COJ: GOVERNANCE TECHNICAL CLUSTER	2024-08-
COJ: GOVERNANCE SUB-MAYORAL	2024-08-
COJ: EMT	2024-08-
COJ: MAYORAL COMMITTEE	2024-08-
GROUP ACCOUNTING	

CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 30 JUNE 2024

COJ: GOVERNANCE TECHNICAL CLUSTER	**2024-08-**
COJ: GOVERNANCE SUB-MAYORAL	**2024-08-**
COJ: EMT	**2024-08-**
COJ: MAYORAL COMMITTEE	**2024-08-**
GROUP ACCOUNTING	

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2024 (PRELIMINARY)

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 June 2024, 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 June 2024 (PRELIMINARY) 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 3%, R2.1 billion over performance [June 2023: -5%]. The actual operating expenditure is over budget by 5%, R3.8 billion [June 2023: -2%]. The net result is an operating deficit of R591 million against a year-to-date (YTD) budgeted surplus of R1.1 billion.

The Capital budget for the 2023/24 financial year amounts to R6.9 billion after the passing of the adjustment budget in Council. The total actual expenditure (excluding commitments) to date amounts to R4.9 billion (71%) of the adjusted budget.

The total opening and closing investment balances including cash for the month of June 2024 were R4.4 billion and R1.8 billion respectively. This shows a decrease of R2.6 billion during the month as indicated in the Table below.

Jun-24	OPENING R	CLOSING R
Operational Call Deposits	710,375,236.24	264,015,234.10
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	161,992,715.84	248,213,658.05
Absa Primary Account Balance	179,630,602.20	297,538.28
TOTAL UNENCUMBERED	**1,051,998,554.28**	**512,526,430.43**
Contingency Reserve Fund	1,177,076.28	1,177,076.28
Unfunded Liability Fund	2,030,000.00	2,030,000.00
COID	279,500,000.00	279,500,000.00
Capital Grants	-	-
Capital Replacement Reserve	1,242,867,569.46	53,197,975.64
Non-Sweeping Bank Accounts	1,800,257,963.80	955,801,450.91
TOTAL ENCUMBERED	**3,325,832,609.54**	**1,291,706,502.83**
TOTAL INVESTMENTS	**4,377,831,163.83**	**1,804,232,933.26**

Table 1: Cash Balances as at 30 June 2024; Source – Bank Statements

Jun-24	OPENING R	CLOSING R
Cash and Cash Equivalents	1,786,176,202.20	339,102,240.58
Interest Rate swaps	-232,236,151.26	-109,270,899.64
Tradable Instruments Portfolio	357,850,609.00	363,884,893.00
TOTAL SINKING FUND INVESTMENTS	**1,911,790,659.94**	**593,716,233.94**

Table 1a: Sinking Fund Balance as at 30 June 2024 including Accrued Interest: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R539 million during the month, which was primarily driven by the decrease in both the operational call deposits portfolio and the primary bank account. Total encumbered balances decreased by R2 billion during this same period, with the highest decrease being in the non-sweeping portfolio, as well as the capital replacement reserve portfolio.

- The combined movement resulted in the overall total balance decrease of R2.6 billion. The Sinking Fund balances closed R1.8 billion lower at R594 million, with a decrease of R1.4 billion in the cash and cash equivalents portfolio and an increase of R6 million in the tradable instruments' portfolio. These movements are in respect of redemptions, interest received, deposits and market movements. The interest rate swaps reflect a positive movement of R123 million during the month of June.

- Total contributions in 2020/21 and 2021/22 were R250 million and R312 million respectively. A contribution of R500 million and R260 million was injected into the Fund during July 2023 and April 2024 respectively.

Cash movements analysis:

Inflows for the month of June amounted to R8.3 billion versus outflows of R10.9 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was a decrease of R2.6 billion as depicted in the Table below.

Jun-24	
Description	**R**
Cash Collections	3,802,323,820.79
Revenue cash collections paid into Primary and Ordinary bank accounts	70,162,823.42
Direct Payments into MOE Revenue accounts	11,004,653.36
Prepaid Collections	198,650,676.15
Other Income (Interest Received, Vat Refund, Licensing Fees)	1,856,721,542.67
Operating Grants and Subsidies	-
Short-term Loan	-
Positive Sweepings and Non-Sweeping Movements	2,408,470,127.12
Total Cash Inflows	8,347,333,643.51
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-9,958,040,507.58
Negative Sweepings and Non-Sweeping Movements	-962,891,366.50
Total Cash Outflows	-10,920,931,874.08
Net Movement	-2,573,598,230.57

Summary Table 1.1 Cash Movements as at 30 June 2024

Cash outflows were more than the inflows resulting in a negative movement on the overall cash balances. The inflows for the month of June include cash collection (R3.8 billion), receipts paid directly into MOE bank accounts (R11 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R70 million), Prepaid collections of R199 million, and other income, R1.9 billion.

The table below indicates the level of grant funding received year to date up to 30 June 2024.

Table 4.1 indicates the level of grant funding received as at June 2024.

Grant Name	YTD Forecast per National Treasury Schedule R	YTD Actual per Adjusted National Treasury Schedule R	Variance R
Operational			
Equitable Share Grant	7 053 154 000	6 931 853 000	-121 301 000
Fuel Levy Grant	3 838 725 000	3 838 724 000	-1 000
Total Operational Grants	**10 891 879 000**	**10 770 577 000**	**-121 302 000**
Conditional			
Urban Settlements Development Grant	1 535 158 000	1 535 158 000	-
Informal Settlements Upgrading Partnership Grant	620 962 000	620 962 000	-
Public Transport Network Grant	737 523 000	737 523 000	-
Neighbourhood Development Partnership Grant	97 099 000	97 099 000	-
Infrastructure Skills Develoment Grant	5 569 000	5 569 000	-
Programme and Project Preparation Support Grant	35 000 000	35 000 000	-
Expanded Public Works Programme	13 197 000	13 197 000	-
Financial Management Grant	1 000 000	1 000 000	-
Municipal Emergency Housing Grant	-	6 500 000	6 500 000
Total Conditional Grants	**3 045 508 000**	**3 052 008 000**	**6 500 000**
Total Local Government Grants	**13 937 387 000**	**13 822 585 000**	**-114 802 000**

Table – Source: National Treasury and Bank Statements

The Equitable Share was reduced with the unspent amount of R121.3 million in respect of the ISDG (R1.6 million), PPPSG (R30.3 million), NDPG (R73.6 million), MEHG (R13.5 million) and EPWP (R2.3 million) as indicated in the Grant Rollover outcome. As at the end of June 2024, all outstanding grants have been received.

FY2023/24 Conditional Grants Performance

Table 4.2 depicts the year-to-date expenditure as at 30 June 2024 against FY2023/24 allocations.

FY2023/24					
Conditional Grant Name	YTD Allocations received R	Approved Roll overs FY2022/23 R	Expenditure incl Accruals R	Unspent R	% Expenditure against YTD Allocations received
USDG	1,535,158,000.00	-	1,533,745,352.50	1,412,647.51	100%
ISUPG	620,962,000.00	88,900,000.00	703,041,136.31	6,820,863.69	99%
PTNG	737,523,000.00	262,900,000.00	737,128,503.96	263,294,496.04	74%
NDPG	97,099,000.00	-	105,555,129.00	-8,456,129.00	109%
ISDG	5,569,000.00	-	4,395,879.97	1,173,120.03	79%
EPWP	13,197,000.00	-	13,083,535.28	113,464.72	99%
FMG	1,000,000.00	-	1,000,000.00	-	100%
PPPSG	35,000,000.00	-	34,712,992.26	287,007.74	99%
MEHG	6,500,000.00	-	-	6,500,000.00	0%
Totals	**3,052,008,000.00**	**351,800,000.00**	**3,132,662,529.28**	**271,145,470.73**	**92%**

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 30 June 2024 for all MOEs.

As depicted in the sweeping statements for the month ended 30 June 2024, City Power, JDA, Joshco, Metrobus, Propcom Portfolio, and MTC remain overdrawn.

Entity	End of April Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of May Balance R
City Power	**-13 215 379 337,15**	1 445 202 912,09	-846 216 514,51	598 986 397,58	**-12 616 392 939,57**
Joburg Water	2 394 868 395,45	1 152 104 960,63	-1 118 599 129,23	33 505 831,40	2 428 374 226,85
Pikitup	1 087 958 242,53	255 198 641,87	-205 993 423,88	49 205 217,99	1 137 163 460,52
Parks Zoo	1 068 909 992,75	112 301 433,61	-91 013 477,74	21 287 955,87	1 090 197 948,62
Fresh Produce	127 342 447,80	314 363 210,64	-27 590 506,98	286 772 703,66	414 115 151,46
JDA	**-967 933 258,28**	5 100 332,58	-91 053 873,47	-85 953 540,89	**-1 053 886 799,17**
Joshco	**-1 347 425 897,41**	27 566 751,90	-58 287 153,46	-30 720 401,56	**-1 378 146 298,97**
Metro Bus	**-557 145 879,89**	104 820 653,90	-47 500 352,66	57 320 301,24	**-499 825 578,65**
Propcom	285 908 325,32	6 997 587,54	-35 081 621,36	-28 084 033,82	257 824 291,50
Propcom Portfolio	**-109 992 195,52**	8 960 852,58	-513 633,17	8 447 219,41	**-101 544 976,11**
Roads	429 190 249,16	240 662 741,16	-532 837 234,85	-292 174 493,69	137 015 755,47
MTC	**-422 955 224,98**	**40 595 485,10**	**-60 849 182,41**	**-20 253 697,31**	**-443 208 922,29**
JTC	87 751 009,66	613 206,38	-5 121 738,55	-4 508 532,17	83 242 477,49
Core	15 432 191 338,61	4 939 907 738,05	-5 449 195 709,99	-509 287 971,94	14 922 903 366,67
Total Sweepings and Balances	**4 293 288 208,04**			**84 542 955,77**	**4 377 831 163,82**

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

Inflows for the month of June versus outflows resulted in a negative net movement of R2.6 billion.

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

YTD Net Movement

Entity	July 2023 R	Aug 2023 R	Sept 2023 R	Oct 2023 R	Nov 2023 R	Dec 2023 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	-699,966,220.56
Joburg Water	-1,011,174,164.26	330,082,673.19	-415,417,098.85	-222,871,459.73	-80,476,731.50	-958,361,058.12
Pikitup	75,274,289.80	319,299,087.46	109,666,121.07	-74,632,325.20	177,446,192.26	113,925,987.77
Parks Zoo	-158,462,269.13	170,168,804.78	73,554,856.83	-79,567,135.32	-52,895,849.08	-33,499,731.81
Fresh Produce	200,096,562.92	-27,837,299.04	-31,192,135.39	-88,243,090.98	-47,338,061.79	32,864,265.80
JDA	-199,670,992.55	35,752,997.20	117,811,277.45	-24,996,157.46	-27,851,627.52	154,548,639.97
Joshco	-151,168,753.20	-172,384,466.61	-3,234,478.87	-72,776,626.35	100,009,521.30	88,175,154.88
Metro Bus	14,187,893.55	-51,378,206.30	24,333,266.69	23,341,235.98	-124,873,764.63	-30,471,747.85
Propcom	23,881,468.71	63,229,695.65	-9,329,352.34	-51,730,795.60	38,812,060.29	-23,538,725.68
Propcom Portfolio	2,353,937.03	-17,054,276.01	28,463,316.51	3,598,131.18	10,151,263.59	6,334,162.81
Roads	-285,084,156.34	-33,718,503.03	7,633,093.75	62,369,464.19	413,749,354.96	-103,221,636.10
MTC	-170,764,168.62	17,966,131.80	-103,381,454.09	-5,317,197.34	-75,037,377.71	-40,390,823.34
JTC	-6,760,405.30	11,456,188.65	5,544,530.04	-6,909,313.87	-6,428,046.94	7,426,401.11

Entity	Jan 2024 R	Feb 2024 R	Mar 2024 R	Apr 2024 R	May 2024 R	Jun 2024 R	YTD R
City Power	1,297,644,282.12	1,127,449,822.27	-1,124,864,583.98	274,467,629.53	598,986,397.58	1,220,974,731.30	-1,337,905,948.65
Joburg Water	1,699,549,409.17	504,731,012.21	264,429,079.67	717,412,179.42	33,505,831.40	382,363,653.12	1,243,773,325.72
Pikitup	135,221,952.41	-387,345,621.32	8,985,506.44	31,548,969.23	49,205,217.99	-8,056,551.57	550,538,826.34
Parks Zoo	138,307,027.04	-132,648,930.78	138,990,257.77	11,547,721.01	21,287,955.87	-56,674.79	96,726,032.39
Fresh Produce	-6,664,471.84	-77,131,106.81	-22,240,324.23	-25,519,120.89	286,772,703.66	-97,954,244.71	95,613,676.70
JDA	-664,222.51	-66,662,115.28	18,335,520.50	5,172,773.89	-85,953,540.89	95,078,179.71	20,900,732.51
Joshco	34,784,172.20	2,780,441.12	-28,658,812.66	-31,949,568.13	-30,720,401.56	69,052,824.66	-196,090,993.22
Metro Bus	94,406,704.77	-29,018,063.35	71,694,426.97	-7,038,895.40	57,320,301.24	33,995,653.06	76,498,804.73
Propcom	-9,902,344.96	-5,324,512.35	29,080,840.60	-19,774,204.55	-28,084,033.82	33,863,999.02	41,184,094.97
Propcom Portfolio	6,067,507.47	4,630,759.65	5,241,050.43	19,332,672.58	8,447,219.41	5,056,302.34	82,622,046.99
Roads	208,026,142.02	-146,371,650.10	-6,712,164.66	105,942,569.91	-292,174,493.69	39,245,627.79	-30,316,351.30
MTC	66,947,729.51	-119,455,489.35	22,128,624.84	-135,174,823.42	-20,253,697.31	45,945,277.67	-516,787,267.36
JTC	2,801,354.34	4,653,894.16	5,704,694.25	8,953,294.22	-4,508,532.17	-15,145,910.52	6,788,147.96

Table 3.1(a): Sweeping movements analysis.

The above table reflects the ME net movements for the months July 2023 to June 2024.

May 2024 Billing & June 2024 Collections; YTD Billing & Collections

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	May 2024	Jun 2024		YTD: Jun'23 to May'24	YTD: Jul'23 to Jun'24	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 440 493	1 271 600	88.3%	17 015 915	15 252 374	89.6%
Electricity	1 876 475	1 833 337	97.7%	21 228 302	20 483 420	96.5%
Water	1 509 511	1 278 625	84.7%	19 998 094	15 140 576	75.7%
Refuse	306 349	215 687	70.4%	3 337 972	2 499 174	74.9%
TOTAL	5 132 828	4 599 249	89.6%	61 580 283	53 375 544	86.7%
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R5.1 billion in May 2024 with R4.6 billion collected in June 2024 resulting in a monthly collection rate of 89.6%. The year-to-date billing as at 31 May 2024 is R61.6 billion with R53.4 billion collected as at 30 June 2024 resulting in a year-to-date collection rate of 86.7% which is below the budgeted collection rate of 87.3%. The City's inability to meet the budgeted collection will result in a risk of inadequate cash to fund operational commitments. Therefore, interventions to improve collections need to be intensified.

Reconciliation between Treasury banking and RSSC collections

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

Table 2: Reconciliation between Treasury banking and RSSC collections

Description	Jun 2024	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 082 142	50 299 678
Deposits reflected by Treasury in previous month	386 042	1 850 422
Refunds, Deposits and Sundry Revenue	-70 571	-871 102
Water: Industrial Effluent and Cross-Boundary Sales	26 875	338 878
Difference in electricity and water prepaid sales	22 509	3 292
Non-Cash Items:		
Staff Accounts	8 604	96 185
Departmental Settlements	143 648	1 658 191
Total Revenue as per Revenue Collection Report	**4 599 249**	**53 375 544**

The June 2024 deposits of approximately R386 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		May 2024	Jun 2024
Budget Billing	R 000	4 244 890	5 215 189
Actual Billing	R 000	5 132 828	5 386 859
Shortfall (-) / Surplus (+) in Billing	R 000	887 938	171 670
Budget Collection	R 000		4 577 826
Actual Revenue Collection	R 000		4 599 249
Shortfall (-) / Surplus (+) in Collections	R 000		21 423
Actual Billing vs. Budgeted Billing	%	120.9%	103.3%
Actual Collection vs. Budgeted Collection	%		100.5%
Budgeted Collection (Jun) vs Budgeted Billing (May	%		107.8%
Actual Collections (Jun) vs. Actual Billing (May)	%		89.6%

The actual billing of R5.1 billion for May 2024 was R 888 million above the budgeted billing of R4.2 billion. The actual collection of R4.6 billion for June 2024 was R21 million above the budgeted collection of R5.6 billion. Despite this improvement in collection in the month of June, there remains a risk to the funding of the budget due to the cumulative under performance from the earlier part of the year which has not been recovered and remains below the budgeted targets. There is still under performance on the annual collection rate target of 87.3%.

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 12 mSCOA data strings was submitted to the National Treasury on the 12th June 2024.

9. OTHER DEPARTMENTS/BODIES CONSULTED

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

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

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

12	JOSCHO	Yes	Yes
13	Joburg Fresh Produce Market	Yes	Yes
14	Joburg Tourism Company	Yes	Yes

COJ: GOVERNANCE TECHNICAL CLUSTER	2024-08-
COJ: GOVERNANCE SUB-MAYORAL	2024-08-
COJ: EMT	2024-08-
COJ: MAYORAL COMMITTEE	2024-08-
GROUP ACCOUNTING	

10. KEY PERFORMANCE INDICATOR

In-year budget monitoring in compliance with the MFMA.

It is recommended that.

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

Author: Phindile Tshezi
Assistant Director: Financial Analysis
011 021 3350

CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

3 September 2024
DATE

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

3-09-2024
DATE

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

03/09/2024
DATE

TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER

MSArnolds

04/09/2024
DATE

COUNCILLOR MARGARET ARNOLDS
MMC FINANCE

Annexure A

In-Year Report

Joburg

Budget year: 2023/24

Reporting Period: Month 12

June 2024

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 June 2024 are summarised as follows:

Consolidated Monthly budget statement - summary.

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

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

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

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

The operating revenue that was realized, excluding capital transfers and contributions, reflects a positive variance of R2.1 billion against the YTD budget for the period ended 30 June 2024.

The operating expenditure is overspent by R3.8 billion, against year-to-date expenditure budget of R70.1 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R6.9 billion. The actual year to date expenditure (excluding commitments) amounts to R4.9 billion (71%) of the adjustment budget.

Capital Expenditure per funding source as at 30 June 2023:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 840	1 574	86%
CRR / Cash	1 811	1 609	89%
Nat Grant	179	125	70%
Prov Grant	5	3	68%
USDG	1 405	1 387	99%
USIP	685	542	79%
Other	545	574	105%
Total CoJ	6 470	5 815	90%

Capital Expenditure per funding source as at 30 June 2024:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2,500	2,190	88%
CRR / Cash	1,200	883	74%
Nat Grant	588	136	23%
Prov Grant	5	-	0%
USDG	1,535	1,027	67%
USIP	737	262	35%
Other	338	403	119%
Total CoJ	6,903	4,901	71%

Provincial Grants is the only source of funding with no spending. When compared to the previous year overall spending is at 71%, which is a 19% slight decrease from the previous year.

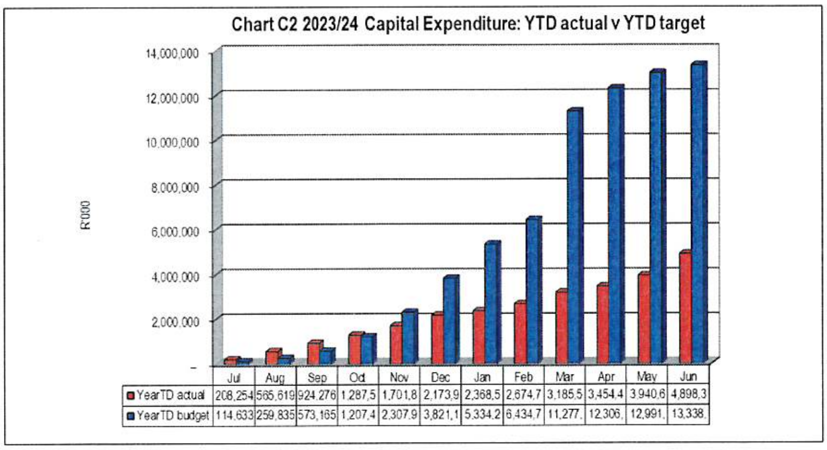
Consolidated Summary - Capital Expenditure as 30 June 2024:
Less than a R500K expenditure indicates a zero-spending due to rounding off to the nearest R1 million.

Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1,358	1,386	102%
Johannesburg Water	1,072	1,062	99%
Pikitup	92	88	96%
Jhb Roads Agency	809	681	84%
Metrobus	73	73	100%
Jhb City Parks and Zoo	51	28	54%
Jhb Development Agency	198	168	85%
Jhb Property Company	25	16	65%
Metro Trading Company	4	7	185%
Joburg Market	122	122	101%
JOSHCO	337	308	91%
Joburg City Theatres	22	22	100%
Joburg Tourism	5	5	100%
Total MEs	4,167	3,965	95%

Description (R million)	Budget 23/24	YTD Exp	% Spent
Economic Development	1	1	86%
EISD	9	7	75%
Transportation	526	91	17%
Community Development	41	41	100%
Health	98	24	25%
Social Development	102	48	47%
Forensic	1	0	35%
Ombudsman	1	0	14%
Office of the City Manager	17	5	32%
Speaker	3	0	0%
Group ICT	337	121	36%
Group Finance	30	16	52%
Group Corporate Services	33	0	1%
Human Settlements	1,429	569	40%
Development Planning	48	8	16%
Public Safety	60	3	6%
Total Core Administration	2,736	936	34%

Core departments' spending is significantly lower than the municipal entities' spending at 34% versus 95% respectively. The departments with the least expenditure are Transport, Health, Forensic, Ombudsman, Office of the City Manager, Group ICT, Group Corporate Services and Development Planning. In addition, Speaker, has not spent.

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:



Cash Flow

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

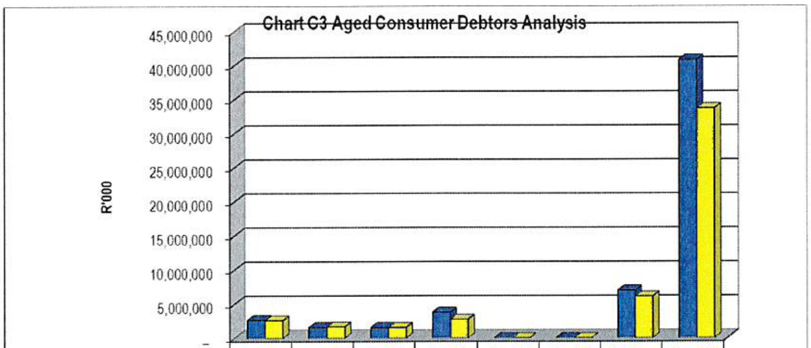
- Cash and Cash equivalents as at the end of June 2024 amount to 1.8 billion.
- The cash flow from operating activities is R655 million.

- The cash flow from investing activities amount to R3.8 billion, negative.
- The cash flow from financing activities amount to R973 billion.

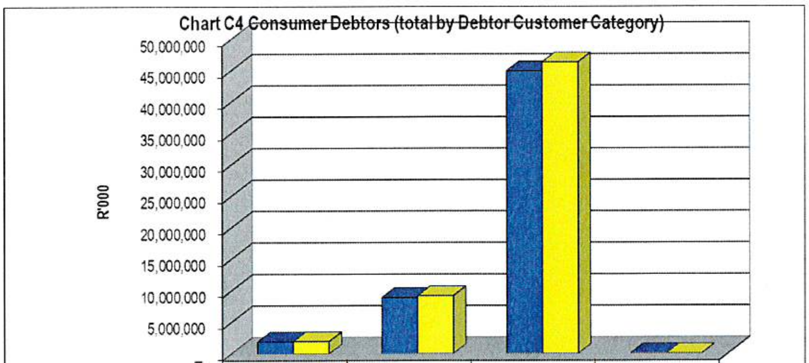
Debtor Age Analysis

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 R57.4 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2023/24	2,651,735	1,602,879	1,580,072	3,785,883	–	–	6,965,678	40,839,29
2022/23	2,601,756	1,676,497	1,568,473	2,739,591	–	–	6,107,457	33,694,72



	Organs of State	Commercial	Households	Other
2022/23	1,890,619	8,905,421	44,906,733	–
Budget Year 2023/24	1,949,092	9,180,846	46,295,601	–

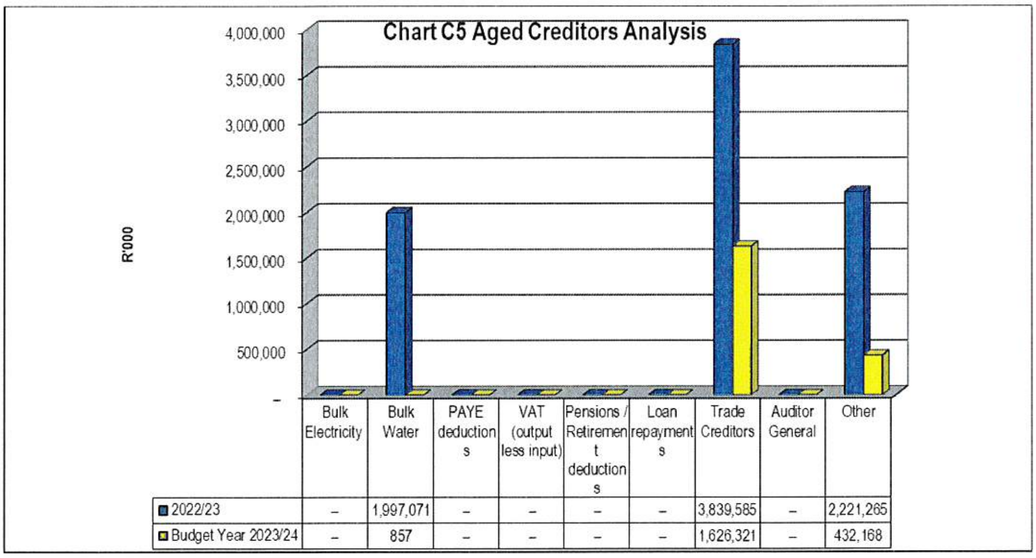
The following interventions / actions were implemented during June 2024 to increase collection levels:

(i) 4 664 electricity accounts were identified for disconnections, total value R2.5 billion of which R26 million were collected from 745 accounts.

(ii) 15 942 water accounts were identified for disconnections, total value R6.3 billion of which R117 million were collected from 3 955 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	–	1,997,071	–	–	–	–	3,839,585	–	2,221,265
Budget Year 2023/24	–	857	–	–	–	–	1,626,321	–	432,168

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 June 2024 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.

COJ: GOVERNANCE TECHNICAL CLUSTER	**2024-08-**
COJ: GOVERNANCE SUB-MAYORAL	**2024-08-**
COJ: EMT	**2024-08-**
COJ: MAYORAL COMMITTEE	**2024-08-**
GROUP ACCOUNTING	

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 - M12 June

Description	2022/23	Budget Year 2023/24							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	16,372,765	16,372,765	1,418,251	16,967,853	16,372,765	595,088	4%	16,372,765
Service charges	–	42,048,461	38,954,508	3,640,801	39,159,129	38,954,508	204,622	1%	38,954,508
Investment revenue	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational	–	174,350	185,576	10,888	256,695	185,576	71,119	38%	185,576
Other own revenue	–	16,798,294	15,692,804	808,455	16,901,453	15,692,804	1,208,649	8%	–
Total Revenue (excluding capital transfers and contributions)	–	**75,393,870**	**71,205,653**	**5,878,394**	**73,285,130**	**71,205,653**	**2,079,477**	**3%**	**71,205,653**
Employee costs	–	19,007,361	19,063,085	1,642,638	19,675,458	19,063,085	612,374	3%	19,063,085
Remuneration of Councillors	–	184,542	182,642	14,617	178,239	182,642	(4,403)	-2%	182,642
Depreciation and amortisation	–	4,784,336	4,867,246	153,467	4,073,751	4,867,246	(793,495)	-16%	4,867,246
Interest	–	2,171,098	2,396,800	48,831	2,450,935	2,396,800	54,135	2%	2,396,800
Inventory consumed and bulk purchases	–	22,762,169	19,627,427	2,659,065	23,218,364	19,627,427	3,590,937	18%	19,627,427
Transfers and subsidies	–	138,835	84,424	15,922	64,147	84,424	(20,277)	-24%	84,424
Other expenditure	–	24,251,177	23,860,994	2,260,291	24,215,406	23,860,994	354,411	1%	23,860,994
Total Expenditure	–	**73,299,518**	**70,082,618**	**6,794,833**	**73,876,289**	**70,082,618**	**3,793,680**	**5%**	**70,082,618**
Surplus/(Deficit)	–	**2,094,352**	**1,123,035**	**(916,439)**	**(591,169)**	**1,123,035**	**(1,714,203)**	**-153%**	**1,123,035**
Transfers and subsidies - capital (monetary allocations)	–	3,208,307	3,392,438	464,607	2,048,917	3,392,438	(1,343,520)	-40%	3,392,438
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	–	**5,302,659**	**4,515,473**	**(451,831)**	**1,457,749**	**4,515,473**	**(3,057,724)**	**-68%**	**4,515,473**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	**5,302,659**	**4,515,473**	**(451,831)**	**1,457,749**	**4,515,473**	**(3,057,724)**	**-68%**	**4,515,473**
Capital expenditure & funds sources									
Capital expenditure	**5,087,655**	**7,842,206**	**6,903,334**	**1,252,701**	**4,900,467**	**6,903,334**	**(2,002,867)**	**-29%**	**6,903,334**
Capital transfers recognised	2,230,688	3,142,206	3,203,334	445,219	1,950,175	3,203,334	(1,253,159)	-39%	3,203,334
Borrowing	1,365,189	2,500,000	2,500,000	338,090	2,012,965	2,500,000	(487,035)	-19%	2,500,000
Internally generated funds	**1,489,212**	**2,000,000**	**1,200,000**	**174,324**	**935,236**	**1,200,000**	**(264,764)**	**-22%**	**1,200,000**
Total sources of capital funds	**5,085,089**	**7,842,206**	**6,903,334**	**957,632**	**4,898,376**	**6,903,334**	**(2,004,958)**	**-29%**	**6,903,334**
Financial position									
Total current assets	–	20,494,077	13,408,136		66,823,081				13,408,136
Total non current assets	–	92,317,514	91,453,303		99,904,736				91,453,303
Total current liabilities	–	16,092,009	13,972,829		64,471,943				13,972,829
Total non current liabilities	–	27,521,244	27,441,172		42,493,139				27,441,172
Community wealth/Equity	–	**69,198,337**	**63,447,439**		**84,056,410**				**63,447,439**
Cash flows									
Net cash from (used) operating	5,838,972	10,661,829	4,128,460	(1,901,265)	655,462	4,466,832	3,811,371	85%	4,128,460
Net cash from (used) investing	2,046	(7,880,233)	(7,003,428)	(150,263)	(3,785,978)	(7,341,800)	(3,555,822)	48%	(7,003,428)
Net cash from (used) financing	(4,226,014)	(300,393)	(302,273)	(522,070)	972,544	(302,273)	(1,274,817)	422%	(302,273)
Cash/cash equivalents at the month/year end	**8,560,609**	**6,930,714**	**878,069**	**1,804,233**	**1,804,233**	**878,069**	**(926,164)**	**-105%**	**878,069**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	2,651,735	1,602,879	1,580,072	3,785,883	–	–	6,965,678	40,839,293	57,425,539
Creditors Age Analysis									
Total Creditors	745,431	322,802	169,672	159,953	201,111	94,740	39,161	326,476	2,059,346

COJ: GOVERNANCE TECHNICAL CLUSTER	**2024-08-**
COJ: GOVERNANCE SUB-MAYORAL	**2024-08-**
COJ: EMT	**2024-08-**
COJ: MAYORAL COMMITTEE	**2024-08-**
GROUP ACCOUNTING	

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	19,155,633	1,853,679	19,171,961	19,155,633	16,328	0%	19,155,633
Service charges - Water		9,486,608	9,986,396	881,216	10,031,756	9,986,396	45,360	0%	9,986,396
Service charges - Waste Water Management		6,893,182	6,893,546	584,324	6,954,090	6,893,546	60,544	1%	6,893,546
Service charges - Waste management		2,571,163	2,918,933	321,581	3,001,323	2,918,933	82,390	3%	2,918,933
Sale of Goods and Rendering of Services		870,667	595,562	197,764	1,655,485	595,562	1,059,923	178%	595,562
Agency services		386,492	371,492	27,816	360,818	371,492	(10,674)	-3%	371,492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332,416	486,829	52,005	716,564	486,829	229,736	47%	486,829
Interest from Current and Non Current Assets		174,350	185,576	10,888	256,695	185,576	71,119	38%	185,576
Dividends		–	–	–	550	–	550		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535,867	588,210	28,880	307,185	588,210	(281,026)	-48%	588,210
Licence and permits		–	–	338	2,883	–	2,883		–
Operational Revenue		1,046,832	886,946	50,666	1,118,914	886,946	231,968	26%	886,946
Non-Exchange Revenue									
Property rates		16,372,765	16,372,765	1,418,251	16,967,853	16,372,765	595,088	4%	16,372,765
Surcharges and Taxes		302,905	302,905	26,175	312,262	302,905	9,357	3%	302,905
Fines, penalties and forfeits		951,574	161,256	540	162,487	161,256	1,231	1%	161,256
Licence and permits		10,870	3,433	253	2,648	3,433	(785)	-23%	3,433
Transfers and subsidies - Operational		8,281,453	8,334,444	90,070	8,215,767	8,334,444	(118,677)	-1%	8,334,444
Interest		116,245	116,245	19,029	209,265	116,245	93,020	80%	116,245
Fuel Levy		3,838,724	3,838,724	319,894	3,838,724	3,838,724	–	–	3,838,724
Operational Revenue		118,335	–	–	–	–	–		
Gains on disposal of Assets		5,914	6,758	(5,068)	(5,088)	6,758	(11,846)	-175%	6,758
Other Gains		–	–	93	2,988	–	2,988		–
Discontinued Operations		–	–	(0)	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		75,393,870	71,205,653	5,878,394	73,285,130	71,205,653	2,079,477	3%	71,205,653
Expenditure By Type									
Employee related costs		19,007,361	19,063,085	1,642,638	19,675,458	19,063,085	612,374	3%	19,063,085
Remuneration of councillors		184,542	182,642	14,617	178,239	182,642	(4,403)	-2%	182,642
Bulk purchases - electricity		16,403,226	13,639,856	2,086,104	16,541,857	13,639,856	2,902,001	21%	13,639,856
Inventory consumed		6,358,943	5,987,571	572,961	6,676,507	5,987,571	688,936	12%	5,987,571
Debt impairment		7,983,550	7,212,505	526,921	8,782,362	7,212,505	1,569,857	22%	7,212,505
Depreciation and amortisation		4,784,336	4,867,246	153,467	4,073,751	4,867,246	(793,495)	-16%	4,867,246
Interest		2,171,098	2,396,800	48,831	2,450,935	2,396,800	54,135	2%	2,396,800
Contracted services		7,575,012	7,407,514	819,624	6,021,857	7,407,514	(1,385,657)	-19%	7,407,514
Transfers and subsidies		138,835	84,424	15,922	64,147	84,424	(20,277)	-24%	84,424
Irrecoverable debts written off		–	–	12,498	110,919	–	110,919		–
Operational costs		6,772,269	6,614,616	643,411	6,247,907	6,614,616	(366,709)	-6%	6,614,616
Losses on Disposal of Assets		302	6,847	480	5,932	6,847	(915)	-13%	6,847
Other Losses		1,920,044	2,619,512	257,358	3,046,429	2,619,512	426,917	16%	2,619,512
Total Expenditure		73,299,518	70,082,618	6,794,833	73,876,299	70,082,618	3,793,680	5%	70,082,618
Surplus/(Deficit)		2,094,352	1,123,035	(916,439)	(591,169)	1,123,035	(1,714,203)	-153%	1,123,035
Transfers and subsidies - capital (monetary allocations)		3,208,307	3,392,438	464,607	2,048,917	3,392,438	(1,343,520)	-40%	3,392,438
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		5,302,659	4,515,473	(451,831)	1,457,749	4,515,473			4,515,473
Income Tax		80,168	68,977	–	–	68,977		–	68,977
Surplus/(Deficit) after income tax		5,222,491	4,446,496	(451,831)	1,457,749	4,446,496			4,446,496
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		5,222,491	4,446,496	(451,831)	1,457,749	4,446,496			4,446,496
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		5,222,491	4,446,496	(451,831)	1,457,749	4,446,496			4,446,496

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	878,069	6,734,322	878,069
Trade and other receivables from exchange transactions		13,014,236	9,541,141	13,799,000	9,541,141
Receivables from non-exchange transactions		–	1,560,932	13,363,106	1,560,932
Current portion of non-current receivables		–	–	1,597,770	–
Inventory		549,127	541,733	692,193	541,733
VAT		–	684,330	30,719,116	684,330
Other current assets		–	201,931	(82,425)	201,931
Total current assets		**20,494,077**	**13,408,136**	**66,823,081**	**13,408,136**
Non current assets					
Investments		787,795	796,771	–	796,771
Investment property		1,036,836	1,033,310	4,802	1,033,310
Property, plant and equipment		85,737,194	84,399,614	92,189,943	84,399,614
Biological assets		29,386	–	(174)	
Living and non-living resources		–	32,081	–	32,081
Heritage assets		–	633,422	519,637	633,422
Intangible assets		1,069,416	1,151,803	(6,409,095)	1,151,803
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64,463	–	51,071	
Other non-current assets		3,592,423	3,406,301	13,548,551	3,406,301
Total non current assets		**92,317,514**	**91,453,303**	**99,904,736**	**91,453,303**
TOTAL ASSETS		**112,811,590**	**104,861,439**	**166,727,817**	**104,861,439**
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1,543,567	1,315,634	1,088,807	1,315,634
Consumer deposits		21,556	23,139	1,867,430	23,139
Trade and other payables from exchange transactions		13,751,867	11,187,257	22,221,557	11,187,257
Trade and other payables from non-exchange transactions		–	147,399	3,346,498	147,399
Provision		775,019	690,650	1,356,600	690,650
VAT		–	432,951	29,710,450	432,951
Other current liabilities		–	175,799	4,880,602	175,799
Total current liabilities		**16,092,009**	**13,972,829**	**64,471,943**	**13,972,829**
Non current liabilities					
Financial liabilities		20,121,909	20,609,424	40,670,508	20,609,424
Provision		7,399,335	1,801,446	1,029,373	1,801,446
Long term portion of trade payables		–	451,603	28,790	451,603
Other non-current liabilities		–	4,578,699	764,468	4,578,699
Total non current liabilities		**27,521,244**	**27,441,172**	**42,493,139**	**27,441,172**
TOTAL LIABILITIES		**43,613,254**	**41,414,001**	**106,965,083**	**41,414,001**
NET ASSETS	2	**69,198,337**	**63,447,439**	**59,762,735**	**63,447,439**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69,198,337	63,447,439	63,054,355	63,447,439
Reserves and funds		–	–	205,538	–
Other		–	–	796,517	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**69,198,337**	**63,447,439**	**64,056,410**	**63,447,439**

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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	14,889,119	1,152,044	14,027,262	14,889,119	(861,857)	-6%	14,889,119
Service charges		36,255,075	33,441,267	2,940,516	36,633,150	46,208,533	(9,575,382)	-21%	33,441,267
Other revenue		7,964,524	6,630,899	2,045,549	11,770,877	2,354,728	9,416,150	400%	6,630,899
Transfers and Subsidies - Operational		8,281,453	8,334,444	–	10,770,577	371,492	10,399,085	2799%	8,334,444
Transfers and Subsidies - Capital		2,803,834	2,864,962	–	3,052,008	3,203,334	(151,326)	-5%	2,864,962
Interest		566,695	690,661	25,858	363,297	162,519	200,779	124%	690,661
Dividends		–	–				–		–
Payments									
Suppliers and employees		(57,788,937)	(60,241,667)	(3,445,500)	(69,543,768)	(60,241,667)	9,302,100	-15%	(60,241,667)
Finance charges		(2,171,098)	(2,396,800)	(4,610,652)	(6,318,722)	(2,396,800)	3,921,922	-164%	(2,396,800)
Transfers and Subsidies		(138,835)	(84,424)	(9,081)	(99,220)	(84,424)	14,796	-18%	(84,424)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10,661,829	4,128,460	(1,901,265)	655,462	4,466,832	3,811,371	85%	4,128,460
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		410,055	338,283			(89)	89	-100%	338,283
Decrease (increase) in non-current receivables		–	–	–	–	–	–		–
Decrease (increase) in non-current investments		(648,081)	(438,377)			(438,377)	438,377	-100%	(438,377)
Payments									
Capital assets		(7,642,206)	(6,903,334)	(150,263)	(3,785,978)	(6,903,334)	(3,117,356)	45%	(6,903,334)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7,880,233)	(7,003,428)	(150,263)	(3,785,978)	(7,341,800)	(3,555,822)	48%	(7,003,428)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	3,670,000	–	3,670,000		–
Borrowing long term/refinancing		2,500,000	2,500,000		–	2,500,000	(2,500,000)	-100%	2,500,000
Increase (decrease) in consumer deposits		213	–			–	–		–
Payments									
Repayment of borrowing		(2,800,606)	(2,802,273)	(522,070)	(2,697,456)	(2,802,273)	(104,817)	4%	(2,802,273)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(300,393)	(302,273)	(522,070)	972,544	(302,273)	(1,274,817)	422%	(302,273)
NET INCREASE/ (DECREASE) IN CASH HELD		2,481,204	(3,177,241)	(2,573,598)	(2,573,598)	(3,177,241)			(3,177,241)
Cash/cash equivalents at beginning:		4,449,510	4,055,310	4,377,831	4,377,831	4,055,310			4,055,310
Cash/cash equivalents at month/year end:		6,930,714	878,069	1,804,233	1,804,233	878,069			878,069

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	**Revenue**			
	Exchange Revenue			
	Service charges - Waste management	82,390	The over performance is due to positive billing trend for Domestic Clients as property prices were adjusted by the revaluation of the property roll.	
	Sale of Goods and Rendering of Services	1,059,923	**Metro Trading Company:** The over recovery is attributable to revenue deriving from related party projects. These projects included a revenue enhancement project for BRT and Metrobus project. **Joburg Water:** The over recovery is due to revenue	**MTC:** The budget is currently being evaluated as revenue affects direct expenditure. The budget will align as the transactions are journalized, which will reduce the income collected to provide the services.

			generated from sales of scraped assets. **Johannesburg Civic Theatre:** The favourable revenue is attributable to income generated from the hiring of LED screen, ballets mats, projectors, the 3rd world express as well as Hospitality and Catering due to a number of service level agreements (SLA) signed and executed, most notably an SLA framework order with COJ's Sports & Recreation department. **City Power:** Due to over recovery occurred on the following: a) Sales to Eskom being more than the budget by R597 million, this is mainly as a result of budget cuts that were implemented during	

			mid-term review. b) Canteen revenue is more than the budget by R2.8 million as a result of the increased usage of canteen services (E.g. Catering for meetings and vending machines).	
	Interest earned from Receivables	229,736	**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.	Continued implementation of the Revenue Enhancement Strategy and respective initiatives aimed at reducing non-technical losses and increasing revenue in the next financial years.
	Interest from Current and Non-Current Assets	71,119	**City Power:** The over budget is due to interest received from bank on the cash and cash equivalents (excluding overdraft) generated by the entity. Group **Finance:** The over recovery is mainly attributable to interest earned	No remedial action.

			on the city's primary bank accounts with a positive balance.	
	Rental from Fixed Assets	(281,026)	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.	
	Operational Revenue	231,968	**City Power:** The over recovery is due to income realized from insurance claims during the financial year. **Public Safety (JMPD):** The over recovery is due to	

			revenue collected from poundage fees as a result of more vehicles being pounded	
	Non-Exchange Revenue			
	Property rates	595,088	The YTD is over-budget by R 541 million (4%). Property Rates revenue for the month of June 2024 amounts to R1.25 billion after rebates. During the month of June, Journal adjustments amounting to R 17.7 million were processed in customer accounts. The journal adjustments are due to changes in market value because of objections and valuation appeal board decisions.	
	License and permits	(785)	The under recovery is due low number of applications for business licenses and permits received.	

	Interest	93,020	**Group Finance:** Relates to penalties imposed. This line is jointly impacted with entries and billing adjustments. The YTD is over-budget due to customer journal adjustments processed by the Property Branch which reduced penalties imposed. Reversal of penalties imposed is also used as a bargaining tool in settlement agreements with debtors. Customer Overall movement is informed by debtors ageing.	The penalties imposed is due to non-collection of overdue debt by customers which attract interest. Credit Control processes are being tighten in effort to collect long outstanding debts.
	Expenditure By Type			
	Employee related costs	612,374	**City Power**: Due to over expenditure incurred on basic salaries as the entity utilized the budget to fill critical vacancies, organisational structure and	

			natural attrition. Additional spending incurred on overtime as a result of more employees working overtime to restore power in the affected areas due to loadshedding. **public Safety:** The over expenditure is mainly due to overtime work that took place during the period under review.	
	Bulk purchases - electricity	2,902,001	The over expenditure is due to the reduction of the budget by R 2.8 billion and this reduction was driven by calculated refunds from Eskom as a result of over and incorrect billing., however this refund has not yet materialized.	
	Inventory consumed	688,936	**MTC:** The over expenditure is attributable to higher	**MTC:** The expenditures will be offset by increased income as projects near

			installation and IT Support service expenses incurred in delivering on projects conducted on behalf of other departments and entities, including revenue enhancement projects, which have resulted in increased cost of sales for the entity. **Group Finance:** The over expenditure is mainly attributable to entries of stock adjustments control accounts used in the issuing and receipt of inventory for specified material items.	completion. **Group Finance:** The stock adjustment entries are currently being investigated with the help of SAP support.
	Debt impairment	1,569,857	**Joburg Water:** The over expenditure is due to a decrease on collection levels. The year-to-date collection level is 75.75% as compared to the budgeted payment level of 77.8% resulting in a	**Joburg Water:** A revised credit control strategy was developed (by Joburg Water and RSSC) to address the current collection challenges. **Johannesburg City Parks and Zoo:** Matter has been escalated to Exec Management at Human Settlement.

			higher contribution to Bad Debts. **Johannesburg City Parks and Zoo:** The over budget is due to the provision made for unpaid invoices for Security services rendered to Human Settlement. **Group Finance:** The provision was increased in June 2024 by R 152.4 million and for the YTD as at June 2024 was decreased by R 13.1 million. The Bad Debt Provision is calculated in arrears on a monthly basis. The bad debt impairment over expenditure is driven by declining collection levels. The Calculation provides for impairment of debt over 180 days at 98% whilst Indigent customers are provided for at 100% of the full debt. For	**Group Finance:** The Budgeted amount is based on the budgeted collection rate, and when the collection rate is below the target, there will be an over expenditure in this line item and vice versa if collection rates are up the expenses relating to the bad debt provision should be reduced.

			debt up to the ageing bracket of 180 days, the six months average trends which varies over time due to varying collection levels monthly are used to estimate the impairment provision for the ageing bracket. The impairment provision is done to ensure that the assets are not overvalued in the financial statements.	
	Depreciation and amortisation	(793,495)	The under expenditure is as a result of capital projects that are work in progress and 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 once assets are capitalised.

	Contracted services	(1,385,657)	**Transport Department:** The under expenditure is due to the delays in paying compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators due to delays is finalisation of the taxi operating licenses, reduction in Phase1 a () buses due to mechanical issues and delays in operationalisation of JITI. **City Manager**: The under expenditure is primarily due to the following: The ongoing investigations and audits related to UIFW and probity that have not yet to being completed. Additionally, under spending on repairs and maintenance as a result of Head office (Metro Centre) not being	**Transport:** Due to project delays the department could only pay an amount of R99 millions, however it is anticipated that the process of finalising the operational licenses for affected taxi operators will be finalised in the new financial year. **City Manager:** The department will ensure funds are spent at the end of fiscal year once accruals are processed and possible savings will be realized.

			operational. **GICT:** The under expenditure is due to current liquidity issues, payments are being processed late. The budget is however committed. **Group Finance:** Due to under spending on repairs and maintenance as no major work has been required. Legal cost for relating to pre-termination notices. - The contract's maximum value has been reached, and a new tendering procedure is under progress. As well as under spending on actuarial services, accounting tool, and asset verifications which are accrued and only incurred after the end of the fiscal year.	

	Transfers and subsidies	(20,277)	**City Manager:** The under expenditure is due to terminations and resignations from participants (related to PEP) owing to the high incidence of absenteeism. **Economic development:** The under expenditure is mainly due to the delays in processing accruals. **Social development:** The under budget is due to invoices that have not been received from the qualifying NGO's. Payment is done once services have been rendered.	Savings will be realized at year end after accrual process.
	Operational costs	(366,709)	**City Manager:** Due to under spending on contract cell as a result of payment for the current month being accrued to be processed the following	The expenditure is expected to improve once all claims and accruals have been processed.

			month for the services rendered. Additional under spending incurred on legal services as well as Youth Advisory unit. **Group Finance:** Due to under expenditure incurred on the following: Interdepartmental costs as no claims have been processed to date this will be finalized during the year end accrual process, especially in regard to JHB Water's Equitable Share Funding. Additionally, invoices for the Electronic Portal System (e-Joburg) statement distribution, viewing, and download are paid quarterly and in arrears; the second batch of invoices is yet to be processed.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

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	749,761	493,416	531,324	1,251,734			2,370,101	14,918,142	20,314,479	18,539,977		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	775,229	311,044	265,750	601,490			1,297,759	5,834,034	9,085,307	7,733,283		
Receivables from Non-exchange Transactions - Property Rates	1400	761,869	523,126	459,770	1,110,184			1,808,302	8,375,598	13,038,849	11,294,084		
Receivables from Exchange Transactions - Waste Water Management	1500	473,510	255,217	262,068	594,317			1,088,994	6,752,637	9,426,744	8,435,948		
Receivables from Exchange Transactions - Waste Management	1600	223,646	134,836	129,809	323,950			595,740	4,241,155	5,649,136	5,160,845		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(1,572)	14,534	14,382	25,197			21,566	1,126,356	1,200,464	1,173,119		
Interest on Arrear Debtor Accounts	1810	(330,708)	(129,295)	(83,033)	(120,990)			(216,786)	(408,629)	(1,289,440)	(746,404)		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900									–	–		
Total By Income Source	**2000**	**2,651,735**	**1,602,879**	**1,580,072**	**3,785,883**	**–**	**–**	**6,965,678**	**40,839,293**	**57,425,539**	**51,590,853**	**–**	**–**
2022/23 - totals only		2,601,756	1,676,497	1,568,473	2,739,591			6,107,457	33,694,729	##########	############		
Debtors Age Analysis By Customer Group													
Organs of State	2200	55,609	46,895	34,595	86,384			177,620	1,547,988	1,949,092	1,811,992		
Commercial	2300	693,244	365,213	303,333	667,374			1,218,084	5,933,599	9,180,846	7,819,056		
Households	2400	1,902,882	1,190,771	1,242,144	3,032,125			5,569,974	33,357,706	46,295,601	41,959,805		
Other	2500									–	–		
Total By Customer Group	**2600**	**2,651,735**	**1,602,879**	**1,580,072**	**3,785,883**	**–**	**–**	**6,965,678**	**40,839,293**	**57,425,539**	**51,590,853**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	
Bulk Water	0200		857							857	1,997,071
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	622,289	302,000	148,471	135,290	182,154	80,958	5,937	149,222	1,626,321	3,839,585
Auditor General	0800									–	–
Other	0900	123,141	19,945	21,202	24,663	18,957	13,781	33,224	177,254	432,168	2,221,265
Total By Customer Type	**1000**	**745,431**	**322,802**	**169,672**	**159,953**	**201,111**	**94,740**	**39,161**	**326,476**	**2,059,346**	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 - M12 June

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	(4)	–	(4)	#DIV/0!	–
Agency services		–	–	–	–	–	–		–
Interest		386,492	371,492	23,327	318,395	371,492	(53,097)	-14%	371,492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1,462,814	1,386,844	34,884	2,085,157	1,386,844			1,386,844
Dividends		147,420	147,420	801	180,148	147,420	32,728	22%	147,420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146,267	331,745	5,346	60,953	331,745	(270,793)	-82%	331,745
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395,271	196,878	(65,302)	243,357	196,878	46,479	24%	196,878
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951,486)	(161,168)	(277)	(162,065)	(161,168)			(161,168)
Fines, penalties and forfeits		(10,870)	(3,433)	(253)	(2,648)	(3,433)	785	-23%	(3,433)
Licences or permits		(8,280,856)	(8,328,982)	(30,667)	(7,592,138)	(8,328,982)			(8,328,982)
Transfer and subsidies - Operational		(116,245)	(116,245)	(19,029)	(209,265)	(116,245)			(116,245)
Interest		(3,838,724)	(3,838,724)	(319,894)	(3,838,724)	(3,838,724)			(3,838,724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5,000)	–	–	–	–			(5,000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11,060,188)**	**(10,211,050)**	**(305,760)**	**(9,160,193)**	**(10,211,050)**	**1,050,858**	**-10%**	**(10,216,050)**
Expenditure By Type									
Employee related costs		(951,486)	(161,168)	(277)	(162,065)	(161,168)	(897)	1%	(161,168)
Remuneration of councillors		(10,870)	(3,433)	(253)	(2,648)	(3,433)	785	-23%	(3,433)
Bulk purchases - electricity		(8,280,856)	(8,328,982)	(30,667)	(7,592,138)	(8,328,982)	736,844	-9%	(8,328,982)
Inventory consumed		(116,245)	(116,245)	(19,029)	(209,265)	(116,245)	(93,020)	80%	(116,245)
Debt impairment		(3,838,724)	(3,838,724)	(319,894)	(3,838,724)	(3,838,724)	–		(3,838,724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5,000)	–	–	–	–	–		(5,000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69,144)	(72,292)	3,468	(21,903)	(72,292)			(72,292)
Total Expenditure		**(13,272,325)**	**(12,520,844)**	**(366,652)**	**(11,826,745)**	**(12,520,844)**	**694,100**	**-6%**	**(12,525,844)**
Surplus/(Deficit)		2,212,138	2,309,794	60,892	2,666,552	2,309,794	356,758	15%	2,309,794
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(72,292)
Transfers and subsidies - capital (in-kind)		(69,144)	(72,292)	3,468	(21,903)	(72,292)	50,389	-70%	(1,668,461)
Surplus/(Deficit) after capital transfers & contributions		2,142,993	2,237,502	64,360	2,644,649	2,237,502	407,147	18%	569,040
Income Tax		4,849,009	4,781,416	436,513	3,373,874	4,781,416	(1,407,542)	-29%	4,781,416
Surplus/(Deficit) after income tax		**(2,706,016)**	**(2,543,914)**	**(372,153)**	**(729,226)**	**(2,543,914)**	**1,814,689**	**-71%**	**(4,212,376)**

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 - M12 June

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	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	2,968,767	326,563	3,055,975	2,968,767	87,208	3%	2,968,767
City Power			23,707,579	19,941,538	2,392,017	20,927,313	19,941,538	985,775	5%	19,941,538
Johannesburg Water			16,997,017	17,448,408	1,550,206	18,226,315	17,448,408	777,906	4%	17,448,408
Johannesburg Social Housing Company			303,597	233,954	43,701	244,107	233,954	10,152	4%	233,954
Johannesburg Property Company			81,459	43,192	2,506	40,713	43,192	(2,479)	-6%	43,192
Metropolitan Trading Company			59,618	12,578	533,985	994,769	12,578	982,191	7809%	12,578
Metrobus			63,682	117,823	1,693	71,519	117,823	(46,304)	-39%	117,823
Johannesburg City Parks and Zoo			87,586	93,927	8,484	95,477	93,927	1,550	2%	93,927
JDA			75,926	60,790	6,442	53,184	60,790	(7,606)	-13%	60,790
Johannesburg Roads Agency			128,962	113,400	(391,360)	161,112	113,400	47,712	42%	113,400
Joburg City Theatres			67,394	40,013	14,938	90,971	40,013	50,958	127%	40,013
Joburg Market			646,656	671,071	57,937	700,131	671,071	29,060	4%	671,071
Joburg Tourism Company			3,483	3,699	4,696	17,397	3,699	13,698	370%	3,699
Total Operating Revenue	1	–	44,829,956	41,749,160	4,551,808	44,678,983	41,749,160	2,929,822	7%	41,749,160
Expenditure By Municipal Entity										
Pikitup			3,764,315	4,082,547	434,976	4,242,468	4,082,547	159,921	4%	4,082,547
City Power			22,722,431	19,443,819	2,769,351	22,209,282	19,443,819	2,765,462	14%	19,443,819
Johannesburg Water			14,964,254	15,706,833	1,374,210	16,879,113	15,706,833	1,172,280	7%	15,706,833
Johannesburg Social Housing Company			355,355	367,590	104,455	901,886	367,590	534,296	145%	367,590
Johannesburg Property Company			964,641	914,367	75,303	810,429	914,367	(103,938)	-11%	914,367
Metropolitan Trading Company			423,773	376,733	79,849	929,975	376,733	553,242	147%	376,733
Metrobus			601,623	641,511	71,047	734,996	641,511	93,485	15%	641,511
Johannesburg City Parks and Zoo			1,257,264	1,206,545	116,971	1,218,625	1,206,545	12,080	1%	1,206,545
JDA			108,145	121,542	8,064	95,942	121,542	(25,600)	-21%	121,542
Johannesburg Roads Agency			1,438,437	1,411,418	98,281	1,311,320	1,411,418	(100,098)	-7%	1,411,418
Joburg City Theatres			262,776	252,593	34,587	274,131	252,593	21,538	9%	252,593
Joburg Market			558,591	584,998	65,986	518,165	584,998	(66,833)	-11%	584,998
Joburg Tourism Company			69,503	89,719	13,788	64,008	89,719	(25,711)	-29%	89,719
Total Operating Expenditure	2	–	47,491,108	45,200,216	5,246,865	50,190,340	45,200,216	4,990,124	11%	45,200,216

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

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		472,162	2,173,971	3,821,103	1,647,132	43.1%	28%
January	1,513,157		194,581	2,368,552	5,334,260	2,965,708	55.6%	31%
February	1,100,478		306,227	2,674,779	6,434,738	3,759,959	58.4%	35%
March	634,303	4,842,991	510,734	3,185,513	4,842,991	1,657,478	34.2%	42%
April	313,330	1,028,610	268,984	3,454,497	5,871,601	2,417,104	41.2%	45%
May	145,202	685,407	486,199	3,940,696	6,557,008	2,616,312	39.9%	52%
June	114,633	346,326	957,632	4,898,328	6,903,334	2,005,006	29.0%	64%
Total Capital expenditure	**7,642,206**	**6,903,334**	**4,898,328**					