CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 31 OCTOBER 2023

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

1. STRATEGIC THRUST

The City identified Seven (7) Priority Areas that the SDBIP, IDP and budget aim to achieve. The applicable Priority for this Report is:

- A well-run City.

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 October 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 October 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 5%, R1.3 billion under performance [October 2022: -5%]. The actual operating expenditure is under budget by 4%, R1.1 billion [October 2022: -8%]. The net result is an operating deficit of R1.1 billion against a year-to-date (YTD) budgeted deficit of R920 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 R1.3 billion (17%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of October 2023 were R2.7 billion and R2. 4 billion respectively. This shows a decrease of R303 million during the month as indicated in Table 1 below.

Oct 23	OPENING R	CLOSING R
Operational Call Deposits	46 751 125,36	46 978 346,39
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	349 104 387,34	204 842 058,67
Absa Primary Account Balance	40 655 939,73	185 857 184,47
TOTAL UNENCUMBERED	**436 511 452,43**	**437 677 589,53**
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	18 396 805,53	18 522 307,03
Non-Sweeping Bank Accounts	1 997 827 549,79	1 693 449 250,14
TOTAL ENCUMBERED	**2 298 931 431,60**	**1 994 678 633,45**
TOTAL INVESTMENTS	**2 735 442 884,04**	**2 432 356 222,98**

Table 1: Cash Balances as at 31 October 2023; Source – Bank Statements

Oct 23	OPENING R	CLOSING R
Cash and Cash Equivalents	1 424 883 292,84	1 433 814 031,55
Interest Rate swaps	-290 608 735,11	-237 360 511,69
Tradable Instruments Portfolio	348 448 225,50	353 524 898,00
TOTAL SINKING FUND INVESTMENTS	**1 482 722 783,23**	**1 549 978 417,86**

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

- Total unencumbered balances increased by R1.1 million during the course of the month, which was primarily driven by the increase in the primary bank account.

- Total encumbered balances decreased by R304 million during this same period, with the decrease being in the non-sweeping portfolio, as well as the Contingency Reserve portfolio. The combined movement resulted in the overall total balance decrease of R303 million.

- The Sinking Fund balances closed R67 million higher at R1.5 billion, with an increase of R5 million in the cash and cash equivalents and a decrease of R9 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 53 million during the month of October.

Cash movements analysis:

Inflows for the month of October amounted to R5 billion versus outflows of R5.3 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries citywide). The resulting net movement was a decrease of R303 million as depicted in Table 1.1 below.

Oct 23	
Description	**R**
Cash Collections	4 019 202 518,58
Revenue cash collections paid into Primary and Ordinary bank accounts	147 894 081,93
Direct Payments into MOE Revenue accounts	12 395 562,50
Prepaid Collections	168 513 634,10
Other Income (Interest Received, Vat Refund, Licensing Fees)	673 743 453,43
Operating Grants and Subsidies	23 064 000,00
Positive Sweepings and Non-Sweeping Movements	30 821 500,03
Total Cash Inflows	5 075 634 750,57
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-4 503 620 623,67
Negative Sweepings and Non-Sweeping Movements	-875 100 787,96
Total Cash Outflows	-5 378 721 411,63
Net Movement	-303 086 661,06

Summary Table 1.1 Cash Movements as at 31 October 2023

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

The inflows for the month of October include cash collection (R4 billion), receipts paid directly into MOE bank accounts (R12 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R148 million), while cash outflows were more than the inflows resulting in a negative net movement on the overall cash balances.

The table below indicates the level of grant funding received during October 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	351 596 000,00	351 596 000,00	-
Informal Settlements Upgrading Partnership	155 155 000,00	155 155 000,00	-
Public Transport Network Grant	417 357 000,00	417 357 000,00	-
Neighbourhood Development Partnership Gr	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	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	**1 047 891 000,00**	**1 017 891 000,00**	**-30 000 000**
Total Local Government Grants	**5 266 280 000,00**	**5 236 280 000,00**	**-30 000 000**

Table 4.1 – Source: National Treasury and Bank Statements

The USDG and ISUPG grants that were due in July were received in the month of August. This has resulted in all the grants being transferred as indicated on the National Treasury's payment schedule.

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

FY2023/24				
Conditional Grant Name	YTD Allocations received R	Expenditure R	Unspent R	% Expenditure against YTD Allocations received
USDG	351 596 000,00	256 472 308,00	95 123 692,00	73%
ISUPG	155 155 000,00	54 417 484,01	100 737 515,99	35%
PTNG	417 357 000,00	51 324 000	366 033 000,00	12%
NDPG	66 289 000,00	7 632 711	58 656 289,00	12%
ISDG	3 000 000,00	1 287 637	1 712 363,00	43%
EPWP	3 494 000,00	2 531 532	962 468,00	72%
FMG	1 000 000,00	333 172	666 828,00	33%
PPPSG	20 000 000,00	1 823 528	18 176 471,63	9%
Totals	**1 017 891 000,00**	**375 822 372,38**	**642 068 627,62**	**37%**

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

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 October 2023 for all MOEs.

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

Entity	End of September Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of October Balance R
City Power	**-14 012 988 064,36**	1 217 669 053,78	-1 333 385 010,21	-115 715 956,43	**-14 128 704 020,79**
Joburg Water	470 455 964,33	992 388 462,30	-1 215 259 922,03	-222 871 459,73	247 584 504,60
Pikitup	1 082 807 580,94	80 351 481,24	-154 983 806,44	-74 632 325,20	1 008 175 255,74
Parks Zoo	1 078 676 633,92	14 808 207,19	-94 375 342,51	-79 567 135,32	999 109 498,60
Fresh Produce	361 614 358,54	2 252 655,03	-90 495 746,01	-88 243 090,98	273 371 267,56
JDA	**-716 718 789,93**	53 596 458,50	-78 592 615,96	-24 996 157,46	**-741 714 947,39**
Joshco	**-1 439 740 179,77**	5 831 450,23	-78 608 076,58	-72 776 626,35	**-1 512 516 806,12**
Metro Bus	**-555 185 776,38**	48 759 015,86	-25 417 779,88	23 341 235,98	**-531 844 540,40**
Propcom	328 286 007,56	3 278 695,22	-55 009 490,82	-51 730 795,60	276 555 211,96
Propcom Portfolio	**-165 347 743,23**	6 278 483,74	-2 680 352,56	3 598 131,18	**-161 749 612,05**
Roads	**-104 591 831,07**	**275 428 093,61**	**-213 058 629,42**	**62 369 464,19**	**-42 222 366,88**
MTC	**-136 655 868,17**	**79 625 238,01**	**-84 942 435,35**	**-5 317 197,34**	**-141 973 065,51**
JTC	71 548 732,39	493 869,77	-7 403 183,64	-6 909 313,87	64 639 418,52
Core	16 473 361 665,08	4 970 813 250,54	-4 620 448 684,67	350 364 565,87	16 823 726 230,96
Total Sweepings and Balances	**2 735 442 884,02**			**-303 086 661,06**	**2 432 356 222,95**

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

Inflows for the month of October versus outflows resulted in a negative net movement of R303 million.

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

YTD Net Movement					
Entity	**July 2023 R**	**Aug 2023 R**	**Sept 2023 R**	**Oct 2023 R**	**YTD R**
City Power	-1 898 105 046,47	-363 779 617,72	-1 693 591 140,55	-115 715 956,43	-4 071 191 761,17
Joburg Water	-1 011 174 164,26	330 082 673,19	-415 417 098,85	-222 871 459,73	-1 319 380 049,65
Pikitup	75 274 289,80	319 299 087,46	109 666 121,07	-74 632 325,20	429 607 173,13
Parks Zoo	-158 462 269,13	170 168 804,78	73 554 856,83	-79 567 135,32	5 694 257,16
Fresh Produce	200 096 562,92	-27 837 299,04	-31 192 135,39	-88 243 090,98	52 824 037,51
JDA	-199 670 992,55	35 752 997,20	117 811 277,45	-24 996 157,46	-71 102 875,36
Joshco	-151 168 753,20	-172 384 466,61	-3 234 478,87	-72 776 626,35	-399 564 325,03
Metro Bus	14 187 893,55	-51 378 206,30	24 333 266,69	23 341 235,98	10 484 189,92
Propcom	23 881 468,71	63 229 695,65	-9 329 352,34	-51 730 795,60	26 051 016,42
Propcom Portfolio	2 353 937,03	-17 054 276,01	28 463 316,51	3 598 131,18	17 361 108,71
Roads	-285 084 156,34	-33 718 503,03	7 633 093,75	62 369 464,19	-248 800 101,43
MTC	-170 764 168,62	17 966 131,80	-103 381 454,09	-5 317 197,34	-261 496 688,25
JTC	-6 760 405,30	11 456 188,65	5 544 530,04	-6 909 313,87	3 330 999,51

Table 3.1(a): Sweeping movements analysis.

The above table reflects the ME net movements for the month of July and October 2023. City Power's overdraft has increased by R4 billion year to date and continues to be a risk to the City's sustainability considering continuously declining revenues while expenditure remains high.

September 2023 Billing & October 2023 Collections; Year to Date Billing & Collections:

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Sep 2023	Oct 2023		YTD: Jun'23 to Sep'23	YTD: Jul'23 to Oct'23	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 398 691	1 331 609	95.2%	5 499 008	5 269 679	95.8%
Electricity	1 911 736	1 677 202	87.7%	7 482 132	7 075 115	94.6%
Water	1 604 894	1 368 868	85.3%	6 628 330	4 721 622	71.2%
Refuse	275 538	220 955	80.2%	1 069 047	841 904	78.8%
TOTAL	**5 190 859**	**4 598 634**	**88.6%**	**20 678 517**	**17 908 320**	**86.6%**
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 September 2023 compared to R4.6 billion collected in October 2023. The year-to-date billing as at 30 September 2023 is R21 billion compared to R18 billion collected as at 31 October 2023 resulting in a collection level of 86.6% compared to a budgeted collection level of 87.3%. Revenue war room initiatives needs to be stepped up to reflect additional inflows in line with the budget.

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

Reconciliation between Treasury banking and RSSC collections

Description	Oct 2023	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 348 006	17 177 167
Deposits reflected by Treasury in previous month	162 643	246 591
Refunds, Deposits and Sundry Revenue	-83 943	-181 891
Water: Industrial Effluent and Cross-Boundary Sales	17 149	101 843
Difference in electricity and water prepaid sales	1 512	-2 754
Non-Cash Items:		
Staff Accounts	7 800	31 271
Departmental Settlements	145 467	536 093
Total Revenue as per Revenue Collection Report	**4 598 634**	**17 908 320**

The October 2023 deposits of approximately R163 million are mainly because 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		Sep 2023	Oct 2023
Budget Billing	R 000	5 476 882	5 253 501
Actual Billing	R 000	5 190 859	5 213 945
Shortfall (-) / Surplus (+) in Billing	R 000	-286 023	-39 556
Budget Collection	R 000		4 579 716
Actual Revenue Collection	R 000		4 598 634
Shortfall (-) / Surplus (+) in Collections	R 000		18 918
Actual Billing vs. Budgeted Billing	%	94.8%	99.2%
Actual Collection vs. Budgeted Collection	%		100.4%
Budgeted Collection (Oct) vs Budgeted Billing (Sep)	%		83.6%
Actual Collections (Oct) vs. Actual Billing (Sep)	%		88.6%

The actual billing of R5.2 billion for September 2023 was R286 million below the budgeted billing of R5.5 billion. The actual collection of R4.6 billion for October 2023 was R19 million above the budgeted collection of R4.5 billion. The collection rate of 88.6 % for October 2023 was 5% above the budgeted collection rate of 83.6%.

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 04 mSCOA data strings was submitted to the National Treasury on the 13th October 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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011 021 2302

CHARITY-ANN WURAYAYI **GROUP HEAD GROUP ACCOUNTING**	**SENIOR LEGAL ADVISOR** **GROUP LEGAL AND CONTRACTS**
	` 25.01.2024
MALOPE RAMAGAGA **ACTING GROUP HEAD: RSSC**	**DATE**
	25 January 2024
SINOVUYO MPAKAMA **GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING**	**DATE**
For	25/01/2024
TEBOGO MORAKA **GROUP CHIEF FINANCIAL OFFICER**	**DATE**
	25/01/2024
COUNCILLOR SELLO ENOCK MORERO **MMC GROUP FINANCE**	**DATE**

Annexure A

In-Year Report

Budget year: 2023/24

Reporting Period: Month 04

October 2023

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 12 May 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 October 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 R1.3 billion against the YTD budget for the period ended 31 October 2023.

The operating expenditure is under spent by R1.1 billion, against year-to-date expenditure budget of R26 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 R1.3 billion (17%) of the medium-term budget.

Capital Expenditure per funding source as at 31 October 2022:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	1 830	346	19%
CRR / Cash	3 111	348	11%
Nat Grant	320	-	0%
Prov Grant	-	-	0%
USDG	1 205	299	25%
USIP	685	101	19%
Other	590	120	20%
Total CoJ	7 741	1 214	16%

Capital Expenditure per funding source as at 31 October 2023:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	604	24%
CRR / Cash	2 000	306	15%
Nat Grant	446	8	2%
Prov Grant	-	-	0%
USDG	1 643	256	16%
USIP	715	7	1%
Other	338	106	31%
Total CoJ	7 642	1 288	17%

COJ Loans, cash and USDG funding sources have the spending in the month under review. USIP, National grants have commenced reflecting expenditure. When compared to the previous year overall spending (excluding commitments) has increased by 1%.

Consolidated Summary - Capital Expenditure as 31 October 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	-	0%
Social Development	98	2	2%
Forensic	0	-	0%
Ombudsman	1	-	0%
Office of the City Manager	29	-	0%
Speaker	3	-	0%
Group ICT	410	-	0%
Group Finance	30	4	15%
Group Corporate Services	3	-	0%
Housing	1 456	71	5%
Development Planning	121	-	0%
Public Safety	64	24	38%
Total Core Administration	3 047	103	3%

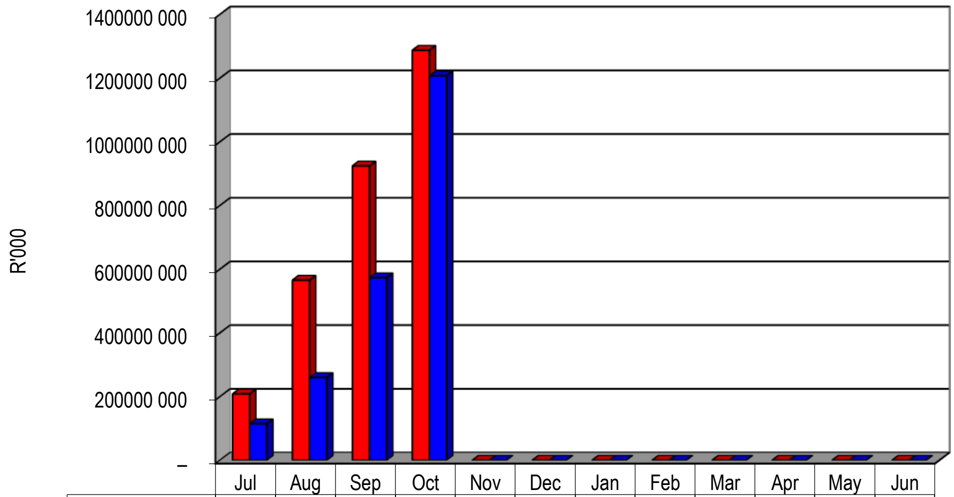
Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1 207	355	29%
Johannesburg Water	1 064	362	34%
Pikitup	100	25	25%
Jhb Roads Agency	860	170	20%
Metrobus	196	6	3%
Jhb City Parks and Zoo	65	10	16%
Jhb Development Agency	375	49	13%
Jhb Property Company	50	6	13%
Metro Trading Company	11	-	0%
Joburg Market	150	43	29%
JOSHCO	492	146	30%
Joburg City Theatres	21	11	50%
Joburg Tourism	5	1	18%
Total MEs	4 595	1 185	26%

The negative movement is due to accruals that have been reversed in the current month. In addition, several departments have not started spending while 1 municipal entity, namely Metro Trading Company has not started spending. Joburg Tourism only started spending at 1% in the current month of October.

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	–	–	–	–	–	–	–	–
YearTD budget	114633	259835	573165	120746	–	–	–	–	–	–	–	–

Cash Flow

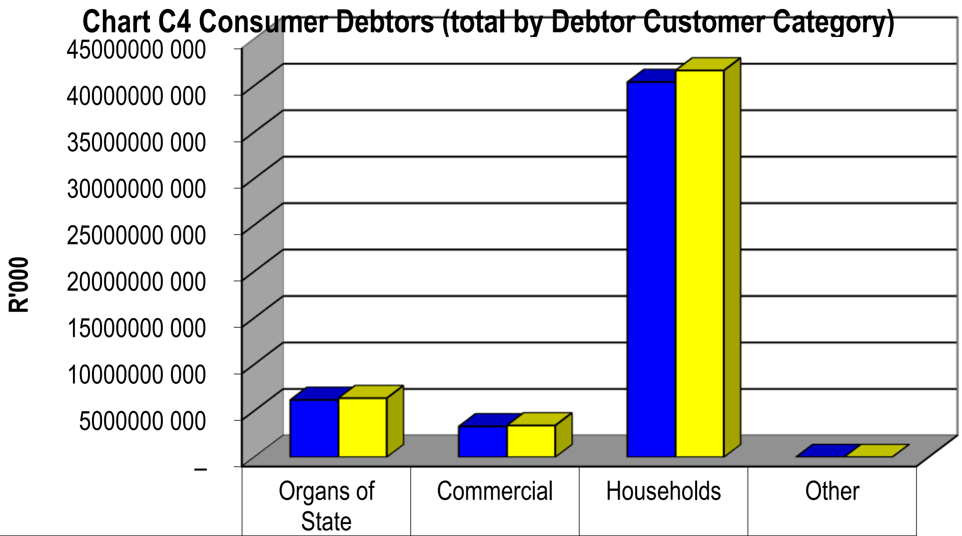
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of October 2023 amount to R2.4 billion.
- The cash flow from operating activities is R475 million, negative.
- The cash flow from investing activities amount to R1.5 billion, negative.
- The cash flow from financing activities amount to R522 million, 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 R51 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	Organs of State	Commercial	Households	Other
2022/23	6161482 374	3312216 940	40380288 318	–
Budget Year 2023/24	6352043 684	3414656 639	41629163 214	–

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

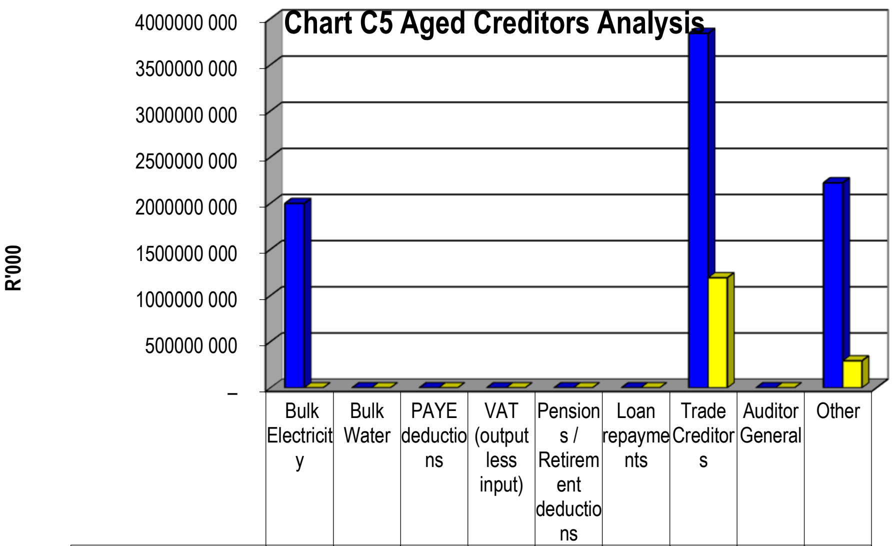
(i) 55 233 accounts were identified for delivery of pre-termination notices, total value R9,6 billion of which R201,2 million were collected from 1 106 accounts.

(ii) 4 006 electricity accounts were identified for disconnections, total value R2,2 billion of which R32,5 million were collected from 357 accounts.

(iii) 17 189 water accounts were identified for disconnections, total value R4,0 billion of which R61,6 million were collected from 1 466 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 8	–	–	–	–	–	3839584 9	–	2221264 5
Budget Year 2023/24	–	–	–	–	–	–	1192598 2	–	292287 36

<u>Parent (Core) municipality's financial performance (Table SC10)</u>

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 October 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.

<u>Summary of municipal entities (Table SC11)</u>

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 - M04 October

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	–	1 525 280	5 479 610	5 457 588	22 022	0%	16 372 765
Service charges	42 048 461	–	3 090 897	13 063 603	14 196 145	(1 132 542)	-8%	42 048 461
Investment revenue	–	–	–	–	–	–		–
Transfers and subsidies - Operational	174 350	–	11 098	36 551	56 908	(20 357)	-36%	174 350
Other own revenue	16 798 294	–	704 990	5 482 568	5 669 679	(187 110)	-3%	–
Total Revenue (excluding capital transfers and contributions)	**75 393 870**	**–**	**5 332 265**	**24 062 332**	**25 380 320**	**(1 317 988)**	**-5%**	**75 393 870**
Employee costs	19 007 361	–	1 638 600	6 331 821	6 324 028	7 793	0%	19 007 361
Remuneration of Councillors	184 542	–	15 451	58 185	61 516	(3 331)	-5%	184 542
Depreciation and amortisation	4 784 336	–	362 280	1 423 762	1 592 852	(169 089)	-11%	4 784 336
Interest	2 171 098	–	243 650	820 680	723 702	96 978	13%	2 171 098
Inventory consumed and bulk purchases	22 762 169	–	(1 745 423)	9 137 989	9 493 098	(355 109)	-4%	22 762 169
Transfers and subsidies	138 835	–	672	(507)	52 748	(53 255)	-101%	138 835
Other expenditure	24 251 177	–	2 274 300	7 424 448	8 052 741	(628 293)	-8%	24 251 177
Total Expenditure	**73 299 518**	**–**	**2 789 529**	**25 196 378**	**26 300 684**	**(1 104 306)**	**-4%**	**73 299 518**
Surplus/(Deficit)	**2 094 352**	**–**	**2 542 736**	**(1 134 047)**	**(920 364)**	**(213 682)**	**23%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)	3 208 307	–	172 616	693 417	1 037 590	(344 173)	-33%	3 208 307
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**5 302 659**	**–**	**2 715 352**	**(440 630)**	**117 226**	**(557 855)**	**-476%**	**5 302 659**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**5 302 659**	**–**	**2 715 352**	**(440 630)**	**117 226**	**(557 855)**	**-476%**	**5 302 659**
Capital expenditure & funds sources								
Capital expenditure	**7 642 206**	**–**	**363 278**	**1 287 554**	**1 207 469**	**80 086**	**7%**	**7 642 206**
Capital transfers recognised	3 142 206	–	93 324	377 079	496 469	(119 389)	-24%	3 142 206
Borrowing	2 500 000	–	193 498	604 031	395 000	209 031	53%	2 500 000
Internally generated funds	**2 000 000**	**–**	**76 456**	**306 444**	**316 000**	**(9 556)**	**-3%**	**2 000 000**
Total sources of capital funds	**7 642 206**	**–**	**363 278**	**1 287 554**	**1 207 469**	**80 086**	**7%**	**7 642 206**
Financial position								
Total current assets	20 494 077	–		51 894 474				20 494 077
Total non current assets	92 317 514	–		35 863 171				92 317 514
Total current liabilities	16 092 009	–		22 469 696				16 092 009
Total non current liabilities	27 521 244	–		21 676 049				27 521 244
Community wealth/Equity	**69 198 337**	**–**		**38 285 698**				**69 198 337**
Cash flows								
Net cash from (used) operating	11 066 302	–	2 925	(474 649)	2 031 851	2 506 500	123%	(135 249 712)
Net cash from (used) investing	(6 784 366)	–	(261 374)	(1 577 526)	(921 522)	656 004	-71%	(6 784 366)
Net cash from (used) financing	(300 393)	–	(44 635)	522 396	(933 607)	(1 456 003)	156%	(300 393)
Cash/cash equivalents at the month/year end	**8 431 054**	**–**	**2 432 356**	**2 432 358**	**4 626 375**	**2 194 017**	**47%**	**(139 599 028)**
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	1 470 984	1 599 752	4 032 574	–	–	5 600 302	35 889 019	51 395 864
Creditors Age Analysis								
Total Creditors	155 362	53 126	54 874	31 261	31 396	1 801	17 225	1 484 886

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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	–	1 338 732	6 513 318	7 875 591	(1 362 272)	-17%	23 097 508
Service charges - Water		9 486 608	–	909 745	3 252 383	3 162 203	90 180	3%	9 486 608
Service charges - Waste Water Management		6 893 182	–	596 385	2 330 967	2 297 728	33 239	1%	6 893 182
Service charges - Waste management		2 571 163	–	246 036	966 934	860 623	106 311	12%	2 571 163
Sale of Goods and Rendering of Services		870 667	–	59 280	247 955	288 457	(40 502)	-14%	870 667
Agency services		386 492	–	34 666	122 635	128 832	(6 197)	-5%	386 492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332 416	–	53 538	189 414	110 804	78 610	71%	332 416
Interest from Current and Non Current Assets		174 350	–	11 098	36 551	56 908	(20 357)	-36%	174 350
Dividends		–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535 867	–	25 003	97 453	178 627	(81 174)	-45%	535 867
Licence and permits		–	–	281	977	–	977		–
Operational Revenue		1 046 832	–	93 453	297 985	348 941	(50 956)	-15%	1 046 832
Non-Exchange Revenue									
Property rates		16 372 765	–	1 525 280	5 479 610	5 457 588	22 022	0%	16 372 765
Surcharges and Taxes		302 905	–	24 581	99 187	100 969	(1 783)	-2%	302 905
Fines, penalties and forfeits		951 574	–	16	106 194	317 188	(210 994)	-67%	951 574
Licence and permits		10 870	–	277	3 662	3 620	42	1%	10 870
Transfers and subsidies - Operational		8 281 453	–	70 842	3 254 583	2 832 500	422 083	15%	8 281 453
Interest		116 245	–	20 306	84 159	38 748	45 411	117%	116 245
Fuel Levy		3 838 724	–	319 894	970 381	1 279 576	(309 195)	-24%	3 838 724
Operational Revenue		118 335	–	–	–	39 445	(39 445)	-100%	118 335
Gains on disposal of Assets		5 914	–	439	3 467	1 972	1 495	76%	5 914
Other Gains		–	–	2 415	4 518	–	4 518		–
Discontinued Operations		–	–	–	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		**75 393 870**	**–**	**5 332 265**	**24 062 332**	**25 380 320**	**(1 317 988)**	**-5%**	**75 393 870**
Expenditure By Type									
Employee related costs		19 007 361	–	1 638 600	6 331 821	6 324 028	7 793	0%	19 007 361
Remuneration of councillors		184 542	–	15 451	58 185	61 516	(3 331)	-5%	184 542
Bulk purchases - electricity		16 403 226	–	1 225 129	6 739 469	7 374 127	(634 658)	-9%	16 403 226
Inventory consumed		6 358 943	–	(2 970 553)	2 398 520	2 118 971	279 549	13%	6 358 943
Debt impairment		7 983 550	–	950 892	2 800 067	2 668 740	131 327	5%	7 983 550
Depreciation and amortisation		4 784 336	–	362 280	1 423 762	1 592 852	(169 089)	-11%	4 784 336
Interest		2 171 098	–	243 650	820 680	723 702	96 978	13%	2 171 098
Contracted services		7 575 012	–	563 643	1 743 608	2 490 288	(746 680)	-30%	7 575 012
Transfers and subsidies		138 835	–	672	(507)	52 748	(53 255)	-101%	138 835
Irrecoverable debts written off		–	–	8 564	91 551	–	91 551		–
Operational costs		6 772 269	–	513 609	1 832 227	2 253 599	(421 372)	-19%	6 772 269
Losses on Disposal of Assets		302	–	168	18 902	98	18 804	19188%	302
Other Losses		1 920 044	–	237 424	938 093	640 016	298 077	47%	1 920 044
Total Expenditure		**73 299 518**	**–**	**2 789 529**	**25 196 378**	**26 300 684**	**(1 104 306)**	**-4%**	**73 299 518**
Surplus/(Deficit)		**2 094 352**	**–**	**2 542 736**	**(1 134 047)**	**(920 364)**	**(213 682)**	**23%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)		3 208 307	–	172 616	693 417	1 037 590	(344 173)	-33%	3 208 307
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**5 302 659**	**–**	**2 715 352**	**(440 630)**	**117 226**			**5 302 659**
Income Tax		80 168	–	–	–	26 724		–	80 168
Surplus/(Deficit) after income tax		**5 222 491**	**–**	**2 715 352**	**(440 630)**	**90 502**			**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**	**–**	**2 715 352**	**(440 630)**	**90 502**			**5 222 491**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**5 222 491**	**–**	**2 715 352**	**(440 630)**	**90 502**			**5 222 491**

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M04 October

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	–	2 432 358	6 930 714
Trade and other receivables from exchange transactions		13 014 236	–	19 743 380	13 014 236
Receivables from non-exchange transactions		–	–	(591 339)	–
Current portion of non-current receivables		–	–	1 347 420	–
Inventory		549 127	–	428 778	549 127
VAT		–	–	28 714 313	–
Other current assets		–	–	(180 438)	–
Total current assets		**20 494 077**	**–**	**51 894 474**	**20 494 077**
Non current assets					
Investments		787 795	–	–	787 795
Investment property		1 036 836	–	27 111	1 036 836
Property, plant and equipment		85 737 194	–	32 229 366	85 737 194
Biological assets		29 386	–	–	29 386
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		1 069 416	–	(76 183)	1 069 416
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64 463	–	53 421	64 463
Other non-current assets		3 592 423	–	3 629 457	3 592 423
Total non current assets		**92 317 514**	**–**	**35 863 171**	**92 317 514**
TOTAL ASSETS		**112 811 590**	**–**	**87 757 645**	**112 811 590**
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1 543 567	–	137 046	1 543 567
Consumer deposits		21 556	–	1 382 279	21 556
Trade and other payables from exchange transactions		13 751 867	–	(16 267 215)	13 751 867
Trade and other payables from non-exchange transactions		–	–	2 940 295	–
Provision		775 019	–	780 313	775 019
VAT		–	–	29 700 082	–
Other current liabilities		–	–	3 796 896	–
Total current liabilities		**16 092 009**	**–**	**22 469 696**	**16 092 009**
Non current liabilities					
Financial liabilities		20 121 909	–	20 750 289	20 121 909
Provision		7 399 335	–	1 000 005	7 399 335
Long term portion of trade payables		–	–	21 981	–
Other non-current liabilities		–	–	(96 226)	–
Total non current liabilities		**27 521 244**	**–**	**21 676 049**	**27 521 244**
TOTAL LIABILITIES		**43 613 254**	**–**	**44 145 745**	**43 613 254**
NET ASSETS	2	**69 198 337**	**–**	**43 611 900**	**69 198 337**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69 198 337	–	37 458 310	69 198 337
Reserves and funds		–	–	206 171	–
Other		–	–	621 216	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**69 198 337**	**–**	**38 285 698**	**69 198 337**

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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	–	1 233 000	4 692 456	4 963 039	(270 584)	-5%	(14 889 119)
Service charges		36 255 075	–	3 115 006	12 535 689	12 252 134	283 555	2%	(36 255 075)
Other revenue		8 138 874	–	844 561	3 594 918	2 709 808	885 110	33%	(7 964 737)
Transfers and Subsidies - Operational		8 281 453	–	–	4 218 389	2 832 500	1 385 889	49%	(8 281 453)
Transfers and Subsidies - Capital		3 208 307	–	23 064	1 017 891	1 037 590	(19 699)	-2%	(3 208 307)
Interest		392 345	–	27 751	118 097	130 780	(12 683)	-10%	(392 345)
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(57 788 937)	–	(4 986 028)	(26 240 977)	(21 117 550)	5 123 427	-24%	(62 087 578)
Finance charges		(2 171 098)	–	(254 174)	(373 446)	(723 702)	(350 256)	48%	(2 171 098)
Transfers and Subsidies		(138 835)	–	(254)	(37 665)	(52 748)	(15 083)	29%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**11 066 302**	**–**	**2 925**	**(474 649)**	**2 031 851**	**2 506 500**	**123%**	**(135 249 712)**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 582	–	–	–	1 861	(1 861)	-100%	5 582
Decrease (increase) in non-current receivables		64 463	–	2	71	21 488	(21 417)	-100%	64 463
Decrease (increase) in non-current investments		787 795	–	–	–	262 598	(262 598)	-100%	787 795
Payments									
Capital assets		(7 642 206)	–	(261 376)	(1 577 596)	(1 207 469)	370 128	-31%	(7 642 206)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(6 784 366)**	**–**	**(261 374)**	**(1 577 526)**	**(921 522)**	**656 004**	**-71%**	**(6 784 366)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	670 000	–	670 000		–
Borrowing long term/refinancing		2 500 000	–	–	–	–	–		2 500 000
Increase (decrease) in consumer deposits		213	–			(71)	71	-100%	213
Payments									
Repayment of borrowing		(2 800 606)	–	(44 635)	(147 604)	(933 535)	(785 932)	84%	(2 800 606)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(300 393)**	**–**	**(44 635)**	**522 396**	**(933 607)**	**(1 456 003)**	**156%**	**(300 393)**
NET INCREASE/ (DECREASE) IN CASH HELD		**3 981 544**	**–**	**(303 085)**	**(303 087)**	**176 723**			**(142 334 471)**
Cash/cash equivalents at beginning:		4 449 510	–	2 735 443	2 735 443	4 449 510			2 735 443
Cash/cash equivalents at month/year end:		8 431 054	–	2 432 356	2 432 358	4 626 375			(139 599 028)

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations – M04 October				
Ref	**Description**	**YTD variance**	**Reasons for material deviations**	**Remedial or corrective steps/remarks**
1	**Revenue By Source** **Exchange Revenue**			
	Service charges: Electricity	(1 362 272)	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%.	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 year to actual is in line with the year to date budget.	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 that most entities have not completed their capex claim for the city to offer the loan.	No remedial action.

	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.	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.	977		
	Operational Revenue	(50 956)	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, jobbings as well as reinstatements for the current month under review. Transport: Due to the delays in the operationalization of Johannesburg Intermodal Transport Interchange (JITI). Group Finance: Due to underperformance on (a) pretermination and final notices revenue component. Movement is linked to the credit control measures instituted in line with debtors ageing.	Transport department: Revenue recovery will start increasing as soon as JITI project is operationalised. All other revenue will be recovered as per the business plan.
	Non-Exchange Revenue			

	Property rates	22 022	The year to actual is in line with the year-to-date budget.	
	Surcharges and Taxes	(1 783)		
	Fines, penalties, and forfeits	(210 994)	The under recovery is mainly due to speed contract only finalised December 2022, going forward revenue will increase. The revenue is currently recognised on Bylaw enforcement e.g., illegal dumping, illegal connection etc (section 56's, Aarto 01 and Aarto 03 citations).	
	Licence and permits.	42	The year-to-date actual is performing inline with the year-to-date budget.	
	Transfers and subsidies - Operational	422 083	The over performance is attributable to grants of equitable share being paid in advance. The grant is paid in three tranches within the progress of the financial year which is in (JULY, DECEMBER and MARCH).	
	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 entry for first quarter has not yet been processed. The non-conditional operating grant is based on Fuel Levy revenue, which has not yet been received for the first quarter from National Treasury. The grant is normally paid in three instalments which is in July, December 2023, and March 2024.	The department will ensure that the revenue is recognised in the coming months.
	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 year-to-date actual is in line with the year-to-date budget.	
	Remuneration of councillors	(3 331)	The under expenditure is due to remuneration of public office bearers not yet announced by the President and will be implemented once the recommendations have been published in the Government Gazette.	The salary adjustment will be implemented once the promulgation of public office bearers is announced by the COGTA MEC and the President.
	Bulk purchases - electricity	(634 658)	The under expenditure is due to the following: (a) less units purchased from both Eskom and Kevin because of to low demand.	

			(b) The impact of load shedding as well as customers using alternative sources of energy.	
	Inventory consumed.	279 549	The bulk of the variance is emanating from JMPD. This is 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 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.	The department has prepared a report on the error, and the incorrect transactions have been reserved and rectified.
	Debt impairment	131 327	Joburg Water: The over-expenditure is due to a decrease on collection levels. The year-to-date collection level is 76.5% 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 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 because of assets under construction not yet capitalised.	Expenditure will improve during the financial year when assets are capitalised.
	Interest	96 978	Due to long term borrowings that have not yet been undertaken to date.	
	Contracted services		Transport Department: Due to the delays in the submission of contracted services invoices relating to	Transport: The department is in the process of following up on outstanding invoices and finalisation

		(746 680)	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. City Power: As a result of under spending on (a) Consultants fees due to a decrease in programs undertaken and paid for during the reporting period under review. (b) Cut off fees expenses are less than the budget due to the low number of pre-termination notices issued by the Shareholder. Group Finance: Due to no major repairs and maintenance required as yet for stores in Main Reef, Randburg, Smit, Zondi, Humberg, and Mofolo office , as well as under spending on ATTCOL and issuance of pretermination letters.	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 are prioritised for major projects. City Power: The entity will increase the utilisation of shift workers for both planned and unplanned maintenance and reduce dependency on contractors. Group Finance: The expenditure is expected to improve in the coming months when payments in relation to new fiscal year are paid.
	Transfers and subsidies	(53 255)	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)	City Power: Due to under spending on the following: • Departmental charges, rates and services due to less requests made on vegetation and grass cutting budget. • Telecommunications due to savings in software licenses and mobile data communications to date. The actual costs for these two activities are normally posted during year end. Housing Department: Due to delays in executing some of the marketing relate planned projects due to supply chain processes, delays in process of fleet lease journal by JMPD and delays in processing building rental invoices due to contractual issues result to 54% underspending to date. 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, October invoices will be paid in November and also 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. City Manager: Due to under spending on insurance claims as a results of premiums for the 2023/24 fiscal	Housing Department: Procurement for marketing related project is underway, the department is in constant engagement with JMPD to process all outstanding fleet related expenditure and the building rental contractual related issues with JRA are conclude, the contract manage will be submitting invoices in period 5. The budget will be spent as planned. The expenditure for all other departments will improve in the proceeding months of the financial year.

			year not yet incurred, pending EAC approval, as well as savings on Joburg Opens that have not taken place and deferred to the second quarter.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

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	(45 929)	(60 375)	10 402	87 129			147 336	1 053 483	1 192 046	1 287 948		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 146 999	560 179	599 551	1 463 523			2 156 494	13 101 276	19 028 022	16 721 293		
Receivables from Non-exchange Transactions - Property Rates	1400	546 174	332 474	292 217	771 639			995 788	6 520 173	9 458 465	8 287 600		
Receivables from Exchange Transactions - Waste Water Management	1500	692 618	400 992	342 579	880 620			1 146 484	5 595 582	9 058 875	7 622 686		
Receivables from Exchange Transactions - Waste Management	1600	376 190	214 844	253 004	611 408			819 144	5 517 390	7 791 980	6 947 942		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 554)	9 545	9 500	18 388			18 076	950 143	1 000 099	986 608		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	92 734	13 323	92 501	199 867			316 981	3 150 971	3 866 377	3 667 818		
Total By Income Source	**2000**	**2 803 232**	**1 470 984**	**1 599 752**	**4 032 574**	**–**	**–**	**5 600 302**	**35 889 019**	**51 395 864**	**45 521 895**	**–**	**–**
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	17 101	(9 154)	30 720	83 556			943 684	5 286 137	6 352 044	6 313 377		
Commercial	2300	721 302	313 987	301 780	691 078			139 241	1 247 269	3 414 657	2 077 587		
Households	2400	2 064 829	1 166 150	1 267 252	3 257 940			4 517 378	29 355 613	41 629 163	37 130 931		
Other	2500									–	–		
Total By Customer Group	**2600**	**2 803 232**	**1 470 984**	**1 599 752**	**4 032 574**	**–**	**–**	**5 600 302**	**35 889 019**	**51 395 864**	**45 521 895**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

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									–	–
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	936 447	107 705	32 917	45 929	26 542	24 340	1 492	17 225	**1 192 598**	3 839 585
Auditor General	0800									–	–
Other	0900	203 394	47 657	20 208	8 945	4 719	7 055	308	–	**292 287**	2 221 265
Total By Customer Type	**1000**	**1 139 842**	**155 362**	**53 126**	**54 874**	**31 261**	**31 396**	**1 801**	**17 225**	**1 484 886**	**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 - M04 October

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	(6)	–	(6)		–
Agency services		–	–	–	–	–	–		–
Interest		386 492	–	30 863	110 848	128 832	(17 984)	-14%	386 492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1 462 814	–	206 476	716 420	487 604			1 462 814
Dividends		147 420	–	1 718	3 320	49 140	(45 820)	-93%	147 420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146 267	–	5 247	20 046	48 756	(28 710)	-59%	146 267
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395 271	–	29 399	55 209	131 755	(76 546)	-58%	395 271
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951 486)	–	–	(106 145)	(317 160)			(951 486)
Fines, penalties and forfeits		(10 870)	–	(277)	(3 662)	(3 620)	(42)	1%	(10 870)
Licences or permits		(8 280 856)	–	(21 984)	(3 046 582)	(2 832 300)			(8 280 856)
Transfer and subsidies - Operational		(116 245)	–	(20 306)	(84 159)	(38 748)			(116 245)
Interest		(3 838 724)	–	(319 894)	(970 381)	(1 279 576)			(3 838 724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5 000)	–	–	–	(1 668)			(5 000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11 060 188)**	**–**	**(118 155)**	**(3 360 301)**	**(3 758 740)**	**398 439**	**-11%**	**(11 060 188)**
Expenditure By Type									
Employee related costs		(951 486)	–	–	(106 145)	(317 160)	211 015	-67%	(951 486)
Remuneration of councillors		(10 870)	–	(277)	(3 662)	(3 620)	(42)	1%	(10 870)
Bulk purchases - electricity		(8 280 856)	–	(21 984)	(3 046 582)	(2 832 300)	(214 282)	8%	(8 280 856)
Inventory consumed		(116 245)	–	(20 306)	(84 159)	(38 748)	(45 411)	117%	(116 245)
Debt impairment		(3 838 724)	–	(319 894)	(970 381)	(1 279 576)	309 195	-24%	(3 838 724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5 000)	–	–	–	(1 668)	1 668	-100%	(5 000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69 144)	–	3 546 277	(113 278)	(23 041)			(69 144)
Total Expenditure		**(13 272 325)**	**–**	**3 183 817**	**(4 324 207)**	**(4 496 113)**	**171 907**	**-4%**	**(13 272 325)**
Surplus/(Deficit)		2 212 138	–	(3 301 972)	963 906	737 373	226 533	31%	2 212 138
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(69 144)
Transfers and subsidies - capital (in-kind)		(69 144)	–	3 546 277	(113 278)	(23 041)	(90 237)	392%	(2 030 298)
Surplus/(Deficit) after capital transfers & contributions		2 142 993	–	244 305	850 628	714 332	136 296	19%	112 695
Income Tax		4 849 009	–	270 544	959 398	1 616 216	(656 818)	-41%	4 849 009
Surplus/(Deficit) after income tax		**(2 706 016)**	**–**	**(26 239)**	**(108 770)**	**(901 884)**	**793 114**	**-88%**	**(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 - M04 October

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	–	250 615	982 670	870 803	111 867	13%	2 606 997
City Power		23 706 564	–	1 471 232	6 750 230	8 083 053	(1 332 824)	-16%	23 706 564
Johannesburg Water		16 997 017	–	1 610 955	6 007 679	5 629 390	378 289	7%	16 997 017
Johannesburg Social Housing Company		303 597	–	18 378	75 549	101 200	(25 651)	-25%	303 597
Johannesburg Property Company		81 459	–	4 922	7 563	27 152	(19 589)	-72%	81 459
Metropolitan Trading Company		59 618	–	10 465	86 744	19 872	66 872	337%	59 618
Metrobus		63 682	–	6 772	23 654	21 228	2 426	11%	63 682
Johannesburg City Parks and Zoo		87 586	–	7 309	44 083	27 988	16 095	58%	87 586
JDA		75 926	–	4 243	12 667	25 308	(12 641)	-50%	75 926
Johannesburg Roads Agency		128 962	–	15 738	29 142	42 988	(13 846)	-32%	128 962
Joburg City Theatres		67 394	–	7 388	25 354	22 464	2 890	13%	67 394
Joburg Market		646 656	–	64 649	240 792	215 552	25 240	12%	646 656
Joburg Tourism Company		3 483	–	494	1 800	1 160	640	55%	3 483
Total Operating Revenue	1	**44 111 408**	**–**	**3 400 630**	**14 019 979**	**14 848 982**	**(829 003)**	**-6%**	**44 111 408**
Expenditure By Municipal Entity									
Pikitup		3 764 315	–	351 992	1 308 836	1 237 942	70 894	6%	3 764 315
City Power		22 722 431	–	1 729 577	8 404 629	9 488 082	(1 083 452)	-11%	22 722 431
Johannesburg Water		14 964 254	–	1 427 187	5 542 786	4 988 092	554 694	11%	14 964 254
Johannesburg Social Housing Company		355 355	–	76 241	294 810	118 456	176 354	149%	355 355
Johannesburg Property Company		964 641	–	58 105	236 436	321 548	(85 112)	-26%	964 641
Metropolitan Trading Company		423 773	–	64 593	287 565	141 254	146 311	104%	423 773
Metrobus		601 623	–	63 484	220 570	200 544	20 026	10%	601 623
Johannesburg City Parks and Zoo		1 257 264	–	96 901	357 307	379 535	(22 228)	-6%	1 257 264
JDA		108 145	–	7 114	29 355	36 052	(6 697)	-19%	108 145
Johannesburg Roads Agency		1 438 437	–	106 387	416 723	479 484	(62 761)	-13%	1 438 437
Joburg City Theatres		262 776	–	22 552	81 113	87 596	(6 483)	-7%	262 776
Joburg Market		558 591	–	42 373	167 499	186 204	(18 705)	-10%	558 591
Joburg Tourism Company		69 503	–	522	11 771	23 172	(11 401)	-49%	69 503
Total Operating Expenditure	2	**47 491 108**	**–**	**4 047 027**	**17 359 400**	**17 687 961**	**(328 561)**	**-2%**	**47 491 108**

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

Month R thousands	2022/23 Audited Outcome	Budget Year 2023/24 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					–		
December		1 513 157					–		
January		1 513 157					–		
February		1 100 478					–		
March		634 303					–		
April		313 330					–		
May		145 202					–		
June		114 633					–		
Total Capital expenditure	**–**	**7 642 206**	**–**	**1 287 554**					