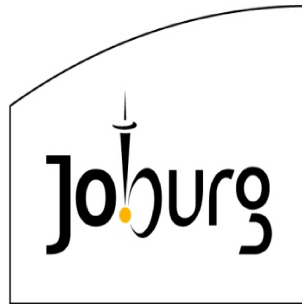




City of Johannesburg Metropolitan Municipality
Group Annual Financial Statements
for the year ended June 30, 2024

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

General Information

Mayoral committee

Executive Mayor

Councillors

Gwamanda Kabelo (Chairperson)

Margaret Arnolds (Speaker)

Magwentshu Lubabalo Cecil (Community Development)

Kunene Thapelo Kenneth (Transport)

Leitch Anthea Nathasha (Human Settlement)

Masuku Loyiso (Corporate & Shared Services)

Mgcina Sibongile Eunice (Development Planning)

Sekwaila Boyboi Jack (Environmental and infrastructure Services Development)

Morero Sello Enock (Finance)

Mnisi Nomoya Daphney (Economic Development)

Makhafola Ennie Ramadimetja (Health & Social Development)

Tshwaku Mgcini (Public Safety)

Zungu Nkosephayo God-Slove (Council Chief Whip)

was vacant as at 30 June 2024 (Chair of Chairpersons)

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

General Information

Grading of local authority

The City of Johannesburg Metropolitan Municipality is a Grade Six Local Authority in terms of Item IV of Government Notice R999 of 2 October 2001, published in terms of the Remuneration of Public Office Bearers Act, 1998.

City manger

Brink Floyd

Chief Financial Officer

Moraka Tebogo

Registered office

Metropolitan Centre,
158 Loveday Street
Braamfontein
Johannesburg
2001
Telephone:
+27 (0)11 407 - 6111
Facsimile:
+27 (0)11 339 - 5704

Postal address

P O Box 1049
Johannesburg
2000

Primary Banker

Standard Bank

Auditors

The Office of the Auditor-General : Gauteng
Registered Auditors
39 Scott Street
Bramley
2090
PO Box 91081
Auckland Park
2006

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

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The reports and statements set out below comprise the Group Annual Financial Statements:

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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

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Abbreviations

AARTO	Administrative Adjudication of Road Traffic Offences
AUC	Assets Under Construction
CJMM	City of Johannesburg Metropolitan Municipality (CORE)
COID	Compensation for Occupational Injuries and Diseases
MOE	Municipal Entity
CRR	Capital Replacement Reserve
DBSA	Development Bank of Southern Africa
EPWP	Expanded Public Works Program
FRA	Forward Rate Agreement
FRN	Floating Rate Note
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
IRS	Interest Rate Swap
JDA	Johannesburg Development Agency
JIBAR	Johannesburg Interbank Average Rate
JRA	Johannesburg Roads Agency
JSE	Johannesburg Stock Exchange
KFW	Kreditanstalt für Wiederaufbau ("Credit Institute for Reconstruction")
MBUS	Metrobus
ME's	Municipal Entities
MEHG	Municipal Emergency Housing Grant
MFMA	Municipal Finance Management Act
MTC	Metropolitan Trading Company
NCD	Negotiable Certificate of Deposit
NPV	Net Present Value
PAYE	Pay As You Earn
PN	Promissory Note
PPE	Property, Plant and Equipment
RMB	Rand Merchant Bank
SANAS	South African National Accreditation System

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Index

SARS	South Africa Revenue Services
SCM	Supply Chain Management
SOC	State Owned Company
SPTN	Single Public Transport Network
STD	Standard Bank
UIF	Unemployment Insurance Fund
USDG	Urban Settlement Development Grant
VAT	Value Added Taxation

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

City Manager's approval of the Group Annual Financial Statements

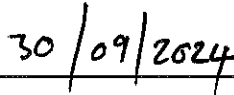
I am responsible for the preparation of the Group Annual Financial Statements in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The Group Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 38.2.2 to these financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996, read with the Remuneration of Public Office Bearers Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this act.



Floyd Brink
City Manager



Date.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Financial Position as at June 30, 2024

		Group		CJMM	
Figures in Rand thousand	Note(s)	2024	2023 Restated*	2024	2023 Restated*
Assets					
Current Assets					
Inventories	4	574,591	541,733	192,742	219,253
Loans to municipal entities	5	-	-	903,568	1,296,122
Other financial assets	6	2,793	1,135	2,793	1,135
Current tax receivable	60	136,240	197,132	-	-
Finance lease receivables	7	-	-	41,403	36,445
Receivables from exchange transactions	8	2,039,755	1,462,989	22,431,502	18,761,063
Receivables from non-exchange transactions	9	132,189	101,200	124,823	94,323
VAT receivable	10	1,696,515	789,839	656,805	139,599
Consumer debtors	11	8,993,789	8,694,784	1,008,963	1,459,732
Financial assets at fair value	12	418,146	887,748	418,146	887,748
Cash and cash equivalents	13	2,165,857	4,055,310	1,015,269	2,763,303
		16,159,875	16,731,870	26,796,014	25,658,723
Non-Current Assets					
Living resources	14	31,037	32,231	9,680	10,381
Investment property	15	1,033,457	1,034,922	1,007,738	1,007,738
Property, plant and equipment	16	84,934,414	81,337,731	50,325,470	49,130,436
Intangible assets	17	1,720,732	855,974	1,228,559	338,297
Heritage assets	18	619,545	619,545	617,879	617,879
Investments in controlled entities	19	-	-	760,985	687,355
Investments in joint ventures	20	24,294	24,914	-	-
Loans to municipal entities	5	-	-	6,422,384	5,891,819
Other financial assets	6	47,037	55,589	47,037	55,589
Deferred tax	21	4,639,834	3,323,820	-	-
Finance lease receivables	7	-	-	27,400	43,208
Deposits		1,223	1,028	-	-
Income tax receivable	60	-	3,289	-	-
Financial assets at fair value	12	358,431	358,394	358,431	358,394
		93,410,004	87,647,437	60,805,563	58,141,096
Non-Current Assets		93,410,004	87,647,437	60,805,563	58,141,096
Current Assets		16,159,875	16,731,870	26,796,014	25,658,723
Total Assets		109,569,879	104,379,307	87,601,577	83,799,819
Liabilities					
Current Liabilities					
Loans and borrowings	22	1,317,776	2,736,493	1,315,634	2,733,749
Current tax payable	60	128,263	205,175	-	-
Finance lease obligation	23	199,917	21,220	118,714	18,696
Financial liabilities at fair value	12	1,510	7,474	1,510	7,474
Payables from exchange transactions	24	23,604,501	17,045,521	22,105,843	17,433,042
VAT payable	62	18,130	168,402	-	-
Unspent conditional grants and receipts	25	432,541	674,715	428,640	669,634
Provisions	26	725,374	690,651	-	-
Deferred income	28	3,853	9,313	149	6,438
Consumer deposits	29	21,186	17,918	-	-
		26,453,051	21,576,882	23,970,490	20,869,033

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Financial Position as at June 30, 2024

		Group		CJMM	
Figures in Rand thousand	Note(s)	2024	2023 Restated*	2024	2023 Restated*
Non-Current Liabilities					
Loans from municipal entities	30	-	-	471,410	445,247
Loans and borrowings	22	17,962,087	19,278,487	17,955,470	19,271,119
Finance lease obligation	23	711,470	47,947	460,304	35,267
Payables from non exchange transactions	61	486,971	451,603	-	-
Employee benefit obligation	27	844,873	968,706	642,540	751,436
Unspent conditional grants and receipts	25	52,536	39,594	-	-
Deferred tax	21	3,604,652	2,972,854	-	-
Provisions	26	1,052,977	873,568	251,089	132,099
Financial liability at fair value	12	199,153	212,351	199,153	212,351
Consumer deposits	29	1,825,797	1,337,467	14,678	14,416
		26,740,516	26,182,577	19,994,644	20,861,935
Non-Current Liabilities		26,740,516	26,182,577	19,994,644	20,861,935
Current Liabilities		26,453,051	21,576,882	23,970,490	20,869,033
Total Liabilities		53,193,567	47,759,459	43,965,134	41,730,968
Assets		109,569,879	104,379,307	87,601,577	83,799,819
Liabilities		(53,193,567)	(47,759,459)	(43,965,134)	(41,730,968)
Net Assets		56,376,312	56,619,848	43,636,443	42,068,851
Accumulated surplus		56,376,312	56,619,848	43,636,443	42,068,851
Total Net Assets		56,376,312	56,619,848	43,636,443	42,068,851

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Financial Performance

		Group		CJMM	
Figures in Rand thousand	Note(s)	2024	2023 Restated*	2024	2023 Restated*
Revenue					
Revenue from exchange transactions					
Rendering of services	33	37,936,455	32,673,937	197,425	239,881
Rental of facilities and equipment	67	307,430	338,902	134,423	123,639
Agency services	68	969,999	854,029	753,096	737,503
Other revenue	31	1,047,042	463,125	676,046	575,183
Demand Side Management levy		267,734	283,363	-	-
Finance income	64	949,123	750,278	2,617,224	1,965,005
Reversal of impairment	32	-	38,985	-	51,322
Fair value adjustments	45	247,597	197,437	247,597	197,437
Share of surpluses or deficits from joint ventures accounted for using the equity method	20	-	1,980	-	-
Total revenue from exchange transactions		41,725,380	35,602,036	4,625,811	3,889,970
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	34	16,798,945	14,049,882	16,798,945	14,049,882
Surcharges and taxes	70	312,262	286,847	312,262	286,847
Finance income	64	211,826	154,767	209,265	152,151
Transfer revenue					
Government grants and subsidies	35	10,441,595	9,397,301	9,924,181	8,724,216
Levies	63	4,078,154	4,188,550	3,838,724	3,967,119
Public contributions, donated and contributed property, plant and equipment		235,069	478,921	28	144,168
Fines, penalties and forfeits		175,592	148,341	175,342	146,068
Other revenue		19,955	1,152	-	-
Total revenue from non-exchange transactions		32,273,398	28,705,761	31,258,747	27,470,451
		41,725,380	35,602,036	4,625,811	3,889,970
		32,273,398	28,705,761	31,258,747	27,470,451
Total revenue		73,998,778	64,307,797	35,884,558	31,360,421
Expenditure					
Employee related costs	36	(19,363,760)	(17,613,858)	(11,487,222)	(10,489,935)
Remuneration of councillors	37	(187,819)	(180,681)	(187,819)	(180,681)
Depreciation and amortisation	38	(4,470,057)	(4,219,554)	(3,029,349)	(2,808,131)
Impairment losses	39	(245,421)	(987,911)	(546,092)	(925,352)
Finance costs	65	(2,954,333)	(2,729,174)	(3,126,222)	(2,952,366)
Debt impairment	40	(8,739,261)	(6,180,985)	(2,912,405)	(1,292,016)
Bulk purchases	41	(25,161,992)	(21,654,468)	-	-
Lease rentals on operating lease	42	(2,212,773)	(2,232,414)	(481,797)	(546,069)
Grants and subsidies paid	43	(63,704)	(103,673)	(6,498,118)	(4,995,863)
Loss on disposal of assets and liabilities		(63,746)	(232,495)	(51,349)	(147,904)
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	20	(70)	-	-	-
General expenses	44	(11,407,633)	(10,030,461)	(5,996,593)	(5,808,370)
Total expenditure		(74,870,569)	(66,165,674)	(34,316,966)	(30,146,687)
		-	-	-	-
Total revenue		73,998,778	64,307,797	35,884,558	31,360,421
Total expenditure		(74,870,569)	(66,165,674)	(34,316,966)	(30,146,687)

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Financial Performance

Figures in Rand thousand	Note(s)	Group		CJMM	
		2024	2023 Restated*	2024	2023 Restated*
Operating (deficit) surplus		(871,791)	(1,857,877)	1,567,592	1,213,734
(Deficit) surplus before taxation		(871,791)	(1,857,877)	1,567,592	1,213,734
Tax expense	66	594,060	706,983	-	-
Operating surplus/deficit		-	-	-	-
(Deficit) surplus before taxation		(871,791)	(1,857,877)	1,567,592	1,213,734
Taxation		594,060	706,983	-	-
(Deficit) surplus for the year		(277,731)	(1,150,894)	1,567,592	1,213,734

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Changes in Net Assets

	Note(s)	Accumulated surplus (Restated)	Total equity
Figures in Rand thousand			
GROUP			
Balance at July 1, 2022		57,795,767	57,816,245
Changes in net assets			
Surplus for the year- Restated		(1,150,894)	(1,150,894)
Total recognised revenue and expenditure for the year		(1,150,894)	(1,150,894)
Assets under construction		(3,631)	(3,631)
Total changes		(1,154,525)	(1,154,525)
Opening balance as previously reported		56,619,752	56,619,752
Adjustments			
Prior period restatement		21,490	21,490
Balance at July 1, 2023 as restated		56,641,242	56,641,242
Changes in net assets			
Deficit for the year		(277,731)	(277,731)
Total changes		(277,731)	(277,731)
Balance at June 30, 2024		56,363,511	56,363,511

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Changes in Net Assets

Figures in Rand thousand	Note(s)	Accumulated surplus	Total equity
CJMM			
Balance at July 1, 2022		40,855,117	40,855,117
Changes in net assets			
Surplus for the year		1,213,734	1,213,734
Total changes		1,213,734	1,213,734
Balance at July 1, 2023		42,068,851	42,068,851
Changes in net assets			
Surplus for the year		1,567,592	1,567,592
Total changes		1,567,592	1,567,592
Balance at June 30, 2024		43,636,443	43,636,443

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Cash Flow Statement

		Group		CJMM	
Figures in Rand thousand	Note(s)	2024	2023 Restated*	2024	2023 Restated*
Cash flows from operating activities					
Receipts					
Cash receipts from customers		51,449,916	46,903,899	12,577,019	11,622,055
Grants		10,212,363	9,350,106	13,521,916	12,651,366
Interest income		348,931	496,513	2,234,506	1,762,458
		62,011,210	56,750,518	28,333,441	26,035,879
Payments					
Cash paid to suppliers and employees		(50,514,490)	(47,680,071)	(19,952,584)	(19,887,925)
Finance costs		(2,922,257)	(2,640,776)	(3,068,056)	(2,867,483)
Repayment of salary related provisions		-	-	(1,357)	(6,343)
Taxes on surpluses		(106,176)	(44,023)	-	-
		(53,542,923)	(50,364,870)	(23,021,997)	(22,761,751)
Total receipts		62,011,210	56,750,518	28,333,441	26,035,879
Total payments		(53,542,923)	(50,364,870)	(23,021,997)	(22,761,751)
Net cash flows from operating activities	46	8,468,287	6,385,648	5,311,444	3,274,128
Cash flows from investing activities					
Purchase of capital assets		(7,648,451)	(6,545,157)	(3,288,025)	(3,892,742)
Cash movements in sinking fund		(698,000)	2,105,500	(698,000)	2,105,500
Loans redeemed from Municipal entities		-	-	1,182,622	725,178
Finance lease receivable		-	-	43,248	24,877
Investment in Municipal entities		-	-	(35,120)	(20,484)
Other financial assets		6,894	75,634	6,894	(21,073)
Loans to Municipal entities		-	-	(1,307,892)	(411,297)
Net cash flows from investing activities		(8,339,557)	(4,364,023)	(4,096,273)	(1,490,041)
Cash flows from financing activities					
Proceeds from borrowings		3,670,000	4,500,000	3,670,000	4,500,000
Repayments of Liabilities from Municipal Entities		-	-	(10,659)	12,331
Finance lease obligation		842,220	68,689	(117,296)	-
Repayment of borrowings		(6,403,764)	(6,249,562)	(6,403,764)	(6,249,562)
Repayment of post-retirement benefits		(126,444)	(134,284)	(101,488)	(79,676)
Deposits		(195)	-	-	-
Net cash flows from financing activities		(2,018,183)	(1,815,157)	(2,963,207)	(1,816,907)
Net (decrease)/increase cash and cash equivalents		(1,889,453)	206,468	(1,748,036)	(32,820)
Cash and cash equivalents at the beginning of the year		4,055,310	3,848,842	2,763,303	2,796,123
Cash and cash equivalents at the end of the year	13	2,165,857	4,055,310	1,015,267	2,763,303

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
--	-----------------	-------------	--------------	--	---	-----------

Figures in Rand thousand

Group

Statement of Financial Performance

Revenue

Property rates	16,372,765	-	16,372,765	16,798,945	426,180	
Service charges	42,166,796	(3,212,288)	38,954,508	37,497,875	(1,456,633)	1
Investment revenue	623,011	49,393	672,404	1,160,949	488,545	3
Transfers of recognised - operational	8,281,453	52,991	8,334,444	7,867,707	(466,737)	
Rental of facilities and equipment	535,867	52,343	588,210	307,430	(280,780)	2
Gains on disposal of PPE	5,914	844	6,758	-	(6,758)	6
Agency fees	386,492	(15,000)	371,492	969,999	598,507	17
Fines	951,574	(790,318)	161,256	175,592	14,336	
Licenses and permits	10,870	(7,437)	3,433	2,635	(798)	4
Other own revenue	6,059,128	(318,746)	5,740,382	6,408,689	668,307	5
Total revenue (excluding capital transfers and contributions)	75,393,870	(4,188,218)	71,205,652	71,189,821	(15,831)	
'Total revenue from exchange transactions'	75,393,870	(4,188,218)	71,205,652	71,189,821	(15,831)	
'Total revenue from non-exchange transactions'	-	-	-	-	-	

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Expenditure						
Employee related costs	(19,007,361)	(55,724)	(19,063,085)	(19,363,760)	(300,675)	
Remuneration of councillors	(184,542)	1,900	(182,642)	(187,819)	(5,177)	
Debt impairment	(7,983,550)	771,045	(7,212,505)	(8,739,261)	(1,526,756)	7
Depreciation and asset impairment	(4,784,336)	(82,910)	(4,867,246)	(4,715,478)	151,768	8
Finance charges	(2,171,098)	(225,702)	(2,396,800)	(2,954,333)	(557,533)	9
Bulk purchases	(16,403,226)	2,763,370	(13,639,856)	(16,751,498)	(3,111,642)	10
Transfers and grants	(138,835)	54,411	(84,424)	(63,704)	20,720	12
Losses	(1,920,346)	(699,166)	(2,619,512)	(2,900,501)	(280,989)	14
Inventory consumed	(6,358,943)	371,372	(5,987,571)	(5,509,993)	477,578	11
Other expenditure	(14,347,281)	318,304	(14,028,977)	(13,684,222)	344,755	13
Total expenditure	(73,299,518)	3,216,900	(70,082,618)	(74,870,569)	(4,787,951)	
	75,393,870	(4,188,218)	71,205,652	71,189,821	(15,831)	
	(73,299,518)	3,216,900	(70,082,618)	(74,870,569)	(4,787,951)	
Operating deficit	2,094,352	(971,318)	1,123,034	(3,680,748)	(4,803,782)	
Transfers recognised - capital	2,803,834	250,232	3,054,066	2,573,888	(480,178)	
Contributions recognised - capital & contributed assets	404,473	(66,101)	338,372	235,069	(103,303)	15
Surplus after transfers and contributions	3,208,307	184,131	3,392,438	2,808,957	(583,481)	
	2,094,352	(971,318)	1,123,034	(3,680,748)	(4,218,782)	
	3,208,307	184,131	3,392,438	2,808,957	(583,481)	
Surplus before capital gains	5,302,659	(787,187)	4,515,472	(871,791)	(5,387,264)	
Taxation	80,168	(11,191)	68,977	594,060	525,083	
Surplus before taxation	5,302,659	(787,187)	4,515,472	(871,791)	(4,001,631)	
Taxation	80,168	(11,191)	68,977	592,685	523,708	
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	5,222,491	(775,996)	4,446,495	(277,731)	(4,862,181)	

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

A detailed description of the variances that management considers as material are provided below. Management considers a 10% variance to be material:

1. Service charges

Service charges are below budget due to a decrease in units sold, which is mainly driven by load shedding and customers moving to alternative sources of energy.

2. Rental of facilities and equipments

Rental of facilities are less than the budgeted amount due to less bookings than anticipated.

3. Investment revenue

Investment revenue is above budget due to a higher finance income earned from investments and positive bank balance.

4. Licenses and permits

Licenses and permits is below budget due to extension period granted to motorist by the minister which resulted in motorist not renewing their licenses.

5. Other revenue

The over recovery is mainly due to credit write-backs from rates credit balances on dormant accounts that have been inactive for more than three years.

6. Gains on disposal of assets

Gains on disposal of assets is below budget due to the fact that City did not sell any of its assets.

7. Debt Impairment.

The higher Debt impairment was a result of collection levels being below the budget.

8. Depreciation and asset impairment.

The lower budget is due to a decrease in capitalization of assets.

9. Finance charges

The over-budget was mainly due to interest on a R2.5 billion short-term loan facility from DBSA obtained in the current financial year. Additionally, interest incurred on favourable sweeping bank balances from entities and interest on new finance lease contract by JMPD for new vehicles.

10. Bulk purchases

Over-budget is mainly due to budget being reduced by R2,8 billion. This reduction was driven by calculated refunds expected from Eskom as a result of over and incorrect billing. However, the refund has not yet materialized.

11. Inventory Consumed

The inventory consumed reflects lesser consumption of water overall. JW consumed less per month compared to the 2022/23 financial year.

12. Transfers and subsidies paid

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

Transfers and subsidies paid are below budget due to cost-containment measures that are implemented across the city.

13. Other expenditure

The under-spending of other expenditure is as a result of a decrease in several expenses.

14. Losses

The losses are above budget due to over consumption of water. On average JW consumed 1.97 million kilolitres more per month compared to the 2022/23 financial year.

15. Capital Contributions

Capital contributions are below the budget due to the fact that the contributions received from the public were less than anticipated in the current financial period.

16. Taxation

Taxation is over budget as a result of a deferred tax asset recognised during 2023/2024 financial period which came from losses incurred during financial period ended 30 June 2024.

17. Agency fees

Agency fees were above the budget due to a higher number of agency services that the City of Johannesburg has provided on behalf of their business partners.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

CJMM

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Property rates	16,372,765	-	16,372,765	16,798,945	426,180	
Service charges	596,758	(221,082)	375,676	197,425	(178,251)	
Finance income	1,742,007	(75,970)	1,666,037	2,826,489	1,160,452	
Transfers recognised - operational	10,577,696	128,692	10,706,388	9,924,181	(782,207)	
Rental of facilities	160,175	185,354	345,529	134,423	(211,106)	
Agency fees	821,248	(23,024)	798,224	753,096	(45,128)	
Surcharges and Taxes	302,905	-	302,905	312,262	9,357	
Fuel Levy	3,838,724	-	3,838,724	3,838,724	-	
Fines, Penalties and Forfeits	901,633	(790,318)	111,315	175,342	64,027	
Public contribution and donations	-	-	-	28	28	
Other income	732,014	(209,619)	522,395	676,042	153,647	
Total revenue from exchange transactions	36,045,925	(1,005,967)	35,039,958	35,636,957	596,999	
'Total revenue from exchange transactions'	36,045,925	(1,005,967)	35,039,958	35,636,957	596,999	
'Total revenue from non-exchange transactions'	-	-	-	-	-	

Expenditure

Employee Related costs	(10,854,554)	200,182	(10,654,372)	(11,531,146)	(876,774)	
Remuneration of councillors	(184,542)	1,900	(182,642)	(187,819)	(5,177)	
Depreciation and amortisation	(3,273,553)	(28,218)	(3,301,771)	(3,029,349)	272,422	
Impairment loss	-	-	-	(546,092)	(546,092)	
Finance charges	(2,346,228)	(268,757)	(2,614,985)	(3,126,222)	(511,237)	
Debt Impairment	(2,030,298)	361,837	(1,668,461)	(2,912,405)	(1,243,944)	
Transfers and Subsidies	(6,623,293)	105,995	(6,517,298)	(6,498,118)	19,180	
Other expenditure	(7,844,990)	552,180	(7,292,810)	(6,434,464)	858,346	
Total expenditure	(33,157,458)	925,119	(32,232,339)	(34,265,615)	(2,033,276)	
	36,045,925	(1,005,967)	35,039,958	35,636,957	596,999	
	(33,157,458)	925,119	(32,232,339)	(34,265,615)	(2,033,276)	
Operating surplus	2,888,467	(80,848)	2,807,619	1,371,342	(1,436,277)	
(Loss) gain on disposal of assets	5,000	(5,000)	-	(51,349)	(51,349)	
Fair Value adjustments	-	-	-	247,597	247,597	
	5,000	(5,000)	-	196,248	196,248	
	2,888,467	(80,848)	2,807,619	1,371,342	(1,436,277)	
	5,000	(5,000)	-	196,248	196,248	
Surplus before taxation	2,893,467	(85,848)	2,807,619	1,567,590	(1,240,029)	
Deficit before taxation	2,893,467	(85,848)	2,807,619	1,567,590	(1,240,029)	
Taxation	-	-	-	-	-	

A detailed description of the variances that management considers as material is provided below. Management considers a 10% variance to be material:

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand thousand

1. Rendering of services

Under-recovery caused by delays in operationalization of Rea Vaya Phase 1C(a) and Phase 1 A and bus shortages due to mechanical problems. Additionally, the pound storage was found to be unvaible after the area was inhabited by homeless people and the area unsuitable to keep impounded vehicles resulting in a loss of revenue. Adversting revenue under budget due to various outdoor advertising contracts not finalised and economic conditions not being as favourable as expected in the current financial year resulting in less entities using JPC facilities for advertising.

2. Rental of facilities and equipment

The under recovery is due to the delays in the approval of reports by EAC that has resulted in the lease renewal period taking longer than the average 3 months it takes for a lease to be renewed. Furthermore, the delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.

3. Other income

The over recovery is mainly due to credit write-backs from rates credit balances on dormant accounts that have been inactive for more than three years

4. Finance income

The main reason for the over-recovery is due to interest charged on unfavourable sweeping bank balances of the entities, which substantially increased in the current financial year. Other factors such as interest earned on the city's primary bank account's with a positive balance and unbudgetted for Human Settlements debtors interest

5.Finance income - Property rate

There has been below budget collection levels for the financial year ending 30 June 2024 which resulted in an increase in debtor's books and as a result, an increase in interest earned. Interest levied on overdue debtors accounts is in line with Credit Management Policy.

6.Fines, penalties and forfeits

The traffic fines contract (SYNTELL) was finalised and in effect in the current year (for the entire twelve months) which resulted in increased revenue. There was a better than expected performance on traffic revenue based on manual citations

7. Debt Impairment

There has been below budget collection levels for the financial year ending 30 June 2024 which resulted in an increase in debtors book, thus resulting in an impairment.

8. Finance cost

The over-budget was mainly due to interest on a R2.5 billion short-term loan facility from DBSA obtained in the current financial year. Additionally, interest incurred on favourable sweeping bank balances from entities and interest on new finance lease contract by JMPD for new vehicles.

9. Public contributions and donations

These items are normally not budgeted for due to their nature.

10. Fair value adjustment

These items are normally not budgeted for due to their nature.

11. Loss on disposal of assets and liabilities

The variance is due to stolen and scrapped assets in the current financial year.

12. General expenses

Delays in paying compensation lumpsum to Rea Vaya Phase 1C(a) and affected taxi operators. The delay is due to delays in the finalisation of taxi operating licenses and bus shortages in Phase 1A due to mechanical problems.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Appropriation Statement

Figures in Rand thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Group - 2024											
Financial Performance											
Property rates	16,372,765	-	16,372,765	-		16,372,765	16,798,945		426,180	103 %	103 %
Rendering of services	42,166,796	(3,212,288)	38,954,508	-		38,954,508	37,497,875		(1,456,633)	96 %	89 %
Rental of facilities and equipment	535,867	52,343	588,210	-		588,210	307,430		(280,780)	52 %	57 %
Finance income	623,011	49,393	672,404	-		672,404	1,160,949		488,545	173 %	186 %
Fines, penalties and forfeits	951,574	(790,318)	161,256	-		161,256	175,592		14,336	109 %	18 %
Agency fees	386,492	(15,000)	371,492	-		371,492	969,999		598,507	261 %	251 %
Licenses and permits	10,870	(7,437)	3,433	-		3,433	2,635		(798)	77 %	24 %
Transfers recognised - operational	8,281,453	52,991	8,334,444	-		8,334,444	7,867,707		(466,737)	94 %	95 %
Gains on disposal of PPE	5,914	844	6,758	-		6,758	-		(6,758)	- %	- %
Other revenue	6,059,128	(318,746)	5,740,382	-		5,740,382	6,408,689		668,307	112 %	106 %
Total revenue(Excluding capital transfers and contributions)	75,393,870	(4,188,218)	71,205,652	-		71,205,652	71,189,821		(15,831)	100 %	94 %
Employee costs	(19,007,361)	(55,724)	(19,063,085)	-	-	(19,063,085)	(19,363,760)	-	(300,675)	102 %	102 %
Remuneration of councillors	(184,542)	1,900	(182,642)	-	-	(182,642)	(187,819)	-	(5,177)	103 %	102 %
Debt impairment	(7,983,550)	771,045	(7,212,505)			(7,212,505)	(8,739,261)	-	(1,526,756)	121 %	109 %
Depreciation and asset impairment	(4,784,336)	(82,910)	(4,867,246)			(4,867,246)	(4,715,478)	-	151,768	97 %	99 %
Inventory consumed	(6,358,943)	371,372	(5,987,571)	-	-	(5,987,571)	(5,509,993)	-	477,578	92 %	87 %
Finance charges	(2,171,098)	(225,702)	(2,396,800)	-	-	(2,396,800)	(2,954,333)	-	(557,533)	123 %	136 %
Materials and bulk purchases	(16,403,226)	2,763,370	(13,639,856)	-	-	(13,639,856)	(16,751,498)	-	(3,111,642)	123 %	102 %
Transfers and grants	(138,835)	54,411	(84,424)	-	-	(84,424)	(63,704)	-	20,720	75 %	46 %
Losses	(1,920,346)	(699,166)	(2,619,512)	-	-	(2,619,512)	(2,900,501)	-	(280,989)	111 %	151 %
General expenses	(14,347,281)	318,304	(14,028,977)	-	-	(14,028,977)	(13,684,222)	-	344,755	98 %	95 %
Total expenditure	(73,299,518)	3,216,900	(70,082,618)	-	-	(70,082,618)	(74,870,569)	-	(4,787,951)	107 %	102 %
Total revenue	75,393,870	(4,188,218)	71,205,652	-	-	71,205,652	71,189,821	-	(15,831)	100 %	94 %
Total expenditure	(73,299,518)	3,216,900	(70,082,618)	-	-	(70,082,618)	(74,870,569)	-	(4,787,951)	107 %	102 %
Surplus/ (Deficit)	2,094,352	(971,318)	1,123,034	-		1,123,034	(3,680,748)		(4,803,782)	(328)%	(328)%

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Appropriation Statement

Figures in Rand thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	2,803,834	250,232	3,054,066	-		3,054,066	2,573,888		(480,178)	84 %	92 %
Contributions recognised - capital and contributed assets	404,473	(66,101)	338,372	-		338,372	235,069		(103,303)	69 %	58 %
Surplus/(Deficit)	2,094,352	(971,318)	1,123,034	-	-	1,123,034	(3,680,748)	-	(4,803,782)	(328)%	(176)%
Capital transfers and contributions	3,208,307	184,131	3,392,438	-	-	3,392,438	2,808,957	-	(583,481)	83 %	88 %
Surplus/ (Deficit) after capital contributions	5,302,659	(787,187)	4,515,472	-		4,515,472	(871,791)		(5,387,263)	(19)%	(16)%
Taxation	80,168	(11,191)	68,977	-		68,977	594,060		525,083	861 %	741 %
Surplus (Deficit) after capital transfers and contributions	5,302,659	(787,187)	4,515,472	-	-	4,515,472	(871,791)	-	(5,387,263)	(19)%	(16)%
Taxation and minorities	(80,168)	11,191	(68,977)	-	-	(68,977)	592,685	-	(525,083)	(859)%	(739)%
Surplus/ (Deficit) for the year	5,222,491	(775,996)	4,446,495	-		4,446,495	(277,731)		(4,862,181)	(6)%	(5)%

Capital expenditure and funds sources

Total capital expenditure	7,642,206	(738,871)	6,903,335	-		6,903,335	9,387,450		2,484,115	93 %	94 %
Sources of capital funds											
Transfers recognised - capital	2,803,834	61,128	2,864,962	-		2,864,962	3,772,490		907,528	132 %	135 %
Public contributions and donations	338,372	-	338,372	-		338,372	-		(338,372)	- %	- %
Borrowing	2,500,000	1	2,500,001	-		2,500,001	3,519,111		1,019,110	141 %	141 %
Internally generated funds	2,000,000	(800,000)	1,200,000	-		1,200,000	2,095,849		895,849	175 %	105 %
Total sources of capital funds	7,642,206	(738,871)	6,903,335	-		6,903,335	9,387,450		2,484,115	136 %	123 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Appropriation Statement

Figures in Rand
thousand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
CJMM											
Financial Performance											
Property rates	16,372,765	-	16,372,765	-		16,372,765	16,798,945		426,180	103 %	103 %
Service charges	596,758	(221,082)	375,676	-		375,676	197,425		(178,251)	53 %	33 %
Investment revenue	1,629,815	(75,970)	1,553,845	-		1,553,845	2,617,224		1,063,379	168 %	161 %
Transfers recognised - operational	10,577,696	128,692	10,706,388	-		10,706,388	9,924,181		(782,207)	65 %	66 %
Other own revenue	6,873,891	(842,607)	6,031,284	-		6,031,284	6,346,779		315,495	105 %	92 %
Total revenue (excluding capital transfers and contributions)	36,050,925	(1,010,967)	35,039,958	-		35,039,958	35,884,554		844,596	102 %	100 %
Employee costs	(10,854,554)	200,182	(10,654,372)	-	-	(10,654,372)	(11,531,146)	-	(876,774)	108 %	106 %
Remuneration of councillors	(184,542)	1,900	(182,642)	-	-	(182,642)	(187,819)	-	(5,177)	103 %	102 %
Depreciation and amortisation	(3,273,553)	(28,218)	(3,301,771)			(3,301,771)	(3,029,349)	-	272,422	92 %	93 %
Finance charges	(2,346,228)	(268,757)	(2,614,985)			(2,614,985)	(3,126,222)	-	(511,237)	120 %	133 %
Debt impairment and write-off	(2,030,298)	361,837	(1,668,461)	-	-	(1,668,461)	(2,912,405)	-	(1,243,944)	175 %	143 %
Transfers and grants	(6,623,293)	105,995	(6,517,298)	-	-	(6,517,298)	(6,498,118)	-	19,180	100 %	98 %
Other expenditure	(7,844,990)	552,180	(7,292,810)	-	-	(7,292,810)	(7,031,905)	-	260,905	96 %	90 %
Total expenditure	(33,157,458)	925,119	(32,232,339)	-	-	(32,232,339)	(34,316,964)	-	(2,084,625)	106 %	103 %
Total revenue (excluding capital transfers and contributions)	36,050,925	(1,010,967)	35,039,958	-	-	35,039,958	35,884,554	-	844,596	102 %	100 %
Total expenditure	(33,157,458)	925,119	(32,232,339)	-	-	(32,232,339)	(34,316,964)	-	(2,084,625)	106 %	103 %
Surplus/(Deficit)	2,893,467	(85,848)	2,807,619	-		2,807,619	1,567,590		(1,240,029)	56 %	54 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Appropriation Statement

Figures in Rand thousand

		Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Contributions recognised - capital and contributed assets	-	-	-	-			-	-		-	- %	- %
Surplus/(Deficit)	2,893,467	(85,848)	2,807,619	-	-	-	2,807,619	1,567,590	-	(1,240,029)	56 %	54 %
Surplus (Deficit) after capital transfers and contributions	2,893,467	(85,848)	2,807,619	-	-	-	2,807,619	1,567,590	-	(1,240,029)	56 %	54 %
Surplus/(Deficit) for the year	2,893,467	(85,848)	2,807,619	-			2,807,619	1,567,590		(1,240,029)	56 %	54 %
Capital expenditure and funds sources												
Total capital expenditure	4,601,093	-	4,601,093	-			4,601,093	5,373,320		772,227	87 %	87 %

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Accounting Policies

1. Statement of compliance

Basis of Preparation and Presentation

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Municipal Finance Management Act (MFMA) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

Presentation Currency

These annual financial statements are presented in South African Rand (Rounding is in thousands; unless indicated otherwise), which is the functional currency of the municipality.

Going Concern

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

Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.1 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.2 Consolidation

Basis of consolidation

The consolidated Group Annual Financial Statements comprise the Annual Financial Statements of CJMM and all entities controlled by CJMM, presented as those of a single entity.

Control exists when CJMM has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

Balances, transactions, revenues and expenses between entities within the Group are eliminated in full on consolidation.

1.3 Significant judgements and sources of estimation uncertainty

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Significant judgements include:

Impairment of financial assets

Where objective evidence of impairment loss on financial assets measured at amortised cost exists, the present value of the future cash flows of the financial assets discounted at the financial asset's original effective rate is determined and compared to the carrying value of the financial assets. The carrying amount of asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be recognised in the statement of financial performance.

Allowance for slow moving, damaged and obsolete stock

Management makes an estimate of the selling price and direct cost to sell to determine the net realisable value of inventory items. Allowance for obsolete stock is recognised when stock is slow moving and/or will not be used. The difference between the cost of inventory and the net realisable value is recognised in the statement of financial performance.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. Where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length market transactions, reference to current market values of other similar instruments, discounted cash flow analysis and option pricing models.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Municipality then estimate the recoverable service amount of the asset.

The recoverable amounts of cash-generating units and individual assets are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the fair value assumption may change which may then impact estimations and may then require a material adjustment to the carrying value of cash-generating units and individual assets.

The excess of the carrying amounts over the recoverable amount is recognised as impairment loss in the statement of financial performance.

Provisions, contingent liabilities and contingent assets

Management's judgement is required when recognising and measuring provisions as well as contingent liabilities and contingent assets. Provisions are raised based on the information available to management, and past knowledge.

A provision is recognised when the municipality has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The estimates are discounted at a discount rate that reflects current market assessments of the time value of money

Expected manner of realisation for deferred tax

Deferred tax is provided for based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainties.

Impairment of receivables

Impairment of receivables represent management's best estimate based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This is performed on each category of debtors across all debtor classes.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets

Useful life of PPE

The useful life of assets are based on management's estimates. Management considers the impact of technology, service requirements and the required return on assets to determine the optimum useful life expectation, where appropriate. The estimated residual value of assets is also based on management's judgement which takes into account the condition of assets at the end of their useful lives.

Budget information

For differences between budget and actual amounts management considers the amount and the nature of the difference and makes a judgement as to which differences are regarded as material. All material differences are explained in the notes to the annual financial statements.

1.4 Living resources

Zoo animals are accounted for in terms of GRAP 110 as items of Living and Non-Living Resources. The majority of animals are received as donations and transfers from other similar institutions for no consideration or from procreation. These assets are recorded at a fair value at the time of donation or transfer, and are depreciated accordingly.

Accounting Policies

1.4 Living resources (continued)

Measurement at recognition

A living resource that qualifies for recognition as an asset shall be measured at its cost. Where a living resource is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Measurement after recognition

Where an entity intends to hold a living resource for more than twelve months from the reporting date, it shall apply the principles in this Standard and choose as its accounting policy either the cost model or the revaluation model

Depreciation

Living resources shall be depreciated and the depreciation charge for each period shall be recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate

Depreciable amount and depreciation period

The depreciable amount of a living resource shall be allocated on a systematic basis over its useful life.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy

Depreciation Method

The depreciation method used shall reflect the pattern in which the future economic benefits or services potential of the living resources is expected to be consumed by the entity.

The depreciation method applied to a living resource shall be reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or services potential embodied in the living resources, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate in accordance with GRAP 3

Impairment

The entity assesses at each reporting date whether there is an indication that the living resource may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the living resource.

Derecognition

The carrying amount of a living resource shall be derecognised:

- (i) on disposal (including disposal through a non-exchange transaction); or
- (ii) when no future economic benefits or service potential are expected from its use or disposal.

Market determined prices or values are not available for certain animals due to lack of market because they are commodities, as well as restrictions on trade of exotic animals which precludes the determination of a fair value. The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

The Johannesburg Zoo also acquires animals through supply chain processes and these newly acquired animals are carried at cost less accumulated depreciation and any impairment losses. The offspring of newly acquired animals shall be recorded at a fair value at the time of birth and will also be depreciated accordingly.

The useful lives of zoo animals listed below reflect useful lives of the different classes of animals at the Johannesburg Zoo. Within the different classes of animals are a number of different species whose useful lives differ. Therefore the useful lives of zoo animals listed below reflect the useful lives of the different species contained within a specific class of animals.

The longevity of zoo animals has been assessed as follows:

Amphibia	4-16 years
Arachnida	2-20 years
Reptilia	7-80 years
Aves	4-16 years
Mammalia	6-64 years
Pisces	1-35 years
Insecta	4 years

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Accounting Policies

1.5 Investment property

Definition

Investment properties are immovable land and/or buildings that are held to earn rental income and/or for capital appreciation. Investment property excludes owner-occupied property that is used in the production or supply of goods or services or for administrative purposes, or property held to provide a social service.

Recognition

Investment property is recognised as an asset when and only when it is probable that future economic benefits or service potential that is associated with the investment property will flow to the entity and the cost or fair value can be reliably measured

Initial measurement

Investment property is initially measured at cost. Transaction costs are included in the initial measurement.

Subsequent measurement

Under the cost model, investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties, with the exception of land, are depreciated on the straight-line basis over their expected useful lives as follows:

Item	Useful life
Property - Buildings	30 years
Property -Land	Unlimited

The useful life and the depreciation method for investment properties are reviewed at each reporting date.

Investment properties are tested for impairment whenever there is an indication that the asset may be impaired.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use.

Derecognition

An investment property is derecognised upon disposal or when it is permanently withdrawn from use, and when no future economic benefits or service potential are expected from its use. Any gain or loss arising from the retirement or disposal is recognized in the statement of financial performance.

1.6 Property, plant and equipment

Property, plant and equipment (PPE) is initially measured at cost.

All items of PPE are initially recognised at cost, which includes the purchase price and any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

Where an item of PPE is acquired through a non-exchange transaction, its cost is measured at fair value as at the date of acquisition.

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1.6 Property, plant and equipment (continued)

Subsequent measurement:

PPE are shown at cost, less accumulated depreciation and any accumulated impairment. Land is measured at cost, less any impairment in value and is not depreciated, since the useful life is considered to be indefinite.

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready and available for its use as intended by management.

Property, plant and equipment with the exception of land are depreciated on the straight line basis over their expected useful lives to their estimated residual values. The depreciation method used for each asset reflects the pattern in which the asset's economic benefits or service potential has been expected to be consumed by the Municipality.

Assets held under finance leases are depreciated on the lower of lease term or expected useful lives in the same way as owned assets. When it is reasonable certain that ownership will be transferred to the lessee at end of lease term, then leased asset will be depreciated over the useful life of the asset which is consistent with that for depreciable assets that are owned. Depreciation is recognised in the statement of financial performance.

Subsequent expenditure is included in the cost of the asset when incurred, if it is probable that such expenditure will result in future economic benefits associated with the item flowing to the Municipality, and the cost can be measured reliably.

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

The residual values, useful lives and depreciation methods applied to assets are reviewed at each financial year-end based on relevant market information and management consideration.

Property, plant and equipment are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates

The useful lives of items of property, plant and equipment have been assessed as follows:

Item		Average useful life (Years)
Buildings		5 - 60 years
Plant and Equipment		2 - 85 years
Furniture and fittings		1 - 30 years
Motor vehicles		3 - 20 years
Office equipment		2 - 30 years
Computer equipment		1 - 32 years
Bins and containers		5 - 15 years
Infrastructure		10 - 50 years
Community assets		3 - 30 years
Emergency Equipment		5 - 15 years
Wastewater and Water Network		10 - 100 years
Pump stations - Civil		60 - 100 years
Pump stations - Mechanical		5 - 15 years
Pump stations - Electrical		7 - 16 years
Water meters		4 - 17 years
Pipelines and other		10 - 100 years
Minor plant	Straight line	1 - 22 years
Landfill Site		Determined annually based on the available space
Specialised vehicles		5- 40 years
Other		2 - 40 years

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1.6 Property, plant and equipment (continued)

Derecognition

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

The Group derecognises property, plant and equipment on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment. Such difference is recognised in the statement of financial performance.

1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others or for administrative purposes.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the group or from other rights and obligations.

An intangible asset is recognised when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Subsequent Measurement

Intangible assets are carried at cost less any accumulated amortisation and impairment losses.

Amortisation commences when the intangible assets are available for their intended use. The amortisation period and method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets with finite useful lives are amortised on the straight-line basis over the useful lives of assets.

For intangible assets with an indefinite useful life, no amortisation is provided but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. However, the Municipality reviews the useful life of an intangible asset that is not being amortised each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

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Accounting Policies

1.7 Intangible assets (continued)

Derecognition

The gain or loss arising from the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying value which is recognised in the statement of financial performance. The municipality derecognises intangible assets; on disposal, when there is no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from derecognition of intangible assets is the difference between the net disposal proceeds, if any, and the carrying amount of the intangible assets which is recognised in the statement of financial performance.

Amortisation is provided to write down the intangible assets, on the straight line basis, to their residual values as follows:

Item	Useful life
Additional capacity rights	indefinite
Brand names	indefinite
Computer software, internally generated	indefinite
Computer software, other	3-40 years

By their nature, servitudes confer upon the holder a right in perpetuity over the property and as these rights have an indefinite useful life, they are not amortised.

Capacity Rights

Capacity Rights arise from a payment made to Eskom for the right to receive electricity at a specific supply point within a certain capacity. Eskom in turn utilise the funds to upgrade/install equipment within their infrastructure to ensure electricity supply in accordance within agreed upon capacity.

Capacity rights carrying amount of R261 228 000 were assessed to have indefinite useful lives because the supply agreements that are not limit supply of electricity to a specific timeframe and Eskom also undertakes to ensure that all future maintenance and replacement of the infrastructure is carried out to maintain the agreed capacity in perpetuity.

1.8 Heritage assets

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

A heritage asset shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent measurement.

Heritage assets are recognised at cost less accumulated impairment. Due to high residual values and long economic lives, the Municipality does not depreciate heritage assets.

Transfers to heritage assets are made only when the asset meets the definition of a heritage asset, and transfers from heritage assets are made only when the asset no longer meets the definition of a heritage asset. Principles of assets transferred to heritage assets apply up until the date of transfer.

Heritage assets are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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Accounting Policies

1.8 Heritage assets (continued)

Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from their use or disposal. The gain or loss arising from disposal and de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in the statement of financial performance.

1.9 Investments in controlled entities

In the municipality's separate annual financial statements, investments in municipal entities are carried at cost less any accumulated impairment

1.10 Investments in joint ventures

An investment in joint ventures is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the surpluses or deficits of the investee after acquisition date. The use of the equity method is discontinued from the date the group ceases to have joint control over a joint venture.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

An interest in a jointly controlled company is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with Standard of GRAP on non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the company's share of net assets of the company, less any impairment losses. Surpluses and deficits on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

The most recent available annual financial statements of the joint ventures are used by the investor in applying the equity method.

Distributions received from the joint ventures reduce the carrying amount of the investment.

1.11 Investments in associates

An investment in an associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the surpluses or surplus (deficit) of the investee after acquisition date. The use of the equity method is discontinued from the date the group ceases to have significant influence over an associate.

Any impairment losses are deducted from the carrying amount of the investment in associate.

Distributions received from the associate reduce the carrying amount of the investment.

Surpluses and surplus (deficit) resulting from transactions with associates are recognised only to the extent of unrelated investors' interests in the associate.

The excess of the group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is excluded from the carrying amount of the investment and is instead included as revenue in the period in which the investment is acquired.

The most recent available group annual financial statements of the associate are used by the investor in applying the equity method.

The recognition of the group's share of losses is discontinued once the group's share of losses of an associate equals or exceeds its interest in the associate.

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Accounting Policies

1.12 Financial instruments

Financial Assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Municipality has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

To the extent that a financial asset has a maturity period of longer than 12 months, the value of these instruments will be reflected as a non-current asset.

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition (trade date).

Investments at cost

Financial assets at fair value

Financial assets at fair value comprise of derivatives and non-derivative financial instruments designated at fair value. On initial recognition the financial assets are measured at fair value. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Receivables from exchange and non exchange transactions

Trade receivables and consumer debtors are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of financial performance when there is objective evidence that the asset is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable and consumer debtors are impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of financial performance within operating expenses. When trade receivables and consumer debtors are uncollectible, it is written off against the allowance account for trade receivables and consumer debtors once council approval is obtained. Subsequent recoveries of amounts previously written off are credited in the statement of financial performance.

Financial liabilities

Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, except for financial liabilities at fair value through profit or loss or hedging instruments, which are measured at fair value.

Finance costs on financial liabilities at amortised cost are expensed in the statement of financial performance in the period in which they are incurred using the effective interest rate method. In addition, gains and losses on these financial liabilities are recognised in the statement of financial performance when the liability is derecognised.

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Accounting Policies

1.12 Financial instruments (continued)

Gains and losses on financial liabilities at fair value through profit or loss arise from fair value movements and related transaction costs on these liabilities. These gains and losses are recognised in the statement of financial performance in the period in which they are incurred.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

Loans to/ from Municipal entities

Loans to/ from municipal entities are classified as Assets which are initially recognised at fair value and subsequently measured at amortised cost.

Payables from exchange and non exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting Financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the municipality has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Hedge accounting (derivatives)

The municipality holds derivative financial instruments to hedge its interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the municipality formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The municipality makes an assessment, both at the inception of the hedge relationship as well as on an on-going basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported statement of financial performance.

Derivatives are recognised initially at fair value, and attributable transaction costs are recognised in the statement of financial performance as incurred.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect statement of financial performance, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in net assets. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of financial performance.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the statement of financial performance.

1.13 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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Accounting Policies

1.13 Statutory receivables (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

The city has identified the following statutory receivables and their applicable legislation:

Name	Legislation
Property rates	Municipal Property Rates Act No. 6 of 2004
Traffic fines	Criminal Procedures Act 51 of 1977 Administrative Adjudication of Road Traffic Act
VAT Receivable	Value Added Tax Act 89 of 1991 (VAT Act)
Current Tax	Income Tax Act 58 of 1962
City Cleaning Levy	Waste management By-Law 2021

Recognition

The group recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The group initially measures statutory receivables at their transaction amount.

Subsequent measurement

The group measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The group derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the group transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the group, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

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Accounting Policies

1.13 Statutory receivables (continued)

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.14 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

1.15 Leases

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

Group recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Finance leases - lessee

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Accounting Policies

1.15 Leases (continued)

The Group recognises assets and liabilities acquired under finance leases as assets and the associated obligation as liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and the outstanding capital portion, using the effective interest rate method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Operating leases - lessor

Operating lease revenue is recognised as revenue on the straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on the straight-line basis.

Operating leases - lessee

Operating lease payments are recognised as an expense on the straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on the straight-line basis.

1.16 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, their costs are their fair value as at the date of acquisition.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Subsequent measurement

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Management estimate, based on their assessment of quality and volume, the extent to which inventory on hand at the reporting date will be sold below cost.

Current replacement cost is the cost the group incurs to acquire the asset on the reporting date.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

Accounting Policies

1.16 (continued)

The municipality derecognises inventory on disposal, or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of inventory is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the inventory. Such difference is recognised in statement of financial performance.

1.17 Impairment of cash and non-cash generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the group; or
- the number of production or similar units expected to be obtained from the asset by the group.

Judgements are made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets.

Reversal of impairment loss

The group assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.17 Impairment of cash and non-cash generating assets (continued)

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.18 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the group; or
- the number of production or similar units expected to be obtained from the asset by the group.

Reversal of an impairment loss

The group assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the group estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.19 Events after the reporting period

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified :

- Those that provide evidence of conditions that existed at the reporting date (adjusting events); and
- Those that are indicative of conditions that arose after the reporting date (non- adjusting events).

Reporting date means the last date of the reporting period to which the financial statements relate.

The group will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once they have occurred. The entity does not adjust the amounts recognised in its financial statements to date reflect non-adjusting events after the reporting date.

1.20 Bulk Purchase

Bulk purchases represents water expensed ,cost of electricity purchased (for onwards selling to consumers and to power streetlights within the City of Johannesburg) as well as electricity and chemicals used in water purification. It also includes electricity distribution losses and water losses.

Water losses are recognised as expense in the period the loss occurs

Bulk Purchase expenses are measured reliably at the amortised cost of the consideration payable, exclusive of value added tax.

The bulk purchases expense are recognised in relation to the income earned. The amount of any losses of inventories are recognised as an expense in the period the loss occurs.

1.21 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

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Accounting Policies

1.21 Segment information (continued)

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Group

The group is organised and reports to management on the basis of a parent company (CORE Admin) and twelve municipal entities.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

City of Johannesburg has identified and disclosed the following segments:

1. CORE parent company (Segment information for the Parent company is shown as a comparative in these Group AFS)
2. City Power
3. Johannesburg Water
4. Johannesburg Roads Agency
5. Johannesburg Property Company
6. Johannesburg Civic Theatre
7. Johannesburg Development Agency
8. PIKITUP
9. JOSHCO
10. MTC
11. Johannesburg Fresh Produce Market
12. Johannesburg City Parks
13. Metro Bus
14. Tourism

Core Admin has identified and disclosed the following segments:

1. Economic development
2. EISD
3. Development planning
4. Social Development
5. Public Safety
6. Health
7. Housing
8. Transport

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.22 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024 to 2025.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Accounting Policies

1.22 Budget information (continued)

The group annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

1.23 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

The Municipality recognises the expected cost of bonus, incentive and performance related payments when and only when:

- (a) it has a present legal or constructive obligation to make such payments as a result of past events,
- (b) a reliable estimate of the obligation can be made.

The City contributes to defined contribution plan and defined benefit plan.

Defined contribution plans

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.24 Provisions and contingencies

Provisions are recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and:

- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

Where the effect of the time value of money is material, the amount of the provision is discounted to present value at the discount rate which is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the group settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

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Accounting Policies

1.24 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Additional disclosures of estimates of provisions are included in the provisions note.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The group recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.25 Revenue from exchange transactions

Revenue is recognised at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Revenue from sale of Bus ticket points

Revenue from the sale of ticket points is accounted for as a separately identifiable component of a sale for normal points and bonus points. Each point is equivalent to the value of one rand. Bonus points are earned by customers only on purchase of points above the value of R50. Any bonus points not redeemed within 36 months (3 years) are subject to expiry thereafter any deferred revenue previously recognised is then recognised as revenue.

Revenue arising from sale of bus tickets for both normal and bonus points is initially accounted for as deferred revenue (liability) in the statement of financial position and only recognised as revenue upon redemption of normal or bonus points, or upon the expiry date.

Revenue is recognised at fair value for normal points. Bonus points are also recognised at fair value which is equivalent to the cost of transferring the points. The consideration allocated to the bonus points is measured by reference to the amount which the bonus points could be sold separately.

At the end of each period, deferred revenue is recognised which is measured at fair value of points earned which are yet to be redeemed.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the group;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.25 Revenue from exchange transactions (continued)

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on the straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Income from agency services

Revenue arising from situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of commission or fee payable to the municipality for services performed.

Finance income

Interest is recognised on a time- proportion basis, in surplus or deficit, using the effective interest rate method.

1.26 Revenue from non-exchange transactions

An inflow of resources from non-exchange transactions recognised as an asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Fines

The group has two types of fines:

- Traffic fines issued in terms of the Criminal Procedures Act
- Traffic fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO ACT).

Criminal Procedures Act fines:

These fines are issued in terms of the Criminal Procedures Act and are usually issued by way of notice to offenders, and can:

- (a) indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or
- (b) indicate that the offender must appear in Court on a specified day (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

Initial recognition:

There is uncertainty regarding the probability of the flow of economic benefits in respect of criminal procedure act fines. Legal processes have to be undertaken before the criminal procedure act fine is enforceable. In respect of summonses' the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. Where a reliable estimate cannot be made of revenue from summonses, the Municipality cannot recognise revenue and receivable until this judicial process has been completed and a reliable estimate can be made.

Subsequent measurement

IGRAP1 states that the assessment and recognition of an impairment is an event that takes place subsequent to the initial recognition of revenue charged. An entity assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment should not be made at the time of initial recognition.

AARTO traffic fines

These are fines issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

Initial recognition

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.26 Revenue from non-exchange transactions (continued)

The COJ is legally entitled to 50% of the face value of the fines, taking into account the best estimate of the inflow of economic benefits in terms of GRAP 23.

In terms of the AARTO Act par 32(1) and (2), RTIA is legally entitled to receive 50% of the face value of such fine plus other administrative cost so incurred as compensation for their services in collecting and adjudication process.

Subsequent measurement

IGRAP1 states that the assessment and recognition of an impairment is an event that takes place subsequent to the initial recognition of revenue charged. An entity assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment should not be made at the time of initial recognition

Government grants

Government grants are recognised as revenue when:

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

Conditional grants

Conditions on transferred assets (hereafter referred to as conditions) require that the entity either consume the future economic benefits or service potential of the asset as specified or return future economic benefits or service potential to the transferor in the event that the conditions are breached. Therefore, the Municipality incurs a present obligation to transfer future economic benefits or service potential to third parties when it initially gains control of an asset subject to a condition. This is because the Municipality is unable to avoid the outflow of resources as it is required to consume the future economic benefits or service potential embodied in the transferred asset in the delivery of particular goods or services to third parties or else to return to the transferor future economic benefits or service potential. Therefore, when a Municipality initially recognises an asset that is subject to a condition it also recognises a liability. Revenue on such grants is recognised when the qualifying expenditure has been incurred and to the extent that conditions have been complied with.

Unconditional grants

The Municipality recognises revenue from unconditional grants upon receipt and/or when resources transferred meet the criteria for recognition as an asset and there is also no present obligation to the Municipality to refund transferred resources to the transferor.

Unconditional grants also includes grants with restrictions since restrictions do not include a requirement that the transferred asset, or future economic benefits or service potential be returned to the transferor if the asset is not deployed as specified. Therefore, gaining control of an asset subject to a restriction does not impose on the Municipality a present obligation to transfer future economic benefits or service potential to third parties when control of the asset is initially gained. The Municipality recognises grants with restriction and unconditional grants as revenue upon receipt of the grant and no corresponding liability is recognised. Unconditional grants are measured at their fair value.

Rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Revenue from rates is measured using gazetted tariffs.

Public contributions and donations including goods in-kind donations

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.26 Revenue from non-exchange transactions (continued)

Public contributions and donations are voluntary transfers of assets including cash or other monetary assets.

Goods in-kind are tangible assets transferred to an entity in a non-exchange transaction, without charge, but may be subject to stipulations.

Public contributions and donations (other than services in-kind) are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Public contribution and donations including goods in-kind are measured at their fair value as at the date of acquisition.

1.27 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.28 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The group, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The group, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The group recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.29 Deviations

Deviations

City of Johannesburg Metropolitan Municipality

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Accounting Policies

1.29 Deviations (continued)

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process. Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the directors and includes a note to the annual financial statements

The Group's supply chain management policy and the Local Government Municipal Finance Management Act, 2003, as per Regulation 36(1) allows the Accounting Officer to dispense with the official procurement processes established, to procure any required goods or services through any convenient process which may include direct negotiations or price quotations in the following instances:

- Emergencies - where immediate action is necessary to avoid a dangerous or risky situation or misery or disaster
- Sole suppliers - where such goods or services are produced or available from a single provider only
- Any other exceptional cases where it is impractical or impossible to follow the official procurement processes

It is further noted that the deviations referred to above have to be ratified by the Accounting Officer on a monthly basis and the appropriate reasons recorded, where officials or bid committees acted in terms of delegated powers which are purely of a technical nature. All these deviations have also in terms of the regulations have to be reported to the board of directors as required..

1.30 Awards to close family members

Awards to close family member discloses any awards of more than R2 000 which are awarded to a person who is a spouse, child or parent of a person who is in the service of the state. The name of the person, amount of the award and the capacity in which that person is in the service of the state must be disclosed.

1.31 In-kind services

The Municipality does not recognise services in kind as revenue or assets, but separately discloses the nature and type of major classes of services in-kind as a note to the financial statements.

1.32 Unauthorised expenditure

Unauthorised expenditure is any expenditure incurred by a municipality otherwise than in accordance with the approved budget as well as expenditure exceeding the limits of the amounts appropriated for in the different votes in the approved budget.

Depending on circumstances, identified unauthorised expenditure will be authorised by council in an adjustment budget, certified by municipal council as irrecoverable and written off by the council or recovered from a liable official or political office bearer. In cases where unauthorised expenditure is recoverable from an official or political office bearer resulting from necessary investigations, revenue and receivables are recognised. Unauthorised expenditure is disclosed in the notes to the financial statements.

1.33 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain, and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure which was incurred and identified during the financial year and also condoned by the council in terms of the MFMA, is only disclosed in the notes to annual financial statements. However, fruitless and wasteful expenditure which was incurred and identified during the financial year but failed to be condoned by the council is initially recognised as expenditure based on its nature and after further investigations classified to receivables and revenue. Where it is not possible to recover the revenue recognised from fruitless and wasteful, the receivable is written-off following proper write off processes in terms of the MFMA.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Accounting Policies

1.34 Irregular expenditure

Irregular expenditure is expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the MFMA, the Municipal Systems Act, or the Public Office-Bearers Act, and which has not been condoned in terms of the MFMA.

Irregular expenditure which was incurred and identified during the financial year is disclosed in the annual financial statements. It will be accounted for as an expenditure in the statement of financial performance and disclosed separately in the notes to the financial statements.

1.35 Related parties

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

Management is considered a related party, and comprises of the councillors, Executive Mayor, Mayoral Committee Members, City Manager, Chief Operating Officer, Executive Directors and Group Heads.

Related party relationships where control exists are disclosed. The municipality discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements.

1.36 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Reporting date means the last day of the reporting period to which the financial statements relate. The entity adjusts the amounts recognised in its financial statements to reflect adjusting events after the reporting date. The entity does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

The group will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The group will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.37 Commitments

A Commitment is a contract that is non-cancellable or only cancellable at significant cost, to the extent that the amount has not been recorded elsewhere in the financial statements.

Commitments are further split into capital and operating commitments.

Capital commitments are amounts committed to acquire goods and services which are of capital in nature i.e. upgrading and/or construction of assets.

Capital commitments are disclosed in the notes to the annual financial statements.

1.38 Change in accounting policy, accounting estimate and prior period error

Change in accounting policies are applied retrospectively in accordance with the requirements of GRAP. Except to the extent that it is impractical to determine the period specific effects or the cumulative effect of the change in accounting policy relates, Group shall restate the opening balances of assets, liabilities and net assets for the earliest period for which the restatement is practical.

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in the:

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Accounting Policies

1.38 Change in accounting policy, accounting estimate and prior period error (continued)

Period of the change, if the change affects that period only, or

The period of the change and future periods, if the change affects both.

All material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after the discovery by management by;

Restating the comparative amounts for the prior period(s) presented in which the error occurred; or

If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, if it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Further, if it is impracticable to determine the cumulative effect, the beginning of the current period, of an error on all prior periods, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

2. New standards and interpretations

3. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

In the current financial year, the Municipality has adopted effective revised standards and its interpretations issued by ASB. However, the municipality only adopted effective standards which are relevant to its business operations.

The following Standards and Interpretations were in issue but not yet effective:

<u>Name</u>	<u>Effective Date</u>
GRAP 1 - Presentation on Financial Statements (Revised Standard Changes Related to Going Concern)	Not yet effective
GRAP 104 - Financial instruments (Revised Standard)	1 April 2025
GRAP 103 - Heritage Assets (Revised Standard)	Not yet effective

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

The above-mentioned standards and interpretations which are relevant to the Municipality's business operations will be adopted once they become effective.

The following Standards and Interpretations were also issued and are effective in the current financial year :

Standard/Interpretation	Effective Date
GRAP 1 - Presentation on Financial Statement (Revised Standard) (Materiality Related Changes))	1 April 2023
GRAP 21 -Impairment of Non-Cash Generating Assets (Revised Standard) (Effect of Past Decisions on Materiality)	1 April 2023
GRAP 25 -Employee Benefits (Revised Standards)	1 April 2023

Preliminary investigations indicated that, other than additional disclosure, the impact of the new amendments on the financial statements will be minimal.

The standards are similar to existing standards applied by the City and are unlikely to impact the financial position or performance of the entity, but may impact the extent of disclosures provided.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
4. Inventories				
Consumable stores	224,480	242,851	190,469	216,980
Consumables - Electrical	41,900	24,719	-	-
Consumables - Road	66,461	48,818	-	-
Inventory- Water	205,008	184,578	-	-
Inventory - Electrical	106,093	105,029	-	-
Other Inventories	7,253	8,264	2,273	2,273
Provision for inventory write downs	(98,240)	(87,794)	-	-
Spare parts	21,636	15,268	-	-
	574,591	541,733	192,742	219,253

Inventory pledged as security

No inventory was pledged as security.

Reconciliation of provision for inventories

Opening balance	87,794	80,840	-	-
Inventory written down	10,446	6,954	-	-
Closing balance	98,240	87,794	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
5. Loans to (from) economic entities				
Controlled entities				
City Power Johannesburg (SOC) Ltd Terms and conditions: Rate = 17.5% Maturity = 30 June 2026	-	-	581,814	581,814
City Power Johannesburg (SOC) Ltd Terms and conditions: Rate = 14.5% Maturity 30 June 2026.	-	-	42,979	42,979
	-	-	-	-
	-	-	624,793	624,793
Concessionary Loans				
The Johannesburg Metro Trading Company(Pty) Ltd Terms and conditions: rate range = 11.89% Maturity = 30 August 2035	-	-	2,398,499	2,174,565
The loan of R 1 302 551 354 was issued to Metro Trading company on the 1st of September 2015 with a capital and interest payment grace period of three years.				
Conduit loans				
City Power Johannesburg (SOC) Ltd Terms and conditions	-	-	2,046,687	1,845,906
Johannesburg Metropolitan Bus Services (SOC) Ltd Terms and conditions: 9.88% Maturity = 30 June 2025	-	-	55,656	106,075
Johannesburg Water (SOC) Ltd Terms and conditions: Rate range = 7.43% - 11.23% Maturity = 30 June 2025 - 30 June 2032	-	-	2,493,893	2,483,719
Pikitup Johannesburg (SOC) Ltd Terms and conditions: Rate range = 7.73% - 12.21% Maturity = 30 June 2026 - 30 June 2033	-	-	1,193,445	1,102,106
	-	-	5,789,681	5,537,806
Less impairment of loans to Municipal Entities	-	-	(1,487,201)	(1,149,134)
	-	-	4,302,480	4,388,672
Non-current assets	-	-	6,422,384	5,891,818
Current assets	-	-	903,568	1,296,122
	-	-	7,325,952	7,187,940
Reconciliation of provision for impairment of loans to economic entities				
Opening balance	-	-	1,149,134	1,149,149
Provision for impairment	-	-	338,067	(34,471)
Amounts written off as uncollectible	-	-	-	34,456
	-	-	1,487,201	1,149,134

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Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Impairment of loan to Metro Trading Company

The impairment relate to loans to Metro Trading Company. The reversal relates to the payments for amounts previously impaired.

Impairment of loan to Pikitup Johannesburg (SOC) Ltd

The reason for the impairment is due to the default in the repayments of the specific loans that were issued to Pikitup.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
6. Other financial assets				
At amortised cost				
Housing selling scheme loans	36,807	37,243	36,807	37,243
Other loans and receivables	13,023	19,481	13,023	19,481
	49,830	56,724	49,830	56,724
	-	-	-	-
	-	-	-	-
	49,830	56,724	49,830	56,724
Non-current assets				
At amortised cost	47,037	55,589	47,037	55,589
Current assets				
At amortised cost	2,793	1,135	2,793	1,135
Non-current assets	47,037	55,589	47,037	55,589
Current assets	2,793	1,135	2,793	1,135
	49,830	56,724	49,830	56,724
7. Finance lease receivables				
Gross investment in the lease due				
- within one year	-	-	21,602	38,412
- in second to fifth year inclusive	-	-	58,182	48,443
	-	-	79,784	86,855
less: Unearned finance revenue	-	-	(10,981)	(7,202)
Present value of minimum lease payments receivable	-	-	68,803	79,653
	-	-	68,803	79,653
Present value of minimum lease payments due				
- within one year	-	-	41,403	36,445
- in second to fifth year inclusive	-	-	27,400	43,208
	-	-	68,803	79,653
Non-current assets	-	-	27,400	43,208
Current assets	-	-	41,403	36,445
	-	-	68,803	79,653

COJ entered into a Finance lease with various MOEs for specialised vehicles. The interest rate implicit on the agreement is 10%.

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period amount to R 41,975,634 (2023: R 38,618,649).

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
8. Receivables from exchange transactions				
Trade debtors	620,829	612,192	-	-
Prepayments	159,971	180,101	144,649	162,065
Deposits	9,319	8,925	-	-
Operating lease receivables	19,653	21,551	19,653	19,990
Public safety debtors	4,613	1,512	4,613	1,512
Related party debtors	-	-	21,194,372	17,713,944
Consumer debtors - Rentals	1,350,876	1,229,521	1,350,858	1,228,261
Accrued Vat	730,638	585,570	730,638	585,570
Kelvin power	3,450	-	3,450	-
Sundry debtors	952,572	515,705	226,344	167,615
Provision for doubtful debts	(1,812,166)	(1,692,088)	(1,243,075)	(1,117,894)
	2,039,755	1,462,989	22,431,502	18,761,063

9. Receivables from non-exchange transactions

Fines	2,763,848	2,739,700	2,763,848	2,739,700
Other receivables	7,457	6,968	-	-
Provision for doubtful debts	(2,639,116)	(2,645,468)	(2,639,025)	(2,645,377)
	132,189	101,200	124,823	94,323

Statutory receivables included in receivables from non-exchange transactions above are as follows:

	Past due and impaired		Past due and not impaired	
Current (0-30 days)	9,765	3,966	462	141
31-60 Days	8,137	2,927	385	104
61-90 Days	10,667	2,934	505	105
91-120 Days	10,835	3,915	512	140
121-365 Days	64,495	110,479	3,051	3,939
>365 days	2,535,217	2,521,248	119,909	89,894
	2,639,116	2,645,469	124,824	94,323

10. VAT receivable

VAT (Statutory Receivables)	1,696,515	789,839	656,805	139,599
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These amounts are receivable by the group as a result of transaction attracting value added tax (VAT) as legislated under the Value Added Tax Act 89 of 1991 from the South African Revenue Services.

No impairments against the Vat receivables.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
11. Consumer debtors				
Gross balances				
Rates (Statutory receivables)	14,475,173	12,147,441	14,475,173	12,147,441
Electricity	10,148,526	8,656,909	-	-
Water	31,415,897	26,642,638	-	-
Refuse	5,444,647	4,430,222	-	-
City cleaning levy (Statutory Receivables)	308,925	292,616	-	-
	61,793,168	52,169,826	14,475,173	12,147,441
Less: Allowance for impairment				
Rates (Statutory receivables)	(13,466,210)	(10,687,709)	(13,466,210)	(10,687,709)
Electricity	(7,542,405)	(6,734,906)	-	-
Water	(27,394,216)	(22,381,627)	-	-
Refuse	(4,149,920)	(3,429,106)	-	-
City cleaning levy (Statutory Receivables)	(246,628)	(241,694)	-	-
	(52,799,379)	(43,475,042)	(13,466,210)	(10,687,709)
Net balance				
Rates (Statutory receivables)	1,008,963	1,459,732	1,008,963	1,459,732
Electricity	2,606,121	1,922,003	-	-
Water	4,021,681	4,261,011	-	-
Refuse	1,294,727	1,001,116	-	-
City cleaning levy (Statutory receivables)	62,297	50,922	-	-
	8,993,789	8,694,784	1,008,963	1,459,732
Included in above is receivables from exchange transactions				
Electricity	2,606,121	1,922,003	-	-
Water	4,021,681	4,261,011	-	-
Refuse	1,294,727	1,001,116	-	-
	7,922,529	7,184,130	-	-
Included in above is receivables from non-exchange transactions				
Rates (Statutory receivables)	1,008,963	1,459,732	1,008,963	1,459,732
City cleaning levy	62,297	50,922	-	-
	1,071,260	1,510,654	1,008,963	1,459,732
Net balance	8,993,789	8,694,784	1,008,963	1,459,732
Rates				
Current (0 -30 days)	849,128	742,776	849,128	742,776
31 - 60 days	589,725	680,303	589,725	680,303
61 - 90 days	466,188	489,277	466,188	489,277
91 - 120 days	426,280	208,657	426,280	208,657
121 - 365 days	2,948,618	2,174,057	2,948,618	2,174,057
> 365 days	9,195,234	7,852,371	9,195,234	7,852,371
	14,475,173	12,147,441	14,475,173	12,147,441

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Electricity				
Current (0 -30 days)	1,829,540	1,746,631	-	-
31 - 60 days	563,062	308,710	-	-
61 - 90 days	573,551	239,415	-	-
91 - 120 days	229,649	159,515	-	-
121 - 365 days	1,682,115	1,527,732	-	-
> 365 days	5,270,609	4,674,906	-	-
	10,148,526	8,656,909	-	-
Water				
Current (0 -30 days)	2,678,297	2,869,478	-	-
31 - 60 days	825,625	738,570	-	-
61 - 90 days	735,870	849,413	-	-
91 - 120 days	633,910	318,563	-	-
121 - 365 days	5,049,251	4,195,306	-	-
> 365 days	21,492,944	17,671,308	-	-
	31,415,897	26,642,638	-	-
Refuse				
Current (0 -30 days)	349,852	373,732	-	-
31 - 60 days	136,318	98,911	-	-
61 - 90 days	117,789	124,827	-	-
91 - 120 days	312,585	220,943	-	-
121 - 365 days	4,528,103	3,611,809	-	-
	5,444,647	4,430,222	-	-
Summary of debtors by customer classification				
Residential				
Current (0 - 30 days)	2,821,612	2,893,475	474,374	355,642
31 - 60 days	1,070,816	847,925	303,833	230,612
61 - 90 days	1,042,010	1,034,054	270,599	270,711
91 - 120 days	1,031,121	493,759	252,123	83,717
121 - 365 days	9,759,882	7,471,190	1,699,052	1,153,712
> 365 days	22,087,855	17,921,886	4,286,807	3,571,940
	37,813,296	30,662,289	7,286,788	5,666,334
Less: Allowance for impairment	(33,570,620)	(26,441,440)	(6,778,878)	(4,985,422)
	4,242,676	4,220,849	507,910	680,912
Residential - Past due and impaired				
Current (0 - 30 days)	973,212	815,282	441,309	312,905
31 - 60 days	570,911	420,809	282,655	202,899
61 - 90 days	524,893	516,912	251,737	238,181
91 - 120 days	990,401	445,345	234,549	73,657
121 - 365 days	8,728,102	6,757,034	1,580,623	1,015,073
> 365 days	21,783,101	17,486,058	3,988,005	3,142,707
	33,570,620	26,441,440	6,778,878	4,985,422
Residential - Past due and not impaired				
Current (0 - 30 days)	1,848,401	2,078,193	33,065	42,737
31 - 60 days	499,905	427,116	21,178	27,712
61 - 90 days	517,117	517,141	18,862	32,531
91 - 120 days	40,720	48,415	17,574	10,060
121 - 365 days	1,031,780	714,156	118,429	138,639
> 365 days	304,753	435,828	298,802	429,233
	4,242,676	4,220,849	507,910	680,912

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Industrial/ commercial				
Current (0 - 30 days)	2,592,197	2,566,972	363,779	370,161
31 - 60 days	939,347	920,860	263,464	439,193
61 - 90 days	767,556	619,756	187,536	206,707
91 - 120 days	536,583	399,051	166,514	121,161
121 - 365 days	4,310,421	3,839,847	1,209,417	970,835
> 365 days	13,231,905	11,534,459	4,691,377	4,094,566
	22,378,009	19,880,945	6,882,087	6,202,623
Less: Allowance for impairment	(18,477,705)	(16,167,052)	(6,402,385)	(5,457,268)
	3,900,304	3,713,893	479,702	745,355
Industrial/ commercial - Past due and impaired				
Current (0 - 30 days)	598,049	483,473	338,423	325,680
31 - 60 days	376,700	504,941	245,100	386,416
61 - 90 days	313,024	314,616	174,464	181,868
91 - 120 days	570,795	342,253	154,907	106,601
121 - 365 days	3,722,369	3,489,608	1,125,117	854,172
> 365 days	12,896,768	11,032,161	4,364,374	3,602,531
	18,477,705	16,167,052	6,402,385	5,457,268
Industrial/ commercial - Past due and not impaired				
Current (0 - 30 days)	1,994,149	2,083,500	25,356	44,481
31 - 60 days	562,647	415,919	18,364	52,776
61 - 90 days	454,532	305,140	13,072	24,840
91 - 120 days	(34,213)	56,798	11,607	14,560
121 - 365 days	588,053	350,239	84,300	116,663
> 365 days	335,136	502,297	327,003	492,035
	3,900,304	3,713,893	479,702	745,355

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
National and provincial government				
Current (0 - 30 days)	305,230	297,096	10,975	16,972
31 - 60 days	109,188	61,808	22,427	10,499
61 - 90 days	87,999	53,536	8,053	11,859
91 - 120 days	45,614	34,358	7,644	3,778
121 - 365 days	414,697	437,243	40,149	49,510
> 365 days	639,028	742,242	217,049	185,865
	1,601,756	1,626,283	306,297	278,483
Less: Allowance for impairment	(751,054)	(866,550)	(284,947)	(245,019)
	850,702	759,733	21,350	33,464
National and provincial government - Past due and impaired				
Current (0 - 30 days)	10,210	14,933	10,210	14,933
31 - 60 days	20,864	9,237	20,864	9,237
61 - 90 days	7,492	10,434	7,492	10,434
91 - 120 days	23,525	13,288	7,111	3,324
121 - 365 days	163,335	189,204	37,350	43,560
> 365 days	525,628	629,454	201,920	163,531
	751,054	866,550	284,947	245,019
National and provincial government - Past due and not impaired				
Current (0 - 30 days)	295,020	282,163	765	2,040
31 - 60 days	88,325	52,571	1,563	1,262
61 - 90 days	80,508	43,103	561	1,425
91 - 120 days	22,089	21,071	533	454
121 - 365 days	251,362	248,039	2,798	5,949
> 365 days	113,398	112,786	15,130	22,334
	850,702	759,733	21,350	33,464

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Total				
Current (0 -30 days)	5,719,038	5,757,816	849,128	742,776
31 - 60 days	2,119,349	1,830,593	589,725	680,303
61 - 90 days	1,897,672	1,707,383	466,188	489,277
91 - 120 days	1,613,319	927,169	426,280	208,657
121 - 365 days	14,485,004	11,748,279	2,948,618	2,174,057
> 365 days	35,958,786	30,198,586	9,195,233	7,852,371
	61,793,168	52,169,826	14,475,172	12,147,441
Less: Allowance for impairment	(52,799,379)	(43,475,042)	(13,466,210)	(10,687,709)
	8,993,789	8,694,784	1,008,963	1,459,732
Less: Allowance for impairment				
Current (0 -30 days)	1,581,471	1,313,687	789,942	653,518
31 - 60 days	968,474	934,988	548,619	598,553
61 - 90 days	845,409	841,963	433,693	430,482
91 - 120 days	1,584,720	800,885	396,567	183,583
121 - 365 days	12,613,806	10,435,845	2,743,091	1,912,805
> 365 days	35,205,499	29,147,674	8,554,298	6,908,768
	52,799,379	43,475,042	13,466,210	10,687,709
Total debtors past due but not impaired				
Current (0 - 30 days)	4,137,569	4,444,126	59,187	89,258
31 - 60 days	1,150,875	895,644	41,105	81,751
61 - 90 days	1,052,157	865,384	32,495	58,795
91 - 120 days	28,706	126,284	29,713	25,074
121 - 365 days	1,871,195	1,312,434	205,528	261,252
> 365 days	753,287	1,050,912	640,935	943,602
	8,993,789	8,694,784	1,008,963	1,459,732
Reconciliation of allowance for impairment				
Balance at beginning of the year	43,475,042	37,668,128	10,687,709	10,008,598
Contributions to allowance	9,330,445	6,362,200	2,780,967	1,002,514
Debt impairment written off against allowance	(4,019)	505,046	(2,467)	(323,403)
Reversal of allowance	(2,089)	50,240	-	-
Balance at the end of the year	(52,799,379)	43,475,042	(13,466,210)	10,687,709

The contribution to the allowance is included in the statement of financial performance under debt impairment at amounts exclusive of VAT.

The following are measures that the City has put in place in response to managing credit risk on accounts receivables:

1. The credit control policy makes provision for a consumption deposit which is payable and held by the City until the customer disposes of their property. The deposit is linked to average consumption of services and may be reviewed from time to time;
2. To minimise continued exposure to non-paying customers; the credit control policy allows for the disconnection of services on non-paying Water and Electricity customers. The disconnection of these services is also used to collect outstanding rates, sewer and refuse charges;
3. The City further employs specialised debt collection panel which is responsible for collecting accounts handed over for debt owing above 60 days;
4. With the assistance of a credit bureau, the City has embarked on a data verification and enrichment exercise to identify consumer payment ability based on private sector accounts history;
5. Operation "Buya Mthetho" is focused on some high value debtors across customer categories to ensure compliance with the City's by-laws and credit control policy through site visits and detailed investigations.

Property rates not impaired (Statutory receivables)

Current(0-30 days)	448,311	345,164	448,411	345,164
31-60 days	165,321	267,144	165,321	267,144

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
61-90 days	49,388	223,847	49,388	223,847
91-120 days	36,394	45,795	36,394	45,795
121-365 days	75,161	125,282	75,161	125,282
>365 days	234,388	452,500	234,388	452,500
	<u>1,008,963</u>	<u>1,459,732</u>	<u>1,008,963</u>	<u>1,459,732</u>

Property rates impaired (Statutory receivables)

Current (0-30 days)	789,942	653,518	789,942	653,518
31 - 60 days	548,619	598,553	548,619	598,553
61-90 days	433,693	430,482	433,693	480,482
91-120 days	396,567	183,583	396,567	183,583
121-365 days	2,743,091	1,912,805	2,743,091	1,912,805
>365 days	8,554,298	6,908,769	8,554,298	6,908,769
	<u>13,466,210</u>	<u>10,687,709</u>	<u>13,466,210</u>	<u>10,687,709</u>

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

12. Financial assets and Financial liabilities at fair value

The Debt redemption fund is a financial solution to assist the CJMM meet its financial obligations to repay previously issued bonds.

The CJMM pays contributions into the fund, which is managed by a 3rd party fund manager, so as to enable the Municipality to receive contributions plus growth to repay redemptions of the bonds when they fall due. This is part of the risk management framework adopted by the CJMM.

The Terms and conditions are such that the collateralised asset upon maturity should be of the same value as the liability so that the liability can be redeemed.

Sinking Fund

Maturity - 22 June 2026

Other financial assets through profit or loss

Bonds	62,603	-	62,603	-
Swaps	16,440	-	16,440	-
Cash	339,103	887,748	339,103	887,748
Current Assets	418,146	887,748	418,146	887,748

Other financial assets through profit or loss

Bond	301,282	358,394	301,282	358,394
Swaps	57,149	-	57,149	-
Non-Current Assets	358,431	358,394	358,431	358,394

776,577 1,246,142 776,577 1,246,142

Other financial Liabilities through profit or loss

Swaps	1,510	4,076	1,510	4,076
Amort swaps	-	3,398	-	3,398
Current Liabilities	1,510	7,474	1,510	7,474

Other financial liabilities through profit or loss

Amort swaps	-	2,743	-	2,743
Swaps	199,153	209,608	199,153	209,608
Non-Current Liabilities	199,153	212,351	199,153	212,351

Financial assets carried at fair value through profit or loss

Held for trading non-derivatives financial assets	776,676	1,246,142	776,576	1,246,142
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Financial assets carried at fair value through profit or loss

Derivatives designated and effective as hedging instruments carried at fair value	200,662	219,825	200,662	219,825
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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
13. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	736	564	154	156
Bank	1,535,706	3,557,532	403,559	2,281,372
Call investment deposits	628,856	496,751	611,556	481,775
Other cash and cash equivalents	559	463	-	-
	2,165,857	4,055,310	1,015,269	2,763,303

Call investment deposits

Call Deposits STD Bank- Rating (F1+)	113,923	11,163	113,923	11,163
Call Deposits ABSA- rating (F1+)	67,798	25,220	67,798	25,220
Fixed deposits ABSA- Rating (F1+)	337	317	337	317
Call Deposits RMB- Rating (F1+)	135,801	9,268	135,801	9,268
Call deposits Nedbank- Rating (F1+)	9,910	156,667	6,738	141,739
Fixed Deposits INVESTEC Rating - (F1+)	284,855	291,182	284,855	291,182
Investec Investment Account	14,128	48	-	-
Call Deposits CITI BANK- Rating (F1+)	2,104	1,803	2,104	1,803
Call Deposit DEUTSCHE BANK- Rating (F1+)	-	1,083	-	1,083
	628,856	496,751	611,556	481,775

The municipality had the following bank accounts

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023

Account number / description	Bank statement balances			
	June 30, 2024	30 June 2023	30 June 2024	30 June 2023
Nedbank - Account Type - Current Account Joburg Theatre - 128****993	253	866	253	866
Nedbank - Account Type - Current Account Roodepoort & Soweto Theatre - 104****121	149	175	149	175
Nedbank - Account Type - Current Account Ticketing account - 105****563	464	164	464	164
Nedbank - Account Type - Current Account Hospitality and Catering - 104****458	515	181	515	181
Nedbank - Account Type - call account Joburg Theatre - 03728****195	603	14,106	603	14,106
Nedbank - Account type - Current Account Zoo - 118****254	83	50	83	50
Nedbank - Account type - Current Account Metro Centre - 118****459	16	53	16	53
Nedbank - Account Type - Call Account Roodepoort & Soweto Theatre - 03788****628	2,132	2	2,132	2
Nedbank - Account Type - Call Account Ticketing - 03788****216	436	443	436	443
Nedbank - Account type - Call Account Hospitality and Catering - 03788****208	1	377	1	377
Investect - Investment account - 110019****502	14,128	48	14,128	48
Standard Bank - Account type - Current account 198366	-	-	-	1
Standard Bank - Account type - Developers Contribution account - 0****6	440,099	477,929	440,099	447,929
Standard Bank - Account type - Deposit account 000****-033	536,927	473,838	536,927	473,838
Standard Bank - Account type - Deposit Account 000-196-916	64,378	-	64,378	-
Standard Bank - Account type - Main Account - 00****157	140	44	140	44
Standard Bank - Account type - Charges Account - 00****130	(7)	(11)	(7)	(11)
Standard Bank - Account type - Bank Account - 00-019-890-0	-	-	-	1
Standard Bank - Account type - Main Current Account 00****122	134	42	134	42

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Standard Bank - Account type - Bank Charges 00****092	(4)	(4)	-	-
ABSA - Account type- Electricity Deposit 405****238	1,938	3,859	-	-
ABSA - Account type - Prepaid Account 405****357	48,695	67,566	-	-
ABSA - Account type - Sundry Revenue Account 4054636689	220	167	-	-
ABSA - Account type - Main Cheque 405****736	877	2,785	-	-
ABSA - Account type - Bank Charges 405****744	16	9	-	-
Standard Bank - Account Type - Current Account 00190586	1	1	-	-
Standard Bank - Account type - Current Account 00190535	-	1	-	-
ABSA Bank - Account type - 4101292362	16,264	46,431	-	-
Standard Bank - Account type - 1****0 - Deposit Account	18,958	17,457	18,958	17,457
Standard Bank - Account type - 1****9 - Current account	2,034	184,561	2,034	184,561
Standard Bank - Account type - 1****6-Current account	-	1	-	1
Standard Bank - Account type - 1****8- Current account	(2)	(2)	(2)	(2)
Standard Bank - Account Type - Call Deposit STD Bank Rating - (F1+) - 3****0	113,923	11,163	-	-
Account Type - Call Deposit ABSA Rating - (F1+) - 4****69-ZAR-2201-01	67,798	25,220	-	-
Account Type - Fixed Deposit ABSA Rating - (F1+) - 406****402	337	317	-	-
Account Type - Fixed Deposit RMB Rating - (F1+) - CDS-X021901685	135,801	9,268	-	-
Account Type - Call Deposit NEDBANK Rating - (F1) - 03/788****885/0****02,03/788****717/****38 & 03/788****348/0****6	6,738	141,739	-	-
Account Type - Fixed Deposit INVESTEC Rating - (F1+) - 140020****500,14001****8451 & 1400****61451	284,855	291,182	-	-
Account Type - Call Deposit CITI BANK Rating - (F1) - 5****1	2,104	1,803	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Account Type - Call	-	1,083	-	-
DEUTSCHE BK Rating - (F1+) - 000****51				
ABSA Cheque - 443805-****200	298	372	-	-
ABSA Cheque - 444405-****800	26,007	40,255	-	-
Standard Bank - Cheque - 444405-****303	139	1,279	-	-
Standard Bank - Cheque - 444405-****903	51,130	21,877	-	-
Standard Bank - Cheque - 444405-****904	-	105	-	-
Standard Bank - Cheque - 443805-****000	47	4	-	-
Standard Bank - Cheque - 171405-****700	1,997	32,429	-	-
Standard Bank - Cheque - 171405-****800	15	11	-	-
Standard Bank - Cheque - 171405-****700	15,728	41,086	-	-
Standard Bank - Cheque - 411405-****900	1,220	1,123	-	-
Standard Bank - Cheque - 411405-****100	464	427	-	-
Standard Bank - Cheque - 411405-****300	51	47	-	-
Standard Bank - Cheque - 411405-****021	213	196	-	-
Standard Bank - Cheque - 443805-****200	248,214	1,901,022	-	-
Standard Bank - Cheque - 501405-****500	4,308	2,172	-	-
Standard Bank - Cheque - 501405-****600	4,886	2,624	-	-
Standard Bank - Cheque - 501405-****700	10,000	31,099	-	-
Standard Bank - Cheque - 501405-****400	10,540	4,728	-	-
Standard Bank - Cheque - 541405-****500	-	3,660	-	-
Standard Bank - Cheque - 541405-****000	91	156	-	-
Standard Bank - Cheque - 444405-****701	1,777	3,407	-	-
Standard Bank - Cheque - 541405-****100	-	49	-	-
Standard Bank - Cheque - 621405-****312	24,692	22,736	-	-
Standard Bank - Cheque - 501405-****800	1,740	170,508	-	-
Total	2,164,560	4,054,283	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

14. Living resources

GROUP	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	41,450	(10,413)	31,037	41,995	(9,764)	32,231

CJMM	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	14,073	(4,393)	9,680	14,072	(3,691)	10,381

Reconciliation of living resources - Group - 2024

	Opening balance	Additions	Additions through transfer of functions / mergers	Decrease s due to harvest / sales/deat h	Disposals	Depreciation	Total
Zoo animals	32,231	1,068	3,256	(3,083)	(655)	(1,780)	31,037

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of living resources - Group - 2023

	Opening balance	Additions	Additions through transfer of functions / mergers	Decreases due to harvest / sales	Disposals	Depreciation	Total
Zoo animals	29,794	3,342	2,256	(1,369)	(141)	(1,651)	32,231

Reconciliation of living resources - CORE 2024

	Opening balance	Depreciation	Total
Zoo animals	10,381	(701)	9,680

Reconciliation of living resources - CORE 2023

	Opening balance	Additions	Depreciation	Total
Zoo animals	9,166	1,803	(588)	10,381

Pledged as security

None of the living resources assets are pledged as security.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Free-roaming animals in the farm:

These animals do not meet the definition of an asset as the entity does not control the animals.

Loaned-in and loaned out animals

There are various animals kept on behalf of other organisations at year end which includes cranes, hornbill, lemur, skink, fox, midas cichlid, chimpanzee, bear, frogs, vultures and lions.

There are also animals loaned out to other organisations which includes monkeys, baboons, cranes, parrots, birds, hyenas, vultures and hippos at year end.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

15. Investment property

GROUP	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1,061,966	(28,509)	1,033,457	1,061,966	(27,044)	1,034,922

CJMM	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1,007,738	-	1,007,738	1,007,738	-	1,007,738

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Reconciliation of investment property - Group - 2024

	Opening balance	Depreciation	Total
Investment property	1,034,922	(1,465)	1,033,457

Reconciliation of investment property - Group - 2023

	Opening balance	Depreciation	Total
Investment property	1,036,836	(1,914)	1,034,922

Reconciliation of investment property - CJMM 2024

	Opening balance	Total
Investment property	1,007,738	1,007,738

Reconciliation of investment property - CJMM 2023

	Opening balance	Total
Investment property	1,007,738	1,007,738

Pledged as security

No Investment property is pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	91,489	88,284	68,925	63,911
From Investment property that generated rental revenue				
Repairs and maintenance	(5,933)	-	-	-

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

16. Property, plant and equipment

GROUP	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	9,449,653	-	9,449,653	9,435,425	-	9,435,425
Buildings	22,106,272	(8,229,574)	13,876,698	21,232,083	(7,530,270)	13,701,813
Plant and machinery	26,266,515	(7,173,509)	19,093,006	24,176,901	(6,632,818)	17,544,083
Furniture and fixtures	742,517	(602,916)	139,601	723,348	(578,649)	144,699
Motor vehicles	1,390,973	(510,142)	880,831	599,588	(482,020)	117,568
Office equipment	2,621,334	(1,689,331)	932,003	2,476,867	(1,454,873)	1,021,994
Computer equipment	612,154	(347,603)	264,551	569,242	(293,436)	275,806
Infrastructure	40,207,113	(14,701,395)	25,505,718	37,629,275	(13,016,120)	24,613,155
Community assets	4,326,895	(1,943,229)	2,383,666	4,123,652	(1,769,747)	2,353,905
Landfill sites	379,316	(348,781)	30,535	372,362	(328,144)	44,218
Network equipment	100,279	(78,680)	21,599	94,803	(73,446)	21,357
Bins and containers	64,830	(37,907)	26,923	71,701	(42,390)	29,311
Minor plants	192,385	(155,862)	36,523	189,971	(142,636)	47,335
Specialised vehicles	1,545,925	(1,105,268)	440,657	1,623,470	(1,124,809)	498,661
Wastewater network	5,803,632	(1,267,125)	4,536,507	5,678,062	(1,164,462)	4,513,600
Water network	9,554,567	(2,314,748)	7,239,819	8,904,586	(2,017,728)	6,886,858
Library books	568,548	(545,358)	23,190	568,548	(538,875)	29,673
Emergency equipment	101,640	(54,413)	47,227	101,729	(48,231)	53,498
Other	13,217	(7,510)	5,707	11,198	(6,426)	4,772
Total	126,047,765	(41,113,351)	84,934,414	118,582,811	(37,245,080)	81,337,731

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

CJMM	2024			2023		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	9,309,148	-	9,309,148	9,300,632	-	9,300,632
Buildings	18,984,350	(7,176,782)	11,807,568	18,349,803	(6,592,958)	11,756,845
Plant and equipment	575,862	(363,142)	212,720	565,116	(318,808)	246,308
Furniture and fittings	613,175	(526,117)	87,058	603,059	(502,162)	100,897
Motor vehicles	756,286	(230,311)	525,975	160,118	(139,341)	20,777
Office equipment	2,462,444	(1,629,720)	832,724	2,364,061	(1,404,298)	959,763
Infrastructure	39,395,710	(14,453,184)	24,942,526	36,929,100	(12,798,585)	24,130,515
Community assets	4,326,895	(1,943,229)	2,383,666	4,123,652	(1,769,747)	2,353,905
Bins and containers	22,995	(21,531)	1,464	23,087	(20,833)	2,254
Specialised vehicles	482,863	(330,659)	152,204	494,855	(319,486)	175,369
Library books	568,548	(545,358)	23,190	568,548	(538,875)	29,673
Emergency equipment	101,640	(54,413)	47,227	101,729	(48,231)	53,498
Total	77,599,916	(27,274,446)	50,325,470	73,583,760	(24,453,324)	49,130,436

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Land rehabilitation factor	Foreign exchange movements	Depreciation	Impairment loss	Total
Land	9,435,425	24,135	(9,907)	-	-	-	-	9,449,653
Buildings	13,701,818	889,167	(8,383)	-	-	(627,501)	(78,780)	13,876,321
Plant and equipment	17,544,081	2,182,074	(2,048)	-	-	(635,473)	(262)	19,088,373
Furniture and fittings	144,699	32,790	(248)	-	-	(37,640)	-	139,602
Motor vehicles	117,568	966,649	(489)	-	-	(167,081)	-	916,647
Office equipment	1,021,994	133,567	(1,840)	-	-	(257,159)	-	896,562
Computer equipment	275,805	65,393	(932)	-	-	(75,713)	-	264,553
Infrastructure	24,613,155	2,618,805	(29,774)	-	-	(1,581,060)	(115,408)	25,505,718
Community assets	2,353,905	204,838	(422)	-	-	(160,741)	(13,914)	2,383,666
Landfill sites	44,218	-	-	6,954	-	(20,637)	-	30,535
Network equipment	21,357	5,476	-	-	-	(5,234)	-	21,599
Bins and containers	29,311	1,291	-	-	-	(3,679)	-	26,923
Minor plants	47,335	7,834	(44)	-	-	(18,602)	-	36,523
Specialised vehicles	498,660	30,716	(17,396)	-	-	(64,820)	(6,502)	440,657
Wastewater network	4,513,600	74,595	-	-	51,002	(102,690)	-	4,536,507
Water network	6,886,858	554,782	-	-	94,995	(280,124)	(16,692)	7,239,819
Library books	29,673	-	-	-	-	(6,483)	-	23,190
Emergency equipment	53,498	25	-	-	-	(6,296)	-	47,227
Other	4,775	8,349	-	-	-	(1,694)	(1,089)	10,341
	81,337,735	7,800,486	(71,483)	6,954	145,997	(4,052,627)	(232,647)	84,934,416

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Land rehabilitation factor	Public contributed network	Depreciation	Impairment loss	Impairment reversal	Total
Land	9,462,556	52,770	(79,901)	-	-	-	-	-	9,435,425
Buildings	13,594,184	880,926	(1,071)	-	-	(591,738)	(180,483)	-	13,701,818
Plant and machinery	17,807,969	420,221	(16,561)	-	-	(689,674)	(7)	22,133	17,544,081
Furniture and fixtures	183,767	15,595	(3,056)	-	-	(49,686)	(1,921)	-	144,699
Motor vehicles	151,743	33,561	(6,164)	-	-	(61,572)	-	-	117,568
Office equipment	937,837	292,769	(1,198)	-	-	(207,342)	(72)	-	1,021,994
Computer equipment	191,789	145,356	(5,433)	-	-	(52,434)	(3,473)	-	275,805
Infrastructure	24,618,667	2,274,404	(13,689)	-	-	(1,609,611)	(656,616)	-	24,613,155
Community assets	2,365,265	195,812	(44)	-	-	(160,118)	(47,010)	-	2,353,905
Landfill sites	58,426	-	-	6,458	-	(20,664)	-	-	44,218
Network equipment	27,105	-	-	-	-	(5,746)	-	-	21,357
Bins and containers	31,245	2,974	-	-	-	(4,908)	-	-	29,311
Minor plants	58,236	5,970	(480)	-	-	(16,391)	-	-	47,335
Specialised vehicles	594,901	3,180	(3,994)	-	-	(85,200)	(10,228)	-	498,659
Wastewater network	3,296,929	1,228,725	(243)	-	114,038	(125,849)	-	-	4,513,600
Water network	6,893,298	277,275	(54,100)	-	91,927	(321,542)	-	-	6,886,858
Library books	27,215	8,796	(706)	-	-	(5,632)	-	-	29,673
Emergency equipment	66,347	-	(157)	-	-	(8,672)	(4,020)	-	53,498
Other	3,380	1,948	-	-	-	(553)	-	-	4,775
	80,370,859	5,840,282	(186,797)	6,458	205,965	(4,017,332)	(903,830)	22,133	81,337,734

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - CJMM 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,300,632	18,423	(9,907)	-	-	9,309,148
Buildings	11,756,845	663,928	(8,381)	(526,382)	(78,442)	11,807,568
Plant and equipment	246,308	12,061	(904)	(44,483)	(262)	212,720
Furniture and fittings	100,897	16,078	(162)	(29,755)	-	87,058
Motor vehicles	20,777	596,168	-	(90,970)	-	525,975
Office equipment	959,763	119,255	(1,799)	(244,495)	-	832,724
Infrastructure	24,130,515	2,507,577	(29,774)	(1,550,384)	(115,408)	24,942,526
Community assets	2,353,905	204,838	(422)	(160,741)	(13,914)	2,383,666
Bins and containers	2,254	-	-	(790)	-	1,464
Specialised vehicles	175,369	-	-	(23,165)	-	152,204
Library books	29,673	-	-	(6,483)	-	23,190
Emergency equipment	53,498	25	-	(6,296)	-	47,227
	49,130,436	4,138,353	(51,349)	(2,683,944)	(208,026)	50,325,470

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of property, plant and equipment - CJMM - 2023

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
Land	9,327,763	52,770	(79,901)	-	-	-	9,300,632
Buildings	11,694,151	754,747	(688)	(518,632)	(176,513)	3,780	11,756,845
Plant and equipment	267,998	14,043	(2,020)	(33,713)	-	-	246,308
Furniture and fittings	138,063	4,488	(1,076)	(40,578)	-	-	100,897
Motor vehicles	50,329	-	(5,766)	(23,786)	-	-	20,777
Office equipment	894,309	264,454	(940)	(198,060)	-	-	959,763
Infrastructure	24,108,915	2,271,838	(13,689)	(1,579,933)	(656,616)	-	24,130,515
Community assets	2,365,265	195,812	(44)	(160,118)	(47,010)	-	2,353,905
Bins and containers	4,332	-	-	(2,078)	-	-	2,254
Specialised vehicles	213,448	-	(1,319)	(36,760)	-	-	175,369
Library books	27,215	8,796	(706)	(5,632)	-	-	29,673
Emergency equipment	66,347	-	(157)	(8,672)	(4,020)	-	53,498
	49,158,135	3,566,948	(106,306)	(2,607,962)	(884,159)	3,780	49,130,436

Pledged as security

No assets are pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Work in progress breakdown

Group	2024	2023
Building & Improvements	2,233,251	1,743,648
Plant and machinery	1,819,114	1,288,881
Water network	716,803	719,127
Wastewater network	168,223	198,047
Computer equipment	56,730	335,125
Roads	-	14,984
Motor vehicles	2,952	2,020
Community assets	709,661	553,379
Furniture and fixtures	309	256
Infrastructure	5,989,327	3,858,078
Total	11,696,370	8,713,545

CJMM	2024	2023
Buildings	2,100,672	1,550,741
Infrastructure	5,716,409	3,702,778
Community	709,661	553,379
Total	8,526,742	5,806,898

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected				
Buildings and Improvements	20,360	4,014	-	-
Community Assets	-	161,240	-	161,240
Plant and machinery	299,213	269,829	-	-
Water network	20,963	5,763	-	-
Wastewater network	53,269	23,123	-	-
Infrastructure	150,855	139,816	-	139,816
Other property, plant and equipment	12,780	-	-	-
	557,440	603,785	-	301,056

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Assets subject to finance lease (Net carrying amounts)

Motor vehicles	291,477	50,184	-	-
IT equipment	19,525	-	-	-
Office equipment	1,175	752	-	-
Leasehold Improvement	1,561	5,714	-	-
	313,738	56,650	-	-

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)

The carrying value of property, plant and equipment				
Buildings	488,208	128,110	488,208	128,110
Infrastructure	706,609	431,313	706,609	431,313
Community Assets	211,467	-	211,467	-
	1,406,284	559,423	1,406,284	559,423

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance				
General expenses	3,191,344	3,684,730	228,765	431,184

Heritage assets

Where the entity holds heritage assets, but has not accounted for such assets using GRAP 17 or using an accounting policy based on GRAP 103, consider whether disclosure, including a description of the nature and extent, of these assets is useful to the users of the group annual financial statements.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

17. Intangible assets

GROUP	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Additional capacity rights	261,228	-	261,228	261,228	-	261,228
Servitudes	1,727	-	1,727	1,727	-	1,727
Licences	763	(724)	39	531	(531)	-
Computer software, internally generated	13,840	(13,840)	-	13,840	(1,079)	12,761
Computer software, other	3,278,893	(1,821,155)	1,457,738	2,505,510	(1,925,937)	579,573
Website	-	-	-	685	-	685
Total	3,556,451	(1,835,719)	1,720,732	2,783,521	(1,927,547)	855,974

CJMM	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,623,077	(1,394,518)	1,228,559	1,902,780	(1,564,483)	338,297

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Additional capacity rights	261,228	-	-	-	-	-	261,228
Servitudes	1,727	-	-	-	-	-	1,727
Licences and franchises	-	-	-	232	(193)	-	39
Computer software, internally generated	12,761	-	(312)	-	-	(12,761)	(312)
Computer software, other	579,572	1,292,192	(50)	(232)	(413,936)	-	1,457,359
Website	685	-	-	-	-	-	685
	855,973	1,292,192	(362)	-	(414,129)	(12,761)	1,720,726

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
Additional capacity rights	261,228	-	-	-	-	-	261,228
Computer software, internally generated	12,769	-	-	-	7	-	12,762
Computer software, other	689,102	176,515	(5,340)	(3,170)	(275,568)	(240)	581,299
Website	-	685	-	-	-	-	685
	963,099	177,200	(5,340)	(3,170)	(275,561)	(240)	855,974

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Reconciliation of intangible assets - CJMM 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	338,297	1,234,967	(344,705)	1,228,559

Reconciliation of intangible assets - CJMM 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	467,826	70,054	(199,583)	338,297

Pledged as security

No assets are pledged as security.

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Intangible Assets, computer and other rights	187,544	23,449	176,201	4,061
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Computer software, internally generated (JOSHCO App) -The delays in finalising the JOSHCO App are due to poor performance by service provider. The matter is now in the courts as JOSHCO is seeking to recover the payments made to the service provider.

The JDA has fully implemented all the SAP phases in the current year under review.

Carrying value of intangible assets where development has been halted

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

18. Heritage assets

Group	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art collections, antiques and exhibits	569,976	(12,013)	557,963	569,976	(12,013)	557,963
Historical monuments	20,478	-	20,478	20,478	-	20,478
Historical buildings	41,104	-	41,104	41,104	-	41,104
Total	631,558	(12,013)	619,545	631,558	(12,013)	619,545

CJMM	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art collections, antiques and exhibits	568,205	(11,908)	556,297	568,205	(11,908)	556,297
Historical monuments	20,478	-	20,478	20,478	-	20,478
Historical buildings	41,104	-	41,104	41,104	-	41,104
Total	629,787	(11,908)	617,879	629,787	(11,908)	617,879

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Reconciliation of heritage assets Group - 2024

	Opening balance	Total
Art collections, antiques and exhibits	557,963	557,963
Historical monuments	20,478	20,478
Historical buildings	41,104	41,104
	619,545	619,545

Reconciliation of heritage assets Group - 2023

	Opening balance	Additions	Impairment losses recognised	Total
Art collections, antiques and exhibits	564,635	63	(6,735)	557,963
Historical monuments	20,478	-	-	20,478
Historical buildings	41,104	-	-	41,104
	626,217	63	(6,735)	619,545

Reconciliation of heritage assets CJMM- 2024

	Opening balance	Total
Art collections, antiques and exhibits	556,297	556,297
Historical monuments	20,478	20,478
Historical buildings	41,104	41,104
	617,879	617,879

Reconciliation of heritage assets - CJMM - 2023

	Opening balance	Impairment losses (recognised)/reversed directly in Net assets	Total
Art collections, antiques and exhibits	563,032	(6,735)	556,297
Historical monuments	20,478	-	20,478
Historical buildings	41,104	-	41,104
	624,614	(6,735)	617,879

Pledged as security

No assets are pledged as security.

Heritage assets in the process of being constructed or developed

Carrying value of Heritage assets where construction or development has been halted either during the current or previous reporting period(s)

Heritage assets the value of halted projects taking significantly longer to complete in the current and prior year was R11.9 million (Accumulated impairment R11.9 million)	11,908	11,908	11,908	11,908
	11,908	11,908	11,908	11,908

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

		Group		CJMM	
Figures in Rand thousand		2024	2023	2024	2023
19. Investments in controlled entities					
Name of company	Held by	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
City of Johannesburg Property Company (Pty) Ltd		100.00 %	100.00 %	5,142	5,142
City Power Johannesburg (Pty) Ltd		100.00 %	100.00 %	112,466	112,466
Johannesburg City Parks		100.00 %	100.00 %	29,958	29,958
Johannesburg Development Agency (Pty) Ltd		100.00 %	100.00 %	16,278	16,278
Johannesburg Metropolitan Bus Services (Pty) Ltd		100.00 %	100.00 %	54,774	54,774
Johannesburg Roads Agency (Pty) Ltd		100.00 %	100.00 %	446,070	372,440
Metropolitan Trading Company (Pty) Ltd		100.00 %	100.00 %	97,972	97,972
Pikitup Johannesburg (Pty) Ltd		100.00 %	100.00 %	31,315	31,315
The Johannesburg Civic Theatre (Pty) Ltd		100.00 %	100.00 %	1,784	1,784
The Johannesburg Fresh Produce Market (Pty) Ltd		100.00 %	100.00 %	20,000	20,000
Johannesburg Metroplitan Bus Services (Pty) Ltd*- Impairment		- %	- %	815,759 (54,774)	742,129 (54,774)
				760,985	687,355

CJMM has investments in the following Municipal Entities that are less than R1,000

Johannesburg Social Housing Company (Pty) Ltd R120

Johannesburg Water (Pty) Ltd R 200

Johannesburg Tourism Company R0

Investments in ME's includes shareholder loans with no fixed repayment terms and interest as they are classified as equity. In the 2024 financial year there was an increase in JRA to the amount of R73,630,000.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

		Group		CJMM	
Figures in Rand thousand		2024	2023	2024	2023
20. Investments in joint ventures					
Name of company	Listed / Unlisted	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Golden Triangle Development Company (Pty) Ltd	Unlisted	50.00 %	50.00 %	3,644	3,144
JOSHCO Madulamoho Joint Venture (JMJV)	Unlisted	55.00 %	55.00 %	20,649	21,769
				24,293	24,913

The carrying amounts of Joint ventures are shown net of impairment losses.

Golden Triangle Development Company (Pty) Ltd

The Golden Triangle is an investment between the CJMM and the Ovenstone Group. The separate annual financial statements of the joint venture are available for inspection at the registered office of the entity. The carrying amount of the investment and summary of assets are disclosed below.

	2024	2023
Opening Balance	3,144	2,495
Share of surplus/(deficit)	500	649
	3,644	3,144
	2024	2023
Total assets	37,470	36,962
Total liabilities	(30,182)	(30,672)
Revenue	3,562	3,676
Expenses	(2,563)	(2,378)
Surplus/(deficit)	999	1,298

Madulamoho Joint Venture (JMJV)

The JMJV is an investment between Joshco and Madulamoho for social rental housing. The separate Annual Financial Statements of the Joint Venture are available for inspection at the registered office of the entity. There are no contingent liabilities, contingent assets or commitments relating to the Joint Venture. The carrying amount of the investment and summary of assets are disclosed below:

	2024	2023
Opening Balance	21,769	20,438
Share of surplus/(deficit)	(570)	1,331
Changes in net assets	(550)	-
	20,649	21,769
	2024	2023
Total assets	46,481	47,819
Total liabilities	(8,937)	(8,238)
Revenue	13,162	16,611
Operating expenses	(14,198)	(14,190)
Surplus/(deficit)	(1,036)	2,421
Distributions	1,000	-

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
21. Deferred tax				
Deferred tax liability	(3,604,652)	(2,972,854)	-	-
Deferred tax asset	4,639,834	3,323,820	-	-
Total net deferred tax asset	1,035,182	350,966	-	-
Reconciliation of deferred tax asset / (liability)				
At beginning of year	350,966	(516,071)	-	-
Taxable / (deductible) temporary differences	684,171	866,670	-	-
Tax rate adjustment	45	367	-	-
	1,035,182	350,966	-	-
22. Loans and borrowings				
Non-Current portion of loans and borrowings - At amortised cost				
Development Bank of Southern Africa	10,626,339	11,259,302	10,619,722	11,251,934
Listed bonds	1,440,000	1,440,000	1,440,000	1,440,000
Other financial liabilities	5,895,748	6,579,185	5,895,748	6,579,185
	17,962,087	19,278,487	17,955,470	19,271,119
Current portion of loans and borrowings - At amortised cost				
Development Bank of Southern Africa	634,338	606,261	632,196	603,517
Listed bonds	-	1,458,000	-	1,458,000
Other financial liabilities	683,438	672,232	683,438	672,232
	1,317,776	2,736,493	1,315,634	2,733,749
Non-current Liabilities	17,962,087	19,278,487	17,955,470	19,271,119
Current liabilities	1,317,776	2,736,493	1,315,634	2,733,749
	19,279,863	22,014,980	19,271,104	22,004,868

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
23. Finance lease obligation				
Minimum lease payments due				
- within one year	303,682	28,998	188,281	24,625
- in second to fifth year inclusive	883,389	55,530	571,659	39,323
	1,187,071	84,528	759,940	63,948
less: future finance charges	(275,681)	(15,361)	(180,920)	(9,985)
Present value of minimum lease payments	911,390	69,167	579,020	53,963
Present value of minimum lease payments due				
- within one year	199,918	21,221	118,715	18,696
- in second to fifth year inclusive	711,472	47,946	460,306	35,267
	911,390	69,167	579,021	53,963
Non-current liabilities	711,472	47,946	460,306	35,267
Current liabilities	199,918	21,221	118,715	18,696
	911,390	69,167	579,021	53,963

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Office Equipment

The Finance Lease liabilities relate to office equipment with lease terms of three years. There are no renewal or purchase options and no restrictions imposed by the lease agreements.

Non-specialised Vehicles

The City entered into a full maintenance lease of vehicles for a period of five years with an incremental borrowing rate 13.04%.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Non-specialised vehicle Minimum lease payments due				
- within one year	273,573	4,158	163,867	211
- in second to fifth year inclusive	860,560	16,605	556,733	823
	1,134,133	20,763	720,600	1,034
less: future finance charges	(269,928)	(5,583)	(176,890)	(276)
Present value of minimum lease payments	864,205	15,180	543,710	758
Present value of minimum lease payments due				
- within one year	174,021	2,268	97,666	118
- in second to fifth year inclusive	690,184	12,912	446,044	640
	864,205	15,180	543,710	758
Equipment Minimum lease payments due				
- within one year	30,109	24,840	24,414	24,414
- in second to fifth year inclusive	22,829	38,926	14,926	38,500
	52,938	63,766	39,340	62,914
less: future finance charges	(5,752)	(9,778)	(4,030)	(9,709)
Present value of minimum lease payments	47,186	53,988	35,310	53,205
Present value of minimum lease payments due				
- within one year	25,897	18,953	21,049	18,578
- in second to fifth year inclusive	21,289	35,034	14,262	34,627
	47,186	53,987	35,311	53,205

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
24. Payables from exchange transactions				
Trade payables	9,172,062	7,781,454	3,032,465	2,741,791
Payments received in advance	698,423	540,418	9,549	10,237
Accrued leave pay	1,193,052	1,043,800	700,799	604,548
Accrued bonus	180,341	145,960	-	-
Developers contribution	449,185	487,359	-	-
Related party creditors	-	-	15,634,455	11,066,303
Accrued interest	136,867	124,550	136,867	124,550
Operating lease payables	6,518	6,001	2,348	1,184
Retentions	284,480	267,047	29,073	29,232
Credit balances in consumer debtors	2,000,463	2,412,646	1,472,529	1,927,930
Engineering fees	120,035	126,444	120,035	126,444
Other creditors	3,282,000	2,318,938	967,723	800,823
Eskom payable	6,081,075	1,790,904	-	-
	23,604,501	17,045,521	22,105,843	17,433,042

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
25. Unspent conditional grants and receipts				
Unspent conditional grants and receipts comprises of:				
Unspent conditional grants and receipts				
Provincial grants : Capital projects	55,329	55,329	55,329	55,329
Informal Settlement Upgrading Partnership	6,819	88,998	6,819	88,998
Municipal Disaster Response Grant	61,700	55,200	61,700	55,200
Provincial grants : Operating projects	14,597	14,597	14,597	14,597
United Nations Environment Program	5,241	10,741	5,241	10,741
Public Transport Network Grant (Capital Projects)	24,677	43,466	24,677	43,466
Clubhouse Network	31	31	31	31
Urban Settlement Development Grant	1,410	-	1,410	-
Expanded Public Works Programme (EPWP)	125	2,315	125	2,315
Municipal Emergency Housing Grant (MEHG)	-	13,467	-	13,467
Provincial grant : Jozi Ihlomihle (HIV/ AIDS)	7,349	9,940	7,349	9,940
Project and programme preparation support	2,336	30,358	2,336	30,358
Provincial grants: Library	4,500	1,562	4,500	1,562
Groen Sebenza Grant	446	-	446	-
Public Transport Network Grant (Operational Projects)	238,689	219,494	238,689	219,494
Infrastructure skills development grants	3,617	4,044	-	-
Integrated National Electrification (DoE)	6,542	6,542	-	-
Public contributions: Service connections	42,377	29,008	-	-
Rockefeller Grant	3,709	-	3,709	-
Public employment	-	122,454	-	122,454
Other unspent public contributions	5,583	6,763	1,682	1,682
	485,077	714,309	428,640	669,634
Non-current liabilities	52,536	39,594	-	-
Current liabilities	432,541	674,715	428,640	669,634
	485,077	714,309	428,640	669,634

Revenue received from conditional grants are recognised to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

A liability is recognised for any unfulfilled conditions, obligations and other contingencies attaching to government grants or assistance.

See note 35 for reconciliation of grants from National/Provincial Government

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

26. Provisions

Reconciliation of provisions - Group - 2024

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Total
Bonus provision	244,776	238,714	(210,235)	-	273,255
Provision for legal claims	330,945	2,371	(10,032)	-	323,284
Kelvin ash disposal	132,067	-	-	-	132,067
Environmental rehabilitation: Closed landfill site	222,979	-	3,120	15,140	241,239
Environmental rehabilitation: Open landfill site	518,490	-	6,954	35,205	560,649
Provision for amount owed to Harambee	-	58	-	-	58
Other provisions	114,962	134,853	(2,017)	-	247,798
	1,564,219	375,996	(212,210)	50,345	1,778,350

Reconciliation of provisions - Group - 2023

	Opening Balance	Additions	Reversed during the year	Change in discount factor	Total
Bonus provision	200,899	235,780	(191,903)	-	244,776
Provision for legal claims	344,847	23,051	(36,953)	-	330,945
Kelvin ash disposal	132,067	-	-	-	132,067
Kelvin bulk purchase	82,089	-	(82,089)	-	-
Environmental rehabilitation: Closed landfill site	211,836	2,987	-	8,156	222,979
Environmental rehabilitation: Open landfill site	493,050	6,458	-	18,982	518,490
Other provisions	82,681	33,856	(1,575)	-	114,962
	1,547,469	302,132	(312,520)	27,138	1,564,219

Reconciliation of provisions - CJMM - 2024

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Bonus provision	19,086	3,292	(1,357)	21,021
Provision for legal claims	112,170	2,182	-	114,352
Provision for damages claimed	-	114,793	-	114,793
SALA Pension fund provision	843	80	-	923
	132,099	120,347	(1,357)	251,089

Reconciliation of provisions - CJMM - 2023

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Total
Bonus provision	16,788	4,281	(1,983)	19,086
Provision for legal claims	108,945	3,225	-	112,170
SALA Pension Fund Provision	5,283	-	(4,440)	843
	131,016	7,506	(6,423)	132,099

Non-current liabilities	1,052,978	873,568	251,089	132,099
Current liabilities	725,374	690,651	-	-
	1,778,352	1,564,219	251,089	132,099

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

1.1 Bonus provision

Bonus provision relates to the performance bonus for the section 57 employees. It also relates to performance bonuses of employees of municipal entities that are to be paid if certain conditions are met which are assessed after 30 June.

1.2 Exco Bonuses

The provision relates to bonuses due to EXCO members for the 2023/24 financial year. The bonuses are subject to review of KPI's and performance targets being met for the 2023 financial year prior to approval for disbursement. The disbursement is weighted against achieved KPI's for the 2024 financial year.

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

2. Provision for legal claims

Provisions for damages relate to the following claims against the City:

2.1 Connaught court case

The provision is in respect of properties used for both business and residential but rated for business only. The City was of the view that it can rate the properties as business only which is in line with its rates policy. However, the courts held that the City's rate policy does not take precedence over the Municipal Property Rates Act and the City is obliged to apportion the value of the properties in terms of the Municipal Property Rates Act.

2.2 SALA Pension Fund Provision

This provision relates to a claim by Plaintiff for non-payment of an estimated amount of a R28 million which was then reduced to R5 282 766. The plaintiff has instituted action against the City for payment of contributions by the defendant allegedly not paid in full. The parties negotiated a settlement agreement for full and final payment whereby the claim amount is reduced to R5 282 766. All parties signed the agreement, and the attorneys have approached the court to make a settlement agreement an order of court.

2.3 Reinstated employees provision

This provision is in respect of the 130 employees who were fired by the City of Johannesburg during 2022 under the DA-led government. The 130 employees were initially employed as political support staff (communication support staff at the mayor's office and the council's speaker) on fixed-term contracts and later had their contracts converted to permanent contracts by the previous administration which was led by the ANC during 2021. This decision was however rescinded in 2022 when the DA came into power. It decided that the contracts were illegally converted to permanent by the ANC mayor. The Gauteng High Court found that the termination of their employment contracts was unlawful. The acting judge Johan Moorcroft has ordered the City of Johannesburg to do the following:

(i) Reinstatement of the CoJ130 (78 employees) who had their permanent contracts terminated under the DA-led multiparty coalition.

(ii) CoJ is mandated to consult with the CoJ 130 respondents before making any amendments to their employment contracts in order to demonstrate their commitment to fair and transparent

(iii) The municipality will bear the costs of the application.

2.4 Legal proceedings provision

The legal proceedings provision relates to the litigation in progress that likely to be paid by Johannesburg Roads Agency (SOC) Ltd based on the previous legal actions taken against the Entity. The legal claims emanates from supply chain related matters which occurred in the past and employment related matters from former employees against Johannesburg Agency (SOC) Ltd. The legal claims for on-going cases have been assessed in the current year based on the new developments in the cases.

3. Environmental rehabilitation: landfill sites (closed and open)

On an annual basis, management has to determine an accurate estimate of the environmental obligation to rehabilitate the various landfill sites upon closure. During this process management placed reliance upon the final Landfill Airspace Estimation Report as compiled by an independent consulting engineer for the technical data utilised in the provision and lifespan estimates.

Key assumptions

The final side slope for each landfill is 1:5;

The cover to waste ratio is 1:5 for each site;

The growth rates for each site are based on zero growth;

The final landfill footprint extends over the entire landfill property size (excluding infrastructure and a 20m buffer zone between the site boundary and the toe of the landfill); and

The density of the waste is calculated using both the survey and weighbridge data.

4. Kevin ash Disposal

The Kelvin bulk purchase provision relates to carbon tax imposed for emissions by Kelvin during electricity generation. The carbon tax to Kelvin was considered a pass through cost to City Power, subject to Kelvin demonstrating prudence to limit the cost. The Carbon Tax Act which became effective from 1 June 2019 makes taxpayers liable for carbon tax should they conduct one of the activities in Schedule 2 of the Carbon Tax Act (Act No. 15 of 2019), above the threshold for that activity. Carbon tax are levied on the sum of greenhouse gas emissions from fuel combustion, industrial processes, and fugitive emissions, determined in accordance with a reporting methodology approved by the Department of Environmental Affairs. The provision relates to previous purchase agreement which expired on 8 November 2021. The payment of Carbon tax depends on Kelvin Power demonstrating how the costs were curtailed during the generation of electricity sold to the entity. In this regard the entity settled an amount of R82 089 180 during the 2023 financial year which it believes was due to Kelvin Power. Carbon tax is measured at a standard rate per KWh of units purchased included in the monthly bulk purchases invoices from Kelvin effective from 1 November 2021. Ash disposal has been provided for in respect of Kelvin Power Station. These amounts are invoiced by Kelvin but are not paid due to that there is a dispute declared between City Power and Kelvin. The entity has extended the purchase agreement from November 2021 which could result in the reversal of the ash disposal provision should an agreement be finalised between the entities. Negotiations are underway to resolve the disputed invoices.

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Figures in Rand thousand	2024	2023	2024	2023

5 SARS provision

In the current year, SARS indicated that the entity under declared employees's earnings (PAYE, SDL and UIF) in the EMP501 (employees' earnings reconciliation). This has resulted in penalties and interest being charged on the under declared amount. The merits around the under declaration, penalties and interest as determined by SARS are still being investigated by JCPZ's management. However a provision has been raised accordingly.

6. Other provisions

The software licence provision relates to Microsoft software utilised by the entity for which no invoices has been received from the supplier. The amount is for the period 1 April 2017 - 30 June 2024. The amount is based on the latest annual invoice received from the supplier for the period 1 April 2016 - 31 March 2017, adjusted for potential increase in price. The entity is uncertain of when the actual invoices will be received from the service provider and the exchange rate at which the transactions will be measured to determine the actual liability. The provision recognised is management's best estimate of the entity's liability at reporting date.

Other creditors represents long outstanding amounts for City Parks and these are reversed to the statement of financial performance after prescription period of three (3) years unless claimed by the service provider before expiry of the three years.

27. Employee benefit obligations

27.1 Post-retirement liabilities

Post-Retirement Medical Aid Plan	609,544	714,226	559,596	662,220
Post-Retirement Housing Subsidy Plan	4,864	5,327	-	-
Retirement Gratuity Plan	230,465	249,153	82,944	89,216
Other	-	-	-	-
	844,873	968,706	642,540	751,436

27.1.1 Unfunded post-retirement medical aid plan

The CJMM has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. The subsidy is based on the age of each qualifying employee on the determined date. The subsidy remains payable only for as long as members remain contributory members to these medical schemes.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation	714,226	736,929	662,220	681,378
Benefits paid	(98,581)	(99,812)	(92,979)	(94,331)
Net expense recognised in the statement of financial performance	(6,101)	77,109	(9,645)	75,173
	609,544	714,226	559,596	662,220

Net expense recognised in the Statement of financial performance

Interest cost	72,961	75,882	68,199	70,921
Actuarial (gains)/losses	(79,062)	1,227	(77,844)	4,252
	(6,101)	77,109	(9,645)	75,173

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

27.1.2 Unfunded post-retirement housing subsidy plan

The CJMM provides housing subsidies in respect of certain qualifying staff members. In the event that the housing loan that the subsidy related to is not fully repaid at retirement date, the subsidy will continue into the members' retirement. The subsidy amount is assumed to remain constant and to continue for a period of 10 years after retirement.

Movements for the year

Opening balance	5,289	5,993	-	55
Benefits paid	-	(48)	-	(48)
Net expense/ (gain) recognised in the statement of financial performance	(425)	(618)	-	(7)
	4,864	5,327	-	-

Net expense recognised in the Statement of financial performance

Current service cost	130	146	-	3
Interest cost	521	561	-	-
Actuarial (gains) /losses	(1,076)	(1,325)	-	(10)
	(425)	(618)	-	(7)

27.1.3 Unfunded post-retirement gratuity plan

The CJMM provides gratuities on retirement or death in respect of certain qualifying staff members who have service with the CJMM when they were not members of one of the retirement funds and who meet certain service requirements in terms of the CJMM conditions of employment. The gratuity amount is based on 1 month's salary per year of non-retirement funding service.

Amounts recognised in the Statement of financial position

Present value of unfunded obligation in respect of CJMM employees	249,153	304,351	89,216	122,820
Benefits paid	(27,968)	(34,223)	(8,508)	(9,640)
Net expense recognised in the statement of financial performance	9,280	(20,975)	2,236	(23,964)
	230,465	249,153	82,944	89,216

Net expense recognised in the Statement of financial performance

Interest cost	23,862	28,249	9,439	12,284
Actuarial (gains)/ losses	(14,582)	(49,224)	(7,203)	(36,248)
	9,280	(20,975)	2,236	(23,964)

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Key assumptions used

The principal actuarial assumptions used were as follows:

Discount rates used	10.99 %	11.16 %	10.99 %	11.16 %
Consumer Price inflation	5.67 %	6.12 %	5.67 %	6.12 %
Normal salary inflation	6.67 %	7.12 %	6.67 %	7.12 %
Medical aid contribution inflation	6.67 %	7.12 %	6.67 %	7.12 %
Net effective discount rate (PRMA)	4.05 %	3.77 %	4.05 %	3.77 %
Net effective discount rate (PEH and Gratuity)	4.05 %	3.77 %	4.05 %	3.77 %

Sensitivity analysis

GROUP- 2024

Accrued Liability- Mortality rate	- 20 % Mortality Rate	Valuation Assumption	+ 20 % Mortality Rate
Post-retirement medical aid	487,635	609,544	731,453
Post-retirement Housing subsidies	3,891	4,864	5,837
Post-retirement gratuities	184,372	230,465	276,558
Total	675,898	844,873	1,013,848

Accrued Liability- Medical/salary inflation	- 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	603,449	609,544	615,639
Post-retirement Housing subsidies	4,378	4,864	5,350
Retirement gratuities	207,419	230,465	253,512
Total	815,246	844,873	874,501

CJMM- 2024

Accrued Liability- Mortality rate	- 20% Mortality Rate	Valuation Assumption	+20 % Mortality Rate
Post-retirement medical aid	606,794	559,596	521,303
Post-retirement Housing subsidies	-	-	-
Retirement gratuities	82,783	82,946	83,108
Total	689,577	642,542	604,411

Accrued Liability- Medical/salary inflation	- 1% in medical /salary inflation	Valuation Assumption	+ 1% in medical /salary inflation
Post-retirement medical aid	548,193	559,596	569,577
Post-retirement Housing subsidies	-	-	-
Retirement gratuities	-	-	-
Total	548,193	559,596	569,577

Please refer to Anexuture A for other GRAP 25 compliance tables for CORE and its municipal entities.

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

28. Deferred income

Bond tap

Balance unspent at beginning of year	-	13,349	-	13,349
Conditions met - transferred to revenue	-	(13,349)	-	(13,349)

Conditions still to be met - transferred to liabilities

-	-	-	-
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The Bond tap is a Bond issued into the life of an existing Bond. The Tap was issued at a premium on the prevailing interest rate at the time of the Tap. The premium is amortised over the maturity of the Bond and released to interest income on an annual basis.

The Tap matured on 05 June 2023

Deferred income related to BRT points system

Balance at beginning of year	6,438	28,678	6,438	28,678
Net movement	78,623	108,994	78,623	108,994
Conditions met - transferred to revenue	(84,912)	(131,234)	(84,912)	(131,234)

Conditions still to be met - transferred to liabilities

149	6,438	149	6,438
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BRT awards bonus points to passengers when they load money into their cards. The deferred income is released as and when the passengers redeem their points.

Passenger trips received in advance

Balance unspent at beginning of year	2,875	2,741	-	-
Net movements	829	134	-	-

Conditions still to be met - transferred to liabilities

3,704	2,875	-	-
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Deferred income refers to the liability relating to passenger trips sold in advance through the Smartcards Multi-Journey Software. The deferred income is released as and when the passengers present these cards on the buses and the bus operators issue a ticket accordingly. Deferred income refers to the liability.

Current liabilities	3,853	9,313	149	6,438
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29. Consumer deposits

Current portion	21,186	17,918	-	-
Non-current portion	1,825,797	1,337,467	14,678	14,416
	1,846,983	1,355,385	14,678	14,416

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
30. Loans from municipal entities				
Non-current liabilities	-	-	471,410	445,247
Current liabilities	-	-	-	-
	-	-	471,410	445,247
Medical Aid Notional loan account				
Opening balance			177,194	169,038
Finance cost			14,654	11,480
Payments			(3,215)	(3,324)
			188,633	177,194
Gratuities Notional loan account				
Opening balance			268,054	267,939
Finance cost			22,168	18,195
Payments			(7,444)	(18,081)
			282,778	268,053

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
31. Other income				
Training revenue	30,497	22,374	30,497	22,374
Recovery of insurance	2,902	3,084	1,834	3,071
Licenses and permits	2,635	11,565	2,635	11,565
Sundry revenue	889,656	365,303	255,512	157,582
Public safety recoveries	29,128	16,787	29,128	16,787
Cemetery fees	32,788	32,739	-	-
Concessionary fees	15,027	-	15,027	-
Theatre ticket sales	7,662	8,441	-	-
Cut-off fees	36,747	2,832	-	-
Internal recoveries - ME's	-	-	341,413	363,804
	1,047,042	463,125	676,046	575,183
32. Reversal of impairment				
Loans to Municipal entities	-	-	-	34,472
Receivable from exchange	-	13,071	-	13,070
Property, plant and equipment	-	25,915	-	3,780
	-	38,986	-	51,322
33. Rendering of services				
Other service charges	181,739	149,924	15,729	17,058
Town Planning	75,780	69,301	75,780	69,301
Public Safety Services	21,142	16,942	21,142	16,942
Advertising	3,459	6,347	3,459	6,347
BRT and Metrobus Revenue	156,460	196,022	81,315	130,233
Refuse removal	2,780,738	2,000,430	-	-
Sale of electricity	18,535,422	15,774,042	-	-
Sale of water	9,545,231	8,530,048	-	-
Sewerage and sanitation charges	6,636,484	5,930,881	-	-
	37,936,455	32,673,937	197,425	239,881

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

34. Property rates

Rates received

Residential	7,108,747	5,588,059	7,108,747	5,588,059
Commercial	9,298,137	8,073,619	9,298,137	8,073,619
State	392,061	388,204	392,061	388,204
	16,798,945	14,049,882	16,798,945	14,049,882

Valuations

Residential	1,091,165,826	948,014,594	1,091,165,826	948,014,594
Commercial	409,428,186	418,180,657	409,428,186	418,180,657
State	45,114,664	48,406,654	45,114,664	48,406,654
	1,545,708,676	1,414,601,905	1,545,708,676	1,414,601,905

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	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
35. Government grants & subsidies				
Informal settlement upgrading partnership	703,140	595,890	504,619	369,624
Public employment	88,617	15,514	88,617	15,514
Urban settlements development grant (USDG)	1,538,096	1,404,509	1,279,391	979,865
Financial management grant	1,000	1,000	1,000	1,000
Club house Network grant	-	109	-	109
United Nation Environment Programme	7,200	7,612	7,200	7,612
Public Transport Network Grant (Capital Projects)	325,452	125,393	325,452	125,393
Neighbourhood development partnership grant (NDPG)	4	-	4	-
Integrated City Development Grant (ICDG)	16,823	27,275	16,823	27,275
Expanded Public Works Programme (EPWP)	41,676	10,965	13,083	5,393
Provincial grant : Jozi Ihlomihle (HIV/AIDS)	23,300	19,528	23,300	19,528
Public Transport Network operations Grant	411,664	677,048	411,664	677,048
Energy management grant	61	-	61	-
Kreditanstalt für Wiederaufbau Development Bank (KFW)	-	8,003	-	8,003
Equitable share	7,053,153	6,279,354	7,053,153	6,279,354
Provincial health subsidies	167,093	159,898	167,093	159,898
Project and programme preparation support	44,248	47,912	32,721	47,912
Skills development Grants	20,068	17,291	-	688
	10,441,595	9,397,301	9,924,181	8,724,216

Informal settlement upgrading partnership

Balance unspent at beginning of year	88,998	-	88,998	-
Current year receipts	620,961	684,888	620,961	684,888
Paid to MEs	-	-	(198,521)	(226,266)
Conditions met - transferred to revenue	(703,140)	(595,890)	(504,619)	(369,624)
Conditions still to be met - transferred to liabilities	6,819	88,998	6,819	88,998

Provincial grants : Capital projects

Balance unspent at beginning of year	55,329	55,329	55,329	55,329
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Urban settlements development grant

Current year receipts	1,535,158	1,404,509	1,535,158	1,404,509
Paid MOEs	-	-	(254,357)	(424,644)
Conditions met - transferred to revenue	(1,533,748)	(1,404,509)	(1,279,391)	(979,865)
Conditions still to be met - transferred to liabilities	1,410	-	1,410	-

This grant is made available to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily for the benefit of poor households. The Urban Settlement Development Grant contributes towards the achievement of sustainable human settlements and improved quality of household life by implementing infrastructure development projects that work towards the realisation of adequate housing and improved quality environments and a functional residential property market. The infrastructure development projects include roads, bridges, water supply network, sanitation services, electrical reticulation, social and recreational services, cemeteries, markets as well as release of well-located land.

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	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Financial management grant

Current year receipts	1,000	1,000	1,000	1,000
Conditions met - transferred to revenue	(1,000)	(1,000)	(1,000)	(1,000)
Conditions still to be met - transferred to liabilities	-	-	-	-

The grant was to target training and capacitation of the staff in the Budget and Treasury offices. It targets systems for the implementation of the MFMA reporting requirements. The grant is mainly used to employ interns in the Finance Department and to fund the MFMA minimum competency level training.

Provincial grants : Operating projects

Balance unspent at beginning of year	14,597	14,597	14,597	14,597
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To transform urban and rural community library infrastructure, facilities and services through a recapitalised programme at provincial level in support of local government and national initiatives. The funding is intended to address backlogs and disparities in ongoing provision and maintenance of community library services across municipalities and enable provincial departments to provide strategic guidance and alignment with national priorities.

United Nation Environment Programme

Balance unspent at beginning of year	10,741	1,006	10,741	1,006
Current year receipts	1,700	17,347	1,700	17,347
Conditions met - transferred to revenue	(7,200)	(7,612)	(7,200)	7,612
Conditions still to be met - transferred to liabilities	5,241	10,741	5,241	10,741

Public Transport Network Grant (Capital Projects)

Balance unspent at beginning of year	43,466	47,689	43,466	47,689
Current year receipts	306,663	239,764	306,663	239,764
Amount paid back	-	(47,689)	-	(47,689)
Transferred between grants	-	(70,905)	-	(70,905)
Conditions met - transferred to revenue	(325,452)	(125,393)	(325,452)	(125,393)
Conditions still to be met - transferred to liabilities	24,677	43,466	24,677	43,466

The purpose of PTNG is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network). To support the planning, regulation, control, management, and operations of fiscally and financially sustainable municipal public transport network services.

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Figures in Rand thousand	2024	2023	2024	2023

Groen Sebenza Grant

Current year receipts	450	-	450	-
Conditions met - transferred to revenue	(4)	-	(4)	-
Conditions still to be met - transferred to liabilities	446	-	446	-

The purpose of this grant is to stimulate and accelerate private sector investment in poor and underserved neighbourhoods. It is an Infrastructure Development grant focusing on township development, for the purpose of attracting private investment and for Government agencies to be able to provide basic services.

Integrated City Development Grant (ICDG)

Balance unspent at beginning of year	-	618	-	618
Current year receipts	-	(618)	-	(618)
Conditions still to be met - transferred to liabilities	-	-	-	-

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	2,315	8	2,315	8
Current year receipts	(4)	7,700	(4)	7,700
Opening balance adjustment	13,197	-	13,197	-
Paid back	(2,300)	-	(2,300)	-
Conditions met - transferred to revenue	(13,083)	(5,393)	(13,083)	(5,393)
Conditions still to be met - transferred to liabilities	125	2,315	125	2,315

The Grant assists in providing an important avenue for labour absorption and aids transfers of income to poor households. It uses expenditure on goods and services to create work opportunities for the unemployed. EPWP Projects employ workers on a temporary or on-going basis either by government, by contractors, or by other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

Municipal Emergency Housing Grant

Balance unspent at beginning of year	13,467	9	13,467	9
Current year receipts	-	13,458	-	13,458
Amount paid back	(13,467)	-	(13,467)	-
Conditions still to be met - transferred to liabilities	-	13,467	-	13,467

Provincial grant : Jozi Ihlomihle (HIV/Aids)

Balance unspent at beginning of year	9,940	3,047	9,940	3,047
Current year receipts	30,649	29,433	30,649	29,433
Paid Back	(9,940)	(3,012)	(9,940)	(3,012)
Conditions met - transferred to revenue	(23,300)	(19,528)	(23,300)	(19,528)
Conditions still to be met - transferred to liabilities	7,349	9,940	7,349	9,940

The main purpose of Jozi Ihlomihle Grant is the Door-to-door Health Education Programme to educate City of Joburg communities about HIV/AIDS. The expenditure involves stipends for its Contract workers, Health educators, as well as activities like Ward campaigns, Multi sectoral programmes and Stationery.

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

Public Transport Network Grant (Operational projects)

Balance unspent at beginning of year	219,494	429,851	219,494	429,851
Current year receipts	430,859	825,596	430,859	825,596
Paid back	-	(429,811)	-	(429,811)
Transfer between grants	-	70,906	-	70,906
Conditions met - transferred to revenue	(411,664)	(677,048)	(411,664)	(677,048)
Conditions still to be met - transferred to liabilities	238,689	219,494	238,689	219,494

The purpose of PTNG is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network). To support the planning, regulation, control, management, and operations of fiscally and financially sustainable municipal public transport network services.

Energy Management Grant

Balance unspent at beginning of year	-	1,367	-	1,367
Adjustment Debtor	-	33	-	33
Conditions met - transferred to revenue	-	(1,400)	-	(1,400)
Conditions still to be met - transferred to liabilities	-	-	-	-

Energy Efficiency and Demand Side Management (EEDSM) programme supports municipalities in their efforts to reduce electricity consumption by optimising energy efficiency.

Additional text

Provincial library grant

Balance unspent at beginning of year	1,562	4,972	1,562	4,972
Current year receipts	21,323	24,000	21,323	24,000
Paid back	(1,562)	(135)	(1,562)	(135)
Conditions met - transferred to revenue	(16,823)	(27,275)	(16,823)	(27,275)
Conditions still to be met - transferred to liabilities	4,500	1,562	4,500	1,562

KFW

Current year receipts	-	8,003	-	8,003
Conditions met - transferred to revenue	-	(8,003)	-	(8,003)
Conditions still to be met - transferred to liabilities	-	-	-	-

Equitable share and fuel levy

Current year receipts	7,053,153	6,279,354	7,053,153	6,279,354
Conditions met - transferred to revenue	(7,053,153)	(6,279,354)	(7,053,153)	(6,279,354)
Conditions still to be met - transferred to liabilities	-	-	-	-

Municipal Equitable Share is the share of Local Government Sphere's share of revenue raised nationally. The equitable share allocation is a subsidy received from National Treasury and is mainly for RSC levies replacement, special support for councillors' remuneration, ward committees and funding for free basic services (Basic Social Services Package) for the registered indigent households.

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	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Provincial health subsidies				
Current year receipts	167,093	159,898	167,093	159,898
Conditions met - transferred to revenue	(167,093)	(159,898)	(167,093)	(159,898)
Conditions still to be met - transferred to liabilities	-	-	-	-
The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 20% of total expenditure incurred. These funds have been used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or withholding of the subsidy.				
Public contributions: Service connections				
Balance unspent at beginning of year	29,008	35,761	-	-
Current year receipts	126,510	13,406	-	-
Paid back	(112,710)	-	-	-
Conditions met - transferred to revenue	(431)	(20,159)	-	-
Conditions still to be met - transferred to liabilities	42,377	29,008	-	-
Municipal Disaster Response grant				
Balance unspent at beginning of year	55,200	-	55,200	-
Current year receipts	6,500	55,200	6,500	55,200
Conditions still to be met - transferred to liabilities	61,700	55,200	61,700	55,200
Public employment grant				
Balance unspent at beginning of year	122,454	126,348	122,454	126,348
Current year receipts	97,100	122,240	97,100	122,240
Amount paid back	(130,937)	(110,620)	(130,937)	(110,620)
Conditions still to be met - transferred to liabilities	-	(15,514)	-	(15,514)
Conditions met - transferred to revenue	(88,617)	-	(88,617)	-
Conditions still to be met - transferred to liabilities	-	122,454	-	122,454
Skills development grant - Other grants				
Balance unspent at beginning of year	4,044	9,062	-	-
Current year receipts	8,014	8,667	5,569	668
Paid back	(4,396)	(6,522)	-	-
Transferred to MOE	-	-	-	(668)
Conditions met - transferred to revenue	(4,045)	(7,163)	(5,569)	-
Conditions still to be met - transferred to liabilities	3,617	4,044	-	-
Rockefeller Grant				
Current year receipts	3,770	-	3,770	-
Conditions met - transferred to revenue	(61)	-	(61)	-
Conditions still to be met - transferred to liabilities	3,709	-	3,709	-
Project and programme preparation support				
Balance unspent at beginning of year	30,358	23,046	30,358	23,046
Current year receipts	35,000	78,224	35,000	78,224

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	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Amount paid back	(30,301)	(23,000)	(30,301)	(23,000)
Conditions met - transferred to revenue	(32,721)	(47,912)	(32,721)	47,912
Conditions still to be met - transferred to liabilities	2,336	30,358	2,336	30,358
intergrated National Electrifications Grant (DOE)				
Balance unspent at beginning of year	6,542	6,542	-	-

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
36. Employee related costs				
Employee related costs : Salaries and wages	13,553,927	12,225,193	8,375,780	7,609,854
Employee related costs : Pension contributions	1,872,659	1,712,222	1,138,043	1,037,785
Employee related costs : Medical aid contributions	1,026,304	945,005	598,446	555,359
Employee related costs : Skills development levy	164,462	148,536	96,665	87,997
Housing benefits and allowances	90,001	87,497	65,481	60,039
Overtime payments	946,580	888,257	282,492	260,752
Bonus	892,831	832,955	489,660	459,290
Travel, motor car, accommodation, subsistence and other allowances	747,582	664,995	482,009	407,656
Post-Retirement Benefits	(90,509)	(43,547)	(85,046)	(32,054)
Other employee benefits	78,361	73,099	-	-
UIF	81,562	79,646	43,692	43,257
	19,363,760	17,613,858	11,487,222	10,489,935

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Key management remuneration- 2024

Annual Remuneration	60,401	57,605
Car Allowance	4,530	3,057
Performance Bonuses	1,818	2,538
Contributions to UIF, Medical and Pension Funds	4,022	3,140
Final Leave payment	1,471	1,241
Other benefits received	2,566	1,664
	74,573	69,245

Key management 2024	Annual salary	Allowances	Contributions to UIF, Medical and Pension Funds	Performance bonus	Final Leave payment	Other benefits received	Total
CM	3,357	-	2	-	-	-	3,359
COO	1,373	-	145	-	-	-	1,518
GCFO	1,652	572	362	-	-	-	2,586
SECRETARY	1,082	50	108	-	226	-	1,466
ED - TOURISM	722	250	117	-	-	-	1,089
ED - DED	497	81	109	-	-	-	687
ED - SOCIAL DEV	1,790	120	312	-	-	-	2,222
ED - HOUSING	1,770	408	43	-	-	-	2,221
ED - DPUM	2,022	-	192	-	-	-	2,214
ED - TRANSPORT	913	159	72	-	155	-	1,299
ED - PUBLIC SAFETY	934	56	1	-	189	-	1,180
GH - GOVERNANCE	1,781	229	377	-	86	-	2,473
GH - LEGAL	1,714	505	2	-	-	-	2,221
GH - GICT	1,939	86	326	-	-	-	2,351
ED - EISD	2,135	84	2	-	-	-	2,221
ED -HEALTH	1,157	-	97	-	-	-	1,254
ED - COMMUNICATION	1,906	132	2	-	-	-	2,040
GH - RISK & ASSURANCE	1,833	-	195	-	189	-	2,217
GH - URBAN MANAGEMENT	1,412	74	109	152	-	-	1,747
GH- STRATEGY	1,840	163	214	-	8	-	2,225
TOTAL CORE	31,829	2,969	2,787	152	853	-	38,590
JRA - CHIEF EXECUTIVE OFFICER	279	-	-	-	-	3	282
JOSHCO - CHIEF EXECUTIVE OFFICER	1,978	135	78	-	-	-	2,191
CIVIC - CHIEF EXECUTIVE OFFICER	2,792	209	32	356	-	-	3,389
PARKS - MANAGING DIRECTOR	2,008	-	277	-	2	-	2,287
PROPERTY - CHIEF EXECUTIVE OFFICER	2,744	261	-	419	-	35	3,459
METROBUS - ACTING MANAGING DIRECTOR	915	-	-	281	-	71	1,267
METROBUS - ACTING MANAGING DIRECTOR	1,312	-	-	298	234	369	2,214
MARKET - CHIEF EXECUTIVE OFFICER	1,139	-	-	-	-	953	2,092
MARKET - CHIEF EXECUTIVE OFFICER (ACTING)	300	-	-	-	-	129	429
MARKET - CHIEF EXECUTIVE OFFICER (ACTING)	-	-	-	-	-	79	79
JDA - CHIEF EXECUTIVE OFFICER	221	97	24	-	-	-	342
JDA -RESIGNED ACTING CHIEF EXUCUTIVE OFFICER	2,609	386	84	-	-	-	3,079
JDA - ACTING CHIEF EXECUTIVE OFFICER	-	194	-	-	-	-	194
PIKITUP - MANAGING DIRECTOR	3,218	-	78	104	227	-	3,627
WATER - MANAGING DIRECTOR	2,542	176	441	207	-	-	3,366
POWER - CHIEF EXECUTIVE OFFICER	3,061	-	-	-	-	59	3,120
TOURISIM - SENIOR MANAGER	1,299	103	209	-	155	20	1,786
MTC - CHIEF EXECUTIVE OFFICER	1,928	-	-	-	-	850	2,778
	60,174	4,530	4,010	1,818	1,471	2,568	74,573

* See Note

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Key management 2023	Annual salary	Allowances	Contribution to UIF, Medical and Pension Funds	Performance bonus and other benefits	Final Leave payment	Other benefits received	Total
CM	1,125	1	1	-	-	-	1,127
GCFO	202	-	-	121	242	-	565
COO	208	49	-	-	380	-	637
SECRETARY	2,020	101	210	112	-	-	2,443
ED - COM DEV	1,985	193	2	-	-	-	2,180
ED - DED	-	-	-	116	-	-	116
ED - SOCIAL DEV	1,697	120	304	-	-	-	2,121
ED - HOUSING	1,672	408	41	-	-	-	2,121
ED - DPUM	1,895	-	185	-	-	-	2,080
ED - TRANSPORT	1,686	313	145	-	-	-	2,144
ED - PUBLIC SAFETY	2,001	128	2	60	-	-	2,191
GH- GOVERNANCE	572	9	124	165	78	-	948
GH - LEGAL	1,619	505	2	262	-	-	2,388
GED - GICT	1,851	-	280	-	-	-	2,131
ED - EISD	2,043	114	2	95	-	-	2,254
ED - C/MANAGER	262	-	22	172	47	-	503
ED - COMMUNICATION	454	23	64	158	173	-	872
GH - RISK AND ASSURANCE	1,921	36	210	100	37	-	2,304
GH - URBAN MANAGEMENT	1,759	-	373	-	-	-	2,132
GH - STRATEGY	1,167	89	137	108	-	-	1,501
TOTAL CORE	26,139	2,089	2,104	1,469	957	-	32,758
JRA -CHIEF EXECUTIVE OFFICER	98	-	-	-	-	-	98
JRA -CHIEF EXECUTIVE OFFICER (ACTING)	2,584	-	219	-	-	120	2,923
JOSHCO-EXECUTIVE OFFICER	1,612	114	55	-	-	-	1,781
CIVIC - CHIEF EXECUTIVE OFFICER	2,470	109	28	342	-	-	2,949
PARKS - MANAGING DIRECTOR	1,804	279	127	264	284	2	2,760
PROPERTY - CHIEF EXECUTIVE DIRECTOR	2,759	290	-	-	-	32	3,081
METROBUS - MANAGING DIRECTOR	2,126	-	-	-	-	2	2,128
METROBUS - ACTING MANAGING DIRECTOR	1,463	-	-	-	-	398	1,861
MARKET- ACTING CHIEF EXECUTIVE OFFICER	1,917	-	-	-	-	376	2,292
MARKET- ACTING CHIEF EXECUTIVE OFFICER	1,689	-	-	-	-	305	1,995
MARKET- ACTING CHIEF EXECUTIVE OFFICER	528	-	-	-	-	68	596
JDA - CHIEF EXECUTIVE OFFICER	2,266	-	117	-	-	-	2,383
JDA- ACTING CHIEF EXECUTIVE OFFICER	-	-	-	-	-	76	76
PIKITUP - MANAGING DIRECTOR	2,808	-	68	297	-	-	3,173
WATER - MANAGING DIRECTOR	2,357	176	423	166	-	-	3,122
POWER - CHIEF EXECUTIVE OFFICER	2,983	-	-	-	-	117	3,100
MTC - CHIEF EXECUTIVE OFFICER	2,001	-	-	-	-	169	2,170
	57,604	3,057	3,141	2,538	1,241	1,664	69,245

* See Note

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
37. Remuneration of councillors				
Executive Mayor	1,577	1,516	1,577	1,516
Mayoral Committee Members	11,455	11,054	11,455	11,054
Speaker	1,153	1,131	1,153	1,131
Councillors	144,915	136,780	144,915	136,780
Councillors' pension contribution	10,261	9,569	10,261	9,569
Chairpersons	18,458	20,631	18,458	20,631
	187,819	180,681	187,819	180,681

Annual Remuneration (Gwamanda Kabelo)			1,527	220
Cell Allowance			50	7
Annual Remuneration - Amad Thapelo			-	304
Cell Allowance - Amad Thapelo			-	11
UIF, Medical and Pension - Amad Thapelo			-	47
Annual Remuneration - Makhubo Moloantoa			-	1
Annual Remuneration - Matongo Jolidee			-	7
Annual Remuneration - Phalatse Mpho			-	854
Annual Remuneration - Makhubo Moloantoa			-	25
Subsistence Allowance - Phalatse Mpho			-	40
			-	-
			1,577	1,516

38. Depreciation and amortisation

Property, plant and equipment	4,052,629	3,940,421	2,683,944	2,607,962
Investment property	1,467	1,913	-	-
Living resources	1,780	1,651	701	588
Intangible assets	414,177	275,574	344,705	199,583
	4,470,053	4,219,559	3,029,350	2,808,133

39. Impairment of assets

Impairments				
Property, Plant and Equipment	232,646	980,936	208,025	884,160
Intangible assets	12,762	240	-	-
Heritage assets	-	6,735	-	6,735
Describe the events and circumstances that led to the recognition or reversal of the impairment loss.				
The recoverable amount or [recoverable service amount] of the asset was based on its fair value less costs to sell or [its value in use.]				
Loans - Pikitup Johannesburg (Pty) Ltd	-	-	72,194	34,457
Loans - Metro Trading Company	-	-	265,873	-
Metrotrading Company's has not made any repayments towards the loan in the current year even though the amounts are due and payable.				
	245,408	987,911	546,092	925,352
	245,408	987,911	546,092	925,352
	-	-	-	-

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
40. Debt impairment				
Consumer debtors	8,498,654	5,678,472	2,780,968	1,002,514
Receivables from non exchange transactions	12,336	114,782	12,336	114,782
Other receivables	228,271	387,731	119,101	174,720
	8,739,261	6,180,985	2,912,405	1,292,016
41. Bulk purchases				
Electricity	16,736,572	14,215,610	-	-
Water	8,410,494	7,423,562	-	-
Sewer purification	14,926	15,296	-	-
	25,161,992	21,654,468	-	-

The bulk purchases for the year includes electricity distribution losses and water losses.

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Electricity distribution losses				
Units purchased (kWh)	9,759,156	9,717,576	-	-
Units sold (kWh)	(6,843,657)	(6,835,177)	-	-
Total loss	2,915,499	2,882,399	-	-
Rand Value loss: (R/kWh)				
Technical losses	1,485,824	1,272,956	-	-
Non-technical losses	3,446,202	2,922,382	-	-
Total	4,932,026	4,195,338	-	-

Distribution losses

The electricity energy losses can be classified into technical losses and non-technical losses, during 2023/2024 financial year.

The entity's technical losses for the year are measured at 9%, amounting to R1 485 824 000 (2023: R1 272 956 000). Technical losses relates to energy that is lost in the transportation of electricity from the point of supply to point of distribution through dissipation as useless heat.

The entity's non-technical losses for the year amounts to R3 446 203 000 (20.9%). The annual non-technical losses in prior financial year amounted to R 2 922 382 000 (20.5%). The losses are attributable mainly to the following:

- Theft and bypass of meters
- Illegal decalibration of meters
- Damaged meters and faulty voltage and current transformers
- Billing errors
- Customers without meters

As part of the entity's strategy to continuously reduce the impact of non-technical losses, the following interventions have been implemented and are being reviewed and improved on an annual basis:

- Installation of automatic meter management systems, for both large and small power users i.e. automated metering technologies
- Continuous replacement of faulty conventional and pre-paid meters
- Automation of process to acquire new customers and change of meters (through the implementation of automated workflow and escalation system)
- Utilisation of anonymous "hot line" to report theft, vandalism and tampering
- Random and targeted audits are performed, followed by removal of illegal connections and normalisation supply
- Stand by stand audit which will constitute (100%) verification against the valuation role of the City of Johannesburg
- Reconciliation of customer population with the number of stands on the General valuation roll of CoJ.

The entity calculates distribution losses as a percentage of Bulk purchases and Kelvin capacity charges which is reported as lease costs in the Statement of Financial Performance.

Percentage Loss:

Technical losses	9 %	9 %	- %	- %
Non-technical losses	21 %	21 %	- %	- %
Total	30 %	30 %	- %	- %

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Water losses				
Comprising of:				
Physical losses	2,088,000	1,786,000	-	-
Commercial losses	812,100	694,300	-	-
Total	2,900,100	2,480,300	-	-

Non Revenue Water

The level of NRW for the year under review to June 2024 is 46.18% [R3.884 billion] (2023: 46.11% [R3.423 billion]). The level of unbilled authorised consumption for the year under review to June 2024 is 11.69% [R983.0 million] (2023: 12.70% [R943.0 million]) and is included under water inventory expensed. Unbilled authorised consumption is water supplied to the informal environments, water supplied to deemed consumption areas over and above the flat rate of recovery applied, as well as water utilised in network system maintenance performed.

The level of water losses (physical and commercial losses) which is part of NRW for the year under review is 34.49% [R2.901 billion] (2023: 33.41% [R2.480 billion]) and is included under Operating expenditure as Water losses. Refer to note 25.

The level of physical losses for the year under review to June 2024 is 24.83% [R2.088 billion], (2023: 24.05% [R1.786 billion]). Physical losses are incurred as a result of leaks on the water network infrastructure.

The level of commercial losses for the year under review to June 2024 is 9.66% [R812.1.3 million], (2023: 9.35% [R694.3 million]). Commercial losses are incurred as a result of illegal connections and metering and associated data transfer errors.

The various benchmark levels of Non-Revenue Water were published in the latest South African Water Research Commission report on the State of Non- Revenue Water in South Africa classifies Non Revenue Water in the following categories:

	Legend	Description
1	<15%	Low level of NRW, very good performance
2	15-30%	Low level of NRW, good performance
3	30-40%	Average level of NRW, average performance
4	40-50%	High level of NRW, poor performance
5	>50%	Very high level of NRW, very poor performance

Certain levels of Non-Revenue Water are acceptable from an economic point of view as indicated in the table above. This means the cost of interventions to reduce Non-Revenue Water should be less than the savings to be realised.

The objective for the entity was to achieve an average level of Non-Revenue Water (30%-40%) for the year under review to June 2024. This average level of Non Revenue Water achieved for the year under review to June 2024 exceeded the upper end of the average range by 6.18% [R513.4 million], (2023: 6.11% [R453.6 million]).

Percentage Loss:

Physical losses	25 %	24 %	- %	- %
Commercial losses	10 %	9 %	- %	- %
Total	35 %	33 %	- %	- %

42. Lease rentals on operating lease

Fleet lease	1,657,028	1,711,608	361,643	426,898
Other rentals	555,745	520,806	120,154	119,172
	2,212,773	2,232,414	481,797	546,070

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
43. Grants and subsidies paid				
Grants paid to ME's				
City of Joburg Property Company (Pty) Ltd	-	-	623,131	500,680
Johannesburg City Parks NPC	-	-	1,057,688	978,945
Johannesburg Development Agency (Pty) Ltd	-	-	71,574	40,286
Johannesburg Metro Bus Services (Pty) Ltd	-	-	607,299	570,927
Johannesburg Roads Agency (Pty) Ltd	-	-	1,310,112	1,258,837
Johannesburg Social Housing Company (Pty) Ltd	-	-	129,649	48,004
Johannesburg Tourism Company	-	-	80,647	63,163
Metropolitan Trading Company (Pty) Ltd	-	-	259,136	247,979
Pikitup Johannesburg (Pty) Ltd	-	-	1,248,866	1,026,268
Johannesburg City Theatre (Pty) Ltd	-	-	201,182	179,652
Johannesburg Water (Pty) LTD	-	-	595,485	-
Johannesburg City Power	-	-	269,980	-
	-	-	6,454,749	4,914,741
Other subsidies				
Grant paid : Other	63,704	103,673	43,369	81,122
Grants paid to ME's	-	-	6,454,749	4,914,741
Other subsidies	63,704	103,673	43,369	81,122
	63,704	103,673	6,498,118	4,995,863

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
44. General expenses				
Advertising	25,341	29,155	7,953	14,282
Auditor's remuneration	81,917	72,335	31,911	28,347
Bank charges	217,912	182,756	202,238	169,987
Cleaning	19,445	71,054	22,778	111,154
Commission paid	29,573	46,502	-	-
Board fees	23,176	24,173	-	-
Consulting and professional fees	854,190	557,917	422,126	317,579
Cost of inventories expensed	541,012	739,835	18,168	21,290
Debt collection	424,568	30,833	423,617	30,779
Hire of equipment and buses	9,853	17,470	10,266	16,496
Insurance	326,856	309,965	326,856	300,651
Conferences and seminars	6,384	5,058	483	2,050
IT expenses	262,082	215,547	257,405	274,124
Fleet costs	480,337	332,573	175,952	123,132
Marketing	33,370	36,194	2,486	2,141
Motor vehicle expenses	208,114	224,195	-	-
Specialized services	1,275,871	1,451,636	1,284,308	1,473,944
Productions	26,496	38,001	-	-
Postage and printing stationery	100,135	108,848	81,874	82,556
Contracted services	141,398	118,890	132,860	144,113
Maintenance services	3,930,195	3,380,032	350,628	617,986
Security (Guarding of municipal property)	557,930	395,992	70,391	36,066
Software expenses	223,928	221,897	126,041	101,435
Staff welfare	135,083	163,860	52,126	102,800
Subscriptions and membership fees	29,774	29,283	24,652	25,112
Telephone and fax	122,235	128,194	29,449	32,454
Training	64,453	42,598	22,468	19,352
Travel - local	4,570	2,805	1,866	884
Travel - overseas	4,902	2,829	839	1,485
Free electricity	4,415	4,206	-	-
Utilities	457,859	425,572	1,201,579	1,053,061
Tourism promotion and development	16,368	13,009	-	-
Incident management fund	54,070	44,632	54,070	44,632
Billing and meter reading charges	70,376	48,417	-	-
Cut-off fees	10,731	19,308	-	-
Other expenses	632,714	494,890	661,203	660,478
	11,407,633	10,030,461	5,996,593	5,808,370
45. Fair value adjustments				
Other financial assets				
• Sinking fund gain/(loss)	247,597	197,437	247,597	197,437

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
46. Cash generated from operations				
(Deficit) surplus	(277,731)	(1,150,894)	1,567,590	1,317,514
Adjustments for:				
Depreciation and amortisation	4,470,057	4,219,554	3,029,349	2,765,351
Public contributions, Donated and contributed property	(146,024)	(352,389)	(28)	(144,168)
Fair value adjustments	(247,597)	(197,437)	(247,597)	(197,437)
Reversal of impairment	-	(38,985)	-	(47,542)
Debt impairment	8,739,261	6,180,985	2,912,405	1,292,015
loss/gain on sale of Assets	63,746	232,495	51,349	147,904
Impairment losses	245,421	987,911	546,092	950,934
Post-retirement benefits net expenditure	(11,458)	55,527	(85,046)	(32,065)
Gain/ Loss from equity accounted investments	-	(1,980)	-	-
Taxation	(684,216)	(879,033)	-	-
Changes in working capital:				
Inventories	(32,858)	(19,066)	26,511	(45,819)
Receivables	(607,755)	(218,742)	(3,250,170)	(3,588,982)
Consumer debtors	(299,005)	-	-	-
Current tax receivable	64,181	(57,711)	-	-
Current tax payable	(76,912)	182,449	-	-
Adjustment of impairment of current receivable	(8,739,261)	(6,180,985)	(2,912,406)	(1,292,015)
Payables	6,594,348	3,739,762	4,077,638	2,115,347
VAT receivable/ payable	(1,056,948)	(77,779)	(517,206)	67,842
Unspent conditional grants and receipts	(229,232)	(47,195)	-	-
Increase/(Decrease) in deferred income	(5,460)	(35,455)	(6,289)	(35,589)
Increase/(Decrease) in Provision	214,132	16,751	118,990	1,083
Increase/(Decrease) in Consumer deposits	491,598	27,865	262	(245)
	8,468,287	6,385,648	5,311,444	3,274,128

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023

47. Commitments

Commitments in respect of capital expenditure:

Authorised and contracted for				
• Capital Commitments	20,689,017	10,429,086	14,661,498	4,108,896

This committed expenditure relates to fixed assets and will be financed by government grants, existing cash resources and external loans etc. Comparative figures have been restated, refer to Note 48 (Prior-year adjustments).

Operating leases - as lessee (Fleet)

Minimum lease payments due				
- within one year	2,133	2,309	-	-
- in second to fifth year inclusive	6,147	9,044	-	-
	8,280	11,353	-	-

The Group leases vehicles from fleet service providers. In terms of the agreement, all rentals due on vehicles leased are payable monthly in arrears and are linked to the prime overdraft rate. Furthermore the agreement places restrictions on maximum number of kilometres which can be travelled over the lease term and specifies the rate at which excess kilometres will be billed.

Operating leases – as lessee (Buildings)

Minimum lease payments due				
- within one year	118,548	152,734	2,348	16,270
- in second to fifth year inclusive	14,811	65,453	-	2,530
	133,359	218,187	2,348	18,800

Comparative figures have been restated, refer to Note 48 (Prior-year adjustments).

Leases for buildings are negotiated for a term of 2 to 5 years for department occupied buildings and the ME's head offices. Some leases are subject to yearly escalations at an average of 9%.

JPC: Operating lease payments represent rentals payable by the entity for certain office accommodation. Leases have been negotiated for period of one year to three years. No contingent rent is payable.

CJMM: Operating lease smoothing and calculations are based on the contracts relating to operating leases of buildings held in various Departments of the CJMM. The average leasing term for the CJMM is 4 years and the average escalation rate is 9%. Restrictions imposed on lease agreements are limited to those contained in individual contracts. A complete register of operating leases, as well as all the contracts, are maintained by facilities management.

JRA: The lease relates to the Head Office Building. The lease for the building relates to the 75 Helen Joseph Building which commenced on 1 March 2023 up to until 29 February 2024.

JRA intends to occupy and lease at the head office building in the foreseeable future.

WATER: Operating lease payments represent rentals payable by the entity for certain of its office properties and office equipment. The lease terms are negotiated for an average of three years and no contingent rent is payable. Lease agreements over office properties are subject to escalation clauses.

MBUS: Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of three years. No contingent rent is payable.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Operating leases – as lessee (Equipment)				
Minimum lease payments due				
- within one year	20,677	14,900	-	-
- in second to fifth year inclusive	4,840	14,814	-	-
	25,517	29,714	-	-

Comparative figures have been restated, refer to Note 48 (Prior-year adjustments).

JRA: The operating lease agreement for printers and copiers commenced on 1 November 2023 and will be up until 31 October 2026.

PARKS: The lease commitment that represents lease rentals for printers and lease payments are fixed for the 3 year duration of the agreement.

PIKITUP: Operating lease payments represent rentals payable by the entity for printing machines.

MARKET: Operating lease payments represent rentals payable by the entity for certain of its office equipment. The leasing terms are for three years and eight months. No contingent rent is payable.

CIVIC: The lease is for the cash vaults machines and the digital copier machines

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

48. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments

Statement of financial position

GROUP

	Note	As previously reported	Reclassifications	Correction of error	Restated
Inventories	2	541,733	-	-	541,733
Other financial assets	14	1,135	-	-	1,135
Current tax receivable	3	200,796	(3,289)	(375)	197,132
Receivables from exchange transactions		1,729,570	313,201	(579,782)	1,462,989
Receivables from non-exchange transactions		101,200	21,150	(21,150)	101,200
VAT receivable		718,411	(15,104)	86,532	789,839
Consumer debtors		9,271,303	(246,563)	(329,956)	(8,694,784)
Financial assets at fair value - Sinking fund		887,748	-	-	887,748
Cash and cash equivalents		4,055,310	-	-	4,055,310
Total current assets		17,507,206	73,769	(824,666)	16,756,309
Living Resources		32,081	-	150	32,231
Investment property		1,034,923	-	-	1,034,923
Property, plant and equipment		82,637,479	132,258	(1,432,006)	81,337,731
Intangible assets		876,238	-	(20,264)	855,974
Heritage Assets		633,422	63	(13,940)	619,545
Investment in Joint Ventures		24,914	-	-	24,914
Other financial assets		55,589	-	-	55,589
Deferred tax Asset		3,325,798	11	(1,989)	3,323,820
Income tax receivables		-	3,289	-	3,289
Deposits		-	-	1,028	1,028
Financial assets at fair value- Sinking fund		358,394	-	-	358,394
Total non-current assets	5	88,978,838	136,649	(1,468,048)	87,647,438
Total Assets	6	106,486,044	206,043	(2,312,779)	104,379,308
Loans and borrowings		2,736,493	-	-	2,736,493
Current tax payable		101,911	103,264	-	205,175
Finance lease obligations		57,101	(209)	(35,672)	21,220
Financial liabilities at fair value - Sinking fund		7,474	-	-	7,474
Payables from exchange transactions		16,662,957	(52,042)	434,606	17,045,521
Payables from non exchange transaction		-	(33,947)	33,947	-
VAT Payable		158,112	8,724	1,566	168,402
Unspent conditional grants and receipts -Current		674,537	178	-	674,715
Provisions		690,650	-	-	690,650
Deferred income		9,313	-	-	9,313
Consumer deposits		23,139	(5,221)	-	17,918
Total current liabilities		21,121,687	20,746	434,448	21,576,881
Loans and borrowings		19,278,487	-	-	19,278,487
Finance lease obligations		228,697	(1,283)	(179,467)	47,947
Payables from non exchange		451,603	-	-	451,603
Financial liabilities at fair value - Sinking fund		212,351	-	-	212,351
Employee benefits obligations		968,706	-	-	968,706
Unspent conditional grants and receipts -Non-current		39,772	(178)	-	39,594
Deferred tax liability	8	2,972,763	9	81	2,972,853
Provisions	8	873,568	-	-	873,568
Consumer deposits	16	1,337,467	-	-	1,337,467
Total non-current liabilities	5	26,363,414	(1,452)	(179,386)	26,182,576
Total Liabilities		47,485,101	19,294	255,062	47,759,457
		-	-	-	-
Accumulated Surplus		(59,000,943)	425,664	1,955,431	56,619,848

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

CJMM

Statement of Financial Position	Note	Correction of error
Property plant and Equipment		(367,056)
Intangible Assets		(22,473)
Heritage Assets		(13,940)
Living Resources		150
Receivables from exchange		(10,467)
Trade and other payables		(66,456)
Accumulated Surplus		582,852
		102,610

Statement of financial performance

GROUP

	Note	As previously reported	Reclassification s	Correction of error	Restated
Rendering of services	12	33,266,606	-	(592,669)	32,673,937
Rental of facilities and equipment	12	338,902	-	-	338,902
Agency services	12	854,029	-	-	854,029
Other revenue	12	482,811	(289)	(19,397)	463,125
Demand Side Management levy	12	283,363	-	-	283,363
Finance Income	13	750,490	1	(213)	750,278
Reversal of impairment	4	38,985	-	-	38,985
Fair value adjustments	1	197,437	-	-	197,437
Share of surpluses and deficits from associate and joint ventures accounted for using the equity method	11	1,980	-	-	1,980
Total revenue from exchange transactions	3	36,214,603	(289)	(612,279)	35,602,036
Revenue from non-exchange transactions	3	-	-	-	-
Property rates		14,049,882	-	-	14,049,882
Surcharges and taxes		286,847	-	-	286,847
Finance Income		154,767	-	-	154,767
Government Grants and Subsidies		9,393,061	-	4,240	9,397,301
Levies		4,188,550	-	-	4,188,550
Public contributions, donated and contributed property, plant and equipment		481,177	(2,256)	-	478,921
Fines, Penalties and Forfeits		148,341	-	-	148,341
Other revenue		1,152	-	-	1,152
Total revenue from non-exchange transactions		28,703,777	(2,256)	4,240	28,705,761
Total revenue		64,918,380	(2,545)	(608,039)	64,307,796
Employee related costs		(17,605,909)	(2)	(7,947)	(17,613,858)
Remuneration of councillors		(180,681)	-	-	(180,681)
Depreciation and amortisation		(4,048,573)	211	(171,192)	(4,219,554)
Impairment losses		(1,013,493)	-	25,582	(987,911)
Finance costs		(2,725,126)	-	(4,048)	(2,729,174)
Debt impairment		(6,206,250)	28,033	(2,769)	(6,180,985)
Bulk purchases		(21,654,468)	-	-	(21,654,468)
Lease rentals on operating lease		(2,226,425)	(2,511)	(3,478)	(2,232,414)
Grants and subsidies paid		(103,673)	-	-	(103,673)
General expenses		(9,953,991)	(145)	(76,325)	(10,030,461)
Loss on disposal of assets and liabilities		(233,470)	2,142	(1,167)	(232,495)
Fair value adjustments		-	290	(290)	-
Total expenditure		(65,952,059)	28,018	(241,633)	(66,165,674)
Surplus before taxation		(1,033,679)	25,473	(849,672)	(1,857,878)
Taxation		707,065	(164)	(82)	706,983
(deficit) Surplus for the year		(326,614)	25,309	(849,590)	(1,150,895)

Notes to the Group Annual Financial Statements

CJMM

Statement of financial performance	Note	Correction of error	Restated
Depreciation and amortisation		(42,974)	(42,974)
Impairment losses		25,582	25,582
General Expenses		(85,218)	(85,218)
Deficit for the year		(102,610)	(102,610)

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Statement of Cash Flows

GROUP

Cash flows from operating activities	Note	As previously reported	Reclassification s	Correction of error	Restated
Cash receipts from customers	12	46,721,573	(123,369)	284,544	46,882,748
Grants		9,345,866	4,062	-	9,349,928
Payment to suppliers and employee		(47,969,748)	195,210	(272,665)	(48,047,203)
Interest costs		(2,640,776)	-	-	(2,640,776)
Taxes on surpluses		(152,938)	(8,205)	112,946	(48,197)
Interest income	12	496,513	9	(9)	496,513
Surplus/(Deficit) for the year		5,800,490	67,707	124,816	5,993,013

Cash flows from investing activities	Note	As previously reported	Reclassification s	Correction of error	Restated
Purchase of capital assets	12	(6,122,069)	23,441	(824)	(6,099,452)
Cash movements in sinking fund	12	2,105,500	-	-	2,105,500
Other financial assets	12	21,073	-	-	21,073
Surplus/(Deficit) for the year		(3,995,496)	23,441	(824)	(3,972,879)

Cash flows from financing activities	Note	As previously reported	Reclassification s	Restated
Repayment of borrowings	4	(6,249,562)	-	(6,249,562)
Proceeds from borrowings		4,500,000	-	4,500,000
Repayment of post-retirement benefits		(134,284)	-	(134,284)
Finance lease obligation		285,320	(215,140)	70,180
Deficit for the year		(1,598,526)	(215,140)	(1,813,666)

CJMM

Group comparatives were restated to align with commitments reported at component level	Group	2,727
Management reviewed the commitment balance and the review resulted in an adjustment of R(992,788) to restate the 2023 commitments balance	JOSHCO	615
Error is as a result of incorrect computation of ME figures. The balance for Power was omitted during consolidation	Power	10,029
REASON FOR RESTATEMENT	JOSHCO	(14,031)
Restatement for UIFW - Irregular expenditure	JWATER	36,000
REASON FOR RESTATEMENT	MTC	145,273
The error was as a result of incorrect recording of the irregular expenditure that was originally detected and declared in prior periods. Opening balances were restated to correct the closing balance of last year which was incorrectly calculated.	Power	9,043
Group comparatives were restated to align with irregular expenditure reported at component level	PARKS	24,906
Group comparatives were restated to align with irregular expenditure reported at component level	PIKITUP	8,639
Restatement for UIFW - fruitless and wasteful expenditure		-
The error was as a result of incorrect recording of the fruitless and wasteful expenditure that was originally detected and declared in prior periods but casted incorrectly. Opening balances were restated to correct the closing balance of last year which was incorrectly calculated.	Core	(5,256)
The error was as a result of incorrect recording of the fruitless and wasteful expenditure that was originally detected and declared in prior periods but casted incorrectly. Opening balances were restated to correct the closing balance of last year which was incorrectly calculated.	JTC	(30)
	JOSHCO	(44)
The error was as a result of incorrect recording of the total assets disclosed in the separate financial statements of Golden Triangle Development Company by Core. Opening balances were restated to correct the closing balance of last year which was incorrectly calculated.	Core	575
The error was as a result of incorrect recording of the total liabilities disclosed in the separate financial statements of Golden Triangle Development Company by Core. Opening balances were restated to correct the closing balance of last year which was incorrectly calculated.	Core	(724)

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

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			-
			-
MFMA additional disclosure	As previously reported	Correction of error	Restated
Contributions to organised local government	5,838	(5,838)	-
Skill Development Levy	28,779	(24,559)	4,220
Audit fees	4,685	(4,685)	-
PAYE and UIF	199,934	(142,934)	57,000
Pension and Medical Aid deductions	438,790	(496,954)	(58,164)
Vat	454,504	166,934	621,438
	1,132,530	(508,036)	624,494

Notes to the Group Annual Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

GROUP & CJMM

Management provides explanations for prior period adjustments which are considered material

1. Property, plant and equipment, Heritage Assets, Intangible Assets and Living resources (Reclassification and correction of errors)

Restatements are resulting from:

CJMM adjustments relate to misclassification of costs incurred on AUC. It also relates to some repairs costs which were misclassified. Misstatements had impact on depreciation and impairment loss which subsequently led to incorrect carrying amount of Fixed assets

JRA - The restatement of the property plant and equipment was affected by recalculation of depreciation as result of inconsistent

useful life review of R4 057 198 and the asset that was expensed and now capitalized for the value of R1 006 294

JRA - Recalculation of amortisation as a result of inconsistent review of useful life.

JTC - A loaned laptop was incorrectly capitalized to entity Computer equipments at cost of R2,738.

The depreciation of R1,217 was also charged on an asset not owned by the entity. Error was identified in the current year and the cost of laptop was removed.

JTC - In the previous financial year, the entity received assets from the city as part of transfer of function (GRAP 105), which was recorded with a total carrying amount of R2,701,548. These assets were subsequently revalued to a fair value of R3,593,942, and a fair value gain of R892,394 was incorrectly credited directly to the Accumulated Surplus account instead of being recognized in the Income Statement. Upon review in the current financial year, it was discovered that the initial carrying amount of the transferred assets should have been R3,884,041 instead of R2,701,548 resulting in a fair value loss of R290,099.

Joshco - During the year, it was noted that the finance lease asset for office printers and scanners was not recognised in the AFS as per GRAP requirements

Joshco - During asset verification, it was noted that there were assets identified that were not previously in the fixed asset register.

Joshco - GRAP17 indicates that assets under construction (work in progress) is not a class of assets and that work in progress must be recorded in the class of assets it will be treated as on completion. Therefore there was a reclassification of work in progress to IT Equipment.

2. Receivables from exchange and receivables from non-exchange (Reclassification and Correction of errors)

CJMM adjustments relates to debtors that was previously not accounted for and the accrued vat changed based on the accruals that were not accounted for in the previous financial year

Pikitup - The receivables from exchange transactions were overstated by R225 412 005 due to cumulative prior year accruals which were not reversed

JRA - There was a VAT dispute between SARS and JRA where JRA was said it under declared on its VAT submission in prior years. This means JRA owed SARS but did not raise the liability instead JRA disclosed a Contingent liability.

JPC - Related party transactions previously invoiced to departments was corrected after consultation and review of the transactions

3. Finance lease obligation (Reclassification and Correction of errors)

City power - Six vehicles were incorrectly capitalized under the Afirent finance lease during 2023 financial, while 14 vehicles which were delivered prior to 30 June 2023 were omitted. This resulted in the finance leased assets and finance lease liability been misstated. The error has been corrected retrospectively and prior year amounts has been restated.

Joburg water - The City of Johannesburg Metropolitan Municipality has entered into a transversal contract with a supplier to supply vehicles to the entity from 18 May 2023. This lease was assessed and classified as a Finance lease. However the vehicles supplied subsequent to the contract start date were incorrectly classified as the finance lease, as these vehicles are adhoc vehicles and will be replaced with proper leased vehicles over time

Joshco - On review of calculations, an error amounting to R59 569,33 (R5 104 current liability and -R64 674 non-current liability) in the prior year balance was identified and corrected

4. Payables from exchange transactions and payables from non-exchange (Reclassification and Correction of errors)

Restatement of payables from exchange transaction is resulting from:

CJMM adjustment relates to the accruals which were not accounted for in the prior financial year, the error was identified in the current year and corrected retrospectively. These accruals mostly related to general expenses in the year they were actually incurred.

Pikitup - The is an amount of R 443 046 549 for COJ which has been reclassified from Intercompany COJ receivables to

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

payables from exchange transactions as it has a credit balance. The payables were also overstated by accruals amounting to R80 216 075.

Pikitup - The fleet costs were understated by R1 173 094

Pikitup - The general expenses for 2023 were understated by R 2 162 102 due to expenses not accrued

Metrobus - Error relates to invoices that had been duplicated when capturing

JRA - The change in accounting policy on Developers Contribution meant that the Developers Contribution Bank account must balance to the Developers Contribution Liability account. However the reality is that as at year end some entries were accrued and there could not reflect in the bank account

JPC - Relates to invoices relating to work performed in the prior years that were not received and raised

JPC - Vat payable was reclassified from payables from exchange and disclosed separately in the face of the Statement of Financial Position

JTC - During the initial entries done as part of GRAP 105 transaction, it was noted that the liability overstated by service bonus of R166,584

5. Rendering of service

Restatement of rendering of services is resulting from:

City power - During the year it was discovered that the electricity revenue accrual was overstated in the 2023 and 2022 financial period. The service charges has been adjusted in the particular period and comparative amounts restated.

Joburg water - The City of Johannesburg Metropolitan Municipality has recalculated the accrual value in relation to the 2022 and 2023 financial years. These transactions result in an adjustment to revenue for the 2022 and 2023 financial years

6. Deferred tax liability, Deferred tax asset and Taxation

Movement in current taxation after taking the prior period adjustments into account.

JPC corrected the current tax receivable to align to the SARS issued statement as at 30 June 2023

JPC - Deferred tax has been corrected in the prior to take into account the tax rate change that occurred in the financial year ended 30 June 2023.

MTC - During the year ended 30 June 2024 it was identified that the opening balance of deferred tax liability was incorrectly stated, the correction had been accounted for retrospectively

7. General expenses

City power - Travel reimbursement cost of R8 029 000 (2022: R5 708 000) has been reclassified from general expenses to employee related cost. This will allow consistent reporting of the transaction through out the COJ group.

City power - Tree pruning services amounting to R8 444 270 was previously incorrectly recognised as an expense. Services were not rendered by the service provider resulting in an overstatement of general expenses during the 2021 financial year. The error has been corrected retrospectively and prior year amounts has been restated.

JRA - The reason for a change of -R1 006 294 in the general expense account is that capital expenditure was incorrectly expensed in the prior year and now it has been capitalized

8. Government grants and subsidies

Pikitup - The 2023 grants were understated by R 4 239 688 which was not transferred to the income. The correction of the error had the impact of reducing payables from exchange with R 4 239 688 and increasing grant revenue with the same amount

9. Depreciation

Joburg water - The entity has componentized all assets in the fixed asset register as per GRAP requirements which resulted in an adjustment in depreciation and full retrospective restatement for the prior years.

JRA - Depreciation recalculation for an amount of R 1 039 317.00 as result of inconsistent useful life review was done and that is why the adjustment was done

JTC - An Office equipment was over-depreciated by R20,000 in the prior year

10. VAT Receivable

Pikitup - The VAT receivables of R 68 566 696 has been reclassified from Other receivables to Payables from non-exchange transactions

Pikitup - The Payments to suppliers and other cash items were reduced by R19 396 811 due to vat refund which was classified as revenue.

11. Debt Impairment

Debt impairment was impaired by ME for intercompany transactions. Based on group level consolidation, the impairment should have been reversed however it was not. Thus the prior year impairment is reversed now.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

12. Reclassifications

There have been reclassifications performed at group level for consolidation purposes.

Contributions to organised local government

JOSHO and CIVIC Theatre provided templates with amounts in the previous financial year, however they did not disclose amounts in the current year on their signed financials.

Skill development levy

CORE had a casting difference on the opening balance.

Audit fees

Casting differences from prior year to the current year.

PAYE and UIF

Casting differences from prior year to the current year.

Pension and Medical Aid deductions

Casting differences from prior year to the current year.

Vat

Casting differences from prior year to the current year.

49. Fruitless and wasteful expenditure

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Opening balance as previously reported	1,142,798	1,331,792	436,163	490,033
Restated amount	(5,318)	(78,770)	(5,274)	(62,341)
Opening balance as restated	1,137,480	1,253,022	430,889	427,692
Add: Expenditure identified - current	322,101	128,778	1,479	8,471
Add: Expenditure identified - prior period	3,689	680	-	-
Transferred to other debtors for recovery	(85,585)	-	(85,585)	-
Less: Amounts recoverable-current	(264,829)	(4,959)	(264,803)	-
Less: Amounts recoverable - prior period	(40)	(302)	-	-
Less: Amount written off - current	(351,316)	(218,215)	-	-
Less: Amount written off - prior period	(26,686)	(16,206)	-	-
Closing balance	734,814	1,142,798	81,980	436,163

Fruitless and wasteful expenditure current year

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2024 financial year:

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Description of the incident	2024	
	Entity/Department	Amount (R'000)
Interest on Eskom	CJMM-Transport	3
Interest on Eskom and Telkom	CJMM-Community development	58
Interest on Eskom and Telkom	CJMM-Human settlement	130
Interest	CJMM-Group Corporate shared services	24
Outdoor advertising and physical audit project	CJMM-Development planning	1,234
Interest	CJMM-Social development	1
Interest on Eskom and Telkom	CJMM-Public Safety	15
Interest	CJMM-Group Finance	14
Interest charged on late payments and penalties - SARS	JRA	17,792
Interest charged on overdue balances - ESKOM	JRA	17
Expenditure incurred for legal fees	JDA	870
Expenditure Incurred for interest and Penalties	JDA	205
Interest on late payments	City Power	150,944
Interest and penalties	Joburg Water	4,168
Interest and penalties	City Parks	7
SARS penalty	JPC	16
SARS Interest	JPC	8
Disputed supplier	JPC	5
Court judgements	JPC	3 561
Interest on shareholder loan	MTC	130 206
Interest and penalties	PIKITUP	12 320
Interest and penalties	PIKITUP	3 657
Current year expenditure	JOSHCO	504
SARS Vat penalties	JTC	27
SARS penalties	JTC	5
		325,790

The following are the incidents that caused the Fruitless and wasteful expenditure identified in the 2023 (prior year) financial year:

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

	2023	
Description of the incident	Entity/Department	
Interest on Eskom	CJMM-Transport	6
Interest on Eskom and Telkom	CJMM-Human settlement	63
Outdoor advertising and physical project	CJMM-Development planning	8401
Interest on Eskom and Telkom	CJMM-Public safety	2
Interest on Eskom and Telkom	CJMM-Community development	17
Interest on overdue account	Metrobus	10
Interest charged on late payments and penalties - SARS	JRA	6,463
Interest charged on overdue balances - ESKOM	JRA	11
Salary offered to me Mahanuke	JRA	536
Arbitration Costs	JRA	64
Interest charged on court awards	JRA	47
Impairment loss	JRA	3,719
Expenditure Incurred for interest and Penalties	JDA	128
Expenditure incurred over mobile devices	JDA	585
Payment made to board member who is in service of the state	JDA	40
Interest on late payments	City Power	4,909
Interest and penalties	Joburg Water	704
Supplier disputes	JPC	31
Court judgements	JPC	48
Interest on shareholder loan and Extended office rentals	MTC	102,210
Current year expenditure	JOSHCO	1,388
Discovered during the current year relating to prior year	JOSHCO	65
		-
TOTAL		129,446

- Group 2023 opening balance was restated by R12(in '000) to align with Core and JTC's 2023 Audited AFS

n.

-35 matters amounting to R30 million are under investigation

-4 matters amounting to R44 million have been completed and submitted to MPAC for consideration. Of this matters, three (3) amounting to R200 000 were recommended for regularisation by Council while one was deferred.

-43 matters amounting to R31.4 million are under investigation including the new matters identified during 2023/24 financial year.

-Please refer to note 48 Prior year adjustments for restatements

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

50. Unauthorised expenditure

	Group		CJMM	
Figures in Rand thousand	2024	2023	2024	2023
Opening balance as previously reported	9,639,679	6,122,561	5,471,742	4,246,083
Add: Unauthorised expenditure - current	8,976,417	4,186,313	2,755,031	1,289,984
Less: Amount written-off - current	(5,679,075)	(669,195)	(3,830,514)	(64,325)
Closing balance	12,937,021	9,639,679	4,396,259	5,471,742

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Unauthorised expenditure incurred in 2024 financial year relates to the following:

The over expenditure incurred by the municipal departments during the year is attributable to the following categories	GROUP	GROUP	CJMM	CJMM
Non-cash items	1,851,305	1,451,352	1,615,289	440,882
Cash items	7,125,114	2,734,961	1,139,743	849,101
Anlysed as follows: non-cash items	GROUP	GROUP	CJMM	CJMM
Depreciation and impairment	62,212	-	-	-
Depreciation and amortisation	(40,999)	(83,488)	-	-
Provision of impairment	-	(12,276)	-	-
Debt impairment	240,015	1,413,649	-	-
Impairment loss reversal	-	9,565	-	-
Loss on disposal of assets	35,439	10,295	34,848	9,214
Losses	(17)	(356,755)	-	-
Bad debt written off	90,868	38,694	-	-
Depreciation and Impairment Losses	177,679	137,168	294,333	137,168
Impairment loss	381,039	502,237	381,039	502,237
Impairment of current receivables	905,069	(207,737)	905,069	(207,737)
	1,851,305	1,451,352	1,615,289	440,882
Anlysed as follows: Cash items	GROUP	GROUP	CJMM	CJMM
Employee related costs	663,496	1,013,327	532,499	968,833
Remuneration of councillors	(283)	-	-	-
Finance Costs	691,312	634,239	383,122	114,257
Inventory consumed	249,496	577,362	-	-
Contracted services	(14,070)	143,674	-	-
Internal transfers	(5,388)	(14,064)	-	-
Transfers and subsidies	(542)	(2,146)	-	(1,621)
Bulk purchases	2,983,456	(53,502)	-	-
Fleet	128,715	130,890	-	-
Finance lease rentals	(198)	4,954	-	-
Repairs and maintenance	(2,025)	(856)	-	-
Losses	281,607	5,330	-	-
Other expenses	(35,121)	25,041	50,620	-
Finance charges	754,597	(89,222)	-	-
Administration expenses	310,307	32,281	-	-
General expenditure	717,929	290,572	173,502	(269,449)
Other income	-	37,081	-	37,081
Lease rental on operating lease	(6,218)	-	-	-
Over expenditure on capex budget	408,044	-	-	-
	7,125,114	2,734,961	1,139,743	849,101

Unauthorised expenditure incurred in 2024 financial year relates to the following:

Name of Vote	Amount
Group Corporate and Shared Services	136,890
Human settlement	423,698
Public Safety	525,748
Social development	25,045
Health department	50,814
Group Finance	1,453,918
Group ICT	109,652
Mayor	29,266
Metropolitan Bus Services	150,133

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Notes to the Group Annual Financial Statements

Figures in Rand thousand

Market	600
JRA	56,949
JDA	82,646
City Power	4,128,807
Joburg Water	998,516
MTC	181,452
Pikitup	13,994
Joshco	568,053
Parks and Zoo	40,236
TOTAL	8,976,417

Unauthorised expenditure incurred in 2023 financial year relates to the following:

Name of Vote	Amount
Group Corporate and Shared Services	53,738
Human settlement	645,979
Health department	50,777
Social development	16,671
Group Forensics and investigation services	253
Public Safety	522,566
Metropolitan Bus Services	76,865
JRA	246,485
JDA	55,160
City Power	208,739
Joburg Water	1,063,091
MTC	347,678
Pikitup	475,822
Joshco	378,631
Civic Theatre	43,858
TOTAL	4,186,313

- 2 matters amounting to R125 million were regularised by Council on 28 November 2024.

-6 matters amounting to R1.9 billion have been finalised and submitted to MPAC. Of these matters, 2 amounting to R722 million were considered and deferred.

-8 matters amounting to R732 million have been finalised and are pending submission to MPAC for consideration

-5 matters amounting to R488 million are under investigation including new matters identified during 2023/24.

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Figures in Rand thousand

51. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	-	-	-	-
Skills development levy				
Opening balance	4,220	2,419	7,613	7,378
Current year subscription / fee	68,239	62,054	102,669	93,809
Amount paid - current year	(49,260)	(46,359)	(94,023)	(86,195)
Amount paid - previous years	(15,933)	(13,894)	(7,613)	(7,379)
	7,266	4,220	8,646	7,613

Audit fees

Opening balance	-	647	86	72
Current year audit fee	49,821	40,825	31,843	28,203
Amount paid - current year	(43,935)	(35,974)	(31,444)	(28,189)
Amount paid - previous years	(5,886)	(5,498)	-	-
	-	-	485	86

PAYE and UIF

Opening balance	57,000	53,796	140,970	138,089
Current year payroll deductions	1,171,454	1,073,620	2,006,190	1,777,113
Amount paid - current year	(1,109,819)	(1,044,771)	(1,833,381)	(1,636,143)
Amount paid - previous years	(57,001)	(25,645)	(140,969)	(138,089)
	61,634	57,000	172,810	140,970

Pension and Medical Aid Deductions

Opening balance	(58,164)	22,070	219,835	206,192
Current year payroll deductions and Council contributions	1,422,867	1,267,187	2,831,694	2,596,099
Amount paid - current year	(1,469,283)	(1,345,759)	(2,592,380)	(2,376,264)
Amount paid - previous years	(25,230)	(1,662)	(219,835)	(206,192)
	(129,810)	(58,164)	239,314	219,835

VAT

VAT receivable	1,697,794	789,840	656,805	139,599
VAT payable	(18,129)	(168,402)	-	-
	1,679,665	621,438	656,805	139,599

VAT output payables and VAT input receivables are shown in note 10.

All VAT returns have been submitted by the due date throughout the year.

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Figures in Rand thousand

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding as at June 30, 2024. All amounts are disclosed in Rands and are not rounded to the nearest thousand:

June 30, 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
CHRISTIANS PV & A	18,405	32,256	50,661
COVERDALE DLT	7,518	596	8,114
DELLWARIA N	3,303	7,875	11,178
EDWARD WN & N	22,398	243,948	266,346
LANDIS G & R	882	27	909
MACHETTE S	4,944	3,398	8,342
MATHE ZE	28,404	94	28,498
THOVHEDZO MN	5,115	89	5,204
NGOBENI T	70,445	73,647	144,092
ZAZINI A	9,469	11,666	21,135
	170,883	373,596	544,479

June 30, 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
BALOYI DL	1,983	424	2,407
CELE DW	2,258	3,073	5,331
DAVID & VAN LODWEWYK JL & MR	8,459	17,689	26,148
EDWARD WN & N	18,388	277,146	295,534
KIVIET A & LC	3,172	4,803	7,975
MBUNDU SM	72,518	42,691	115,209
RAFFERTY P & L	5,719	2,317	8,036
RAMARU G	1,837	704	2,541
RAMARU G	2,771	1,210	3,981
SHABANGU L	27,996	12,704	40,700
SUPE W	12,170	284,976	297,146
ZAZINI A	544	114	658
	157,815	647,851	805,666

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Notes to the Group Annual Financial Statements

52. Awards to close family members of persons in the service of the state

During the year under review the municipality gave the following award to a person who is a spouse, child or parent of a person in the service of the state or has been in the service of the state for the previous twelve months

*An Award to Sanfana 2001 (Pty) Ltd (Spouse NP Ngwenya is employed at Gauteng department of human settlements) is not shown on the table

The award to the service provider was based on a rate structure, and as such, the contract value at inception could not be determined. The final contract value is dependent on the total value of purchase orders issued over the term of the contract. Consequently, the contract value will be finalized at the conclusion of the contract, once all purchase orders issued during its duration have been processed. Given the nature of the rate-based contract, it is impractical to determine a fixed contract value at inception.

			2024	2023
Name of the person (Service of the State)	"Name of the person (entity receiving award)"	Capacity in which that person is in the service of the state	Amount in R'000	Amount in R'000
Linda Antoinette Khanyi	Piotrans (Pty) Ltd (Jabulani Sidney Khanyi)	Spouse is an advisor to Parliament	-	970,546
Tryphisa Sithole	Royal Haskoning DHV (Pty) Ltd (Salani Wilson)	Spouse is an assistant Director	-	775
Hervor Mehana	Sizwe Africa IT Group (Pty) Ltd (Vukile Charles)	Spouse is a manager Clinics Termination 30/11/2021	-	44,861
CALSON BONGANI NGELE	C&M CONSULTING ENGINEERING (LENHLE ZAMOKUHLE NGELE)	Spouse is a technician for the SA weather services	194	-
P S SELELO	SELELO RAMASHILO INC (L J SELELO)	Spouse is an officer at SARS	2,197	-
BELLINDA THABISILE MAPHUMULO BONGUMUSA STHEMBISO BUTHELEZI	MINI MAP ENTERPRISES AND SERVICES (PTY)LTD (RANDSOME SANDILE MAPHUMULO) AND THE TENDER DOCUMENTS SPECIALIST (PTY)LTD (MANDISA GODGAVE BUTHELEZI)	Spouse is employed at UNISA and Spouse employed at METSIMAHOLO LOCAL MUNICIPALITY	5,300	-
Carol Thandeka Ngobeza Sjula William Nkabinde	Waterlab (Pty) LTD (LEHLOGONOLO JOSEPH NGOBEZA) (Elizabeth Nkabinde)	Spouse is employed at Department of Education Spouse is employed at Umhlathuze Municipality	1,150	-
Lindiwe Njeje	Consl Consulting (Owethu)	Mother is a library Assistant	1,016	-
SS Mona	Seenamoovar Enterprise (N Mona)	Husband employed at Gauteng Legislature	3,172	3,544
Mr GW Koornhof	University of Pretoria (MRS C Koornhof)	Spouse is a member of parliament	247	-
Isabela Muneka	EDGE LINE Engineering	Johannesburg water	5,874	5,247

City of Johannesburg Metropolitan Municipality

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Notes to the Group Annual Financial Statements

Obey Mwantembe	Hitachi Energy South Africa	Department of Health	5,923	-
Graham Douglas Du Bourg	Hitachi Energy South Africa	Department of Education	5,923	-
Tshifiwa Vincent Radzilani	Mathede (Pty) Ltd	Industrial Development	13	-
Sian Goosen	Spill Tech Pty Ltd	Transnet	15,000	-
Thobeka Ngema	Spill Tech Pty Ltd	SARS	15,000	-
	GIBB (Pty) Ltd (Clive September Darren Pillay Jenny Moon Jo-Anne Stolworthy Lize De Beer Selby Mkhize Neville Randall Nomasithini Nzayiya Penny Smith Rorisang Lekonyana Douglas Kiewiet Vinnie Naidoo Pravanya Pillay Zafar Haq)	Daughter employed by Health Infrastructure PWGWC as a State Accountant and another Daughter employed by the City of Cape town as a Project Administrator Parent employed by the Dept of Education KZN as a data capture and Another parent employed by the Dept of Education as an Educator Spouse works for the City of Cape Town as Head: Business Continuity Spouse works for the City of Cape Town as Principle Professional officer Spouse works for Eskom as Chief Engineer Spouse works for the National Department of water Affairs and Forestry as an Accounting Clerk Department of Education as a Senior Educator Spouse works for the Dept of Correctional Services as Correctional Officer Partner works for the Department of transport and Public Works as DDG Spouse work for Department of National Treasury as Deputy Director Parent works for Department of Water Affairs and Forestry Spouse works for the Gauteng Dept of Education as an HOD for Math's Spouse works for the City of Cape Town as senior Professional Officer and Mother works for the Dept of Education KZN as HoD: Languages,Father works for the Dept of Transport KZN as Mechanical Engineer Brother works for City Engineers as Architect/town Planner	656	656
	Threshold Project Manager (Nokuthula Sedumedi and Nokulunga Sedumedi)	Wife is employed by DBSA and sister employed by SAA	1,840	1,840
	Threshold Project Manager (Nokuthula Sedumedi and Nokulunga Sedumedi)	Wife is employed by DBSA and sister employed by SAA	1,204	1,204
	Lukhozi Consulting Engineer (Lumko Sidwell Mhlauli)	Wife employed by Office of the Premier	1,738	1,738
Andre van Collie	CSM Consulting (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2,053	2,053
Andre van Collie	CSM Consulting (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2,885	2,885
Andre van Collie	CSM Consulting Services (CAJ Van Coille)	Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2,860	2,860

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	Ikemeleng Architects (Ridwaan Bhana)	Spouse employed at Gauteng Provincial Infrastructure Development	1,017	1,017
Jan van den Heuvel Jacob Christoffel Cronje Tanje Cronje Elizabeth Arumugam Roshal Rye Ramdenee Johan Conradie Marilize de Villiers Mr Deokiram Claire Dyer Christopher Barry Franklin Michael van Aardt Quentin Green Ditodi Norman Kaapu Nomveliso Mkiva Gail Mellem Terrence Nichols Philistine Tolamo Sibongile Zondo Thamsanqa Mtshali Masango Nyai Sooriakumari Pillay Alicia Pillay Arvin Sarjoo Tamryn Sass (nee Harris) Bertha Sepuba Sibusiso Sepuba Luthando Sicam Elizabeth Steyn Ms Suliman Emanuel Tipru Karen Kets Andre Visser	"Bowmans (Lizelle Blignaut" Bouwer (nee Cronje), Cornelia Maria (Aneria) Bouwer (nee Cronje), Cornelia Maria (Aneria) "Chetty, Amanda" Dehal, Nikita De Villiers, David De Villiers, David "Deokiram, Nicole" Dyer, Livia (nee Smith) Franklyn, Claire Graham, Ashleigh Green, Chris Kaapu, Jerry Mkiva, Clement Mellem, Roxan Nichols, Trudie Nonkululeko Zondo Nonkululeko Zondo Nonkululeko Zondo Nyali, Xolani Pillay, Keshni Pillay, Keshni Sarjoo, Anshini Sass, Mendel Sepuba, Comfort Sepuba, Comfort Sicam, Yonela Bonnie Steyn Suliman, Yasmeen Tipru, Thevi "van Eyssen, Yolande" Visser, Heidi)	Father is employed by Department of Justice Brother is employed by SANDF Sister-in-law is employed by the Department of Education:Gauteng Employed by the Department of Education: Kwa-Zulu Natal Husband, Principle Investments present Brother in law Auditor-General South Africa Wife The Council for Scientific and Industrial Research (CSIR) Father at Johannesburg Roads Agency Mother at National Department of Education Father at NECSA (South African Nuclear Energy Corporation) Husband at Department of Health: Gauteng Father at Johannesburg City Power Brother at South African Police Service: Silverton Road Traffic Management Corporation Western Cape Education Department South African Airways Voyager -Commercial/Voyager Department Aunt at Gauteng Department of Education Mother at City of Johannesburg - Operations Manager-1997-2004; 2006 – Present Father at KZN Department of Education Father at Department of Education : Eastern Cape Mother at KwaZulu Natal Department of Education Sister at Air Traffic Navigation Services (ATNS) Tshwane Municipality Spouse at City of Cape Town Mother at Gauteng Department of Finance Brother at Gauteng Department of Finance Mother at Western Cape High Court Sister eThekweni Municipality Husband SAP Engineering Services (City Power) Sister-in law Eskom SOC Limited Husband City of Cape Town Local Municipality	1,280	1,280
	Bergstan (Cobin Beukes)	Spouse works for the Department of Social Services	1,013	1,013
Nomasonto Ethel	Nyeleti Consulting	Spouse of Director works for Department of Health as a professional nurse	4,660	4,660
	Modis-Res Property Valuer (Mr. Mcdonald Modibedi)	Spouse of the director is employed by the department of health	1,759	1,759
	Modis-Res Property Valuer (Mr. Mcdonald Modibedi)	Spouse of Director works for Department of Health as a professional nurse	2,316	2,316
	Oarona Investment (Onkabetse Letsoalo)	Spouse of the director is working for the Reserve Bank	193	193
	Mathede (PTY) Ltd (Tshifhiwa Radulani)	Spouse of the director is working for IDC	61	61
	KWP Create (Elsie Bester)	Spouse works for the Department of Transport	338	338

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R Mashegana	IX Consulting (N A Mashegana)	Spouse is a nurse at the Gauteng Department of Health	-	48,646
E K Mamphitha	WRP Consulting Engineers (pty) Ltd (T Mamphitha)	Spouse is a system admin at SABC	-	16,947
A Chauke	Nkanivo Development Consultants Beneficiary (S Chauke)	Spouse is an administration officer at department of home affairs	-	2,933
H C Ahlschlager K Nadasen M.R Marques T.J Ndala	Zutari (pty) Ltd (R J Ahlschlager K P Nadasen E T Marques J Ndala)	Spouse is a legal representative at special investigating unit Spouse is a director: Key Accounts at department of public works Spouse is a Management director at department of internal affairs Spouse is a school principal at Gauteng department of Education	-	940
L Mbekeni	Durchame Asset Management (L Mbekeni)	Spouse is a legal officer at the department of rural development	-	210
Fredrick Mkhwanazi	Pantz Investments (Patricia Mkhwanazi)	Spouse is a senior funding manager at IDC-SOC under DTIC	-	31
LJ Marah	Sigodi Marah Martin	Child is an Assistant Officer at Governance and Compliance Eskom Holdings SOC Ltd	3,930	-
LJ Marah	Sigodi Marah Martin	Child is an Assistant Officer at Governance and Compliance Eskom Holdings SOC Ltd	5,317	-
LJ Marah	Sigodi Marah Martin	Child is an Assistant Officer at Governance and Compliance Eskom Holdings SOC Ltd	5,609	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	2	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	37	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	5	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	24	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	9	-
T Lethetsa	Moodie and Robertson	Spouse is a Group Treasury Assistant Director at city of Johannesburg	94	-
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	1	-
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	12	-
D Samuels	Ian Dickie and Company	Spouse is a warrant officer at SAPS	2	-
	Phumelele Real Estate	Close family member in department of Education and Johannesburg Development Agency	-	1,188
Tshepo Khasi	Mothokwa ET Trading	The supplier trading with the entity and the spouse works for Department of Cooperative Governance and Traditional Affairs.	95	33
Tshepo Khasi	Mothokwa ET Trading	The supplier trading with the entity and the spouse works for Department of Cooperative Governance and Traditional Affairs.	3,967	4,305
Y Madurai	Electrosonic SA (Pty) Ltd	The supplier trading with the entity and the spouse worked for Department of Communication Digital Technology.	2	-
Shadrack Bokaba	Bokaba consulting (pty) Ltd	The supplier trading with the entity and the spouse works for the national department of science and Innovation	-	200

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Opening balance has been re-instated by:

1. R967 943 due to the addition of Linda Antoinette Khanyi and removal of Parusaman Mariemuthoo and Nontando Letsoela from the June 2023 submission.
2. R4 538 000 due to the addition of Mothokwa ET Trading and Electrosonic SA (Pty) Ltd which was omitted from the June 2023 submission:
3. R6 652 000 due to the addition of Nyeleti Consulting, Oarona Investment, Mathede (PTY) Ltd and Lukhozi consulting Engineer.

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

53. Irregular expenditure

	GROUP 2024	GROUP 2023	CJMM 2024	CJMM 2023
Opening balance as previously reported	11,230,893	13,348,757	7,451,244	6,769,687
Restated amount	9,043	214,818	-	-
Opening balance after restatement				
	11,239,936	13,563,575	7,451,244	6,769,687
Irregular expenditure identified in current year	3,510,097	2,084,392	1,982,206	811,433
Irregular expenditure identified in current year relating to prior year	262,256	339,573	-	-
Less: Amount written off - current	(4,993,295)	(4,756,647)	(1,510,231)	(129,876)
Less: Amount written off - prior year	(76,870)	-	-	-
Closing balance	9,942,124	11,230,893	7,923,219	7,451,244

Incidents/cases identified in 2024 include those listed below:

Description of the incident	Entity	Amount in R'000
Expenditure in respect of prior year contract identified as irregular	CJMM	1,171,487
Contracts identified as irregular in the current year	CJMM	690,613
Non-compliance with SCM policies	CJMM	120,106
Labour contracts	City Power	38
Emergency procurement for cables and other critical material	City Power	33
Award not made to qualifying supplier	City Power	288
Physical security services	City Power	13,425
External witness	City Power	258
Emergency procurement for labour contract	City Power	489,929
Afrirrent fleet contract	City Power	124,677
Award not made through a competitive bidding process	City Power	426
Award not made in accordance with criteria indicated in the original bid documentations	City Power	5,698
Appointment of new labour contractors	City Power	123,467
Non compliance with PPR, 2017 Regulations	Joburg Water	6,536
Non compliance with MFMA SCM Regulation 36	Joburg Water	31,916
Undisclose difference	Joburg Water	3
Irregular expenditure identified in current year relating to prior year	Joburg Water	197,206
Irregular expenditure identified-current	MTC	9,889
None indication of minimum local content threshold	MTC	21,262
Payment made where there was no budget allocated to the Projects	JDA	5,683
Expenditure incurred post contract expiration	JDA	6,675
Payments made which exceed contractual Amount still under Investigation	JDA	11,504
Non-compliance with PPPFA 2017 Reg 8(2)	JRA	4,463
Non-compliance with regulation 32 of MFMA. Contract spend/participation more than the original contract.	JRA	329
Infinite Blue-Bidder did not meet all the minimum pre-compliance requirements and was further evulated and awarded	JRA	26,350
Bidder did not meet all the minimum pre-compliance requirements and was further evulated and awarded	JRA	37,076
Bidder did not meet all the minimum pre-compliance requirements and was further evulated and awarded	JRA	17,369
Bidder was irregularly appointed as a result of unfairly for unsustantiated poor performance	JRA	13,297
Bid Advert issued without local content requirements and awarded	JRA	592
Mediac	JRA	1,056
Non compliance with conditions(12 months contract)	JRA	39,732

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Non compliance with conditions(Month to month contract)	JRA	16,902
Afrirent	JRA	44,509
Calliper	JRA	571
Step Up Enginnering	JRA	15,666
Unikeys Trading and Projects	JRA	11
Nomas Trading	JRA	11
The COJ promised to do insourcing but this did not materialize	Joburg Market	6,761
The tender was approved to be advertised for less than 30 days, and the amounts were determined as irregular	Joburg Market	16,957
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	14
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	47
Regulation 36 contract was irregular from the centralized contract at the City	Metrobus	280
Irregular expenditure identified in current year relating to prior year	Metrobus	2,002
Fleet Cost	PIKITUP	685
Panel for recruitment services	PIKITUP	2,636
Illegal dumping	PIKITUP	119,417
Repairs and maintainance	PIKITUP	2,315
IT services	PIKITUP	5,871
Rental cost	PIKITUP	14,100
Fleet cost	CIVIC	4,915
Fleet cost	CIVIC	668
Incorrect calculation of scoring of bidders	JOSHCO	16,000
Irregular expenditure-Identified in current year relating to prior year	JOSHCO	62,380
Non compliance to the MFMA-Fleet	JPC	10,054
Non compliance Circular 62 of the MFMA	JPC	157,240
Competitive bids not invited - current period	JPC	3,909
Fleet contract awarded without following a competitive bidding process	JCPZ	44,508
Award made without following a competitive bidding process	JCPZ	676
Advertisement of long term contracts less than 30 days	JCPZ	18,848
Extension of contracts due to poor planning	JCPZ	5,679
Pre-qualification criteria that was not in line with sec 217 of the Constitution	JCPZ	5,841
Horticultural maintenance	JCPZ	20,610
Awards failed to meet prequalification criteria stipulated in tender documents	JCPZ	887
		-
		3,772,353

Incidents/cases identified in 2023 include those listed below:

Description of the incident	Entity	Amount in R'000
		-
Expenditure in respect of prior year contracts identified as irregular	CJMM	798,598
Contracts identified as irregular in the current year	CJMM	12,835
Third Party vending	City Power	2,217
Labour contracts	City Power	3,469
Fleet contract	City Power	151,607
Emergency procurement for critical material	City Power	20,459
Turnkey solutions	City Power	491
Emergency procurement for critical material	City Power	102,179
Award made to not qualifying suppliers	City Power	937
Contract declared null and void by the court	City Power	118,291
Physical Security Services	City Power	38,721
Emergency procurement for testing diesel	City Power	13

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

External witnesses	City Power	258
Procurement of PPE	City Power	1,559
Emergency procurement for VPNs and internet services	City Power	964
Procurement of Miniature Substation	City Power	2,199
Non compliance with PPR, 2017 Regulations	Joburg Water	818
Non compliance with MFMA SCM Regulation 36	Joburg Water	103,087
Non-compliance with MFMA Circular 62	Joburg Water	3,127
Non-compliance with MFMA Circular 90	Joburg Water	796
Irregular expenditure identified in current year relating to prior year	Joburg Water	309,684
Irregular expenditure incurred in prior years, identified in current year	Joburg Water	23,207
Storage: Contract extension after expiry date	MTC	171
New fibre builds: No subcontracting for awards exceeding R30 million	MTC	6,993
Expenditure incurred post contract expiration	JDA	27,849
Non Compliance with PPR	JDA	219
Expenditure Incurred Without Following Scm Process	JDA	4,358
Payments made which exceed contractual amount still under investigation	JDA	17,023
Contractual advance payments entered into without following due processes in prior year	JDA	3,682
Non-compliance with PPPFA 2017 Reg 8(2)	JRA	90
Non-compliance with regulation 32 of MFMA	JRA	38,146
Non-compliance with regulation 32 of MFMA. Contract spend/participation more than the original contract.	JRA	2,104
Bidder did not meet all the minimum pre-compliance requirements and was further evaluated	JRA	33,952
The contract has expired but the services are still continuing	JRA	20
Telkom	JRA	336
Non-compliance with conditions of the contract. Irregular expenditure from non-compliant regulation 36	JRA	56,757
Bidder did not meet all the minimum pre-compliance requirements and was further evaluated and awarded	JRA	9,603
Bidder did not meet all the minimum pre-compliance requirements and was further evaluated and awarded	JRA	26,937
Bidder was irregularly appointed as a result of unfairly for unsubstantiated poor performance	JRA	10,479
Bid Advert issued without local content requirements and awarded	JRA	6,127
The contract was declared irregular	Joburg Market	1,970
The contract was extended due to Covid 19 restrictions. A new service provider was appointed and started on the 01/01/2022	Joburg Market	289
The COJ promised to do insourcing but this did not materialize.	Joburg Market	6,876
Bids advertised for less than 30 days without reasons being stated	Joburg Market	3,766
Competitive bidding not followed for transactions	Metrobus	2,366
Irregular expenditure identified in current year relating to prior year	Metrobus	3,000
Fleet Cost	PIKITUP	161,325
Illegal dumping	PIKITUP	10,458
Repairs and maintenance	PIKITUP	2,047
Rental cost	PIKITUP	13,781
Incorrect calculation of scoring of bidders	JOSHCO	31,243
Non compliance to the MFMA-Fleet	JPC	10,079
Non compliance Circular 62 of the MFMA	JPC	139,481
Competitive bids not invited -current period	JPC	3,761
Fleet contract awarded without following a competitive bidding process	JCPZ	42,977
Advertisement of long term contracts less than 30 days	JCPZ	50,183

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

		-
		-
		-
TOTAL		2,423,965

-12 matters amounting to R985,8 million were regularised by Council on 28 November 2024

-15 matters amounting to R144 million were considered and recommended by MPAC for regularisation by Council.

-9 matters amounting to R1.6 billion have been completed and submitted to MPAC for consideration.

-14 matters amounting to R1.2 billion have been completed and are pending submission to MPAC for consideration.

-179 matters amounting to R3 billion are under investigation.

-The investigating team have commenced with investigation planning for new matters identified during 2023/24.

-Please refer to note 48 Prior year adjustments for restatements

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

54. In-kind donations and assistance

The following in-kind donations were received by the Mayor's office during the year up to 30 June 2024

Description of in-kind donation received	From which individual or organisation	Estimated value (in Rands)
Bags		0
Book	Konya, Metropolitan City	500
Chocolate and sweets	Ambassador of Republic of Turkey	120
Boxed note book	China	200
Plate	Ramallahcity of	150
Stationery	TIKA	50
		1,020

55. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the Group Annual Financial Statements.

In terms of Section 36 (2) of the supply chain management regulation.

Details of Deviations

Figures in Rand thousand	Group		CJMM	
	2024	2023	2024	2023
Emergency - Reg (1)(a)(i)	587,636	98,454	-	-
Sole supplier - Reg (1)(a)(ii)	95,701	78,594	26,018	-
Special work of art - Reg (1)(a)(iii)	14,216	30,401	-	-
Aquisition of animals - Reg (1)(a)(iv)	1,068	1,539	-	-
Impracticability - Reg (1)(a)(v)	4,986,355	378,491	4,734,412	20,647
Ratification of minor breaches - Reg (1)(b)	185,232	536	183,931	8
Other contracts extensions	16,231	-	-	-
	5,886,439	588,015	4,944,361	20,655

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

56. RELATED PARTIES

Relationships

CJMM

City of Johannesburg Metropolitan Municipality
Johannesburg City Parks 19
Johannesburg Metropolitan Bus Services (Pty) Ltd 20
Johannesburg Social Housing Company (Pty) Ltd
City of Johannesburg Property Company (Pty) Ltd
Johannesburg Development Agency (Pty) Ltd
Johannesburg Roads Agency (Pty) Ltd
Johannesburg Water (Pty) Ltd
The Johannesburg Civic Theatre (Pty) Ltd
The Johannesburg Fresh Produce Market (Pty) Ltd
Pikitup Johannesburg (Pty) Ltd
Metropolitan Trading Company (Pty) Ltd
Johannesburg Tourism Company

Related party balances

Amounts included in Loans, Trade and other receivables with related parties

City Power Johannesburg (Pty) Ltd	15,172,632	13,934,297
City of Johannesburg Property Company (Pty) Ltd	1,086,033	1,167,938
Johannesburg City Parks	157,956	71,768
Johannesburg Development Agency (Pty) Ltd	964,939	673,937
Johannesburg Metropolitan Bus Services (Pty) Ltd	812,975	702,203
Johannesburg Roads Agency (Pty) Ltd	210,525	56,824
Johannesburg Social Housing Company (Pty) Ltd	2,359,072	2,052,872
Johannesburg Tourism Company	3,315	1,142
Johannesburg Water (Pty) Ltd	4,255,015	3,821,522
Metropolitan Trading Company (Pty) Ltd	2,830,924	2,181,807
Pikitup Johannesburg (Pty) Ltd	1,896,696	1,866,113
The Johannesburg Civic Theatre (Pty) Ltd	6,645	5,668
The Johannesburg Fresh Produce Market (Pty) Ltd	176,496	166,799
	29,933,223	26,702,890

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

56. Related parties (continued)

Amounts included in Loans, Trade and other payables with related parties

City Power Johannesburg (Pty) Ltd	2,127,788	1,461,540
City of Johannesburg Property Company (Pty) Ltd	1,125,160	1,101,852
Johannesburg City Parks	1,217,676	1,093,345
Johannesburg Development Agency (Pty) Ltd	936,491	665,552
Johannesburg Metropolitan Bus Services (Pty) Ltd	38,210	35,308
Johannesburg Roads Agency (Pty) Ltd	798,667	648,998
Johannesburg Social Housing Company (Pty) Ltd	1,216,354	1,193,292
Johannesburg Tourism Company	81,352	61,308
Johannesburg Water (Pty) Ltd	4,163,900	2,409,427
Metropolitan Trading Company (Pty) Ltd	2,487,178	1,692,904
Pikitup Johannesburg (Pty) Ltd	1,508,670	1,569,883
The Johannesburg Civic Theatre (Pty) Ltd	9,227	17,695
The Johannesburg Fresh Produce Market (Pty) Ltd	322,940	238,166

16,033,613 12,189,270

Related party transactions

Revenue from related parties

City Power Johannesburg (Pty) Ltd	1,490,567	1,010,024
City of Johannesburg Property Company (Pty) Ltd	50,274	47,691
Johannesburg City Parks	1,422	3,471
Johannesburg Development Agency (Pty) Ltd	72,966	45,602
Johannesburg Metropolitan Bus Services (Pty) Ltd	63,503	53,141
Johannesburg Roads Agency (Pty) Ltd	10,738	11,754
Johannesburg Social Housing Company (Pty) Ltd	112,475	75,478
Johannesburg Water (Pty) Ltd	530,405	529,021
Metropolitan Trading Company (Pty) Ltd	264,164	221,812
Pikitup Johannesburg (Pty) Ltd	119,272	107,110

2,715,786 2,105,104

Operating Expenditure

City Power Johannesburg (Pty) Ltd	438,642	202,980
City of Johannesburg Property Company (Pty) Ltd	919,713	779,807
Johannesburg City Parks	1,152,698	1,097,475
Johannesburg Development Agency (Pty) Ltd	118,179	107,496
Johannesburg Metropolitan Bus Services (Pty) Ltd	610,264	573,267
Johannesburg Roads Agency (Pty) Ltd	1,398,666	1,329,476
Johannesburg Social Housing Company (Pty) Ltd	256,771	275,096
Johannesburg Tourism Company	74,952	66,136
Johannesburg Water (Pty) Ltd	786,845	617,594
Metropolitan Trading Company (Pty) Ltd	826,729	677,445
Pikitup Johannesburg (Pty) Ltd	1,391,053	1,101,386
The Johannesburg Civic Theatre (Pty) Ltd	265,888	250,800
The Johannesburg Fresh Produce Market (Pty) Ltd	65,389	73,015

8,305,789 7,151,973

Commitments

Johannesburg Development Agency	1,089,685	743,318
Johannesburg City Parks & Zoo	-	22,234
Johannesburg Metro trading	236,709	13,088
Johannesburg Social Housing	650,263	676,829
Johannesburg Roads Agency	297,940	301,886
Johannesburg City Power	135,915	-

2,410,512 1,757,355

The key management personnel is disclosed under note 34

* See Note

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

57. Change in estimate

Property, plant and equipment

The useful lives of certain property, plant and equipment and intangible assets have been reviewed and re-assessed by management during the current reporting period to reflect a more accurate pattern of consumption expected to be derived from these assets. The changes were made prospectively from the beginning of the reporting period. Depreciation is accounted for over the remaining useful lives.

The following Municipal entities had changes in their asset's useful lives based on re-assessments performed, and the effect on the current and future periods thereof:

Metrobus

Property, plant and equipment

In accordance with the policy the useful lives of property plant and equipment is assessed every year at the reporting date of each reporting period. The useful life of property, plant and equipment was assessed and management determined that there was no need to review the useful lives of its assets. The entity has spent a considerable amount on the repairs and maintenance in order to preserve the conditions of its assets. These assets are working condition and based on the verification exercise.

Market

Property, plant and equipment

In 2023 certain buildings were estimated to have an average remaining useful life 14 years. In the current period, management have revised their estimate to 20 years to ensure the financial statement reflects the asset's current condition and expected useful life. The effect of this revision has decreased the depreciation charges of the building for the current and future periods by R1 825 799

The impact on tax is a decrease in income tax expense of R492 966

Investment property

In 2023 certain Investment property building were estimated to have an average remaining useful life of 13 years. In the current period, management have revised their estimate to 20 years to ensure the financial statements reflects the asset's current condition and expected useful life. The effect of this revision has decreased the depreciation charges of Investment property for the current and future periods by R409 260

The impact on tax is decrease in income tax expense of R110 500

City Power

Property plant and equipments.

The original useful lives of property, plant and equipment and software have been reassessed as per table below in the beginning of the current financial period to reflect the actual pattern of service potential derived from the assets. The depreciation is to be calculated on a straight line basis for the remaining useful lives of the asset.

Asset Class

Useful lives extensions

Computer Equipment	2- 3 years
Plant and machinery	2-20 years
Furniture and fittings	10 years

The change in the useful lives of the assets had the following impact on depreciation

Depreciation impact	Current year(decrease)	Future(Increase)
Computer equipment	(228 000)	(228 000)
Furniture and fittings	(618 000)	(618 000)
Plant and machinery	(67 000)	(67 000)
	(913 000)	(913 000)

Intangible Assets

The useful lives of computer software was reassessed as per table below in the beginning of the current financial period to reflect the actual pattern of service potential derived from the assets. The amortisation is to be calculated on a straight line basis for the remaining useful life of the assets.

Asset Class

Useful lives extensions

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Computer Software

2-3 years

The change in the useful lives of the assets had the following impact on amortisation:

Amortisation impact	Current year(decrease)	Future(increase)
Computer equipment	(5 000)	(5 000)

The amounts disclosed above are not rounded and reflect the full Rand Value

MTC

Property Plant and Equipment

During the year, the entity conducted an operational efficiency for property, plant and equipment, which resulted in changes in the expected useful lives of various asset categories. This further resulted in the reduction of the annual depreciation for each of the affected assets. The change in estimate resulted in the following effect(in '000) on the annual financial statements:

Decrease in current year depreciation: R 813

Increase in deferred tax: R 220

Intangible Assets

During the year, the entity conducted an operational efficiency for the intangible assets which resulted in changes in the expected useful lives of various intangible assets. This further resulted in changes in the expected useful lives of various intangible assets. This further resulted in the reduction of the annual amortisation for each of the affected assets.

Decrease in amortisation: R 106

City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Increase in deferred tax: R 28

Pikitup

Property plant and equipment

The useful life of landfills was estimated in 2024 as follows:

Ennerdale 2 years (2023: 1 years)
Robinson deep 2 years (2023: 4 years)
Marie Louise 1 year (2023: 1 year)
Goudkoppies 4 years (2023: 4 years)

The impact on depreciation is R5 001 909

Parks

Property, plant and equipment

In terms of the requirement of GRAP 17 the useful lives of fully depreciated property plant and equipment were reviewed by management at year end. The remaining useful life expectations of all fully depreciated property plant and equipment differed from previous estimates and was estimated at an average of:

Category	Average useful lives
IT Equipment	3 Years
Minor plant	5 Years
Office equipment	5 years
Furniture and fittings	5 years
Mobile plant	2 years

This estimate relates to assets that were carried as R1 as at 30 June 2024 and we still actively in use. This resulted in a revision of some of the previous estimates which was accounted for as a change in accounting estimates. The effect of this revision is a decrease in the depreciation charges for the current period of 2024: R0.7 million.

Intangible assets

In terms of the requirement of GRAP 31 the useful lives of fully amortised Intangible assets were reviewed by management at year end. The remaining useful life of all fully amortised intangible assets differed from previous estimates and was estimated at 3 years at 30 June 2024. These assets were fully amortised in the current year and are actively in use. This resulted in a revision in some of the previous estimates which was accounted for as a change in estimate. The effect of this revision is a decrease in the amortisation charges for the current period of 2024: R4 thousand

Living resources - animals

The residual values, depreciation methods and useful lives of the animals are reviewed at each financial year end and adjusted if necessary. If the expectations differ from the previous estimates, the change is accounted for as a change in estimate. There was no change in expectations at year end resulting in no change to the depreciation methods, useful lives and residual values of animals. See accounting policy for the useful lives..

JPC

The useful life of certain property plant and equipment was revised as follows:

Asset category	Original Useful life	Revised useful life
IT Equipment	7	11
Leased assets	3	6
Furniture and fittings	16	24

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

Plant and machinery	10	14
Office equipment	8	10

The effect of this revision has increased the depreciation charges for the current and future periods as follows:

	30-Jun23	Future periods
Current depreciation	65 705	752 856
Deferred Tax	17 713	203 271

JRA

Property, Plant and Equipment

Various movable assets and infrastructure assets with original remaining useful life varying between 1-6 years have been revised in the beginning of the period to reflect a new depreciable amount and the actual pattern of service potential derived from these assets R8 047 177,39

The effect on the current and future period will be decrease in the depreciation charge of R8 047 177,39 in the current period and equal increase in the depreciation charge of R 8 047 177,39 over the next period as per the above information.

2023

Various movable assets and infrastructure assets with original remaining useful life varying between 1-6 years have been revised in the beginning of the period to reflect a new depreciable amount and the actual pattern of service potential derived from these assets R6 102 669.

The effect on the current and future period will be a decrease in depreciation charge of R6 102 669 in the current period and equal increase in the depreciation charge of R6 102 669 over the next period as per the above information.

Core

Property rates: The change in estimate amount included in revenue are due to changes in property values, implementation of appeal of board decisions, property subdivisions and consolidations and property categories. The change in estimate for property Rates and Taxes amounted to R-127 466 163 (2023: R-776 029 931)

Traffic fines: The amount relates to traffic fines accounted for as invalid in the previous year, this was due to those not being posted to traffic offenders within the prescribed period. These fines were subsequently collected by JMPD in the current year. The change in estimates for fines amounted to R23 331 832 (2023: R4 813 784).

Depreciation: The change in accounting estimates relates to reassessment of useful life of property, plant and equipment. The change in estimate amounted to R-78 158 222,57

The residual values, depreciation methods and useful lives of the animals are reviewed at each financial year end and adjusted

58. Events after the reporting date

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City of Johannesburg Metropolitan Municipality

Group Annual Financial Statements for the year ended June 30, 2024

Notes to the Group Annual Financial Statements

Figures in Rand thousand

Appointment of the Debt Officer

Mr Tebogo Moroka has been appointed as the debt officer of the City with effect from 1 October 2024.

JRA

Appointment of new Board Chairperson

The JRA Board Chairperson is now Mr S Clarke due to the resignation of E Botha.

JDA

There were changes of the Board members before Annual Financial Statements were published. An AGM was held on 31 July 2024 where four (4) Board members were appointed.

MBus

Subsequent to the year end, the Board of directors approved a write-off of irregular expenditure of R150 336 691 on the 29th of August 2024, the irregular expenditure was as a result of budget overspending.

Power

Ms R Sadiki was appointed as an Executive director effective 31 July 2024. The board resigned effective 31 July 2024 and a new board was appointed effective 31 July 2024. Refer to directors' report.

The directors were not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements that would affect the operations or results of the entity significantly.

Theatre

The retirements and appointments of new board of directors of JCT was on the 31st July 2024.

The following directors have retired:

Ms. Delisiwe Mabena
Mr. Thembinkosi Mbeda
Ms. Ziyanda Mncanca
Mr. Thapelo Chokobane
Ms. Johanna Mapeko
Mr. Ben Mothupi

The following directors have been appointed:

Mr. Godfrey Katsana (Chairperson) (NED) (Retained).
Mr. Orapeleng Ramagaga (NED) (Retained).
Ms. Pamela Ndlovu (NED)(retained)
Ms. Bonga Kweyama (NED) (Retained)
Mr. Sibusiso Xaba (NED) (Retained)
Ms. Virginia Tselane (NED) (New)
Ms Candice Patricia Savage (NED) (New)
Ms Bernice Dollie (NED) (new)
Ms. Sherray Peterson (NED) (New)
Ms. Rabone Moripe (NED) (New)
Mr. Elfes Muhauli (IAC) (Retained); and
Adv. Sarika Singh (IAC) (Retained)
Ms. Andile Ledwaba (NED) (New)
Mr. Thomas Sbangwana (IAC) (Retained)

Apart from the above mentioned resignations and appointments, the directors are not aware of any matter or circumstance arising since the end of the financial year unless otherwise it is stated in the annual financial statements, which significantly affects the financial position of the company or results of its operations that would require adjustments to or disclosure in the financial statements

Litigation and Claim

A public liability claim of R9 020 000 was lodged against Joburg City Theatres (SOC) Ltd by Sarah Elizabeth Bosch after she fell in to the orchestra pit on the 8th of October 2016.

In October 2024, Joburg City Theatre's attorneys and Sarah Elizabeth Bosch attorneys reached a settlement of R7 120 000, City of Johannesburg Metropolitan Municipality will cover the settlement amount and the legal fees of Joburg City Theatres attorneys. COJ will pay R1 000 000 excess from the reserves which JCT already contribute to. There are no financial implications for JCT as COJ will pay the settlement. It should be noted that this is a non-adjusting event.

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

CORE

Election of new Mayor, Mayoral Committee Members and Speaker

The Mayor of the City of Johannesburg resigned on the 13 August 2024 and Cllr Dada Morero was elected as a new Mayor on the 16 August 2024. On the same day members of the mayoral committee were announced with only a few changes from the previous mayoral Committee. Cllr Kabelo Gwamanda became the new MMC for Community Development and Cllr Margaret Arnolds as the new MMC for Finance. Cllr Nobuhle Mthembu was elected by a majority vote as the new Speaker of Council at the Conny Bapela Council Chamber on the 21 August 2024.

Jeppestown Building Burning Down

On Sunday, 25 August 2024, fire broke out in the three-storey building in Jeppestown, Johannesburg CBD. There was no impact on the City's financials as the building did not belong to the City of Johannesburg.

R2.5 Billion Loan from the French Development Agency

A loan amounting to R2.5 billion from the French Development Agency was approved on 25 July 2024 during a council meeting after previously being rejected on the basis that inadequate information on the purpose and terms of the loan were not provided for. During the council meeting, it was agreed upon that the loan forms a critical aspect of the overall funding model of the city. The loan was received on 7 August 2024 and is set to be repaid in 60 equal quarterly instalments with the first instalment due and payable on 28 September 2024 and the last on being due and payable on 28 June 2039.

Council meeting for UIFW Write-Offs

The City Council sat on the 29 August 2024 and Approved write-offs for UIFW. These were adjusting events as the reports were submitted and considered by MPAC before 30 June 2024. Irregular and unauthorised expenditure amounting to R127 614 255 and R3 139 067 respectively were approved for write-off. Fruitless and wasteful expenditure amounting to R356 512 478 was recommended to be recovered from service providers.

Dismissal of Community Development MMC

On the 8 November 2024, MMC for Community Development Kabelo Gwamanda was dismissed from his role and replaced by MMC Tebogo Nkougou.

City Parks

The following four (4) non-executive directors were appointed during the paper annual general meeting:

Ms. Z. Mncanca (NED)
Ms. J. Mapeko (NED)
Dr. T Mabelwa (NED)
Mr. L Makele (NED)

The following five (5) non-executive directors were re-appointed during the paper annual general meeting:

Ms. T. Mjoli (Chairperson) (NED)
Mr. J. Madela (NED)
Ms. W. Sikhosana (NED)
Mr. A Jabavu (NED)
Mr. M Fihla (NED)

The following two (2) executive directors were re-appointed during the paper annual general meeting:

Mr. T. Mandrew (MD) (ED); and
Mr. F Rikhotso (CFO) (ED)

The following six (6) non-executive directors were retired during the paper annual general meeting:

Mr. P Kgame (NED)
Mr. R. Moripe (NED)
Mr. Y. Nyalambisa (NED)
Mr. Hlatshwayo (NED)
Mr. L. Fani (NED); and
Mr. Y. Zigebe (NED)

The following two (2) independent audit committee members were re-appointed during the paper annual general meeting:

Mr. M. Ndlangisa (AIC)
Mr. T. Gabanakgosi (IAC)

The following independent audit committee member was appointed during the paper annual general meeting:

Mr. L. Arosi (IAC)

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The following four (4) independent audit committee members were retired during the paper annual general meeting:

Ms. Mampitseng Botsi-Thulare (IAC)

Mr. L. Makele (IAC)

Mr. R Moripe (IAC and NED)

Mr. Y. Nyalambisa (Chairperson and NED)

Water

Director Appointment

The shareholder held an Annual general meeting on the 31 July 2024 and resolved to adjust the board compositions across all the entities. The company was provided with new Directors and a new Board Chair being D Majavu, appointed with effect from 31 July 2024.

JTC

Ms. Gugu Bridget Sithole was retired as a chairperson of the board but retained as a Non-executive director on 31 July 2024. Ms. Nandipha Beauty Zonela was appointed as a chairperson of the Board effective 31 July 2024.

Following Non-executive directors were appointed effective 31 July 2024:

Ms. Masechaba Euginia Motloung

Ms. Manini Amelia Vilakazi

Ms. Charlotte Kebabetswe Manthosi

Following Non-executive directors were re-appointed effective 31 July 2024:

Ms. Gugu Bridget Sithole

Mr. Katlego Bogatsu

Ms. Dikeledi Portia Mabusela

Ms. Palesa Prudence Ramafikeng

Mr. Rirhandzu Lovemore Ribombo

Ms. Khomotso Robinah Mokatse

Mr. Johannes Sydney Monaise

Following Non-executive directors were retired effective 31 July 2024:

Ms. Aeysha Seedat

Ms. Bernadette Khumalo (Mzobe)

Mr. Josiah Shimane Mphefo

Mr. Sifiso Mzolo

Following audit committee members were appointed effective 31 July 2024:

Adv. Cawe Mahlali

Mr. Stephen Dingane Khesuoe

Ms. Aeysha Seedat

Following audit committee members were re-appointed effective 31 July 2024:

Ms. Portia Mabusela (ARC-Chairperson)

Mr. Leslie Kwapeng

Following audit committee members were retired effective 31 July 2024:

Mr. Vusumusi Mlilo (Zwane)

Mr. Tsundzukani Mulamula

Ms. Palesa Prudence Ramafikeng

The directors are not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements that would affect the operations or results of the entity significantly.

City of Johannesburg Metropolitan Municipality

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59. Loans to (from) shareholders

Notional loans	-	-	-	-
Terms and conditions				

60. Current tax payable/receivable

These amounts are Receivable by the group as a result of transaction attracting Income Tax as legislated under the Income Tax Act 58 of 1962 from the South African Revenue Services.

No impairments against the current tax receivables.

CURRENT TAX RECEIVABLE (Statutory receivables)

Opening balance	197,132	138,564	-	-
Current tax	-	(65,101)	-	-
Transferred to payables	(51,802)	-	-	-
Tax paid	-	113,233	-	-
Interest, penalties, refunds and other	(9,090)	10,436	-	-
	136,240	197,132	-	-

CURRENT TAX PAYABLE

Opening balance	205,175	22,726	-	-
Transferred	(55,092)	-	-	-
Tax levied on reassessment of prior year tax periods	30,448	213,806	-	-
Interest and penalties charged	80,169	12,773	-	-
Current tax expensed for current year	59,793	-	-	-
Tax paid during the year	(192,229)	(44,130)	-	-
	128,264	205,175	-	-

NON-CURRENT TAX RECEIVABLE

Opening balance	3,289	3,771	-	-
Transferred to receivables	(3,289)	-	-	-
Interest and penalties charged	-	(482)	-	-
	-	3,289	-	-

61. Payable (non-exchange)

Non current	486,971	451,603	-	-
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The bulk service contribution for capital expenditure represents contributions made by developers through CJMM yet to be spent on capital infrastructure and related projects.

62. VAT payable

Tax refunds payables	18,130	168,402	-	-
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63. Levies

Fuel Levy	3,838,724	3,967,119	3,838,724	3,967,119
City Cleaning Levy	239,430	221,431	-	-
	4,078,154	4,188,550	3,838,724	3,967,119

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

64. Finance Income

Dividend revenue				
Interest- SARS	2,561	2,616	-	-
Interest on arrear rates IS-U	209,265	152,151	209,265	152,151
	211,826	154,767	209,265	152,151
Interest revenue				
Interest on Loans to MEs	-	-	895,369	854,174
Bank	357,607	263,315	284,667	229,876
Interest charged on trade and other receivables	578,965	465,451	93,156	84,272
Interest- Other	12,551	21,512	13,911	21,364
Sweeping Account	-	-	1,330,121	775,319
	949,123	750,278	2,617,224	1,965,005
	211,826	154,767	209,265	152,151
	949,123	750,278	2,617,224	1,965,005
	1,160,949	905,045	2,826,489	2,117,156

65. Finance costs

Borrowings	2,606,736	2,599,991	2,616,686	2,599,097
Sweeping interest	-	-	343,595	237,440
Late payment of tax	11,435	4,542	-	-
Interest on post retirement	45,285	83,938	114,460	112,894
Interest unwinding on rehabilitation of landfill	50,346	27,138	-	-
Interest- Other	240,531	13,565	51,481	2,935
	2,954,333	2,729,174	3,126,222	2,952,366

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand

66. Taxation

Major components of the tax income

Current				
Local income tax - current period	90,241	174,035	-	-
Deferred				
Originating and reversing temporary differences	(684,301)	(881,018)	-	-
Current	90,241	174,035	-	-
Deferred	(684,301)	(881,018)	-	-
	(594,060)	(706,983)	-	-

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	(3,441,301)	(3,304,857)	1,567,592	1,213,734
Tax at the applicable tax rate of 27% (2023: 27%)	(929,151)	(892,311)	-	-
Tax effect of adjustments on taxable income				
Non deductible expenditure	321,569	203,688	-	-
Prior year over/(under) provision	(2,789)	311,389	-	-
Effects of previously unused tax losses and deductible temporary differences	169,462	(370,094)	-	-
Other	(153,151)	40,345	-	-
	(594,060)	(706,983)	-	-

The income tax rate of 28% in 2022 was reduced to 27% for periods ending on or after 31 March 2023. The applicable tax rate during the current year of assessment is 27%.

67. Rental of facilities and equipment

Facilities and equipment				
Rental of facilities	50,931	53,712	6,987	6,157
Rental of properties	256,499	285,190	127,436	117,482
	307,430	338,902	134,423	123,639
Premises	-	-	-	-
Garages and parking	-	-	-	-
Facilities and equipment	307,430	338,902	134,423	123,639

68. Agency services

Commission	906,452	854,029	318,393	321,519
Billing and collection	9,365	-	434,703	415,984
Management Fees	54,182	-	-	-
	969,999	854,029	753,096	737,503

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City Power

The entity entered into an agreement with Department of Cooperative Governance and Traditional Affairs where the entity will execute projects on behalf of the department. The entity will receive a fixed percentage as management fees to execute these projects to completion.

Joburg Market Fresh Produce

The sale of fresh produce on National Fresh Produce Markets are governed by the Agriculture Produce Agent Council Act (APAC) and Market By Laws. The City is an agent through Joburg Market facilitating to sale of fruits and vegetables. The commission earned is R561.8 million (2023: R515 million). Amounts held and payable to principal (2024: R60 million) (2023: R37 million).

Gauteng Department of Roads and Transport

The agreement requires the city to perform all the registering and testing functions on behalf of the department which consist of Motor vehicle registration and licencing, Driving licence test centre functions and Vehicle testing station functions. The City is an Agent to the agreement as they are only entitled to a commission amount and deposit all the net amount received for services rendered to the provincial department. City's failure to deposit amounts collected to the province for a period of two months result to strict requirement of depositing daily to the department.

Vehicle registration and driver's licensing commission can be broken down as follows:

Licensing	267,169	268,941	267,169	268,941
Permit fees	23,447	23,966	23,447	23,966
Certificate fees	1,420	6,687	1,420	6,687
Testing fees	6,503	20,437	6,503	20,437
Trade plates	19,854	1,483	19,854	1,483
	318,393	321,514	318,393	321,514

69. Principal

Webtickets

City of Johannesburg as a Principal (the group) has an agreement with Webtickets to sell tickets for shows. Through this arrangement Webtickets uses its distribution platform via Pick N Pay. All sales through Pick N Pay are deposited directly to Webtickets who in turn deducts the ticketing fee and pay the amount due to JCT.

There are no assets, resources and liabilities of the City that are under the custodianship of Webtickets and that there were no resources remitted during the period under review.

In the event of termination caused by service provider's insolvency and bankruptcy, there shall be no compensation to the service provider, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to JCT.

South African Post Office Limited

The agreement is between the South African Post Office Limited and City of Johannesburg Metro Municipality where the terms and conditions have been agreed upon that the Post office will accept payments from city customers on behalf of the City at their post office outlets. The City is a principal to this agreement.

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Figures in Rand thousand

Transwitch

The City is a principal to an agreement where Transwitch Services (Pty) Ltd (TSS) will collect all the outstanding accounts owed by city customers on behalf of the City.

TSS must ensure that all payments collected must be paid to the City's nominated bank account not later than 24 hours after collection and in the event that the next day is a weekend or public holiday, the payment must be made on the next business day thereafter.

Entity	Cash held by agent		Cash paid by agent		Commision paid	
	2024	2023	2024	2023	2024	2023
Transwitch Services (Pty) Ltd	50,825	21,624	8,009,953	6,833,663	160,881	135,913
South African Post Office Limited	324	252	60,503	90,016	260	415
Webtickets	-	-	1,845	1,069	1,389	128
	51,149	21,876	8,072,301	6,924,748	162,530	136,456

All the cash held by the agents on behalf of the City is expected to be settled by not later than 31 July 2024

70. Surcharges and Taxes

Surcharges- Electricity	215,162	199,772	215,162	199,772
Surcharges- Water	89,655	79,501	89,655	79,501
Surcharges- Refuse	7,445	7,574	7,445	7,574
	312,262	286,847	312,262	286,847

71. Cash Management

Since 2013 financial year, Transport department within City of Johannesburg had cash losses due to alleged fraudulent activities and theft amounting to R95 001 000 (figure in rands). These losses incurred led to monies which were never credited into the City's bank account. Management is in the process of prosecuting personnel alleged to have undertaken fraudulent activities and/or have been negligent in the execution of their duties. Cases have also been opened with the SAPS with a view inter alia to recovering the monies. Investigations are almost complete and based on the outcome of these investigations actions have already been taken and will continue to be taken to improve controls and hold the relevant parties accountable.

	95,001	95,001	95,001	95,001
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City of Johannesburg Metropolitan Municipality

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Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

72. Contingent assets

Details of contingent assets	Name of the company involved	Estimated Amount in R'000 2024	Estimated Amount in R'000 2023
Summons for the irregular issuing of clearance certificate and irregular refund payment. Appearance to defend entered on the 29th Of January 2019. Parties are in the process of exchange of pleadings and the matter is yet to be heard. No trial date as yet. Matter remains the same. Awaiting further instructions from principals.	CJMM	537	537
A recommendation from the City of Johannesburg Council was made to recover the amount of money spent in fruitless and wasteful expenditure incurred during the 2009/10 financial year from the service provider who did not deliver the service after receiving the payment. Recovery from the service provider is yet to be initiated.	CJMM	7 966	-
JDA has instructed it attorneys to recover the cost due to poor work performance by the contractor, the recovery will be through the guarantee and the guarantors	Johannesburg Development Agency (SOC) Ltd	2 400	-
The JDA has appointed a law firm to assist in recovering cost damages from the contractor after he failed to complete the project.	Johannesburg Development Agency (SOC) Ltd	8 000	-
The entity lodged a legal dispute against a service provider where the contract was terminated due to poor performance. The entity intends to recover the cost from the guarantor (an insurance company) with the estimated cost as well as interest of 10.25% per annum which is calculated from date of demand to when the payment is made in full.	Johannesburg Development Agency (SOC) Ltd	8 944	-
The entity is pursuing claims against suppliers/contractors for the illegal removal of trees as at 30 June 2024. The potential financial benefit cannot be determined with certainty as these matters are still subject to litigations but there is a provisional estimate by the entity.	City Parks NPC	4 300	3 000
The entity is a beneficiary to a land donated from a deceased estate. The land is situated in France. The process is on-going and neither the value nor the date of transfer is currently known.	City Parks NPC	-	-
One of the suppliers/contractors breached their written contract that they had with the entity, which resulted in the entity issuing summons against them.	City Parks NPC	4 100	1 500
The SARS matter that was disclosed as a contingent liability in the 2020 financial year has since progressed to a point where a finalization of the audit was issued during the 2021 financial year, where SARS deemed tax, interest and penalties were payable as at 30 June 2021. JRA has since made multiple payments to SARS during the 2022 and 2023 financial year as a show of good faith. Based on the legal advice received by JRA, there is a possibility of success in appealing the matter in through the Alternate Dispute Resolution, and if necessary, the Tax courts and possibly the High Court, should it be necessary. If JRA is successful in its appeal, the tax raised and interest as well as penalties charged will be reversed, and all payments made to SARS will be refundable to JRA.	Johannesburg Road Agency (SOC) Ltd	-	-

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Figures in Rand thousand		2024	2023
There is a claim against a supplier for breach of contract.	JOSHCO (SOC) Ltd	6 987	6 987
There is a claim against a company for damages suffered as result of non-performance.	JOSHCO (SOC) Ltd	14 646	14 646
There is a claim against a company for damages suffered as result of non-performance.	JOSHCO (SOC) Ltd	6 735	6 735
Eskom Holdings, the entity's main supplier of bulk electricity purchases has been over charging the entity on various supply intake points. This is due to estimated meter readings at connection points between the two entities. The entity has resorted to legal action to recover the potential overcharge amount. The actual amount of the overstated account balances is not certain. City Power and Eskom are currently in the process of resolving the disputed billing. An independent technical expert has been appointed to assist both parties to resolve the dispute.	City Power (SOC) Ltd	3 416 383	-
On 04 October 2023 instructions were received to investigate an employee for various forms of misconduct, draft a charge sheet and proceed with a disciplinary hearing. The matter was investigated and on 20 October 2023 a memorandum and bundles were submitted to Metrobus for their perusal and consideration. On 16 November 2023 a draft Mutual Separation Agreement was prepared for and on behalf of Metrobus. Various discussions were held to deliberate on the matter.	Johannesburg Metro Bus Services (SOC) Ltd	1 940	-

73. Contingent liabilities

Legal and litigation Claims by residents/companies

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Figures in Rand thousand

2024

2023

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2024	Estimated Amount in R'000 2023
Claim for alleged damages suffered due to the fact that sufficient capacity was allegedly not made available to the developer to develop property to full potential and in line with zoning rights granted by Council. The parties agreed that the allocated time for trial was not sufficient. Currently awaiting a new trial date. The matter is dormant at this stage. The status remained unchanged as at 30 June 2024.	CJMM	6 290	6 290
The Plaintiff issued summons claiming non-payment of 3 invoices for delivery of computers, laptops and cartridges as well as toners to the City departments. The City denies liability as the Plaintiff has no knowledge of the attorneys and the person misrepresenting themselves as bona fide directors of the Plaintiff. The parties have exchanged pleadings on the 26 th of October 2021. Status has remained unchanged as at 30 June 2024.	CJMM	8 744	8 744
Plaintiff claims to have suffered damages to the extent of lost income for the full duration of the agreement concluded with the City. Pleadings have closed and the matter is awaiting set down. Status did not change as at 30 June 2024.	CJMM	2 640	2 640
Plaintiff is claiming an amount for alleged damages for loss of amenity due to the City approving certain land uses next to the plaintiff's property of R18 million. In preparation for trial set for September 2019, the City argued certain points in limine which the court wanted time to consider and postponed the whole case sine die. Status remained unchanged (currently no new set down by the claimant 2 February 2022), as at 30 June 2024.	CJMM	17 000	17 000
A claim based in delict in that it was allegedly wrongful and unlawful for the City not to have provided TEA (Temporary Emergency Accommodation) to the occupiers of Chung Hua Mansions on the day stipulated in the order handed down by Claassen J. Changing Tides alleges that the City because of its constitutional obligations, owed Changing Tides a duty of care, which duty of care would have prevented Changing Tides from incurring the alleged losses which it alleges it incurred. The city says that Changing Tides also must allege and prove that the city was in fact in a position (from a resources perspective) to provide TEA to the occupiers of Chung Hua Mansions. The City is waiting for the judge president to give us a date for case management meeting. The pleadings have closed in this matter. The matter has been referred to the commercial court by the registrar. The first case management meeting has been held and the case managing judge has handed down directives on discovery and expert notices. Both the Plaintiff and Defendant have made discovery on the 15th of November and December 2021, respectively. In terms of the directive the parties have to file expert notices and summaries on their respective onuses by the 25th of February 2022. No trial date has been set yet. The case has a 50/50 chance of success. The status remains unchanged as at 30 June 2024.	CJMM	19 010	19 010
The Plaintiff sued the City for damages that the plaintiff alleges arose from the City's non-enforcement of its by-laws. A trial date is being awaited. The status has not changed as at 30 June 2024	CJMM	5 800	5 800
The plaintiff is claiming an amount in relation to the retention costs, termination costs, payment of the value of the work done and time related costs for the project of Bulk and storm-water at Pimville Zone.	CJMM	8 950	8 950

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The service provider abandoned the site, claiming that the City had made a calculation error and he then repudiated the contract. Notice to oppose the matter was filed by the City. Status did not change as at 30 June 2024.		
Claim for damages for Defamation of Character for the removal of the Article from the City Webpage and a publication of an apology.	CJMM	400
The City is being sued for loss of income after an employee was unlawfully and arbitrarily removed from the COJ Attorney collection panel. The court ordered for his reinstatement after the City failed to reinstate him. City is defending the matter and filed its plea. City is also preparing for discovery and preparing for trial. There are consultations with an expert actuary to determine the full quantum of the matter in preparation for the trial. No trial date has been set. Status remains unchanged as at 30 June 2024.	CJMM	180 000
The matter relates to a possible interdict against the City and JDA by a company for the Construction of the Sandton BRT Station.	Johannesburg Development Agency (SOC) Ltd	2 000
A sub-contractor applied for an order to remove an automatic generator installed at Asphalt Depot.	Johannesburg Road Agency (SOC) Ltd	0
A company claims for the unpaid services rendered to the JRA. The case was disclosed on the prior year.	Johannesburg Road Agency (SOC) Ltd	2 445
Waterfall View has an application for an order to compel JRA to maintain and rehabilitate the embankment/stormwater infrastructure on Klein Jukseirivier. The case was disclosed on the prior year.	Johannesburg Road Agency (SOC) Ltd	0
Various applicants have filed an application for compelling the CoJ/JRA/Mayor to comply with their legal duty to attend to the necessary repairs on damaged drain covers at the corner of Methwold and Restanwold Roads Saxonwold.	Johannesburg Road Agency (SOC) Ltd	-
Various respondents made an urgent application to the High Court for the underpinning, remediation and management of the stormwater infrastructure at the Muldersdrift Seloop River in Mogale City.	Johannesburg Road Agency (SOC) Ltd	-
Application for contempt of Court Order by COJ / JRA and City Manager to find alternative accommodation for the Plaintiff to investigate and prepare a Preliminary Design report.	Johannesburg Road Agency (SOC) Ltd	-
Various applicants are applying for an order compelling the CoJ/JRA to provide water, electricity, roads, stormwater drains and sewerage services at a plot in Midrand. The estimated contingency is not quantified. The case was disclosed on the prior year.	Johannesburg Road Agency (SOC) Ltd	-
There is an application for an Order declaring Wayleaves granted to a business development company null and void plus an order restraining JRA from granting any other entity access to "their" site. The estimated contingency is not quantified. The case was disclosed on the current year.	Johannesburg Road Agency (SOC) Ltd	-
Applicant has approached the High Court for an Order compelling the JRA to complete hydrological and hydraulic studies on the stormwater system after his property was eroded during flooding that occurred despite the City approving his building plans to build his house in the said area. Applicant believes that this is due to the inadequate JRA stormwater system	Johannesburg Road Agency (SOC) Ltd	-

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The Applicant filed an application for compelling the entity to comply with their legal duty to attend to the stormwater drainage system at or around 84 and 86 Dennis road, Athol.	Johannesburg Road Agency (SOC) Ltd	0	0
applicant filed an application following alleged damages caused by the stormwater from their neighbour flooding their property. They thus want the Court to order the JRA to build a stormwater drain away from the plaintiff's boundary wall, and also build weep holes on the plaintiff's neighbour's boundary to allow the natural flow of the stormwater.	Johannesburg Road Agency (SOC) Ltd	0	0
Various applicants filed an urgent application for the court to stop JRA from repudiating contract number JRA/20/63 as JRA had written to them stating that they will no longer procure from them following an audit finding that said they did not qualify for the appointment due to irregularities.	Johannesburg Road Agency (SOC) Ltd	0	0
Applicants approached Court for an Order compelling JRA to fix sinkholes allegedly caused by JRA's stormwater system in their property.	Johannesburg Road Agency (SOC) Ltd	-	-
A company instituted summons against City Power in respect of the Hopefield substation. The company alleges that City Power delayed the implementation, continuation and finalization of the substation project. The matter is being defended by the entity.	City Power (SOC) Ltd	25 986	25 986
A company instituted summons against City Power in respect of alleged unpaid invoices for services rendered at Hope Field substation. The matter is being defended by the entity.	City Power (SOC) Ltd	765	765
A company has lodged a claim for damages resulting from stoppage/delay in execution of the project as a result of budget cuts at Lutz substation. The attempt to settle the matter between the parties has failed. The matter is being defended.	City Power (SOC) Ltd	3 204	3 204
A supplier is claiming an amount in terms of non-payment for services rendered to the entity. An energy company procured energy grid from that supplier and possessed City Power only to settle the undisputed amounts between the entities.	City Power (SOC) Ltd	14 447	5 883
A supplier is claiming an amount in terms of non-payment on invoices for maintenance services rendered to the entity at different substations. The invoices submitted by the plaintiff are for the service not covered by the agreement between two parties. The matter is being defended by the entity.	City Power (SOC) Ltd	4 834	5 334
A company has lodged damages claim in respect of diesel for generators resulting from alleged failure to install and supply electricity on time as per City Power undertaking. Matter is being defended.	City Power (SOC) Ltd	1 398	1 200
City Power has submitted tax returns to SARS for 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 financial years claiming 100% bad debt allowance. However, the South African Revenue Services has approved a deduction of 25% in terms of bad debt allowances. The entity is fully accrued in the event that its endeavors to claim 100% bad debt allowance fails.	City Power (SOC) Ltd	-	-
A company has lodged legal proceedings in respect of outstanding invoices; variation orders; consumer price index difference and delay damages. Attempts to settle the matter without prejudice have failed.	City Power (SOC) Ltd	69 668	69 668

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A company is claiming for unpaid invoices for services rendered. The matter is being defended.	City Power (SOC) Ltd	46 133	53 633
SARS has disallowed wear and tear allowances claimed under section 12C and 13(1) for the tax years 2014, 2015, 2016, 2017, 2018 and 2019 years of assessment. The entity has been claiming these allowances based on written approval received from SARS in 2003. SARS indicated in its letter of disallowance that the entity is entitled to section 11E wear and tear allowances. However, in the revised assessments for these years issued by SARS no deduction was afforded to the entity. This resulted in an overstatement in the amounts due to SARS. The entity is challenging SARS in the Income tax court after failing in its endeavors to resolve the impasse as prescribed by the Income Tax Administration Act. A settlement offer regarding both bad debts and wear and tear allowance was submitted to SARS. The proposal on the wear and tear allowance and bad debt allowances is currently under consideration by the receiver.	City Power (SOC) Ltd	1 195 312	1 866 477
Judgement was made against the entity in favour of 2 stands. The amount is in respect of over payment of electricity charges paid to the entity. The entity has filed and served the 2 stands with application for condonation together with an application for rescission of judgement which was opposed by the applicant. The matter is being defended.	City Power (SOC) Ltd	4 465	4 465
A company is claiming for unpaid invoices for services rendered. The entity is of the view that the disputed invoices are duplicated and/or inflated. The matter is being defended.	City Power (SOC) Ltd	1 106	1 106
The entity is listed as a secondary defendant in a legal dispute for services rendered to City Power through a sub-contract agreement. The sub-contract agreement was not disclosed to City Power as stipulated in the main contract.	City Power (SOC) Ltd	245	-
Investigations on bus refurbishments including concluding reports,	Johannesburg Metro Bus (SOC) Ltd	3 500	-
Investigation into allegation of corruption & maladministration Complaint lodged by SAMWU Investigation completed and report submitted, management assessment was reasonable and investigation confirmed the concerns were well informed.	Johannesburg Metro Bus (SOC) Ltd	1 000	-
A company instituted legal action against the entity for economic losses after it was not awarded the contract through the tender process. The matter is being defended by the entity.	City Power (SOC) Ltd	21 736	-
An organisation and some of its members instituted an application to review and set aside the decision by NERSA to approve the electricity tariff for City Power for the 2019/20 financial year. The court has found in favour of the applicant and ordered the 2019/20 tariffs to be set aside. The entity has requested the applicant to provide a settlement proposal to resolve the matter amicably. The matter was referred to NERSA after City Power and the plaintiff could not reach an agreement within the stipulated court timeframe. The potential liability cannot be determined at this stage.	City Power (SOC) Ltd	-	-
A security services company has issued summons against the entity claiming previously received and paid invoices by the entity was at an incorrect lower rate and did not include certain considerations. The matter is being defended by the entity. The case was disclosed on the current year.	City Power (SOC) Ltd	13 261	14 000

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A company has lodged a claim against the entity for the loss of rental income. The plaintiff claims City Power failed to install an electrical service connection to the property within the agreed timeframe subsequent to payment been made to the entity. The matter is being defended.	City Power (SOC) Ltd	1 023	1 000
A company is claiming for unpaid invoices for work completed from June 2022 to November 2022 for the supply of goods and services in the construction of Lutz substation. The matter is being defended by the entity.	City Power (SOC) Ltd	32 486	-
A company is claiming an amount for unpaid invoices for work services rendered to the entity. The matter is being defended by the entity.	City Power (SOC) Ltd	5 719	-
The entity is listed as a secondary defendant in a dispute with a company claiming an amount (plus 10.25% interest per annum) for unpaid invoices for services rendered to City power through a sub-contract agreement with another company. The sub-contract agreement between the two companies was not disclosed to City Power as stipulated in the main contract	City Power (SOC) Ltd	316	-
A public liability claims from the lawyers of a customer after the customer fell into the orchestra pit. The customers attorneys claim that the incident was caused due to negligence by Joburg Theatre. JCT's lawyers are exploring with the plaintiff's attorneys the possibility of referring the litigation to mediation, while at the same time, JCT's lawyers are under instruction to complete and finalise its investigation into the merits and quantum of the claim. On the 25th of October 2022, JCT received correspondence advising that the claim has been amended from R9 020 000 to around R18 000 000, which is double the amount that was initially claimed when the action was instituted. On the 19th of June 2023, the City's lawyers provided JCT with an actual notice of amendment confirming the revised amount. The amounts have not been provided for as this is considered as a potential obligation that may be incurred depending on the outcome of a future event.	Joburg Theatre (SOC) Ltd	9 020	9 020
The plaintiff's claim relates to alleged failure to reimburse the first plaintiff with reasonable costs for the upgrade and repair of water infrastructure. The alternative claim relates to a claim for enrichment in the same amount. The matter is held in abeyance by the plaintiffs and the entity is not aware of any trial date. If the court finds in favor of the entity and a cost order is issued, recovery of legal fees will be pursued.	Joburg Water (SOC) Ltd	5 487	5 487
The Plaintiff instituted a claim for damages suffered allegedly because of maintenance work on a burst pipe abutting the Plaintiff's property, damaging the boundary wall, paving and electrical fence. The COJ's insurer repudiated the claim. An exception was filed against the particulars of claim as disclosing no action, summons was amended by the plaintiff. A special plea objecting to the amended summons was filed. Pleadings are continuing in the matter.	Joburg Water (SOC) Ltd	23	-
The plaintiff claims that the company caused damage to its fibre infrastructure. Judgement was handed down on the 14 th of October 2022 dismissing the entities 2 special pleas raised. The entity's attorneys requested the magistrate provide reasons for his decision. The matter will now proceed to trial with the contractor having joined as a defendant. The entity still awaits the reason for the decision in	Joburg Water (SOC) Ltd	322	322

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the interlocutory matter and the matter to be set down for trial by the plaintiff.			
The plaintiff is contesting the imposition of fines and billing of its discharge of industrial effluent into the sewer claiming that the company did not bill accurately based on volumes obtained on direct measurements reflecting actual effluent discharge alternatively, that the entity billed based on inaccurate measurements. The plaintiff is seeking reimbursement for unjustified enrichment.	Joburg Water (SOC) Ltd	5 048	5 048
The Plaintiff issued summons against Johannesburg Water for damages arising from an alleged tacit agreement between the parties in which Johannesburg Water is alleged to have agreed to compensate the plaintiff for additional distances travelled beyond the estimated distances in the tender document and an alleged agreement to extend the main agreement by 12 months. The matter is being defended.	Joburg Water (SOC) Ltd	171 391	-
The Plaintiff instituted action in the high court against Johannesburg Water for damages arising from explosion of an electric transformer which resulted in the plaintiff sustaining burns. The plaintiff is seeking reimbursement.	Joburg Water (SOC) Ltd	11 500	11 500
The Plaintiff issued summons against Johannesburg Water for damages arising from an alleged failure to inform a tenderer that they have been awarded a tender. Johannesburg Water has served and filed its intention to defend and is now in the process of drafting a special plea given that the plaintiff has failed to remove the cause of the complaint served in terms of rule 23(1) of the Uniform Rules of the High Court.	Joburg Water (SOC) Ltd	109 231	-
A company has a damage claim for loss of income relating to professional services rendered at a project company.	JOSHCO (SOC) Ltd	653	653
There is a dispute with a company relating to security services.	JOSHCO (SOC) Ltd	299	299
JOSHCO has engaged several legal firms for the evictions and recovery of arrear rent at various JOSHCO buildings. Due to the tedious court process, a reliable estimate of the amount cannot be determined.	JOSHCO (SOC) Ltd	-	-
Debt restructuring: During the debt restructuring process, management identified that there could be potential tax issues that could arise from the debt restructuring process. Management also identified certain potential issues in so far as it related to income tax. Management is in the process of assessing this and determining appropriate way forward.	Metro Bus (SOC) Ltd	-	-
The Plaintiff alleges that a truck belonging to the entity's service provider, drove into their client's storefront, which was at the time closed and secured, by a steel rolling door causing damage to the door or grille causing damages to the shop. The prospect of success are highly unlikely as the entity was wrongly cited. The claim is supposed to be against the service provider as it was their vehicle that caused the accident not the entity's.	Pikitup (SOC) Ltd	1 293	-
A company was appointed as subcontractor, full and final payment was made to them in terms of a final payment certificate issued by the quantity surveyors, as is practice, for all works done by the company.	Johannesburg Property Company (SOC) Ltd	-	-
The company is claiming for amounts allegedly due to them in terms of their agreement.			

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The claim is denied in the current year. No payment is due and payable to the company.		
The Plaintiff claims an amount from JPC. On the 14 July 2017, the plaintiff entered an elevator in Proton House, the elevator fell from the 5TH floor to the basement, falling 6 floors. Due to JPC's alleged negligence the plaintiff sustained bodily injuries.	Johannesburg Property Company (SOC) Ltd 4 500	4 500
The Plaintiff claims payment for damages suffered by him due to an alleged malfunctioning gate at 100 Christiaan de Wet (Region C Offices). The joinder application was to be heard on 29 June 2023; this was not opposed. The matter was not enrolled and is currently awaiting a new date for the joinder to be heard.	Johannesburg Property Company (SOC) Ltd 28	28
A company served the JPC with a notice of motion to claim for unpaid outstanding invoice for work done around 2019/2020. The investigation emanated from an invoice submitted by the applicant which appeared to be fraudulent. The applicant was informed of such an invoice and that an investigation will be conducted. The applicant did not respond to the correspondence of the entity.	Johannesburg Property Company (SOC) Ltd -	-
The Plaintiff, a non-profit organization, issued combined summons against the JPC in terms of which it claims against the JPC. The Plaintiff alleges during Covid 19 pandemic, an oral agreement was reached between the JPC and the Plaintiff in terms of which the Plaintiff would accommodate homeless people on its facility free of charge to the COJ to assist the COJ in curbing the spread of Covid 19. It further alleges that the homeless people damaged its facility for the amount claimed. The JPC is defending the matter.	Johannesburg Property Company (SOC) Ltd 5 526	5 526
The applicant contends in the notice that they have taken ownership by appropriation of the abandoned movable chemically treated sand (Mind Dump) located at the property owned by the City and they have therefore become the lawful sole owner of the mine dumps. Attorneys confirm that the hearing took place 23 May 2024.	Johannesburg Property Company (SOC) Ltd -	-
A letter of demand was served as a Notice in terms of section 3 of the Institution of Legal Proceedings Against Certain Organs of State Act 40 of 2002, for an alleged outstanding amount.	Johannesburg Tourism Company NPC 124	-
SARS issued the entity with a letter of demand pertaining to an alleged non-payment of taxes (PAYE, SDL and UIF) for the 2020/21 financial year. The potential financial exposure cannot be determined with certainty as claims are still subject to investigation by SARS, subsequent to submission of supporting evidence and the lodged dispute of the amount.	City Parks NPC 700	-

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Contractual Disputes with service provider

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2024	Estimated Amount in R'000 2023
The City was sued for an alleged breach on 12 December 2014. The matter was finalized in the City's favor in 2016. On or about the 12th of September 2018, the applicant served an application for leave to appeal the judgment. The Application for leave to appeal was heard on the 13th of November 2018, in which the Judge granted the applicant the leave to appeal. The City is opposing the appeal. The trial was held in November, but the matter was postponed to 2022. Still waiting for the new date from the judge. The applicant was given until the end of February to quantify the claim. The applicant submitted the claim for damages. The City has refused the proposal from Applicant. The City has requested the applicant to further quantify the claim. If the City is still not happy with the proposal, the parties will go back to court. Status remains unchanged as at 30 June 2024.	CJMM	1 667	1 667
A company claims a certain amount for breach of contract for the provision of goods. The matter has been defended. As at the 16 th of October 2018 the parties are exchanging pleadings and preparing discovery bundles. The status has not changed as at 30 June 2024.	CJMM	11 307	11 307
A service provider claim for monetary payment for a breach of contract. A claim for immediate specific performance as per the agreement. Parties are exchanging pleadings as at 16 October 2018. The matter is stagnant from the side of the plaintiff. Status remains unchanged as at 30 June 2024.	CJMM	340	340
A company instituted legal proceedings against the City on or about 22 October 2018. In terms of the Simple Summons, the Plaintiff claimed inter alia that the City awarded them a contract for the construction of roads and storm water management system at Elias Motsoaledi Extension 1, under contract no 446/14 and they performed according to their obligations as required by the contract. The Plaintiff claimed that they had exhausted all of their efforts to ensure the success of the project but they, ultimately, could not complete the works. As such, the Plaintiff terminated the contract between themselves and the Defendant in September 2017. On or about 13 March 2019, the High Court granted Summary Judgement against the defendant. Discovery has been finalised, the Plaintiff bears the onus of having the matter set down for hearing and, as such, the city is awaiting a date for hearing from the court. The City is still waiting for the date from the relevant engineers. Matter is dormant as at 30 June 2024.	CJMM	4 277	4 277
Potential liability through the arbitration regarding the alleged unlawful termination of the JBCC agreement by JDA as consequence of a particular company's failure to progress the works with due diligence and expedition. Currently, the parties have agreed that the question of whether the agreement ought to be rectified be dealt with separately and before the remainder of the issues. The parties are engaging regarding a date for the hearing of the separated issue. As matters stand, it seems that the matter will be heard in January 2023.	Johannesburg Development Agency (SOC) Ltd	22 328	22 328
The Claimant who was performing work as a civil engineering contractor, entered into a contract agreement with the JDA in May 2019. The agreement was for the Claimant to complete the construction of Braamfischerville Ext 12 internal roads and stormwater (Contract No. JDA 17/18.3.11 B702154. In October 2021 the Claimant commenced Adjudication Proceedings against the JDA, in respect of a dispute in terms	Johannesburg Development Agency (SOC) Ltd	8 955	8 955

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of the construction agreement. The total claim cost includes legal costs from inception of the matter to the 24th of August 2023.			
Dispute with a company regarding professional fees in respect of road rehabilitation and resurfacing.	Joburg Market (SOC) Ltd	1 080	1 080
The matter relates to a service provider suing the entity for termination of its contract for poor performance in compiling the specifications and bill of costs for the construction of the Marlboro Depot which resulted in the entity incurring additional costs for work not quoted. The applicant has already indicated intention to withdraw the claim.	Pikitup (SOC) Ltd	193	193
There is an application for review and setting aside of a tender and to render procedurally unfair and materially and adversely affecting the rights and legitimate expectation of the applicant. Applicant also wants an order in terms of which they are appointed as one of the successful tenderers.	Johannesburg Road Agency (SOC) Ltd	-	-
A company filed an urgent application for an interdict preventing the JRA from removing them from implementing its cancellation of their contract pending finalisation of the Arbitration proceedings.	Johannesburg Road Agency (SOC) Ltd	-	-
A company is approaching the court for an order compelling the JRA to pay retention money allegedly held for contract no. JRA/19/463.	Johannesburg Road Agency (SOC) Ltd	5 631	5 631
Various service providers have an application for compelling the JRA to refer the contractual disputes on payment of Preliminary and General (P&G) costs to adjudication.	Johannesburg Road Agency (SOC) Ltd	1 680	1 680
Various Applicants are claiming damages against the JRA for the latter's failure to perform its obligations in terms of the service level agreement allegedly concluded between the JRA and Applicant's under a tender.	Johannesburg Road Agency (SOC) Ltd	36 138	8 067
There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to unpaid invoices. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	1 100	1 100
There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to a loss of income of the supplier. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	3 500	3 500
There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to the tender process dispute. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	1 500	1 800
There are various contractual claims by suppliers/contractors against the entity at 30 June 2024 that relate to the contract termination. The potential financial exposure cannot be determined with certainty as claims are still subject to litigation but there is a provisional estimate for the entity.	City Parks NPC	700	0
A company is claiming an amount relating to monthly service charges billed to City Power for elevator maintenance. The entity is of the view these monthly service charges does not fall within the contracted period and is not payable. The plaintiff is also claiming damages after the entity appointed an alternative service provider and denied them access to perform service. The matter is being defended.	City Power (SOC) Ltd	373	-
Summons received for non-payment of services rendered by a service provider for the Mooki Street Project. requested attorney for progress report on this matter.	Johannesburg Property Company (SOC) Ltd	127	-

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Summons received for non-payment of services rendered by a service provider for the Project Farm Langlaagte. Contacted attorney for progress report on the matter.	Johannesburg Property Company (SOC) Ltd	590	-
The Service Provider issued Summonses against the JPC claiming for work they did that was not part of the scope of work awarded as well as the uncompleted work. The Summons were withdrawn by the Service Provider. On the 27 February 2023, Summons were re-issued against the JPC and COJ by RSC. The JPC filed a notice to defend the matter. The JPC proceeded to file a discovery notice to obtain all the information that the Plaintiff referred to in their plea. The JPC has not received any responses from its discovery notice. The JPC is not the Dominus litis and must await the Plaintiff to proceed with the litigation.	Johannesburg Property Company (SOC) Ltd	-	-
The Entity entered into a Service Level Agreement ("SLA") with a supplier for the supply and delivery of oil, grease, and antifreeze lubricants on behalf of Metrobus for a period of three (3) years, from 14 May 2021 until 14 May 2024. On 20 November 2023 Metrobus sent a notice of termination of contract (SLA) resulting in them requesting a Legal Opinion on the termination of the contract. The legal opinion was finalised and submitted to Metrobus on the 8th of April 2024	Johannesburg Metro Bus (SOC) Ltd	500	-

Disputes/legal claims by employees

Details of contingencies	Name of the company responsible	Estimated Amount in R'000 2024	Estimated Amount in R'000 2023
There were summons served against the City on the 15th of July 2020. Claims instituted by a (Plaintiff/Employee) against the City for defamation of character. The claim emanates as a result of an alleged wrongful arrest, malicious and suspension of the plaintiff as an employee. The matter has been defended by the City. The plaintiff applied for condonation for the non-compliance of the legal proceedings against certain Organs of State Act 40 of 2002 and the City awaits the date thereof. Parties are to hold a pre-trial conference and exchange pleadings for discovery of documents, before trial date can be applied for. The matter still at pleading stage and expert notices have been sent by Plaintiff. Parties have exchanged expert reports on the 14 TH OF February 2023. This is the current status as at 30 June 2024.	CJMM	2 010	2 010
The matter relates to an ex-employee claiming underpayment during his period of employment. The ex-employee was employed as a fleet assistant but contends he was a driver and should have been paid as such. Pleadings have been closed and prospects of success are highly unlikely as part of the claim has already prescribed and the dates of employment are incorrect as per the ex-employee's documents.	Pikitup (SOC) Ltd	1 710	1 710
Unfair discrimination: Two entity employees have raised a salary dispute based on current salary and potential backpay from 1989 and 2013 respectively.	Metro Bus (SOC) Ltd	500	500
The entity is involved in three (3) litigation matters with employees and former employees. One (1) matter is currently under condonation application with before the CCMA.	Joburg Market (SOC) Ltd	60	140
The entity is involved in three (3) litigation matters with employees and former employees.	Joburg Market (SOC) Ltd	1 621	1 873

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The other two (2) matters are currently at the labour court and the potential cost of settlement is inclusive of all matters.			
Application to review the Arbitration Award to reinstate an employee with full benefits from the date of her dismissal (4th of February 2020) till 13th June 2022 and be paid the disclosed amount.	Johannesburg Road Agency (SOC) Ltd	3 246	-
The plaintiffs who are JRA employees are suing for alleged defamation of character. They were suspended by the then CFO who allegedly made the announcement in a general meeting of finance and SCM staff.	Johannesburg Road Agency (SOC) Ltd	8 000	8 000
An employee was dismissed by the JRA for misconduct/subordination. He referred the matter to the South African Local Government Bargaining Council (SALGBC) for Arbitration and the Arbitrator found in his favour. JRA is now taking the matter to the Labour Appeals Court for Review of the Arbitrator's decision and or to have the matter referred back to another Arbitrator. The case was disclosed on the prior year.	Johannesburg Road Agency (SOC) Ltd	-	-
Unfair dismissal The CCMA ordered the complaint be compensated but he is now approaching the Labour Court to apply for re-instatement. The estimated contingent liability is not quantified.	Johannesburg Road Agency (SOC) Ltd	-	-
A former employee is claiming leave payout allegedly outstanding since his retirement in 2012. The case was disclosed on the prior year.	Johannesburg Road Agency (SOC) Ltd	-	-
Two employees are challenging the appointment process of a Group Executive (GE) position after the employees were not appointed after contesting for the position. The matter is going for review in the labour court after the employees were awarded three months' salary plus interest each at bargaining council.	City Power (SOC) Ltd	450	1 349
Employees are claiming unfair labour practice relating to non-payment for 2019, 2020 and 2021 financial years. The matter is being defended at bargaining council.	City Power (SOC) Ltd	18 283	1 349
An employee is challenging his dismissal for gross negligence in dealing with contracts between a particular company and City Power. The employee is claiming the unpaid salary from the date of dismissal. The matter is being defended.	City Power (SOC) Ltd	2 193	18 283
Litigation is in the process against the entity relating to the dispute of various employee dismissals at the bargaining council and labour courts. Management is uncertain about the outcome of these various litigations, and due to the nature of the various claims, cannot quantify the potential financial impact as at 30 June 2024.	Johannesburg Property Company (SOC) Ltd	-	-
Unfair Labour Practice: The CCMA ruled in favour of Metrobus however it was sued in the Labour Court and the Labour Court ruled that the CCMA has no Jurisdiction in contractual matters. An application to appeal has been lodged.	Johannesburg Metro Bus (SOC) Ltd	1 400	-
Messrs Speritendents: brought claim to labour court for unfair remuneration	Johannesburg Metro Bus (SOC) Ltd	-	-
SAMWU have brought a claim for 6 employees claiming unfair labour practice, Tow cases have been settled and four others are pending	Johannesburg Metro Bus (SOC) Ltd	-	-
An employee filled a third respondent's notice of counter review application in terms of section 145 of the labour relations act 66 of 1995.	Johannesburg Road Agency (SOC) Ltd	8 537	-

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74. Categories of financial instruments: Financial Liabilities

GROUP - 2024				GROUP - 2023		
Financial liabilities by category	Financial liabilities at amortised cost	At fair value	Total	Financial liabilities at amortised cost	Fair value	Total
Current Liabilities						
Financial Liabilities at fair value		1,510	1,510		7,474	7,474
Loans and borrowings	1,317,776	-	1,317,776	2,736,493	-	2,736,493
Finance lease obligation	199,917	-	199,917	21,220	-	21,220
Payable from exchange transactions	23,604,501	-	23,604,501	17,045,521	-	17,045,521
Payable from non-exchange transactions	-			-		
Consumer deposits	21,186	-	21,186	17,918	-	17,918
Non-Current Liabilities	-	-	-	-	-	-
Loans and borrowings	17,962,087	-	17,962,087	19,278,487	-	19,278,487
Employee benefit obligation	844,873	-	844,873	968,706	-	968,706
Consumer deposits	1,825,797	-	1,825,797	1,337,467	-	1,337,467
Financial Liabilities at fair value	-	199,153	199,153	-	212,351	212,351
TOTAL LIABILITIES	45,776,137	200,663	45,976,800	41,405,812	219,825	41,625,637

CJMM 2024				CJMM 2023		
Financial liabilities by category	Financial liabilities at amortised cost	Fair value	Total	Financial liabilities at amortised cost	Fair value	Total
Current Liabilities						
Loans from municipal entities	-		-	-		-
Financial Liabilities at fair value	-	1,383	1,383	-	7,474	7,474
Payables from exchange	22,053,757	-	22,053,757	17,425,784	-	17,425,784
Payables from non-exchange						
Loans and Borrowings	683,438	-	683,438	2,130,232	-	2,130,232
Non-Current Liabilities	-	-	-	-	-	-
Loans and borrowings	17,955,470	-	17,955,470	19,271,119	-	19,271,119
Loans from municipal entities	471,410		471,410	445,247		445,247
Employee benefit obligation	642,540	-	642,540	751,436	-	751,436
Consumer deposits	14,678	-	14,678	14,416	-	14,416
Financial Liabilities at fair value	-	199,153	199,153	-	212,351	212,351
TOTAL LIABILITIES	41,821,293	200,536	42,021,829	40,038,234	219,825	40,258,059

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75. Categories of financial instruments: Financial Assets

GROUP - 2024				GROUP 2023		
Financial assets by category	Cost	At fair value	Total	Cost	At fair value	Total
Current Assets	-	-	-	-	-	-
Financial assets at fair value - sinking funds	-	418,146	418,146	-	887,748	887,748
Other financial assets	-	2,793	2,793	-	1,135	1,135
Receivables from exchange	2,039,755	-	2,039,755	1,462,989	-	1,462,989
Receivables from non-exchange	132,189	-	132,189	101,200	-	101,200
Consumer debtors	8,993,789	-	8,993,789	8,694,784	-	8,694,784
Cash and cash equivalents	2,165,857	-	2,165,857	4,055,310	-	4,055,310
Non-Current Assets	-	-	-	-	-	-
Other financial assets	-	47,037	47,037	-	55,589	55,589
Financial assets at fair value sinking funds	-	358,431	358,431	-	358,394	358,394
TOTAL ASSETS	13,331,590	826,407	14,157,997	14,314,283	1,302,866	15,617,149

CJMM - 2024				CJMM 2023		
Financial assets by category	Cost	At fair value	Total	Cost	At fair value	Total
Current Assets						
Loans to Municipal entities	903,568	-	903,568	1,296,122	-	1,296,122
Financial assets at fair value - sinking funds	-	418,146	418,146	-	887,748	887,748
Other financial assets	-	2,793	2,793	-	1,135	1,135
Receivables from exchange	22,431,502	-	22,431,502	18,761,063	-	18,761,063
Receivables from non-exchange	124,823	-	124,823	94,323	-	94,323
Consumer debtors	1,008,963	-	1,008,963	1,459,732	-	1,459,732
Cash and cash equivalents	1,015,269	-	1,015,269	2,763,303	-	2,763,303
Non-Current Assets	-	-	-	-	-	-
Loans to Municipal entities	6,422,384	-	6,422,384	5,891,819	-	5,891,819
Other financial assets	-	47,037	47,037	-	55,589	55,589
Financial assets at fair value sinking funds	-	358,431	358,431	-	358,394	358,394
TOTAL ASSETS	31,906,509	826,407	32,732,916	30,266,362	1,302,866	31,569,228

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand	2024	2023
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76. Reconciliation between statement of comparison of budget & actual amounts & statement of financial performance – GRAP 24

FINANCIAL PERFORMANCE – GRAP 24

33. Service charges

Sale of electricity	18,535,422
Sale of water	9,545,231
Sewerage & sanitation charges	6,636,484
Refuse removal	2,780,738
	37,497,875

64. Finance income

Exchange transactions (outstanding)	949,123
Non-exchange (external)	211,826
	1,160,949

31. Other revenue

Rendering of services excluding service charges	438,580
Other revenue exchange transactions excluding licenses and permits	1,044,407
Demand side management	267,734
Reversal of impairment	-
Fair value adjustment	247,597
Share of surpluses/deficits from associates/joint ventures Accounted for using the equity method	-
Surcharges and taxes	312,262
Levies	4,078,154
Other revenue non-exchange transactions	19,955
	6,408,689

31. Other revenue

Licenses and permits	2,635
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35. Government grants & subsidies

Capital projects	2,573,888
Operational projects	7,867,707
	10,441,595

38. Depreciation and asset impairment

Depreciation and amortisation	- 4,470,057
Impairment losses	- 245,421

City of Johannesburg Metropolitan Municipality

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Notes to the Annual Financial Statements

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	- 4,715,478
44. General expenses	
Loss on disposal of assets and liabilities	- 63,746
General expenses	- 11,266,235
Lease rentals on operating lease	- 2,212,773
Share of surpluses or deficits from associates or joint ventures accounted for using the equity metho	- 70
	- 13,542,824
44. Other expenditure	
Contracted services	- 141,398
	- 141,398

77. Financial Risk Management Disclosure Note as of 30 June 2024

Financial Risk Management

The municipality's normal operations and its sources of finance exposes it to various financial risks, which highlights the importance of financial risk management as an element of control. The principal financial risks faced by the municipality are:

- Liquidity and Concentration risk
- Market risk.
- Credit/Counterparty risk

The aforementioned risks are managed, subject to the limitations of the local markets and the regulations governing the various operations of the municipality. Treasury operations are conducted within a framework of policies and guidelines authorized and reviewed annually by the different finance oversight committees.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. There has been no significant change during the reporting period to the types of financial risks faced by the municipality, the measures used to measure them or the objectives, policies, and processes for managing them.

The municipality has two portfolios of financial assets and liabilities which are Portfolio 1 (measured at amortized cost and Portfolio 2 (measured at fair value).

Financial instruments at amortised cost	2024	2023
Financial Assets		
Loans to MOE		
Cash and Cash Equivalents	1 015 269	2 763 303
Finance lease receivables		
Other Financial Assets	49 830	56 724

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Figures in Rand thousand	2024	2023
Trade and other receivables	2 171 944	1 564 189
TOTAL	3 237 043	4 384 216
Financial Liabilities		
Borrowings	(19 279 863)	(22 014 980)
Trade and other payables	(23 604 501)	(17 045 521)
TOTAL	(42 884 364)	(39 060 501)
Portfolio 2		
Financial instruments at fair value	2024	2023
Financial Assets at Fair Value	776 576	1 246 143
Financial Liabilities at fair value	(200 662)	(219 825)
TOTAL	575 914	1 026 318

Table 1:

Categories of Financial Instruments as of 30 June 2024

Credit risk

Credit risk, or the risk of financial loss to the municipality due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures. The municipality's maximum exposure to credit risk is represented by the carrying amount of the financial assets and that are exposed to credit risk.

The municipality considers its maximum exposure per class, without taking into account any collateral and financial guarantees. For a detailed analysis of the financial assets exposed to credit risk, refer to note 4, 5, 6, 7, 8, 9, 10, and 11.

As a result of the possible impact of COVID-19, the municipality has reassessed its credit and risk policies pertaining to receivables and has taken this into account when measuring impairment loss allowance. Collections patterns are also monitored on a weekly basis and the statistical results thereof inform the impairment allowance and any subsequent debtors' write-offs.

The municipality determines appropriate internal credit limits for each counterparty in respect of investing surplus funds. In determining these limits, the municipality considers the counterparty's credit rating established by an accredited rating agency. The risk rating grade of cash and cash equivalents and restricted cash with the credit limits per counterparty are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations:

Portfolio 1

The below investments relate to cash and cash equivalents included in bank cash and short-term deposits under note 11. The limits did not change from 2023 to 2024 financial year.

Table 2: Credit Quality of Investments

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R'1000	Credit Rating	Limit Amount	2024 Balance	2023 Balance
STD Bank	F1+.zaf	1 500 000	113 923	11 163
ABSA	F1+.zaf	1 500 000	68 135	25 537
RMB	F1+.zaf	1 500 000	135 801	9 268
INVESTEC	F1.zaf	1 237 500	298 983	291 182
NEDBANK	F1+.zaf	1 500 000	9 910	141 738
CITI BANK	F1 .intl	350 000	2 104	1 803
DEUTSCHE BK	F1+.int	-	-	1 083
Total		7 587 500	628 856	481 774

Portfolio 2

The below investments relate to cash included in the sinking fund under note 11. The City contributed R 760 million in the 2023/2024 financial year. It also redeemed R 1.458 billion using the fund assets.

R'1000	Credit Rating	Limit Amount	2024 Balance	2023 Balance
STD Bank	F1+.zaf	N/A	339 102	887 748
Total			339 102	887 748

Table 3: Credit Quality of cash within the sinking fund

Liquidity Risk

Liquidity risk is the risk that the municipality will be unable to meet its obligations as they become due. In terms of measuring, managing, and mitigating liquidity mismatches, the municipality focuses on funding liquidity risk where outflows are more than inflows.

The municipality's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses and risking damage to the municipality's financial sustainability. The cash management process assists the municipality in managing its liquidity risk using cash flow projection models with the aim of minimizing variances between projected and actual cash.

The municipality manages both long-term and short-term liquidity requirements, with surplus funds from operations being invested in short-term money market instruments. Long-term liquidity risks arising from capital project initiatives are managed through the issuance of long-term debt in the form of bonds or long-term loans or a combination. Both short- and long-term borrowings are obtained as per Council approved

City of Johannesburg Metropolitan Municipality

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Figures in Rand thousand 2024 2023

funding plan. For the 2024 financial year, Council approved the following limits in respect of the funding plan:

R'000 Details	2024		2023	
	Approved Funding	Total Utilised	Approved Funding	Total Utilised
Short-Term Borrowings	4 000 000	3 670 000	3 675 000	2 675 000
Long-Term Borrowings	2 500 000	2 500 000	1 830 000	1 830 000
Total	6 500 000	6 170 000	5 505 000	4 505 000

Table 4: Short-Term and Long-Term Borrowings Source: Funding plan 2023/24

Short-term liquidity constraints are managed through two types of short-term funding instruments:

- General Banking Facilities (overdraft) and
- Commercial Paper
- All Short-term borrowings were repaid by 30 June 2024

The municipality ensures that all short-term facilities utilized within the financial year are paid before the end of the financial year in compliance with Section 45(4) (a) of the MFMA.

The long-term funding approved for the 2023/2024 financial year was not approved by council by 30 June 2024. Council approval was obtained in July 2024 and the facility was only accessible in August 2024 .

The municipality realizes that liquidity risk is also linked to concentration risk which is defined as the probability of high cash outflows arising from the concentration of debt obligations payable around the same period. If not properly managed, concentration risk can lead to default risk. Therefore, concentration risk is managed through the maintenance of an effective diversification in the sources and tenure of capital expenditure funding.

The table below discloses the maturity profile of the municipality's non-derivative financial liabilities and those assets used for managing liquidity risk. The amounts disclosed are the future undiscounted contractual cash (outflows)/inflow. The tables have been drawn up based on the earliest date on which the municipality can be required to settle or can require settlement and include both estimated interest and principal cash flows. Estimated interest for floating interest rate financial liabilities is calculated with reference to the applicable zero-curves.

Portfolio 1

2024

Financial assets	2024						
Trade and other receivables	2 171 944						2 171 944
Call deposits and fixed deposit	628 856						628 856

City of Johannesburg Metropolitan Municipality

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Notes to the Annual Financial Statements

Figures in Rand thousand 2024 2023

Cash and cash equivalents	1 537 001						1 537 001
Total	4 337 801	0	0	0	0	0	4 337 801
Financial liabilities							
Borrowings	1 315 634	2 802 816	1 622 871	1 427 803	1 493 801	10 608 194	19 271 119
Trade and other payables	23 604 501						23 604 501
Total	24 920 135	2 802 816	1 622 871	1 427 803	1 493 801	10 608 194	42 875 620

2023

Financial assets	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
Trade and other receivables	1 564 189	-	-	-	-	-	1 564 189
Call deposits	481 774	-	-	-	-	-	481 774
Short term investment	-	-	-	-	-	-	0
Cash and cash equivalents	3 573 536	-	-	-	-	-	3 573 536
Total	5 619 499	0	0	0	0	0	5 619 499
Financial liabilities							
Borrowings	2 733 749	1 315 634	2 802 816	1 622 871	1 427 803	12 101 995	22 004 868
Trade and other payables	16 671 068	-	-	-	-	-	16 671 068
Total	19 404 817	1 315 634	2 802 816	1 622 871	1 427 803	12 101 995	38 675 936

Table 5: Maturity profile of financial assets and liabilities as at 30 June 2024

The municipality has also set up a financial solution that is meant to assist in the settlement of its non-amortizing long-term financial liabilities. This fund has been set up to ensure that the concentration risk in respect of the non-amortizing loans is appropriately managed.

The following are the contractual maturities included in the fund:

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Portfolio 2: 2024

Sinking Fund	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
Bonds Assets	62 603	125 948				175 334	363 885
Cash Assets	339 102						339 102
Interest Rate Swaps			(16)		(32 643)	(94 414)	(127 073)
Total	401 705	125 948	(16)		(32 643)	(269 748)	575 914

Portfolio 2: 2023

Sinking Fund	0-1 year	2 years	3 years	4 years	5 years	5+ years	Total
Bonds Assets		63 154	125 173			170 068	358 394
Cash Assets	887 748						887 748
Interest Rate Swaps					(6 141)	(213 684)	(219 825)
	887 748	63 154	125 173		(6 141)	43 616	1 026 317

Table 6: Maturity Analysis for Financial Instruments

Market risk

Market risk is the risk that changes in market prices (such as interest rates, foreign currencies, and equity prices) will affect the municipality's financial performance or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The specific risk falls within the market for which the municipality is mainly affected by its interest rate risk. Interest rate risk is the risk that arises on an interest-bearing asset or liability, due to variability of interest rates. The municipality's interest rate risk arises from the repricing of the municipality's floating rate debt and assets, incremental funding or new borrowings, the refinancing of existing borrowings and the magnitude of the cash balances which exist.

The municipality aims to maintain its mix of fixed and floating rate debt within internally determined parameters; however, this depends on the market conditions both locally and internationally.

The municipality has also established a sinking fund to redeem its long-term borrowings including listed bonds and other bilateral loans (i.e., liabilities that are not amortizing). In order to maximize the return in respect of the instruments in the fund, the city is currently in the process of appointing a new fund manager to manage the fund on behalf of the City.

In addition, the municipality is continuously monitoring the fund's fair value to ensure that it has sufficient balances to cover upcoming settlements in respect of the non-amortizing liabilities. The information in respect of the instruments disclosed in the funds is disclosed in note 10.

Interest rate sensitivity analysis for floating rate liabilities

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The municipality has used a sensitivity analysis technique that measures the estimated change to the fair value of the floating liabilities in respect of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable as at 30 June, with other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

The municipality is mainly exposed to fluctuations in the JIBAR rates which will affect the finance cost of the floating rate liabilities. The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign currency rates, remain constant.

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Portfolio 1

Floating Rates

Class	Fair Value	Interest Sensitivity to Interest Rate Movements/Shifts for Floating Rate Loans						
		-1%	-0,5%	0%	0,5%	1,0%	1,5%	2%
Floating Rate Loans	(6 887 413)	(6 903 152)	(213 709 879)	(6 887 413)	(6 854 560)	(6 847 230)	(224 120 552)	(6 832 683)

Table 7: Interest Rate Cash Flow Sensitivity Analysis

Portfolio 2

Fair Value Sensitivity Analysis for Sinking Fund Instruments

Interest rate swaps

Class	Fair Value	Fair Value Sensitivity to Interest Rate Movements/Shifts for Interest rate swaps						
		-1%	-0,5%	0%	0,5%	1,0%	1,5%	2%
IRS Swaps	(127 073)	76 633	(27 593)	(127 073)	(222 029)	(312 674)	(399 209)	(481 825)
Bonds	363 885	360 035	361 960	363 885	365 810	367 735	369 660	371 585

Table 8: Interest Rate Risk Sensitivity Analysis

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Figures in Rand thousand 2024 2023

Valuation of financial instruments

Fair value estimation

The municipality's accounting policies and disclosures require the measurement of fair values. The municipality uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The table below presents the municipality's assets and liabilities that are measured at fair value. The classification into different levels is based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the fair value measurement hierarchy of the municipality's assets and liabilities measured at fair value (Portfolio 2) as disclosed in note 11:

Portfolio 2 : Sinking fund			
2024	Level 1	Level 2	30-Jun-24
Listed Bonds	363 885		363 885
Cash and cash equivalent	339 102		339 102
Interest Rate Swaps	-	(127 073)	(127 073)
TOTAL FAIR VALUE	702 987	(127 073)	575 914
2023	Level 1	Level 2	30-Jun-23
Listed Bonds	358 394		358 394
Cash and cash equivalent	887 748		887 748
Interest Rate Swaps		(219 825)	(219 825)
TOTAL FAIR VALUE	1 246 143	(219 825)	1 026 317

City of Johannesburg Metropolitan Municipality

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Table 10: Valuation of financial instruments, Source: COJ Sinking Fund Financials as of 30 June 2024

Valuation methods and assumptions

The following methods and assumptions were used to estimate the respective fair values:

Bonds

The fair value of the investment is determined by reference to published price quotes on Johannesburg Stock Exchange.

Interest Rate Swaps

The sinking fund which is used as collateral in respect of bullet loans includes interest rate swaps where the City has swapped fixed rates for floating rates. The interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate forward rates and interest basis spreads between the respective interests per the contracts and interest rate curves.

Other notes references.

Financial Assets by category – note 6

Financial Liabilities by category- note 22

Consumer debtors- note 11

Financial assets at fair value – Sinking fund- note 12

Financial liabilities at fair value– note 12

City of Johannesburg Metropolitan Municipality

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78. Non-executive directors

Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Joburg Water	R Kalidass	-			-	199
Joburg Water	C Aigbavboa	-			-	116
Joburg Water	P Matji	-			-	205
Joburg Water	S Mnyani	180			180	192
Joburg Water	M Ramurunzi	-			-	124
Joburg Water	L Bernard	120			120	-
Joburg Water	G Phakathi	76			76	72
Joburg Water	P Matjele	172			172	46
Joburg Water	P Mabece	172			172	44
Joburg Water	Z Meeleso	172			172	32
Joburg Water	P Modika	182			182	46
TOTAL		1,074	-	-	1,074	1,076
City Power	Mr M Mello	-			-	56
City Power	Mr N Kgope	148			148	226
City Power	Mr J Du Plessis	-			-	218
City Power	Amb. D Gibson	-			-	218
City Power	Mr D Hunt	-			-	100
City Power	Mr M Jojozi	-			-	20
City Power	Ms P Mabece	-			-	110
City Power	Ms M Mashabela	84			84	150
City Power	Mr B Mpangalasane	-			-	88

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
City Power	Ms J Dlamini	-			-	48
City Power	Mr P Phili	-			-	24
City Power	Mr A Tau	-			-	16
City Power	Ms A Banda	68			68	16
City Power	Ms B Damoyi	10			10	100
City Power	Mr M Kekana	1			1	1
City Power	Mr S Mlauzi	-			-	8
City Power	Ms N Mtembu	60			60	16
City Power	Ms M Modise	8			8	8
City Power	Mr S Nduna	214			214	64
City Power	Mr P Ragimana	144			144	56
City Power	Mr B Ramokhele	210			210	88
City Power	Ms N Ramotebele	152			152	64
City Power	Mr L Rastiku	76			76	1
City Power	Mr M Seopela	156			156	82
City Power	Mr T Sibeko	154			154	64
City Power	Ms N Ntuli	124			124	-
City Power	Mr O Galane	36			36	-
TOTAL		1,645	-	-	1,645	1,842
Metrobus	Michell Botha	-			-	56
Metrobus	Patricia Jacobs	-			-	108
Metrobus	Charley Pietersen	276			276	106

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2023

Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Metrobus	Chinelle Stevens	-			-	136
Metrobus	Dr Lawrence Kok	-			-	186
Metrobus	Gloria Matshusa	80			80	228
Metrobus	Hein Toerien	228			228	104
Metrobus	Judith Shiwundlana	-			-	156
Metrobus	Keamogetswe Ruiters	-			-	40
Metrobus	Lemarco Mitchell	374			374	166
Metrobus	Lita Mbokotho	-			-	228
Metrobus	Lungisile Mkize	-			-	128
Metrobus	Olwethu Siphuka	-			-	164
Metrobus	Omphemetse Mokgosi	120			120	104
Metrobus	Ponds Petersen	240			240	92
Metrobus	Refilwe Morajane	-			-	38
Metrobus	Sharifa Prinsloo	212			212	104
Metrobus	Simphiwe Dzengwa	-			-	172
Metrobus	Simphiwe Mamvura	-			-	182
Metrobus	Tiphany Stacey Harmse	200			200	104
Metrobus	Tony Ferreira	64			64	56
Metrobus	Tumelo Mlangeni	-			-	232
Metrobus	Wayne Buckley	80			80	56
Metrobus	Yongama Pamla	-			-	138
Metrobus	Faith Irwin	104			104	-
Metrobus	Khanyisa Sithebe	94			94	-

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2023

Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Metrobus	Lungisile Mkize	224			224	-
Metrobus	Mervan Ambrael	112			112	-
Metrobus	Micheal Alison Mirjam Botha	80			80	-
TOTAL		2,488	-	-	2,488	3,084
Joburg Theatre	Ms Ashley Hayden	-	-	-	-	206
Joburg Theatre	Ms. Dineo Sitole (Majavu)	-	-		-	124
Joburg Theatre	Mr. Sean Kreusch	-			-	20
Joburg Theatre	Mr. Zane Meas	-			-	124
Joburg Theatre	Mr. Itumeleng Malope	-			-	104
Joburg Theatre	Mr. Jabu Goodman Hlongwane	-			-	96
Joburg Theatre	Mr. Jabu Love Mathebula	-			-	136
Joburg Theatre	Mr Godfrey Katsana (Chairperson)	160	6	40	206	102
Joburg Theatre	Mr Orapeng Ramagaga	120	140	36	296	108
Joburg Theatre	Ms Pamela Ndlovu (State Official)	-	-	-	-	30
Joburg Theatre	Ms Bonga Kweyama	120	48	12	180	80
Joburg Theatre	Mr Thembinkosi Mbeda	120	48	12	180	80
Joburg Theatre	Ms Ziyanda Mncanca	96	48	12	156	68
Joburg Theatre	Mr Thapelo Chokobane	120	48	12	180	80
Joburg Theatre	Ms Johanna Mapeko	120	48	12	180	80
Joburg Theatre	Mr Ben Mothupi	120	48	12	180	88
TOTAL		976	434	148	1,558	1,526

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2023

Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
City Parks	Ms. T Mjoli (NED) (Chairperson)				-	-
City Parks	Mr. Y Nyalambisa (NED)				132	98
City Parks	Mr. Y Zigebe (NED)				128	56
City Parks	Ms. W Sikhosana (NED)				128	56
City Parks	Mr. A Hlatshwayo (NED)				132	56
City Parks	Mrs. PCP Petersen (NED)				-	142
City Parks	Mr. J Madela (NED)				-	-
City Parks	Mr. L Fani (NED)				132	56
City Parks	Mr. M Fihla (NED)				124	46
City Parks	Mr. P Kgame (NED)				156	86
City Parks	Mr. R Moripe (NED)				152	72
City Parks	Mr. CF Cain (NED) (Chairperson)				-	156
City Parks	Dr. MM Dyasi (NED)				-	84
City Parks	Mr. A Jabavu (NED)				144	56
City Parks	Mr. FV Leketi (NED)				-	172
City Parks	Dr. OPM Horwood (NED)				-	138
City Parks	Mr. AQ Chogle (NED)				-	100
City Parks	Mr. BS Chaplog (NED)				-	182
City Parks	Mr. CA Bassuday (NED)				-	68
City Parks	Mr. EF Sithole (NED)				-	222

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
TOTAL		-	-	-	1,228	1,846
JDA	D Oliphant (Chairperson)				250	120
JDA	M Mokoena				260	94
JDA	M Ntanga				136	80
JDA	M Ramanyai				212	92
JDA	N Zonela				158	82
JDA	V Hlongwa				184	100
JDA	M Makgonye				172	92
JDA	S Marota				-	176
JDA	M Malinga (Retired)				-	176
JDA	W Thwala (Retired)				-	134
JDA	L Matshidze				-	158
JDA	L Brenner (Chairperson)(Retired)				-	192
JDA	A Dreyer				-	96
JDA	P Raphalalani				-	12
JDA	C Whittle				-	194
JDA	S Mndawe (Independent Audit and Risk Committee Member)				56	16
JDA	P Lebopa (Independent Audit and Risk Committee Member)				64	32
JDA	T Nawane (Independent Audit and Risk Committee Member)				120	32

City of Johannesburg Metropolitan Municipality

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
JDA	N Ngaka ((Independent Audit and Risk Committee Member)				-	62
JDA	J Mendelsohn (Independant Audit and Risk Committee Member)				-	56
JDA	K Mashiane (Independent Audit and Risk Committee Member)				-	40
JDA	N Ntingane				-	142
JDA	P Numa				-	40
TOTAL		-	-	-	1,612	2,218
Joburg Market	Mr T Thwala (Chairperson)				0	144
Joburg Market	Dr T Xaba				-	226
Joburg Market	Ms S Mmusi				-	128
Joburg Market	Mr V Ngcobo				-	130
Joburg Market	Mr S Cele				-	120
Joburg Market	Dr N Madiba				-	136
Joburg Market	Mr J Mocke				-	158
Joburg Market	Ms Z Mthembu				-	120
Joburg Market	Mr Z Xalisa				88	254
Joburg Market	Ms V Gumede				238	118
Joburg Market	Mr O Bolokang				-	-
Joburg Market	Mr R Ramabulana				2.638	2
Joburg Market	Mr G Tsotetsi				176	108
Joburg Market	Ms N Mpongo				184	108

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Joburg Market	Ms M Vilakazi				184	100
Joburg Market	Mr C Vondo				132	118
Joburg Market	Ms N Sicam				178	100
Joburg Market	Ms M Nkosi				262	130
Joburg Market	Mr M Shibambu				164	100
Joburg Market	Mr R Magagula				-	40
Joburg Market	Mr A Mokwena				-	40
Joburg Market	Ms Z Ngwepe				-	24
Joburg Market	Mr G Son				48	16
Joburg Market	Mr M Karedi				72	24
Joburg Market	Mr G Netshidzati				64	24
Joburg Market	Mr E Sithole				188	-
TOTAL		-	-	-	1,981	2,468
Joshco	Mr. T Dhlamini				-	146
Joshco	Mr. T Mamba				-	64
Joshco	Mr. M Maimane				-	96
Joshco	Mr. S Dlwathi				-	108
Joshco	Ms. G Boikhanyo				-	172
Joshco	Dr. K Sesele				-	162
Joshco	Mr. S Varghese				-	96
Joshco	Mr. K Modipane				-	96
Joshco	Mr. S James				32	96

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Joshco	Mr. T Tselane				128	56
Joshco	Mr. M Tabane				172	68
Joshco	Ms. Y Erasmus				238	74
Joshco	Mr. M Francis				40	68
Joshco	Mr. A Smith				152	68
Joshco	Mr. O Mokgosi				-	12
Joshco	Ms. J Scott				180	68
Joshco	Mr. J Watson				56	84
Joshco	Mr. S Masemola				336	114
Joshco	Mr. S Clarke				182	82
Joshco	Mr. S Mnisi				164	68
Joshco	Mr. H Markus				124	-
Joshco	Mr. M Nqakalatsane				142	-
Joshco	Mr. I Singh				144	-
Joshco	Ms. S Mbonambi				144	-
TOTAL		-	-	-	2,234	1,798
JRA	E Botha (Board Chairperson) Appointed after year end.	104	-		104	16
JRA	C Cilliers (Board Chairperson) 01 March 2023- Resigned June 2023	0	0		-	164
JRA	M Thindisa Chief Financial Officer - Resigned April 2023	0	0		-	172

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
JRA	A Francis - Appointed 01 March 2023	228	20		248	168
JRA	A Puka (01 March 2023-Resigned June 2023)	0	0		-	50
JRA	Dr. R Govender - Appointed 01 March 2023	186	20		206	154
JRA	D Nyamazane - Appointed - 01 March 2023	188	18		206	216
JRA	C Lourens - Appointed - 01 March 2023	122	8		130	32
JRA	S Mtanzeli - Appointed - 01 March 2023	116	8		124	-
JRA	T Mongatane	-			-	40
JRA	K Parirenyana	-			-	40
JRA	C Cilliers	-			-	48
JRA	Dr R Govender	-			-	60
JRA	C Lourens	-			-	44
JRA	K Mofokeng	110	8		118	44
JRA	S Mtanzeli	0			-	44
JRA	Z Xaba	116	8		124	44
JRA	V Mamogobo	116	8		124	44
JRA	S Kleinbooi	132	8		140	44
JRA	N Khoza (AFR&IT)	46	10		56	16
JRA	D Martin (AFR&IT)	16	2		18	16
JRA	T Kwela (AFR&IT)	32	0		32	8
JRA	R Daniels				-	3
JRA	T Goldsmith Re-Appointed - 06 August 2024	94	8		102	-

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
JRA	B Nummerdhout - Appointed 07 August 2023	72	8		80	-
TOTAL		1,678	134	-	1,812	1,468
Tourism	Ms.Gugu Bridget Sithole (NED- Chairperson)	214			214	-
Tourism	Ms. Nandipha Beauty Zonela (Board Chairperson)	0	0		-	88
Tourism	Ms Dikeledi Portia Mabusela	144			164	32
Tourism	Mr Josiah Shimane Mphefo	160			160	58
Tourism	Mr Rirhandzo Lovemore Ribombo	176			176	48
Tourism	Ms Ayesha Seedat	144			144	32
Tourism	Mr Johannes Sydney Monaise	208			208	50
Tourism	Mr Katlego Bogatsu	36			36	44
Tourism	Ms Palesa Prudence Ramafikeng	100			100	52
Tourism	Mr. Sifiso Mzolo	152			152	48
Tourism	Ms. Khomotso Robinah (Pheeha) Mokatse	0			-	24
Tourism	Ms. Bernadette Sibusiswe Mzobe	152			152	32
Tourism	Terry Tselane - Retired	0			-	120
Tourism	Bulelwa Koyana - Retired	0			-	180
Tourism	Sakhumzi Maqubela - Retired	0			-	100

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
Tourism	Dr. Sharlotte Naidu - Retired	0			-	200
Tourism	Ditaba Maraka - Retired	0			-	142
Tourism	Mr. V Mlilo	32			32	-
Tourism	Mr. T. Mulamula	8			8	-
Tourism	Mr. L. Kwapeng- Retired	8			8	-
Tourism	Ms. N. Mbhense	134			134	-
Tourism	Ntombi Mthembu - Retired				-	-
Tourism	Preddey Mothopeng - Retired				-	-
Tourism	Marvelous Ndlhovu - Retired				-	-
TOTAL		1,668	-	-	1,688	1,250
MTC	Mr NS Motale				264	-
MTC	Mrs P Jacobs				354	-
MTC	Mrs MC Francis				184	-
MTC	Mr JB Watson				270	-
MTC	Mr JS Ngubane				252	-
MTC	Mr BG Khanyile				42	-
MTC	Mr L Saile				256	-
MTC	Mrs MC Williams				244	-
MTC	Ms A Cluff				64	-
MTC	Mr DD Raynors				72	-
MTC	Mr T Roman				64	-

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
MTC	Mr HR Moloby				5	-
MTC	Mr WI Mathamela - Current Chairperson				-	96
MTC	Mr N Mashinini				5	60
MTC	Mr N Galawe				-	98
MTC	Mrs AW Stenge				5	76
MTC	Mr HR Moloby				-	78
MTC	Mr S Gwebani				-	3
MTC	Mrs L Mbokotho				-	68
MTC	Mr MC Ndlovu				-	62
MTC	Ms S Collophen				-	68
MTC	Dr G Tshimomola				-	36
MTC	Mr KT Nair				-	8
MTC	Mr S Ngubane				-	8
MTC	Mr JK Skhosana - Previous Board Chairperson				-	174
MTC	Mr N Oliphant				-	64
MTC	Mr D Dondur				-	64
MTC	Mr X Mbanga				-	276
MTC	Mr K Moloko				-	136
MTC	Ms K Ndlovu				-	320
MTC	Mrs U Exner				-	68
MTC	Mrs K Marawu				-	136
MTC	Mr V Mboweni				-	146

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
MTC	Mr G Mancotywa				-	186
MTC	Mrs T Njozela				-	64
TOTAL		-	-	-	2,081	2,295
JPC	Mr E Sithole				278.000	144
JPC	Mr N Mabundza				-	200
JPC	Mr R Gallocher				-	182
JPC	Adv B Madumise				-	72
JPC	Ms X Lingani				73.600	76
JPC	Mr Konosang				-	56
JPC	Mr S Mda				-	258
JPC	Mr B Mgoza				-	197
JPC	Ms L Mthembu				244.000	116
JPC	Mr S Mtolo				364.000	126
JPC	Ms E Rakodi				304.000	112
JPC	Mr F Ratshikhopha				340.000	132
JPC	Ms B Mthimkhulu				-	136
JPC	Ms B Teffo				316.000	116
JPC	Ms K Ng'ambi				-	154
JPC	Mr T Ngcobo				-	32
JPC	Ms P Numa				-	78
JPC	Mr T Ramawa				-	184

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
JPC	Mr B Sneeck				-	176
JPC	Ms N Makhanya				-	84
JPC	Mr L Langelibalele				-	64
JPC	Ms R Makwela				100.000	20
JPC	Mr T Chiloane				76.000	52
JPC	Mr T Ndadza				-	64
JPC	Ms Y Pamla				68.000	32
JPC	Adv T Thatelo				328.000	78
JPC	Ms N Tini				304.000	84
JPC	Mr M Zondo				308.000	167
JPC	Mr S Motha				204.000	-
JPC	Mr M Rabodila				57.304	-
TOTAL		-	-	-	3,365	3,192
PIKITUP	Dr Skeepers N (Chairperson)				-	104
PIKITUP	Mr Nedzamba M (Chairperson)				157	-
PIKITUP	Mr Ndlovu M				4	1
PIKITUP	Mr Radebe M				150	50
PIKITUP	Prof Snyman J				-	108
PIKITUP	Ms Sekoba AN				134	38
PIKITUP	Mr Mulaudzi R				-	96

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
PIKITUP	Ms Nkwanyana S				-	60
PIKITUP	Mr Shi Hai S				134	46
PIKITUP	Ms Majavu D				160	44
PIKITUP	Mr Theunissen R				-	155
PIKITUP	Mr Nchabeleng M				-	112
PIKITUP	Mr Mokwena T				138	32
PIKITUP	Mr Sibeko T				44	12
PIKITUP	Mr Ramawa				-	8
PIKITUP	Mr Seane SS				-	96
PIKITUP	Ms Motsoai OY				-	90
PIKITUP	Mr Mapangalasane JB				12	74
PIKITUP	Ms Makhudu S				-	102
PIKITUP	Ms Msibi- Pholoane NL				-	96
PIKITUP	Ms Kutumela T				134	34
PIKITUP	Mr Marota SN				187	88
PIKITUP	Mr Mathamela W (Chairperson)				-	-
PIKITUP	Mr Brenner L				-	74
PIKITUP	Ms Ekeke N				-	-
PIKITUP	Mr Sefathle N				-	-
PIKITUP	Ms Mtshengu S				-	-
PIKITUP	Mr Monaise S				-	-
PIKITUP	Ms Oliphant D				-	-
PIKITUP	Ms Phiri J				-	-

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Municipal Entity	Non-Executive Directors	Board/Director Fees	Committees Fees	Other Fees	2024	2023
PIKITUP	Mr Tsotetsi G				-	-
PIKITUP	Ms Xaba Z				-	-
PIKITUP	Ms Makhudu S				-	-
TOTAL		-	-	-	1,254	1,520

79. Segment Reporting

Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
Revenue																	
Revenue from exchange transactions																	
Rendering of services	-	19,150,011	-		-	75,294.00				17,063,238.00	274,958.00	2,841,636.00	-	197,425.00	39,602,561.52	- 1,666,106.52	37,936,455.00
Rental of facilities and equipment	-	684	4,489.00	7,416.00	470.00		12,207.00	152,391.00					22,564.00	134,423.00	334,644.39	- 27,214.39	307,430.00
Agency services	56,497	54,182	-	-	-			32,342.00			59,980.00		571,333.00	753,096.00	1,527,429.56	- 557,430.56	969,999.00
Other revenue	243,877	477,133	88,446.00	86,988.00	72,240.00	5,508.00	180,908.00	7,443.00	3	4,235.00	10.00	1,157.00	54,463.00	676,046.00	1,898,457.44	- 851,415.44	1,047,042.00
Demand Side Management	-	267,734												-	267,734.40	- 0.40	267,734.00
Finance Income	24,789	127,848	85,734.00	8,820.00		2,919.00	19,729.00	38,428.00	5,831.00	395,546.00	435.00	147,667.00	69,560.00	2,617,224.00	3,544,530.58	- 2,595,407.58	949,123.00
Reversal of Impairment	-	-											-	-	-	-	-
Gain on disposal of assets and liabilities	-	-	1,725.00											-	1,725.00	- 1,725.00	-
Fair value adjustments	-	-	-	-										247,597.00	247,597.00	-	247,597.00
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-				-						-	-	-	-
Total revenue from exchange transactions	325,163	20,077,592	180,394.00	103,224.00	72,710.00	83,721.00	212,844.00	230,604.00	5,834.00	17,463,019.00	335,383.00	2,990,460.00	717,920.00	4,625,811.00	47,424,679.89	- 5,699,299.89	41,725,380.00
Revenue from non-exchange transactions																	
Taxation revenue																	
Property rates	-													16,798,945.00	16,798,945.00	-	16,798,945.00
Surcharges and taxes	-													312,262.00	312,262.00	-	312,262.00
Finance Income	242												2,319.00	209,265.00	211,826.00	-	211,826.00
Transfer revenue															-	-	-
Government grants and subsidies	623,131	489,898	1,057,688.00	201,182.00	71,574.00	607,299.00	1,310,112.00	129,650.00	80,648.00	844,409.00	259,136.00	1,251,361.00	5,000.00	9,924,181.00	16,855,269.00	- 6,413,674.00	10,441,595.00
Levies	-		-									239,430.00		3,838,724.00	4,078,154.00	-	4,078,154.00
Public contributions, donated and contributed property, plant and equipment	-	50,904	1,245.00				-		679.00	182,892.00				28.00	235,747.55	- 678.55	235,069.00
Fines, Penalties and Forfeits	-									250.00				175,342.00	175,592.00	-	175,592.00
Other Income	1,543		-					18,412.00						-	19,954.67	0.33	19,955.00
Total revenue from non-exchange transactions	624,916	540,802	1,058,933.00	201,182.00	71,574.00	607,299.00	1,310,112.00	148,062.00	81,327.00	1,027,551.00	259,136.00	1,490,791.00	7,319.00	31,258,747.00	38,687,750.22	- 6,414,352.22	32,273,398.00
Total revenue	950,079	20,618,394	1,239,327.00	304,406.00	144,284.00	691,020.00	1,522,956.00	378,666.00	87,161.00	18,490,570.00	594,519.00	4,481,251.00	725,239.00	35,884,558.00	86,112,430.11	- 12,113,652.11	73,998,778.00
Expenditure																	

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Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
Employee related costs	- 521,297	- 1,942,943	- 711,028.00	- 134,503.00	- 87,021.00	- 383,964.00	- 414,002.00	- 216,478.00	- 32,802.00	- 1,676,885.00	- 49,075.00	- 1,608,585.00	- 225,628.00	- 11,487,222.00	- 19,491,433.00	127,673.00	- 19,363,760.00
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	- 187,819.00	- 187,819.00	-	- 187,819.00
Depreciation and amortisation	(18,021)	- 669,664	- 29,978.00	- 2,070.00	- 2,866.00	- 57,005.00	- 34,368.00	- 4,893.00	- 1,795.00	- 466,143.00	- 35,814.00	- 84,535.00	- 33,554.00	- 3,029,349.00	- 4,470,054.65	- 2.35	- 4,470,057.00
Impairment losses	- 12,762	-	-	-	-	- 7,928.00	-	-	-	- 16,692.00	-	-	-	- 546,092.00	- 583,474.00	338,053.00	- 245,421.00
Finance costs	- 2,034	- 1,532,841	- 6,017.00	-	- 73,253.00	- 56,365.00	- 24,025.00	- 113,264.00	-	- 236,033.00	- 264,249.00	- 173,122.00	- 213.00	- 3,126,222.00	- 5,607,638.00	2,653,305.00	- 2,954,333.00
Debt impairment	- 4,854	- 703,990	- 2,209.00	-	- 1,291.00	-	- 68.00	- 143,235.00	-	- 4,382,610.00	-	- 631,086.00	- 10,505.00	- 2,912,405.00	- 8,792,253.00	52,992.00	- 8,739,261.00
Bulk purchases	-	- 16,623,312	-	-	-	-	-	-	-	- 8,627,568.00	-	-	-	-	- 25,250,880.00	88,888.00	- 25,161,992.00
Lease rentals on operating lease	- 158,261	- 90,985	- 34,402.00	-	-	- 8,722.00	- 52,121.00	-	- 1,715.00	- 193,610.00	- 2,939.00	- 1,203,337.00	- 644.00	- 481,797.00	- 2,228,533.33	15,760.33	- 2,212,773.00
Grants and subsidies paid	-	-	-	- 20,335.00	-	-	-	-	-	-	-	-	-	- 6,498,118.00	- 6,518,453.00	6,454,749.00	- 63,704.00
Loss on disposal of assets and liabilities	(158)	- 588	-	-	- 508.00	- 11,449.00	- 185.00	- 33.00	- 24.00	- 241.00	-	- 886.00	- 50.00	- 51,349.00	- 65,470.84	1,724.84	- 63,746.00
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	- 570.00	-	-	-	-	-	-	- 570.00	500.00	- 70.00
General expenses	- 192,665	- 2,555,726	- 486,086.00	- 142,173.00	- 50,071.00	- 319,624.00	- 978,161.00	- 459,598.00	- 30,474.00	- 1,768,564.00	- 346,375.00	- 568,059.00	- 285,012.00	- 5,996,595.00	- 14,179,182.95	2,771,549.95	- 11,407,633.00
Total expenditure	- 910,051	- 24,120,049	- 1,269,720.00	- 299,081.00	- 215,010.00	- 845,057.00	- 1,502,930.00	- 938,071.00	- 66,810.00	- 17,368,346.00	- 698,452.00	- 4,269,610.00	- 555,606.00	- 34,316,968.00	- 87,375,761.76	12,505,192.76	- 74,870,569.00
Surplus (Deficit) before taxation	40,028	- 3,501,655	- 30,393.00	5,325.00	- 70,726.00	- 154,037.00	20,026.00	- 559,405.00	20,351.00	1,122,224.00	- 103,933.00	211,641.00	169,633.00	1,567,590.00	- 1,263,331.66	-	- 871,791.00
Taxation	11,854	- 657,996	-	1,472.00	- 19,072.00	-	30,447.00	-	-	-	- 12,026.00	-	51,259.00	-	594,061.77	-	594,061.77
Surplus for the year	28,173	- 2,843,659	- 30,393.00	3,853.00	- 51,654.00	- 154,037.00	10,421.00	- 559,405.00	20,351.00	1,122,224.00	- 91,907.00	211,641.00	118,374.00	1,567,590.00	- 669,269.89	-	- 277,729.23

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	Group, Financial, Position, 2024																	
	PROPERTY	POWER	PARKS	CIVIC	JDA	MBUS	JRA	JOSHCO	TOURISM	WATER	MTC	PIKITUP	MARKET	Core	Total	Elimination	Group	
Assets																		
Current Assets																		
Inventories		60,471	5,381	12,150		21,151	64,675	518		204,203		13,301		192,742	574,592	-	1	574,591
Loans to Municipal entities														903,568	903,568	-	903,568	-
Loans to shareholders	318,594		1,087,962				176,261	5,958	68,097			4,130,167	316,161		6,103,200	-	6,103,200	-
Other financial assets														2,793	2,793	-	2,793	-
Current tax receivable		109,457						50			26,733				136,240	-	0	136,240
Finance lease receivables														41,403	41,403	-	41,403	-
Receivables from exchange transactions	931,203	2,071,247	74,489	12,072	937,147	9,403	670,331	1,247,353	151	24,947	2,713,050	14,644	85,976	22,431,502	31,223,515	-	29,183,760	2,039,755
Receivables from non-exchange transactions	142	651,863	18,790			1,353		5,871	13,256					124,823	816,098	-	683,909	132,189
VAT receivable	448	645,345		1,621	285,677			5,440	860	90,923		1,705	7,691	656,805	1,696,515	-	0	1,696,515
Consumer debtors		2,606,121								4,021,681		1,357,024		1,008,963	8,993,789	-	8,993,789	-
Financial assets at fair value														418,146	418,146	-		418,146
Cash and cash equivalents	2	51,776	439	18,829	10	758	440,099	20,994		29		16,329	601,324	1,015,269	2,165,858	-	1	2,165,857
	1,250,389	6,196,280	1,187,061	44,672	1,222,834	32,665	1,351,367	1,286,184	82,363	4,341,783	2,739,783	5,533,170	1,011,152	26,796,014	53,075,717	-	36,915,842	16,159,875
Non-Current Assets																		
Living Resources			21,357											9,680	31,037	-	1	31,036
Investment property													25,719	1,007,738	1,033,457	-		1,033,457
Property plant and equipment	77,051	17,636,780	99,179	24,460	5,125	465,766	211,962	39,342	5,936	14,167,111	404,130	805,912	666,186	50,325,470	84,934,410	-	4	84,934,414
Intangible assets	224	384,282	298	279	15,650	35,414	2,185	6,869	3,970	32,232	10,072	267	428	1,228,559	1,720,729	-	3	1,720,732
Heritage assets				1,603					63					617,879	619,545	-	0	619,545
Investments in controlled entities														760,985	760,985	-	760,985	-
Investment in Joint Ventures								20,650							20,650	-	3,644	24,294
Loans to Municipal Entities														6,422,384	6,422,384	-	6,422,384	-
Loans to shareholders			36,099			38,210	53,225							127,534	-	-	127,534	-
Other financial assets												153,128		47,037	200,165	-	153,128	47,037
Deferred tax	35,672	4,548,476			21,130						34,556				4,639,834	-		4,639,834
Finance lease receivables														27,400	-	-	27,400	-
Deposits	1,223														1,223	-		1,223
Financial assets at fair value - Sinking fund														358,431	358,431	-		358,431
	114,170	22,569,538	156,933	26,342	41,905	539,390	267,372	66,861	9,969	14,199,343	448,758	959,307	692,333	60,805,563	100,897,783	-	7,487,780	93,410,003
Total Assets	1,364,559	28,765,818	1,343,994	71,014	1,264,739	572,055	1,618,739	1,353,045	92,332	18,541,126	3,188,541	6,492,476	1,703,486	87,601,577	153,973,501	-	44,403,623	109,569,878
Liabilities																		
Current Liabilities																		
Loans and borrowings								2,142						1,315,634	1,317,776	-	0	1,317,776
Loans from Shareholders	920,356	11,749,309			958,809	521,485		1,309,093		448,708		1,382,617			17,290,378	-	17,290,378	-
Loans and borrowings															-	-	-	-
Current tax payable	7,747											114,699	5,817		128,263	-		128,263
Finance lease obligations	8,279	27,758	23,414		593	2,267	15,257	407		20,435		11,794		118,714	228,918	-	29,001	199,917
Financial liability at fair value														1,510	1,510	-		1,510
Payables from exchange transactions	347,695	10,700,224	364,182	29,135	346,427	419,635	1,402,819	1,380,145	17,190	4,724,697	712,714	3,018,872	503,165	22,105,840	46,072,740	-	22,468,239	23,604,501
Payables from non-exchange transactions		1,840	486,971												488,811	-	488,811	-
VAT payable			4,016				3,103				11,011				18,130	-		18,130
Unspent conditional grants and receipts			3,901					178						428,640	432,719	-	178	432,541
Provisions	7,757	345,274	13,628	5,142	7,584	3,163	264,909			56,935	4,945	12,952	3,085		725,375	-	1	725,374
Deferred income						3,704								149	3,853	-	0	3,853
Consumer deposits			280		77			20,829							21,186	-		21,186
	1,291,835	22,824,405	896,392	34,277	1,313,490	950,255	1,686,088	2,712,795	17,190	5,250,775	728,670	4,540,934	512,067	23,970,487	66,729,658	-	40,276,607	26,453,051
Non-Current Liabilities																		
Loans from Municipal entities														471,410	471,410	-	471,410	-
Loans from Shareholders		2,317,768								2,045,184	2,795,765	1,183,848			8,342,565	-	8,342,565	-
Loans and borrowings								6,617						17,955,470	17,962,087	-	0	17,962,087
Finance lease obligations	28,002	82,458	29,136		341	8,050				50,347		53,557			712,195	-	725	711,470
Payables from non exchange															-	-		486,971
Employee benefits obligations	683	4,399	43,892			5,928	37,253			51,383		56,133	2,662	642,540	844,873	-		844,873

City of Johannesburg Metropolitan Municipality

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Unspent conditional grants and receipts		52,536													52,536	-	52,536
Deferred tax	10,575			7,409	2,554		3,548,836			31,863		3,415		3,604,652	-	0	3,604,652
Provisions											801,888			251,089	1,052,977	-	1,052,977
Financial liabilities at fair value														199,153	199,153	-	199,153
Consumer deposits		1,105,632							705,487					14,678	1,825,797	-	1,825,797
	39,260	3,562,793	73,028	7,409	2,895	13,978	3,586,089	6,617	-	2,852,401	2,827,628	2,095,426	6,077	19,994,644	35,068,245	- 8,327,729	26,740,516
Total Liabilities	1,331,094	26,387,198	969,420	41,686	1,316,385	964,233	5,272,177	2,719,412	17,190	8,103,176	3,556,298	6,636,360	518,144	43,965,131	101,797,904	- 48,604,337	53,193,567
Net Assets	33,465	2,378,620	374,574	29,328	- 51,647	- 392,177	- 3,653,438	- 1,366,367	75,142	10,437,950	- 367,757	- 143,884	1,185,342	43,636,446	52,175,597	4,200,714	56,376,311
Accumulated surplus																	

City of Johannesburg Metropolitan Municipality

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Group Financial Performance 2023																	
Entity name	Property	Power	Parks	Theatre	JDA	MBUS	JRA	Joshco	Tourism	Water	MTC	PIKITUP	Market	Core	Total	Elimination	Group
Revenue																	
Revenue from exchange transactions															- 73,456.00		
Rendering of services	-	16,261,234.00	-		-	65,891.00				15,143,814.00	550,703.00	2,066,662.00	-	239,881.00	34,328,185.00	- 1,482,142.00	32,846,043.00
Rental of facilities and equipment	-	613.00	4,465.00	6,368.00	290.00		10,370.00	178,951.00					24,373.00	123,639.00	349,069.00	- 10,167.00	338,902.00
Agency services	39,046.00	-	-	-	-	-		53,585.00			33,889.00		525,456.00	737,503.00	1,389,479.00	- 535,450.00	854,029.00
Other revenue	238,884.00	60,756.00	179,828.00	95,063.00	79,153.00	1,730.00	56,273.00	2,895.00		2,865.00	331.00	5,126.00	48,722.00	575,183.00	1,346,809.00	- 883,394.00	463,415.00
Demand Side Management	-	283,363.00													283,363.00	-	283,363.00
Finance Income	12,923.00	117,153.00	66,726.00	5,776.00		2,244.00	21,914.00	26,432.00	2,974.00	303,931.00	7,312.00	67,560.00	46,442.00	1,965,005.00	2,646,392.00	- 1,896,114.00	750,278.00
Reversal of Impairment	-	22,134.00												51,322.00	73,456.00	- 34,471.00	38,985.00
Fair value adjustments	-	-	-	-										197,437.00	197,437.00	- 290.00	197,147.00
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-				1,331.00						-	1,331.00	649.00	1,980.00
Total revenue from exchange transactions	290,853.00	16,745,253.00	251,019.00	107,207.00	79,443.00	69,865.00	88,557.00	263,194.00	2,974.00	15,450,610.00	592,235.00	2,139,348.00	644,993.00	3,889,970.00	40,615,521.00	- 4,841,379.00	35,774,142.00
Revenue from non-exchange transactions																	
Taxation revenue																	
Property rates	-													14,049,882.00	14,049,882.00	-	14,049,882.00
Surcharges and taxes	-													286,847.00	286,847.00	-	286,847.00
Finance Income	99.00												2,517.00	152,151.00	154,767.00	-	154,767.00
Transfer revenue																	
Government grants and subsidies	500,752.00	301,907.00	978,945.00	179,652.00	40,286.00	570,927.00	1,258,837.00	48,004.00	63,163.00	361,366.00	247,979.00	1,030,508.00	5,500.00	8,724,216.00	14,312,042.00	- 4,914,741.00	9,397,301.00
Levies	-		-									221,431.00		3,967,119.00	4,188,550.00	-	4,188,550.00
Public contributions, donated and contributed property, plant and equipment	-	48,346.00	12,942.00					-		273,465.00				144,168.00	478,921.00	-	478,921.00
Fines, Penalties and Forfeits	-									2,273.00				146,068.00	148,341.00	-	148,341.00
Other Income	1,152.00		-												1,152.00	-	1,152.00
Total revenue from non-exchange transactions	502,003.00	350,253.00	991,887.00	179,652.00	40,286.00	570,927.00	1,258,837.00	48,004.00	63,163.00	637,104.00	247,979.00	1,251,939.00	8,017.00	27,470,451.00	33,620,502.00	- 4,914,741.00	28,705,761.00
Total revenue	792,856.00	17,095,506.00	1,242,906.00	286,859.00	119,729.00	640,792.00	1,347,394.00	311,198.00	66,137.00	16,087,714.00	840,214.00	3,391,287.00	653,010.00	31,360,421.00	74,236,023.00	- 9,756,120.00	64,479,903.00
Expenditure																	
Employee related costs	- 473,284.00	- 1,704,925.00	- 666,959.00	- 114,288.00	- 84,977.00	- 335,807.00	- 395,494.00	- 166,264.00	- 12,290.00	- 1,543,570.00	- 43,035.00	- 1,504,566.00	- 197,632.00	- 10,489,935.00	- 17,733,026.00	127,198.00	- 17,605,828.00
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	- 180,681.00	- 180,681.00	-	- 180,681.00
Depreciation and amortisation	- 10,036.00	- 631,610.00	- 21,017.00	- 1,712.00	- 1,708.00	- 47,473.00	- 39,565.00	- 3,077.00	- 1,185.00	- 525,788.00	- 35,340.00	- 63,561.00	- 29,350.00	- 2,808,131.00	- 4,219,553.00	- 5,438.00	- 4,224,991.00
Impairment losses	-	-	-	-	-	- 10,274.00	- 3,719.00	- 5,846.00	-	- 76,926.00	-	-	- 251.00	- 925,352.00	- 1,022,368.00	34,457.00	- 987,911.00
Finance costs	- 96.00	- 900,212.00	- 6,554.00	-	- 45,611.00	- 45,463.00	- 12,979.00	- 76,373.00	-	- 246,708.00	- 221,814.00	- 132,505.00	- 234.00	- 2,952,366.00	- 4,640,915.00	1,912,626.00	- 2,728,289.00
Debt impairment	2,786.00	- 786,461.00	- 571.00	-	- 4.00	651.00	- 84,675.00	- 148,190.00	-	- 3,163,964.00	139.00	- 725,533.00	- 8,412.00	- 1,292,016.00	- 6,206,250.00	25,265.00	- 6,180,985.00
Bulk purchases	-	- 14,112,107.00	-	-	-	-	-	-	-	- 7,637,074.00	-	-	-	-	- 21,749,181.00	94,713.00	- 21,654,468.00
Lease rentals on operating lease	- 140,911.00	- 94,672.00	- 38,875.00	-	-	- 6,118.00	- 65,056.00	-	- 573.00	- 153,731.00	- 2,854.00	- 1,191,193.00	- 593.00	- 546,069.00	- 2,240,645.00	8,898.00	- 2,231,747.00
Grants and subsidies paid	-	-	-	- 22,551.00	-	-	-	-	-	-	-	-	-	- 4,995,863.00	- 5,018,414.00	4,914,741.00	- 103,673.00
Loss on disposal of assets and liabilities	-	- 5,330.00	708.00	-	- 1,024.00	- 2,717.00	- 114.00	-	-	- 74,444.00	- 57.00	- 399.00	- 1,214.00	- 147,904.00	- 232,495.00	1,167.00	- 231,328.00
Fair value adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surpluses or deficits from associates or joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	- 150,230.00	- 2,010,164.00	- 455,817.00	- 145,115.00	- 34,150.00	- 259,716.00	- 1,058,663.00	- 284,959.00	- 17,232.00	- 1,527,890.00	- 554,229.00	- 352,551.00	- 216,896.00	- 5,808,370.00	- 12,875,982.00	2,842,995.00	- 10,032,987.00
Total expenditure	- 771,771.00	- 20,245,481.00	- 1,189,085.00	- 283,666.00	- 167,474.00	- 706,917.00	- 1,660,265.00	- 684,709.00	- 31,280.00	- 14,950,095.00	- 857,190.00	- 3,970,308.00	- 454,582.00	- 30,146,687.00	- 76,119,510.00	9,956,622.00	- 66,162,888.00
Surplus (Deficit) before taxation	21,085.00	- 3,149,975.00	53,821.00	3,193.00	- 47,745.00	- 66,125.00	- 312,871.00	- 373,511.00	34,857.00	1,137,619.00	- 16,976.00	- 579,021.00	198,428.00	1,213,734.00	- 1,883,487.00	-	- 1,682,985.00
Taxation	10,824.00	- 873,184.00	-	915.00	- 13,984.00	-	116,853.00	-	-	-	- 5,481.00	-	57,074.00	-	706,983.00	-	706,983.00
Surplus for the year	10,261.00	- 2,276,791.00	53,821.00	2,278.00	- 33,761.00	- 66,125.00	- 429,724.00	- 373,511.00	34,857.00	1,137,619.00	- 11,495.00	- 579,021.00	141,354.00	1,213,734.00	- 1,176,504.00	-	976,002.00

City of Johannesburg Metropolitan Municipality

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	Group Financial Position 2023															Total	Elimination	Group
	PROPERTY	POWER	PARKS	CIVIC	JDA	MBUS	JRA	JOSHCO	TOURISM	WATER	MTC	PIKITUP	MARKET	Core				
Assets																		
Current Assets																		
Inventories	-	51,235	4,915	9,970	-	16,739	47,598	220	-	183,646	1,862	6,295	-	219,253	541,733	-	541,733	-
Loans to Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	1,296,122	1,296,122	-1,296,122	-	-
Loans to shareholders	260,896	-	993,415	-	-	-	206,578	2,975	61,308	1,703,364	72,978	3,203,056	220,547	-	6,725,117	-6,725,117	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	1,135	1,135	-	1,135	-
Current tax receivable	-	109,457	-	-	-	-	-	9,140	-	-	26,733	-	51,802	-	197,132	-	197,132	-
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	36,445	36,445	-36,445	-	-
Receivables from exchange transactions	975,659	1,086,626	68,143	20,815	667,787	9,481	445,988	1,287,282	150	28,838	1,831,917	11,443	97,667	18,761,063	25,292,859	-23,829,870	1,462,989	-
Receivables from non-exchange transactions	-	405,159	13,091	-	-	1,353	-	5,524	-	-	-	-	-	94,323	519,450	-418,250	101,200	-
VAT receivable	-	248,290	-	1,648	283,795	-	-	3,929	433	-	35,382	69,316	7,447	139,599	789,839	-	789,839	-
Consumer debtors	-	1,922,004	-	-	-	-	-	-	-	4,261,011	-	1,052,038	-	1,459,732	8,694,785	-1	8,694,784	-
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	887,748	887,748	-	887,748	-
Cash and cash equivalents	2	74,416	154	16,533	10	561	477,929	202,023	-	31	-	46,495	473,853	2,763,303	4,055,310	-	4,055,310	-
	1,236,557	3,897,187	1,079,718	48,966	951,592	28,134	1,178,093	1,511,093	61,891	6,176,890	1,968,872	4,388,643	851,316	25,658,723	49,037,675	-32,305,805	16,731,870	-
Non-Current Assets																		
Living Resources	-	-	21,850	-	-	-	-	-	-	-	-	-	-	10,381	32,231	-	32,231	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	27,184	1,007,738	1,034,922	-	1,034,922	-
Property, plant and equipment	43,903	16,312,237	69,566	17,803	5,392	482,205	131,632	33,362	4,981	13,371,489	432,191	725,828	576,707	49,130,426	81,337,722	9	81,337,731	-
Intangible assets	13,267	399,059	387	386	17,621	34,446	2,726	6,920	982	29,845	11,916	286	520	338,297	856,658	-684	855,974	-
Heritage assets	-	-	-	1,603	-	-	-	-	63	-	-	-	-	617,879	619,545	-	619,545	-
Investments in Municipal Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	687,355	687,355	-687,355	-	-
Investment in Joint Ventures	-	-	-	-	-	-	-	21,770	-	-	-	-	-	-	21,770	-	21,770	-
Loans to Municipal Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	6,078,867	6,078,867	-6,078,867	-	-
Loans to shareholders	-	-	34,358	-	-	35,291	52,791	-	-	-	-	144,667	-	267,107	267,107	-267,107	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	55,589	55,589	-	55,589	-
Deferred tax	25,707	3,274,596	-	-	3,953	-	-	-	-	-	19,021	-	543	-	3,323,820	-	3,323,820	-
Deposits	1,028	-	-	-	-	-	-	-	-	-	-	-	-	-	1,028	-	1,028	-
Income tax receivable	3,289	-	-	-	-	-	-	-	-	-	-	-	-	-	3,289	-	3,289	-
Finance lease receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	43,208	43,208	-43,208	-	-
Financial assets at fair value - Sinking fund	-	-	-	-	-	-	-	-	-	-	-	-	-	358,394	358,394	-	358,394	-
	87,194	19,985,892	126,161	19,792	26,966	551,942	187,149	62,052	6,026	13,401,334	463,128	870,781	604,954	58,328,134	94,721,505	-7,074,068	87,647,437	-
Total Assets	1,323,751	23,883,079	1,205,879	68,758	978,558	580,076	1,365,242	1,573,145	67,917	19,578,224	2,432,000	5,259,424	1,456,270	83,986,857	143,759,180	-39,379,873	104,379,307	-
Liabilities																		
Current Liabilities																		
Loans from Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans from Shareholders	1,060,067	10,482,694	-	-	670,612	601,484	-	1,112,952	-	1,248,058	-	1,060,977	-	-	16,236,844	-16,236,844	-	-
Loans and borrowings	-	-	-	-	-	-	-	2,744	-	-	-	-	-	2,733,749	2,736,493	-	2,736,493	-
Current tax payable	-	-	-	-	-	-	101,911	-	-	-	-	103,264	-	-	205,175	-	205,175	-
Finance lease obligations	84	10,034	13,419	-	-	1,486	16,267	375	-	2,097	-	-	-	18,696	62,458	-41,238	21,220	-
Financial Liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	7,474	7,474	-	7,474	-
Payables from exchange transactions	249,671	5,626,922	236,039	33,420	294,852	157,526	1,098,907	1,238,521	13,125	2,898,470	499,551	2,545,016	381,659	17,433,041	32,706,720	-15,661,199	17,045,521	-
Payables from non-exchange transactions	-	-	451,603	-	-	-	-	-	-	-	-	-	-	-	451,603	-	451,603	-
VAT payable	1,566	-	8,200	-	-	-	8,724	-	-	149,912	-	-	-	-	168,402	-	168,402	-
Unspent conditional grants and receipts	-	-	4,903	-	-	-	-	178	-	-	-	-	-	669,634	674,715	-	674,715	-
Provisions	5,959	293,378	33,400	3,932	7,284	3,478	268,262	-	-	54,411	4,773	11,908	3,866	-	690,651	-	690,651	-
Deferred income	-	-	-	-	-	2,875	-	-	-	-	-	-	-	6,438	9,313	-	9,313	-
Consumer deposits	-	-	280	-	77	-	-	17,561	-	-	-	-	-	-	17,918	-	17,918	-
	1,317,347	16,413,028	747,844	37,352	972,825	766,849	1,494,071	2,372,331	13,125	4,352,948	504,324	3,721,165	385,525	20,869,032	53,967,766	-32,390,884	21,576,882	-
Non-Current Liabilities																		
Loans from Municipal entities	-	-	-	-	-	-	-	-	-	-	-	-	-	445,247	445,247	-445,247	-	-
Loans from shareholders	-	2,045,506	-	-	-	46,901	-	-	-	1,864,589	2,174,565	1,092,509	-	-	7,224,070	-7,224,070	-	-
Loans and borrowings	-	-	-	-	-	-	-	7,368	-	-	-	-	-	19,271,119	19,278,487	0	19,278,487	-
Finance lease obligations	436	7,373	2,597	-	-	8,718	-	407	-	3,119	-	-	-	35,267	57,917	-9,970	47,947	-
Payables from non exchange	-	-	-	-	-	-	-	-	-	-	-	-	-	-	451,603	-	451,603	-
Employee benefits obligations	671	4,380	50,473	-	-	7,064	39,357	-	-	52,988	-	59,807	2,530	751,436	968,706	0	968,706	-
Unspent conditional grants and receipts	-	39,594	-	-	-	-	-	-	-	-	-	-	-	-	39,594	0	39,594	-
Deferred tax	-	-	-	5,936	4,448	-	2,932,952	-	-	-	28,271	-	1,247	-	2,972,854	0	2,972,854	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	741,469	-	132,099	873,568	0	873,568	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Financial liabilities at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	212,351	212,351	0	212,351	-
Consumer deposits	-	766,805	-	-	-	-	-	-	-	556,246	-	-	-	14,416	1,337,467	0	1,337,467	-

City of Johannesburg Metropolitan Municipality

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	1,107	2,863,658.00	53,070	5,936	4,448	62,683	2,972,309	7,775	-	2,476,942	2,202,836	1,893,785	377	20,861,935	33,410,261	-7,227,684	26,182,577
Total Liabilities	1,318,454.00	19,276,686.00	800,914	43,288	977,273	829,532	4,466,380	2,380,106	13,125	6,829,890	2,707,160	5,614,950	389,302	41,730,967	87,378,027	(39,618,568)	47,759,459
Net Assets	5,297.00	4,606,393.00	404,965	25,470	1,285	(249,456)	(3,101,138)	(806,961)	54,792	12,748,334	(275,160)	(355,526)	1,066,968	42,255,890	56,381,153	238,695	152,138,766
Accumulated surplus																	

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CJMM Statement of Financial Performance for the year ended 30 June 2024								
Entity name	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transportation	Total
Revenue								
Revenue from non-exchange transactions	28.00	3.00	521,526	-	-	175,339	-	696,896.00
Revenue from exchange transactions	79,778.00	-238,767.00	1,420,845	(83,944)	13,295	852,206	(34,829)	2,008,584.00
Levies	-	-	3,838,724	-	-	-	-	3,838,724.00
Interest revenue	177.00	-	2,529,362	-	85,614	-	2,071	2,617,224.00
Government grant	108,904.00	47,472.00	7,357,910	242,505	1,430,275	-	737,115	9,924,181.00
Property rates	-	-	16,798,945	-	-	-	-	16,798,945.00
								0.00
Total revenue	188,887.00	- 191,292.00	32,467,312.00	158,561.00	1,529,184.00	1,027,545.00	704,357.00	35,884,554.00
Expenditure								
Depreciation and impairment losses	93,473	237,217	1,411,544	56,967	583,585	61,498	585,065	3,029,349.00
Employee related costs	529,962	861,718	2,744,720	1,379,002	213,080	5,549,847	255,621	11,533,950.00
Finance costs	342	1,288	3,077,446	1,037	183	45,817	109	3,126,222.00
Impairment losses	6,671	21,113	390,825	25	117,839	6	9,613	546,092.00
Impairment of current receivables	1,771	-	2,771,998	-	124,013	14,623	-	2,912,405.00
Other expenditure	49,873	465,409	3,698,850	83,818	548,428	861,315	963,135	6,670,828.00
Transfers and subsidies	50,913	6,700	6,430,928	9,577	-	-	-	6,498,118.00
Total expenditure	733,005.00	1,593,445.00	20,526,311.00	1,530,426.00	1,587,128.00	6,533,106.00	1,813,543.00	34,316,964.00
Surplus / (Deficit)								1,567,590.00

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CJMM Statement of Financial Performance for the year ended 30 June 2023								
Entity name	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transportation	Total
Revenue								
Revenue from non-exchange transactions	0.00	2,413.00	580,754	-	-	146,067	-	729,234.00
Revenue from exchange transactions	58,099.00	-309,463.00	1,247,096	(68,704)	-31,410	949,836	28,191	1,873,645.00
Levies	-	-	3,967,119	-	-	-	-	3,967,119.00
Interest revenue	10,618.00	-	1,885,495	-	63,489	-	5,403	1,965,005.00
Government grant	24,330.00	27,384.00	6,509,738	179,426	1,169,706	3188	810,444	8,724,216.00
Property rates	-	-	14,049,882	-	-	-	-	14,049,882.00
Reversal of impairment			47,541.00				3,781.00	51,322.00
Total revenue	93,047.00	- 279,666.00	28,287,625.00	110,722.00	1,201,785.00	1,099,091.00	847,819.00	31,360,423.00
Expenditure								
Depreciation and impairment losses	107,896	216,154	1,278,376	59,626	481,708	63,193	601,178	2,808,131.00
Employee related costs	457,791	782,220	2,391,418	1,285,666	190,949	5,226,169	226,917	10,561,130.00
Finance costs	161	523	2,950,528	482	69	552	51	2,952,366.00
Impairment losses	38,217	21,396	355,084	3,563	465,434	38,756	2,902	925,352.00
Impairment of current receivables	10,446	-	1,038,894	-	124,819	117,856	-	1,292,015.00
Other expenditure	43,653	534,631	3,127,238	100,372	574,347	895,338	1,336,250	6,611,829.00
Transfers and subsidies	63,182	6,210	4,917,111	9,360	-	-	-	4,995,863.00
Total expenditure	721,346.00	1,561,134.00	16,058,649.00	1,459,069.00	1,837,326.00	6,341,864.00	2,167,298.00	30,146,686.00
Surplus / (Deficit)	1,213,737.00							

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CJMM Statement of Financial Position for the year ended 30 June 2024

	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transport	Total
Total Assets	1,773,010.00	4,180,746	60,591,206	756,527	12,390,671	1,802,253	6,107,162	87,601,575
Total Liabilities	309,311.00	359,136	38,383,674	124,817	2,382,694	1,307,770	1,097,729	43,965,131
Net Assets	2,082,321	4,539,882	98,974,880	881,344	14,773,365	3,110,023	7,204,891	131,566,706

Additional Disclosure								
Non-Current Assets Addition^	51,155	137,197	2,597,275	76,047	1,578,317	590,763	342,566	5,373,320
Deferred Income							149	149

*Includes all non-exchange revenue line items found in the Statement of Financial Performance except for government grants and property rates

^Excludes additions to financial assets post-employment assets

CJMM Statement of Financial Position for the year ended 30 June 2023

	Aggregate Segment 1	Aggregate Segment 2	Aggregate Segment 3	Health	Housing	Public Safety	Transport	Total
Total Assets	2,207,498	4,057,102	57,912,497	711,346	11,393,652	1,163,243	6,354,481	83,799,819
Total Liabilities	450,303	285,678	36,829,324	97,061	2,402,365	726,230	940,004	41,730,965
Net Assets	2,657,801	4,342,780	94,741,821	808,407	13,796,017	1,889,473	7,294,485	125,530,784

Additional Disclosure								
Non-Current Assets Addition^	54,554.00	206,183.00	1,166,594.00	125,360.00	1,547,289.00	120,418.00	418,407.00	3,638,805
Deferred Income	-	-		-	-	-	6,438.00	6,438

*Includes all non-exchange revenue line items found in the Statement of Financial Performance except for government grants and property rates

^Excludes additions to financial assets post-employment assets

ANNEXURE A

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	5	R 2 540	R 495 670
50 - 59	46	R 4 070	R 589 910
60 - 69	200	R 5 020	R 535 010
70 - 79	584	R 4 800	R 403 320
80 - 89	556	R 4 910	R 288 770
90 +	141	R 5 020	R 190 670
Total	1532	R 4 860	R 365 271

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	0,00	R 0
20 - 29	0	R 0	0,00	R 0
30 - 39	0	R 0	0,00	R 0
40 - 49	103	R 380 999	1,40	R 24 683
50 - 59	377	R 375 937	4,29	R 113 659
60 +	197	R 392 082	5,57	R 190 631
Total	677	R 381 405	4,23	R 122 520

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from **1 January 2024**):

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
Keyhealth	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold 1		R 6 333,00	R 4 283,00	R 1 244,00
	Gold		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium 1		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00
Bonitas	BonSave		R 3 447,00	R 2 671,00	R 1 032,00
	BonComplete		R 5 359,00	R 4 293,00	R 1 455,00
	BonComprehensive		R 9 853,00	R 9 292,00	R 2 006,00
	BonClassic		R 6 732,00	R 5 780,00	R 1 662,00
	BonEssential		R 2 287,00	R 1 690,00	R 739,00
	BonEssential Select		R 1 998,00	R 1 464,00	R 659,00
	BonFit Select		R 2 295,00	R 1 719,00	R 772,00
	Standard Select		R 4 448,00	R 3 849,00	R 1 302,00
	Standard		R 4 922,00	R 4 267,00	R 1 444,00
	Primary		R 2 993,00	R 2 341,00	R 952,00
	Primary Select		R 2 619,00	R 2 048,00	R 832,00
	Boncap 1	0 - 10,680	R 1 430,00	R 1 430,00	R 673,00
	Boncap 2	10681 - 17330	R 1 745,00	R 1 745,00	R 802,00
	Boncap 3	17331 - 22541	R 2 813,00	R 2 813,00	R 1 064,00
	Boncap 4	23542+	R 3 453,00	R 3 453,00	R 1 310,00

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
Hosmed	Plus		R 7 227,00	R 6 893,00	R 1 577,00
	Titanium Executive		R 8 415,00	R 7 446,00	R 1 719,00
	Value		R 4 401,00	R 4 226,00	R 1 175,00
	Value Core		R 4 051,00	R 3 887,00	R 1 079,00
	Access Saver 25%		R 3 092,00	R 2 669,00	R 619,00
	Access Core		R 2 418,00	R 2 085,00	R 486,00
	Gold Ascend EDO		R 3 250,00	R 3 119,00	R 895,00
	Gold Ascend		R 3 418,00	R 3 282,00	R 944,00
	Platinum Enhanced		R 4 747,00	R 4 457,00	R 1 298,00
	Platinum Enhanced EDO		R 4 511,00	R 4 320,00	R 1 150,00
	Essential 1	0 - 8,500	R 1 870,00	R 1 870,00	R 650,00
	Essential 2	8,501 - 13,000	R 2 240,00	R 2 240,00	R 829,00
Samwumed	Essential 3	13,001 +	R 2 839,00	R 2 839,00	R 846,00
	A 1	R0 - R4020	R 1 585,00	R 1 585,00	R 559,00
	A 2	R4021 - R6490	R 1 872,00	R 1 872,00	R 657,00
	A 3	R6491- R9990	R 2 383,00	R 2 383,00	R 832,00
	A 4	R9991+	R 2 617,00	R 2 617,00	R 923,00
	B 1	R0 - R5970	R 2 639,00	R 2 639,00	R 926,00
	B 2	R5971- R8240	R 3 193,00	R 3 193,00	R 1 121,00
	B 3	R8241- R15240	R 3 272,00	R 3 272,00	R 1 150,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

Since this is the first time this valuation was done, we were not able to do a more detailed breakdown of the actuarial loss shown in the detailed results section. We did however check the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 662 220 000	R 559 596 000	R 533 826 000	R 510 737 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 68 199 000	R 56 576 000	R 54 396 000	R 52 119 000
Benefits paid	-R 78 757 338	-R 82 346 000	-R 77 485 000	-R 72 757 000
Actuarial Loss / (Gain)	-R 92 065 662	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 559 596 000	R 533 826 000	R 510 737 000	R 490 099 000

Amounts recognised in the financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 559 596 000	R 533 826 000	R 510 737 000	R 490 099 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 68 199 000	R 56 576 000	R 54 396 000	R 52 119 000
Actuarial Loss / (Gain) recognised in Other Comprehensive Income	-R 92 065 662	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 74 194 000	R198 895 000	R286 507 000	R559 596 000

Housing Subsidies

Assuming that the post-employment housing subsidy policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 0	R 0	R 0	R 0
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 0	R 0	R 0	R 0
Benefits paid	-R 9 144	R 0	R 0	R 0
Actuarial Loss / (Gain)	R 9 144	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 0	R 0	R 0	R 0

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 0	R 0	R 0	R 0
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 0	R 0	R 0	R 0
Actuarial Loss / (Gain) recognised in Other Comprehensive Income	R 9 144	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 0	R 0	R 0	R 0

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 89 218 000	R 82 946 000	R 76 624 000	R 72 034 490
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 9 439 000	R 8 216 000	R 7 741 490	R 7 219 921
Benefits paid	-R 8 508 039	-R 14 538 000	-R 12 331 000	-R 12 646 000
Actuarial Loss / (Gain)	-R 7 202 961	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 82 946 000	R 76 624 000	R 72 034 490	R 66 608 411

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 82 946 000	R 76 624 000	R 72 034 490	R 66 608 411
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 9 439 000	R 8 216 000	R 7 741 490	R 7 219 921
Actuarial Loss / (Gain) recognised in Other Comprehensive Income	-R 7 202 961	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 13 099 000	R36 456 000	R33 391 000	R82 946 000

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	1	R 4 220	R 656 940
60 - 69	0	R 0	R 0
70 - 79	39	R 6 350	R 498 590
80 - 89	7	R 5 090	R 320 770
90 +	0	R 0	R 0
Total	47	R 6 120	R 475 479

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	-	R 0
20 - 29	0	R 0	-	R 0
30 - 39	0	R 0	-	R 0
40 - 49	0	R 0	-	R 0
50 - 59	49	R 267 590	12,56	R 250 491
60 +	54	R 277 031	12,40	R 310 387
Total	103	R 272 540	12,48	R 281 893

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from 1 January 2024)

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
Keyhealth	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold 1		R 6 333,00	R 4 283,00	R 1 244,00
	Gold		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium 1		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00
Bonitas	BonSave		R 3 447,00	R 2 671,00	R 1 032,00
	BonComplete		R 5 359,00	R 4 293,00	R 1 455,00
	BonComprehensive		R 9 853,00	R 9 292,00	R 2 006,00
	BonClassic		R 6 732,00	R 5 780,00	R 1 662,00
	BonEssential		R 2 287,00	R 1 690,00	R 739,00
	BonEssential Select		R 1 998,00	R 1 464,00	R 659,00
	BonFit Select		R 2 295,00	R 1 719,00	R 772,00
	Standard Select		R 4 448,00	R 3 849,00	R 1 302,00
	Standard		R 4 922,00	R 4 267,00	R 1 444,00
	Primary		R 2 993,00	R 2 341,00	R 952,00
	Primary Select		R 2 619,00	R 2 048,00	R 832,00
	Boncap 1	0 - 10,680	R 1 430,00	R 1 430,00	R 673,00
	Boncap 2	10681 - 17330	R 1 745,00	R 1 745,00	R 802,00
	Boncap 3	17331 - 22541	R 2 813,00	R 2 813,00	R 1 064,00
	Boncap 4	23542+	R 3 453,00	R 3 453,00	R 1 310,00

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
Hosmed	Plus		R 7 227,00	R 6 893,00	R 1 577,00
	Titanium Executive		R 8 415,00	R 7 446,00	R 1 719,00
	Value		R 4 401,00	R 4 226,00	R 1 175,00
	Value Core		R 4 051,00	R 3 887,00	R 1 079,00
	Access Saver 25%		R 3 092,00	R 2 669,00	R 619,00
	Access Core		R 2 418,00	R 2 085,00	R 486,00
	Gold Ascend EDO		R 3 250,00	R 3 119,00	R 895,00
	Gold Ascend		R 3 418,00	R 3 282,00	R 944,00
	Platinum Enhanced		R 4 747,00	R 4 457,00	R 1 298,00
	Platinum Enhanced EDO		R 4 511,00	R 4 320,00	R 1 150,00
	Essential 1	0 - 8,500	R 1 870,00	R 1 870,00	R 650,00
	Essential 2	8,501 - 13,000	R 2 240,00	R 2 240,00	R 829,00
	Essential 3	13,001 +	R 2 839,00	R 2 839,00	R 846,00
Samwumed	A 1	R0 - R4020	R 1 585,00	R 1 585,00	R 559,00
	A 2	R4021 - R6490	R 1 872,00	R 1 872,00	R 657,00
	A 3	R6491- R9990	R 2 383,00	R 2 383,00	R 832,00
	A 4	R9991+	R 2 617,00	R 2 617,00	R 923,00
	B 1	R0 - R5970	R 2 639,00	R 2 639,00	R 926,00
	B 2	R5971- R8240	R 3 193,00	R 3 193,00	R 1 121,00
	B 3	R8241- R15240	R 3 272,00	R 3 272,00	R 1 150,00
	B 4	R15241+	R 3 618,00	R 3 618,00	R 1 192,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

Since this is the first time this valuation was done, we were not able to do a more detailed breakdown of the actuarial loss shown in the detailed results section. We did however check the following calculated results for reasonability:

Average age of eligible members and pensioners;

Average years of service;

Average employer contributions; and

Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 23 915 000	R 22 348 000	R 21 676 000	R 21 109 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 169 000	R 2 063 000	R 2 038 000	R 1 988 000
Benefits paid	-R 2 305 923	-R 2 735 000	-R 2 605 000	-R 2 466 000
Actuarial Loss / (Gain)	-R 1 430 077	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 22 348 000	R 21 676 000	R 21 109 000	R 20 631 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 22 348 000	R 21 676 000	R 21 109 000	R 20 631 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 169 000	R 2 063 000	R 2 038 000	R 1 988 000
Actuarial Loss / (Gain) recognized in OCI	-R 1 430 077	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 2 486 000	R6 935 000	R12 927 000	R22 348 000

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 29 073 000	R 29 035 000	R 23 624 000	R 21 939 158
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 678 000	R 2 508 000	R 2 170 158	R 1 916 914
Benefits paid	-R 4 077 070	-R 7 919 000	-R 3 855 000	-R 5 549 000
Actuarial Loss / (Gain)	R 1 361 070	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 29 035 000	R 23 624 000	R 21 939 158	R 18 307 072

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 29 035 000	R 23 624 000	R 21 939 158	R 18 307 072
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 678 000	R 2 508 000	R 2 170 158	R 1 916 914
Actuarial Loss / (Gain) recognized in OCI	R 1 361 070	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 7 199 000	R14 014 000	R7 822 000	R29 035 000

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	0	R 0	R 0
70 - 79	13	R 5 580	R 439 160
80 - 89	4	R 5 260	R 336 590
90 +	0	R 0	R 0
Total	17	R 5 500	R 415 029

Housing Subsidies

Eligible employees:

Age band	Number of active employees	Average Subsidy	Subsidy weighted average past service	Average Accrued Liability
20 - 29	0	R 0	-	R 0
30 - 39	0	R 0	-	R 0
40 - 49	0	R 0	-	R 0
50 - 59	27	R 1 070	36,89	R 79 655
60 +	30	R 1 070	38,25	R 87 677
Total	57	R 1 070	37,60	R 83 877

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	-	R 0
20 - 29	0	R 0	-	R 0
30 - 39	0	R 0	-	R 0
40 - 49	0	R 0	-	R 0
50 - 59	55	R 327 243	8,43	R 214 648
60 +	51	R 313 071	9,47	R 266 890
Total	106	R 320 424	8,92	R 239 783

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from 1 January 2024):

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
	Keyhealth				
	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold		R 6 333,00	R 4 283,00	R 1 244,00
	Gold 1		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium 1		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

We also checked the following calculated results for reasonability:

Average age of eligible members and pensioners;

Average years of service;

Average employer contributions; and

Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 7 552 000	R 7 055 000	R 6 733 000	R 6 458 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 681 000	R 609 000	R 591 000	R 568 000
Benefits paid	-R 908 454	-R 931 000	-R 866 000	-R 803 000
Actuarial Loss / (Gain)	-R 269 546	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 7 055 000	R 6 733 000	R 6 458 000	R 6 223 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 7 055 000	R 6 733 000	R 6 458 000	R 6 223 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 681 000	R 609 000	R 591 000	R 568 000
Actuarial Loss / (Gain) recognized in OCI	-R 269 546	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 851 128	R2 289 186	R 3 915 175	R 7 055 489

Housing Subsidies

Assuming that the post-employment housing subsidy policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 5 206 000	R 4 781 000	R 5 345 000	R 5 972 000
Current Service Cost	R 128 000	R 117 000	R 128 000	R 140 000
Interest Cost	R 513 000	R 454 000	R 507 000	R 567 000
Benefits paid	R 0	-R 7 000	-R 8 000	-R 9 000
Actuarial Loss / (Gain)	-R 1 066 000	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 4 781 000	R 5 345 000	R 5 972 000	R 6 670 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 4 781 000	R 5 345 000	R 5 972 000	R 6 670 000
Current Service Cost	R 128 000	R 117 000	R 128 000	R 140 000
Interest Cost	R 513 000	R 454 000	R 507 000	R 567 000
Actuarial Loss / (Gain) recognized in OCI	-R 1 066 000	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 6 399	R28 211	R 5 171 600	R 5 206 211

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 26 599 000	R 25 417 000	R 24 106 000	R 22 491 417
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 485 000	R 2 220 000	R 2 088 417	R 1 810 964
Benefits paid	-R 3 219 694	-R 3 531 000	-R 3 703 000	-R 6 387 000
Actuarial Loss / (Gain)	-R 447 307	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 25 417 000	R 24 106 000	R 22 491 417	R 17 915 382

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 25 417 000	R 24 106 000	R 22 491 417	R 17 915 382
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 485 000	R 2 220 000	R 2 088 417	R 1 810 964
Actuarial Loss / (Gain) recognized in OCI	-R 447 307	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 3 228 070	R13 982 145	R 8 206 817	R 25 417 032

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	0	R 0	R 0
70 - 79	2	R 2 840	R 341 710
80 - 89	0	R 0	R 0
90 +	0	R 0	R 0
Total	2	R 2 840	R 341 713

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from 1 January 2024):

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

We checked the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 – IAS19/GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 671 000	R 683 000	R 687 000	R 690 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 75 000	R 74 000	R 74 000	R 74 000
Benefits paid	-R 68 088	-R 70 000	-R 71 000	-R 72 000
Actuarial Loss / (Gain)	R 5 088	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 683 000	R 687 000	R 690 000	R 692 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 683 000	R 687 000	R 690 000	R 692 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 75 000	R 74 000	R 74 000	R 74 000
Actuarial Loss / (Gain) recognized in the OCI	R 5 088	R 0	R 0	R 0

Maturity Analysis

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 62 863	R 198 287	R 422 276	R 683 426

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	0	R 0	R 0
70 - 79	11	R 5 720	R 399 910
80 - 89	0	R 0	R 0
90 +	0	R 0	R 0
Total	11	R 5 720	R 399 907

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands, and the tables are effective from 1 January 2024)

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
Keyhealth	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold 1		R 6 333,00	R 4 283,00	R 1 244,00
	Gold		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium 1		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00
Bonitas	BonSave		R 3 447,00	R 2 671,00	R 1 032,00
	BonComplete		R 5 359,00	R 4 293,00	R 1 455,00
	BonComprehensive		R 9 853,00	R 9 292,00	R 2 006,00
	BonClassic		R 6 732,00	R 5 780,00	R 1 662,00
	BonEssential		R 2 287,00	R 1 690,00	R 739,00
	BonEssential Select		R 1 998,00	R 1 464,00	R 659,00
	BonFit Select		R 2 295,00	R 1 719,00	R 772,00
	Standard Select		R 4 448,00	R 3 849,00	R 1 302,00
	Standard		R 4 922,00	R 4 267,00	R 1 444,00
	Primary		R 2 993,00	R 2 341,00	R 952,00
	Primary Select		R 2 619,00	R 2 048,00	R 832,00
	Boncap 1	0 - 10,680	R 1 430,00	R 1 430,00	R 673,00
	Boncap 2	10681 - 17330	R 1 745,00	R 1 745,00	R 802,00
	Boncap 3	17331 - 22541	R 2 813,00	R 2 813,00	R 1 064,00
	Boncap 4	23542+	R 3 453,00	R 3 453,00	R 1 310,00

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
Hosmed	Plus		R 7 227,00	R 6 893,00	R 1 577,00
	Titanium Executive		R 8 415,00	R 7 446,00	R 1 719,00
	Value		R 4 401,00	R 4 226,00	R 1 175,00
	Value Core		R 4 051,00	R 3 887,00	R 1 079,00
	Access Saver 25%		R 3 092,00	R 2 669,00	R 619,00
	Access Core		R 2 418,00	R 2 085,00	R 486,00
	Gold Ascend EDO		R 3 250,00	R 3 119,00	R 895,00
	Gold Ascend		R 3 418,00	R 3 282,00	R 944,00
	Platinum Enhanced		R 4 747,00	R 4 457,00	R 1 298,00
	Platinum Enhanced EDO		R 4 511,00	R 4 320,00	R 1 150,00
	Essential 1	0 - 8,500	R 1 870,00	R 1 870,00	R 650,00
	Essential 2	8,501 - 13,000	R 2 240,00	R 2 240,00	R 829,00
	Essential 3	13,001 +	R 2 839,00	R 2 839,00	R 846,00
Samwumed	A 1	R0 - R4020	R 1 585,00	R 1 585,00	R 559,00
	A 2	R4021 - R6490	R 1 872,00	R 1 872,00	R 657,00
	A 3	R6491- R9990	R 2 383,00	R 2 383,00	R 832,00
	A 4	R9991+	R 2 617,00	R 2 617,00	R 923,00
	B 1	R0 - R5970	R 2 639,00	R 2 639,00	R 926,00
	B 2	R5971- R8240	R 3 193,00	R 3 193,00	R 1 121,00
	B 3	R8241- R15240	R 3 272,00	R 3 272,00	R 1 150,00
	B 4	R15241+	R 3 618,00	R 3 618,00	R 1 192,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

Since this is the first time this valuation was done, we were not able to do a more detailed breakdown of the actuarial loss shown in the detailed results section. We did however check the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 4 380 000	R 4 399 000	R 4 209 000	R 4 026 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 441 000	R 435 000	R 423 000	R 404 000
Benefits paid	-R 590 713	-R 625 000	-R 606 000	-R 586 000
Actuarial Loss / (Gain)	R 168 713	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 4 399 000	R 4 209 000	R 4 026 000	R 3 844 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 4 399 000	R 4 209 000	R 4 026 000	R 3 844 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 441 000	R 435 000	R 423 000	R 404 000
Actuarial Loss / (Gain)	R 168 713	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 564 000	R1 619 000	R2 216 000	R4 399 000

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	1	R 4 220	R 442 630
70 - 79	4	R 5 750	R 599 280
80 - 89	1	R 7 080	R 499 870
90 +	0	R 0	R 0
Total	6	R 5 720	R 556 605

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	-	R 0
20 - 29	0	R 0	-	R 0
30 - 39	0	R 0	-	R 0
40 - 49	57	R 254 916	4,16	R 55 773
50 - 59	393	R 239 825	4,96	R 81 127
60 +	123	R 233 729	7,10	R 144 155
Total	573	R 240 017	5,32	R 92 134

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands, and the tables are effective from 1 January 2024)

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
Keyhealth	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold		R 6 333,00	R 4 283,00	R 1 244,00
	Gold 1		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium 1		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

We did check the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 2 810 000	R 3 340 000	R 3 304 000	R 3 280 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 281 000	R 328 000	R 328 000	R 326 000
Benefits paid	-R 328 341	-R 364 000	-R 352 000	-R 338 000
Actuarial Loss / (Gain)	R 577 341	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 3 340 000	R 3 304 000	R 3 280 000	R 3 268 000

Amounts recognised in the balance sheet and the income statement:

All actuarial losses/gains arising were recognized immediately.

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 3 340 000	R 3 304 000	R 3 280 000	R 3 268 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 281 000	R 328 000	R 328 000	R 326 000
Actuarial Loss / (Gain) recognized in OCI	R 577 341	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 329 480	R943 713	R 2 066 437	R 3 339 630

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 56 997 000	R 52 793 000	R 52 434 000	R 52 401 577
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 5 885 000	R 5 238 000	R 5 218 577	R 5 045 395
Benefits paid	-R 3 509 448	-R 5 597 000	-R 5 251 000	-R 8 492 000
Actuarial Loss / (Gain)	-R 6 579 552	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 52 793 000	R 52 434 000	R 52 401 577	R 48 954 972

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 52 793 000	R 52 434 000	R 52 401 577	R 48 954 972
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 5 885 000	R 5 238 000	R 5 218 577	R 5 045 395
Actuarial Loss / (Gain) recognized in OCI	-R 6 579 552	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 5 066 200	R19 412 665	R 28 313 996	R 52 792 861

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	0	R 0	R 0
70 - 79	23	R 4 440	R 414 620
80 - 89	2	R 3 170	R 229 990
90 +	0	R 0	R 0
Total	25	R 4 340	R 399 853

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	-	R 0
20 - 29	0	R 0	-	R 0
30 - 39	0	R 0	-	R 0
40 - 49	5	R 242 287	2,53	R 31 986
50 - 59	80	R 263 991	7,04	R 141 375
60 +	129	R 260 729	7,36	R 173 846
Total	214	R 261 518	7,14	R 158 393

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from 1 January 2024):

Medical Aid Scheme	Medical Aid Option	Lower Limit Salary	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
Keyhealth	Platinum		R 11 308,00	R 7 929,00	R 2 388,00
	Gold		R 6 333,00	R 4 283,00	R 1 244,00
	Gold 1		R 7 036,00	R 4 758,00	R 1 382,00
	Silver		R 4 799,00	R 2 582,00	R 1 002,00
	Equilibrium		R 2 576,00	R 1 591,00	R 792,00
	Equilibrium 1		R 2 778,00	R 1 716,00	R 854,00
	Origin		R 2 250,00	R 1 603,00	R 733,00
	Essence		R 1 990,00	R 1 595,00	R 717,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

We checked the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 10 241 000	R 9 996 000	R 9 611 000	R 9 239 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 897 000	R 843 000	R 813 000	R 782 000
Benefits paid	-R 1 137 199	-R 1 228 000	-R 1 185 000	-R 1 137 000
Actuarial Loss / (Gain)	-R 4 801	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 9 996 000	R 9 611 000	R 9 239 000	R 8 884 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 9 996 000	R 9 611 000	R 9 239 000	R 8 884 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 897 000	R 843 000	R 813 000	R 782 000
Actuarial Loss / (Gain) recognized in OCI	-R 4 801	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 1 126 404	R3 310 809	R 5 559 123	R 9 996 336

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 40 194 000	R 33 896 000	R 23 640 000	R 20 887 424
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 826 000	R 2 050 000	R 1 921 424	R 1 603 390
Benefits paid	-R 6 159 900	-R 12 306 000	-R 4 674 000	-R 6 221 000
Actuarial Loss / (Gain)	-R 2 964 100	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 33 896 000	R 23 640 000	R 20 887 424	R 16 269 814

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 33 896 000	R 23 640 000	R 20 887 424	R 16 269 814
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 2 826 000	R 2 050 000	R 1 921 424	R 1 603 390
Actuarial Loss / (Gain) recognized in OCI	-R 2 964 100	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 11 287 889	R14 289 902	R 8 318 336	R 33 896 127

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	0	R 0	R 0
70 - 79	3	R 4 240	R 446 320
80 - 89	1	R 2 120	R 125 940
90 +	0	R 0	R 0
Total	4	R 3 710	R 366 222

Housing Subsidies

Eligible employees:

Age band	Number of active employees	Average Subsidy	Subsidy weighted average past service	Average Accrued Liability
20 - 29	0	R 0	0	R 0
30 - 39	0	R 0	0	R 0
40 - 49	0	R 0	0	R 0
50 - 59	0	R 0	0	R 0
60 +	1	R 1 010	45,07	R 82 595
Total	1	R 1 010	45,07	R 82 595

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	0,00	R 0
20 - 29	0	R 0	0,00	R 0
30 - 39	0	R 0	0,00	R 0
40 - 49	0	R 0	0,00	R 0
50 - 59	1	R 252 171	8,36	R 171 067
60 +	9	R 359 832	13,93	R 467 637
Total	10	R 349 065	13,52	R 437 980

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from **1 January 2024**):

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

Since this is the first time this valuation was done, we were not able to do a more detailed breakdown of the actuarial loss shown in the detailed results section. We did however check the following calculated results for reasonability:

- Average age of eligible members and pensioners;
- Average years of service;
- Average employer contributions; and
- Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 1 775 000	R 1 465 000	R 1 407 000	R 1 351 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 156 000	R 123 000	R 118 000	R 114 000
Benefits paid	-R 198 204	-R 181 000	-R 174 000	-R 167 000
Actuarial Loss / (Gain)	-R 267 796	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 1 465 000	R 1 407 000	R 1 351 000	R 1 298 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 1 465 000	R 1 407 000	R 1 351 000	R 1 298 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 156 000	R 123 000	R 118 000	R 114 000
Actuarial Loss / (Gain) recognized in OCI	-R 267 796	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 166 114	R486 764	R 812 009	R 1 464 887

Housing Subsidies

Assuming that the post-employment housing subsidy policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 83 000	R 83 000	R 79 859	R 75 503
Current Service Cost	R 2 000	R 2 000	R 2 000	R 2 000
Interest Cost	R 8 000	R 7 000	R 7 000	R 6 000
Benefits paid	R 0	-R 12 141	-R 13 355	-R 14 851
Actuarial Loss / (Gain)	-R 10 000	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 83 000	R 79 859	R 75 503	R 68 652

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 83 000	R 79 859	R 75 503	R 68 652
Current Service Cost	R 2 000	R 2 000	R 2 000	R 2 000
Interest Cost	R 8 000	R 7 000	R 7 000	R 6 000
Actuarial Loss / (Gain) recognized in OCI	-R 10 000	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 11 143	R45 265	R 26 188	R 82 595

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 5 206 000	R 4 380 000	R 2 623 000	R 2 561 327
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 398 000	R 300 000	R 222 327	R 163 840
Benefits paid	-R 2 494 118	-R 2 057 000	-R 284 000	-R 1 466 000
Actuarial Loss / (Gain)	R 1 270 118	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 4 380 000	R 2 623 000	R 2 561 327	R 1 259 167

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 4 380 000	R 2 623 000	R 2 561 327	R 1 259 167
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 398 000	R 300 000	R 222 327	R 163 840
Actuarial Loss / (Gain) recognized in OCI	R 1 270 118	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 1 887 828	R1 534 190	R 957 780	R 4 379 798

Appendix 1 - Detailed Summary of membership data

Post-employment Medical aid

Continuation Members:

Age band	Number of active employees	Average Subsidy	Average Accrued Liability
-50	0	R 0	R 0
50 - 59	0	R 0	R 0
60 - 69	1	R 2 950	R 486 940
70 - 79	1	R 1 740	R 174 910
80 - 89	0	R 0	R 0
90 +	0	R 0	R 0
Total	2	R 2 350	R 330 925

Retirement Gratuities

Eligible Employees

Age band	Number of employees	Average Annual Salary	Salary weighted average past service	Average Accrued Liability
<20	0	R 0	0,00	R 0
20 - 29	0	R 0	0,00	R 0
30 - 39	0	R 0	0,00	R 0
40 - 49	0	R 0	0,00	R 0
50 - 59	3	R 915 283	6,02	R 421 896
60 +	2	R 341 157	11,17	R 367 048
Total	5	R 685 633	7,05	R 399 957

Appendix 2 – Contribution Tables

The Medical Aid Monthly Contribution tables used in the calculations are as follows (all amounts are shown in South African Rands and the tables are effective from **1 January 2024**)

Medical Aid Scheme	Medical Aid Option	Lower Salary Limit	Principal Member	Adult Dependant	Child Dependant
LA Health	Comprehensive		R 9 379,00	R 7 161,00	R 2 274,00
	Active		R 3 539,00	R 2 380,00	R 1 174,00
	Core		R 6 998,00	R 6 317,00	R 2 091,00
	Focus		R 2 904,00	R 1 875,00	R 852,00
	Key Plus 1	0 - 11100	R 1 390,00	R 1 214,00	R 508,00
	Key Plus 2	11101 - 15500	R 1 465,00	R 1 282,00	R 535,00
	Key Plus 3	15501 +	R 2 207,00	R 1 964,00	R 824,00
Bonitas	BonSave		R 3 447,00	R 2 671,00	R 1 032,00
	BonComplete		R 5 359,00	R 4 293,00	R 1 455,00
	BonComprehensive		R 9 853,00	R 9 292,00	R 2 006,00
	BonClassic		R 6 732,00	R 5 780,00	R 1 662,00
	BonEssential		R 2 287,00	R 1 690,00	R 739,00
	BonEssential Select		R 1 998,00	R 1 464,00	R 659,00
	BonFit Select		R 2 295,00	R 1 719,00	R 772,00
	Standard Select		R 4 448,00	R 3 849,00	R 1 302,00
	Standard		R 4 922,00	R 4 267,00	R 1 444,00
	Primary		R 2 993,00	R 2 341,00	R 952,00
	Primary Select		R 2 619,00	R 2 048,00	R 832,00
	Boncap 1	0 - 10,680	R 1 430,00	R 1 430,00	R 673,00
	Boncap 2	10681 - 17330	R 1 745,00	R 1 745,00	R 802,00
	Boncap 3	17331 - 22541	R 2 813,00	R 2 813,00	R 1 064,00
	Boncap 4	23542+	R 3 453,00	R 3 453,00	R 1 310,00

Appendix 3 - Data validation summary

The following validations were performed during the course of the valuation:

Overview

For each of the datasets received we checked for missing values in each data field. We also performed the following reasonability checks on these data fields: dates are valid, ages are within reasonable ranges, salaries are within reasonable ranges; years of service are within reasonable ranges; and that Medical aid contributions paid are in line with standard tables for each medical aid option.

Result Validations

We compared the average salary, number of members, average years of service and average liability for each age band. We also did sensitivity testing on the results to gauge the sensitivity of the results to our key assumptions.

Since this is the first time this valuation was done, we were not able to do a more detailed breakdown of the actuarial loss shown in the detailed results section. We did however check the following calculated results for reasonability:

Average age of eligible members and pensioners;

Average years of service;

Average employer contributions; and

Sensitivity of the Liability to changes in assumptions.

For the purposes of our valuation, we assumed that the data provided to us by the Municipality is correct.

Appendix 4 –GRAP 25 compliance tables

GRAP 25 deals with the recognition of the cost of employee benefits, on an accruals basis, in accounts. Please note that this section is given for illustrative purposes only, it remains the responsibility of management to correctly reflect this in the Municipality's accounts.

Assuming that the post-employment medical aid subsidy policy stays the same and that the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future service cost can be projected as follows:

Post-employment Medical aid

Assuming that the post-employment medical aid subsidy policy stays the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 662 000	R 662 000	R 663 000	R 662 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 62 000	R 59 000	R 59 000	R 59 000
Benefits paid	-R 64 369	-R 58 000	-R 60 000	-R 61 000
Actuarial Loss / (Gain)	R 2 369	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 662 000	R 663 000	R 662 000	R 660 000

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 662 000	R 663 000	R 662 000	R 660 000
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 62 000	R 59 000	R 59 000	R 59 000
Actuarial Loss / (Gain) recognized in the OCI	R 2 369	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 53 067	R182 133	R 426 703	R 661 903

Retirement Gratuities

Assuming that the Retirement Gratuity policy stay the same and the actuarial assumptions are borne out in practice the Municipality's unfunded accrued liability and future expenses can be projected as follows:

Changes in the value of the obligation

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
PV of the obligation as at the previous valuation date	R 1 868 000	R 2 000 000	R 1 415 000	R 1 546 540
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 151 000	R 152 000	R 131 540	R 143 768
Benefits paid	R 0	-R 737 000	R 0	R 0
Actuarial Loss / (Gain)	-R 19 000	R 0	R 0	R 0
PV of the obligation as at the current valuation date	R 2 000 000	R 1 415 000	R 1 546 540	R 1 690 307

Amounts recognised in the annual financial statements:

	Current Valuation Date	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Liability recognised in the balance sheet	R 2 000 000	R 1 415 000	R 1 546 540	R 1 690 307
Current Service Cost	R 0	R 0	R 0	R 0
Interest Cost	R 151 000	R 152 000	R 131 540	R 143 768
Actuarial Loss / (Gain) recognized in the OCI	-R 19 000	R 0	R 0	R 0

Maturity Analysis:

The table below provides a maturity analysis based on the expected future benefit payments. It should be noted that these are discounted figures and may change if actual future experience deviates from current assumptions used in the valuation.

Category	1 Year Projection	2 – 5 Year Projection	5+ Year Projection	Total
Present Value of Future Benefit Payments	R 674 315	R757 228	R 568 239	R 1 999 783