CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 31 JANUARY 2025

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2025

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 31 January 2025, 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 31 January 2025 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 6%, R2.5 billion over performance [Jan 2024: 2%]. The actual operating expenditure is under budget less than 1%, R442 million [Jan 2024: 2%]. The net result is an operating deficit of R951 million against a year-to-date (YTD) budgeted deficit of R1.1 billion.

The Capital budget for the 2024/25 financial year amounts to R7.4 billion after the approval of the medium-term budget in Council. The total actual expenditure (excluding commitments) to date amounts to R2.2 billion (29%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of January 2025 were R1.8 billion and R1.7 billion respectively. This shows a decrease of R111 million during the month as indicated below

Jan-25	OPENING R	CLOSING R
Operational Call Deposits	48,034,307.62	48,227,236.61
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	639,675,725.45	365,134,778.95
Absa Primary Account Balance	17,358,277.48	8,358,057.05
TOTAL UNENCUMBERED	**705,068,310.55**	**421,720,072.61**
Contingency Reserve Fund	1,177,076.28	1,177,076.28
Unfunded Liability Fund	2,030,000.00	2,030,000.00
COID	279,500,000.00	279,500,000.00
Capital Grants	-	-
Capital Replacement Reserve	34,603,699.53	35,063,454.89
Non-Sweeping Bank Accounts	824,099,543.65	995,591,622.20
TOTAL ENCUMBERED	**1,141,410,319.46**	**1,313,362,153.37**
TOTAL INVESTMENTS	**1,846,478,630.02**	**1,735,082,225.98**

Table 1: Cash Balances as at 31 January 2025; Source – Bank Statements

Jan-25	OPENING R	CLOSING R
Cash and Cash Equivalents	532,442,758.00	532,442,758.00
Interest Rate swaps	-24,592,608.00	-18,505,316.00
Tradable Instruments Portfolio	377,288,795.00	379,801,687.00
TOTAL SINKING FUND INVESTMENTS	**885,138,945.00**	**893,739,129.00**

Table 1a: Sinking Fund Balance as at 31 January 2025 including Accrued Interest: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R283 million during the month, which was primarily driven by the decrease in the primary bank account. Total encumbered balances increased by R172 million during this same period, with the highest increase being in the non-sweeping portfolio. The combined movement resulted in the overall total balance decrease of R111 million.

- The Sinking Fund balances closed R8.6 million higher at R894 million, with an increase of R2.5 million in the tradable instruments' portfolios. These movements are in respect of market movements. The interest rate swaps reflect a positive movement of R6 million during the month of January.

- Total contributions in 2020/21 and 2021/22 were R250 million and R312 million respectively. A contribution of R500 million and R260 million was injected into the Fund during July 2023 and April 2024 respectively. Additional contributions for the collective amount of R160 million was injected into the fund during September 2024 and October 2024.

Cash movements analysis:

Inflows for the month of January 2025 amounted to R5.1 billion versus outflows of R5.3 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 R111 million as depicted below.

Jan-25	
Description	**R**
Cash Collections	3,884,841,676.95
Revenue cash collections paid into Primary and Ordinary bank accounts	108,518,986.18
Direct Payments into MOE Revenue accounts	10,979,814.85
Prepaid Collections	201,814,692.19
Other Income (Interest Received, Vat Refund, Licensing Fees)	508,501,337.30
Operating Grants and Subsidies	4,800,000.00
Positive Sweepings and Non-Sweeping Movements	420,618,864.75
Total Cash Inflows	5,140,075,372.22
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-4,049,445,503.09
Negative Sweepings and Non-Sweeping Movements	-1,202,026,273.17
Total Cash Outflows	-5,251,471,776.26
Net Movement	-111,396,404.04

Summary Table 1.1 Cash Movements as at 31 January 2025

Cash outflows were more than the inflows resulting in a negative movement on the overall cash balances. The inflows for the month of November include cash collection: R5.1 billion, receipts paid directly into MOE bank accounts: R11 million; service charges related receipts paid into the Ordinary and Primary bank accounts: R109 million, Prepaid collections of R202 million, other income: R508 million and operating grants and subsidies amounting to R4.8 million.

Financial Year 2024/25 Grant funding:

The table below indicates the level of grant funding received year to date up to 31 January 2025.

Grant Name	YTD Forecast per National Treasury Schedule R	YTD Actual per Adjusted National Treasury Schedule R	Variance R
Operational			
Equitable Share Grant	5,678,701,000	5,406,342,000	-272,359,000
Fuel Levy Grant	2,751,738,000	2,751,738,000	-
Total Operational Grants	**8,430,439,000**	**8,158,080,000**	**-272,359,000**
Conditional			
Urban Settlements Development Grant	1,172,200,000	1,172,200,000	-
Neighbourhood Development Partnership Grant	82,499,000	82,499,000	-
Infrastructure Skills Develoment Grant	6,000,000	6,000,000	-
Programme and Project Preparation Support Grant	31,387,000	31,387,000	-
Informal Settlements Upgrading Grant	484,068,000	484,068,000	-
Public Transport Network Grant	613,154,000	300,000,000	-313,154,000
Expanded Public Works Programme	3,476,000	3,476,000	-
Electricity Demand-Side Management	7,000,000	7,000,000	-
Financial Management Grant	1,000,000	1,000,000	-
Total Conditional Grants	**2,400,784,000**	**2,087,630,000**	**-313,154,000**
Total Local Government Grants	**10,831,223,000**	**10,245,710,000**	**-585,513,000**

Table 4.1 – Source: National Treasury and Bank Statements

A revised amount (R236m lower) for the first Public Transport Network Grant (PTNG) tranche, was transferred. Adjustment of the allocation was due to non-compliance with the PTNG Framework on the newly procured AFC system and the massive underperformance on passenger numbers. The 2nd PTNG tranche due in November, was transferred on the 09th of December 2024 for an amount of R150 million. This tranche was reduced by R77 million. The cumulative reduction for both tranches received is R313 million.

Financial Year 2024/25 Conditional Grants Performance

The table below depicts the year-to-date expenditure as at 31 January 2025 against Financial Year 2024/25 allocations.

FY2024/25				
Conditional Grant Name	YTD Allocations received R	Expenditure R	Unspent R	% Expenditure against YTD Allocations received
USDG	1,172,200,000.00	813,617,507.36	358,582,492.64	69%
NDPG	82,499,000.00	55,015,011.00	27,483,989.00	67%
ISDG	6,000,000.00	3,604,257	2,395,743.00	60%
PPPSG	31,387,000.00	9,653,744.82	21,733,255.18	31%
ISUPG	484,068,000.00	330,807,800.26	153,260,199.74	68%
PTNG	300,000,000.00	152,219,000.00	147,781,000.00	51%
EPWP	3,476,000.00	2,897,412.00	578,588.00	83%
EEDSM	7,000,000.00	4,418,221.00	2,581,779.00	63%
FMG	1,000,000.00	583,359.00	416,641.00	58%
Totals	**2,087,630,000.00**	**1,372,816,312.44**	**714,813,687.56**	**66%**

Funding Activities:

Short-term funding facilities are utilised to assist with liquidity management within the Short-term funding facilities are utilised to assist with liquidity management within the financial year.

EXTERNAL FUNDING FY2024/25		
Banks	Available Facility R	Utilized Facility R
STD Bank	-	-
DBSA	-	-
Total	-	-

Table 5: External Facilities; Source – COJ Treasury

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 including City cost centres like the Community Development Department. The table below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 31 January 2025 for all MOEs.

As depicted in the sweeping statements for the month ended 31 January 2025, City Power, JDA, Joshco, Metrobus, Propcom Portfolio, JHB Roads and MTC remain overdrawn.

Entity	End of December Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of January Balance R
City Power	**-14,625,517,414.58**	1,002,316,714.36	-1,971,987,157.54	-969,670,443.18	**-15,595,187,857.76**
Joburg Water	2,070,510,299.09	932,632,507.15	-639,145,479.16	293,487,027.99	2,363,997,327.08
Pikitup	1,149,268,988.90	249,669,317.35	-156,398,887.43	93,270,429.92	1,242,539,418.82
Parks Zoo	1,039,721,161.49	14,093,682.40	-95,936,544.93	-81,842,862.53	957,878,298.96
Fresh Produce	553,968,106.16	3,665,658.75	-50,456,401.38	-46,790,742.63	507,177,363.53
JDA	**-1,214,322,129.66**	175,816.04	-43,391,482.90	-43,215,666.86	**-1,257,537,796.52**
Joshco	**-1,596,474,637.72**	10,346,197.97	-56,498,175.19	-46,151,977.22	**-1,642,626,614.94**
Metro Bus	**-551,332,675.64**	5,661,732.16	-35,691,874.72	-30,030,142.56	**-581,362,818.20**
Propcom	456,137,561.24	4,819,061.00	-55,307,965.34	-50,488,904.34	405,648,656.90
Propcom Portfolio	**-165,876,515.45**	6,069,407.66	-12,718,606.23	-6,649,198.57	**-172,525,714.02**
Roads	**-95,082,263.11**	135,668,840.40	-81,197,051.23	54,471,789.17	**-40,610,473.94**
MTC	**-931,506,753.26**	26,614,530.83	-55,897,181.83	-29,282,651.00	**-960,789,404.26**
JTC	86,427,827.44	563,559.01	-3,855,174.60	-3,291,615.59	83,136,211.85
Core	15,670,557,075.06	4,813,551,374.19	-4,058,762,820.83	754,788,553.36	16,425,345,628.42
Total Sweepings and Balances	**1,846,478,629.98**			**-111,396,404.04**	**1,735,082,225.97**

Inflows for the month of January versus outflows resulted in a negative net movement of R111 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.

YTD Net Movement								
Entity	July 2024 R	Aug 2024 R	Sept 2024 R	Oct 2024 R	Nov 2024 R	Dec 2024 R	Jan 2025 R	YTD R
City Power	-1,580,984,132.28	-1,659,732,703.35	-1,639,205,962.74	734,674,860.73	-1,232,112,101.96	2,127,240,833.29	-969,670,443.18	-4,199,769,649.49
Joburg Water	-861,866,455.73	39,977,219.80	121,839,034.38	23,580,521.70	-733,941,968.07	670,184,067.04	293,487,027.99	-446,740,552.89
Pikitup	-261,726,857.00	100,695,734.95	-6,084,777.74	-170,357,941.06	21,876,598.56	335,759,322.24	93,270,429.92	113,432,509.87
Parks Zoo	-127,554,054.76	-91,900,700.09	45,272,660.88	123,736,247.92	-123,222,967.49	123,248,701.20	-81,842,862.53	-132,262,974.87
Fresh Produce	-32,088,790.77	168,005,216.19	-21,335,933.31	53,805,688.56	8,183,522.39	61,237,496.35	-46,790,742.63	191,016,456.78
JDA	-117,030,455.15	-121,941,729.05	-18,485,878.14	-17,418,089.46	-4,395,471.29	23,758,112.89	-43,215,666.86	-298,729,177.06
Joshco	-18,225,767.62	-286,482,352.76	-23,121,627.66	-18,427,875.52	75,076,526.94	-16,200,066.79	-46,151,977.22	-333,533,140.63
Metro Bus	37,858,895.18	-198,672,458.98	-34,180,606.96	74,185,739.53	-42,423,914.95	77,329,506.26	-30,030,142.56	-115,932,982.48
Propcom	-32,283,301.61	-4,819,207.88	-30,672,314.26	65,144,118.83	19,592,515.95	147,487,459.67	-50,488,904.34	113,960,366.38
Propcom Portfolio	3,133,205.93	-42,285,742.58	17,621,783.20	9,168,793.93	-73,343,897.58	16,318,015.42	-6,649,198.57	-76,037,040.25
Roads	-120,253,041.58	-220,798,179.81	-12,896,288.66	40,947,638.12	228,898,911.02	-187,242,683.46	54,471,789.17	-216,871,857.20
MTC	-136,061,553.19	-485,526,204.42	38,499,840.89	-50,409,127.64	-44,647,085.95	143,901,021.67	-29,282,651.00	-563,525,759.64
JTC	-5,275,192.41	-11,215,713.47	23,978,630.06	-6,109,446.34	-8,349,977.38	25,302,960.01	-3,291,615.59	15,039,644.88

Table 3.1(a): Sweeping movements analysis

The above table reflects the ME net movements for the month of July 2024-January 2025.

December 2024 Billing & January 2025 Collections: YTD Billing & Collections

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Dec 2024	Jan 2025		YTD: Jun'24 to Dec'24	YTD: Jul'24 to Jan'25	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 575 242	1 271 484	80.7%	10 610 765	9 188 748	86.6%
Electricity	1 813 438	1 691 773	93.3%	14 918 850	14 077 642	94.4%
Water	1 815 315	1 270 423	70.0%	12 419 382	9 138 547	73.6%
Refuse	302 953	223 503	73.8%	2 101 527	1 548 227	73.7%
TOTAL	**5 506 948**	**4 457 183**	**80.9%**	**40 050 524**	**33 953 164**	**84.8%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R5.5 billion in December 2024 with R4.6 billion collected in January 2025 resulting in a monthly collection rate of 80.9%, which is below the budgeted collection rate of 84.2% for the month of January 2025. The year-to-date billing as at 31 January 2025 is R40 billion with R34 billion collected as at 31 January 2025 resulting in a year-to-date collection rate of 84.5% The City's inability to meet the budgeted collection will result in a risk of inadequate cash to fund operational commitments. Therefore, interventions to improve collections need to be intensified.

Reconciliation between Treasury banking and RSSC collections

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

Description	Jan 2025	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 206 155	32 146 147
Deposits reflected by Treasury in previous month	-6 886	242 890
Refunds, Deposits and Sundry Revenue	-21 969	-290 260
Water: Industrial Effluent and Cross-Boundary Sales	17 792	220 720
Difference in electricity and water prepaid sales	5 407	-26 200
E-Joburg	96 066	517 838
Non-Cash Items:		
Staff Accounts	9 090	64 064
Departmental Settlements	151 528	1 077 965

Total Revenue as per Revenue Collection Report	**4 457 183**	**33 953 164**

The January 2025 deposits of approximately R-6,9 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

Description		Dec 2024	Jan 2025
Budget Billing	R 000	5 548 529	5 454 791
Actual Billing	R 000	5 506 948	5 498 119
Shortfall (-) / Surplus (+) in Billing	R 000	-41 581	43 328
Budget Collection	R 000		4 672 997
Actual Revenue Collection	R 000		4 457 183
Shortfall (-) / Surplus (+) in Collections	R 000		-215 814
Actual Billing vs. Budgeted Billing	%	99.3%	100.8%
Actual Collection vs. Budgeted Collection	%		95.4%
Budgeted Collection (Jan) vs Budgeted Billing (Dec)	%		84.2%
Actual Collections (Jan) vs. Actual Billing (Dec)	%		80.9%

The actual billing of R5.6 billion for December 2024 was R 42 million below the budgeted billing of R5.5 billion. The actual collection of R4.8 billion for January 2025 was R216 million below the budgeted collection of R4.7 billion. Actual collection of 80.9% is 3.3% lower than the budgeted collection of 84.2%.

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 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 01 July 2017.

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 07 mSCOA data strings was submitted to the National Treasury on the 14th of February 2025.

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):

No	Entity/Department	Operational Expenditure	Capital Expenditure
1	Core (All departments)	Not submitted in time	Not submitted in time
2	City Power	Yes	Yes
3	Joburg Water	Yes	Yes
4	Pikitup	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.

COJ: GOVERNANCE TECHNICAL CLUSTER	2025-03-
COJ: GOVERNANCE SUB-MAYORAL	2025-03-
COJ: EMT	2025-03-
COJ: MAYORAL COMMITTEE	2025-03-
GROUP ACCOUNTING	

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

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

18/03/2025
DATE

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

pp

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

19/03/2025
DATE

TR

TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER

19/03/2025
DATE

COUNCILLOR MARGARET ARNOLDS
MMC GROUP FINANCE

19/03/2025
DATE

Annexure A

In-Year Report

Budget year: 2024/25

Reporting Period: Month 07

January 2025

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 22 May 2024, 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 31 January 2025 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 a positive variance of R2.5 billion against the YTD budget for the period ended 30 November 2024.

The operating expenditure is underspent by R442 million, against year-to-date expenditure budget of R45.6 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R7.4 billion. The actual year to date expenditure (excluding commitments) amounts to R2.2 billion (29%) of the budget.

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

Capital Expenditure per funding source as at 31 January 2024:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	999	40%
CRR / Cash	2 000	546	27%
Nat Grant	445	18	4%
Prov Grant	-	-	0%
USDG	1 643	532	32%
USIP	715	143	20%
Other	338	130	38%
Total CoJ	7 642	2 369	31%

Capital Expenditure per funding source as at 31 January 2025:

Description (R million)	Budget 24/25	YTD Exp	% Spent
CoJ Loans	2,500	664	27%
CRR / Cash	1,220	300	25%
Nat Grant	526	24	4%
Prov Grant	12	-	0%
USDG	1,954	796	41%
USIP	740	152	20%
Other	463	238	51%
Total CoJ	7,415	2,173	29%

All funding sources excluding Provincial grants have spending in the month under review. When compared to the previous year overall spending (excluding commitments), the spending has remained is declined by 2%.

Consolidated Summary - Capital Expenditure as 31 January 2025:

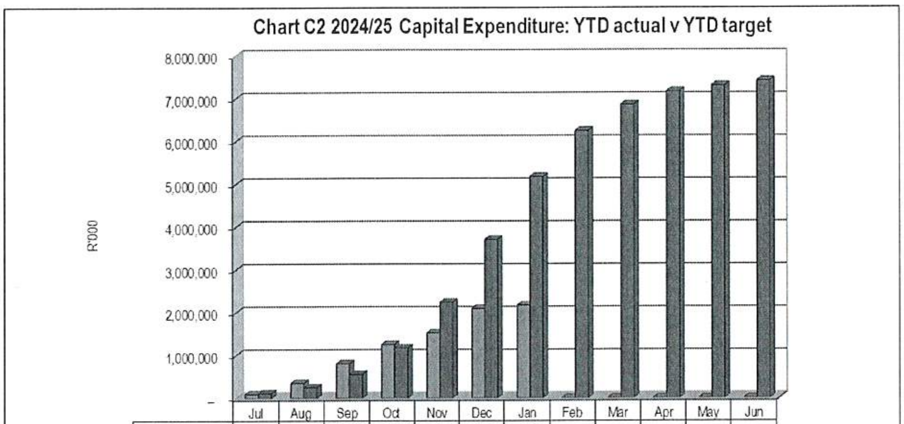
Description (R million)	Budget 24/25	YTD Exp	% Spent
Economic Development	5	-	0%
EISD	27	1	5%
Transportation	563	-	0%
Community Development	65	7	11%
Health	58	22	38%
Social Development	50	20	39%
Forensic	2	0	12%
Ombudsman	1	0	28%
Office of the City Manager	26	1	5%
Speaker	2	0	15%
Group ICT	631	100	16%
Group Finance	18	7	40%
Group Corporate Services	201	-	0%
Human Settlements	1,239	239	19%
Development Planning	68	4	6%
Public Safety	50	-5	-9%
Total Core Administration	3,005	397	13%

Description (R million)	Budget 24/25	YTD Exp	% Spent
City Power	1,285	528	41%
Johannesburg Water	1,221	547	45%
Pikitup	255	46	18%
Jhb Roads Agency	795	309	39%
Metrobus	215	12	6%
Jhb City Parks and Zoo	42	8	19%
Jhb Development Agency	130	145	111%
Jhb Property Company	82	14	17%
Metro Trading Company	3	-	0%
Joburg Market	89	17	19%
JOSHCO	272	138	51%
Joburg City Theatres	20	10	52%
Joburg Tourism	1	0	10%
Total MEs	4,410	1,775	40%

Less than a R500K expenditure indicates a zero-spending due to rounding off to the nearest R1 million and the negative movement is due to accruals that have been reversed in the current month.

All entities save for MTC have started spending, while only Economic development, Transportation, and Group Corporate Services departments have not started 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:



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	92,660	353,197	806,270	1,255,2	1,526,6	2,094,3	2,172,8	–	–	–	–	–
YearTD budget	111,222	251,889	556,905	1,170,8	2,240,6	3,707,4	5,174,1	6,243,9	6,857,9	7,162,9	7,303,6	7,414,8

Cash Flow

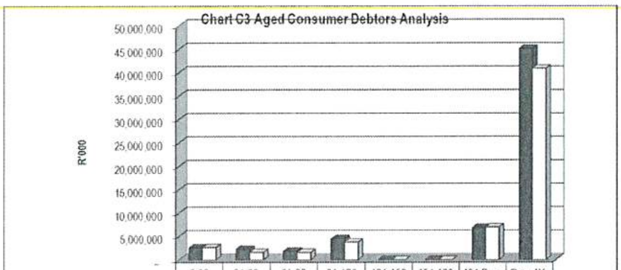
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of January 2025 amount to R1.7 billion.
- The cash flow from operating activities is R1.2 billion.
- The cash flow from investing activities amount to R3 billion, negative.
- The cash flow from financing activities amount to R3.3 billion, negative.

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 R63.1 billion. Chart C3 below illustrates the Consumers debtors age 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
Budget Year 2024/25	2,606,620	2,278,227	1,852,816	4,485,909	–	–	6,817,863	45,045.57
2023/24	2,651,735	1,602,879	1,580,072	3,785,833	–	–	6,965,678	40,839.29

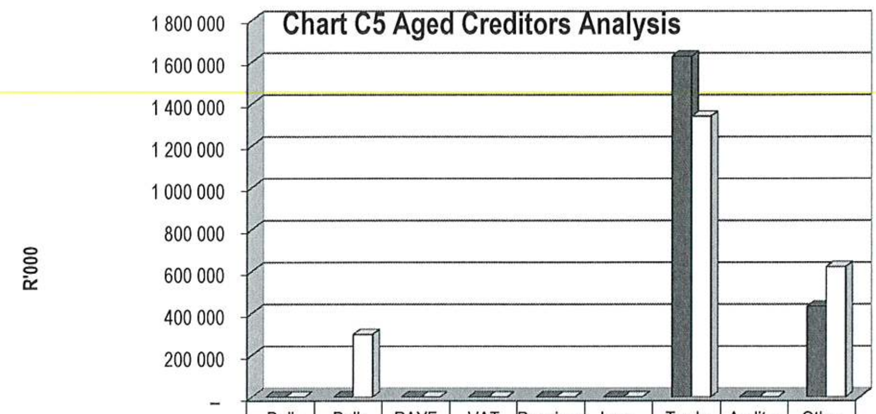
The following interventions / actions were implemented during January 2025 to increase collection levels:

(i) 3 955 electricity accounts were identified for disconnections, total value R1.2 billion and 1 720 account payments to the value of R58 million were collected from the accounts.

(ii) 10 950 water accounts were identified for disconnections, total value R2.2 billion and 654 account payments to the value of R172 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.



	Bulk Electricity	Bulk Water	PAYE deductions	VAT (output less input)	Pensions / Retirement deductions	Loan repayments	Trade Creditors	Auditor General	Other
2023/24	–	857	–	–	–	–	1 626 321	–	432 168
Budget Year 2024/25	–	298 786	–	–	–	–	1 339 564	–	621 547

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 31 January 2025 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 - M07 January

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	16,988,687	–	1,477,159	10,362,928	9,910,068	452,860	5%	16,988,687
Service charges	–	42,439,927	–	3,250,611	25,626,157	24,721,570	904,587	4%	42,439,927
Investment revenue	–	194,484	–	55,330	140,126	112,014	28,112	25%	194,484
Transfers and subsidies - Operational	–	8,593,891	–	102,422	6,317,656	5,013,113	1,304,543	26%	8,593,891
Other own revenue	–	8,151,863	–	1,493,886	4,543,953	4,752,003	(208,049)	-4%	–
Total Revenue (excluding capital transfers and contributions)	–	**76,368,851**	–	**6,379,407**	**46,990,820**	**44,508,768**	**2,482,052**	**6%**	**76,368,851**
Employee costs	–	19,994,316	–	1,595,988	12,615,925	11,642,654	973,270	8%	19,994,316
Remuneration of Councillors	–	191,409	–	15,562	105,545	111,657	(6,112)	-5%	191,409
Depreciation and amortisation	–	5,179,147	–	665,977	2,519,967	3,019,018	(499,051)	-17%	5,179,147
Interest	–	2,511,836	–	485,808	2,047,068	1,465,246	581,822	40%	2,511,836
Inventory consumed and bulk purchases	–	21,756,485	–	1,599,187	15,433,923	14,454,779	979,144	7%	21,756,485
Transfers and subsidies	–	135,387	–	1,432	27,684	77,396	(49,713)	-64%	135,387
Other expenditure	–	25,900,176	–	1,959,048	13,289,291	14,826,890	(1,537,599)	-10%	25,900,176
Total Expenditure	–	**75,668,756**	–	**6,323,001**	**46,039,403**	**45,597,641**	**441,762**	**1%**	**75,668,756**
Surplus/(Deficit)	–	**700,096**	–	**56,406**	**951,416**	**(1,088,873)**	**2,040,290**	**-187%**	**700,096**
Transfers and subsidies - capital (monetary allocations)	–	3,694,726	–	(8,202)	656,867	1,886,780	(1,229,913)	-65%	3,694,726
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	–	**4,394,822**	–	**48,203**	**1,608,284**	**797,907**	**810,377**	**102%**	**4,394,822**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	**4,394,822**	–	**48,203**	**1,608,284**	**797,907**	**810,377**	**102%**	**4,394,822**
Capital expenditure & funds sources									
Capital expenditure	–	**7,414,826**	–	**78,432**	**2,172,808**	**5,174,184**	**(3,001,377)**	**-58%**	**7,414,826**
Capital transfers recognised	–	3,694,726	–	78,254	1,209,004	2,578,239	(1,369,235)	-53%	3,694,726
Borrowing	–	2,500,000	–	59,916	663,872	1,744,540	(1,080,668)	-62%	2,500,000
Internally generated funds	–	1,220,100	–	(59,738)	299,931	851,405	(551,474)	-65%	1,220,100
Total sources of capital funds	–	**7,414,826**	–	**78,432**	**2,172,808**	**5,174,184**	**(3,001,377)**	**-58%**	**7,414,826**
Financial position									
Total current assets	–	17,906,944	–		69,762,713				17,906,944
Total non current assets	–	92,902,773	–		100,393,149				92,902,773
Total current liabilities	–	16,473,061	–		64,883,367				16,473,061
Total non current liabilities	–	26,535,555	–		46,788,452				26,535,555
Community wealth/Equity	–	**67,801,100**	–		**67,719,736**				**67,801,100**
Cash flows									
Net cash from (used) operating	–	8,437,172	–	55,772	1,221,111	9,032,812	(7,811,701)	-86%	8,437,172
Net cash from (used) investing	–	(6,628,739)	–	(144,809)	(3,032,942)	(4,715,231)	1,682,289	-36%	(6,628,739)
Net cash from (used) financing	–	978,795	–	(22,360)	(3,257,320)	(887,369)	(2,369,951)	267%	978,795
Cash/cash equivalents at the month/year end	–	**3,665,298**	–	**1,735,082**	**1,735,082**	**4,308,282**	**(2,573,199)**	**-60%**	**3,665,298**
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	2,606,620	2,278,227	1,852,816	4,485,909	–	–	6,817,863	45,045,570	63,087,005
Creditors Age Analysis									
Total Creditors	1,422,627	58,339	79,285	71,518	62,931	22,473	148,857	393,867	2,259,897

COJ: GOVERNANCE TECHNICAL CLUSTER	**2025-03-**
COJ: GOVERNANCE SUB-MAYORAL	**2025-03-**
COJ: EMT	**2025-03-**
COJ: MAYORAL COMMITTEE	**2025-03-**
GROUP ACCOUNTING	

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	Budget Year 2024/25							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity		21,467,342	–	1,352,670	13,158,098	12,494,443	663,655	5%	21,467,342
Service charges - Water		10,632,200	–	972,839	6,266,894	6,202,119	64,775	1%	10,632,200
Service charges - Waste Water Management		7,246,316	–	653,389	4,348,016	4,227,020	120,996	3%	7,246,316
Service charges - Waste management		3,094,069	–	271,714	1,853,148	1,797,988	55,160	3%	3,094,069
Sale of Goods and Rendering of Services		1,163,316	–	44,789	508,964	675,333	(166,370)	-25%	1,163,316
Agency services		389,321	–	50,068	196,119	227,101	(30,982)	-14%	389,321
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		491,423	–	65,845	356,511	286,668	69,843	24%	491,423
Interest from Current and Non Current Assets		194,484	–	55,330	140,126	112,014	28,112	25%	194,484
Dividends		–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		431,636	–	30,619	186,959	251,795	(64,836)	-26%	431,636
Licence and permits		–	–	373	1,854	–	1,854		–
Operational Revenue		929,604	–	223,235	468,779	542,283	(73,504)	-14%	929,604
Non-Exchange Revenue									
Property rates		16,988,687	–	1,477,159	10,362,928	9,910,068	452,860	5%	16,988,687
Surcharges and Taxes		317,445	–	30,676	208,078	185,178	22,900	12%	317,445
Fines, penalties and forfeits		168,996	–	27,826	100,331	98,581	1,750	2%	168,996
Licence and permits		3,606	–	383	2,296	2,100	196	9%	3,606
Transfers and subsidies - Operational		8,593,891	–	102,422	6,317,656	5,013,113	1,304,543	26%	8,593,891
Interest		121,825	–	(1,731)	116,123	71,064	45,059	63%	121,825
Fuel Levy		4,127,608	–	1,031,902	2,407,771	2,407,769	2	0%	4,127,608
Operational Revenue		–	–	–	–	–	–		–
Gains on disposal of Assets		7,082	–	(4,406)	(4,149)	4,130	(8,279)	-200%	7,082
Other Gains		–	–	(5,694)	(5,683)	–	(5,683)		–
Discontinued Operations		–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**76,368,851**	**–**	**6,379,407**	**46,990,820**	**44,508,768**	**2,482,052**	**6%**	**76,368,851**
Expenditure By Type									
Employee related costs		19,994,316	–	1,595,988	12,615,925	11,642,654	973,270	8%	19,994,316
Remuneration of councillors		191,409	–	15,562	105,545	111,657	(6,112)	-5%	191,409
Bulk purchases - electricity		15,377,574	–	1,058,019	11,498,535	10,733,130	765,405	7%	15,377,574
Inventory consumed		6,378,911	–	541,168	3,935,389	3,721,650	213,739	6%	6,378,911
Debt impairment		8,679,482	–	775,675	3,690,992	4,854,301	(1,163,308)	-24%	8,679,482
Depreciation and amortisation		5,179,147	–	665,977	2,519,967	3,019,018	(499,051)	-17%	5,179,147
Interest		2,511,836	–	485,808	2,047,068	1,465,246	581,822	40%	2,511,836
Contracted services		7,507,848	–	357,275	3,467,353	4,307,055	(839,702)	-19%	7,507,848
Transfers and subsidies		135,387	–	1,432	27,684	77,396	(49,713)	-64%	135,387
Irrecoverable debts written off		–	–	9,394	603,450	–	603,450		–
Operational costs		6,761,401	–	566,628	3,639,769	3,943,858	(304,089)	-8%	6,761,401
Losses on Disposal of Assets		7,205	–	258	113,154	4,204	108,950	2592%	7,205
Other Losses		2,944,240	–	249,819	1,774,573	1,717,472	57,101	3%	2,944,240
Total Expenditure		**75,668,756**	**–**	**6,323,001**	**46,039,403**	**45,597,641**	**441,762**	**1%**	**75,668,756**
Surplus/(Deficit)		**700,096**	**–**	**56,406**	**951,416**	**(1,088,873)**	**2,040,290**	**-187%**	**700,096**
Transfers and subsidies - capital (monetary allocations)		3,694,726	–	(8,202)	656,867	1,886,780	(1,229,913)	-65%	3,694,726
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**4,394,822**	**–**	**48,203**	**1,608,284**	**797,907**	**810,377**	**102%**	**4,394,822**
Income Tax		41,160	–	–	–	24,010	(24,010)	-100%	41,160
Surplus/(Deficit) after income tax		**4,353,662**	**–**	**48,203**	**1,608,284**	**773,897**	**834,387**	**108%**	**4,353,662**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**4,353,662**	**–**	**48,203**	**1,608,284**	**773,897**	**834,387**	**108%**	**4,353,662**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**4,353,662**	**–**	**48,203**	**1,608,284**	**773,897**	**834,387**	**108%**	**4,353,662**

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	Budget Year 2024/25			
R thousands	1	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash and cash equivalents		3,665,298	–	1,735,082	3,665,298
Trade and other receivables from exchange transactions		9,541,141	–	18,732,953	9,541,141
Receivables from non-exchange transactions		1,560,932	–	14,147,847	1,560,932
Current portion of non-current receivables		–	–	1,720,667	–
Inventory		541,733	–	678,485	541,733
VAT		705,909	–	32,480,894	705,909
Other current assets		1,891,931	–	266,785	1,891,931
Total current assets		**17,906,944**	**–**	**69,762,713**	**17,906,944**
Non current assets					
Investments		10,561	–	–	10,561
Investment property		1,031,620	–	5,701	1,031,620
Property, plant and equipment		86,451,204	–	93,210,493	86,451,204
Biological assets		–	–	(38)	–
Living and non-living resources		32,081	–	–	32,081
Heritage assets		633,422	–	518,035	633,422
Intangible assets		1,337,584	–	(6,581,396)	1,337,584
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		–	–	53,234	–
Other non-current assets		3,406,301	–	13,187,120	3,406,301
Total non current assets		**92,902,773**	**–**	**100,393,149**	**92,902,773**
TOTAL ASSETS		**110,809,716**	**–**	**170,155,862**	**110,809,716**
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		3,167,002	–	1,427,304	3,167,002
Consumer deposits		23,139	–	2,082,777	23,139
Trade and other payables from exchange transactions		11,947,658	–	18,662,335	11,947,658
Trade and other payables from non-exchange transactions		–	–	2,259,685	–
Provision		690,650	–	1,427,039	690,650
VAT		468,813	–	31,833,512	468,813
Other current liabilities		175,799	–	7,190,715	175,799
Total current liabilities		**16,473,061**	**–**	**64,883,367**	**16,473,061**
Non current liabilities					
Financial liabilities		19,736,851	–	45,027,024	19,736,851
Provision		1,768,402	–	1,091,873	1,768,402
Long term portion of trade payables		451,603	–	27,683	451,603
Other non-current liabilities		4,578,699	–	641,871	4,578,699
Total non current liabilities		**26,535,555**	**–**	**46,788,452**	**26,535,555**
TOTAL LIABILITIES		**43,008,616**	**–**	**111,671,818**	**43,008,616**
NET ASSETS	2	**67,801,100**	**–**	**58,484,044**	**67,801,100**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		67,801,100	–	66,640,050	67,801,100
Reserves and funds		–	–	220,837	–
Other		–	–	858,849	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**67,801,100**	**–**	**67,719,736**	**67,801,100**

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	Budget Year 2024/25							
R thousands	1	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		15,378,664		1,213,069	8,883,835	8,970,888	(87,053)	-1%	15,378,664
Service charges		35,596,433		2,997,798	23,851,867	20,732,887	3,118,981	15%	35,596,433
Other revenue		7,585,819		784,033	7,852,279	4,423,924	3,428,355	77%	7,585,819
Transfers and Subsidies - Operational		8,593,891		–	8,158,080	5,013,113	3,144,967	63%	8,593,891
Transfers and Subsidies - Capital		3,694,726		4,800	2,087,630	2,155,257	(67,627)	-3%	3,694,726
Interest		527,481		22,076	136,926	307,701	(170,775)	-56%	527,481
Dividends							–		–
Payments									
Suppliers and employees		(60,292,618)		(4,939,348)	(48,448,600)	(31,028,314)	17,420,285	-56%	(60,292,618)
Finance charges		(2,511,836)		(25,482)	(1,252,926)	(1,465,246)	(212,320)	14%	(2,511,836)
Transfers and Subsidies		(135,387)		(1,174)	(47,981)	(77,396)	(29,415)	38%	(135,387)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**8,437,172**	**–**	**55,772**	**1,221,111**	**9,032,812**	**7,811,701**	**86%**	**8,437,172**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		(123)				331	(331)	-100%	(123)
Decrease (increase) in non-current receivables		–	–	–	–	–	–		–
Decrease (increase) in non-current investments		786,210				458,622	(458,622)	-100%	786,210
Payments									
Capital assets		(7,414,826)		(144,809)	(3,032,942)	(5,174,184)	(2,141,242)	41%	(7,414,826)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(6,628,739)**	**–**	**(144,809)**	**(3,032,942)**	**(4,715,231)**	**(1,682,289)**	**36%**	**(6,628,739)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–		–	670,000	–	670,000		–
Borrowing long term/refinancing		2,500,000		–	(2,500,000)	–	(2,500,000)		2,500,000
Increase (decrease) in consumer deposits		–				–	–		–
Payments									
Repayment of borrowing		(1,521,205)		(22,360)	(1,427,320)	(887,369)	539,951	-61%	(1,521,205)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**978,795**	**–**	**(22,360)**	**(3,257,320)**	**(887,369)**	**2,369,951**	**-267%**	**978,795**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,787,229**		**(111,396)**	**(111,396)**	**3,430,212**			**2,787,229**
Cash/cash equivalents at beginning:		878,069		1,846,479	1,846,479	878,069			878,069
Cash/cash equivalents at month/year end:		3,665,298		1,735,082	1,735,082	4,308,282			**3,665,298**

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue			
Exchange Revenue			

Service charges - Electricity	663,655	The however the over recovery realised is mainly attributable to the following: • Increased consumption for all Industrial and Commercial customers; • The units sold increased by 6% when compared to the overall units consumptions. This increase is driven by reductions in load shedding and the continuation of fixing runs aimed at normalizing meters/systems to ensure billing accuracy; as well as the impact of the new implemented tariff around service charges. • Sales to Eskom reflects a favourable variance of R281 million due to back-to-back contract with Eskom resumed in September 2024 after the signing of the recon agreement that was concluded on the 24 August 2024. Since the initial back-to-back contract was concluded after the budget was submitted to the Shareholder, the budget will be adjusted during the mid-term period to align to the contract and Recon agreement.	• The new connection and reconnection amount should exclude the GL account 424007, as this GL account relates to Insurance Assets which is not a service charge. The entity to liaise with MIS office and COE to correct the mapping . • Stand by stand audits will continue to be carried out to ensure revenue completeness and improve liquidity. • Technical audit for all of our LPU and Business meters to ensure they are still calibrated and programmed correctly. • Implementation of the Mock billing project to normalise all off-line meters.• Replacement of Absolute Meters. • TID (Token Identifier) roll out to normalise prepaid meters. • Migration of the LPU customers management to City Power. • Budget to be reviewed during the 2024/25 budget process.

Sale of Goods and Rendering of Services	(166,370)	**Transport Department:** Due to under recovery on revenue related to operationalization of Rea Vaya phase 1C(a) and Phase 1 A bus shortages as a result of mechanical problems. **JDA:** Due to misallocation of revenue related to sales of goods that need to be transferred to Agency Services. **JRA:** The under recovery is due to revenue not yet realised on Asphalt sales, as well as the rental income not yet recovered due to the expiry of lease with Transportation.	**JDA:** The entity will correct the misallocation of revenue related to sales of goods by transferring the allocated budget to Agency services.
Agency services	(30,982)	Public Safety (Head Office): Due to under recovery on revenue related to renewals of vehicle licences, this is mainly as a result of license renewal services offered privately through banks and retail stores.	

Interest earned from Receivables	69,843	**Pikitup, Joburg Water &Human Settlement:** The over recovery is as a result of interest on overdue debtors. **Group Finance:** The over recovery is attributable to the positive sweeping balances for the municipal entities and is due to the additional loans made to JOSHCO, and City Power. Some organizations have yet to file claims for the 2025 Capex loan.	**Group Finance:** This difference is projected to reduce as more companies submit their claims over the quarter.
Interest from Current and Non-Current Assets	28,112	**City Power:** The over recovery is mainly due to interest recognized from accounts that are not swept. **Joburg Market:** The over recovery is due to favourable interest rates, fuelled by inflation and repo rate changes. **Joburg Theatre:** The over recovery is mainly due to better rates negotiated with the banks on both long term and short-term investments.	
Rental from Fixed Assets	(64,836)	**Joburg Market:** The under recovery is due to decrease in collection of rental income as a result of fluctuations in consumption of utilities. **Human Settlement:** Due to under recovery on rental income from Hostel tenants.	**Human Settlement:** The Department is working on transferring units to qualifying beneficiaries

Operational Revenue	(73,504)	**Group Finance:** Due to under spending on pretermination notices as result of preterm contract that has expired. **Joshco:** To date 65% of total expenditure is below budget and this is mainly as a result of the delays incurred for invoicing related to COJ department for work undertaken during the month of January 2024. **Transport:** The under recovery is due to delays in the operationalization of Johannesburg Intermodal Transport Interchange (JITI). **Public Safety (EMS):** The under recovery is due to; The department lost its prominent revenue stream due to ambulance services contract being terminated. The training revenue is also low due to our inability to attract Private Sector. **JPC:** The under recovery is due to Facilitation fees being dependent on the finalisation of all projects currently in place, which are based on the awarding of Inner-City tenders and the achievement of milestones accordingly.	**Group Finance**: The department is in process of hiring the new service provider. **Joshco:** The entity will put measures in place to ensure that Invoices will be processed timeously going forward.
Non-Exchange Revenue			

Property rates	452,860	This line item is inclusive of revenue foregone. The over recovery is due to Property Rates rebates for the month of January 2025 for R 227.8 million. Rebates were over-budget for the month by R 22.2 million (10%) and resulted in YTD over-budget by R 131.1 million (8%). Revenue accruals for the Financial Year 2023/2024 were raised for an amount of R196.12 million, resulting in YTD net R93.7 million been reversed, which leaves a balance of R102.43 million outstanding.	
Transfers and subsidies - Operational	1,304,543	**Group Finance:** The over recovery is due to the second tranche of equitable shares being received in December 2025 from National treasury	
Interest	45,059	**Group Finance:** Due to over recovery on penalties imposed. This line is jointly impacted with entries and billing adjustments. Customer journal adjustments processed by the Property Branch reduced penalties imposed. Additionally, the reversal of penalties imposed is also used as a bargaining tool in	

		settlement agreements with debtors. Penalties imposed are linked to debtors ageing.	
Employee related costs	973,270	**Public Safety:** The over expenditure is highly based on JMPD VIP salaries and overtime which was not budgeted for. **Pikitup:** The over expenditure is as a result of the employment of 300 new general workers as well as the payment of the PFA Agreement approved by the City that will cost R120m over the financial year. **City Power:** The over expenditure is mainly due to the following: • Basic salaries - due to the filling of critical vacancies, organisational structure and natural attrition. • Overtime - due to more employees working overtime. It has been agreed that employees will be allowed to work overtime of no more than 20 hours and that any overtime worked beyond 20 hours will be in lieu of leave days. The agreement would have expired end of December 2024 • Leave provision- mainly due to fewer employees taking their annual leave. **Joburg Water:** The over expenditure is as a result of the employment	

		of 300 new general workers as well as the payment of the PFA Agreement approved.	
Remuneration of councillors	(6,112)	The under expenditure incurred is due to Councillors' increases for the fiscal year 2024/25 being implemented in the Employee Related Costs category, which causes the category variance to be erroneous.	
Bulk purchases - electricity	765,405	The over expenditure is mainly due to the reduction of the budget being that was implemented to account for refunds expected to be received from Eskom as a result over billing as well as incorrect billing incurred. This refund has not yet materialized.	The entity continues to liaise with Eskom to attend to the overbilling. Eskom has since issued a notice of dispute, disconnection, hence the intervention by the Minister of Energy. The conclusion of these engagements will be factored into the budget during the mid-year budget review.

Inventory consumed	213,739	**MTC:** This is in line with revenue which is due to the impact of related initiatives from the Transport Department and other affiliated companies. These projects include the provision of ICT equipment, BRT Biometric and the deployment of hardware solutions. **Joburg Water:** The over expenditure is attributable to purchased consumable used in repairs and maintenance. **BUS:** The over expenditure is due to the direct operating expenses that relate to the running maintenance of the buses, this includes items such as brakes, spare parts, diesel, tyres, anti-freeze etc. **Pikitup**: The over expenditure is due to costs for 240L bins being above the budget as a result of backlog of orders commencing from the end of the prior financial year.	**MTC:** The budget will be evaluated during the budget adjustment process and as revenue affects direct expenditure. **Joburg Water:** The entity will continue monitoring and mitigating steps to reduce water losses**.** **Pikitup:** The entity will curtail the quantity of orders related to the bins in this financial year. during the adjustment budget process.
Debt impairment	(1,163,308)	**Group Finance:** No entry was processed for the period of October 2024 and January 2025. The City is currently in the processes of reviewing the bad debt impairment policy. Bad Debt Provision is calculated in arrears monthly when possible. The existing calculation provides for impairment of debt over	**Group Finance:** The Budgeted amount is based on the budgeted collection rate, and when the collection rate is below the target, there will be an over expenditure in this line item. Revenue Shared Service Centre (RSSC) is the custodian of the Credit

		180 days at 98% whilst Indigent customers are provided for at 100% of the full debt. For debt up to the ageing bracket of 180 days, the six months average trends which varies over time due to varying collection levels monthly are used to estimate the impairment provision for the ageing bracket. The impairment provision is done to ensure that the assets are not overvalued in the financial statements. This item is a non-cash flow item and is computed in line with GRAP 108 (Statutory Receivables) which requires that objective evidence be assessed as to the recoverability of the financial assets (i.e. whether the financial assets is impaired or not). **Joburg Water:** The under expenditure is due to increased payment levels. The year-to-date payment level is 72.90% as compared to the budgeted payment level of 73.2% resulting in a higher contribution to Bad Debts.	Control management process and efforts should be made to collect all amounts billed including long outstanding debt**. Joburg Water:** A revised credit control strategy was developed to address the current collection challenges. **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.

Depreciation and amortisation	(499,051)	The under expenditure is due to delays in finalizing capital acquisitions and some products taking longer than expected to complete. Commitment exists, and there is no movement this month owing to the SAP system upgrade on December 20th.	There departments will monitor capex expenditure and, if required, adjust the budget downwards during the adjustment process in January/February 2025.

Interest	581,822	**City Power:** The over expenditure incurred on following: • Interest on late payments: This is attributable to the unavailability of funds, resulting in less invoices being processed for payment; and • Interest paid on bank overdraft: This is due to bank overdraft being an internal loan from the City and therefore no budget is allocated on this account as it represents the current account balance between both parties. It is proposed that the interest on the bank overdraft be freeze and the bank overdraft be converted to equity. City Power further sought advice on the possible tax implications from the conversion and the SARS binding ruling is that the conversion of the overdraft will not attract tax implications. The proposal has however not yet materialised.	The bank overdraft is an internal loan from the City and represents the current account balance between both parties. It is proposed that the interest on the bank overdraft be freeze and the bank overdraft be converted to equity. City Power further sought advice on the possible tax implications from the conversion and the SARS binding ruling is that the conversion of the overdraft will not attract tax implications. Once concluded, the outcome of this proposal will be factored into the budget during the mid-year budget review.

Contracted services	(839,702)	**Transport Department:** The under expenditure on compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators due to delays is finalisation of the taxi operating licenses, reduction in Phase1 (a) buses as a result of mechanical issues and delays in operationalisation of JITI. **City Power:** Due to under expenditure incurred on training courses due to fewer request during the financial year. Consultation fees mainly due to the reduced utilisation of consultants, as a result of lessor planned programs undertaken to date. Meter reading and final check reading budget due to fewer readings being executed. **Group Finance:** Due to under expenditure on pretermination notices as the contract has not yet been finalised. Furthermore, valuation panel that is awaiting approval, as well as pending invoices for e-Joburg portal services, data sourcing, and a software tool.	**Transport Department:** The department is in the process of operationalisation of JITI and Phase 1ca, following up on outstanding invoices and finalisation operational licenses for affected taxi operators to commence with the transaction of compensation payment as this is the bulk expenditure budgeted for by the department. **City Power:** Budget to be reviewed during the 2024/25 budget process. **Group Finance:** The expenditure will improve in the upcoming months.

Transfers and subsidies	(49,713)	**Economic Development:** The implementation of PEP grant projects has commenced, however there is a delay in processing claims from implementing agents. The service level agreement (SLA) and allocation letter has since been signed and distributed.	The department will follow up on jobs created and expenditure incurred by implementing agents
Operational costs	(304,089)	**City Power**: Due to under expenditure on the following: • Departmental charges, rates and services due to a decrease in related party transactions; • Advertising, marketing and public relations costs due to less advertising and marketing related programs undertaken to date; as well as under spending on legal expenses and telecommunications. **Transport Department:** The under expenditure is due to the delays in executing marketing relate planned projects due to supply chain processes and delays in process of fleet lease journal by JMPD which resulted into 79% underspending to date. **Public Safety:** The variance emanated from the city upgrading the Sap system and as such their system was closed for payments hence the non-expenditure. **GICT:** The budget is underspent due to timing	**Transport Department:** Procurement for marketing related project is underway and the department is in constant engagement with JMPD to process all outstanding fleet related expenditure. Follow-ups are made and expenditure will start increasing. **Public Safety:** Until the City resolve the cashflow problems, all orders are queued awaiting payment.

		differences between accrual reversal and payment of accrued invoices. This should clear once the invoices are paid. **JRA:** The under expenditure on operational costs are below projections due to the slow processing of invoices. **Social Development:** The under expenditure is as a result of invoices not yet received from the appointed service providers.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2024/25											
R thousands		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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	685,746	634,204	539,665	1,442,110			2,341,527	16,707,365	22,350,618	20,491,002		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	777,041	446,305	558,640	850,472			1,008,107	6,336,139	9,976,704	8,194,718		
Receivables from Non-exchange Transactions - Property Rates	1400	820,008	675,644	503,766	1,340,971			1,951,502	9,280,368	14,572,259	12,572,841		
Receivables from Exchange Transactions - Waste Water Management	1500	403,360	397,528	261,223	655,868			1,069,504	7,441,148	10,228,631	9,166,520		
Receivables from Exchange Transactions - Waste Management	1600	187,800	154,630	125,122	444,899			634,028	4,541,965	6,088,444	5,620,892		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(1,221)	15,667	15,492	30,698			30,093	1,215,927	1,306,656	1,276,717		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	(266,115)	(45,751)	(151,093)	(279,111)			(216,896)	(477,341)	(1,436,307)	(973,348)		
Total By Income Source	**2000**	**2,606,620**	**2,278,227**	**1,852,816**	**4,485,909**	–	–	**6,817,863**	**45,045,570**	**63,087,005**	**56,349,342**	–	–
2023/24 - totals only		2,651,735	1,602,879	1,580,072	3,785,883			6,965,678	40,839,293	57,425,540	**51,590,854**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	59,982	44,414	40,039	131,716			200,440	1,696,489	2,173,081	1,896,930		
Commercial	2300	719,915	471,468	350,159	754,325			1,165,716	6,462,112	9,923,696	8,382,154		
Households	2400	1,826,722	1,762,345	1,462,618	3,599,868			5,451,707	36,886,969	50,990,228	45,938,543		
Other	2500									–	–		
Total By Customer Group	**2600**	**2,606,620**	**2,278,227**	**1,852,816**	**4,485,909**	–	–	**6,817,863**	**45,045,570**	**63,087,005**	**56,217,627**	–	–

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
R thousands		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	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	
Bulk Water	0200	298,786								298,786	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	960,827	19,234	53,055	52,660	45,140	6,566	126,792	75,290	1,339,564	
Auditor General	0800									–	
Other	0900	163,014	39,105	26,230	18,858	17,791	15,907	22,065	318,577	621,547	
Total By Customer Type	**1000**	**1,422,627**	**58,339**	**79,285**	**71,518**	**62,931**	**22,473**	**148,857**	**393,867**	**2,259,897**	–

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 - M07 January

Description	Ref	Budget Year 2024/25							
		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	9	–	9	#DIV/0!	–
Agency services		–	–	–	–	–	–		–
Interest		389,321	–	50,068	169,386	227,101	(57,715)	-25%	389,321
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		983,817	–	310,058	1,349,722	573,895			983,817
Dividends		154,496	–	48,721	99,906	90,125	9,781	11%	154,496
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		162,990	–	10,366	31,971	95,081	(63,110)	-66%	162,990
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		220,622	–	124,839	(108,991)	128,702	(237,693)	-185%	220,622
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(168,904)	–	(27,790)	(97,307)	(98,525)			(168,904)
Fines, penalties and forfeits		(3,606)	–	(383)	(2,296)	(2,100)	(196)	9%	(3,606)
Licences or permits		(8,593,381)	–	(48,204)	(5,943,766)	(5,012,812)			(8,593,381)
Transfer and subsidies - Operational		(121,825)	–	1,731	(116,123)	(71,064)			(121,825)
Interest		(4,127,608)	–	(1,031,902)	(2,407,771)	(2,407,769)			(4,127,608)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		–	–	–	–	–			–
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		(11,324,700)	–	(687,333)	(6,916,267)	(6,606,068)	(310,199)	5%	(11,324,700)
Expenditure By Type									
Employee related costs		(168,904)	–	(27,790)	(97,307)	(98,525)	1,218	-1%	(168,904)
Remuneration of councillors		(3,606)	–	(383)	(2,296)	(2,100)	(196)	9%	(3,606)
Bulk purchases - electricity		(8,593,381)	–	(48,204)	(5,943,766)	(5,012,812)	(930,954)	19%	(8,593,381)
Inventory consumed		(121,825)	–	1,731	(116,123)	(71,064)	(45,059)	63%	(121,825)
Debt impairment		(4,127,608)	–	(1,031,902)	(2,407,771)	(2,407,769)	(2)	0%	(4,127,608)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		–	–	–	–	–	–		–
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(75,244)	–	(819)	13,504	(43,893)			(75,244)
Total Expenditure		(13,090,568)	–	(1,107,366)	(8,553,758)	(7,636,163)	(917,595)	12%	(13,090,568)
Surplus/(Deficit)		1,765,868	–	420,033	1,637,491	1,030,095	607,396	59%	1,765,868
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(75,244)
Transfers and subsidies - capital (in-kind)		(75,244)	–	(819)	13,504	(43,893)	57,397	-131%	(1,803,709)
Surplus/(Deficit) after capital transfers & contributions		1,690,624	–	419,215	1,650,995	986,202	664,793	67%	(113,085)
Income Tax		4,868,342	–	472,689	2,480,587	2,839,740	(359,154)	-13%	4,868,342
Surplus/(Deficit) after income tax		(3,177,718)	–	(53,475)	(829,591)	(1,853,538)	1,023,947	-55%	(4,981,427)

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 - M07 January

Description	Ref	Budget Year 2024/25							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity									
Pikitup		3,326,389	–	271,805	1,896,980	1,825,526	71,454	4%	3,326,389
City Power		22,259,067	–	1,408,778	13,715,387	12,836,648	878,739	7%	22,259,067
Johannesburg Water		18,794,205	–	1,720,548	11,545,053	10,919,147	625,906	6%	18,794,205
Johannesburg Social Housing Company		243,960	–	19,544	138,856	142,310	(3,454)	-2%	243,960
Johannesburg Property Company		45,266	–	2,989	17,641	26,404	(8,763)	-33%	45,266
Metropolitan Trading Company		13,183	–	23,778	138,958	7,693	131,265	1706%	13,183
Metrobus		92,039	–	4,117	47,069	53,697	(6,628)	-12%	92,039
Johannesburg City Parks and Zoo		80,738	–	7,908	57,322	45,661	11,661	26%	80,738
JDA		63,899	–	120	27,228	37,275	(10,047)	-27%	63,899
Johannesburg Roads Agency		163,193	–	5,538	34,485	95,193	(60,708)	-64%	163,193
Joburg City Theatres		41,697	–	5,925	53,173	24,332	28,841	119%	41,697
Joburg Market		703,281	–	56,494	419,878	410,256	9,622	2%	703,281
Joburg Tourism Company		3,877	–	2,773	5,614	2,261	3,353	148%	3,877
Total Operating Revenue	1	**45,830,794**	**–**	**3,530,317**	**28,097,644**	**26,426,403**	**1,671,241**	**6%**	**45,830,794**
Expenditure By Municipal Entity									
Pikitup		4,212,978	–	384,062	2,640,225	2,442,250	197,975	8%	4,212,978
City Power		21,436,162	–	1,805,944	15,605,019	14,058,576	1,546,443	11%	21,436,162
Johannesburg Water		17,657,542	–	1,437,141	10,330,359	10,300,227	30,132	0%	17,657,542
Johannesburg Social Housing Company		377,097	–	76,516	497,998	209,602	288,396	138%	377,097
Johannesburg Property Company		937,161	–	72,373	500,307	546,672	(46,365)	-8%	937,161
Metropolitan Trading Company		349,947	–	55,547	376,828	204,145	172,683	85%	349,947
Metrobus		658,735	–	45,215	418,461	384,265	34,196	9%	658,735
Johannesburg City Parks and Zoo		1,236,900	–	101,530	767,609	666,214	101,395	15%	1,236,900
JDA		124,724	–	8,943	67,385	72,758	(5,373)	-7%	124,724
Johannesburg Roads Agency		1,545,175	–	103,212	843,144	901,349	(58,205)	-6%	1,545,175
Joburg City Theatres		259,109	–	27,950	169,975	149,571	20,404	14%	259,109
Joburg Market		600,958	–	24,742	351,413	350,560	853	0%	600,958
Joburg Tourism Company		91,918	–	5,886	33,852	53,627	(19,775)	-37%	91,918
Total Operating Expenditure	2	**49,488,407**	**–**	**4,149,061**	**32,602,575**	**30,339,816**	**2,262,759**	**7%**	**49,488,407**

COJ: GOVERNANCE TECHNICAL CLUSTER	**2025-03-**
COJ: GOVERNANCE SUB-MAYORAL	**2025-03-**
COJ: EMT	**2025-03-**
COJ: MAYORAL COMMITTEE	**2025-03-**
GROUP ACCOUNTING	

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	Budget Year 2024/25							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	111,222		92,660	92,660	111,222	18,562	16.7%	1%
August	140,667		260,537	353,197	251,889	(101,308)	-40.2%	5%
September	305,016		453,073	806,270	556,905	(249,365)	-44.8%	11%
October	613,992		449,016	1,255,286	1,170,897	(84,389)	-7.2%	17%
November	1,069,744		271,409	1,526,695	2,240,641	713,946	31.9%	21%
December	1,466,771		567,681	2,094,376	3,707,412	1,613,036	43.5%	28%
January	1,466,771		78,432	2,172,808	5,174,183	3,001,375	58.0%	29%
February	1,069,744				6,243,927	–		
March	613,992				6,857,919	–		
April	305,016				7,162,935	–		
May	140,667				7,303,602	–		
June	111,222				7,414,824	–		
Total Capital expenditure	**7,414,824**	**–**	**2,172,808**					