COJ: GOVERNANCE TECHNICAL CLUSTER	2024-03-
COJ: EMT	2024-03-
COJ: DECEMBER MAYORAL COMMITTEE	2024-03-
GROUP ACCOUNTING	

CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 31 DECEMBER 2023

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

1. STRATEGIC THRUST

Good Governance

Financial Sustainability

2. OBJECTIVE

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

This report sets out the progress on the financial performance of the City of Johannesburg against the budget for the period ended 31 December 2023, in compliance with section 71 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

3. SUMMARY

The attached in-year report (Annexure A) provides a high-level summary of Consolidated Monthly budget statement period ending December 2023 in the prescribed format. Material variances will be briefly referred to in this report. Reasons for variances are provided for material variances that are below 5% for revenue and above 5% for expenditure.

The actual year-to-date revenue variance is 0%, R2.3 million under performance [December 2022: -6%]. The actual operating expenditure is over budget by 1%, R319 million [December 2022: -7%]. The net result is an operating deficit of R564 million against a year-to-date (YTD) budgeted deficit of R242 million.

The Capital budget for the 2023/24 financial year amounts to R7.6 billion after the approval of the medium-term budget in Council. The total actual expenditure (excluding commitments) to date amounts to R2.2 billion (28%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of December 2023 were R5.4 billion and R4. 7 billion respectively. This shows a decrease of R715 million during the month as indicated in Table 1 below.

Dec 23	OPENING R	CLOSING R
Operational Call Deposits	1 047 567 365,71	1 646 616 164,31
Operational Term Deposits	868 362 599,18	-
Standard Bank Primary Account Balance	845 701 798,76	9 270 887,82
Absa Primary Account Balance	45 390 913,58	90 703 172,05
TOTAL UNENCUMBERED	**2 797 022 677,23**	**1 746 590 214,18**
Contingency Reserve Fund	1 177 076,28	1 177 076,28
Unfunded Liability Fund	2 030 000,00	2 030 000,00
COID	279 500 000,00	279 500 000,00
Capital Grants	-	-
Capital Replacement Reserve	1 418 662 876,62	1 292 061 046,85
Non-Sweeping Bank Accounts	953 347 628,97	1 415 628 244,26
TOTAL ENCUMBERED	**2 654 707 581,87**	**2 990 296 367,39**
TOTAL INVESTMENTS	**5 451 730 259,11**	**4 736 886 581,57**

Table 1: Cash Balances as of 31 December 2023; Source – Bank Statements

Dec 23	OPENING R	CLOSING R
Cash and Cash Equivalents	1 443 241 849,84	1 459 462 615,36
Interest Rate swaps	-145 858 577,32	-112 538 287,41
Tradable Instruments Portfolio	366 139 480,50	364 532 507,00
TOTAL SINKING FUND INVESTMENTS	**1 663 522 753,02**	**1 711 456 834,95**

Table 1a: Sinking Fund Balance as at 31 December 2023: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R1 billion during the month, which was primarily driven by the decrease in the primary bank account and operational call and term deposits.

- Total encumbered balances increased by R335 million during this same period, with the decrease being in the capital replacement reserve portfolio. The combined movement resulted in the overall total balance decrease of R715 billion.

- The Sinking Fund balances closed R47.9 million higher at R1.7 billion, with an increase of R16 million in the cash and cash equivalents as well as a decrease of R1.6 million in the tradable instrument's portfolios. The interest rate swaps reflect a positive movement of R 33 million during the month of December.

Cash movements analysis:

Inflows for the month of December amounted to R8.5 billion versus outflows of R9.2 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was a decrease of R715 million as depicted in Table 1.1 below.

Dec 23	
Description	R
Cash Collections	3 811 170 178,82
Revenue cash collections paid into Primary and Ordinary bank accounts	228 627 867,64
Direct Payments into MOE Revenue accounts	11 337 074,98
Prepaid Collections	159 940 617,25
Other Income (Interest Received, Vat Refund, Licensing Fees)	318 539 590,99
Operating Grants and Subsidies	3 515 615 000,00
Positive Sweepings and Non-Sweeping Movements	452 303 141,89
Total Cash Inflows	8 497 533 471,57
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-7 629 571 478,41
Negative Sweepings and Non-Sweeping Movements	-1 582 805 670,70
Total Cash Outflows	-9 212 377 149,11
Net Movement	-714 843 677,54

Summary Table 1.1 Cash Movements as at 31 December 2023

Treasury transactions include loan repayments and finance charges as per the Redemption Schedule.

Cash outflows were more than the inflows resulting in a negative net movement on the overall cash balances. The inflows for the month of December include cash collection (R3.8 billion), receipts paid directly into MOE bank accounts (R11 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R229 million).

Included in operating grants and subsidies are the following 2nd tranches of grants received in December:

- Equitable Share R2.2 billion

- Fuel Levy R1.3 billion

- EPWP R6.3 million

The table below indicates the level of grant funding received year to date up to 31 December 2023.

Grant Name	YTD Forecast per National Treasury Schedule R	YTD Actual per Adjusted National Treasury Schedule R	Variance R
Operational			
Equitable Share Grant	5 289 866 000,00	5 168 564 000,00	-121 301 000
Fuel Levy Grant	2 559 150 000,00	2 559 150 000,00	-
Total Operational Grants	7 849 015 000,00	7 727 714 000,00	-121 301 000
Conditional			
Urban Settlements Development Grant	985 596 000,00	985 596 000,00	-
Informal Settlements Upgrading Partnership Grant	378 129 000,00	378 129 000,00	-
Public Transport Network Grant	662 861 000,00	662 861 000,00	-
Neighbourhood Development Partnership Grant	66 289 000,00	66 289 000,00	-
Infrastructure Skills Develoment Grant	3 000 000,00	3 000 000,00	-
Programme and Project Preparation Support Grant	20 000 000,00	20 000 000,00	-
Expanded Public Works Programme	9 784 000,00	9 784 000,00	-
Financial Management Grant	1 000 000,00	1 000 000,00	-
Total Conditional Grants	2 128 659 000,00	2 128 659 000,00	-
Total Local Government Grants	9 978 674 000,00	9 854 373 000,00	-121 301 000

Table 4.1 – Source: National Treasury and Bank Statements

The table below indicates the year-to-date expenditure on conditional grants as at 31 December 2023 against FY2023/24 allocations.

FY2023/24				
Conditional Grant Name	YTD Allocations received R	Expenditure R	Unspent R	% Expenditure against YTD Allocations received
USDG	985 596 000,00	488 385 621,95	497 210 378,05	50%
ISUPG	378 129 000,00	168 800 837,78	209 328 162,22	45%
PTNG	662 861 000,00	88 494 000	574 367 000,00	13%
NDPG	66 289 000,00	34 420 565,00	31 868 435,00	52%
ISDG	3 000 000,00	2 131 497	868 503,00	71%
EPWP	9 784 000,00	6 367 998	3 416 002,00	65%
FMG	1 000 000,00	499 758	500 242,00	50%
PPPSG	20 000 000,00	12 036 197	7 963 803,33	60%
Totals	**2 126 659 000,00**	**801 136 474,40**	**1 325 522 525,60**	**38%**

Table 4.2: Local Government Grants in R'000; Source – Monthly Reporting by Grant Owners

Funding Activities:

Short-term funding facilities are utilised to assist with liquidity management within the financial year. According to the funding plan, an amount of R3 billion has been approved for the current financial year.

EXTERNAL FUNDING CY2023/24		
Banks	Available Facility R	Utilized Facility R
STD Bank	675 000 000,00	-
DBSA	2 400 000 000,00	2 400 000 000,00
Total	3 076 000 000,00	2 400 000 000,00

External Facilities; Source – CoJ Treasury

The STD Bank facility of R675 million is part of the Commercial Banking Services rendered by Standard Bank and R675 million of this was utilized and repaid on the 1st of December 2023. A short-term loan amounting to R2.4 billion was received in November 2023 from the DBSA and in terms of section 46 of the MFMA, will be repaid by 30 June 2024.

Profit and cost centres movements analysis

According to the City's business model, key cash generators are City Power, Joburg Water, Pikitup and Rates & Taxes. Cash generators or profit centres fund overall City operations including City cost centres like the Community Development Department. Table 3 below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 31 December 2023 for all MOEs.

As depicted in the sweeping statements for the month ended 31 December 2023, City Power, JDA, Joburg Water, Metrobus, Joshco, Propcom Portfolio, JHB Roads and MTC were overdrawn.

Entity	End of November Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of December Balance R
City Power	**-14 090 110 266,53**	1 654 446 985,81	-2 354 413 206,37	-699 966 220,56	**-14 790 076 487,09**
Joburg Water	**167 107 773,10**	**1 133 911 225,84**	**-2 092 272 283,96**	**-958 361 058,12**	**-791 253 285,02**
Pikitup	1 185 621 448,00	359 594 413,19	-245 668 425,42	113 925 987,77	1 299 547 435,77
Parks Zoo	946 213 649,52	117 098 144,55	-150 597 876,36	-33 499 731,81	912 713 917,71
Fresh Produce	226 033 205,77	88 294 306,12	-55 430 040,32	32 864 265,80	258 897 471,57
JDA	**-769 566 574,91**	20 131 364,87	-174 680 004,84	-154 548 639,97	**-924 115 214,88**
Joshco	**-1 412 507 284,82**	163 510 961,94	-75 335 807,06	88 175 154,88	**-1 324 332 129,94**
Metro Bus	**-656 718 305,03**	55 754 591,88	-86 226 339,73	-30 471 747,85	**-687 190 052,88**
Propcom	315 367 272,25	11 643 266,93	-35 181 992,61	-23 538 725,68	291 828 546,57
Propcom Portfolio	**-151 598 348,46**	7 093 446,58	-759 283,77	6 334 162,81	**-145 264 185,65**
Roads	**371 526 988,08**	242 992 328,60	-346 213 964,70	-103 221 636,10	**268 305 351,98**
MTC	**-217 010 443,22**	**76 796 206,16**	**-117 187 029,50**	**-40 390 823,34**	**-257 401 266,56**
JTC	58 211 371,58	7 667 252,98	-240 851,87	7 426 401,11	65 637 772,69
Core	19 479 239 579,62	8 251 242 406,07	-7 170 813 472,55	1 080 428 933,52	20 559 588 707,30
Total Sweepings and Balances	**5 451 730 259,11**			**-714 843 677,54**	**4 736 886 581,57**

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

Inflows for the month of December versus outflows resulted in a negative net movement of R715 billion.

	YTD Net Movement						
Entity	July 2023 R	Aug 2023 R	Sept 2023 R	Oct 2023 R	Nov 2023 R	Dec 2023 R	YTD R
City Power	-1 898 105 046,47	-363 778 617,72	-1 693 591 140,55	-115 716 956,43	38 593 764,26	-699 966 220,56	-4 732 564 227,47
Joburg Water	-1 011 174 104,26	330 082 873,19	-415 417 098,85	-222 871 469,73	-80 476 731,50	-958 361 058,12	-2 358 217 839,27
Pikitup	75 274 289,80	319 289 087,46	109 888 121,07	-74 632 325,20	177 448 192,26	113 926 987,77	720 979 363,16
Parks Zoo	-158 462 269,13	170 169 804,78	73 554 866,83	-79 567 135,32	-52 895 849,08	-33 499 731,81	-80 701 323,73
Fresh Produce	200 098 562,92	-27 837 299,04	-31 182 135,39	-88 243 090,98	-47 338 061,79	32 864 265,80	38 360 241,52
JDA	-199 670 992,56	35 762 997,20	117 811 277,45	-24 998 167,48	-27 851 627,62	-154 548 639,97	-253 503 142,85
Joshco	-151 168 753,20	-172 384 486,61	-3 234 478,87	-72 776 828,36	100 009 521,30	88 176 154,88	-211 379 648,85
Metro Bus	14 187 893,65	-51 378 206,30	24 333 286,69	23 341 235,98	-124 873 764,63	-30 471 747,85	-144 881 322,66
Propcom	23 881 468,71	63 228 695,65	-9 229 352,34	-61 730 785,60	38 812 060,29	-23 538 725,68	41 324 361,03
Propcom Portfolio	2 363 937,03	-17 064 276,01	28 463 318,51	3 598 131,18	10 161 263,59	6 334 162,81	33 946 635,11
Roads	-285 084 156,34	-39 718 503,03	7 639 093,75	62 369 464,19	413 749 364,98	-103 221 636,10	61 727 617,43
MTC	-170 764 188,82	17 968 131,80	-103 381 454,09	-6 317 197,94	-75 037 377,71	-40 390 823,34	-376 924 889,30
JTC	-6 780 405,30	11 456 185,65	5 544 630,04	-6 909 313,87	-6 428 048,94	7 426 401,11	4 329 353,68

Table 3.1(a): Sweeping movements analysis.

The above table reflects the ME net sweeping balance movements from the month of July to December 2023.

Table 1: November 2023 Billing & December 2023 Collections; YTD Billing & Collections

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Nov 2023	Dec 2023		YTD: Jun'23 to Nov'23	YTD: Jul'23 to Dec'23	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 410 542	1 138 110	80.7%	8 408 826	7 856 957	93.4%
Electricity	1 702 070	1 690 016	99.3%	10 864 715	10 303 708	94.8%
Water	1 764 331	1 439 046	81.6%	10 149 315	7 391 198	72.8%
Refuse	278 440	203 993	73.3%	1 624 989	1 252 267	77.1%
TOTAL	**5 155 383**	**4 471 165**	**86.7%**	**31 047 845**	**26 804 130**	**86.3%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R5.2 billion in November 2023 with R4.5 billion collected in December 2023 resulting in a monthly collection rate of 86.7%. The year-to-date billing as at 30 November 2023 is R31 billion with R27 billion collected as at 31 December 2023 resulting in a year to date collection rate of 86.3% which is below the budgeted collection rate of 87.3%. There is therefore risk of inadequate cash to fund operational commitments and interventions to improve collections need to be intensified.

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

Reconciliation between Treasury banking and RSSC collections

Description	Dec 2023	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 211 076	25 632 552
Deposits reflected by Treasury in previous month	292 929	683 279
Refunds, Deposits and Sundry Revenue	-208 934	-516 791
Water: Industrial Effluent and Cross-Boundary Sales	32 310	168 539
Difference in electricity and water prepaid sales	-4 199	-8 160
Non-Cash Items:		
Staff Accounts	7 084	46 333
Departmental Settlements	140 899	798 378
Total Revenue as per Revenue Collection Report	**4 471 165**	**26 804 130**

The December 2023 deposits of approximately R292 million are mainly as a result of the monthly timing differences that occur due to electronic payments received at the end of the month and reflected on the Treasury Bank Statement for that month. These deposits are uploaded to the accounts and will only reflect in the following month on the RSSC Revenue Collections Report.

Revenue Performance: Actual vs. Budget

Description		Nov 2023	Dec 2023
Budget Billing	R 000	5 480 420	5 474 267
Actual Billing	R 000	5 155 383	5 153 470
Shortfall (-) / Surplus (+) in Billing	R 000	-325 037	-320 797
Budget Collection	R 000		4 786 802
Actual Revenue Collection	R 000		4 471 165
Shortfall (-) / Surplus (+) in Collections	R 000		-315 637
Actual Billing vs. Budgeted Billing	%	94.1%	94.1%
Actual Collection vs. Budgeted Collection	%		93.4%
Budgeted Collection (Dec) vs Budgeted Billing (Nov)	%		87.3%
Actual Collections (Dec) vs. Actual Billing (Nov)	%		86.7%

The actual billing of R5.2 billion for November 2023 was R325 million below the budgeted billing of R5.5 billion. The actual collection of R5.2 billion for December 2023 was R321 million below the budgeted collection of R5.5 billion. This reflects a risk to the funding of the budget due to performance being below the budgeted targets. The collection rate of 86.7 % for December 2023 was 0.6% above the budgeted collection rate of 87.3%. This under performance will be addressed in the adjustment budget to align projected full year performance with year-to-date performance.

4. POLICY IMPLICATION

None.

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The city is progressively working towards full mSCOA compliance through the SAP Business Transformation Process, with its various release strategies. This report includes the schedules that represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation module and some manual interventions.

6. FINANCIAL IMPLICATIONS

None

7. COMMUNICATION IMPLICATIONS

None.

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

The primary objective of the mSCOA regulation is to achieve uniformity across all governments (municipalities and municipal entities). All municipalities were expected to transact in line with the seven mSCOA segments from 01 July 2017.

The City does not have an mSCOA system for transacting; however, the City is still required to submit financial information to the National Treasury in terms of the seven mSCOA segments, and the project team is currently developing an interim reporting solution. The month 06 mSCOA data strings was submitted to the National Treasury on the 15th January 2024.

9. OTHER DEPARTMENTS/BODIES CONSULTED

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

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

No	Entity/Department	Operational Expenditure	Capital Expenditure
1	Core (All departments)	Yes (Quality certificate outstanding)	Yes
2	City Power	Yes	Yes
3	Joburg Water	Yes	Yes
4	Pikitup	Yes	Yes
5	Joburg Roads Agency	Yes	Yes
6	Joburg Development Agency	Yes	Yes
7	Metrobus	Yes	Yes
8	Joburg City Parks and Zoo	Yes	Yes
9	Joburg Property Company	Yes	Yes
10	Metro Trading Company	Yes	Yes
11	Joburg City Theatres	Yes	Yes
12	JOSCHO	Yes	Yes
13	Joburg Fresh Produce Market	Yes	Yes
14	Joburg Tourism Company	Not submitted in time	Not submitted in time

10. KEY PERFORMANCE INDICATOR

In-year budget monitoring in compliance with the MFMA.

It is recommended that.

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

Author: Matshepiso Sedibe
Assistant Director: Operating Budget Reporting
011 021 2302

CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

08/04/2024
DATE

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

08 April 2024

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

08/04/2024
TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER
DATE

09/04/2024
COUNCILLOR SELLO ENOCK MORERO
MMC GROUP FINANCE
DATE

Annexure A

In-Year Report

Budget year: 2023/24
Reporting Period: Month 06
December 2023

PART 1: IN-YEAR REPORT

1.1 Mayor's Report
On 14 June 2023, Council approved the 2023/24 Medium-term Revenue and Expenditure Framework (MTREF) for the City of Johannesburg. This gives effect to the financial plan of the City of Johannesburg, which includes its entities.

1.2 Executive Summary
The financial results of the City of Johannesburg for period ended 31 December 2023 are summarised as follows:

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

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

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

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

The operating revenue that was realized, excluding capital transfers and contributions, reflects a negative variance of R2.3 million against the YTD budget for the period ended 31 December 2023.

The operating expenditure is overspent by R319 million, against year-to-date expenditure budget of R38 billion.

Summary of Capital Expenditure
The following tables show the total budget (including that of the municipal entities) of R7.6 billion. The actual year to date expenditure (excluding commitments) amounts to R2.2 billion (28%) of the medium-term budget.

Capital Expenditure per funding source as at 31 December 2022:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 830	551	30%
CRR / Cash	3 111	756	24%
Nat Grant	320	0	0%
Prov Grant	-	-	0%
USDG	1 205	451	37%
USIP	685	172	38%
Other	590	210	36%
Total CoJ	7 741	2 141	28%

Capital Expenditure per funding source as at 31 December 2023:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	935	37%
CRR / Cash	2 000	508	25%
Nat Grant	446	13	3%
Prov Grant	-	-	0%
USDG	1 643	488	30%
USIP	715	100	14%
Other	338	130	38%
Total CoJ	7 642	2 174	28%

COJ Loans, cash, National Grant, USDG funding and USIP funding as well as other funding sources have the spending in the current month under review. Provincial grants have not occurred spending to date. When compared to the previous year overall spending (excluding commitments) is still at 28%.

Consolidated Summary - Capital Expenditure as 31 December 2023:

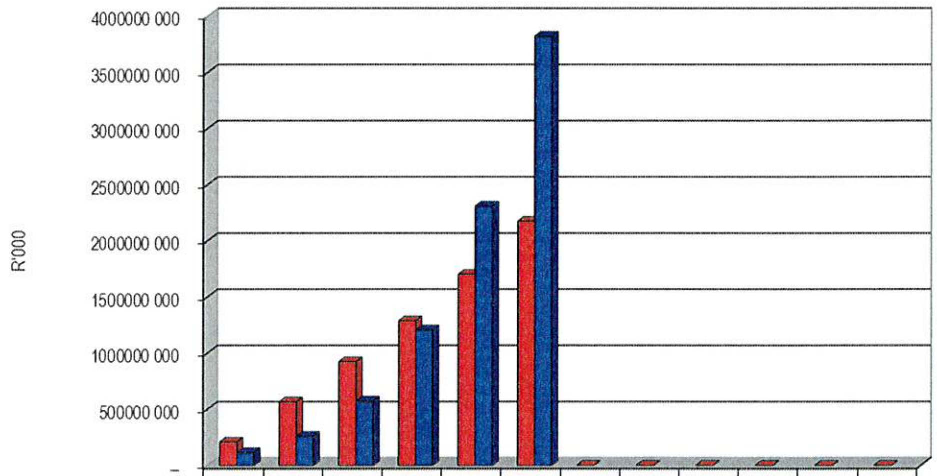
Description (R million)	Budget 23/24	YTD Exp	% Spent
Economic Development	6	1	10%
EISD	20	-	0%
Transportation	536	-	0%
Community Development	138	0	0%
Health	132	2	2%
Social Development	98	7	7%
Forensic	0	0	92%
Ombudsman	1	-	0%
Office of the City Manager	29	1	3%
Speaker	3	-	0%
Group ICT	410	-17	-4%
Group Finance	30	6	19%
Group Corporate Services	3	-	0%
Housing	1 456	216	15%
Development Planning	121	7	6%
Public Safety	64	31	48%
Total Core Administration	3 047	253	8%

Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1 207	597	49%
Johannesburg Water	1 064	501	47%
Pikitup	100	43	43%
Jhb Roads Agency	860	309	36%
Metrobus	196	9	5%
Jhb City Parks and Zoo	65	13	20%
Jhb Development Agency	375	88	24%
Jhb Property Company	50	6	13%
Metro Trading Company	11	1	11%
Joburg Market	150	101	67%
JOSHCO	492	235	48%
Joburg City Theatres	21	16	74%
Joburg Tourism	5	1	20%
Total MEs	4 595	1 921	42%

The negative movement is due to accruals that have been reversed in the current month. In addition, several departments have not started spending. Joburg Tourism and Metro Trading Company still reflecting spending of 1% as at the end of the second quarter.

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

Chart C2 2023/24 Capital Expenditure: YTD actual v YTD target



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	20825	56561	92427	12875	17018	21739	–	–	–	–	–	–
YearTD budget	11463	25983	57316	12074	23079	38211						

Cash Flow

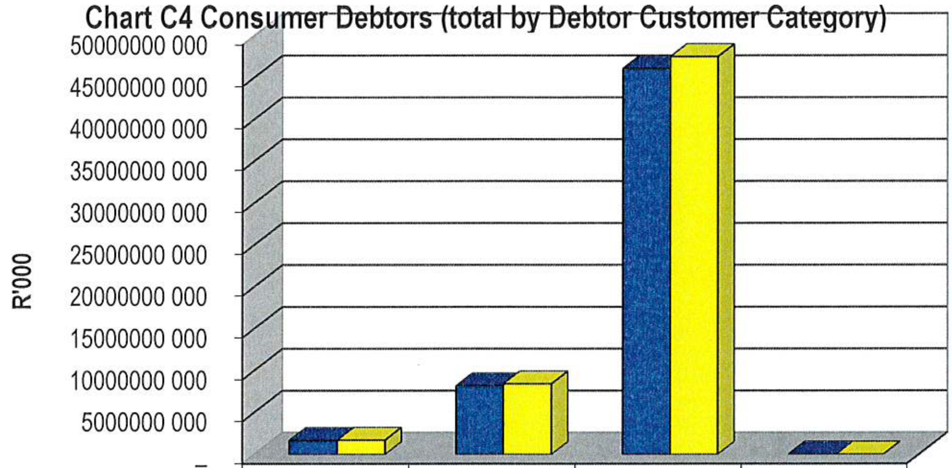
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of December 2023 amount to R4.7 billion.
- The cash flow from operating activities is R1.5 billion, positive.
- The cash flow from investing activities amount to R2.5 billion, negative.
- The cash flow from financing activities amount to R1.8 billion, positive.

Debtor Age Analysis

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

Tables C1 and SC3 indicate that the total debtor's amount to R57 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	Organs of State	Commercial	Households	Other
2022/23	1650589 934	8160100 007	46037981 191	–
Budget Year 2023/24	1701639 107	8412474 234	47461836 280	–

The following interventions / actions were implemented during December 2023 to increase collection levels:

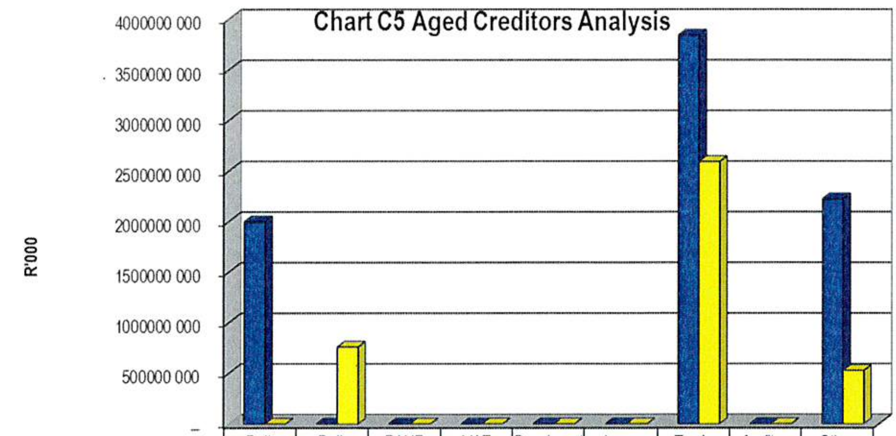
(i) 21 785 accounts were identified for delivery of pre-termination notices, total value R8,1 billion of which R30,4 million were collected from 1 616 accounts.

(ii) 5 256 electricity accounts were identified for disconnections, total value R3,1 billion of which R39,0 million were collected from 1 524 accounts.

(iii) 15 314 water accounts were identified for disconnections, total value R5,0 billion of which R135,5 million were collected from 4 289 accounts.

Creditors' age analysis

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



	Bulk Electricity	Bulk Water	PAYE deductions	VAT (output less input)	Pensions / Retirement deductions	Loan repayments	Trade Creditors	Auditor General	Other
2022/23	1997070 866	–	–	–	–	–	3839584 903	–	2221264 516
Budget Year 2023/24	–	760125 238	–	–	–	–	2589318 798	–	526731 686

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

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

1.3 In-year budget statement tables

The financial results for the period ended 31 December 2023 are reflected in Tables C1, C4, C6 and C7, and they are followed by the supporting documents contained in the SC Tables (SC1, SC3, SC4, SC10, SC11 and SC12). The tables listed above represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation (BPC) module and some manual interventions.

Summary of municipal entities (Table SC11)

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

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

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Monthly Budget Statement Summary - M06 December

Description	Budget Year 2023/24							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	16 372 765	–	1 409 662	8 447 976	8 186 382	261 594	3%	16 372 765
Service charges	42 048 461	–	3 272 172	19 609 265	21 168 821	(1 559 555)	-7%	42 048 461
Investment revenue	–	–	–	–	–	–		–
Transfers and subsidies - Operational	174 350	–	56 350	105 848	85 362	20 486	24%	174 350
Other own revenue	16 798 294	–	3 747 627	9 710 712	8 435 552	1 275 160	15%	–
Total Revenue (excluding capital transfers and contributions)	**75 393 870**	**–**	**8 485 811**	**37 873 802**	**37 876 117**	**(2 315)**	**-0%**	**75 393 870**
Employee costs	19 007 361	–	1 482 327	10 043 806	9 483 249	560 557	6%	19 007 361
Remuneration of Councillors	184 542	–	15 110	88 125	92 274	(4 149)	-4%	184 542
Depreciation and amortisation	4 784 336	–	335 388	2 127 889	2 390 243	(262 355)	-11%	4 784 336
Interest	2 171 098	–	474 344	1 325 409	1 085 554	239 855	22%	2 171 098
Inventory consumed and bulk purchases	22 762 169	–	1 554 782	12 493 999	12 917 147	(423 149)	-3%	22 762 169
Transfers and subsidies	138 835	–	17 704	17 980	74 266	(56 286)	-76%	138 835
Other expenditure	24 251 177	–	2 691 123	12 340 319	12 075 542	264 776	2%	24 251 177
Total Expenditure	**73 299 518**	**–**	**6 570 778**	**38 437 526**	**38 118 276**	**319 249**	**1%**	**73 299 518**
Surplus/(Deficit)	**2 094 352**	**–**	**1 915 033**	**(563 724)**	**(242 159)**	**(321 565)**	**133%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)	3 208 307	–	131 693	918 464	1 553 633	(635 169)	-41%	3 208 307
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**5 302 659**	**–**	**2 046 726**	**354 740**	**1 311 474**	**(956 734)**	**-73%**	**5 302 659**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**5 302 659**	**–**	**2 046 726**	**354 740**	**1 311 474**	**(956 734)**	**-73%**	**5 302 659**
Capital expenditure & funds sources								
Capital expenditure	**7 642 206**	**–**	**472 162**	**2 173 972**	**3 821 103**	**(1 647 131)**	**-43%**	**7 642 206**
Capital transfers recognised	3 142 206	–	171 420	731 446	1 571 103	(839 657)	-53%	3 142 206
Borrowing	2 500 000	–	201 396	934 614	1 250 000	(315 386)	-25%	2 500 000
Internally generated funds	**2 000 000**	**–**	**99 346**	**507 912**	**1 000 000**	**(492 088)**	**-49%**	**2 000 000**
Total sources of capital funds	**7 642 206**	**–**	**472 162**	**2 173 972**	**3 821 103**	**(1 647 131)**	**-43%**	**7 642 206**
Financial position								
Total current assets	20 494 077	–		48 589 758				20 494 077
Total non current assets	92 317 514	–		35 695 154				92 317 514
Total current liabilities	16 092 009	–		26 287 836				16 092 009
Total non current liabilities	27 521 244	–		21 802 890				27 521 244
Community wealth/Equity	**69 198 337**	**–**		**38 927 465**				**69 198 337**
Cash flows								
Net cash from (used) operating	6 732 359	–	237 805	2 113 096	2 021 022	(92 074)	-5%	(135 249 712)
Net cash from (used) investing	(6 913 292)	–	(4)	(77)	(3 456 646)	(3 456 569)	100%	(6 913 292)
Net cash from (used) financing	(300 820)	–	(942 277)	(1 301 216)	(1 400 410)	(99 194)	7%	(300 820)
Cash/cash equivalents at the month/year end	**3 967 758**	**–**	**–**	**605 511**	**1 613 476**	**1 007 965**	**62%**	**(142 670 116)**
Debtors & creditors analysis	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis								
Total By Income Source	2 066 183	1 790 083	4 383 084	–	6 575 282	41 061 600	–	58 372 707
Creditors Age Analysis								
Total Creditors	279 935	37 764	69 834	11 087	226	145 646	389 836	2 265 699

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2023/24							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity		23 097 508	–	1 599 132	9 623 769	11 694 493	(2 070 724)	-18%	23 097 508
Service charges - Water		9 486 608	–	845 407	5 034 732	4 743 305	291 427	6%	9 486 608
Service charges - Waste Water Management		6 893 182	–	585 883	3 499 563	3 446 592	52 971	2%	6 893 182
Service charges - Waste management		2 571 163	–	241 749	1 451 202	1 284 431	166 771	13%	2 571 163
Sale of Goods and Rendering of Services		870 667	–	41 969	393 415	432 685	(39 271)	-9%	870 667
Agency services		386 492	–	32 641	183 935	193 248	(9 313)	-5%	386 492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332 416	–	54 687	294 043	166 206	127 837	77%	332 416
Interest from Current and Non Current Assets		174 350	–	56 350	105 848	85 362	20 486	24%	174 350
Dividends		–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535 867	–	22 460	150 783	267 941	(117 157)	-44%	535 867
Licence and permits		–	–	36	1 282	–	1 282		–
Operational Revenue		1 046 832	–	420 164	790 585	523 411	267 174	51%	1 046 832
Non-Exchange Revenue									
Property rates		16 372 765	–	1 409 662	8 447 976	8 186 382	261 594	3%	16 372 765
Surcharges and Taxes		302 905	–	25 078	149 638	151 454	(1 816)	-1%	302 905
Fines, penalties and forfeits		951 574	–	3 346	164 844	475 782	(310 938)	-65%	951 574
Licence and permits		10 870	–	127	1 271	5 430	(4 159)	-77%	10 870
Transfers and subsidies - Operational		8 281 453	–	2 485 412	5 841 924	4 179 784	1 662 140	40%	8 281 453
Interest		116 245	–	21 968	125 092	58 122	66 970	115%	116 245
Fuel Levy		3 838 724	–	639 788	1 610 168	1 919 364	(309 196)	-16%	3 838 724
Operational Revenue		118 335	–	–	–	59 168	(59 168)	-100%	118 335
Gains on disposal of Assets		5 914	–	96	3 745	2 958	787	27%	5 914
Other Gains		–	–	(145)	(13)	–	(13)		–
Discontinued Operations		–	–	–	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		**75 393 870**	**–**	**8 485 811**	**37 873 802**	**37 876 117**	**(2 315)**	**-0%**	**75 393 870**
Expenditure By Type									
Employee related costs		19 007 361	–	1 482 327	10 043 806	9 483 249	560 557	6%	19 007 361
Remuneration of councillors		184 542	–	15 110	88 125	92 274	(4 149)	-4%	184 542
Bulk purchases - electricity		16 403 226	–	1 031 595	8 954 748	9 738 026	(783 278)	-8%	16 403 226
Inventory consumed		6 358 943	–	523 187	3 539 250	3 179 121	360 129	11%	6 358 943
Debt impairment		7 983 550	–	941 659	4 139 247	3 994 550	144 697	4%	7 983 550
Depreciation and amortisation		4 784 336	–	335 388	2 127 889	2 390 243	(262 355)	-11%	4 784 336
Interest		2 171 098	–	474 344	1 325 409	1 085 554	239 855	22%	2 171 098
Contracted services		7 575 012	–	1 002 063	3 453 522	3 743 528	(290 006)	-8%	7 575 012
Transfers and subsidies		138 835	–	17 704	17 980	74 266	(56 286)	-76%	138 835
Irrecoverable debts written off		–	–	(12 714)	79 686	–	79 686		–
Operational costs		6 772 269	–	525 759	3 245 428	3 377 293	(131 866)	-4%	6 772 269
Losses on Disposal of Assets		302	–	113	19 809	150	19 659	13106%	302
Other Losses		1 920 044	–	234 243	1 402 627	960 021	442 606	46%	1 920 044
Total Expenditure		**73 299 518**	**–**	**6 570 778**	**38 437 526**	**38 118 276**	**319 249**	**1%**	**73 299 518**
Surplus/(Deficit)		**2 094 352**	**–**	**1 915 033**	**(563 724)**	**(242 159)**	**(321 565)**	**133%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)		3 208 307	–	131 693	918 464	1 553 633	(635 169)	-41%	3 208 307
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**5 302 659**	**–**	**2 046 726**	**354 740**	**1 311 474**			**5 302 659**
Income Tax		80 168	–	–	–	40 086		–	80 168
Surplus/(Deficit) after income tax		**5 222 491**	**–**	**2 046 726**	**354 740**	**1 271 388**			**5 222 491**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**5 222 491**	**–**	**2 046 726**	**354 740**	**1 271 388**			**5 222 491**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**5 222 491**	**–**	**2 046 726**	**354 740**	**1 271 388**			**5 222 491**

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	Budget Year 2023/24			
R thousands	1	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash and cash equivalents		6 930 714	–	4 736 887	6 930 714
Trade and other receivables from exchange transactions		13 014 236	–	21 024 160	13 014 236
Receivables from non-exchange transactions		–	–	(149 320)	–
Current portion of non-current receivables		–	–	1 597 271	–
Inventory		549 127	–	472 915	549 127
VAT		–	–	29 416 382	–
Other current assets		–	–	(114 641)	–
Total current assets		20 494 077	–	56 983 653	20 494 077
Non current assets					
Investments		787 795	–	–	787 795
Investment property		1 036 836	–	26 749	1 036 836
Property, plant and equipment		85 737 194	–	32 165 623	85 737 194
Biological assets		29 386	–	–	29 386
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		1 069 416	–	(90 708)	1 069 416
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64 463	–	53 427	64 463
Other non-current assets		3 592 423	–	3 540 063	3 592 423
Total non current assets		92 317 514	–	35 695 154	92 317 514
TOTAL ASSETS		112 811 590	–	92 678 807	112 811 590
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1 543 567	–	(87 994)	1 543 567
Consumer deposits		21 556	–	1 611 171	21 556
Trade and other payables from exchange transactions		13 751 867	–	(14 225 734)	13 751 867
Trade and other payables from non-exchange transactions		–	–	4 626 599	–
Provision		775 019	–	636 716	775 019
VAT		–	–	29 615 084	–
Other current liabilities		–	–	4 111 993	–
Total current liabilities		16 092 009	–	26 287 836	16 092 009
Non current liabilities					
Financial liabilities		20 121 909	–	20 883 708	20 121 909
Provision		7 399 335	–	1 008 396	7 399 335
Long term portion of trade payables		–	–	21 981	–
Other non-current liabilities		–	–	(111 195)	–
Total non current liabilities		27 521 244	–	21 802 890	27 521 244
TOTAL LIABILITIES		43 613 254	–	48 090 727	43 613 254
NET ASSETS	2	69 198 337	–	44 588 080	69 198 337
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69 198 337	–	37 536 353	69 198 337
Reserves and funds		–	–	206 171	–
Other		–	–	621 216	–
TOTAL COMMUNITY WEALTH/EQUITY	2	69 198 337	–	38 363 741	69 198 337

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2023/24							
R thousands	1	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		14 889 119	–	1 220 399	7 111 393	7 444 559	(333 166)	-4%	14 889 119
Service charges		36 255 075	–	3 132 844	18 714 303	18 262 486	451 818	2%	36 255 075
Other revenue		7 964 737	–	587 189	4 932 168	4 064 711	867 456	21%	7 964 737
Transfers and Subsidies - Operational		8 281 453	–	3 509 325	7 727 714	4 179 784	3 547 930	85%	8 281 453
Transfers and Subsidies - Capital		3 208 307	–	6 290	2 126 659	1 553 633	573 026	37%	3 208 307
Interest		392 345	–	26 710	171 793	196 170	(24 376)	-12%	392 345
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(62 087 578)	–	(7 467 782)	(40 488 134)	(32 509 512)	7 978 622	-25%	(62 087 578)
Finance charges		(2 171 098)	–	(775 440)	(1 239 399)	(1 085 554)	153 845	-14%	(2 171 098)
Transfers and Subsidies		–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**6 732 359**	**–**	**239 535**	**(943 502)**	**2 106 277**	**3 049 779**	**145%**	**6 732 359**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 582	–	–	–	2 791	(2 791)	-100%	5 582
Decrease (increase) in non-current receivables		–				–		–	
Decrease (increase) in non-current investments		(648 081)				(324 041)			787 795
Payments									
Capital assets		(7 642 206)		(511 977)	(2 532 534)	(3 821 103)	(1 288 569)	34%	(7 642 206)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 284 705)**	**–**	**(511 977)**	**(2 532 534)**	**(4 142 353)**	**(1 609 819)**	**39%**	**(6 848 829)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	–	–	–		–
Borrowing long term/refinancing		2 500 000	–	–	–	–	–		2 500 000
Increase (decrease) in consumer deposits		(213)	–	(58)	(544)	(107)	(437)	410%	(213)
Payments									
Repayment of borrowing		(2 800 606)	–	(942 219)	(1 300 672)	(1 400 303)	(99 631)	7%	(2 800 606)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(300 820)**	**–**	**(942 277)**	**(1 301 216)**	**(1 400 410)**	**(99 194)**	**7%**	**(300 820)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 678 602**	**–**	**(1 214 719)**	**(1 214 719)**	**(3 436 485)**			**(1 678 602)**
Cash/cash equivalents at beginning:		4 449 510	–	5 451 730	5 451 730	4 449 510			4 449 510
Cash/cash equivalents at month/year end:		2 770 908	–	4 736 887	4 237 011	1 013 025			2 770 908

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations – M06 December				
Ref	**Description**	**YTD variance**	**Reasons for material deviations**	**Remedial or corrective steps/remarks**
1	**Revenue By Source** **Exchange Revenue**			
	Service charges: Electricity	(870 260)	The underperformance is mainly because of the following: (a) Decreased consumption for all Industrial and Commercial customers; (b) The services charges dropped due to the overall reduction in units purchased. This reduction was significantly driven by load shedding; (c) Customers moving from normal residential conventional tariffs to prepaid tariff has also impacted the service charge as there is a tariff differential of 30%. (d) New connections due to less service connection applications received during the period under review. (e) Sales to Eskom are less than the budget by R400 million as the contract with Eskom is still under negotiation for three years, with a contract value of R1,373 billion. The budget was allocated within the current financial year, whereas it was supposed to be split over the three-year period.	Stand by stand audit to ensure all customers are billed on a correct tariff. • Technical audit for all LPU and Business meters to ensure they are still calibrated and programmed correctly. • Review tariffs to ensure that the tariffs are 50% network charge and 50% consumption. • Implementation of the Pamoja LPU project to normalize all off-line meters. • TID (Token Identifier) roll out to normalize prepaid meters. Negotiations are underway (regarding sales of Eskom) to normalize the terms of the contract from a price point of view (static offer) and once negotiations have been concluded, the budget will be adjusted as per the new terms and conditions. • Budget to be reviewed during the revised budget process.
	Service charges - Water	291 427	The over performance is as a result of increased water consumption in business and households due to high demand of water during the hot season.	No remedial action

	Service charges - Waste Water Management	52 971	The year to date actual is performing in line with the year-to-date budget.	No remedial action
	Service charges - Waste management	106 311	The over recovery is due to positive billing trend for domestic clients as property prices were adjusted by the revaluation of the property roll.	No remedial action.
	Sale of Goods and Rendering of Services	(40 502)	Johannesburg Development Agency: Due to the under collection of revenue relating to capital projects that have not yet been received from the project implementation team. Community Development: The under recovery is mainly due to the current tough economic circumstances, the public is not renting facilities at the levels that were anticipated.	JDA: Revenue will be recognized once departments are billed as the year progresses. Community development is dependent on public usage
	Agency services	(6 197)	The year-to-date actual is performing in line with the year-to-date budget.	
	Interest earned from Receivables.	78 610	City Power & Joburg Water: The over performance is due to increase in number of outstanding debtors as a result of the historical collection levels which have consistently been below the budget. Group Finance: Due to interest charged on unfavourable sweeping bank balances of the entities.	JWater and RSSC have been working together to reduce the number of outstanding debtors. Group Finance: The Cash Flow is closely monitored at MOE's level to try and address these outcomes.

	Interest from Current and Non-Current Assets	(20 357) 20 486	Interest on loans to MOEs, the actual for the month was less than expected, owing primarily to the fact that most entities have not completed their capex claim for the city to offer the loan.	No remedial action.
	Rental from Fixed Assets	(117 157)	The under recovery is due to the delays in the approval of reports by EAC that has resulted in the lease renewal period being 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. The other contributor is due to delays in accounting for student accommodation income in Joshco.	Need for greater speed and improved turnaround times for EAC approvals. To improve the revenue generation, JPC is currently performing a lease and land audit to ensure optimal utilisation of the City's properties.
	Licence and permits.	1 282		
	Operational Revenue	267 174	City Power: The over recovery is due to revenue generated from COGTA (Gauteng Department of Co-operative Governance and Traditional Affairs), which relates to the Gauteng Energy Crisis Response Project.	City Power: Budget to be reviewed during the revised budget process. EISD: Correction of the Kelvin station budget will be done during the adjustment process.

			Joburg Market: The increased revenue collection is due to an improvement in turnover which has led to an increase in commission fees received from customers. JMPD: Due to revenue received from poundage fees, as a result of more vehiclesbeing impounded. EISD: The over budget performance is due to funds received from South African National Biodiversity Institute (SANBI). The funding caters for Skills Development and Job Creation Programme (called Groen Sebenza) for the benefit of unemployed South Africans where they will receive accredited and on-the-job training to empower them to enter the workforce after completion of an Internship at Host Organizations. Additionally, revenue was received from Kelvin Power Station which was not budgeted for due to delays in finalising the agreement.	
	Non-Exchange Revenue			
	Property rates	261 594	The year to date actual is in-line with the year to date budget.	
	Surcharges and Taxes	(1 816)		

	Fines, penalties, and forfeits	(210 994)	The under recovery is mainly due to the unsigned Service Level Agreement between JMPD and SAPO for the new financial year, no infringement can be posted without a signed SLA. The process has been affected by the SAPO being under business rescue.	
	Licence and permits.	42	The year to date actual is performing in-line with the year to date budget.	No remedial action. Revenue is received on an ad hoc basis, not a fixed monthly amount.
	Transfers and subsidies - Operational	1 662 140	The over performance is attributable to grants egequitable share being paid in the month of December. The grant is paid in three tranches within the financial year which is in (JULY, DECEMBER, and MARCH).	No action required as it aligns at year end
	Interest	45 411	Group Finance: Relates to penalties imposed. The penalties imposed is due to non-collection of overdue debt by customers which attract interest. This line is jointly impacted with entries and billing adjustments. Reversal of penalties imposed is also used as a bargaining tool in settlement agreements with	Credit Control processes are being tighten in effort to collect long outstanding debts.

			debtors. Customer overall movement is informed by debtors ageing.	
	Fuel Levy	(309 195)	The non-conditional Operating Grant is based on Fuel Levy revenue. The under recovery is due to additional tranches of payment not yet received from National Treasury, since they are paid in three instalments: July 2023, December 2023, and March 2024.	The department will ensure that the revenue is recognised in the coming months.
	Operational Revenue	(59 168) (39 445)	Johannesburg Water: Due to Bulk contributions fees on Water and Sewer not yet received from independent developers.	
2	**Expenditure By Type**			
	Employee related costs	560 557	The over expenditure is mainly due to the following: (a) Due to filling of critical vacancies, organisational structure, and natural attrition, most of the senior management positions were filled during the period under review. (b) Overtime due to more employees working overtime to restore power in the affected areas because of load shedding. (c) Pension fund contributions, group life assurance and medical aid due to the filling of critical vacancies.	
	Remuneration of councillors	(4 149)	The year-to-date actual is in line with the year-to-date budget.	No Action required

	Bulk purchases - electricity	(783 278) (634 658)	The under expenditure is due to the following: (a) less units purchased from both Eskom and Kevin as a result of to low demand. (b) The impact of load shedding as well as customers using alternative sources of energy.	Budget to be reviewed during the revised budget process.
	Inventory consumed.	360 129	JMPD: The department purchased stationery and other goods required, which resulted in the increment in stores and material expenditure which will be consumes as the year progresses.	
	Debt impairment	131 327	The year-to-date actual is progressing in line with the year-to-date budget.	
	Depreciation and amortisation	(262 355) (169 089)	The under expenditure is because of capital projects that are still at the procurement stage as well as work in progress that will be capitalized once completed. The other contributor is due to assets not yet capitalized due to projects that are still pending completion.	Expenditure will improve during the financial year when assets are capitalised.
	Interest	239 855 (169 089)	City Power: The over expenditure is due to more interest paid on bank overdraft, mirror conduit and capex loans as a result of low cash flow.	The bank overdraft is an internal loan from the City and represents the current account balance between both parties. In order to improve the liquidity of the company, it was previously proposed that the bank overdraft be converted to equity and the shareholder loan be repaid over the next ten years with no further

				interest charged on the loan. Engagements with the Shareholder regarding this matter still continue.
	Contracted services	96 978	Transport Department: Due to the delays in the submission of contracted services invoices relating to existing contractor for payment processing and payment of compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators as a result of the delays is finalisation of the taxi operating licenses and delays in operationalisation of JITI. City Manager: Due to under spending on repairs and maintenance, travel costs and legal expenses as well as UIFW investigations owing to a moratorium imposed by the merchant payment division.	Transport: The department is in the process of finalisation operational licenses for affected taxi operators to commence with the transaction of compensation payment as this is the bulk expenditure budgeted for by the department. City Manager: The expenditure will increase in the upcoming months once payments are prioritised for major projects.
	Transfers and subsidies	(53 255)	Economic Development: The under expenditure is due to the prior accruals year that have been processed in the first quarter. Group Finance: Due to no major claims received from entities as well as due to subsidies being payable to entities either monthly or quarterly or yearly.	Group Finance: The expenditure is expected to improve in the coming months when claims are submitted from entities.
	Irrecoverable debts written off.	91 551		
	Operational costs	(421 372)	The year to date actual for midyear performance review is progressing in line with the year-to-date budget.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2023/24											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	784 884	605 389	514 541	1 265 536		2 248 249	13 309 628		18 728 227	16 823 413		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	713 885	385 466	355 961	803 105		919 190	5 511 563		8 689 170	7 233 858		
Receivables from Non-exchange Transactions - Property Rates	1400	756 019	558 488	461 016	1 110 394		1 514 271	7 832 570		12 232 758	10 457 235		
Receivables from Exchange Transactions - Waste Water Management	1500	394 490	316 615	253 638	635 380		1 031 799	6 227 951		8 859 873	7 895 130		
Receivables from Exchange Transactions - Waste Management	1600	173 474	134 028	120 141	328 001		484 097	3 896 304		5 136 045	4 708 402		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(4 804)	9 440	9 651	18 737		18 097	949 681		1 000 803	986 516		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	(321 474)	56 757	75 135	221 931		359 579	3 333 902		3 725 831	3 915 412		
Total By Income Source	**2000**	**2 496 474**	**2 066 183**	**1 790 083**	**4 383 084**	**–**	**6 575 282**	**41 061 600**	**–**	**58 372 707**	**52 019 966**	**–**	**–**
2022/23 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	27 542	43 248	30 289	82 406		167 135	1 386 689		1 737 310	1 636 230		
Commercial	2300	568 976	380 026	321 190	715 921		975 356	5 422 056		8 383 524	7 113 333		
Households	2400	1 899 957	1 642 909	1 438 604	3 584 756		5 432 792	34 252 855		48 251 873	43 270 403		
Other	2500									–	–		
Total By Customer Group	**2600**	**2 496 474**	**2 066 183**	**1 790 083**	**4 383 084**	**–**	**6 575 282**	**41 061 600**	**–**	**58 372 707**	**52 019 966**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	1 997 071
Bulk Water	0200									–	–
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	1 157 194	241 508	24 907	60 757	11 087	226	144 019	187 937	1 827 636	3 839 585
Auditor General	0800									–	–
Other	0900	174 176	38 427	12 857	9 077	–	–	1 627	201 899	438 063	2 221 265
Total By Customer Type	**1000**	**1 331 370**	**279 935**	**37 764**	**69 834**	**11 087**	**226**	**145 646**	**389 836**	**2 265 699**	**8 057 920**

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

JHB City Of Johannesburg - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	Budget Year 2023/24							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Revenue									
Exchange Revenue									
Service charges - Electricity		–	–	–	–	–	–		–
Service charges - Water		–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–		–
Service charges - Waste management		–	–	–	–	–	–		–
Sale of Goods and Rendering of Services		–	–	1	(4)	–	(4)		–
Agency services		–	–	–	–	–	–		–
Interest		386 492	–	21 820	161 328	193 248	(31 920)	-17%	386 492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1 462 814	–	(61 568)	854 843	731 406			1 462 814
Dividends		147 420	–	48 871	55 417	73 710	(18 293)	-25%	147 420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146 267	–	5 127	30 222	73 134	(42 912)	-59%	146 267
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395 271	–	37 595	109 003	197 632	(88 630)	-45%	395 271
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951 486)	–	(3 330)	(164 764)	(475 740)			(951 486)
Fines, penalties and forfeits		(10 870)	–	(127)	(1 271)	(5 430)	4 159	-77%	(10 870)
Licences or permits		(8 280 856)	–	(2 431 126)	(5 501 470)	(4 179 484)			(8 280 856)
Transfer and subsidies - Operational		(116 245)	–	(21 968)	(125 092)	(58 122)			(116 245)
Interest		(3 838 724)	–	(639 788)	(1 610 168)	(1 919 364)			(3 838 724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5 000)	–	–	–	(2 502)			(5 000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11 060 188)**	**–**	**(3 082 087)**	**(6 300 960)**	**(5 569 144)**	**(731 816)**	**13%**	**(11 060 188)**
Expenditure By Type									
Employee related costs		(951 486)	–	(3 330)	(164 764)	(475 740)	310 976	-65%	(951 486)
Remuneration of councillors		(10 870)	–	(127)	(1 271)	(5 430)	4 159	-77%	(10 870)
Bulk purchases - electricity		(8 280 856)	–	(2 431 126)	(5 501 470)	(4 179 484)	(1 321 986)	32%	(8 280 856)
Inventory consumed		(116 245)	–	(21 968)	(125 092)	(58 122)	(66 970)	115%	(116 245)
Debt impairment		(3 838 724)	–	(639 788)	(1 610 168)	(1 919 364)	309 196	-16%	(3 838 724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5 000)	–	–	–	(2 502)	2 502	-100%	(5 000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69 144)	–	(5 374)	(119 085)	(34 557)			(69 144)
Total Expenditure		**(13 272 325)**	**–**	**(3 101 712)**	**(7 521 851)**	**(6 675 199)**	**(846 652)**	**13%**	**(13 272 325)**
Surplus/(Deficit)		2 212 138	–	19 625	1 220 891	1 106 055	114 836	10%	2 212 138
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(69 144)
Transfers and subsidies - capital (in-kind)		(69 144)	–	(5 374)	(119 085)	(34 557)	(84 528)	245%	(2 030 298)
Surplus/(Deficit) after capital transfers & contributions		2 142 993	–	14 251	1 101 806	1 071 498	30 308	3%	112 695
Income Tax		4 849 009	–	239 168	1 782 818	2 424 492	(641 673)	-26%	4 849 009
Surplus/(Deficit) after income tax		**(2 706 016)**	**–**	**(224 917)**	**(681 013)**	**(1 352 994)**	**671 981**	**-50%**	**(4 736 314)**

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	Budget Year 2023/24							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity									
Pikitup		2 606 997	–	246 521	1 476 259	1 299 701	176 558	14%	2 606 997
City Power		23 706 564	–	1 986 790	10 301 845	12 005 435	(1 703 590)	-14%	23 706 564
Johannesburg Water		16 997 017	–	1 526 084	9 159 255	8 441 585	717 670	9%	16 997 017
Johannesburg Social Housing Company		303 597	–	15 436	132 605	151 800	(19 195)	-13%	303 597
Johannesburg Property Company		81 459	–	233	14 372	40 728	(26 356)	-65%	81 459
Metropolitan Trading Company		59 618	–	(179)	111 381	29 808	81 573	274%	59 618
Metrobus		63 682	–	(20 836)	33 027	31 842	1 185	4%	63 682
Johannesburg City Parks and Zoo		87 586	–	8 476	57 003	41 982	15 021	36%	87 586
JDA		75 926	–	10 831	27 823	37 962	(10 139)	-27%	75 926
Johannesburg Roads Agency		128 962	–	9 658	58 141	64 482	(6 341)	-10%	128 962
Joburg City Theatres		67 394	–	6 553	42 403	33 696	8 707	26%	67 394
Joburg Market		646 656	–	57 093	357 119	323 328	33 791	10%	646 656
Joburg Tourism Company		3 483	–	4 134	10 054	1 740	8 314	478%	3 483
Total Operating Revenue	1	**44 111 408**	**–**	**3 783 014**	**21 371 711**	**22 145 325**	**(773 614)**	**-3%**	**44 111 408**
Expenditure By Municipal Entity									
Pikitup		3 764 315	–	321 436	1 999 324	1 850 144	149 180	8%	3 764 315
City Power		22 722 431	–	1 757 052	11 915 805	12 900 398	(984 593)	-8%	22 722 431
Johannesburg Water		14 964 254	–	1 431 218	8 491 785	7 482 138	1 009 648	13%	14 964 254
Johannesburg Social Housing Company		355 355	–	70 852	443 307	177 684	265 622	149%	355 355
Johannesburg Property Company		964 641	–	81 444	397 475	482 322	(84 848)	-18%	964 641
Metropolitan Trading Company		423 773	–	93 713	464 600	211 884	252 716	119%	423 773
Metrobus		601 623	–	(171 793)	371 060	300 816	70 244	23%	601 623
Johannesburg City Parks and Zoo		1 257 264	–	96 419	558 713	579 083	(20 370)	-4%	1 257 264
JDA		108 145	–	6 697	46 156	54 078	(7 922)	-15%	108 145
Johannesburg Roads Agency		1 438 437	–	122 503	651 469	719 223	(67 754)	-9%	1 438 437
Joburg City Theatres		262 776	–	26 139	130 270	131 394	(1 124)	-1%	262 776
Joburg Market		558 591	–	40 773	246 399	279 306	(32 907)	-12%	558 591
Joburg Tourism Company		69 503	–	6 408	26 042	34 758	(8 716)	-25%	69 503
Total Operating Expenditure	2	**47 491 108**	**–**	**3 882 860**	**25 742 405**	**25 203 228**	**539 176**	**2%**	**47 491 108**

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	Budget Year 2023/24							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	114 633		208 254	208 254	114 633	(93 621)	-81.7%	3%
August	145 202		357 365	565 619	259 835	(305 784)	-117.7%	7%
September	313 330		358 657	924 276	573 165	(351 111)	-61.3%	12%
October	634 303		363 278	1 287 554	1 207 468	(80 086)	-6.6%	17%
November	1 100 478		414 255	1 701 809	2 307 946	606 137	26.3%	22%
December	1 513 157				3 821 103	–		
January	1 513 157				5 334 260	–		
February	1 100 478				6 434 738	–		
March	634 303				7 069 041	–		
April	313 330				7 382 371	–		
May	145 202				7 527 573	–		
June	114 633				7 642 206	–		
Total Capital expenditure	**7 642 206**	**–**	**1 701 809**					