CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 30 NOVEMBER 2023

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 30 November 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 November 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 7%, R2.2 billion under performance [November 2022: -9%]. The actual operating expenditure is under budget by 1%, R384 million [November 2022: -6%]. The net result is an operating deficit of R2.5 billion against a year-to-date (YTD) budgeted deficit of R619 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 R1.7 billion (22%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of November 2023 were R2.4 billion and R5. 4 billion respectively. This shows an increase of R3 billion during the month as indicated in Table 1 below.

Nov 23	OPENING R	CLOSING R
Operational Call Deposits	46 978 346,39	1 047 567 365,71
Operational Term Deposits	-	858 362 599,18
Standard Bank Primary Account Balance	204 842 058,67	845 701 798,76
Absa Primary Account Balance	185 857 184,47	45 390 913,58
TOTAL UNENCUMBERED	**437 677 589,53**	**2 797 022 677,23**
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	18 522 307,03	1 418 652 876,62
Non-Sweeping Bank Accounts	1 693 449 250,14	953 347 628,97
TOTAL ENCUMBERED	**1 994 678 633,45**	**2 654 707 581,87**
TOTAL INVESTMENTS	**2 432 356 222,99**	**5 451 730 259,10**

Table 1: Cash Balances as at 30 NOVEMBER 2023; Source – Bank Statements

Nov 23	OPENING R	CLOSING R
Cash and Cash Equivalents	1 433 814 031,55	1 443 241 849,84
Interest Rate swaps	-237 360 511,69	-145 858 577,32
Tradable Instruments Portfolio	353 524 898,00	366 139 480,50
TOTAL SINKING FUND INVESTMENTS	**1 549 978 417,86**	**1 663 522 753,02**

Table 1a: Sinking Fund Balance as at 30 November 2023: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances increased by R2.3 billion during the course of the month, which was primarily driven by the increase in the primary bank account and operational call and term deposits.

- Total encumbered balances increased by R660 million during this same period, with the decrease being in the non-sweeping portfolio, and increase in the capital replacement reserve portfolio. The combined movement resulted in the overall total balance decrease of R3 billion.

- The Sinking Fund balances closed R113.5 million higher at R1.6 billion, with an increase of R9.4 million in the cash and cash equivalents as well as an increase of R12.6 million in the tradable instrument's portfolios. The movements are largely due to repayments of matured liabilities out of the sinking fund. The interest rate swaps reflect a positive movement of R 91.5 million during the month of November.

Cash movements analysis:

Inflows for the month of November amounted to R9 billion versus outflows of R6 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries citywide). The resulting net movement was an increase of R3 billion as depicted in Table 1.1 below.

Nov 23	
Description	**R**
Cash Collections	3 916 447 093,49
Revenue cash collections paid into Primary and Ordinary bank accounts	159 652 920,20
Direct Payments into MOE Revenue accounts	9 316 987,13
Prepaid Collections	158 892 441,36
Other Income (Interest Received, Vat Refund, Licensing Fees)	592 533 311,14
Operating Grants and Subsidies	1 102 478 000,00
Short-term Loan	2 400 000 000,00
Positive Sweepings and Non-Sweeping Movements	764 204 083,23
Total Cash Inflows	9 103 524 836,55
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-5 444 288 642,84
Negative Sweepings and Non-Sweeping Movements	-639 862 157,60
Total Cash Outflows	-6 084 150 800,44
Net Movement	3 019 374 036,11

Summary Table 1.1 Cash Movements as at 30 NOVEMBER 2023

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

The inflows for the month of November include cash collection (R4 billion), receipts paid directly into MOE bank accounts (R9 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R159 million), cash inflows were more than the outflows resulting in a positive net movement on the overall cash balances.

The table below indicates the level of grant funding received during November 2023.

Grant Name	YTD Forecast per National Treasury Schedule R	YTD Actual per Adjusted National Treasury Schedule R	Variance R
Operational			
Equitable Share Grant	2 938 814 000,00	2 938 814 000,00	-
Fuel Levy Grant	1 279 575 000,00	1 279 575 000,00	-
Total Operational Grants	**4 218 389 000,00**	**4 218 389 000,00**	-
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	50 000 000,00	20 000 000,00	-30 000 000
Expanded Public Works Programme	3 494 000,00	3 494 000,00	-
Financial Management Grant	1 000 000,00	1 000 000,00	-
Total Conditional Grants	**2 150 369 000,00**	**2 120 369 000,00**	**-30 000 000**
Total Local Government Grants	**6 368 758 000,00**	**6 338 758 000,00**	**-30 000 000**

Table 4.1 – Source: National Treasury and Bank Statements

The grants and subsidies received to date, as per the National Treasury's payment schedule, contributed to the positive net movement.

The table below indicates the year-to-date expenditure as at 30 November 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	404 333 121,53	581 262 878,47	41%
ISUPG	378 129 000,00	76 749 800,12	301 379 199,88	20%
PTNG	662 861 000,00	51 324 000	611 537 000,00	8%
NDPG	66 289 000,00	23 797 077,00	42 491 923,00	36%
ISDG	3 000 000,00	1 825 878	1 174 122,00	61%
EPWP	3 494 000,00	3 232 532	261 468,00	93%
FMG	1 000 000,00	416 465	583 535,00	42%
PPPSG	20 000 000,00	10 451 461	9 548 538,70	52%
Totals	**2 120 369 000,00**	**572 130 334,95**	**1 548 238 665,05**	**27%**

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 F/Y 2023/24		
Banks	Available Facility R	Utilized Facility R
Standard Bank	675 000 000,00	575 000 000,00
DBSA	2 400 000 000,00	2 400 000 000,00
Total	3 075 000 000,00	2 975 000 000,00

External Facilities; Source – CoJ Treasury

The STD Bank facility of R675 million is part of the Commercial Banking Services rendered by Standard Bank and what has been utilised needs to be repaid on the 1st of December 2023. A short-term loan amounting to R2.4 billion was received during November from the DBSA, which needs to be repaid by 30 June in line with the requirements of MFMA section 46.

<u>Profit and cost centres movements analysis</u>

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 30 November 2023 for all MOEs.

As depicted in the sweeping statements for the month ended 30 November 2023, City Power, JDA, Metrobus, Joshco, Propcom Portfolio, JHB Roads and MTC were overdrawn.

Entity	End of October Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of November Balance R
City Power	**-14 128 704 020,79**	1 240 684 824,66	-1 202 091 070,40	38 593 754,26	**-14 090 110 266,53**
Joburg Water	247 584 504,60	731 112 642,18	-811 589 373,68	-80 476 731,50	167 107 773,10
Pikitup	1 008 175 255,74	350 430 100,23	-172 983 907,97	177 446 192,26	1 185 621 448,00
Parks Zoo	999 109 498,60	123 847 002,97	-176 742 852,05	-52 895 849,08	946 213 649,52
Fresh Produce	273 371 267,56	1 790 265,54	-49 128 327,33	-47 338 061,79	226 033 205,77
JDA	**-741 714 947,39**	5 305 694,42	-33 157 321,94	-27 851 627,52	**-769 566 574,91**
Joshco	**-1 512 516 806,12**	224 981 762,99	-124 972 241,69	100 009 521,30	**-1 412 507 284,82**
Metro Bus	**-531 844 540,40**	6 588 906,99	-131 462 671,62	-124 873 764,63	**-656 718 305,03**
Propcom	276 555 211,96	54 250 161,81	-15 438 101,52	38 812 060,29	315 367 272,25
Propcom Portfolio	**-161 749 612,05**	10 263 909,49	-112 645,90	10 151 263,59	**-151 598 348,46**
Roads	**-42 222 366,88**	645 455 328,16	-231 705 973,20	413 749 354,96	**371 526 988,08**
MTC	**-141 973 065,51**	**13 523 296,48**	**-88 560 674,19**	**-75 037 377,71**	**-217 010 443,22**
JTC	64 639 418,52	423 446,06	-6 851 493,00	-6 428 046,94	58 211 371,58
Core	16 823 726 230,96	8 339 320 753,32	-5 683 967 016,31	2 655 433 542,82	19 479 159 773,77
Total Sweepings and Balances	**2 432 356 222,95**			**3 019 374 036,12**	**5 451 730 259,10**

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

Inflows for the month of November versus outflows resulted in a positive net movement of R3 billion.

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

YTD Net Movement						
Entity	**July 2023 R**	**Aug 2023 R**	**Sept 2023 R**	**Oct 2023 R**	**Nov 2023 R**	**YTD R**
City Power	-1 898 105 046,47	-363 779 617,72	-1 693 591 140,55	-115 715 956,43	38 593 754,26	-4 032 598 006,91
Joburg Water	-1 011 174 164,26	330 082 673,19	-415 417 098,85	-222 871 459,73	-80 476 731,50	-1 399 856 781,15
Pikitup	75 274 289,80	319 299 087,46	109 666 121,07	-74 632 325,20	177 446 192,26	607 053 365,39
Parks Zoo	-158 462 269,13	170 168 804,78	73 554 856,83	-79 567 135,32	-52 895 849,08	-47 201 591,92
Fresh Produce	200 096 562,92	-27 837 299,04	-31 192 135,39	-88 243 090,98	-47 338 061,79	5 485 975,72
JDA	-199 670 992,55	35 752 997,20	117 811 277,45	-24 996 157,46	-27 851 627,52	-98 954 502,88
Joshco	-151 168 753,20	-172 384 466,61	-3 234 478,87	-72 776 626,35	100 009 521,30	-299 554 803,73
Metro Bus	14 187 893,55	-51 378 206,30	24 333 266,69	23 341 235,98	-124 873 764,63	-114 389 574,71
Propcom	23 881 468,71	63 229 695,65	-9 329 352,34	-51 730 795,60	38 812 060,29	64 863 076,71
Propcom Portfolio	2 353 937,03	-17 054 276,01	28 463 316,51	3 598 131,18	10 151 263,59	27 512 372,30
Roads	-285 084 156,34	-33 718 503,03	7 633 093,75	62 369 464,19	413 749 354,96	164 949 253,53
MTC	-170 764 168,62	17 966 131,80	-103 381 454,09	-5 317 197,34	-75 037 377,71	-336 534 065,96
JTC	-6 760 405,30	11 456 188,65	5 544 530,04	-6 909 313,87	-6 428 046,94	-3 097 047,43

Table 3.1(a): Sweeping movements analysis.

The above table reflects the ME net movements from the month of July to November 2023.

October 2023 Billing & November 2023 Collections; YTD Billing & Collections:

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Oct 2023	Nov 2023		YTD: Jun'23 to Oct'23	YTD: Jul'23 to Nov'23	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 499 276	1 449 168	96.7%	6 998 284	6 718 847	96.0%
Electricity	1 680 513	1 538 577	91.6%	9 162 645	8 613 692	94.0%
Water	1 756 654	1 230 530	70.0%	8 384 984	5 952 152	71.0%
Refuse	277 502	206 370	74.4%	1 346 549	1 048 274	77.8%
TOTAL	**5 213 945**	**4 424 645**	**84.9%**	**25 892 462**	**22 332 965**	**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 October 2023 with R4.4 billion collected in November 2023. The year-to-date billing as of 31 October 2023 is R26 billion with R22 billion collected as at 30 November 2023.

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

Reconciliation between Treasury banking and RSSC collections

Description	Nov 2023	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 244 309	21 421 476
Deposits reflected by Treasury in previous month	143 759	390 350
Refunds, Deposits and Sundry Revenue	-125 966	-307 857
Water: Industrial Effluent and Cross-Boundary Sales	34 386	136 229
Difference in electricity and water prepaid sales	-1 207	-3 961
Non-Cash Items:		
Staff Accounts	7 978	39 249
Departmental Settlements	121 386	657 479
Total Revenue as per Revenue Collection Report	**4 424 645**	**22 332 965**

The November 2023 deposits of approximately R144 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		Oct 2023	Nov 2023
Budget Billing	R 000	5 253 501	5 480 420
Actual Billing	R 000	5 213 945	5 155 383
Shortfall (-) / Surplus (+) in Billing	R 000	-39 556	-325 037
Budget Collection	R 000		4 791 257
Actual Revenue Collection	R 000		4 424 645
Shortfall (-) / Surplus (+) in Collections	R 000		-366 612
Actual Billing vs. Budgeted Billing	%	99.2%	94.1%
Actual Collection vs. Budgeted Collection	%		92.3%
Budgeted Collection (Nov) vs Budgeted Billing (Oct)	%		91.2%
Actual Collections (Nov) vs. Actual Billing (Oct)	%		84.9%

The actual billing of R5.2 billion for October 2023 was R39 million below the budgeted billing of R5.3 billion. The actual collection of R4.4 billion for November 2023 was R367 million below the budgeted collection of R4.8 billion. The collection rate of 84.9 % for November 2023 was 6.3% above the budgeted collection rate of 91.2% for the month.

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 05 mSCOA data strings was submitted to the National Treasury on the 14th November 2023.

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	Yes	Yes

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.

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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

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

08/04/2024
DATE

TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER

08/04/2024
DATE

COUNCILLOR SELLO ENOCK MORERO
MMC GROUP FINANCE

08/04/2024
DATE

Annexure A

In-Year Report

Budget year: 2023/24

Reporting Period: Month 05

November 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 30 November 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 R2.2 billion against the YTD budget for the period ended 30 November 2023.

The operating expenditure is under spent by R384 million, against year-to-date expenditure budget of R32 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 R1.7 billion (22%) of the medium-term budget.

Capital Expenditure per funding source as at 30 November 2022:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	1 830	445	24%
CRR / Cash	3 111	628	20%
Nat Grant	320	-	0%
Prov Grant		-	0%
USDG	1 205	370	31%
USIP	685	118	4%
Other	590	172	29%
Total CoJ	7 741	1 733	21%

Capital Expenditure per funding source as at 30 November 2023:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	732	29%
CRR / Cash	2 000	410	20%
Nat Grant	446	8	2%
Prov Grant		-	0%
USDG	1 643	404	25%
USIP	715	29	4%
Other	338	115	34%
Total CoJ	7 642	1 698	22%

COJ Loans, cash and USDG funding and other funding sources have the spending in the current month under review. USIP, National grants have commenced reflecting expenditure. Provincial grants have not occurred spending to date. When compared to the previous year overall spending (excluding commitments) has increased by 1%.

Consolidated Summary - Capital Expenditure as 30 November 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	-3	-2%
Social Development	98	5	5%
Forensic	0	-	0%
Ombudsman	1	-	0%
Office of the City Manager	29	1	3%
Speaker	3	-	0%
Group ICT	410	-	0%
Group Finance	30	5	16%
Group Corporate Services	3	-	0%
Housing	1 456	191	13%
Development Planning	121	7	6%
Public Safety	64	2	3%
Total Core Administration	3 047	208	7%

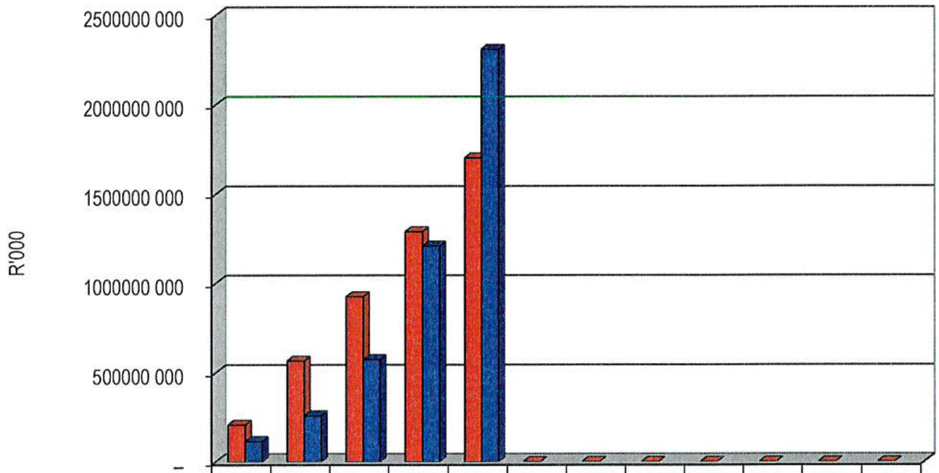
Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1 207	434	36%
Johannesburg Water	1 064	441	41%
Pikitup	100	31	32%
Jhb Roads Agency	860	223	26%
Metrobus	196	6	3%
Jhb City Parks and Zoo	65	11	17%
Jhb Development Agency	375	62	17%
Jhb Property Company	50	6	13%
Metro Trading Company	11	1	5%
Joburg Market	150	66	44%
JOSHCO	492	196	40%
Joburg City Theatres	21	11	50%
Joburg Tourism	5	1	20%
Total MEs	4 595	1 489	32%

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 only started spending at 1% in the current month of November.

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	208254	565619	924276	128755	170180	–	–	–	–	–	–	–
YearTD budget	114633	259835	573165	120746	230794							

Cash Flow

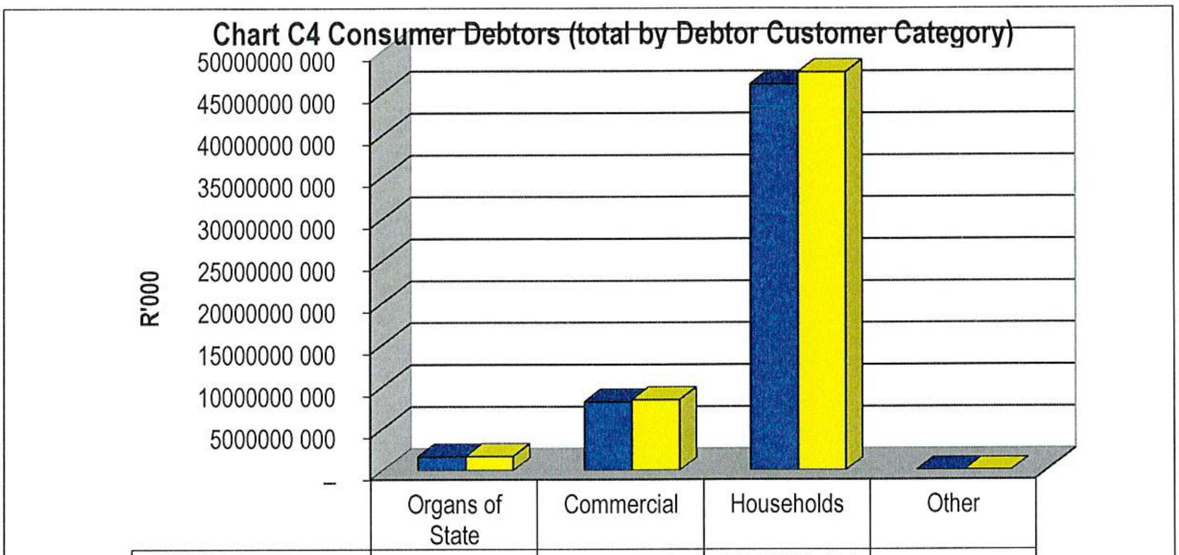
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of November 2023 amount to R5.4 billion.
- The cash flow from operating activities is R798 million, positive.
- The cash flow from investing activities amount to R2 billion, negative.
- The cash flow from financing activities amount to R2.7 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 November 2023 to increase collection levels:

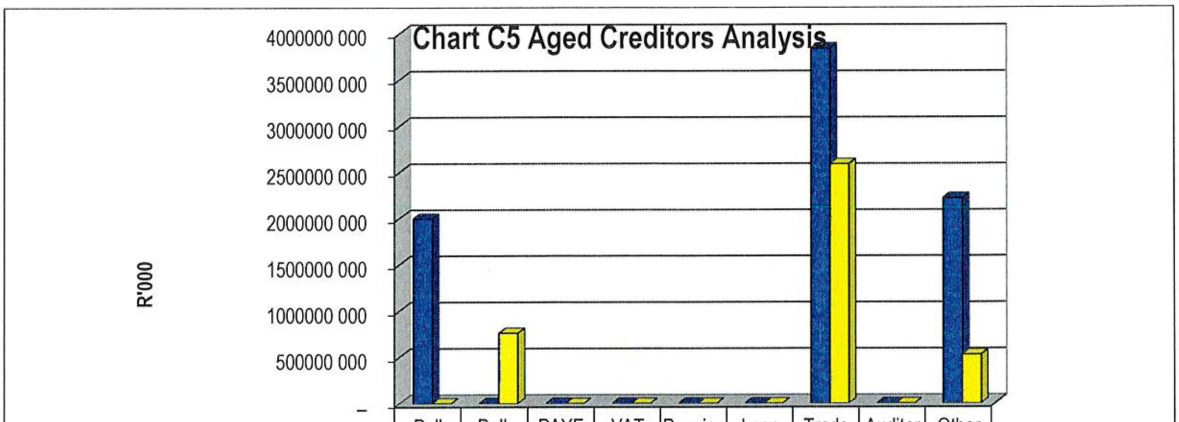
(i) 32 505 accounts were identified for delivery of pre-termination notices, total value R15,5 billion of which R567,5 million were collected from 9 825 accounts.

(ii) 12 378 electricity accounts were identified for disconnections, total value R8,5 billion of which R161,5 million were collected from 3 653 accounts.

(iii) 18 580 water accounts were identified for disconnections, total value R5,4 billion of which R192,3 million were collected from 6 979 accounts.

<u>Creditors' age analysis</u>

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 8	–	–	–	–	–	3839584 9	–	2221264 5
Budget Year 2023/24	–	760125 23	–	–	–	–	2589318 7	–	526731 68

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 30 November 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 - M05 November

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	–	1 558 704	7 038 314	6 821 985	216 329	3%	16 372 765
Service charges	42 048 461	–	3 273 491	16 337 094	17 685 158	(1 348 064)	-8%	42 048 461
Investment revenue	–	–	–	–	–	–		–
Transfers and subsidies - Operational	174 350	–	12 947	49 498	71 135	(21 637)	-30%	174 350
Other own revenue	16 798 294	–	480 517	5 963 086	7 052 615	(1 089 530)	-15%	–
Total Revenue (excluding capital transfers and contributions)	**75 393 870**	–	**5 325 659**	**29 387 991**	**31 630 894**	**(2 242 903)**	**-7%**	**75 393 870**
Employee costs	19 007 361	–	2 229 659	8 561 479	7 905 149	656 330	8%	19 007 361
Remuneration of Councillors	184 542	–	14 829	73 014	76 895	(3 881)	-5%	184 542
Depreciation and amortisation	4 784 336	–	368 739	1 792 501	1 991 548	(199 047)	-10%	4 784 336
Interest	2 171 098	–	30 385	851 065	904 628	(53 563)	-6%	2 171 098
Inventory consumed and bulk purchases	22 762 169	–	1 801 227	10 939 217	11 242 719	(303 502)	-3%	22 762 169
Transfers and subsidies	138 835	–	783	276	63 507	(63 231)	-100%	138 835
Other expenditure	24 251 177	–	2 224 748	9 649 196	10 065 890	(416 694)	-4%	24 251 177
Total Expenditure	**73 299 518**	–	**6 670 369**	**31 866 747**	**32 250 335**	**(383 587)**	**-1%**	**73 299 518**
Surplus/(Deficit)	**2 094 352**	–	**(1 344 710)**	**(2 478 757)**	**(619 441)**	**(1 859 315)**	**300%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)	3 208 307	–	93 353	786 770	1 288 915	(502 145)	-39%	3 208 307
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**5 302 659**	–	**(1 251 357)**	**(1 691 986)**	**669 474**	**(2 361 460)**	**-353%**	**5 302 659**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**5 302 659**	–	**(1 251 357)**	**(1 691 986)**	**669 474**	**(2 361 460)**	**-353%**	**5 302 659**
Capital expenditure & funds sources								
Capital expenditure	**7 642 206**	–	**414 255**	**1 697 840**	**2 307 946**	**(610 106)**	**-26%**	**7 642 206**
Capital transfers recognised	3 142 206	–	182 947	556 056	948 946	(392 890)	-41%	3 142 206
Borrowing	2 500 000	–	128 051	732 083	755 000	(22 917)	-3%	2 500 000
Internally generated funds	**2 000 000**	–	**103 257**	**409 701**	**604 000**	**(194 299)**	**-32%**	**2 000 000**
Total sources of capital funds	**7 642 206**	–	**414 255**	**1 697 840**	**2 307 946**	**(610 106)**	**-26%**	**7 642 206**
Financial position								
Total current assets	20 494 077	–		49 137 879				20 494 077
Total non current assets	92 317 514	–		36 253 910				92 317 514
Total current liabilities	16 092 009	–		29 256 930				16 092 009
Total non current liabilities	27 521 244	–		21 461 954				27 521 244
Community wealth/Equity	**69 198 337**	–		**35 553 837**				**69 198 337**
Cash flows								
Net cash from (used) operating	11 066 302	–	1 273 184	798 535	3 063 405	2 264 870	74%	11 066 302
Net cash from (used) investing	(8 284 705)	–	(442 961)	(2 020 557)	(2 575 654)	(555 097)	22%	(8 284 705)
Net cash from (used) financing	(300 393)	–	2 189 089	2 711 061	(1 167 008)	(3 878 069)	332%	(300 393)
Cash/cash equivalents at the month/year end	**6 930 714**	–	**5 451 730**	**5 451 730**	**3 770 252**	**(1 681 478)**	**-45%**	**4 913 560**
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	1 836 907	1 526 411	4 635 236	–	–	6 141 299	40 558 339	57 575 950
Creditors Age Analysis								
Total Creditors	59 474	75 889	26 940	1 891	317 105	55 117	420 744	3 876 176

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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	–	1 511 318	8 024 637	9 784 554	(1 759 918)	-18%	23 097 508
Service charges - Water		9 486 608	–	936 942	4 189 325	3 952 754	236 571	6%	9 486 608
Service charges - Waste Water Management		6 893 182	–	582 712	2 913 679	2 872 160	41 519	1%	6 893 182
Service charges - Waste management		2 571 163	–	242 519	1 209 453	1 075 690	133 763	12%	2 571 163
Sale of Goods and Rendering of Services		870 667	–	103 491	351 445	360 571	(9 126)	-3%	870 667
Agency services		386 492	–	28 659	151 294	161 040	(9 746)	-6%	386 492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332 416	–	49 942	239 356	138 505	100 851	73%	332 416
Interest from Current and Non Current Assets		174 350	–	12 947	49 498	71 135	(21 637)	-30%	174 350
Dividends		–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535 867	–	30 870	128 323	223 284	(94 961)	-43%	535 867
Licence and permits		–	–	270	1 247	–	1 247		–
Operational Revenue		1 046 832	–	72 437	370 422	436 176	(65 754)	-15%	1 046 832
Non-Exchange Revenue									
Property rates		16 372 765	–	1 558 704	7 038 314	6 821 985	216 329	3%	16 372 765
Surcharges and Taxes		302 905	–	25 373	124 559	126 212	(1 652)	-1%	302 905
Fines, penalties and forfeits		951 574	–	55 304	161 498	396 485	(234 987)	-59%	951 574
Licence and permits		10 870	–	(2 519)	1 144	4 525	(3 381)	-75%	10 870
Transfers and subsidies - Operational		8 281 453	–	101 930	3 356 513	3 506 142	(149 629)	-4%	8 281 453
Interest		116 245	–	18 965	103 124	48 435	54 689	113%	116 245
Fuel Levy		3 838 724	–	–	970 381	1 599 470	(629 089)	-39%	3 838 724
Operational Revenue		118 335	–	–	–	49 306	(49 306)	-100%	118 335
Gains on disposal of Assets		5 914	–	182	3 649	2 465	1 184	48%	5 914
Other Gains		–	–	(4 386)	131	–	131		–
Discontinued Operations		–	–	–	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		75 393 870	–	5 325 659	29 387 991	31 630 894	(2 242 903)	-7%	75 393 870
Expenditure By Type									
Employee related costs		19 007 361	–	2 229 659	8 561 479	7 905 149	656 330	8%	19 007 361
Remuneration of councillors		184 542	–	14 829	73 014	76 895	(3 881)	-5%	184 542
Bulk purchases - electricity		16 403 226	–	1 183 685	7 923 154	8 593 665	(670 512)	-8%	16 403 226
Inventory consumed		6 358 943	–	617 543	3 016 063	2 649 053	367 010	14%	6 358 943
Debt impairment		7 983 550	–	397 522	3 197 588	3 331 610	(134 021)	-4%	7 983 550
Depreciation and amortisation		4 784 336	–	368 739	1 792 501	1 991 548	(199 047)	-10%	4 784 336
Interest		2 171 098	–	30 385	851 065	904 628	(53 563)	-6%	2 171 098
Contracted services		7 575 012	–	707 850	2 451 459	3 118 858	(667 400)	-21%	7 575 012
Transfers and subsidies		138 835	–	783	276	63 507	(63 231)	-100%	138 835
Irrecoverable debts written off		–	–	850	92 401	–	92 401		–
Operational costs		6 772 269	–	887 442	2 719 669	2 815 278	(95 609)	-3%	6 772 269
Losses on Disposal of Assets		302	–	793	19 695	124	19 571	15783%	302
Other Losses		1 920 044	–	230 291	1 168 384	800 020	368 364	46%	1 920 044
Total Expenditure		73 299 518	–	6 670 369	31 866 747	32 250 335	(383 587)	-1%	73 299 518
Surplus/(Deficit)		2 094 352	–	(1 344 710)	(2 478 757)	(619 441)	(1 859 315)	300%	2 094 352
Transfers and subsidies - capital (monetary allocations)		3 208 307	–	93 353	786 770	1 288 915	(502 145)	-39%	3 208 307
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		5 302 659	–	(1 251 357)	(1 691 986)	669 474			5 302 659
Income Tax		80 168	–	–	–	33 405		–	80 168
Surplus/(Deficit) after income tax		5 222 491	–	(1 251 357)	(1 691 986)	636 069			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	–	(1 251 357)	(1 691 986)	636 069			5 222 491
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		5 222 491	–	(1 251 357)	(1 691 986)	636 069			5 222 491

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M05 November

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	–	5 451 730	6 930 714
Trade and other receivables from exchange transactions		13 014 236	–	21 389 719	13 014 236
Receivables from non-exchange transactions		–	–	(258 300)	–
Current portion of non-current receivables		–	–	1 471 722	–
Inventory		549 127	–	499 683	549 127
VAT		–	–	28 885 942	–
Other current assets		–	–	(382 423)	–
Total current assets		20 494 077	–	57 058 072	20 494 077
Non current assets					
Investments		787 795	–	–	787 795
Investment property		1 036 836	–	26 933	1 036 836
Property, plant and equipment		85 737 194	–	32 576 144	85 737 194
Biological assets		29 386	–	–	29 386
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		1 069 416	–	(49 007)	1 069 416
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64 463	–	53 423	64 463
Other non-current assets		3 592 423	–	3 646 417	3 592 423
Total non current assets		92 317 514	–	36 253 910	92 317 514
TOTAL ASSETS		112 811 590	–	93 311 982	112 811 590
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1 543 567	–	49 504	1 543 567
Consumer deposits		21 556	–	1 444 073	21 556
Trade and other payables from exchange transactions		13 751 867	–	(12 032 237)	13 751 867
Trade and other payables from non-exchange transactions		–	–	4 951 561	–
Provision		775 019	–	726 024	775 019
VAT		–	–	29 572 256	–
Other current liabilities		–	–	4 545 748	–
Total current liabilities		16 092 009	–	29 256 930	16 092 009
Non current liabilities					
Financial liabilities		20 121 909	–	20 540 491	20 121 909
Provision		7 399 335	–	1 004 201	7 399 335
Long term portion of trade payables		–	–	21 981	–
Other non-current liabilities		–	–	(104 719)	–
Total non current liabilities		27 521 244	–	21 461 954	27 521 244
TOTAL LIABILITIES		43 613 254	–	50 718 883	43 613 254
NET ASSETS	2	69 198 337	–	42 593 099	69 198 337
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69 198 337	–	36 200 492	69 198 337
Reserves and funds		–	–	369 341	–
Other		–	–	675 991	–
TOTAL COMMUNITY WEALTH/EQUITY	2	69 198 337	–	37 245 824	69 198 337

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M05 November

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	–	1 198 539	5 890 995	6 203 799	(312 805)	-5%	14 889 119
Service charges		36 255 075	–	3 045 771	15 581 459	15 259 247	322 212	2%	36 255 075
Other revenue		8 138 874	–	750 061	4 344 978	3 387 259	957 719	28%	8 138 874
Transfers and Subsidies - Operational		8 281 453	–	–	4 218 389	3 506 142	712 247	20%	8 281 453
Transfers and Subsidies - Capital		3 208 307	–	1 102 478	2 120 369	1 288 915	831 454	65%	3 208 307
Interest		392 345	–	26 987	145 083	163 475	(18 391)	-11%	392 345
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(57 788 937)	–	(4 758 818)	(30 999 795)	(25 777 298)	5 222 497	-20%	(57 788 937)
Finance charges		(2 171 098)	–	(90 513)	(463 959)	(904 628)	(440 669)	49%	(2 171 098)
Transfers and Subsidies		(138 835)	–	(1 320)	(38 985)	(63 507)	(24 522)	39%	(138 835)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**11 066 302**	**–**	**1 273 184**	**798 535**	**3 063 405**	**2 264 870**	**74%**	**11 066 302**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 582	–	–	–	2 326	(2 326)	-100%	5 582
Decrease (increase) in non-current receivables			–				–		
Decrease (increase) in non-current investments		(648 081)	–	–	–	(270 034)	270 034	-100%	(648 081)
Payments									
Capital assets		(7 642 206)	–	(442 961)	(2 020 557)	(2 307 946)	(287 389)	12%	(7 642 206)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 284 705)**	**–**	**(442 961)**	**(2 020 557)**	**(2 575 654)**	**(555 097)**	**22%**	**(8 284 705)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	2 400 000	3 070 000	–	3 070 000		–
Borrowing long term/refinancing		2 500 000	–	–	–	–	–		2 500 000
Increase (decrease) in consumer deposits		213	–	(62)	(486)	(89)	(397)	446%	213
Payments									
Repayment of borrowing		(2 800 606)	–	(210 849)	(358 453)	(1 166 919)	(808 466)	69%	(2 800 606)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(300 393)**	**–**	**2 189 089**	**2 711 061**	**(1 167 008)**	**(3 878 069)**	**332%**	**(300 393)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 481 204**	**–**	**3 019 374**	**3 019 374**	**(679 258)**			**2 481 204**
Cash/cash equivalents at beginning:		4 449 510	–	2 432 356	2 432 356	4 449 510			2 432 356
Cash/cash equivalents at month/year end:		6 930 714	–	5 451 730	5 451 730	3 770 252			4 913 560

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations – M05 November

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 as a result 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.	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. • Ensuring that invoices are processed in time and working on the revenue variance reductions. • Budget to be reviewed during the revised budget process. Budget to be reviewed during the revised budget process.
	Service charges - Water	90 180	The over performance is because of increased water consumption in business and households due to high demands as the hot season began.	No remedial action
	Service charges - Waste Water Management	33 239	The year to 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 as income is over budget.
	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. Johannesburg Civic Theatre: Due to a reduction in events that were booked under theatre rentals.	JDA: Revenue will be recognized once departments are billed starting from mid-quarter 2. Community development and JCT: Revenue is dependent on public usage
	Agency services	(6 197)	The under recovery is due to motorists utilizing third parties such as the Post Office, retailers and banks to renew their vehicle licence registrations instead of government DLTC's	Departments will implement measures to increase revenue.
	Interest earned from Receivables.	78 610	City Power & Joburg Water: The over performance is due to an increase in the number of long overdue debtors. Group Finance: Due to interest charged on unfavourable sweeping bank balances of the entities.	Joburg Water and RSSC will be 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)	Interest on loans to MOEs, the actual for the month was less than expected, owing primarily to the fact	No remedial action.

			that most entities have not completed their capex claim for the city to offer the loan.	
	Rental from Fixed Assets	(20 357)	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.
	Operational Revenue	(65 754)	JPC: Due to under recovery on facilitation fees that are dependent on the finalisation of all projects currently underway, based on the awarding of Inner-City tenders and the achievement of milestones accordingly. City Power: Due to under recovery on sundry revenue as a result of fewer insurance claims registered. JRA: Due to under recovery on management fees, jobbing as well as reinstatements for the current month under review. Group Finance: Due to underperformance on pretermination and final notices revenue component. Movement is linked to the credit control measures instituted in line with debtors ageing Transport: Due to the delays in the	Transport: Revenue recovery will start increasing as soon as JITI project is operationalised. Revenue will be recovered as per the business plan. Group Finance: This will be reviewed during the adjustment budget process.

			operationalization of Johannesburg Intermodal Transport Interchange (JITI).	
	Non-Exchange Revenue			
	Property rates	216 329	The year to actual is in line with the year to date budget.	
	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 as the post office was under business rescue.	
	Transfers and subsidies - Operational	422 083	The year to actual is in line with the year-to-date budget.	
	Interest	45 411	Group Finance: Relates to penalties imposed. 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 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	The department will ensure that the revenue is recognised in the coming months.

			National Treasury, since they are paid in three instalments: July 2023, December 2023, and March 2024.	
	Operational Revenue	(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	7 793	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.	
	Bulk purchases - electricity	(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.	279 549	JMPD: The variance is mainly due to the correction of an erroneous journal made at public safety that resulted in an over statement of the inventory consumed expenditure by R3.8 billion in the first	The department has prepared a report on the error, and the incorrect transactions have been reserved and rectified.

			quarter of the financial year. This has been rectified and the correcting journal was processed to reverse the entry in the current month of October.	
	Debt impairment	131 327	Joburg Water: The over expenditure is due to a decrease on collection levels. The year-to-date collection level is 75.98% as compared to the budgeted payment level of 77.8% resulting in a higher contribution to Bad Debts.	Joburg Water and RSSC have been working together to reduce the outstanding balance. The numerous meetings have been held with the departments in order to speed up the collection process. There is slow progress of pre-termination notices and disconnections on government accounts and that resulted to low collection.
	Depreciation and amortisation	(169 089)	The under expenditure is as a result 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	(169 089)	Due to long term borrowings that have not yet been undertaken to date.	
	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	Transport: The department is in the process of following up on outstanding invoices and finalisation operational licenses for affected taxi operators to commence with the transaction of compensation payment as this is the bulk of expenditure budgeted for by the department. City Manager: The expenditure will increase in the upcoming months once payments

			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. City Power: As a result of under spending on commission fees due to less customers making use of third-party vending payments. Repairs and maintenance are less than the budget due to reduced utilization of contractors as more employees are being recruited to maintain City Power infrastructure; Furthermore the has been under spending incurred on security costs due to delays in payment of contracted suppliers. Group Finance: Due to no major repairs and maintenance required as yet for stores in Main Reef, Randburg, Smit, Zondi, Hamberg, and Mofolo office, as well as under spending on ATTCOL and issuance of pretermination letters.	are prioritised for major projects. City Power: Repairs and maintenance work to be fast tracked during the 2023/24 financial year with the assistance of contractors to be appointed once the procurement process has been finalised and a labour contract is in place. Budget to be reviewed during the revised budget process. Group Finance: The expenditure are expected to improve in the coming months when payments in relation to new fiscal year are paid.
	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.
	Operational costs	(421 372)	The year-to-date actual is progressing in line with the year-to-date budget. The under expenditure incurred of the following: City Power: Due to under spending	City Power: The expenditure will be improving in the proceeding months of the financial year. Group

			on departmental charges (rates and services); Telecommunications ; legal fees and Eskom free electricity. The expenditure will improve as the year progresses. Group Finance: Due to under spending on monthly operational costs such as fleet, rental and maintenance equipment, and contractor cell phones being paid in arrears, November invoices will be paid in December and due to moratorium issued from merchant payments. Furthermore, most stakeholder engagement programs (such as credit control campaigns, open days, GV leaflets and brochures, tariffs, and budget book advertisements) are scheduled to begin in the second and third quarter.	Finance: The department will follow up with Merchant Payment to prioritize payments of major projects

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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	947 004	505 651	427 162	1 473 382			1 995 843	13 136 788	18 485 830	16 606 013		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	891 343	381 210	304 292	793 511			890 383	5 437 732	8 698 470	7 121 625		
Receivables from Non-exchange Transactions - Property Rates	1400	853 338	487 797	431 567	1 054 797			1 496 465	7 711 651	12 035 615	10 262 913		
Receivables from Exchange Transactions - Waste Water Management	1500	491 912	262 603	210 722	730 227			916 037	6 212 008	8 823 508	7 858 272		
Receivables from Exchange Transactions - Waste Management	1600	194 009	123 334	108 267	323 519			483 232	3 834 213	5 066 575	4 640 964		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 048)	9 735	9 456	18 644			18 040	950 137	1 000 964	986 821		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	(494 801)	66 578	34 945	241 156			341 298	3 275 811	3 464 987	3 858 266		
Total By Income Source	**2000**	**2 877 757**	**1 836 907**	**1 526 411**	**4 635 236**	**–**	**–**	**6 141 299**	**40 558 339**	**57 575 950**	**51 334 874**	**–**	**–**
2022/23 - totals only		2 601 756	1 676 497	1 568 473	2 739 591			6 107 457	33 694 729	48 388 503	**42 541 777**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	38 673	28 881	11 909	102 427			156 684	1 363 066	1 701 639	1 622 176		
Commercial	2300	793 378	341 589	268 152	727 378			930 418	5 351 560	8 412 474	7 009 355		
Households	2400	2 045 706	1 466 438	1 246 350	3 805 432			5 054 198	33 843 714	47 461 836	42 703 343		
Other	2500									–	–		
Total By Customer Group	**2600**	**2 877 757**	**1 836 907**	**1 526 411**	**4 635 236**	**–**	**–**	**6 141 299**	**40 558 339**	**57 575 950**	**51 334 874**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	1 997 071
Bulk Water	0200	760 125								760 125	–
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	1 988 872	17 023	39 005	15 996	248	276 742	31 799	219 633	2 589 319	3 839 585
Auditor General	0800									–	–
Other	0900	170 020	42 451	36 883	10 944	1 642	40 363	23 318	201 111	526 732	2 221 265
Total By Customer Type	**1000**	**2 919 017**	**59 474**	**75 889**	**26 940**	**1 891**	**317 105**	**55 117**	**420 744**	**3 876 176**	**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 - M05 November

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
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	(5)	–	(5)	#DIV/0!	–
Agency services		–	–	–	–	–	–		–
Interest		386 492	–	28 659	139 507	161 040	(21 533)	-13%	386 492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1 462 814	–	199 992	916 412	609 505			1 462 814
Dividends		147 420	–	3 226	6 546	61 425	(54 879)	-89%	147 420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146 267	–	5 049	25 095	60 945	(35 850)	-59%	146 267
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395 271	–	16 200	71 408	164 694	(93 286)	-57%	395 271
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951 486)	–	(55 290)	(161 434)	(396 450)			(951 486)
Fines, penalties and forfeits		(10 870)	–	2 519	(1 144)	(4 525)	3 381	-75%	(10 870)
Licences or permits		(8 280 856)	–	(23 762)	(3 070 345)	(3 505 892)			(8 280 856)
Transfer and subsidies - Operational		(116 245)	–	(18 965)	(103 124)	(48 435)			(116 245)
Interest		(3 838 724)	–	–	(970 381)	(1 599 470)			(3 838 724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5 000)	–	–	–	(2 085)			(5 000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11 060 188)**	**–**	**141 428**	**(3 218 873)**	**(4 663 942)**	**1 445 069**	**-31%**	**(11 060 188)**
Expenditure By Type									
Employee related costs		(951 486)	–	(55 290)	(161 434)	(396 450)	235 016	-59%	(951 486)
Remuneration of councillors		(10 870)	–	2 519	(1 144)	(4 525)	3 381	-75%	(10 870)
Bulk purchases - electricity		(8 280 856)	–	(23 762)	(3 070 345)	(3 505 892)	435 547	-12%	(8 280 856)
Inventory consumed		(116 245)	–	(18 965)	(103 124)	(48 435)	(54 689)	113%	(116 245)
Debt impairment		(3 838 724)	–	–	(970 381)	(1 599 470)	629 089	-39%	(3 838 724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5 000)	–	–	–	(2 085)	2 085	-100%	(5 000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69 144)	–	(434)	(113 712)	(28 809)			(69 144)
Total Expenditure		**(13 272 325)**	**–**	**(95 933)**	**(4 420 139)**	**(5 585 666)**	**1 165 527**	**-21%**	**(13 272 325)**
Surplus/(Deficit)		2 212 138	–	237 361	1 201 266	921 724	279 543	30%	2 212 138
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(69 144)
Transfers and subsidies - capital (in-kind)		(69 144)	–	(434)	(113 712)	(28 809)	(84 903)	295%	(2 030 298)
Surplus/(Deficit) after capital transfers & contributions		2 142 993	–	236 926	1 087 555	892 915	194 640	22%	112 695
Income Tax		4 849 009	–	584 252	1 543 650	2 020 374	(476 724)	-24%	4 849 009
Surplus/(Deficit) after income tax		**(2 706 016)**	**–**	**(347 326)**	**(456 096)**	**(1 127 459)**	**671 363**	**-60%**	**(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 - M05 November

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	–	247 067	1 229 737	1 088 415	141 322	13%	2 606 997
City Power		23 706 564	–	1 564 826	8 315 056	10 047 381	(1 732 325)	-17%	23 706 564
Johannesburg Water		16 997 017	–	1 625 493	7 633 171	7 025 167	608 004	9%	16 997 017
Johannesburg Social Housing Company		303 597	–	41 620	117 169	126 500	(9 331)	-7%	303 597
Johannesburg Property Company		81 459	–	6 576	14 139	33 940	(19 801)	-58%	81 459
Metropolitan Trading Company		59 618	–	24 817	111 561	24 840	86 721	349%	59 618
Metrobus		63 682	–	30 209	53 862	26 535	27 327	103%	63 682
Johannesburg City Parks and Zoo		87 586	–	4 444	48 527	34 985	13 542	39%	87 586
JDA		75 926	–	4 325	16 992	31 635	(14 643)	-46%	75 926
Johannesburg Roads Agency		128 962	–	19 341	48 483	53 735	(5 252)	-10%	128 962
Joburg City Theatres		67 394	–	10 495	35 850	28 080	7 770	28%	67 394
Joburg Market		646 656	–	59 234	300 026	269 440	30 586	11%	646 656
Joburg Tourism Company		3 483	–	4 120	5 920	1 450	4 470	308%	3 483
Total Operating Revenue	1	**44 111 408**	**–**	**3 568 718**	**17 588 697**	**18 493 133**	**(904 435)**	**-5%**	**44 111 408**
Expenditure By Municipal Entity									
Pikitup		3 764 315	–	369 052	1 677 888	1 543 508	134 380	9%	3 764 315
City Power		22 722 431	–	1 754 125	10 158 754	11 231 793	(1 073 040)	-10%	22 722 431
Johannesburg Water		14 964 254	–	1 517 781	7 060 567	6 235 115	825 453	13%	14 964 254
Johannesburg Social Housing Company		355 355	–	77 644	372 454	148 070	224 384	152%	355 355
Johannesburg Property Company		964 641	–	79 594	316 030	401 935	(85 905)	-21%	964 641
Metropolitan Trading Company		423 773	–	83 322	370 887	176 569	194 318	110%	423 773
Metrobus		601 623	–	322 283	542 853	250 680	292 173	117%	601 623
Johannesburg City Parks and Zoo		1 257 264	–	104 987	462 294	478 962	(16 668)	-3%	1 257 264
JDA		108 145	–	10 105	39 459	45 065	(5 606)	-12%	108 145
Johannesburg Roads Agency		1 438 437	–	112 243	528 966	599 355	(70 389)	-12%	1 438 437
Joburg City Theatres		262 776	–	23 018	104 131	109 495	(5 364)	-5%	262 776
Joburg Market		558 591	–	38 127	205 626	232 755	(27 129)	-12%	558 591
Joburg Tourism Company		69 503	–	7 862	19 634	28 965	(9 331)	-32%	69 503
Total Operating Expenditure	2	**47 491 108**	**–**	**4 500 144**	**21 859 544**	**21 482 268**	**377 277**	**2%**	**47 491 108**

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

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**					