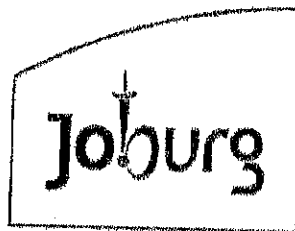


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CITY OF JOHANNESBURG



GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 28 FEBRUARY 2026

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**CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD
ENDED 28 FEBRUARY 2026**

1. STRATEGIC THRUST

Good Governance

Financial Sustainability

2. OBJECTIVE

The Accounting Officer is required, in terms of the Municipal Finance Management Act, 2003 (the MFMA (Act No. 56 of 2003)) Section 71, and the Municipal Budget and Reporting Regulations (MBRR) Government Gazette 32141 of 17 April 2009, to submit to the mayor of a municipality a report in a prescribed format to review the performance of the budget compared to actual results monthly.

This report sets out the progress on the financial performance of the City of Johannesburg against the budget for the period ended 28 February 2026, in compliance with Section 71 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

3. SUMMARY

The attached in-year report (Annexure A) provides a high-level summary of Consolidated Monthly budget statement period ending 28 February 2026 in the prescribed format. Material variances will be briefly referred to in this report. Reasons for variances are provided for material variances that are below 5% for revenue and above 5% for expenditure.

The actual year-to-date revenue variance is 1%, (R740 million) over recovery in comparison to the year-to-date budget, (February 2025: 4%). The actual operating expenditure variance is at 4% (R2.3 billion) overspending against year-to-date budget (February 2025: 1%). The net result is an operating deficit of R418 million against a year-to-date (YTD) budgeted surplus of R1.1 billion.

The Capital budget for the 2025/26 financial year amounts to R8.7 billion after the approval of the medium-term budget in Council. The total actual expenditure (excluding commitments) to date amounts to R2.6 billion (30%) of the medium-term budget.

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The total opening and closing investment balances including cash for the month of February 2026 were R1.8 billion and R1.4 billion respectively. This shows a decrease of R400 million during the month as indicated below.

Feb-26	OPENING R	CLOSING R
Operational Call Deposits	30,554,655	30,555,645
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	880,784,518	883,608,788
Abas Primary Account Balance	1,068,909	710,141
TOTAL UNENCUMBERED	882,438,482	824,874,574
Contingency Reserve Fund	1,177,078	1,177,078
Unfunded Liability Fund	2,000,000	2,000,000
COVID	279,800,000	279,800,000
Capital Grants	-	-
Capital Replacement Reserve	20,888,588	20,873,405
Non-Sweeping Bank Accounts	503,128,933	670,398,924
TOTAL ENCUMBERED	1,806,832,889	873,679,407
TOTAL INVESTMENTS/CASH BALANCE	1,794,570,933	1,398,889,184

Table 1: Cash Balances as at 28 February 2026; Source – Bank Statements

Feb-26	OPENING R	CLOSING R
Cash and Cash Equivalents	1,087,222,893	1,111,059,781
Interest Rate swaps	293,306,828	248,088,108
Tradable Instruments Portfolio	345,788,568	338,381,845
TOTAL SINKING FUND INVESTMENTS	1,726,318,289	1,697,529,734

Table 1a: Sinking Fund Balance as at 28 February 2026 Including Accrued Interest; Source –Sinking Fund

AFS

- Total unencumbered balances decreased by R167 million during the month, which was primarily driven by the decrease in the STD Bank primary bank account. Total encumbered balances decreased by R233 million during this same period, with the highest decrease being in the non-sweepings' portfolio.
- The Sinking Fund balances closed R 42.3 million lower at R1.7 billion, with an increase of R 14.3 million in the cash and cash equivalents portfolio. The tradable instruments decreased with an amount of R9.4 million. These movements are attributable to market movements. The Interest rate swaps reflect a negative movement of R47.2 million during the month of February.
- Total contributions for the periods 2020/21 and 2023/24 were R1.3 billion. Additional contributions for the collective amount of R480 million was injected into the fund during

the previous financial year (2024/25). An amount of R65 million was injected into the fund during the month of December 2025.

Cash movements analysis:

Inflows for the month of February 2026 amounted to R6.8 billion versus outflows of R7.2 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was a decrease of R400 million as depicted below.

Feb-26	
Description	R
Cash Collections	4,184,893,180
Revenue cash collections paid into Primary and Ordinary bank accounts	46,876,298
Direct Payments into MOE Revenue accounts	8,374,123
Prepaid Collections	211,752,058
Other Income (Interest Received, Vat Refund, Licensing Fees)	488,876,890
Operating Grants and Subsidies	3,700,000
Positive Sweepings and Non-Sweeping Movements	1,877,614,762
Total Cash Inflows	6,822,066,311
Outflows	
Description	R
Operational and Capital Expenditure and Treasury Transactions*	-8,138,633,099
Negative Sweepings and Non-Sweeping Movements	-2,083,764,866
Total Cash Outflows	-7,222,397,965
Net Movement	-400,311,654

Summary Table 1.1 Cash Movements as at 28 February 2026

Cash outflows were more than the inflows resulting in a negative movement on the overall cash balances. The inflows for the month of February include cash collection: R4.2 billion, receipts paid directly into MOE bank accounts: R8.4 million; cash collection paid into the Ordinary and Primary bank accounts: R46.9 million, Prepaid collections of R212 million, other income: R489 million and grants and subsidies R3.7 million.

Financial Year 2025/26 Grant funding:

The table below indicates the level of grant funding received year to date up to 28 February 2026.

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Category	2025/26 Allocation	2025/26 Expenditure	2025/26 Balance
Capital Grants			
Capital Grants	5,137,110,000	5,137,110,000	-
Capital Grants	7,948,181,000	7,948,181,000	-
Total Capital Grants	13,085,291,000	13,085,291,000	-
Conditional Grants			
Urban Settlements Development Grant	2,320,830,000	2,320,830,000	-
Informal Settlements Upgrading Grant	772,888,000	772,888,000	-
Infrastructure R&M Development Grant	2,000,000	2,000,000	-
Public Transport Network Grant	769,305,000	769,305,000	-
Urban Development Planning Grant	115,987,000	115,987,000	-
Energy Efficiency Demand-Side Management Grant	7,000,000	7,000,000	-
Expanded Public Works Programme	4,000,000	4,000,000	-
Operational Management Grant	1,000,000	1,000,000	-
Total Conditional Grants	10,985,000	10,985,000	-
Total Local Government Grants	24,070,291,000	24,070,291,000	-

Source: National Treasury and Bank Statements

The city was due to receive USDG, ISUG and PTNG in the month under review. The city is following up with the National Departments as the non-transfer has not been followed up officially.

Financial Year 2025/26 Conditional Grants Performance

The table below depicts the year-to-date expenditure as at 28 February 2026 against Financial Year 2025/26 allocations.

Conditional Grant	2025/26 Allocation	2025/26 Expenditure	2025/26 Unspent	Expenditure as % of Allocation
USDG	780,160,000	704,363,301	75,796,699	90%
UDFG	119,167,000	67,724,257	51,442,743	57%
ISDG	7,000,000	4,017,240	2,982,760	57%
ISUPG	540,000,000	332,002,085	207,997,915	61%
PTNG	580,588,000	237,474,394	343,113,606	41%
EPWP	4,000,000	2,387,000	1,613,000	60%
EEDSM	7,000,000	1,819,685	5,180,315	26%
FMG	1,000,000	666,696	333,304	67%
Totals	2,038,915,000	1,350,454,658	688,460,342	66%

Profit And Cost Centres Movements Analysis:

According to the City's business model, key cash generators are City Power, Joburg Water, Pikitup and Rates & Taxes. Cash generators or profit centres fund overall City operations

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including Core Departments. Table 3 below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 28 February 2026 for all MOEs.

As depicted in the sweeping statements for the month ended 28 February 2026, City Power, JDA, Joshco, Metrobus, Propcom Portfolio, JHB Roads and MTC remain overdrawn.

Entity	Exp of January Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of February Balance R
City Power	-21,281,551,516	2,311,785,195	-980,530,210	1,321,164,894	-19,650,385,620
Joburg Water	4,117,430,566	515,259,100	-1,832,892,594	-1,112,303,434	2,700,117,181
Piklup	1,883,908,655	480,952,953	-92,897,705	388,086,248	2,262,004,883
Parkia Zoo	852,294,180	11,589,573	-92,105,054	-80,405,411	781,688,749
Fresh Produce	485,571,255	59,822,948	-25,225,459	36,984,499	524,865,777
JDA	-2,325,937,381	10,053	-59,197,693	-59,179,844	-2,085,917,224
Joshco	-1,862,092,191	8,221,139	-43,341,585	-35,120,339	-1,897,212,650
Metro Bus	-162,023,523	6,089,073	-18,454,037	-11,370,964	-173,804,497
Propcom	147,430,769	12,882,703	-116,589,219	-103,675,815	43,754,254
Propcom Portfolio	-152,213,934	5,295,051	-	5,295,051	-146,918,873
Roads	-152,444,494	1,865,095	-110,372,475	-108,487,879	-260,932,374
MTC	-981,386,128	21,605,692	-69,555,324	-41,946,641	-1,029,887,057
JTC	82,144,197	28,522,713	-1,570,710	27,052,063	110,068,200
Care	21,304,444,408	4,844,275,410	5,275,588,751	-331,313,341	20,973,131,066
Total Sweeping and Balances	1,798,970,938			-400,311,604	1,398,659,334

Table 3: Sweeping movements including Intercompany Transactions: Source: Sweeping and Bank Statements

Inflows for the month of February versus outflows resulted in a negative net movement of R400 million.

The table below indicates that revenue generated by these entities were slightly lower than the expenditure cash outflows. This led to the negative movement for the month.

Entity	YTD Net Movement								
	July 2025 R	Aug 2025 R	Sept 2025 R	Oct 2025 R	Nov 2025 R	Dec 2025 R	Jan 2026 R	Feb 2026 R	YTD R
City Power	-1,358,422,482	505,155,423	-3,510,572,743	-1,049,409,179	-55,149,087	2,224,714,050	-1,821,278,526	1,321,164,894	-4,283,975,917
Joburg Water	-125,432,910	-253,313,543	-168,025,553	360,028,635	-1,732,028,428	700,574,372	1,380,439,292	-1,117,303,434	-1,344,461,185
Piklup	-104,490,578	380,181,525	-121,577,009	-119,649,253	189,412,525	321,334,288	-85,856,555	388,086,248	674,751,473
Parkia Zoo	-140,205,714	231,472,218	-136,092,038	21,359,280	-125,390,333	135,790,119	17,034,566	-80,405,411	-51,588,913
Fresh Produce	-37,753,832	174,009,001	169,575,627	46,789,116	223,076,350	-106,058,076	-19,026,109	35,984,489	417,919,307
JDA	-261,388,378	-172,690,953	-82,898,354	-102,430,513	-83,338,455	147,763,537	18,061,372	-59,170,844	-641,190,888
Joshco	-33,575,013	-120,712,054	-50,230,575	-27,893,101	-45,592,551	-12,354,173	121,729,045	-35,120,339	-249,861,111
Metro Bus	-593,844,119	143,653,822	-38,112,164	39,555,559	-25,579,413	47,253,231	33,285,740	-11,370,964	-187,891,158
Propcom	-50,679,943	-42,785,137	24,441,679	-75,622,716	-10,460,334	-40,455,442	28,444,164	-103,675,815	-324,876,352
Propcom Portfolio	4,473,313	-1,285,583	4,842,572	-11,174,100	15,959,443	-14,416,202	3,808,510	5,295,051	6,462,795
Roads	-251,598,239	517,033,218	-50,517,020	171,255,189	-48,382,200	-87,571,314	55,811,251	-108,487,875	237,182,997
MTC	30,254,351	-105,074,122	-10,875,240	-34,240,427	-37,446,160	-125,020,399	18,079,654	-41,946,641	-285,520,476
JTC	-12,743,453	7,147,683	-1,407,235	-7,411,853	-8,656,685	8,923,227	-7,307,290	27,932,053	8,050,678

Table 3.1(a): Sweeping movements analysis

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The above table reflects the ME net movements for July 2025-February 2026.

Funding Activities:

Short-term funding facilities are utilised to assist with liquidity management within the financial year. The following facilities have been utilised to date during the 2025/26 financial year:

EXTERNAL FUNDING FY2025/26		
Banks	Available Facility R	Utilized Facility R
STD Bank(Overdraft)	575,000,000	-
STD Bank(Short-term facility)	3,000,000,000	3,000,000,000
Total	3,575,000,000	3,000,000,000

Table 5: External Facilities; Source – COJ Treasury

January 2026 Billing & February 2026 Collections: YTD Billing & Collections

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Jan 2026	Feb 2026		YTD: Jun'25 to Jan'26	YTD: Jul'25 to Feb'26	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 673 499	1 366 390	81.6%	13 248 723	11 458 462	86.5%
Electricity	2 395 650	2 057 238	85.9%	19 576 275	17 703 296	90.4%
Water	1 706 803	1 297 013	76.0%	14 489 311	10 531 063	72.7%
Refuse	311 405	217 683	69.9%	2 493 791	1 806 758	73.3%
TOTAL	5 087 360	4 938 324	81.1%	49 777 100	41 499 569	83.4%

Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.

The city billed R6.1 billion in January 2026 with R4.9 billion collected in February 2026 resulting in a monthly collection rate of 81.1%. The year-to-date billing as at 31 January 2026 is R49.8 billion with R41.5 billion collected as at 28 February 2026 resulting in a year-to-date collection rate of 83.4%.

Reconciliation between Treasury banking and RSSC collections

Description	Feb 2026	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 451 895	38 565 973
Deposits reflected by Treasury in previous month	143 056	867 524
Refunds, Deposits and Sundry Revenue	-63 382	-383 522

Water: Industrial Effluent and Cross-Boundary Sales	47 381	204 289
Difference in electricity and water prepaid sales	9 452	2 284
E-Joburg	95 021	785 367
Non-Cash Items:		
Staff Accounts	9 663	72 903
Departmental Settlements	234 448	1 386 761
Total Revenue as per Revenue Collection Report	4 938 324	41 499 559

February 2026 deposits of approximately R143,1 million are mainly as a result of the monthly timing differences that occur due to electronic payments received at the end of the month and reflected on the Treasury Bank Statement for that month. These deposits are uploaded to the accounts and will only reflect in the following month on the debtor accounts.

Revenue Performance: Actual vs. Budget

The table reflects the difference between the cash collections as reported by Treasury and RSSC.

Description		Jan 2026	Feb 2026
Budget Billing	R 000	6 147 366	6 135 182
Actual Billing	R 000	6 087 360	6 007 150
Shortfall (-) / Surplus (+) in Billing	R 000	-60 006	-128 032
Budget Collection	R 000		5 404 841
Actual Revenue Collection	R 000		4 938 324
Shortfall (-) / Surplus (+) in Collections	R 000		-466 517
Actual Billing vs. Budgeted Billing	%	99.0%	97.9%
Actual Collection vs. Budgeted Collection	%		91.4%
Budget Collection (Feb) vs Budget Billing (Jan)	%		87.9%
Actual Collections (Feb) vs. Actual Billing (Jan)	%		81.1%

The actual billing of R6.14 billion for January 2026 was R 60 million below the budgeted billing of R6.1 billion. The actual collection of R4.9 billion for February 2026 was R467 million below the budgeted collection of R5.4 billion. Actual collection of 81.1% is 6.8% below the budgeted collection of 87.9%.

4. POLICY IMPLICATION

None.

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The city is progressively working towards full mSCOA compliance through the SAP Business Transformation Process, with its various release strategies. This report includes the schedules

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that represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation module and some manual interventions.

6. FINANCIAL IMPLICATIONS

None

7. COMMUNICATION IMPLICATIONS

None.

8. COMPLIANCE WITH MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

The primary objective of the mSCOA regulation is to achieve uniformity across all governments (municipalities and municipal entities). All municipalities were expected to transact in line with the seven mSCOA segments from 01August2017.

The City does not have an mSCOA system for transacting; however, the City is still required to submit financial information to the National Treasury in terms of the seven mSCOA segments, and the project team is currently developing an interim reporting solution. The month 06 mSCOA data strings was submitted to the National Treasury on the 13th of March 2026.

9. OTHER DEPARTMENTS/BODIES CONSULTED

The Core Departments and the Municipal Owned Entities are required to provide the details as contained in this report under the approval of each Chief Financial Officer monthly.

The table below highlights the compliance of departments and entities with the Section 71 process (Trial balance upload on Reporting platform by 5th working day):

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No	Entity/Department	Operational Expenditure	Capital Expenditure
1	Core (All departments)	Yes	Yes
2	City Power	Yes	Yes
3	Joburg Water	Yes	Yes
4	Pikikup	Yes	Yes
5	Joburg Roads Agency	Yes	Yes
6	Joburg Development Agency	Yes	Yes
7	Metrobus	Yes	Yes
8	Joburg City Parks and Zoo	Yes	Yes
9	Joburg Property Company	Yes	Yes
10	Metro Trading Company	Yes	Yes
11	Joburg City Theatres	Yes	Yes
12	JOSCHO	Yes	Yes
13	Joburg Fresh Produce Market	Yes	Yes
14	Joburg Tourism Company	Yes	Yes

10. KEY PERFORMANCE INDICATOR

In-year budget monitoring in compliance with the MFMA.

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It is recommended that.

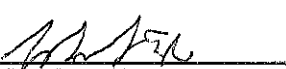
- That the contents of this report with the attached Annexure A be noted.

Author: Phindile Tshezi
Assistant Director: Financial Analysis
011 021 3350


CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING


LUFUNO MASHAU
GROUP HEAD: RSSC


MABANDLA SIBISI
ACTING GROUP HEAD: TREASURY AND FINANCIAL
STRATEGY AND PLANNING


TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER


COUNCILLOR LOYISO MASUKU
MMC GROUP FINANCE


SENIOR LEGAL ADVISOR
GROUP LEGAL AND
CONTRACTS

15/04/2026
DATE

07/05/2026
DATE

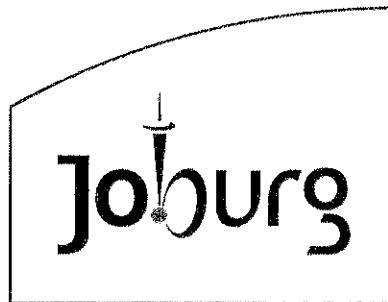
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Annexure A

Annexure A

In-Year Report



Budget year: 2025/26
Reporting Period: Month 08
February 2026

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 22 May 2025, Council approved the 2024/25 Medium-term Revenue and Expenditure Framework (MTREF) for the City of Johannesburg. This gives effect to the financial plan of the City of Johannesburg, which includes its entities.

1.2 Executive Summary

The financial results of the City of Johannesburg for period ended 28 February 2026 are summarised as follows:

Consolidated Monthly budget statement - summary.

The summary of the consolidated monthly budget statement as reflected in table C4 provides the following information:

- Revenue by source.
- Expenditure by type; and
- Transfers recognised.

The table provides information related to the unaudited outcome, original budget, and the performance for the period under review, YTD variance and YTD percentage variance.

The total revenue excludes capital transfers and contributions. The reasons for variances are captured in Table SC1 of this report.

The operating revenue that was realized, excluding capital transfers and contributions, reflects R741 million, which is over recovery against the YTD budget for the period ended February 2026.

The operating expenditure is 4% above budget against year-to-date expenditure budget of R55.2 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R8.7 billion. The actual year to date expenditure (excluding commitments) amounts to R2.6 billion (30%) of the budget.

Less than R500K expenditure indicates zero-spending due to rounding off to the nearest R1 million.

Capital Expenditure per funding source as at 28 February 2025:

Description	Budget	YTD	%
(R million)	24/25	Exp	Spent
CoJ Loans	2,500	782	31%
CRR / Cash	1,220	354	29%
Nat Grant	526	46	9%
Prov Grant	12	-	0%
USDG	1,954	946	48%
USIP	740	189	26%
Other	463	262	57%
Total CoJ	7,415	2,578	35%

Capital Expenditure per funding source as at 28 February 2026:

Description	Budget	YTD	%
(R million)	25/26	Exp	Spent
CoJ Loans	3,500	1,007	29%
CRR / Cash	650	66	10%
Nat Grant	543	24	4%
Prov Grant	11	-	0%
USDG	2,321	704	30%
USIP	773	222	29%
Other	903	550	61%
Total CoJ	8,700	2,574	30%

Most funding sources have spending save for Provincial grants. Current spending is 5% below the expenditure when compared to the previous year.

Consolidated Summary - Capital Expenditure as 28 February 2026:

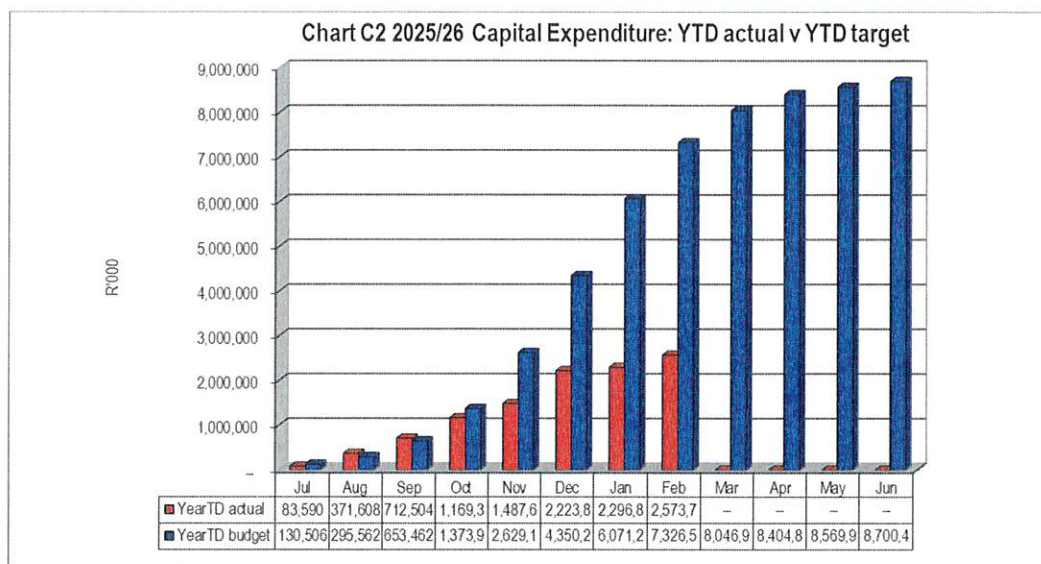
Description	Budget	YTD	%
(R million)	25/26	Exp	Spent
City Power	1,361	456	33%
Johannesburg Water	1,704	435	26%
Pikitup	310	38	12%
Jhb Roads Agency	916	497	54%
Metrobus	157	48	31%
Jhb City Parks and Zoo	31	13	42%
Jhb Development Agency	105	82	78%
Jhb Property Company	40	8	21%
Metro Trading Company	27	14	54%
Joburg Market	67	48	71%
JOSHCO	207	184	89%
Joburg City Theatres	19	9	48%
Joburg Tourism	1	0	17%
Total MEs	4,943	1,832	37%

Description	Budget	YTD	%
(R million)	25/26	Exp	Spent
Economic Development	6	-	0%
EISD	201	16	8%
Transportation	573	24	4%
Community Development	99	17	17%
Health	38	0	1%
Social Development	42	-	0%
Forensic	2	-	0%
Ombudsman	2	-	0%
Office of the City Manager	11	0	4%
Speaker	1	0	28%
Group ICT	420	31	7%
Group Finance	8	6	70%
Group Corporate Services	261	137	53%
Human Settlements	1,974	490	25%
Development Planning	80	1	1%
Public Safety	41	19	46%
Total Core Administration	3,757	741	20%

Less than R500K expenditure indicates a zero due to rounding off to the nearest R1 million.

All MOEs have commenced with spending, while Economic Development, Social Development, Forensic, Speaker and Ombudsman are the only departments that have not commenced with capital spending.

Table SC12(Annexure) provides an illustration of actual capital expenditure compared to the budget target on a monthly and year-to-date basis. The Chart below is an illustration of the Capital expenditure YTD actual vs YTD budget target:



Cash Flow

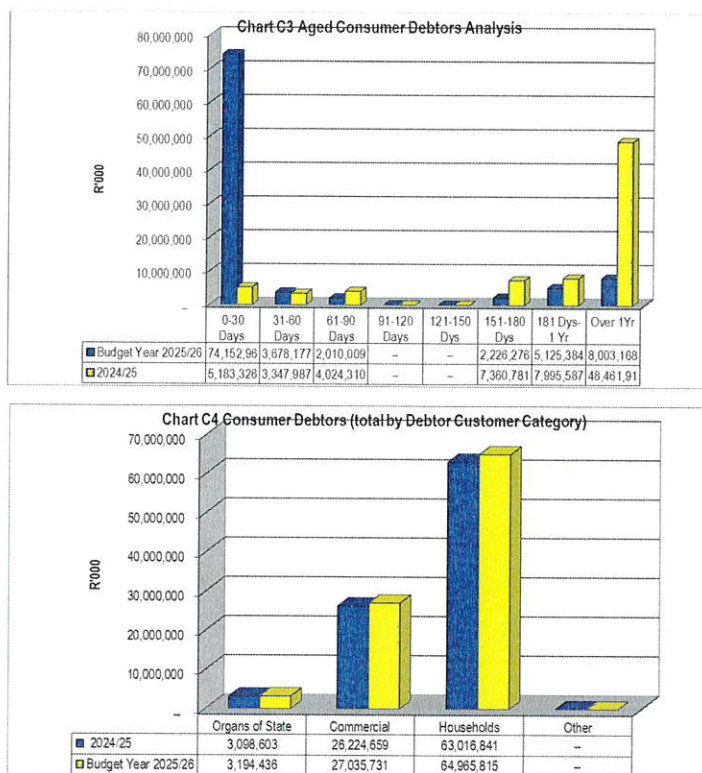
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of February 2026 amount to R1.4 billion.
- The cash flow from operating activities is 3.1 billion, negative.
- The cash flow from investing activities amount to R2.4 billion, negative.
- The cash flow from financing activities amount to R3.1 billion.

Debtor Age Analysis

The debtors' report, as reflected in Tables C1 and SC3, has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended age analysis, as well as age analysis by debtor type. It must be noted that SAP system is currently not configured to provide service charges figures for the periods over 90 days, however the Revenue department has engaged with OCIO on this matter and the results will be seen once the matter has been resolved. This matter is receiving attention in the broader context of the SAP Business transformation process.

Tables C1 and SC3 indicate that the total debtor's amount to R76.4 billion. Chart C3 below illustrates the Consumers debtors age analysis:

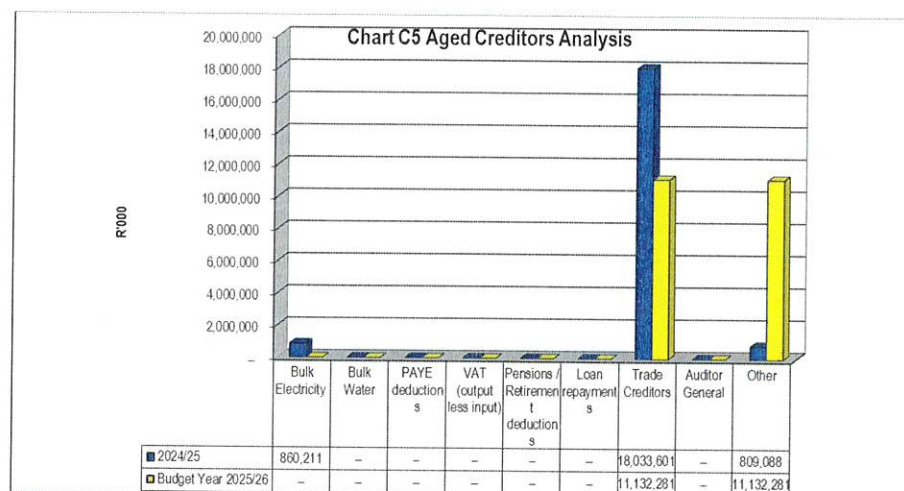


The following interventions / actions were implemented during February 2026 to increase collection levels:

- 6 599 electricity accounts were identified for disconnections, total value R5.4 billion and 1 260 account payments to the value of R53.6 million were collected from the accounts.
- 5 761 water accounts were identified for disconnections, total value R1.5 billion and 3 041 account payments to the value of R70.5 million were collected from the accounts.

Creditors' age analysis

Tables C1 and SC4 provide an extended age analysis by creditor type. The chart compares this month's results with that of the previous financial year, which shows the aged creditors per category.



Parent (Core) municipality's financial performance (Table SC10)

This disclosure is required by the National treasury. Municipalities that have municipal entities should provide the monthly statement of financial performance for the parent municipality only.

1.3 In-year budget statement tables

The financial results for the period ended 28 February 2026 are reflected in Tables C1, C4, C6 and C7, and they are followed by the supporting documents contained in the SC Tables (SC1, SC3, SC4, SC10, SC11 and SC12). The tables listed above represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation (BPC) module and some manual interventions.

Summary of municipal entities (Table SC11)

The City of Joburg has 13 municipal entities, as indicated in Table SC11:

This table summarises the revenue, operating expenditure for these entities. The reasons for the variance are captured in Table SC1.

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Monthly Budget Statement Summary - M08 February

Description	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2025/26					Full Year Forecast
					YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands										
Financial Performance										
Property rates	17,700,133	18,136,267	–	1,535,095	12,538,373	12,090,848	447,525	4%		18,136,267
Service charges	43,075,132	48,912,644	–	3,796,153	31,883,019	32,358,201	(475,181)	-1%		48,912,644
Investment revenue	294,423	199,899	–	4,845	107,865	133,272	(25,387)	-19%		199,899
Transfers and subsidies - Operational	294,423	8,980,278	–	39,078	6,529,883	5,986,848	543,035	9%		8,980,278
Other own revenue	18,345,803	8,591,214	–	713,487	5,975,496	5,725,423	250,074	4%		–
Total Revenue (excluding capital transfers and contributions)	79,709,914	84,820,301	–	6,088,458	57,034,656	56,294,592	740,065	1%		84,820,301
Employee costs	839,208	21,654,002	–	1,859,716	15,600,898	14,432,259	1,168,639	8%		21,654,002
Remuneration of Councilors	21,436,381	202,021	–	15,775	124,761	134,680	(9,919)	-7%		202,021
Depreciation and amortisation	8,784,830	5,643,271	–	389,775	3,258,360	3,759,497	(501,136)	-13%		5,643,271
Interest	4,906,533	2,627,256	–	167,641	1,988,127	1,751,520	236,607	14%		2,627,256
Inventory consumed and bulk purchases	18,560,669	24,817,816	–	1,883,946	19,184,321	18,032,876	1,151,446	6%		24,817,816
Transfers and subsidies	7,035,795	113,739	–	2,678	47,800	75,823	(28,023)	-37%		113,739
Other expenditure	17,828,152	25,611,508	–	2,106,866	17,247,962	17,013,857	234,106	1%		25,611,508
Total Expenditure	79,391,769	80,669,613	–	6,426,396	57,462,230	55,200,511	2,251,719	4%		80,669,613
Surplus/(Deficit)	318,145	4,150,688	–	(337,939)	(417,574)	1,094,081	(1,511,654)	-138%		4,150,688
Transfers and subsidies - capital (monetary allocations)	839,208	4,100,420	–	50,770	1,017,607	2,698,860	(1,681,253)	-62%		4,100,420
Transfers and subsidies - capital (in-kind)	3,454,293	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4,611,647	8,251,108	–	(287,169)	600,033	3,792,941	(3,192,907)	-84%		8,251,108
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	4,611,647	8,251,108	–	(287,169)	600,033	3,792,941	(3,192,907)	-84%		8,251,108
Capital expenditure & funds sources										
Capital expenditure	7,904,276	8,700,420	–	276,836	2,573,348	7,326,511	(4,753,163)	-65%		8,700,420
Capital transfers recognised	3,158,428	4,550,420	–	152,499	1,500,556	3,831,850	(2,331,294)	-61%		4,550,420
Borrowing	2,146,153	3,500,000	–	115,708	1,006,831	2,947,305	(1,940,474)	-66%		3,500,000
Internally generated funds	2,599,695	650,000	–	8,628	65,961	547,357	(481,396)	-88%		650,000
Total sources of capital funds	7,904,276	8,700,420	–	276,835	2,573,348	7,326,511	(4,753,163)	-65%		8,700,420
Financial position										
Total current assets	74,803,081	18,154,044	–	–	81,089,809	–	–	–		18,154,044
Total non current assets	52,741,063	99,147,322	–	–	105,156,626	–	–	–		99,147,322
Total current liabilities	71,339,793	16,864,150	–	–	74,414,369	–	–	–		16,864,150
Total non current liabilities	50,735,075	29,918,973	–	–	54,730,677	–	–	–		29,918,973
Community wealth/Equity	69,855,712	70,518,243	–	–	61,823,805	–	–	–		70,518,243
Cash flows										
Net cash from (used) operating	5,164,478	8,437,172	–	(191,037)	(3,060,021)	10,686,467	(13,726,488)	-129%		8,437,172
Net cash from (used) investing	–	(6,628,739)	–	(178,774)	(2,366,304)	(5,719,871)	3,353,567	-59%		(7,914,333)
Net cash from (used) financing	(3,400,229)	978,795	–	(30,500)	3,108,128	(1,014,136)	4,122,265	-406%		978,795
Cash/cash equivalents at the month/year end	4,925,604	3,665,290	–	1,398,659	1,398,659	4,810,529	(3,411,870)	-71%		4,232,526
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		Total
Debtors Age Analysis										
Total By Income Source	74,152,967	3,678,177	2,010,009	–	–	2,228,276	5,125,384	8,003,168		95,195,982
Creditors Age Analysis										
Total Creditors	9,915,390	524,405	1,622,093	2,943,414	2,816,427	3,138,697	601,593	702,542		22,264,561

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	Budget Year 2025/26							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Electricity		25,584,204	--	1,986,930	16,959,521	16,812,520	147,001	1%	25,584,204
Service charges - Water		11,889,649	--	872,899	7,223,703	7,926,432	(702,729)	-9%	11,889,649
Service charges - Waste Water Management		8,101,381	--	655,642	5,463,064	5,400,920	62,144	1%	8,101,381
Service charges - Waste management		3,337,410	--	280,682	2,236,731	2,218,329	18,402	1%	3,337,410
Sale of Goods and Rendering of Services		983,502	--	74,515	649,175	653,602	(4,427)	-1%	983,502
Agency services		407,228	--	27,191	239,783	271,488	(31,705)	-12%	407,228
Interest		--	--	--	--	--	--	--	--
Interest earned from Receivables		567,356	--	58,960	430,628	378,245	52,383	14%	567,356
Interest from Current and Non Current Assets		199,899	--	4,645	107,885	133,272	(25,387)	-19%	199,899
Dividends		--	--	--	--	--	--	--	--
Rent on Land		--	--	--	--	--	--	--	--
Rental from Fixed Assets		469,692	--	27,314	212,544	313,118	(100,574)	-32%	469,692
Licence and permits		--	--	390	2,646	--	2,646	--	--
Special rating levies		--	--	--	--	--	--	--	--
Operational Revenue		947,578	--	79,359	718,618	631,728	86,890	14%	947,578
Non-Exchange Revenue									
Property rates		18,136,267	--	1,535,095	12,538,373	12,090,848	447,525	4%	18,136,267
Surcharges and Taxes		332,047	--	31,527	272,384	221,368	51,016	23%	332,047
Fines, penalties and forfeits		176,770	--	11,974	227,112	117,848	109,264	93%	176,770
Licence and permits		3,994	--	370	1,879	2,664	(785)	-29%	3,994
Transfers and subsidies - Operational		8,980,278	--	39,078	6,529,883	5,986,848	543,035	9%	8,980,278
Interest		127,429	--	21,510	173,520	84,952	88,568	104%	127,429
Fuel Levy		4,572,290	--	381,024	3,048,194	3,048,194	--	--	4,572,290
Operational Revenue		--	--	--	--	--	--	--	--
Gains on disposal of Assets		3,328	--	(474)	(597)	2,216	(2,813)	-127%	3,328
Other Gains		--	--	(172)	(389)	--	(389)	--	--
Discontinued Operations		--	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and contributions)		84,820,301	--	6,088,458	57,034,656	56,294,592	740,065	1%	84,820,301
Expenditure By Type									
Employee related costs		21,654,002	--	1,859,716	15,600,898	14,432,259	1,168,639	8%	21,654,002
Remuneration of councillors		202,021	--	15,775	124,761	134,680	(9,919)	-7%	202,021
Bulk purchases - electricity		17,582,825	--	1,311,848	14,065,492	13,210,938	854,553	6%	17,582,825
Inventory consumed		7,234,991	--	572,097	5,118,829	4,821,937	296,892	6%	7,234,991
Debt impairment		8,076,200	--	1,031,437	7,279,168	5,373,997	1,905,171	35%	8,076,200
Depreciation and amortisation		5,643,271	--	389,775	3,258,360	3,759,497	(501,136)	-13%	5,643,271
Interest		2,627,256	--	167,641	1,988,127	1,751,520	236,607	14%	2,627,256
Contracted services		7,323,519	--	300,738	3,232,840	4,836,326	(1,603,486)	-33%	7,323,519
Transfers and subsidies		113,739	--	2,678	47,800	75,823	(28,023)	-37%	113,739
Irrecoverable debts written off		--	--	223	6,276	--	6,276	--	--
Operational costs		6,829,056	--	532,191	4,584,414	4,548,365	36,049	1%	6,829,056
Losses on Disposal of Assets		4,140	--	1,501	13,596	2,768	10,828	391%	4,140
Other Losses		3,378,592	--	240,777	2,131,667	2,252,400	(120,733)	-5%	3,378,592
Total Expenditure		80,669,613	--	6,426,396	57,452,230	55,200,511	2,251,719	4%	80,669,613
Surplus/(Deficit)		4,150,688	--	(337,939)	(417,574)	1,094,081	(1,511,654)	-138%	4,150,688
Transfers and subsidies - capital (monetary allocations)		4,100,420	--	50,770	1,017,607	2,698,860	(1,681,253)	-62%	4,100,420
Transfers and subsidies - capital (in-kind)		--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		8,251,108	--	(287,169)	600,033	3,792,941	(3,192,907)	-84%	8,251,108
Income Tax		44,883	--	--	--	29,920	(29,920)	-100%	44,883
Surplus/(Deficit) after income tax		8,206,225	--	(287,169)	600,033	3,763,021	(3,162,987)	-84%	8,206,225
Share of Surplus/Deficit attributable to Joint Venture		--	--	--	--	--	--	--	--
Share of Surplus/Deficit attributable to Minorities		--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		8,206,225	--	(287,169)	600,033	3,763,021	(3,162,987)	-84%	8,206,225
Share of Surplus/Deficit attributable to Associate		--	--	--	--	--	--	--	--
Intercompany/Parent subsidiary transactions		--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year		8,206,225	--	(287,169)	600,033	3,763,021	(3,162,987)	-84%	8,206,225

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	Budget Year 2025/26			
		Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1				
ASSETS					
Current assets					
Cash and cash equivalents		4,228,182	–	1,398,659	4,228,182
Trade and other receivables from exchange transactions		10,024,581	–	22,220,054	10,024,581
Receivables from non-exchange transactions		1,141,152	–	17,299,456	1,141,152
Current portion of non-current receivables		–	–	2,952,763	–
Inventory		574,591	–	669,543	574,591
VAT		774,651	–	36,830,295	774,651
Other current assets		1,410,887	–	(281,162)	1,410,887
Total current assets		18,154,044	–	81,089,609	18,154,044
Non current assets					
Investments		603,873	–	–	603,873
Investment property		1,029,999	–	4,114	1,029,999
Property, plant and equipment		90,020,983	–	94,579,279	90,020,983
Biological assets		–	–	(38)	–
Living and non-living resources		31,037	–	–	31,037
Heritage assets		619,545	–	518,035	619,545
Intangible assets		2,129,497	–	(5,450,947)	2,129,497
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		–	–	815	–
Other non-current assets		4,712,388	–	15,505,369	4,712,388
Total non current assets		99,147,322	–	105,156,626	99,147,322
TOTAL ASSETS		117,301,366	–	186,246,235	117,301,366
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		2,237,853	–	1,260,155	2,237,853
Consumer deposits		21,186	–	2,123,245	21,186
Trade and other payables from exchange transactions		12,994,188	–	24,709,626	12,994,188
Trade and other payables from non-exchange transactions		–	–	(933,471)	–
Provision		725,374	–	1,060,184	725,374
VAT		552,006	–	35,543,221	552,006
Other current liabilities		333,543	–	10,651,408	333,543
Total current liabilities		16,864,150	–	74,414,369	16,864,150
Non current liabilities					
Financial liabilities		21,376,116	–	50,581,703	21,376,116
Provision		1,861,431	–	1,158,487	1,861,431
Long term portion of trade payables		486,971	–	2,345,980	486,971
Other non-current liabilities		6,194,455	–	644,506	6,194,455
Total non current liabilities		29,918,973	–	54,730,677	29,918,973
TOTAL LIABILITIES		46,783,123	–	129,145,046	46,783,123
NET ASSETS	2	70,518,243	–	57,101,189	70,518,243
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		70,518,243	–	61,324,743	70,518,243
Reserves and funds		–	–	204,610	–
Other		–	–	294,452	–
TOTAL COMMUNITY WEALTH/EQUITY	2	70,518,243	–	61,823,805	70,518,243

References

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2025/26							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		15,378,664		1,147,055	10,333,883	10,252,443	81,440	1%	15,378,664
Service charges		35,596,433		3,304,840	28,232,089	23,584,078	4,648,011	20%	35,596,433
Other revenue		7,585,819		587,041	8,769,262	5,055,913	3,713,348	73%	7,585,819
Transfers and Subsidies - Operational		8,593,891		–	8,173,693	5,729,272	2,444,421	43%	8,593,891
Transfers and Subsidies - Capital		3,694,726		3,700	2,038,915	2,463,151	(424,236)	-17%	3,694,726
Interest		527,481		14,790	164,628	351,658	(187,030)	-53%	527,481
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(60,292,618)		(5,210,333)	(58,951,990)	(35,008,526)	23,943,464	-68%	(60,292,618)
Finance charges		(2,511,836)		(35,333)	(1,767,789)	(1,674,567)	93,222	-6%	(2,511,836)
Transfers and Subsidies		(135,387)		(2,798)	(52,712)	(86,955)	(34,243)	39%	(135,387)
NET CASH FROM/(USED) OPERATING ACTIVITIES		8,437,172	–	(191,037)	(3,060,021)	10,666,467	13,726,488	129%	8,437,172
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		(123)		–	–	(82)	82	-100%	(123)
Decrease (increase) in non-current receivables		–	–	–	–	–	–		–
Decrease (increase) in non-current investments		786,210		–	–	524,140	(524,140)	-100%	786,210
Payments									
Capital assets		(7,414,826)		(178,774)	(2,366,304)	(6,243,929)	(3,877,625)	62%	(8,700,420)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(6,628,739)	–	(178,774)	(2,366,304)	(5,719,871)	(3,353,567)	59%	(7,914,333)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–		–	5,500,000	–	5,500,000		–
Borrowing long term/refinancing		2,500,000		–	–	–	–		2,500,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–		–
Payments									
Repayment of borrowing		(1,521,205)		(30,500)	(2,391,872)	(1,014,136)	0	-0%	(1,521,205)
NET CASH FROM/(USED) FINANCING ACTIVITIES		978,795	–	(30,500)	3,108,128	(1,014,136)	(4,122,265)	406%	978,795
NET INCREASE/ (DECREASE) IN CASH HELD									
		2,787,229		(400,312)	(400,312)	3,932,460			1,501,634
Cash/cash equivalents at beginning:		878,069		1,798,971	1,798,971	878,069			2,730,891
Cash/cash equivalents at month/year end:		3,665,298		1,398,659	1,398,659	4,810,529			4,232,526

COJ: GOVERNANCE TECHNICAL CLUSTER
COJ: GOVERNANCE SUB-MAYORAL
COJ: EMT
COJ: MAYORAL COMMITTEE
GROUP ACCOUNTING

2026-04-
2026-04-
2026-04-
2026-04-

ADDITIONAL SUPPORTING SCHEDULES:

Table SC1: Variance reasons

CONSOLIDATED VARIANCE REPORT FOR M08 FEBRUARY 2026			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue			
Exchange Revenue			
Service charges - Water	(702,729)	The under recovery is mainly a consequence of reduced consumption levels, likely influenced by water throttling, economic strain on consumers, intentional conservation practices, and significant Non-Revenue Water losses. Furthermore, restricted water availability has curtailed customer base expansion, thereby limiting development opportunities.	There is a direct correlation between throttling of water and revenue. The entity is in a process of reviewing its throttling process so it will not have an impact on revenue.
Agency services	(31,705)	Public Safety (Head Office): The under recovery is attributable to fees generated from the Gauteng Department of Roads and Transport (GPDRT) licensing business, which are frequently affected by delays and variability in fines billed to motor vehicle drivers through the South African Post Office	An approval was granted by the SA Post Office for an increased over-draft to ensure that as many traffic offences fines could be sent to the motorists.
Interest	-		
Interest earned from Receivables	52,383	Joburg Water: The over recovery is due to an increased outstanding debt as a result of the historical collection levels which have consistently been below the budget. Human	Joburg Water: Joburg Water and RSSC have been working together to reduce the outstanding balance. Numerous meetings

			Settlement: The over recovery is attributable to accumulated interest charges levied on outstanding debtor balances.	have also been held with the departments in order to speed up the collection process. There is slow progress of pre-termination notices and disconnections on government accounts and that results to low collection levels.
Interest from Current and Non-Current Assets	(25,387)		Group Finance: The under recovery is primarily attributable to lower interest earned on investments, resulting from the absence of additional investments made during January. Consequently, interest income was generated only from the existing call investment account, which yielded returns below the budgeted projections that assumed higher investment balances.	Management will keep an eye on cash levels, prior to acquiring new investments for the liquidity position.
Rental from Fixed Assets	(100,574)		JOSHCO: The under recovery is attributable to a decrease in rental income, primarily due to lower tenant allocations across various JOSHCO housing projects, as well as reduced occupancy levels within student accommodation facilities. Human Settlements: The under-recovery is due to the Department's inability to collect the required percentage of rental revenue from tenants, including occupants of hostels. Collection levels have remained below the budgeted allocation, resulting in lower revenue realised.	JOSHCO: The Housing Management will enhance revenue collection systems to ensure that new projects are tenanted timeously. Human Settlement: The Department is working on transferring units to qualifying beneficiaries in order to realise potential revenue growth.

Operational Revenue	86,890	Group Finance: The over recovery is attributable to improved revenue collection following the implementation of automated notice systems. The introduction of automated notices via e-Joburg and Interfile has led to an increase in income through the successful raising and recovery of pre-termination charges against debtors, thereby enhancing overall revenue performance.	
Non-Exchange Revenue			
Surcharges and Taxes	51,016	Group Finance: The over-recovery is attributable to a combination of improved billing accuracy and increased revenue collection, supported by enhanced credit management measures implemented during the reporting period. These interventions strengthened debtor recovery processes and resulted in revenue performance exceeding the budgeted expectations.	
Fines, penalties and forfeits	109,264	JMPD: The over-recovery results from revenue performance exceeding the budgeted targets for the period.	
License and permits	(785)	Health & EISD: The under recovery is due to a decrease in applications received for business licenses and permits.	EISD: License applications cannot be pre-determined or estimated, as such, only the adjustment budget will be used to re-align this revenue item
Transfers and subsidies - Operational	543,035	Group Finance: The over-recovery is due to equitable share grant income resulted from the receipt of a tranche payment from National Treasury paid in advance.	

Interest	88,568	Group Finance: The over-recovery is primarily driven by penalties imposed on overdue debtor accounts, which exceeded the monthly budget by R11.3 million (110%), with a year-to-date over-performance of R91.5 million. These penalties relate to interest charges levied on overdue accounts, in line with the municipality's credit control and debt management policies. During the period, customer journal adjustments processed by the Property Branch reduced penalties imposed by R866 483 for the month and R8.5 million year to date. Despite these adjustments, penalty revenue remains significantly above budget. This revenue line is jointly impacted by billing and ledger entries processed by the Revenue Shared Services Centre (RSSC), billing and journal adjustments effected by the Property Branch, which collectively influenced the level of penalties recognised during the reporting period. Group Finance: The penalties imposed is due to non-collection of overdue debt by customers which attract interest. RSSC as custodian of credit control processes should tighten efforts to collect long outstanding debts.
Gains on disposal of Assets	(2,813)	Adjustment budget submission has been made to align actual with the budget.
Expenditure By Type		
Employee related costs	1,168,639	Moratorium measures are in place to reduce the over spending by reduction of overtime hours worked and on filling of vacancies.
Remuneration of councillors'	(9,919)	Office of the Speaker: The backdated salary was for 2026 increase has been implemented in February 2026 and

Bulk purchases - electricity	854,553	The over expenditure is mainly attributable to Eskom bulk electricity purchases exceeding the approved budget by R1.7 billion (16.42%). This variance is driven by higher energy consumption, which resulted in bulk purchase costs being significantly above the budgeted provision.	expenditure is expected to improve in the upcoming months. The following mitigating actions will be implemented: • Review and negotiate power purchase agreements (PPAs) for more favourable terms • increased use of cost-reflective tariffs to recover the true cost of supply • Explore alternative energy sourcing (e.g., embedded generation, IPPs) to diversify supply
Inventory consumed	296,892	MTC: The over expenditure is attributable to the organisation undertaking additional projects and contracts across the municipal group during the reporting period. These include initiatives with the Transport Department and allied entities, encompassing the supply of ICT equipment, installation of hardware solutions, advanced technology solutions for City Power, and the provision of comprehensive ICT services to Metrobus. The favourable variance is further driven by the organisation being awarded more contracts than initially budgeted, including IIOC projects for Public Safety and GICT facilities management contracts. In addition, new projects secured during the period—such as revenue enhancement services and facilities management performed on behalf of	The budget will be evaluated during the budget adjustment process and as revenue affects direct expenditure.

			GICT contributed to higher-than-anticipated revenue recognition. Collectively, these factors resulted in Operational Revenue Exchange Transactions exceeding the approved budget, giving rise to the reported over-recovery.	
Debt impairment	1,905,171	City Power: The over expenditure is due to decreased collection levels. The year-to-date collection level is 89,68% which was used to determine the debt impairment reported based on the actual billing against the target level of 97,50%. Group Finance: The over expenditure results from the timing and application of the Bad Debt Impairment provision, calculated in arrears and aligned to GRAP 108 requirements. The provision is a non-cash item based on recoverability assessments of statutory receivables.	City Power: Continued implementation of the revenue mitigating actions. Credit control measures must be strictly enforced to ensure that every customer for both prepaid and conventional system honour their bills. Group Finance: Revenue Shared Service Centre (RSSC) is the custodian of the Credit Control management process and efforts should be made to collect all amounts billed including long outstanding debt.	

Depreciation and amortisation	(501,136)	Community Development: The under expenditure is due to delays in the capitalization of assets due to unresolved projects currently under investigation. Transport: The under expenditure is due to assets that have reached the end of their useful lives and the departmental is in the process of reviewing the fixed asset register. The department is currently in the process of reviewing the fixed asset register. MTC: The under expenditure is due to the line item being decreased as a result of the organization reevaluating the usable life of its assets and being overstated.	Community Development: The accurate figures can only be made available after the verification process is completed. Transport: The non-cash general ledger account will be adjusted during budget adjustment. MTC: The variance is due to the line item being decreased as a result of the organization reevaluating the usable life of its assets and being overstated.
Interest	236,607	JOSCHO: The over expenditure is due to interest charged by the Shareholder on the negative sweeping bank account. City Power: The over expenditure due to result of the following: • Finance costs - due to the increase on late-payments interest relating to Eskom purchases; • Interest paid bank - due to the high bank overdraft. The bank overdraft is an internal loan from the City and represents the current account balance between both parties; and engagements continue with the City regarding the interest on the bank overdraft being frozen and the shareholders loan being converted to equity.	JOSCHO: Regular engagements have resumed with CoJ departments to follow up on outstanding invoices. The Finance department is working with the office of the COO to ensure timeous submission of invoices to departments we are executing projects on their behalf. City Power: The bank overdraft is an internal loan from the City and represents the current account balance between both parties. Engagements continue with the city regarding the interest on the bank overdraft being frozen and the shareholders loan being converted to equity.

Contracted services	(1,603,486)	City Power: The under expenditure is attributable to the following key factors: Lower Cut-off fees: Due to delays in the receipt and processing of relevant information from the City of Johannesburg (CoJ), which has deferred the recognition and payment of related costs. Reduced commission paid to third party: Due to introduction of a fixed charge on sales. This charge is deducted upfront from sales proceeds whilst commission is calculated only on the remaining balance. Consequently, no commission is currently payable on the fixed charge component. Management has noted that the Revenue team is engaging with Contracts Management to rectify this matter by ensuring that future contractual agreements provide for commission on the fixed charge. Lower repairs and maintenance expenditure: Due to delays in the processing of invoices for infrastructure and facilities maintenance, as well as postponements in the execution of certain system-related maintenance programmes. In addition, non-payment of contractors in the prior financial year has resulted in some service providers being reluctant to undertake City Power work, contributing to reduced expenditure during the period. Group Finance: The under expenditure is primarily attributable to legal fees relating to ATTCOL, where invoices are processed on an accrual basis and are subject to stringent verification and approval processes prior to payment. This has	Group Finance: The expenditure is expected to improve in the coming months. City Power: Budget to be reviewed during the adjustment budget process.
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		resulted in delays between invoice recognition and settlement, impacting expenditure recognition for the period. In addition, the COMDEV Panel of Contractors was approved by Group Finance for maintenance services, with the Service Level Agreement (SLA) formally signed. Although work commenced from the beginning of the third quarter, expenditure recognition remains phased in line with verified invoices. A further contributing factor is the Service Level Agreement concluded with MTC for Revenue Enhancement, Credit Control, and Advisory Services, where invoices are also subject to detailed validation before payment is processed. Lastly, the pre-termination tender process is currently at the Bid Evaluation stage and had not yet progressed to appointment during the reporting period. The tender process is expected to be finalised by the end of the third quarter, after the related expenditure has materialised	
Transfers and subsidies	(28,023)	Group Finance: The under expenditure is related to the fact that subsidies are paid in instalments, either monthly or quarterly, and payments are based on invoices received from MOEs.	Group Finance: The expenditure is expected to be aligned in the upcoming months.

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description		Budget Year 2025/26										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
	NT Code													
	1200	836,318	469,940	592,823	1,465,480			2,464,711	20,611,466	26,440,728		24,541,647		
	1300	1,456,007	526,716	682,488	1,037,420			1,274,491	7,398,571	12,375,693		9,710,482		
	1400	935,092	632,627	565,153	1,530,297			2,424,939	11,295,206	17,383,315		15,250,443		
	1500	522,098	314,426	324,892	847,148			1,302,588	8,837,168	12,148,319		10,986,904		
	1600	215,669	144,533	142,786	386,512			678,911	5,591,985	7,160,395		6,857,408		
	1700	245	35,733	35,388	34,998			34,663	34,350	175,377		104,011		
	1810									—		—		
	1820									—		—		
	1900	(322,740)	(113,619)	(116,864)	(176,136)			(176,822)	(449,546)	(1,355,726)		(802,503)		
	2000	3,642,688	2,010,355	2,226,665	5,125,720	—	—	8,003,481	53,319,191	74,328,100		66,448,391	—	—
		5,183,326	3,347,987	4,024,310	7,360,781			7,995,587	48,461,913	76,373,905		63,818,281		
2024/25 - totals only														
Debtors Age Analysis By Customer Group														
	2200	99,307	42,929	57,778	158,537			221,172	2,034,989	2,614,713		2,414,699		
	2300	1,497,605	688,838	762,209	1,460,882			2,028,040	14,160,582	20,598,156		17,649,504		
	2400	2,045,776	1,278,588	1,406,679	3,506,300			5,754,268	37,123,620	51,115,231		46,384,188		
	2500									—				
	2600	3,642,688	2,010,355	2,226,665	5,125,720	—	—	8,003,481	53,319,191	74,328,100		66,448,391	—	—

COJ: GOVERNANCE TECHNICAL CLUSTER
COJ: GOVERNANCE SUB-MAYORAL
COJ: EMT
COJ: MAYORAL COMMITTEE
GROUP ACCOUNTING

2026-04-
2026-04-
2026-04-
2026-04-

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100										860,211
Bulk Water	0200										-
PAYE deductions	0300										-
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700	4,957,695	262,202	811,047	1,471,707	1,408,214	1,569,349	300,796	351,271	11,132,281	18,033,601
Auditor General	0800										-
Other	0900	4,957,695	262,202	811,047	1,471,707	1,408,214	1,569,349	300,796	351,271	11,132,281	809,088
Total By Customer Type	1000	9,915,390	524,405	1,622,093	2,943,414	2,816,427	3,138,697	601,593	702,542	22,264,561	19,702,899

Table SC 10 : Parent (Core) municipality's Financial performance

JHB City Of Johannesburg - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M08 February

Description	Ref	Budget Year 2025/26							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Revenue									
Exchange Revenue									
Service charges - Electricity		-	-	-	-	-	-		-
Service charges - Water		-	-	-	-	-	-		-
Service charges - Waste Water Management		-	-	-	-	-	-		-
Service charges - Waste management		-	-	-	-	-	-		-
Sale of Goods and Rendering of Services		-	-	1	11	-	11	#DIV/0!	-
Agency services		-	-	-	-	-	-		-
Interest		407,228	-	26,721	226,263	271,488	(45,225)	-17%	407,228
Interest earned from Receivables		-	-	-	-	-	-		-
Interest earned from Current and Non Current Assets		1,905,990	-	94,319	1,584,746	1,270,656			1,905,990
Dividends		161,603	-	701	65,818	107,736	(41,918)	-39%	161,603
Rent on Land		-	-	-	-	-	-		-
Rental from Fixed Assets		-	-	-	-	-	-		-
Licence and permits		170,488	-	5,383	43,693	113,656	(69,963)	-62%	170,488
Special rating levies		-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-		-
Non-Exchange Revenue		209,041	-	18,978	212,097	139,368	72,729	52%	209,041
Property rates		-	-	-	-	-	-		-
Surcharges and Taxes		(176,674)	-	(11,947)	(226,665)	(117,784)			(176,674)
Fines, penalties and forfeits		(3,994)	-	(370)	(1,879)	(2,664)	785	-29%	(3,994)
Licences or permits		(8,979,745)	-	(39,078)	(6,527,868)	(5,986,496)			(8,979,745)
Transfer and subsidies - Operational		(127,429)	-	(21,510)	(173,520)	(84,952)			(127,429)
Interest		(4,572,290)	-	(381,024)	(3,048,194)	(3,048,194)			(4,572,290)
Fuel Levy		-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-		-
Gains on disposal of Assets		-	-	-	-	-	-		-
Other Gains		-	-	-	-	-	-		-
Discontinued Operations		-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		(11,214,823)	-	(326,803)	(8,057,594)	(7,476,554)	(581,040)	8%	(11,214,823)
Expenditure By Type									
Employee related costs		(176,674)	-	(11,947)	(226,665)	(117,784)	(108,881)	92%	(176,674)
Remuneration of councillors		(3,994)	-	(370)	(1,879)	(2,664)	785	-29%	(3,994)
Bulk purchases - electricity		(8,979,745)	-	(39,078)	(6,527,868)	(5,986,496)	(541,372)	9%	(8,979,745)
Inventory consumed		(127,429)	-	(21,510)	(173,520)	(84,952)	(88,568)	104%	(127,429)
Debt impairment		(4,572,290)	-	(381,024)	(3,048,194)	(3,048,194)	-		(4,572,290)
Depreciation and amortisation		-	-	-	-	-	-		-
Interest		-	-	-	-	-	-		-
Contracted services		-	-	-	-	-	-		-
Transfers and subsidies		-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-		-
Operational costs		-	-	-	-	-	-		-
Losses on disposal of Assets		-	-	-	-	-	-		-
Other Losses		(68,335)	-	(4,210)	649	(45,567)			(68,335)
Total Expenditure		(13,928,467)	-	(458,139)	(9,977,478)	(9,285,657)	(691,821)	7%	(13,928,467)
Surplus/(Deficit)		2,713,644	-	131,336	1,919,884	1,809,103	110,781	6%	2,713,644
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-		(68,335)
Transfers and subsidies - capital (in-kind)		(68,335)	-	(4,210)	649	(45,567)	46,216	-101%	(1,520,066)
Surplus/(Deficit) after capital transfers & contributions		2,645,309	-	127,126	1,920,532	1,763,536	156,996	9%	1,125,243
Income Tax		5,674,538	-	283,405	3,072,604	3,782,849	(710,245)	-19%	5,674,538
Surplus/(Deficit) after income tax		(3,029,229)	-	(156,279)	(1,152,071)	(2,019,313)	867,241	-43%	(4,549,295)

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M08 February

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
Pikitup			3,460,685	–	285,563	2,274,702	2,298,449	(23,747)	-1%	3,460,685
City Power			26,366,421	–	2,024,269	17,467,805	17,328,157	139,648	1%	26,366,421
Johannesburg Water			21,262,729	–	1,567,076	13,097,420	14,146,244	(1,048,824)	-7%	21,262,729
Johannesburg Social Housing Company			273,513	–	17,644	143,394	182,344	(38,950)	-21%	273,513
Johannesburg Property Company			47,304	–	6,339	20,414	31,536	(11,122)	-35%	47,304
Metropolitan Trading Company			33,791	–	20,890	273,260	22,528	250,732	1113%	33,791
Metrobus			112,117	–	5,002	43,924	74,752	(30,828)	-41%	112,117
Johannesburg City Parks and Zoo			92,143	–	4,540	79,631	61,424	18,207	30%	92,143
JDA			80,953	–	820	41,072	53,968	(12,896)	-24%	80,953
Johannesburg Roads Agency			180,931	–	17,846	49,474	120,616	(71,142)	-59%	180,931
Joburg City Theatres			43,352	–	5,942	65,646	28,904	36,742	127%	43,352
Joburg Market			748,428	–	55,642	449,294	498,952	(49,658)	-10%	748,428
Joburg Tourism Company			–	–	–	–	–	–	–	–
Total Operating Revenue	1	–	52,702,368	–	4,011,573	34,006,036	34,847,873	(841,837)	-2%	52,702,368
Expenditure By Municipal Entity										
Pikitup			4,462,115	–	390,550	3,118,825	2,956,670	162,155	5%	4,462,115
City Power			23,490,028	–	1,876,029	18,772,611	17,138,873	1,633,738	10%	23,490,028
Johannesburg Water			19,180,125	–	1,546,250	12,865,993	12,786,751	79,241	1%	19,180,125
Johannesburg Social Housing Company			413,343	–	61,517	544,046	275,568	268,478	97%	413,343
Johannesburg Property Company			1,101,897	–	81,386	687,797	734,600	(46,803)	-6%	1,101,897
Metropolitan Trading Company			360,189	–	69,045	570,570	240,128	330,442	138%	360,189
Metrobus			719,878	–	61,780	490,042	479,920	10,122	2%	719,878
Johannesburg City Parks and Zoo			1,385,713	–	112,256	897,509	882,337	15,172	2%	1,385,713
JDA			137,461	–	9,207	84,015	91,640	(7,625)	-8%	137,461
Johannesburg Roads Agency			1,632,788	–	86,994	1,028,768	1,088,520	(59,752)	-5%	1,632,788
Joburg City Theatres			332,157	–	22,046	194,200	221,440	(27,240)	-12%	332,157
Joburg Market			650,175	–	41,931	362,897	433,456	(70,559)	-16%	650,175
Joburg Tourism Company			101,996	–	5,783	49,601	68,000	(18,399)	-27%	101,996
Total Operating Expenditure	2	–	53,967,866	–	4,364,775	39,666,874	37,397,903	2,268,971	6%	53,967,866

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	Budget Year 2025/26							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
<u>Monthly expenditure performance trend</u>								
July	130,506		83,590	83,590	130,506	46,916	35.9%	1%
August	165,056		288,018	371,608	295,562	(76,046)	-25.7%	4%
September	357,900		340,896	712,504	653,462	(59,042)	-9.0%	8%
October	720,447		456,820	1,169,324	1,373,909	204,585	14.9%	13%
November	1,255,218		318,310	1,487,634	2,629,128	1,141,494	43.4%	17%
December	1,721,082		736,168	2,223,802	4,350,210	2,126,408	48.9%	26%
January	1,721,082		73,094	2,296,896	6,071,292	3,774,396	62.2%	26%
February	1,255,218		276,836	2,573,732	7,326,511	4,752,779	64.9%	30%
March	720,447				8,046,958	-		
April	357,900				8,404,858	-		
May	165,056				8,569,914	-		
June	130,506				8,700,420	-		
Total Capital expenditure	8,700,420	-	2,573,732					