CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 31 AUGUST 2023

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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 August 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 August 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 2%, R245 million overperformance [August 2022: 1%]. The actual operating expenditure is over budget by 15%, R2.2 billion [August 2022: -12%]. The net result is an operating deficit of R3.1 billion against a year-to-date (YTD) budgeted deficit of R1.2 billion.

It is important to note that this performance includes an erroneous journal made at public safety that resulted in an over statement of the inventory consumed expenditure by R3 831 539 746,59. This error has the effect of overstating overall City expenditure by this amount and causing a deficit higher than what was expected at this stage in the financial year.

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 R566 million (7%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of August 2023 were R2.9 billion and R3. 3 billion respectively. This shows an increase of R431 million during the month as indicated in Table 1 below.

Aug 23	OPENING	CLOSING
Operational Call Deposits	45 801 396,41	46 516 232,13
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	531 172 611,74	120 198 963,34
Absa Primary Account Balance	6 495 873,33	104 377 113,62
TOTAL UNENCUMBERED	**583 469 881,48**	**271 092 309,09**
Contingency Reserve Fund	401 177 076,28	401 177 076,28
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	18 140 152,79	18 268 028,44
Non-Sweeping Bank Accounts	1 651 915 895,60	2 394 956 042,49
TOTAL ENCUMBERED	**2 352 763 124,67**	**3 095 931 147,21**
TOTAL INVESTMENTS	**2 936 233 006,16**	**3 367 023 456,30**

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

Aug 23	OPENING	CLOSING
Cash and Cash Equivalents	1 393 889 847,60	1 412 237 606,01
Interest Rate swaps	-180 355 444,12	-177 821 962,20
Tradable Instruments Portfolio	365 184 656,50	354 243 753,00
TOTAL SINKING FUND INVESTMENTS	**1 578 719 059,98**	**1 588 659 396,81**

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

- Total unencumbered balances decreased by R312 million during the course of the month, which was primarily driven by the decrease in the primary bank account.
- Total encumbered balances increased by R743 million during this same period, with the highest increase being in the non-sweeping portfolio.
- The combined movement resulted in the overall total balance increase of R431 million.
- The Sinking Fund balances closed R9, 9 million higher at R1, 589 billion, with an increase in both the cash and cash equivalents and the tradable instruments portfolios by R18, 3 million and R2, 3 million respectively. These movements are in respect of interest received and market movements. The interest rate swaps reflect a positive movement of R 10, 9 million during the month of August.

Cash movements analysis:

Inflows for the month of August amounted to R8 billion versus outflows of R7.6 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was an increase of R431 million as depicted in Table 1.1 below.

Aug 23	
Description	**R**
Cash Collections	4 131 166 555,56
Revenue cash collections paid into Primary and Ordinary bank accounts	111 744 297,30
Direct Payments into MOE Revenue accounts	11 818 158,65
Prepaid Collections	196 095 528,95
Other Income (Interest Received, Vat Refund, Licensing Fees)	478 311 086,84
Operating Grants and Subsidies	1 790 820 000,00
Positive Sweepings and Non-Sweeping Movements	1 293 994 910,59
Total Cash Inflows	8 013 950 537,89
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-7 010 073 005,52
Negative Sweepings and Non-Sweeping Movements	-573 087 082,24
Total Cash Outflows	-7 583 160 087,76
Net Movement	430 790 450,13

Summary Table 1.1 Cash Movements as at 31 August 2023

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

The inflows for the month of August include cash collection (R4.1 billion), receipts paid directly into MOE bank accounts (R12 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R112 million), while cash outflows were less than the inflows resulting in a positive net movement on the overall cash balances.

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

Grant Name	YTD Forecast per National Treasury Schedule	YTD Actual per Adjusted National Treasury Schedule	Variance
Operational			
Equitable Share Grant	2 938 814 000	2 938 814 000	-
Fuel Levy Grant	1 279 575 000	1 279 575 000	-
Total Operational Grants	**4 218 389 000**	**4 218 389 000**	-
Conditional			
Urban Settlements Development Grant	351 596 000	351 596 000	-
Informal Settlements Upgrading Partnership Grant	155 155 000	155 155 000	-
Public Transport Network Grant	417 357 000	417 357 000	-
Neighbourhood Development Partnership Grant	43 225 000	43 225 000	-
Infrastructure Skills Develoment Grant	3 000 000	3 000 000	-
Programme and Project Preparation Support Grant	20 000 000	20 000 000	-
Expanded Public Works Programme	3 494 000	3 494 000	-
Financial Management Grant	1 000 000	1 000 000	-
Total Conditional Grants	**994 827 000**	**994 827 000**	-
Total Local Government Grants	**5 213 216 000**	**5 213 216 000**	-

Table 4.1 – Source: National Treasury and Bank Statements

Additional grants received in August that would ordinarily have been received in July are:

- Urban Settlements Development Grant (USDG) – R352 million
- Informal Settlements Upgrade Programme Grant (ISUPG) – R156 million
- Expanded Public Works Programme (EPWP) – R3.5 million
- Financial Management Grant (FMG) – R1 million

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 August 2023 for all MOEs.

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

Entity	End of July Balance	Monthly Inflows	Monthly Outflows	Net Movement	End of August Balance
City Power	**-11 955 617 306,09**	2 320 088 548,15	-2 683 868 165,87	-363 779 617,72	**-12 319 396 923,81**
Joburg Water	555 790 389,99	1 265 870 380,92	-935 787 707,73	330 082 673,19	885 873 063,18
Pikitup	653 842 372,41	525 460 842,50	-206 161 755,04	319 299 087,46	973 141 459,87
Parks Zoo	834 952 972,31	258 019 110,39	-87 850 305,61	170 168 804,78	1 005 121 777,09
Fresh Produce	420 643 792,97	2 868 305,73	-30 705 604,77	-27 837 299,04	392 806 493,93
JDA	**-870 283 064,58**	87 366 876,08	-51 613 878,88	35 752 997,20	**-834 530 067,38**
Joshco	**-1 264 121 234,29**	88 926 858,78	-261 311 325,39	-172 384 466,61	**-1 436 505 700,90**
Metro Bus	**-528 140 836,77**	12 646 675,36	-64 024 881,66	-51 378 206,30	**-579 519 043,07**
Propcom	274 385 664,25	119 916 386,72	-56 686 691,07	63 229 695,65	337 615 359,90
Propcom Portfolio	**-176 756 783,73**	4 811 067,00	-21 865 343,01	-17 054 276,01	**-193 811 059,74**
Roads	**-78 506 421,78**	**266 593 739,25**	**-300 312 242,28**	**-33 718 503,03**	**-112 224 924,81**
MTC	**-51 240 545,88**	**45 363 447,49**	**-27 397 315,69**	**17 966 131,80**	**-33 274 414,08**
JTC	54 548 013,70	13 568 430,31	-2 112 241,66	11 456 188,65	66 004 202,35
Core	15 066 815 799,11	7 082 861 594,45	-6 933 874 353,94	148 987 240,51	15 215 803 039,62
Total Sweepings and Balances	**2 936 233 006,57**			**430 790 450,13**	**3 367 023 456,30**

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

Inflows for the month of August versus outflows resulted in a positive net movement of R431 million.

YTD Net Movement			
Entity	**Jul 23**	**Aug 22**	**YTD**
City Power	-1 898 105 046,47	-363 779 617,72	-2 261 884 664,19
Joburg Water	-1 011 174 164,26	330 082 673,19	-681 091 491,07
Pikitup	75 274 289,80	319 299 087,46	394 573 377,26
Parks Zoo	-158 462 269,13	170 168 804,78	11 706 535,65
Fresh Produce	200 096 562,92	-27 837 299,04	172 259 263,88
JDA	-199 670 992,55	35 752 997,20	-163 917 995,35
Joshco	-151 168 753,20	-172 384 466,61	-323 553 219,81
Metro Bus	14 187 893,55	-51 378 206,30	-37 190 312,75
Propcom	23 881 468,71	63 229 695,65	87 111 164,36
Propcom Portfolio	2 353 937,03	-17 054 276,01	-14 700 338,98
Roads	-285 084 156,34	-33 718 503,03	-318 802 659,37
MTC	-170 764 168,62	17 966 131,80	-152 798 036,82
JTC	-6 760 405,30	11 456 188,65	4 695 783,35

Table 3.1(a): Sweeping movements analysis.

The above table reflects the ME net movements for the month of July and August.

July 2023 Billing & August 2023 Collections; Year to Date Billing & Collections:

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Jul 2023	Aug 2023		YTD: Jun'23 to Jul'23	YTD: Jul'23 to Aug'23	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 463 749	1 417 465	96.8%	2 670 758	2 471 254	92.5%
Electricity	1 953 707	1 908 717	97.7%	3 577 467	3 542 971	99.0%
Water	1 555 313	1 209 914	77.8%	3 382 400	2 230 224	65.9%
Refuse	274 559	239 936	87.4%	526 795	424 801	80.6%
TOTAL	**5 247 328**	**4 776 032**	**91.0%**	**10 157 420**	**8 669 250**	**85.3%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R5.2 billion in July 2023 and R4.8 billion was collected in August 2023. The year-to-date billing as at 31 July 2023 is R10.2 billion compared to R8.7 billion collected as at 31 August 2023.

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

Reconciliation between Treasury banking and RSSC collections

Description	Aug 2023	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 450 825	8 362 134
Deposits reflected by Treasury in previous month	186 026	45 021
Refunds, Deposits and Sundry Revenue	-32 438	-72 815
Water: Industrial Effluent and Cross-Boundary Sales	39 743	64 297
Difference in electricity and water prepaid sales	-4 813	-5 601
Non-Cash Items:		
Staff Accounts	7 692	15 606
Departmental Settlements	128 997	260 608
Total Revenue as per Revenue Collection Report	**4 776 032**	**8 669 250**

The August 2023 deposits of approximately R186 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		Jul 2023	Aug 2023
Budget Billing	R 000	5 662 498	5 804 904
Actual Billing	R 000	5 247 328	5 330 238
Shortfall (-) / Surplus (+) in Billing	R 000	-415 170	-474 666
Budget Collection	R 000		5 093 650
Actual Revenue Collection	R 000		4 776 032
Shortfall (-) / Surplus (+) in Collections	R 000		-317 618
Actual Billing vs. Budgeted Billing	%	92.7%	91.8%
Actual Collection vs. Budgeted Collection	%		93.8%
Budgeted Collection (Aug) vs Budgeted Billing (Jul)	%		90.0%
Actual Collections (Aug) vs. Actual Billing (Jul)	%		91.0%

The actual billing of R5.2 billion for July 2023 was R415 million below the budgeted billing of R5.7 billion. The actual collection of R4.8 billion for August 2023 was R317 million below the budgeted collection of R5 billion. The collection rate of 91% for August 2023 was 1% above the budgeted collection rate of 90%. However year to date collection level at 85.3% is nearly 5% below the budgeted performance level, indicating that there is a shortfall that needs to be recouped in the coming months to ensure the budgeted expenditure can still be covered by revenue raised.

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 02 mSCOA data strings was submitted to the National Treasury on the 14th September 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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CHARITY-ANN WURAYAYI **GROUP HEAD GROUP ACCOUNTING**	**SENIOR LEGAL ADVISOR** **GROUP LEGAL AND CONTRACTS**
MALOPE RAMAGAGA **ACTING GROUP HEAD: RSSC**	21-11-2023 **DATE**
SINOVUYO MPAKAMA **GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING**	21-11-2023 **DATE**
TEBOGO MORAKA **GROUP CHIEF FINANCIAL OFFICER**	23-11-2023 **DATE**
COUNCILLOR SELLO ENOCK MORERO **MMC GROUP FINANCE**	30/11/2023 **DATE**

Annexure A

In-Year Report

Budget year: 2023/24

Reporting Period: Month 02

August 2023

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

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

1.2 Executive Summary

The financial results of the City of Johannesburg for period ended 31 August 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 positive variance of R245 million against the YTD budget for the period ended 31 August 2023.

The operating expenditure is underspent by R2.2 billion, against year-to-date expenditure budget of R14 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 R566 million (7%) of the medium-term budget.

Capital Expenditure per funding source as at 31 August 2022:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 830	130	7%
CRR / Cash	3 111	104	3%
Nat Grant	320	-	0%
Prov Grant	-	-	0%
USDG	1 205	88	7%
USIP	685	3	1%
Other	590	8	1%
Total CoJ	7 741	334	4%

Capital Expenditure per funding source as at 31 August 2023:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	336	13%
CRR / Cash	2 000	63	3%
Nat Grant	446	5	1%
Prov Grant	-	-	0%
USDG	1 643	103	6%
USIP	715	-	0%
Other	338	57	17%
Total CoJ	7 642	566	7%

COJ Loans, cash and USDG funding sources reflect spending in the month under review, while there has been no spending in the other funding sources namely: Provincial grants and USIP. When compared to the previous year overall spending (excluding commitments) has increased by 3%.

Consolidated Summary - Capital Expenditure as 31 August 2023:

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

Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1 207	242	20%
Johannesburg Water	1 064	182	17%
Pikitup	100	7	7%
Jhb Roads Agency	860	40	5%
Metrobus	196	2	1%
Jhb City Parks and Zoo	65	3	4%
Jhb Development Agency	375	23	6%
Jhb Property Company	50	-	0%
Metro Trading Company	11	-	0%
Joburg Market	150	7	5%
JOSHCO	492	58	12%
Joburg City Theatres	21	2	8%
Joburg Tourism	5	-	0%
Total MEs	4 595	565	12%

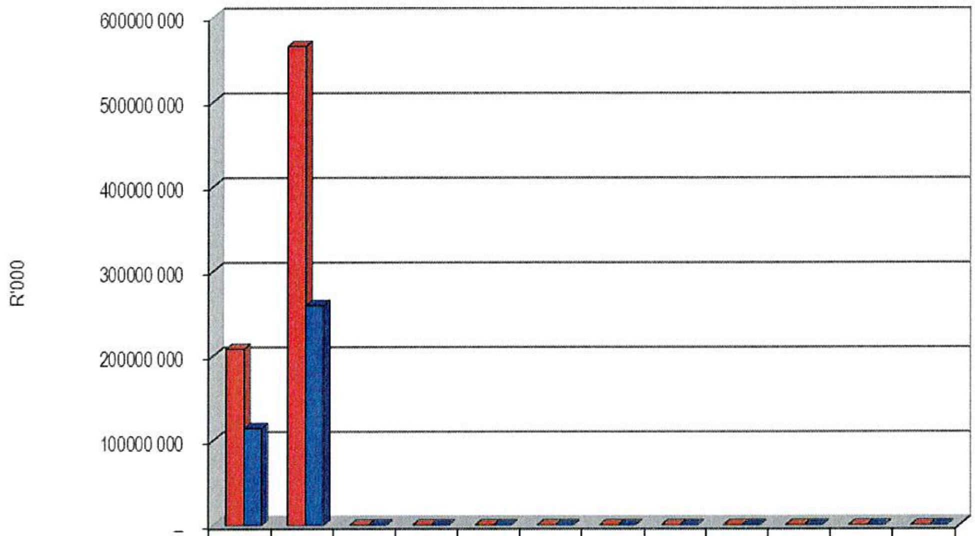
The positive expenditure noted above is due to expenditure incurred at City Power, Johannesburg Water, Joshco, Johannesburg Roads Agency and Johannesburg

Development Agency. There is no expenditure that has occurred under core department, mainly as Core is still processing year end accruals.

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	–	–	–	–	–	–	–	–	–	–
YearTD budget	114633	259835	–	–	–	–	–	–	–	–	–	–

Cash Flow

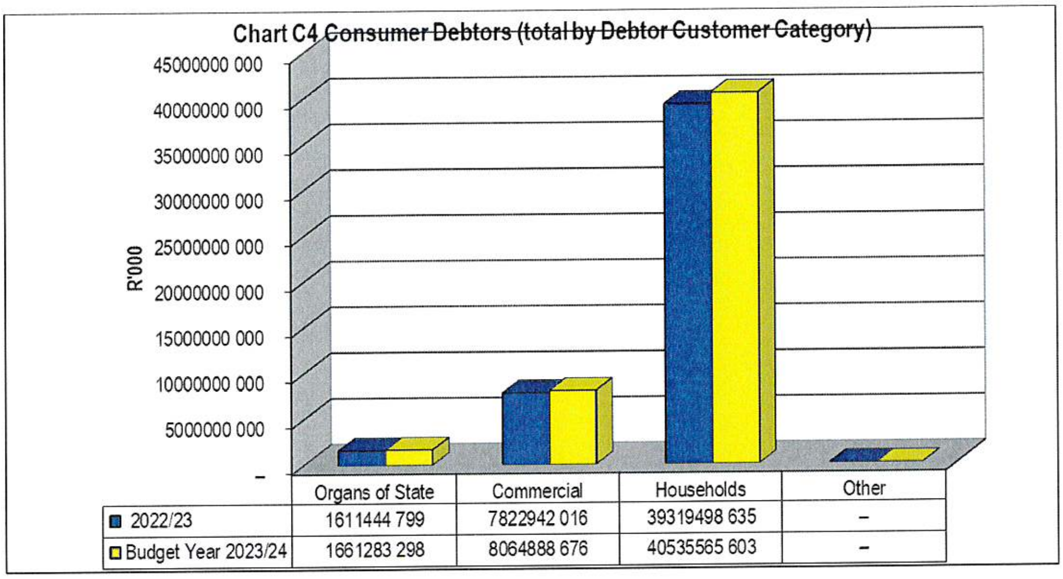
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of August 2023 amount to R3 billion.
- The cash flow from operating activities is R515 million, negative.
- The cash flow from investing activities amount to R991 million, negative.
- The cash flow from financing activities amount to R55 million, negative.

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 R50 billion. Chart C3 below illustrates the Consumers debtors age analysis:



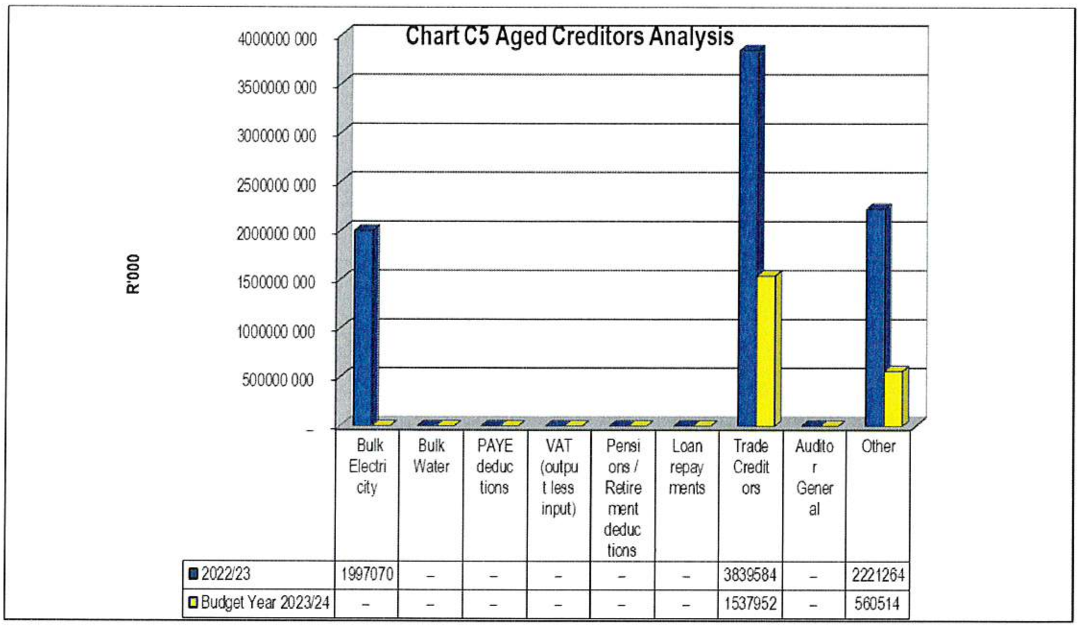
The following interventions / actions were implemented during August 2023 to increase collection levels:

(i) 6 169 electricity accounts were identified for disconnections, total value R7.4 billion of which R260 million were collected from 1 484 accounts.

(ii) 1 887 water accounts were identified for disconnections, total value R5.9 billion of which R141 million were collected from 2 386 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.



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

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

1.3 In-year budget statement tables

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

Summary of municipal entities (Table SC11)

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

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

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Monthly Budget Statement Summary - M02 August

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	–	1 201 864	2 611 599	2 728 794	(117 195)	-4%	16 372 765
Service charges	42 048 461	–	3 377 354	6 563 194	7 418 515	(855 321)	-12%	42 048 461
Investment revenue	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	174 350	–	9 934	12 953	28 454	(15 501)	-54%	174 350
Other own revenue	16 798 294	–	805 849	4 076 916	2 843 995	1 232 921	43%	–
Total Revenue (excluding capital transfers and contributions)	**75 393 870**	–	**5 395 002**	**13 264 662**	**13 019 759**	**244 903**	**2%**	**75 393 870**
Employee costs	19 007 361	–	1 563 909	3 085 604	3 155 847	(70 243)	-2%	19 007 361
Remuneration of Councillors	184 542	–	14 074	28 426	30 758	(2 332)	-8%	184 542
Depreciation and amortisation	4 784 336	–	352 625	697 430	796 104	(98 674)	-12%	4 784 336
Interest	2 171 098	–	251 727	342 660	361 850	(19 190)	-5%	2 171 098
Inventory consumed and bulk purchases	22 762 169	–	2 745 345	9 080 470	5 806 746	3 273 723	56%	22 762 169
Transfers and subsidies	138 835	–	2 294	(14 249)	21 518	(35 767)	-166%	138 835
Other expenditure	24 251 177	–	1 870 943	3 149 946	4 033 499	(883 553)	-22%	24 251 177
Total Expenditure	**73 299 518**	–	**6 800 917**	**16 370 286**	**14 206 322**	**2 163 964**	**15%**	**73 299 518**
Surplus/(Deficit)	**2 094 352**	–	**(1 405 915)**	**(3 105 624)**	**(1 186 564)**	**(1 919 061)**	**162%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)	3 208 307	–	179 296	323 927	478 154	(154 227)	-32%	3 208 307
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**5 302 659**	–	**(1 226 619)**	**(2 781 698)**	**(708 410)**	**(2 073 288)**	**293%**	**5 302 659**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**5 302 659**	–	**(1 226 619)**	**(2 781 698)**	**(708 410)**	**(2 073 288)**	**293%**	**5 302 659**
Capital expenditure & funds sources								
Capital expenditure	**7 642 206**	–	**357 365**	**565 620**	**259 835**	**305 785**	**118%**	**7 642 206**
Capital transfers recognised	3 142 206	–	72 496	166 011	106 835	59 176	55%	3 142 206
Borrowing	2 500 000	–	174 754	336 474	85 000	251 474	296%	2 500 000
Internally generated funds	2 000 000	–	110 115	63 135	68 000	(4 865)	-7%	2 000 000
Total sources of capital funds	**7 642 206**	–	**357 365**	**565 620**	**259 835**	**305 785**	**118%**	**7 642 206**
Financial position								
Total current assets	20 494 077	–		45 794 119				20 494 077
Total non current assets	92 317 514	–		36 484 871				92 317 514
Total current liabilities	16 092 009	–		21 329 053				16 092 009
Total non current liabilities	27 521 244	–		19 961 360				27 521 244
Community wealth/Equity	**69 198 337**	–		**32 723 352**				**69 198 337**
Cash flows								
Net cash from (used) operating	11 066 302	–	901 706	451 063	251 801	(199 261)	-79%	11 066 302
Net cash from (used) investing	(8 284 705)	–	(440 416)	(990 771)	(366 918)	623 853	-170%	(8 284 705)
Net cash from (used) financing	(300 393)	–	(30 500)	(55 473)	(466 732)	(411 259)	88%	(300 393)
Cash/cash equivalents at the month/year end	**6 930 714**	–	**3 367 023**	**3 367 023**	**3 867 661**	**500 637**	**13%**	**6 930 714**

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	1 545 407	1 774 308	3 364 916	–	–	6 071 109	34 807 017	50 261 738
Creditors Age Analysis								
Total Creditors	17 339	213 150	11 033	(149)	6 040	57 881	377 681	2 098 467

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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	–	1 722 019	3 388 156	4 258 416	(870 260)	-20%	23 097 508
Service charges - Water		9 486 608	–	830 721	1 550 555	1 581 102	(30 547)	-2%	9 486 608
Service charges - Waste Water Management		6 893 182	–	584 762	1 149 122	1 148 864	258	0%	6 893 182
Service charges - Waste management		2 571 163	–	239 852	475 362	430 134	45 228	11%	2 571 163
Sale of Goods and Rendering of Services		870 667	–	54 422	117 533	144 228	(26 696)	-19%	870 667
Agency services		386 492	–	29 851	54 886	64 416	(9 530)	-15%	386 492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332 416	–	40 938	90 047	55 402	34 645	63%	332 416
Interest from Current and Non Current Assets		174 350	–	9 934	12 953	28 454		0%	174 350
Dividends		–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535 867	–	23 317	46 913	89 314	(42 401)	-47%	535 867
Licence and permits		–	–	289	522	–	522		–
Operational Revenue		1 046 832	–	62 205	119 981	174 470	(54 489)	-31%	1 046 832
Non-Exchange Revenue									
Property rates		16 372 765	–	1 201 864	2 611 599	2 728 794	(117 195)	-4%	16 372 765
Surcharges and Taxes		302 905	–	19 638	46 903	50 485	(3 581)	-7%	302 905
Fines, penalties and forfeits		951 574	–	97 549	105 765	158 594	(52 829)	-33%	951 574
Licence and permits		10 870	–	181	305	1 810	(1 505)	-83%	10 870
Transfers and subsidies - Operational		8 281 453	–	119 346	3 116 355	1 425 406	1 690 949	119%	8 281 453
Interest		116 245	–	26 634	46 115	19 374	26 741	138%	116 245
Fuel Levy		3 838 724	–	330 593	330 593	639 788	(309 195)	-48%	3 838 724
Operational Revenue		118 335	–	–	–	19 723	(19 723)	-100%	118 335
Gains on disposal of Assets		5 914	–	2 052	2 181	986	1 195	121%	5 914
Other Gains		–	–	(1 168)	(1 182)	–	(1 182)		–
Discontinued Operations		–	–	–	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		**75 393 870**	**–**	**5 395 002**	**13 264 662**	**13 019 759**	**244 903**	**2%**	**75 393 870**
Expenditure By Type									
Employee related costs		19 007 361	–	1 563 909	3 085 604	3 155 847	(70 243)	-2%	19 007 361
Remuneration of councillors		184 542	–	14 074	28 426	30 758	(2 332)	-8%	184 542
Bulk purchases - electricity		16 403 226	–	2 149 923	4 269 860	4 748 388	(478 528)	-10%	16 403 226
Inventory consumed		6 358 943	–	595 422	4 810 610	1 058 359	3 752 251	355%	6 358 943
Debt impairment		7 983 550	–	526 680	854 865	1 357 455	(502 590)	-37%	7 983 550
Depreciation and amortisation		4 784 336	–	352 625	697 430	796 104	(98 674)	-12%	4 784 336
Interest		2 171 098	–	251 727	342 660	361 850	(19 190)	-5%	2 171 098
Contracted services		7 575 012	–	528 570	810 908	1 237 942	(427 034)	-34%	7 575 012
Transfers and subsidies		138 835	–	2 294	(14 249)	21 518	(35 767)	-166%	138 835
Irrecoverable debts written off		–	–	102 987	33 684	–	33 684		–
Operational costs		6 772 269	–	485 706	965 162	1 118 047	(152 885)	-14%	6 772 269
Losses on Disposal of Assets		302	–	15 737	16 020	48	15 972	33275%	302
Other Losses		1 920 044	–	211 264	469 307	320 008	149 299	47%	1 920 044
Total Expenditure		**73 299 518**	**–**	**6 800 917**	**16 370 286**	**14 206 322**	**2 163 964**	**15%**	**73 299 518**
Surplus/(Deficit)		**2 094 352**	**–**	**(1 405 915)**	**(3 105 624)**	**(1 186 564)**	**(1 919 061)**	**162%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)		3 208 307	–	179 296	323 927	478 154	(154 227)	-32%	3 208 307
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**5 302 659**	**–**	**(1 226 619)**	**(2 781 698)**	**(708 410)**			**5 302 659**
Income Tax		80 168	–	–	–	13 362			80 168
Surplus/(Deficit) after income tax		**5 222 491**	**–**	**(1 226 619)**	**(2 781 698)**	**(721 772)**			**5 222 491**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**5 222 491**	**–**	**(1 226 619)**	**(2 781 698)**	**(721 772)**			**5 222 491**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**5 222 491**	**–**	**(1 226 619)**	**(2 781 698)**	**(721 772)**			**5 222 491**

It is important to note that this performance includes an erroneous journal made at public safety that resulted in an over statement of the inventory consumed expenditure by R3 831 539 746,59. This error has the effect of overstating overall City expenditure by this amount and causing a deficit higher than what was expected at this stage in the financial year.

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M02 August

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	–	3 367 023	6 930 714
Trade and other receivables from exchange transactions		13 014 236	–	16 617 886	13 014 236
Receivables from non-exchange transactions		–	–	(615 876)	–
Current portion of non-current receivables		–	–	1 434 957	–
Inventory		549 127	–	(3 160 995)	549 127
VAT		–	–	28 297 136	–
Other current assets		–	–	(146 011)	–
Total current assets		20 494 077	–	45 794 119	20 494 077
Non current assets					
Investments		787 795	–	–	787 795
Investment property		1 036 836	–	27 516	1 036 836
Property, plant and equipment		85 737 194	–	32 384 780	85 737 194
Biological assets		29 386	–	–	29 386
Living and non-living resources		–	–	–	–
Heritage assets		–	–	–	–
Intangible assets		1 069 416	–	(39 314)	1 069 416
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64 463	–	53 417	64 463
Other non-current assets		3 592 423	–	4 058 471	3 592 423
Total non current assets		92 317 514	–	36 484 871	92 317 514
TOTAL ASSETS		112 811 590	–	82 278 990	112 811 590
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1 543 567	–	144 579	1 543 567
Consumer deposits		21 556	–	1 304 240	21 556
Trade and other payables from exchange transactions		13 751 867	–	(16 227 613)	13 751 867
Trade and other payables from non-exchange transactions		–	–	2 758 713	–
Provision		775 019	–	721 340	775 019
VAT		–	–	28 865 458	–
Other current liabilities		–	–	3 762 336	–
Total current liabilities		16 092 009	–	21 329 053	16 092 009
Non current liabilities					
Financial liabilities		20 121 909	–	19 024 110	20 121 909
Provision		7 399 335	–	989 680	7 399 335
Long term portion of trade payables		–	–	27 405	–
Other non-current liabilities		–	–	(79 835)	–
Total non current liabilities		27 521 244	–	19 961 360	27 521 244
TOTAL LIABILITIES		43 613 254	–	41 290 413	43 613 254
NET ASSETS	2	69 198 337	–	40 988 578	69 198 337
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69 198 337	–	31 896 782	69 198 337
Reserves and funds		–	–	206 171	–
Other		–	–	620 398	–
TOTAL COMMUNITY WEALTH/EQUITY	2	69 198 337	–	32 723 352	69 198 337

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	Budget Year 2023/24							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		14 889 119	–	1 162 218	2 271 881	2 481 520	(209 638)	-8%	14 889 119
Service charges		36 255 075	–	3 288 607	6 141 230	6 424 724	(283 494)	-4%	36 255 075
Other revenue		8 138 874	–	1 238 059	1 821 849	1 354 904	466 945	34%	8 138 874
Transfers and Subsidies - Operational		8 281 453	–	1 279 575	4 218 389	1 425 406	2 792 983	196%	8 281 453
Transfers and Subsidies - Capital		3 208 307	–	511 245	994 827	478 154	516 673	108%	3 208 307
Interest		392 345	–	32 116	60 130	65 390	(5 259)	-8%	392 345
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(57 788 937)	–	(6 573 598)	(14 975 744)	(11 594 928)	3 380 816	-29%	(57 788 937)
Finance charges		(2 171 098)	–	(24 908)	(52 279)	(361 850)	(309 571)	86%	(2 171 098)
Transfers and Subsidies		(138 835)	–	(11 608)	(29 222)	(21 518)	7 704	-36%	(138 835)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 066 302	–	901 706	451 063	251 801	(199 261)	-79%	11 066 302
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 582	–	–	–	930	(930)	-100%	5 582
Decrease (increase) in non-current receivables		–	–	–	–	–	–		
Decrease (increase) in non-current investments		(648 081)	–	–	–	(108 014)	108 014	-100%	(648 081)
Payments									
Capital assets		(7 642 206)	–	(440 416)	(990 771)	(259 835)	730 936	-281%	(7 642 206)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 284 705)	–	(440 416)	(990 771)	(366 918)	623 853	-170%	(8 284 705)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	–	–	–		–
Borrowing long term/refinancing		2 500 000	–	–	–	–	–		2 500 000
Increase (decrease) in consumer deposits		213	–	–	–	36	(36)	-100%	213
Payments									
Repayment of borrowing		(2 800 606)	–	(30 500)	(55 473)	(466 768)	(411 295)	88%	(2 800 606)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(300 393)	–	(30 500)	(55 473)	(466 732)	(411 259)	88%	(300 393)
NET INCREASE/ (DECREASE) IN CASH HELD		2 481 204	–	430 790	430 790	(581 849)			2 481 204
Cash/cash equivalents at beginning:		4 449 510	–	2 936 233	2 936 233	4 449 510			4 449 510
Cash/cash equivalents at month/year end:		6 930 714	–	3 367 023	3 367 023	3 867 661			6 930 714

ADDITIONAL SUPPORTING SCHEDULES: Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations – M02 August

Ref	Description	YTD variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	**Revenue By Source** **Exchange Revenue**			
	Service charges: Electricity	(870 260)	The underperformance is mainly as a result of decreased consumption for all Industrial and Commercial customers. The units purchased from Eskom has dropped due to load shedding and customers using alternative sources of energy.	City Power has responded to these challenges associated with non-technical losses and revenue with the Revenue Enhancement Strategy. The strategy aims to reduce non-technical losses to12% and increase revenue in the current financial year. It has focused initiatives to improve revenue through accounting for revenue completeness and revenue accuracy. At the core of the Revenue Enhancement Strategy is a new data analytics capability, continuous process improvement and governance, use of technology, training of staff and management of various stakeholders. Below are the initiative in assisting with the reduction of non-technical losses. • Simulated billing and consumption analysis; Customer and meter data clean-up; Alarms automation • Improve collection; System updates; Alarms enhancement and COJ revenue enhancement.

	Service charges - Water	(30 547)	The under recovery is mainly as a result of a reduction in water consumption for business and households due to lower demands.	It is expected that with the standby stand audit implemented by RSSC that revenue not billed will be identified and thus remedy the current revenue levels.
	Service charges - Waste Water Management	258	The year to actual is performing in line with the year-to-date budget.	No remedial action
	Service charges - Waste management	45 228	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	(26 696)	Community Development: The under recovery is mainly due a decrease in hall hiring as a result of the current economic conditions. Johannesburg Civic Theatre: Due to reduction in events that were booked under theatre rentals.	Revenue is dependent on public usage.
	Agency services	(9 530)	The under recovery is due to motorists utilizing third parties such as the Post Office, shops, and banks to renew their vehicle licence registrations instead of government DLTC's.	Departments will implement measures to increase revenue.
	Interest earned from Receivables.	34 645	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.
	Rental from Fixed Assets	(42 401)	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.	Need for greater speed and improved turnaround times for EAC approvals. To improve the revenue generation, JPC is currently performing a lease and

			Furthermore, the delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.	land audit to ensure optimal utilisation of the City's properties.
	Licence and permits.	522		
	Operational Revenue	(54 489)	City Power: Due to under recovery on sundry revenue as a result of fewer insurance claims registered. JRA: Due to under recovery on management fees, jobbing as well as reinstatements for the current month under review. Transport department: 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. Revenue will be recovered as per the business plan. Group Finance: Once the EAC resolution is signed the department will be in a position to issue pre-terms and final notices to improve revenue collection.
	Non-Exchange Revenue			
	Property rates	(117 195)	This line item is inclusive of revenue foregone. The over recovery is due to the following: (a) Journal adjustments amounting to R88 million that were processed on customer accounts due to changes in market value as a result of objections and valuation	The revenue is expected to improve once all the rebates' applications are completed and processed.

			appeal board decisions. (b) Rates rebates for the month of August 2023 was R117 million. Rebates were under-budget for the month by R 19.69 million (11%) and under-budget for the YTD by R42.17 million (12%). The city implemented a new Valuation Roll and applications for rebates such as pensioner rebates, are being processed. 4000 pensioner rebate applications were processed for the month. The underspend in rebates is expected to change once the applications for more rebates are processed.	
	Surcharges and Taxes	(3 581)		
	Fines, penalties, and forfeits	(52 829)	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.	(1 505)	The under recovery is due application for business licences and permits not yet processed.	Revenue will increase as applications are received and processed.
	Transfers and subsidies - Operational	1 690 949	The over performance is attributable to grants of equitable share being paid in advance in the month of July. The grant is paid in three tranches within the new financial year which is in (JULY, DECEMBER, and MARCH).	
	Interest	26 741	Group Finance: Relates to penalties imposed. This line is jointly impacted with entries and billing	No action is required.

			adjustments. Reversal of penalties imposed is also used as a bargaining tool in settlement agreements with debtors. Customer journal adjustments processed to reduce penalties imposed for the month to the value of R1.5 million. Overall movement is informed by debtors ageing.	
	Fuel Levy	(309 195)	The entry for August 2023 has not yet been processed. The non-conditional Operating Grant is based on Fuel Levy revenue.	The department will ensure that the revenue is recognised in the coming months.
	Operational Revenue	(19 723)	Johannesburg Water: due to Bulk Contributions fees on Water and Sewer not yet received from independent developers.	
2	**Expenditure By Type**			
	Employee related costs	(70 243)	The year-to-date actual is in line with the year-to-date budget.	
	Remuneration of councillors	(2 332)	The under expenditure is due to remunerations 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 GOGTA MEC and the President.
	Bulk purchases - electricity	(478 528)	The under expenditure is due to the following: (a) less units purchased from both Eskom and Kevin as a result of to low demand. (b) The impact of load shedding as well as customers using alternative sources of energy.	

	Inventory consumed.	3 752 251	The bulk of the variance is emanating from JMPD. During the year end stock taking process Stock figures were overstated and when the error was detected, an attempt was made to correct the error in Period 13 of the 2022/23 Financial records. However the correction ended up erroneously being made in the July 2023 general ledger, thereby inflating the monthly expenditure for inventory consumed resulting in the variance noted.	The department has prepared a report on the error, and this is expected to be resolved in the upcoming months.
	Debt impairment	(502 590)	City Power: The under expenditure is due to an increase on collection levels. The year-to-date collection level is 98.18% which was used to determine the debt impairment reported is based on the actual billing against the target level of 93,2%. Group Finance: No entry was processed for the month of August 2023. Financial statements for 2022/2023 is still in process. The Bad Debt Provision is calculated in arrears monthly when possible. This item is a non-cash flow item and is computed in line with GRAP 104 (Financial Instruments) which requires that objective evidence be assessed as to the recoverability of the financial assets (i.e., whether the financial assets is impaired or not).	Continued implementation of the Revenue Enhancement Strategy and respective initiatives aimed at reducing non-technical losses and increasing revenue. Credit control measures must be strictly enforced to ensure that every customer for both prepaid and conventional system honour their bills.
	Depreciation and amortisation	(98 674)	The under expenditure is as a result of assets that have been acquired and not yet capitalised.	Expenditure will improve during the financial year when assets are capitalised.
	Interest	(19 190)	Due to long term borrowings that have not yet been undertaken to date.	

	Contracted services	(427 034)	City Power: As a result of under spending on (a) repairs and maintenance due to reduced utilization of contractors as more employees are being recruited to maintain City Power infrastructure. (b)Commission paid due to less customers making use of third-party vending payments. Transport department: Due to the delays in submission of contracted services invoices relating to existing contractor for payment processing and payment of compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators as a result of the delays is finalisation of the taxi operating licenses and delays in operationalisation of JITI. Group Finance: Due to no major repairs and maintenance required as yet for stores in Main Reef, Randburg, Smit, Zondi, Hamberg, and Mofolo office, as well as under spending on ATTCOL and issuance of predetermination letters. City Manager: Due to under spending on repairs and maintenance, travel costs and legal expenses as the were no claims incurred to date and majority of the directorate were preoccupied with accruals and year end reporting activities.	City Power: The entity will increase the utilisation of shift workers for both planned and unplanned maintenance and reduce dependency on contractors. Transport department: The department is in the process of following up on outstanding invoices and finalisation operational licenses for affected taxi operators to commence with the transaction of compensation payment as this is the bulk of expenditure budgeted for by the department. Group Finance: The expenditure are expected to improve in the coming months when payments in relation to new fiscal year are paid. City Manager: The expenditure will increase in the upcoming months.
	Transfers and subsidies	(35 767)	Economic Development: The under budget is due to the prior year accruals that have been processed in August 2023. Group Finance: Due to no major claims received from entities as well as due to subsidies	Group Finance: The expenditure is expected to improve in the coming months when claims are submitted from entities.

			being payable to entities either monthly or quarterly or yearly.	
	Irrecoverable debts written off.	33 684		
	Operational costs	(152 885)	City Power: Due to under spending on the following: • Departmental charges, rates, and services as result of less requests made on vegetation and grass cutting budget; • Telecommunications due to savings in software licenses and mobile data communications to date. • Eskom free electricity due to one month's delay in the processing of this expenditure (i.e., The electricity utilised in Eskom areas of supply for the month of July will only be accounted for in the month of August). Group Finance: The under expenditure is as a result of monthly operational costs such as fleet, rental and maintenance equipment, and contractor cell phones being paid in arrears, August invoices will be paid in September. The other contributor is that most stakeholder engagement programs are scheduled to begin in the second quarter. Credit control campaigns, open days, GV leaflets and brochures, tariffs, and budget book advertisements are examples of these programs. Third aspect is under spending on audit fees, as a result of related cleaning invoices not yet processed from JPC. Public Safety: The under expenditure is due to the	The expenditure will improve in the proceeding months of the financial year.

			department still finalising the reversals of prior year accruals, there is minimum spending to date that has occurred in the new financial year.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

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	778 204	432 727	683 849	1 129 950			2 078 214	12 341 732	17 444 677	15 549 896		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	759 408	390 043	330 590	540 167			1 334 848	5 120 303	8 475 360	6 995 319		
Receivables from Non-exchange Transactions - Property Rates	1400	809 834	470 644	394 181	1 059 741			1 491 204	7 522 937	11 748 541	10 073 882		
Receivables from Exchange Transactions - Waste Water Management	1500	462 589	240 031	325 659	533 080			947 430	5 961 705	8 470 494	7 442 215		
Receivables from Exchange Transactions - Waste Management	1600	190 675	124 603	105 152	256 526			470 521	3 711 094	4 858 571	4 438 141		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 725)	9 478	9 236	18 365			18 118	950 536	1 000 009	987 020		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	(296 004)	(122 119)	(74 360)	(172 913)			(269 228)	(801 291)	(1 735 914)	(1 243 431)		
Total By Income Source	**2000**	**2 698 981**	**1 545 407**	**1 774 308**	**3 364 916**	–	–	**6 071 109**	**34 807 017**	**50 261 738**	**44 243 042**	–	–
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	27 855	33 640	34 057	95 629			165 901	1 304 201	1 661 283	1 565 731		
Commercial	2300	670 072	285 739	314 884	572 300			1 034 207	5 187 687	8 064 889	6 794 194		
Households	2400	2 001 054	1 226 028	1 425 367	2 696 988			4 871 001	28 315 128	40 535 566	35 883 117		
Other	2500									–	–		
Total By Customer Group	**2600**	**2 698 981**	**1 545 407**	**1 774 308**	**3 364 916**	–	–	**6 071 109**	**34 807 017**	**50 261 738**	**44 243 042**	–	–

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	1 997 071
Bulk Water	0200									–	–
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	1 258 755	3 081	55 311	6 389	5 671	6 022	32 926	169 798	1 537 952	3 839 585
Auditor General	0800									–	–
Other	0900	156 737	14 257	157 840	4 644	(5 819)	19	24 955	207 883	560 515	2 221 265
Total By Customer Type	**1000**	**1 415 491**	**17 339**	**213 150**	**11 033**	**(149)**	**6 040**	**57 881**	**377 681**	**2 098 467**	**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 - M02 August

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		–	–	9	(9)	–	(9)		–
Agency services		–	–	–	–	–	–		–
Interest		386 492	–	25 670	50 705	64 416	(13 711)	-21%	386 492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1 462 814	–	142 336	313 738	243 802			1 462 814
Dividends		147 420	–	(511)	(1 546)	24 570	(26 116)	-106%	147 420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146 267	–	4 938	9 709	24 378	(14 669)	-60%	146 267
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395 271	–	5 829	14 012	65 877	(51 866)	-79%	395 271
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951 486)	–	(97 549)	(105 754)	(158 580)			(951 486)
Fines, penalties and forfeits		(10 870)	–	(181)	(305)	(1 810)	1 505	-83%	(10 870)
Licences or permits		(8 280 856)	–	(58 033)	(3 005 954)	(1 425 306)			(8 280 856)
Transfer and subsidies - Operational		(116 245)	–	(26 634)	(46 115)	(19 374)			(116 245)
Interest		(3 838 724)	–	(330 593)	(330 593)	(639 788)			(3 838 724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5 000)	–	–	–	(834)			(5 000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11 060 188)**	**–**	**(340 548)**	**(3 116 123)**	**(1 888 526)**	**(1 227 597)**	**65%**	**(11 060 188)**
Expenditure By Type									
Employee related costs		(951 486)	–	(97 549)	(105 754)	(158 580)	52 826	-33%	(951 486)
Remuneration of councillors		(10 870)	–	(181)	(305)	(1 810)	1 505	-83%	(10 870)
Bulk purchases - electricity		(8 280 856)	–	(58 033)	(3 005 954)	(1 425 306)	(1 580 648)	111%	(8 280 856)
Inventory consumed		(116 245)	–	(26 634)	(46 115)	(19 374)	(26 741)	138%	(116 245)
Debt impairment		(3 838 724)	–	(330 593)	(330 593)	(639 788)	309 195	-48%	(3 838 724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5 000)	–	–	–	(834)	834	-100%	(5 000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69 144)	–	(2 308)	(3 659 153)	(11 513)			(69 144)
Total Expenditure		**(13 272 325)**	**–**	**(515 299)**	**(7 147 874)**	**(2 257 205)**	**(4 890 669)**	**217%**	**(13 272 325)**
Surplus/(Deficit)		2 212 138	–	174 750	4 031 751	368 679	3 663 072	994%	2 212 138
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(69 144)
Transfers and subsidies - capital (in-kind)		(69 144)	–	(2 308)	(3 659 153)	(11 513)	(3 647 640)	31683%	(2 030 298)
Surplus/(Deficit) after capital transfers & contributions		2 142 993	–	172 442	372 598	357 166	15 432	4%	112 695
Income Tax		4 849 009	–	295 853	593 764	807 820	(214 056)	-26%	4 849 009
Surplus/(Deficit) after income tax		**(2 706 016)**	**–**	**(123 410)**	**(221 166)**	**(450 654)**	**229 488**	**-51%**	**(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 - M02 August

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	–	242 977	482 215	435 224	46 991	11%	2 606 997
City Power		23 706 564	–	1 750 855	3 453 882	4 339 647	(885 765)	-20%	23 706 564
Johannesburg Water		16 997 017	–	1 536 501	2 896 286	2 796 554	99 732	4%	16 997 017
Johannesburg Social Housing Company		303 597	–	17 784	34 285	50 600	(16 315)	-32%	303 597
Johannesburg Property Company		81 459	–	233	467	13 576	(13 109)	-97%	81 459
Metropolitan Trading Company		59 618	–	11 375	46 519	9 936	36 583	368%	59 618
Metrobus		63 682	–	6 462	12 084	10 614	1 470	14%	63 682
Johannesburg City Parks and Zoo		87 586	–	10 896	16 741	13 994	2 747	20%	87 586
JDA		75 926	–	4 181	4 181	12 654	(8 473)	-67%	75 926
Johannesburg Roads Agency		128 962	–	4 656	4 929	21 494	(16 565)	-77%	128 962
Joburg City Theatres		67 394	–	7 615	9 880	11 232	(1 352)	-12%	67 394
Joburg Market		646 656	–	59 783	115 880	107 776	8 104	8%	646 656
Joburg Tourism Company		3 483	–	434	838	580	258	45%	3 483
Total Operating Revenue	1	**44 111 408**	**–**	**3 585 920**	**6 951 589**	**7 704 293**	**(752 704)**	**-10%**	**44 111 408**
Expenditure By Municipal Entity									
Pikitup		3 764 315	–	304 188	622 031	600 799	21 232	4%	3 764 315
City Power		22 722 431	–	2 573 872	5 039 523	5 828 450	(788 926)	-14%	22 722 431
Johannesburg Water		14 964 254	–	1 415 229	2 760 695	2 494 046	266 649	11%	14 964 254
Johannesburg Social Housing Company		355 355	–	145 401	112 094	59 228	52 866	89%	355 355
Johannesburg Property Company		964 641	–	61 901	112 887	160 774	(47 887)	-30%	964 641
Metropolitan Trading Company		423 773	–	52 953	167 375	70 626	96 749	137%	423 773
Metrobus		601 623	–	50 777	92 071	100 272	(8 201)	-8%	601 623
Johannesburg City Parks and Zoo		1 257 264	–	105 256	191 317	187 109	4 208	2%	1 257 264
JDA		108 145	–	8 226	15 126	18 026	(2 900)	-16%	108 145
Johannesburg Roads Agency		1 438 437	–	98 545	190 639	239 742	(49 103)	-20%	1 438 437
Joburg City Theatres		262 776	–	17 062	32 869	43 798	(10 929)	-25%	262 776
Joburg Market		558 591	–	46 619	81 903	93 102	(11 199)	-12%	558 591
Joburg Tourism Company		69 503	–	1 439	3 247	11 586	(8 339)	-72%	69 503
Total Operating Expenditure	2	**47 491 108**	**–**	**4 881 470**	**9 421 777**	**9 907 558**	**(485 781)**	**-5%**	**47 491 108**

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2022/23	Budget Year 2023/24							
R thousands	Audited Outcome	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					–		
October		634 303					–		
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	–	565 619					