656**	**6,012,344**

14.2.4 Employee Benefits

	2023/2024 R	2022/2023 R
Leave Accrual	23,488,983	23,967,485
Annual Bonus	3,733,793	3,571,306
Total	**27,222,776**	**27,538,791**

14.2.5 Other Payables

	2023/2024 R	2022/2023 R
Sale of stands	26,499,639	26,789,175
Solly Noor	2,897,681	3,098,010
Cemetary upgrade	2,481,568	2,481,568
Payables and Accruals	44,733,267	33,937,951
Unallocated Deposits	4,836,790	3,213,420
Credit Card	503,773	483,348
Advance Payments	5,537,216	6,445,190
Hall Deposits	53,367	36,794
Total	**87,543,300**	**76,485,455**

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

15 Unspent Transfers and Subsidies

		2023/2024 R			
		Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
Capital					
Allocations	**15.1**	10,106,761	38,753,000	38,353,836	10,505,925
Operational					
Allocations	**15.2**	-	220,628,000	220,628,000	-
Total		**10,106,761**	**259,381,000**	**258,981,836**	**10,505,925**

Unspent Transfers and Subsidies - (Continued)

		2022/2023 R			
		Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
Capital					
Allocations	**15.1**	5,578,721	36,267,000	31,738,960	10,106,761
Operational					
Allocations	**15.2**	-	198,183,000	198,183,000	-
Total		**5,578,721**	**234,450,000**	**229,921,960**	**10,106,761**

Musina Local Municipality
NOTES TO THE FINANANCIAL STATEMENTS
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15.1 Unspent Capital Allocations

	2023/2024 R			
	Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
MIG	6,552,761	31,760,000	33,760,000	4,552,761
Disaster management grant	3,554,000	6,993,000	4,593,836	5,953,164
Total	**10,106,761**	**38,753,000**	**38,353,836**	**10,505,925**

Unspent Capital Allocations - (Continued)

	2022/2023 R			
	Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
MIG	5,578,721	32,713,000	31,738,960	6,552,761
Disaster management grant	-	3,554,000	-	3,554,000
Total	**5,578,721**	**36,267,000**	**31,738,960**	**10,106,761**

15.2 Unspent Operational Allocations - (Continued)

	2023/2024 R			
	Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
Equitable share	-	216,341,000	216,341,000	-
FMG	-	3,000,000	3,000,000	-
EPWP	-	1,287,000	1,287,000	-
Total	**-**	**220,628,000**	**220,628,000**	**-**

Unspent Operational Allocations - (Continued)

	2022/2023 R			
	Opening Balance	**Funds Received**	**Funds Utilised**	**Closing Balance**
Equitable share	-	193,793,000	193,793,000	**-**
FMG	-	3,000,000	3,000,000	**-**
EPWP	-	1,390,000	1,390,000	**-**
Total	**-**	**198,183,000**	**198,183,000**	**-**

These amounts are invested in ring-fenced investment until utilised. The Unspent MIG balance of R 4 552 761 comes from withheld unspent from the 2022/2023 financial year, an arrangement has been with National treasury to repay back this balance. All MIG grants received during 2023/24 were fully spent.

16 Provisions

		2023/2024 R	2022/2023 R
Long-service Awards	**16.1**	14,388,000	11,924,000
Provision for landfill site	**16.2**	14,743,564	12,828,505
Total		**29,131,564**	**24,752,505**

16.1 Long-service awards

	2023/2024 R	2022/2023 R
Opening Balance	**11,924,000**	**8,510,000**
Additional Provisions Raised	2,464,000	3,414,000
Closing Balance	**14,388,000**	**11,924,000**
Transferred to Current Provisions	2,892,000	2,197,000
Total Non-current provision	11,496,000	9,727,000

Unfunded Accrued Liability

	2023/2024 R	2022/2023 R
Opening balance	11,924,000	8,510,000
Current-service cost	938,000	742,000
Interest cost	1,228,000	861,000
Pro rata Addition	2,382,000	3,557,000
Acturial (Gain)/Loss	113,000	-535,000
Expected employer benefit vesting	-2,197,000	-1,211,000
Closing Balance	14,388,000	11,924,000
Projected accrued liability	14,275,000	8,902,000

Net liability to reflect in the balance sheet

Opening balance	11,924,000	8,510,000
Current-service cost	938,000	742,000
Interest cost	1,228,000	861,000
Pro Rata Addition	2,382,000	3,557,000
Actuarial (Gain)/loss recognised in P&L	113,000	-535,000
Net Periodic Cost Recognised in P&L	16,585,000	13,135,000
Actual employer benefits payments	-2,197,000	-1,211,000
Closing Balance	**14,388,000**	**11,924,000**

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
5	2.0%	5 /250* annual salary
10	6.0%	15 /250* annual salary
15	10.0%	25 /250* annual salary
20,25,30,35,40,45	14.0%	35 /250* annual salary
Key financial assumptions		
Assumption	**Value p.a 23/24**	**Value p.a 22/23**
Discount rate	11.05%	11.32%
General Salary inflation (Long-term)	6.20%	6.79%
Net effective discount rate	4.56%	4.24%

The next general earnings increase was assumed to take place 1 July 2024.
Long service award liability was valued by Arch actuaries at 30 June 2024.

16.2 Environmental rehabilitation

Reconciliation of Provision	2023/2024	2022/2023
Opening	12,828,505	10,994,354
Change in landfill closure provisions	513,981	667,815
Interest	1,401,078	1,166,336
Closing balance	**14,743,564**	**12,828,505**
Non- current Liabilities	14,743,564	12,828,505
Current liabilities	-	-
	14,743,564	**12,828,505**

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 10.9%, which is the Average government Bond rate/Interest rate as at June 2024.

Key Assupmtions used

The Remaining Useful life (RUL) of landfill site	5
CPI :	5.17%
Average government bond rate/Interest rate:	10.42%

17 Other Liabilities
Defined Benefit Obligations-Post Medical aid benefit.

		2023/2024 R	2022/2023 R
Present value of defined benefit obligation	17.1	14,882,000	19,699,000
Total		**14,882,000**	**19,699,000**

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 2022			
Opening Balance		21,750,000	21,750,000
Interest Cost		2,558,000	2,558,000
Current Service Cost		1,344,000	1,344,000
Contributions Received		-2,573,000	-2,573,000
Actuarial (Gains) / Losses		-3,380,000	-3,380,000
Defined benefit obligation at 30 June 2023		**19,699,000**	**19,699,000**
Current Portion		335,000	335,000
Non current portion		19,364,000	19,364,000
Interest Cost		2,475,000	2,475,000
Current Service Cost		1,092,000	1,092,000
Contributions Received		-6,897,000	-6,897,000
Actuarial (Gains) / Losses		-1,487,000	-1,487,000
Defined benefit obligation at 30 June 2024		**14,882,000**	**14,882,000**
Current Portion		497,000	497,000
Non current portion		14,385,000	14,385,000

17.2 Analysis of Funding

	2023/2024	2022/2023
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	12.21%	12.67%
Health care cost inflation rate	7.70%	8.39%
Net effective discount rate	6.46%	6.38%

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

Sensitivity Analysis on the accrued Liability 30/06/2024

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	12.443	3.450	15.893	7%
	-1%	10.506	3.147	13.653	-8%

Sensitivity Analysis on the accrued Liability 30/06/2023

Assumption	Change	In service	Continuation	Total	Change %
Health care inflation	+1%	17.909	3.306	21.215	8%
	-1%	14.832	3.004	17.836	-9%

Sensitivity Anylysis on current-service and interest cost 30/06/2024

Assumption	Change	Current service cost	Interest cost	Total	Change %
Health care inflation	+1%	1,189,000	2,667,000	3,856,000	8%
	-1%	970,000	2,239,000	3,209,000	-10%

Sensitivity Anylysis on current-service and interest cost 30/06/2023

Assumption	Change	Current service cost	Interest cost	Total	Change %
Health care inflation	+1%	1,642,000	3,016,000	4,658,000	19%
	-1%	1,109,000	2,188,000	3,297,000	-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 2024. 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 2024			
Current Service Costs		2,475,000	2,475,000
Curtailments / Settlements		1,092,000	1,092,000
Interest Cost on Benefit Obligation		-6,897,000	-6,897,000
Actuarial Gains / Losses Recognised		-1,487,000	-1,487,000
Total expense recognised in the statement of financial performance		**-4,817,000**	**-4,817,000**
For the year ended 30 June 2023			
Current Service Costs		2,558,000	2,558,000
Interest Cost on Benefit Obligation		1,344,000	1,344,000
Curtailments / Settlements		-2,573,000	-2,573,000
Actuarial Gains / Losses Recognised		-3,380,000	-3,380,000
Total expense recognised in the statement of financial performance		**-2,051,000**	**-2,051,000**

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 2024

18 Property Rates

	2023/2024 R	2022/2023 R
Business and Commercial Properties	7,203,729	6,827,129
Farm Properties: Agricultural Purposes	6,101,985	5,616,624
Industrial Properties	894,220	1,760,001
Other categories	7,131	3,852,025
Public Service Infrastructure Properties	2,956,663	156,235
Residential Properties: Developed	5,431,670	8,242,806
Residential Properties: Vacant Land	6,168,218	359,249
Total	**28,763,617**	**26,814,069**

Valuations

	2023/2024 R	2022/2023 R
Farm Prop - Agricultural	3,886,060,300	3,331,350,000
Residential 1	4,198,777,129	1,838,975,800
Business 1	1,008,965,000	876,242,000
Industrial 1	208,327,000	131,965,000
Municipal Properties	397,740,400	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	24,781,000	20,281,000
Business And Commercial - Sectional Title	291,650,000	280,000,000
Farm Prop - Business & Commerc	219,896,000	164,310,000
Farm Prop - Other	198,540,000	198,540,000
Farm Prop - Residential	8,040,000	6,700,000
State Owned - Agricultural	229,308,600	229,280,000
State Owned - Commercial	193,010,000	193,010,000
State Owned - Public Benefit	46,309,000	78,309,000
State Owned - Residential	119,440,000	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	70,396,000	71,104,000
Public Benefit	72,937,000	60,237,000
Public Service Infrastructure	95,162,300	91,030,300
Private Schools	2,260,000	2,400,000
Residential - Inconsistan Use	36,973,000	174,558,000
Residential - Sectional Title	74,490,800	40,798,000
Residential Vacant	28,458,700	68,948,100
Special	30,337,000	24,787,000
Protected Areas	98,350,000	98,350,000
Total	**11,894,111,229**	**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

	2023/2024 R	2022/2023 R
Electricity		
Consumption - Electricity	109,749,683	82,835,902
Other - Electricity	83,964,722	65,023,542
Total	**193,714,405**	**147,859,444**
Waste Management		
Consumption – Waste Management	21,278,636	19,262,506
Total	**21,278,636**	**19,262,506**
Total Service Charges	**214,993,042**	**167,121,950**

20 Rental

	2023/2024 R	2022/2023 R
Non-market Related	164,026	81,947
Rent on Land	232,709	387,395
Total	**396,735**	**469,342**

Musina Local Municipality
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21 Interests on Investments

	2023/2024 R	2022/2023 R
Bank Accounts	501,180	167,127
Short-term Investments and Call Accounts	1,477,118	1,419,100
Total	1,978,298	1,586,227

22 Interest Earned From Receivables

		2023/2024 R	2022/2023 R
Exchange Receivables	**22.1**	3,366,009	2,904,917
Non-exchange Receivables	**22.2**	3,754,553	3,072,588
Total		7,120,562	5,977,505

22.1 Interest Earned From Exchange Receivables

	2023/2024	2022/2023
Consumer Receivables		
Electricity	1,897,679	1,706,423
Waste Management	1,456,105	1,182,626
Other Receivables	-	-
Housing Selling Schemes	717	605
Property Rental Debtors	11,508	15,264
Total	3,366,009	2,904,917

22.2 Interest Earned From Non-exchange Receivables

	2023/2024 R	2022/2023 R
Property Rates	3,754,553	3,072,588
Total	3,754,553	3,072,588
Total Receivables	**3,754,553**	**3,072,588**

23 Fines, Penalties and Forfeits

		2023/2024 R	2022/2023 R
Fines	**23.1**	3,878,500	3,427,950
Total		3,878,500	3,427,950

23.1 Fines

	2023/2024 R	2022/2023 R
Traffic Fines		
Municipal Fines	3,878,500	3,427,950
Total	**3,878,500**	**3,427,950**

24 Licenses and Permits

	2023/2024 R	2022/2023 R
Exchange Revenue	2,145,420	2,125,626
Non-exchange Revenue		
Total	**2,145,420**	**2,125,626**

24.1 Licenses and Permits – Exchange Revenue

	2023/2024 R	2022/2023 R
Road and Transport: Drivers Licence Certificate	2,145,420	2,125,626
Total	**2,145,420**	**2,125,626**

25 Transfers and Subsidies

		2023/2024 R	2022/2023 R
Operational			
Allocations	**25.1**	220,628,000	198,183,000
Total Transfers and Subsidies: Operational		**220,628,000**	**198,183,000**
Capital			
Allocations	**25.2**	36,353,836	30,940,960
Total Transfers and Subsidies: Capital		**36,353,836**	**30,940,960**
Total		256,981,836	229,123,960

25.1 Allocations: Operational

	2023/2024 R	2022/2023 R
Equitable share	216,341,000	193,793,000
FMG	3,000,000	3,000,000
EPWP	1,287,000	1,390,000
Total	**220,628,000**	**198,183,000**

25.2 Allocations : Capital

	2023/2024 R	2022/2023 R
MDRG	4,593,836	-
MIG	31,760,000	30,940,960
Total	**36,353,836**	**30,940,960**

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

	2023/2024 R	2022/2023 R
Sundry Income	8,936,070	7,857,185
LG Seta	4,678,587	1,646,778
Tenders General	115,561	516,702
Permits - Clearance	-	5,278
Grave Fees & Stone	272,019	203,319
Building Plans	714,890	465,102
Sale of Stands	1,244,536	4,206,187
Total	**15,961,663**	**14,900,550**

27.1 Gain/Loss on Disposal of Fixed and Intangible Assets

		2023/2024 R	2022/2023 R
Losses on Disposal		-	319,616
Total		**-**	**319,616**

27.2 Gains/Loss on revaluation assets

	2023/2024 R	2022/2023 R
Investment Property	1,900,670	48,304,800
Total	**1,900,670**	**48,304,800**

27.3 Gain on Post Medical Aid Benefit Liability

	2023/2024 R	2022/2023 R
Post Medical aid benefit	4,817,000	2,051,000
Total	**4,817,000**	**2,051,000**

Musina Local Municipality
NOTES TO THE FINANANCIAL STATEMENTS
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28 Employee Related Costs

		2023/2024 R	2022/2023 R
Senior Management	**28.1**	6,198,274	5,716,400
Municipal Staff	**28.2**	155,006,093	149,699,194
Total		**161,204,366**	**155,415,594**

28.1 Senior Management Costs

	2023/2024 R			
	Municipal Manager	**Chief Financial Officer**	**Community Service Manager**	**Corporate Service Manager**
Annual Salary	655,066	265,199	551,348	578,041
Bonuses	79,167	-	64,166	68,920
Car allowance	189,149	142,090	186,139	193,538
Acting	-	-	-	-
Leave Days	18,352	384,502	-	10,912
Rural Allowance	59,394	21,130	48,320	48,320
U.I.F	2,125	886	2,125	2,125
Medical	63,329	25,083	24,638	-
Pension	171,000	11,729	138,600	142,020
Total	**1,237,582**	**852,744**	**1,015,336**	**1,043,876**

Senior Management Costs - (Continued)

	2023/2024 R		
	Development and Planning Manager	**Technical Manager**	**Total**
Annual Salary	577,903	522,683	3,150,239
Bonuses	-	-	212,253
Car allowance	191,051	326,997	1,228,964
Acting	-	-	-
Leave Days	-	-	413,766
Rural Allowance	48,205	48,320	273,687
U.I.F	2,125	2,125	11,513
Medical	49,154	32,918	195,123
Pension	143,820	105,560	712,729
Total	**1,012,258**	**1,038,604**	**6,198,274**

Senior Management Costs (Continued)

	2022/2023 R			
	Municipal Manager	**Chief Financial Officer**	**Community Service Manager**	**Corporate Service Manager**
Annual Salary	563,160	802,240	333,092	587,596
Bonuses	107,998	-	-	88,497
Car allowance	142,711	192,566	123,526	160,004
Leave Days	426,455	-	-	363,731
Acting allowance	6,485	-	-	-
Rural allowance	47,747	46,699	30,678.47	31,359
UIF	1,594	2,125	1,417.00	-
Medical	45,054	50,134	16,895.00	-
Pension	123,780	140,742	88,463.00	-
Total	**1,464,983**	**1,234,506**	**594,071**	**1,231,187**

Senior Management Costs (Continued)

	2022/2023 R		
	Development and Planning Manager	Technical Manager	Total
Annual Salary	307,809	313,261	2,907,158
Bonuses	-	-	196,495
Car allowance	112,174	201,354	932,334
Acting	-	-	6,485
Leave Days	-	-	790,186
Rural Allowance	26,844	30,679	214,006
U.I.F	1,240	1,417.0	7,793
Medical	27,478	20,330.0	159,891
Pension	80,700	68,367.0	502,052
Total	**556,245.12**	**635,408.03**	**5,716,400**

28.2 Municipal Staff

	2023/2024 R	2022/2023 R
Salaries and Wages	93,956,959	89,639,948
Contributions for UIF, pensions and medical aids	25,362,883	24,254,765
Travel, motor car, accommodation, subsistence and other allowances	10,158,945	11,445,619
Housing benefits and allowances	243,141	181,107
Overtime payments	10,120,390	9,449,477
Bonuses	7,371,452	7,141,990
Long-service awards	5,384,533	3,414,000
Other employee related costs	1,295,022	2,389,550
Provision for leave	950,280	1,685,371
Annual Bonus - Provision	162,487	97,366
Total	**155,006,093**	**149,699,194**

29 Remuneration of Councillors

		2023/2024 R	2022/2023 R
Mayor	**29.1**	1,003,681	928,217
Speaker	**29.2**	812,867	757,452
Chief Whip	**29.3**	448,803	420,762
Executive Committee	**29.4**	437,823	404,561
Full Time Councillors	**29.5**	3,039,173	2,118,291
All Other Councillors	**29.6**	5,624,201	5,665,765
Total		**11,366,548**	**10,295,048**

29.1 Mayor

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	715,555	662,863
3G	4,008	3,600
Cell phone Allowance	45,600	40,800
Travelling Allowance	238,518	220,954
Total	**1,003,681**	**928,217**

29.2 Speaker

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	572,444	534,789
3G	4,008	3,600
Cell phone Allowance	45,600	40,800
Travelling Allowance	190,815	178,263
Total	**812,867**	**757,452**

29.3 Chief Whip

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	299,396	282,271
3G	4,008	3,600
Cell phone Allowance	45,600	40,800
Travelling Allowance	99,799	94,090
Total	**448,803**	**420,762**

29.4 Executive Committee

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	290,851	270,835
3G	4,004	3,523
Cell phone Allowance	45,548	39,923
Travelling Allowance	97,420	90,281
Total	**437,823**	**404,561**

29.5 Full time Councillors

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	2,130,555	1,488,836
3G	16,032	10,800
Cell phone Allowance	182,400	122,400
Travelling Allowance	710,185	496,255
Total	**3,039,173**	**2,118,291**

29.6 All Other Councillors

	2023/2024 R	2022/2023 R
Allowances and Service Related Benefits		
Basic Salary	3,622,913	3,684,208
3G	64,122	61,094
Cell phone Allowance	729,529	692,394
Travelling Allowance	1,207,637	1,228,070
Total	**5,624,201**	**5,665,765**

The Mayor,Speaker and executive coucillors 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
Machete JT	8,283.06
Munyai M & R	54,024.56

30 Depreciation, Amortisation and Impairment

		2023/2024 R	2022/2023 R
Amortisation			
Intangible Assets	**11.1**	148,536	165,567
Depreciation			
Property, Plant and Equipment	**9.1**	32,263,505	30,677,965
Impairment Loss / Reversal Of Impairment			
Property, Plant and Equipment	**9.1**	1,472,844	8,405,107
Total		**33,884,885**	**39,248,639**

31 Finance cost

		2023/2024 R	2022/2023 R
Interest	**31.1**	1,417,763	1,234,989
Total		**1,417,763**	**1,234,989**

31.1 Interest Cost

	2023/2024 R	2022/2023 R
Annuity Loans	16,685	68,653
Rehabilitation of Landfill sites	1,401,078	1,166,336
Total	**1,417,763**	**1,234,989**

32 Bulk Purchases

	2023/2024 R	2022/2023 R
Electricity: Eskom	173,878,174	126,091,640
Total	**173,878,174**	**126,091,640**

32.1 Electricity Losses

	2023/2024 Units	2022/2023 Units
Bulk Purchases	93,231,991	82,556,852
Sales	71,854,043	67,391,492
Usage	83,714,869	75,508,739
Total sales and usage	155,568,911	142,900,231
Free basic electricity	1,556,170	1,674,035
Grant total	157,125,081	144,574,266
kWh lost	9,517,122	7,048,112
Percentage loss	10.21%	8.54%

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

33 Inventory Consumed {Repair & Maintenance}

	2023/2024 R	2022/2023 R
Land	545,000	3,985,000
Materials and Supplies	2,638,204	3,285,296
Total	**3,183,204**	**7,270,296**

33.1 Inventory adjustments

	2023/2024 R	2022/2023 R
Inventory - Write-down to net-realisable Value	-	-
Total	**-**	**-**

During the year the Municipality made major repairs electrical distribution networks.The cost inccured is treated as expense because it does not meet the criteria of capitalisation.There were no inventory write-down during the year.

34 Contracted Services

		2023/2024 R	2022/2023 R
Consultants and Professional Services	**34.1**	15,175,478	12,139,867
Contractors	**34.2**	18,641,309	15,640,816
Outsourced Services	**34.3**	9,138,003	8,174,764
Total		**42,954,791**	**35,955,447**

34.1 **Consultants and Professional Services**

	2023/2024 R	2022/2023 R
Business Advisory Services		
Accounting and Auditing	265,754	716,686
Business and Financial Management	1,044,855	400,419
Consultance and Professional	10,773,679	8,875,256
Medical Examinations	1,373,654	1,567,867
Occupational Health and Safety	45,320	-
Total Business and Advisory Services	**13,503,262**	**11,560,229**
Legal Services		
Legal Advice and Litigation	1,672,217	579,638
Total Legal Services	**1,672,217**	**579,638**
Total Consultants and Professional Services	**15,175,478**	**12,139,867**

34.2 **Contractors**

	2023/2024 R	2022/2023 R
General Services		
Safeguard and Security	16,550,158	13,780,657
Total General Services	**16,550,158**	**13,780,657**
Maintenance Services		
Maintenance of Buildings and Facilities	117,544	155,302
Maintenance of Equipment	256,043	188,422
Maintenance of Unspecified Assets	1,717,564	1,516,434
Total Maintenance Services	**2,091,151**	**1,860,159**
Total Contractor	**18,641,309**	**15,640,816**

34.3 **Outsourced Services**

	2023/2024 R	2022/2023 R
Business and Advisory Services		
Valuer	1,223,851	1,765,348
Total Business and Advisory Services	**1,223,851**	**1,765,348**
General Services		
Catering Services	650,835	770,458
Drivers Licence Cards	315,052	336,516
Dumping Site	6,919,516	5,202,606
Total General Services	**7,914,152**	**6,409,417**
Total Outsourced Services	**9,138,003**	**8,174,764**

35 **Transfers and Subsidies**

		2023/2024 R	2022/2023 R
Operational			
Monetary Allocations	**35.1**	4,287,000	4,390,000
Total Transfers and Subsidies: Operational		**4,287,000**	**4,390,000**
Total Transfers and Subsidies: Capital		-	-
Total		**4,287,000**	**4,390,000**

35.1 **Monetary Allocations: Operational**

	2023/2024 R	2022/2023 R
FMG	3,000,000	3,000,000
EPWP	1,287,000	1,390,000
Total	**4,287,000**	**4,390,000**

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

36 Operational Costs

	2023/2024 R	2022/2023 R
Advertising	319,333	228,000
Audit fees	4,064,322	4,576,304
Bank charges	1,272,135	917,243
Bursaries	4,926,280	2,128,818
Conferences and delegations	725,611	365,283
Entertainment	3,791	73,116
Fuel and oil	3,474,693	3,542,208
Insurance	8,230,885	9,865,028
Licence fees - vehicles	149,914	141,936
Licence fees - computers	1,774,192	1,329,476
Membership fees	10,084	5,525
Postage	384,982	246,052
Printing and stationery	454,998	625,357
Skills development levies	1,268,897	1,209,373
Salga	1,388,874	3,597,273
Telephone cost	2,960,399	3,174,345
Travel and subsistence	9,914,917	9,967,369
Uniforms & overalls	3,056,758	3,560,625
Rental of Equipment	314,128	177,127
Municipal Activities	19,040	8,696
Workmens Compensation	307,081	1,028,833
Interest late payment	1,496,525	-
Township Establishment	340,000	1,420,000
Total	**46,857,841**	**48,187,986**

37 Net Cash From/(Used) Operating Activities

	2023/2024 R	2022/2023 R
Surplus/(deficit) for the year	51,808,397	392,095,646
Adjustment for:-Non cash items		
Donations	-	-16,744,000
Depreciation and amortisation	32,412,041	30,843,532
Finance costs	-	1,166,336
(Gain) / loss on sale of assets	-	319,616
Interest on investments and receivables	-	-
Gain on Post Medical Aid Benefit Liability	-4,817,000	-2,051,000
Contribution to provisions bad debts	8,094,373	13,770,223
Fair value adjustments	-1,900,670	-48,304,800
Impairment loss / (reversal of impairment loss)	1,472,844	8,405,107
Provisions	-3,865,078	-1,767,936
other expenses	-	1,420,000
Bad Debts recovered	-	-315,440,897
Operating surplus before working capital changes:	83,204,908	63,711,828
(Increase)/decrease in inventories	245,315	3,509,562
(Increase)/decrease in trade receivables-exchange transaction	-8,037,385	-3,227,540
(Increase)/decrease in other receivables-non exchange	-2,433,725	-7,760,303
(Increase)/decrease in VAT receivable	-3,386,844	4,700,937
Increase/(decrease) in conditional grants and receipts	399,164	-4,528,039
Increase/(decrease) in trade payables-exchange transaction	-14,061,033	-5,822,487
Increase/(decrease) in consumer deposits	366,828	148,176
increase in payables from non exchange	-	-
Cash generated by/(utilised in) operations	**56,297,228**	**50,732,134**

38 Correction prior year errors

The comaparitives have been restated to account for prior period errors . Below is a summary of the total effect that the prior period errors,changes in accounting policies, reclassifciation and understament of comapritives had on the amounts previously disclosed in the annual financial statements , followed by description of each individual prior period error with the amount invloved:

Statement of financial position				
2022	Note	As Previously reported	Correction of error	Restated
Current assets				
Inventory	5	29,361,217	-160,000	29,201,217
Current liabilities				
Bulk Purchases	14	64,715,904	12,506,346	77,222,250
Consumer deposits	13	5,083,888	535,832	5,619,720
Payables from exchange transactions	14	167,346,841	17,767,571	185,114,413
2023				
Current assets				
Inventory	5	25,691,655	-187,247	25,504,413
VAT Receivables	6	126,800,686	-114,850,371	11,950,315
Current liabilities				
VAT Payables	6	122,207,741	-115,152,376	7,055,365
Section 57 Managers-Receivables	3	-	707,883	707,883
Statement of financial perfomance				
2023				
Inventory Consumed	33	7,083,049	187,246	7,270,295
Employee Related Costs	28	156,123,478	-707,883	155,415,595

The following prior perid errors adjustment occurred:

	2023/2024	2022/2023	2021/2022
	R	R	R
During the year it was discovered that eskom liability relating to prior years was understated.			
Impact on Eskom Liability			-12,506,346
Impact on accumulated surplus	-		-12,506,346
During the year it was discovered that Salary suspense account was understated, this is due to invoices not captured in the prior years.			
Impact on salary suspense			-5,004,162
Impact on Accumulated surplus			-5,004,162
During the year, it was discovered that advance payment balance in the GL did not balance to Advance on the Submodule, This is due to misallocation in the prior years.			
Impact on advance payments			-816,082
Impact on Accumulated surplus			-816,082
During the year it was discovered that sale of stands Liability in the previous year was overstated, this was due Liability not cleared after the stand was deregistered from the Municipality to a private owner.This also affected Inventory.			
Impact on inventory			-160,000
Impact on sale of stands Liability			320,000
Impact on accumulated surplus			160,000
During the year it was discovered that consumer depsoit balance was understated in the previous years, this is due to Misallocation on general ledger .			
Impact on Consumer deposit			-535,832
Impact on accumulated surplus			-535,832
During the year it was discovered that VAT Input and VAT Output were overstated in the previous year was overstated, the municipality did not clear balance that were declared on the VAT 201, as a result the VAT account was overstated.			
Impact on VAT Input		-114,850,371	
Impact on VAT output		115,152,376	
Impact on accumulated surplus		302,005	
During the year it was discovered that inventory was overstated , this was due to non stock items captured on the system as stock items.			
Impact on inventory		-187,247	
Impact on accumulated surplus		-187,247	
During the year it was discovered that interest on receivables relating to property rates was incorrectly classified as exchange revenue as a result overstating exchange revenue and understating Non-exchange revenue.			
Increase on non- exchange revenue		-3,072,588	
decrease on exchnage revenue		3,072,588	
Impact on accumulated surplus		-	
During the year it was discovered that payables from non exchange transactions were understated as a result of differences on COIDA invoice			
Increase on payables and accruals			-12,267,328
Impact on accumulated surplus		-	**-12,267,328**
During the year , it was discovered that an amount of R270 000 was incorrectly allocated to Unallocated deposits instead of sale of stands liability resulting in overstatement of Unallocated deposits and understatement of Sale of stands Liability.			
Increase in sale of stands liability		-270,000	
Decrease in unallocated deposits		270,000	
Impact on accumulated surplus		-	
During the year it was discovered that salaries paid to all section 57 managers were overstated as a result of the incorrect notch used to pay their salaries			
Decrease on salaries		707,883	
Increase on debtors		707,883	
Increase on accumulated surplus		**707,883**	

39 Unauthorised, Irregular, Fruitless and wasteful expenditure disallowed

-

		2023/2024	2022/2023
		R	R
Unauthorised expenditure	39.1	126,901,085	118,212,140
Fruitless and wasteful expenditure	39.2	54,120,352	52,623,827
Irregular expenditure	39.3	145,409,306	122,825,213
Total		**326,430,743**	**293,661,180**

39.1 **Unauthorised expenditure**

	2023/2024 R	2022/2023 R
Opening balance	118,212,140	118,212,140
Unauthorised expenditure-prior year	8,688,945	-
Unauthorised expenditure current year	-	
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**126,901,085**	**118,212,140**

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

39.2 **Fruitless and wasteful expenditure**

	2023/2024 R	2022/2023 R
Opening balance -	52,623,827	52,623,827
Fruitless and wasteful expenditure current year	1,496,525	-
Condoned or written off by Council		-
Transfer to irregular	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	**54,120,352**	**52,623,827**

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

39.3 **Irregular expenditure**

	2023/2024 R	2022/2023 R
Opening balance	122,825,213	89,546,242
Irregular expenditure-current year	22,584,093	33,278,971
Identified in the current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	**145,409,306**	**122,825,213**

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.

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

During the year an award was made to GTJ GROUP PTL LTD for cleaning material to the value of R 48 993.05. The spouse (Gloria Matshidze) of the director is employed at SAPS as director partnership in community outreach.

During the year an award was made to Dr LE Mulaudzi for the services of medical surveilance to the value of R55 557 per person. The spouse of the director (Phathutshedzo Mulaudzi) is employed at Limpopo department of health as medical doctor.

During the year an appoitment was made to Boa Mutupe investment for accomodation to the value R82 620.The spouse (Mimie Boa) is employed by Musina Local Municipality as manager social services

40 **Additional Disclosures in Terms of Municipal Finance Management Act**

40.1 **Contributions to SALGA**

	2023/2024 R	2022/2023 R
Opening balance	-	741,390
Council subscriptions	1,388,874	3,572,273
Amount paid - current	1,388,874	3,572,273
Amount paid - previous years	-	741,390
Balance unpaid	**-**	**-**

40.2 **Audit fees**

	2023/2024 R	2022/2023 R
Opening balance	-	-
Current year audit fee	4,064,322	4,576,304
Amount paid - current year	4,064,322	4,576,304
Amount paid - previous years	-	
Balance unpaid	**-**	**-**

40.3 **VAT**

	2023/2024 R	2022/2023 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

	2023/2024 R	2022/2023 R
Opening balance	-	-
Current year payroll deductions	28,673,058	20,125,112
Amount paid - current year	26,362,695	20,125,112
Amount paid - previous years	-	-
Balance unpaid	2,310,363	-

40.5 Pension and Medical Aid Deductions

	2023/2024 R	2022/2023 R
Opening balance	-	1,471,165
Current year payroll deductions and Council Contributions	29,969,882	18,094,267
.	26,362,695	18,094,267
Amount paid - previous years	-	1,471,165
Balance unpaid	3,607,187	-

41 Capital Commitments

Commitments in respect of capital expenditure

	2023/2024 R	2022/2023 R
- Approved and contracted for	**34,152,620**	**25,563,427**
Infrastructure	34,152,620	25,563,427
Community	-	-
- Approved but not yet contracted for	**69,319,998**	**32,334,200**
Infrastructure	54,080,700	25,234,200
Community	10,019,298	7,100,000
Heritage		-
Budget & Treasury	5,220,000	-
SubTotal	**103,472,618**	**57,897,627**

Commitments in respect of operating project expenditure

	2023/2024 R	2022/2023 R
- Approved and contracted for	**29,744,473**	**34,291,359**
Budget & Treasury	8,762,140	27,621,696
Community	20,982,333	6,669,663
- Approved but not yet contracted for	**13,777,950**	**5,261,637**
Infrastructure	1,677,950	1,701,800
Community	2,000,000	-
Heritage	-	-
Budget & Treasury	10,100,000	3,559,837
SubTotal	43,522,423	39,552,996
Total	**146,995,041**	**97,450,623**

This expenditure will be financed from:

	2023/2024 R	2022/2023 R
- External Loans		-
- Government Grants	42,477,387	59,599,247
- Own resources	104,517,654	37,851,197
Total	**146,995,041**	**97,450,444**

42 Contingent Liabilities

	2023/2024 R	2022/2023 R
The municipality has legal cases which have been considered to be mute based on GRAP 19.35 & 101 and no disclosure is required		

43 Contingent Assets

	2023/2024 R	2022/2023 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 memebers (Paragraph 34(b)

During the reporting period the Municipality provided total remuneration and compensation of R 1 759 191.61 (2023: R2 106 894) 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 R1 460 705 (2023: R1 510 724) 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

	2023/2024 R	2022/2023 R
During July 2024, Council took a resolution that section 57 managers should repay some of their salaries as a result of over payment on their salaries, this is an adjusting event and debtors were raised at 30 June 2024. this adjustment also affected the prior year balances.	1,416,360	707,883

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

	2023/2024 R	2022/2023 R
Financial assets exposed to credit risk at year end were as follows:		
ABSA Bank - Fixed deposits	13,168,893	10,731,000
ABSA Bank - Current/Cheque account	10,327,276	12,818,683
Trade and other receivables	61,964,207	51,493,096

These balances represent the maximum exposure to credit risk.

The municipality is exposed to an ABSA bank guarantee in favour of Eskom amounting to R13168893

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

		2023/2024 R	2022/2023 R
Consumer deposit	Less than 1 year	6,134,724	5,767,896
	Between 1 and 2 years		-
	Between 2 and 5 years		
	Over 5 years		
Trade payables from exchange transaction	Less than 1 year	178,163,707	184,815,153
	Between 1 and 2 years		
	Between 2 and 5 years		
	Over 5 years		
Trade payables from non exchange transaction	Less than 1 year	34,788,253	42,197,840
	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	-	362,494
	Between 1 and 2 years	-	-
	Between 2 and 5 years		
	Over 5 years		
Unspent grant	Less than 1 year	10,505,925	10,106,761
	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

47.3 Financial Instrument Disclosure

Categories of financial instruments

Financial assets

	2023/2024 R At Amortised cost	2022/2023 R At Amortised cost
Trade and other receivables from exchange transactions	43,651,654	34,197,907
Other receivables from non-exchange transactions	18,312,553	17,295,189
Cash and cash equivalents	10,327,276	12,818,683
	72,291,483	**64,311,779**

Financial Liabilities

	2023/2024 R At Amortised cost	2022/2023 R At Amortised cost
Finance lease	-	362,494
Payables from exchange transaction	178,163,707	184,815,153
Other payables from non-exchange transaction	34,788,253	42,197,840
Consumer deposits	6,134,724	5,767,896
Unspent conditional grants and receipts	10,505,925	10,106,761
	229,592,608	**243,250,144**

48 Change in Accounting Policy

The were no changes to accounting policy

49 Change in Estimate

The useful lives of all asset classes were adjusted during 2023/2024 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 2023/2024 has decreased the depreciation charge for the current year by R 225 232.41. It is impracticable to estimate the effect of these changes on future periods

50 Operational Grant Expenditure

	2023/2024 R	2022/2023 R
Finance Management grant [FMG]	3,000,000	3,000,000
EPWP	1,287,000	1,390,000
Total	**4,287,000**	**4,390,000**

51 Income Forgone

-

	2023/2024 R	2022/2023 R
Assesment Rates	200,329	188,975
Total	**200,329**	**188,975**

52 In-Kind Donations and Assistance

	2023/2024 R	2022/2023 R
Department Of Transport	-	16,744,000

This relates to maintanance of various Roads in Musina by Road Agency Limpopo

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

		2023/2024 R	2022/2023 R
53.1	**Technichal Department**		
	10 Occations	362,414	525,020
	Supplier - Various		
	Deviation due to sole provider of the required service		
53.3	**Budget & Treasury Office**		
	10 Occations	341,214	1,070,370
	Deviation due to sole provider of the required service		
	Supplier - Various		
53.4	**Community Services**		
	8 Occation	53,241	312,746
	Supplier - Various		
	Deviation due to sole provider of the required service		
53.5	**Corporate Services**		
	9 Occations	197,547	714,637
	Supplier - Various		
	Deviation due to sole provider of the required service		
53.6	**Municipal Manager Office**		
	59 Occations	1,656,691	1,138,010
	Supplier - Various		
	Deviation due to sole provider of the required service		
53.7	**Intergrated Development plan**		
	4 Occation	8,640	51,377
	Supplier - Various		
	Deviation due to sole provider of the required service		
53.8	**Mayors Office**		
	0 Occations	-	148,450
	Supplier - Various		
	Deviation due to sole provider of the required service		
	Total	**2,619,747**	**3,960,610**

There was no other non- compliance with section 125(2)(e) of the MFMA

54 Going Concern

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

The municipality liquidity challenges have improved as evident by the following :
-The Municipality has a Surplus of R 51 808 397
- Net current assets position of R 512 480 856 (2023 : R 460 672 456).
- The Eskom historical liability from the previous years was fully settled by July 2023, the Municipality only owes current account.

- Reduction of overtime work to a maximum of 24 hours per month which will result in a saving on Salaries
- Stricter cash management to spend when cash is available.
-Council approved resolution to sell most of land it owns in 2024/25 to improve revenue generation. This can bring about R90m to the Municipality.

The Municipality has bought pool cars in the current year which will relieve the municipality financial situation when it comes travel cost
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.

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 perfoms licencing functions on behalf of the deparment of transport and an earns a commision 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.

	2023/2024 R	2022/2023 R
Non-Exchange Revenue		
Revenue- 20% agency fees	2,937,527	3,114,216
Current Liabilities		
Liabilities- Unpaid 80% at year end.	3,887,741	7,725,269

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 perfoms 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.

	2023/2024 R	2022/2023 R
Current Liabilities		
Revenue	407,295,752	370,521,769
Current receivables		
Expenses paid	376,395,195	336,049,152

The Municipality has entered into an agreement with CigiCell under which the Municipality serves as a Principal and CigiCell as an agent. Under this arrangement, CigiCell sells electricity to Musina residents on behalf of the municipality.Cigicell earns 2.88 % of all revenue collected from selling electricity and the balance is transfered to the Municipality .The following is a summary of carrying values of assets, liabilities,revenue and expenditure as a result of the arrangements at year end.

55.3

	2023/2024 R	2022/2023 R
Exchange Revenue		
Electricity sales	74,301,136	57,099,464
Expenditure		
Commision paid	2,136,158	1,639,796
Current receivables		
Cigi cell-Unpaid Collections	578,320	175,405

56 COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Variance explanantion-Only significant Variances.

Service charges- This was due to the unexpected suspension of load shedding in the last four months of the financial year.

Interest earned -External investment- This was due to maintanance of highly positive cash balances during the financial year over and above the short term investments that we had.

Interest earned -Outstanding debtors - This was due to contraveining charges imposed on non complying households, resulting in failure to pay their outstanding balances on time or not paying at all.

Licence and Permits -This is due to lower rate of registration of vehicles.

Other revenue- This was due to anticipated sale of stands at Rihno Ridge which was not realised by the end of the year under review.

Bad debts impairment - The municipality does not have to provide for the Vhembe receivables as there is an agreement to set off balances between Musina and Vhembe.

Finance charges - This was as a result of interest charged in the calculation of the provision for rehabilitation of the landfill site

Bulk purchases- The unforseen suspension of load shedding for the last four months of the fiancial year led to higher bulk charges than anticipated.

Other Materials - Delays in procurement of materials for critical maintenance resulted in this under expenditure.

Transfers and grants - This was due to the implementation of the contraveining use tariff which suspends indigent benefits if a household is found to be contaveining.

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2024

	Cost / Revaluation						Accumulated Depreciation								
	Opening Balance	**Additions**	**Movement/Transfer**	**Disposals**	**Under Construction**	**Closing Balance**	**Opening Balance**	**Depreciation**	**Movement**	**Disposals**	**Impairment loss/Reversal of impairment loss**	**Closing Balance**	**Transfers**	**Other movements**	**Carrying Value**
	R	**R**		**R**	**R**	**R**	**R**	**R**		**R**	**R**	**R**	**R**	**R**	**R**
Land															
Land	42,705,200		-	-		42,705,200	-	-			-	-	-	-	42,705,200
Landfill Sites		-		-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-		-	-	-	-	-		-	-	-	-	-	-
	42,705,200	-	-	-	-	42,705,200	-	-	-	-	-	-	-	-	42,705,200
Buildings	108,019,566	-	-	-	9,263,807.00	117,283,373	-30,660,534	-3,145,080	-	-	-73,833	-33,879,447	-	-	83,403,927
Infrastructure															
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	353,174,825	4,771,665	-	-	16,894,362	374,840,852	-161,573,643	-16,816,935		-	-317,010	-178,707,588	-	-	196,133,265
Security Measures and Others	10,228,503	-	-	-	-	10,228,503	-1,499,730	-	-	-	-	-1,499,730	-	-	8,728,773
Electricity Mains	124,243,754	857,879	-	-	9,283,041	134,384,674	-65,744,361	-6,343,724		-	-	-72,088,085	-	-	62,296,589
Electricity Peak Load Equip	-	-		-	-	-	-	-		-	-	-	-	-	-
Water Mains & Purification	-	-		-	-	-	-	-		-	-	-	-	-	-
Reservoirs – Water	-	-		-	-	-	-	-		-	-	-	-	-	-
Water Meters	-	-		-	-	-	-	-		-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	487,647,082	5,629,544	-	-	26,177,403	519,454,029	-228,817,734	-23,160,658	-	-	-317,010	-252,295,403	-	-	267,158,627
Community Assets															
Parks & Gardens	14,189,835	513,981	-	-	-	14,703,816	-2,172,174	-175,913		-	-	-2,348,087	-	-	12,355,728
Libraries	-	-		-	-	-	-	-		-	-	-	-	-	-
Recreation Grounds	-	-		-	-	-	-	-		-	-	-	-	-	-
Civic Buildings	-	-		-	-	-	-	-		-	-	-	-	-	-
Stadiums	57,977,996	-	-	-	-	57,977,996	-18,204,785	-1,787,451	-	-	-1,034,956	-21,027,192	-	-	36,950,804
Halls	-	-		-	-	-	-	-		-	-	-	-	-	-
Theatre	-	-		-	-	-	-	-		-	-	-	-	-	-
Swimming Pools	-	-		-	-	-	-	-		-	-	-	-	-	-
Cemeteries	-	-		-	-	-	-	-		-	-	-	-	-	-
	72,167,831	513,981	-	-	-	72,681,812	-20,376,959	-1,963,364	-	-	-1,034,956	-23,375,280	-	-	49,306,532
Heritage Assets															
Historical Buildings	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Paintings & Artifacts		-		-	-	-	-	-		-	-	-	-	-	-
	-	-		-	-	-	-	-		-	-	-	-	-	-
Total carried forward	710,539,679	6,143,525		-	35,441,210	752,124,414	-279,855,227	-28,269,102	-	-	-1,425,800	-309,550,129	-	-	442,574,285

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2024

	Cost / Revaluation						Accumulated Depreciation								
	Opening Balance	Additions	Movement	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R		R	R	R	R	R		R	R	R	R	R	R
Total brought forward	710,539,679	6,143,525		-	35,441,210	752,124,414	-279,855,227	-28,269,102		-	-1,425,800	-309,550,129	-	-	442,574,285
Other Assets															
Office Equipment	1,683,743	-	-	-277,728	-	1,406,015	-1,347,530	-125,586	-	277,728	-30,553	-1,225,941	-	-	180,074
Furniture & Fittings	3,176,718	-	-	-221,043	-	2,955,675	-3,110,347	-22,204	-	221,043	-	-2,911,507	-	-	44,168
Bins and Containers	1,876,216	-		-	-	1,876,216	-1,779,609	-32,290	-	-	-	-1,811,899	-	-	64,317
Emergency Equipment	-	-		-	-	-	-	-		-	-	-	-	-	-
Office Equipment-finance assets	-	-	-	-1,270,662	-	-1,270,662	-	-	-	1,270,662	-	1,270,662	-	-	-
Plant & Equipment	2,134,964	459,337.18	-	-32,963	-	2,561,338	-1,500,819	-188,355	-	32,963	-2,843	-1,659,053	-	-	902,285
Car Port	8,494	-		-	-	8,494	-8,357	-46		-	-	-8,403	-	-	91
Computer Equipment	4,951,125	1,116,990	-	-539,023	-	5,529,092	-2,900,193	-1,049,378	-	539,023	-6,228	-3,416,777	-	-	2,112,315
Computer Software (part of computer equipment)	-	-		-	-	-	-	-		-	-	-	-	-	-
Other Assets-Landfill site	-	-		-	-	-	-	-		-	-	-	-	-	-
	13,831,260	1,576,327.18	-	-2,341,419	-	13,066,168	-10,646,855	-1,417,858.43	-	2,341,419	-39,624	-9,762,918	-	-	3,303,250
Finance Lease Assets	1,270,662	-	-	-1,270,662	-	-	-930,658	-340,004	-	1,270,662	-	0	-	-	0
Motor vehicles	20,295,187	13,876,496	-	-2,191,153	-	31,980,530	-15,467,071	-2,236,541	-	2,191,153	-7,421	-15,519,879	-	-	16,460,652
	21,565,849	13,876,496	-	-3,461,815	-	31,980,530	-16,397,729	-2,576,544	-	3,461,815	-7,421	-15,519,879	-	-	16,460,652
Total	**745,936,788.38**	**21,596,348**	**-**	**-5,803,234**	**35,441,210**	**797,171,113**	**-306,899,810**	**-32,263,505**	**-**	**5,803,234**	**-1,472,844**	**-334,832,926**	**-**	**-**	**462,338,187**

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2023

	Cost / Revaluation						Accumulated Depreciation								
	Opening Balance	Additions	Movement/Transfers	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R		R	R	R	R	R		R	R	R	R	R	R
Land															
Land	42,705,200	-	-	-		42,705,200	-	-		-	-	-	-	-	42,705,200
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-		-	-	-	-	-	-
	42,705,200	-	-	-	-	42,705,200	-	-	-	-	-	-	-	-	42,705,200
Buildings	93,174,580	3,619,783	-591,015	-	11,816,218	108,019,566	-27,641,269	-2,927,639	-	-	-91,626	-30,660,534	-	-	77,359,033
Infrastructure															
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	330,598,242	21,698,363	718,590	-9,486,178	9,645,807	353,174,825	-152,049,097	-16,397,959	-	9,486,178	-2,612,764	-161,573,643	-	-	191,601,183
Security Measures and Others	10,228,503	-	-	-	-	10,228,503	-1,499,730	-	-	-	-	-1,499,730	-	-	8,728,773
Electricity Mains	118,970,390	-	457,667	-	4,815,697	124,243,754	-58,540,041	-6,430,561		-	-773,759	-65,744,361	-	-	58,499,393
Electricity Peak Load Equip	-	-		-	-	-	-	-		-	-	-	-	-	-
Water Mains & Purification	-	-		-	-	-	-	-		-	-	-	-	-	-
Reservoirs – Water	-	-		-	-	-	-	-		-	-	-	-	-	-
Water Meters	-	-		-	-	-	-	-		-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	459,797,135	21,698,363	1,176,257	-9,486,178	14,461,504	487,647,082	-212,088,868	-22,828,520	-	9,486,178	-3,386,523	-228,817,734	-	-	258,829,349
Community Assets															
Parks & Gardens	13,522,020	667,815	-	-	-	14,189,835	-1,787,756	-384,419		-	-	-2,172,174	-	-	12,017,660
Libraries	-	-		-	-	-	-	-		-	-	-	-	-	-
Recreation Grounds	-	-		-	-	-	-	-		-	-	-	-	-	-
Civic Buildings	-	-		-	-	-	-	-		-	-	-	-	-	-
Stadiums	54,597,590	-	-585,242	-	3,965,648	57,977,996	-11,994,351	-1,694,742	-	-	-4,515,692	-18,204,785	-	-	39,773,211
Halls	-	-		-	-	-	-	-		-	-	-	-	-	-
Theatre	-	-		-	-	-	-	-		-	-	-	-	-	-
Swimming Pools	-	-		-	-	-	-	-		-	-	-	-	-	-
Cemeteries	-	-		-	-	-	-	-		-	-	-	-	-	-
	68,119,610	667,815	-585,242	-	3,965,648	72,167,831	-13,782,107	-2,079,160	-	-	-4,515,692	-20,376,959	-	-	51,790,871
Heritage Assets															
Historical Buildings	-	-		-	-	-	-	-		-	-	-	-	-	-
Paintings & Artifacts		-		-	-	-	-	-		-	-	-	-	-	-
	-	-		-	-	-	-	-		-	-	-	-	-	
Total carried forward	663,796,526	25,985,961	-	-9,486,178	30,243,370	710,539,679	-253,512,244	-27,835,319	-	9,486,178	-7,993,841	-279,855,227	-	-	430,684,453

Musina Local Municipality
APPENDIX A
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2023

	Cost / Revaluation						Accumulated Depreciation								
	Opening Balance	**Additions**	**Movement**	**Disposals**	**Under Construction**	**Closing Balance**	**Opening Balance**	**Depreciation**	**Movement**	**Disposals**	**Impairment loss/Reversal of impairment loss**	**Closing Balance**	**Transfers**	**Other movements**	**Carrying Value**
	R	**R**		**R**	**R**	**R**	**R**	**R**		**R**	**R**	**R**	**R**	**R**	**R**
Total brought forward	663,796,526	25,985,961		-9,486,178	30,243,370	710,539,679	-253,512,244	-27,835,319		9,486,178	-7,993,841	-279,855,227	-	-	430,684,453
Other Assets															
Office Equipment	1,685,882	-	-	-2,139	-	1,683,743	-1,186,758	-162,911	-	2,139	-	-1,347,530	-	-	336,213
Furniture & Fittings	3,222,072	9,120	-	-54,474	-	3,176,718	-3,119,233	-44,642	-	54,474	-946	-3,110,347	-	-	66,371
Bins and Containers	1,876,216	-		-	-	1,876,216	-1,683,004	-96,605		-	-	-1,779,609	-	-	96,607
Emergency Equipment	-	-		-	-	-	-	-		-	-	-	-	-	-
Office Equipment	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	1,805,735	332,002	-	-2,730	-	2,135,007	-1,330,676	-172,873	-	2,730	-43	-1,500,862	-	-	634,145
Car Port	8,494	-		-	-	8,494	-8,220	-137	-	-	-	-8,357	-	-	137
Computer Equipment	2,842,495	2,108,630	-	-	-	4,951,125	-2,487,339	-412,854	-	-	-	-2,900,193	-	-	2,050,932
Computer Software (part of computer equipment)	-	-		-	-	-	-	-		-	-	-	-	-	-
Other Assets	-	-		-	-	-	-	-		-	-	-	-	-	-
	11,440,894	2,449,752	-	-59,343	-	13,831,303	-9,815,230	-890,022	-	59,343	-989	-10,646,898	-	-	3,184,405
Finance Lease Assets	1,270,662	-		-		1,270,662	-507,104	-423,554		-		-930,658			340,004
Motor vehicles	21,959,494	1,084,640	-	-2,748,946	-	20,295,187	-16,276,670	-1,529,070	-	2,748,946	-410,276	-15,467,071	-	-	4,828,117
	23,230,156	1,084,640	-	-2,748,946	-	21,565,849	-16,783,775	-1,952,624	-	2,748,946	-410,276	-16,397,729	-	-	5,168,120
Total	**698,467,575**	**29,520,353**	**-**	**-12,294,467**	**30,243,370**	**745,936,832**	**-280,111,248**	**-30,677,965**	**-**	**12,294,467**	**-8,405,107**	**-306,899,854**	**-**	**-**	**439,036,978**