COJ: GOVERNANCE TECHNICAL CLUSTER	2024-04-
COJ: GOVERNANCE SUB-MAYORAL	2024-04-
COJ: EMT	2024-04-
COJ: MAYORAL COMMITTEE	2024-04-
GROUP ACCOUNTING	

CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 29 FEBRUARY 2024

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2024

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 29 February 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 February 2024 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 -4%, R2.1 billion under performance [February 2023: - 8%]. The actual operating expenditure is over budget by 1%, R763 million [February 2023: 8%]. The net result is an operating deficit of R2.2 billion against a year-to-date (YTD) budgeted surplus of R361 million.

The Capital budget for the 2023/24 financial year amounts to R7.6 billion after the approval of the medium-term budget in Council. The total actual expenditure (excluding commitments) to date amounts to R2.4 billion (31%) of the medium-term budget.

The total opening and closing investment balances including cash for the month of February 2024 were R5.1 billion and R4.1 billion respectively. This shows a decrease of R1.1 billion during the month as indicated in Table 1 below.

Feb 24	OPENING R	CLOSING R
Operational Call Deposits	1 610 803 486,60	1 009 633 594,32
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	1 169 343 345,31	234 391 058,58
Absa Primary Account Balance	254 559 473,13	3 688 871,85
TOTAL UNENCUMBERED	**3 034 706 305,04**	**1 247 713 524,75**
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	1 301 371 188,07	1 294 544 963,61
Non-Sweeping Bank Accounts	508 444 489,65	1 238 654 094,05
TOTAL ENCUMBERED	**2 092 522 754,00**	**2 815 906 133,94**
TOTAL INVESTMENTS	**5 127 229 059,05**	**4 063 619 658,69**

Table 1: Cash Balances as of 29 February 2024; Source – Bank Statements

Feb 24	OPENING R	CLOSING R
Cash and Cash Equivalents	1 534 505 030,90	1 618 251 460,13
Interest Rate swaps	-110 955 794,98	-177 564 639,23
Tradable Instruments Portfolio	367 549 214,00	354 775 679,50
TOTAL SINKING FUND INVESTMENTS	**1 791 098 449,92**	**1 795 462 500,40**

Table 1a: Sinking Fund Balance as at 29 February 2024: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R1.8 billion during the month, which was primarily driven by the decrease in the primary bank accounts.
- Total encumbered balances increased by R723 million during this same period, with the most growth being in the non-sweeping portfolio.
- The combined movement resulted in the overall total balance decrease of R1.1 billion. The Sinking Fund balances closed R4.4 million higher at R1.8 billion, with an increase in of R83.7 million in the cash and cash equivalents portfolio and the tradable instruments portfolio decreased with an amount of R12.7 million. These movements are in respect of interest received, deposits and market movements. The interest rate swaps reflect a negative movement of R66.6 million during the month of February.

Cash movements analysis:

Inflows for the month of February amounted to R7.5 billion versus outflows of R8.5 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 R1.1 billion as depicted in Table 1.1 below.

Feb 24	
Description	**R**
Cash Collections	3 874 774 591,36
Revenue cash collections paid into Primary and Ordinary bank accounts	105 319 090,55
Direct Payments into MOE Revenue accounts	8 737 470,17
Prepaid Collections	147 238 068,39
Other Income (Interest Received, Vat Refund, Licensing Fees)	406 009 917,69
Operating Grants and Subsidies	3 413 000,00
Short-term Loan	600 000 000,00
Positive Sweepings and Non-Sweeping Movements	2 314 099 069,92
Total Cash Inflows	7 459 591 208,08
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-7 550 234 500,25
Negative Sweepings and Non-Sweeping Movements	-972 966 108,19
Total Cash Outflows	-8 523 200 608,44
Net Movement	-1 063 609 400,36

Summary Table 1.1 Cash Movements as at 29 February 2024

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

Cash outflows were less than the inflows resulting in a positive movement on the overall cash balances. The inflows for the month of February include cash collection (R3.9 billion), receipts paid directly into MOE bank accounts (R8.7 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R105 million), Prepaid collections of R147 million, Short-term loan (R600 million) and other income (R406 million).

The table below indicates the level of grant funding received year to date up to 29 February 2024.

Grant Name	YTD Forecast per National Treasury Schedule R	YTD Actual per Adjusted National Treasury Schedule R	Variance R
Operational			
Equitable Share Grant	5 289 865 000,00	5 168 564 000,00	-121 301 000
Fuel Levy Grant	2 559 150 000,00	2 559 150 000,00	-
Total Operational Grants	**7 849 015 000,00**	**7 727 714 000,00**	**-121 301 000**
Conditional			
Urban Settlements Development Grant	1 535 158 000,00	985 596 000,00	-549 562 000
Informal Settlements Upgrading Partnership Grant	625 896 000,00	378 129 000,00	-247 767 000
Public Transport Network Grant	904 292 000,00	662 861 000,00	-241 431 000
Neighbourhood Development Partnership Grant	66 289 000,00	66 289 000,00	-
Infrastructure Skills Develoment Grant	5 569 000,00	5 569 000,00	-
Programme and Project Preparation Support Grant	20 000 000,00	20 000 000,00	-
Expanded Public Works Programme	13 197 000,00	13 197 000,00	-
Financial Management Grant	1 000 000,00	1 000 000,00	-
Total Conditional Grants	**3 171 401 000,00**	**2 132 641 000,00**	**-1 038 760 000**
Total Local Government Grants	**11 020 416 000,00**	**9 860 355 000,00**	**-1 160 061 000**

Table 4.1 – Source: National Treasury and Bank Statements

The Equitable Share was reduced with the unspent amount of R121 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 Grant rollover outcome. The USDG R550 million, ISUPG R248 million and PTNG R241 million conditional grants were not received during February as indicated per the National Treasury payment schedule.

FY2023/24 CONDITIONAL GRANTS PERFORMANCE

Table 4.2 depicts the year-to-date expenditure as at 29 February 2024 against FY2023/24 allocations.

FY2023/24				
Conditional Grant Name	YTD Allocations received R	Expenditure R	Unspent R	% Expenditure against YTD Allocations received
USDG	985 596 000,00	603 957 404,47	381 638 595,53	61%
ISUPG	378 129 000,00	204 369 685,77	173 759 314,23	54%
PTNG	662 861 000,00	149 016 614	513 844 386,01	22%
NDPG	66 289 000,00	55 737 000,00	10 552 000,00	84%
ISDG	5 569 000,00	2 688 711	2 880 289,00	48%
EPWP	13 197 000,00	8 170 497	5 026 503,00	62%
FMG	1 000 000,00	666 828	333 172,00	67%
PPPSG	20 000 000,00	16 464 973	3 535 027,16	82%
Totals	**2 132 641 000,00**	**1 041 071 713,07**	**1 091 569 286,93**	**49%**

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 29 February 2024 for all MOEs.

As depicted in the sweeping statements for the month ended 29 February 2024, City Power, JDA, Joshco, Metrobus, Propcom Portfolio, and MTC remain overdrawn.

Entity	End of January Balance R	Monthly Inflows R	Monthly Outflows R	Net Movement R	End of February Balance R
City Power	**-13 492 432 204,97**	2 900 260 033,63	-1 772 810 211,36	1 127 449 822,27	**-12 364 982 382,70**
Joburg Water	908 296 124,15	1 623 745 161,52	-1 119 014 149,31	504 731 012,21	1 413 027 136,36
Pikitup	1 434 769 388,18	72 294 506,62	-459 640 127,94	-387 345 621,32	1 047 423 766,86
Parks Zoo	1 051 020 944,75	12 311 179,64	-144 960 110,42	-132 648 930,78	918 372 013,97
Fresh Produce	252 232 999,73	15 494 214,35	-92 625 321,16	-77 131 106,81	175 101 892,92
JDA	**-924 779 437,39**	15 419 122,89	-82 081 238,17	-66 662 115,28	**-991 441 552,67**
Joshco	**-1 289 547 957,74**	65 178 372,62	-62 447 931,50	2 730 441,12	**-1 286 817 516,62**
Metro Bus	**-592 783 348,11**	4 545 599,66	-33 563 663,01	-29 018 063,35	**-621 801 411,46**
Propcom	281 926 201,61	16 727 049,66	-22 051 562,00	-5 324 512,34	276 601 689,27
Propcom Portfolio	**-139 196 678,18**	7 169 455,16	-2 538 695,51	4 630 759,65	**-134 565 918,53**
Roads	476 331 494,00	76 633 035,05	-223 004 685,14	-146 371 650,09	329 959 843,91
MTC	**-190 453 537,05**	**66 497 551,62**	**-185 953 040,97**	**-119 455 489,35**	**-309 909 026,40**
JTC	68 439 127,03	6 205 895,77	-1 552 001,61	4 653 894,16	73 093 021,19
Core	17 283 405 943,03	5 728 074 123,53	-7 471 921 963,96	-1 743 847 840,43	15 539 558 102,59
Total Sweepings and Balances	**5 127 229 059,04**			**-1 063 609 400,34**	**4 063 619 658,69**

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

Inflows for the month of February versus outflows resulted in a negative net movement of R1.1 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								
	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	YTD
Entity	R	R	R	R	R	R	R	R	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	1 297 644 282,12	1 127 449 822,27	-2 307 470 123,08
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	1 699 549 409,17	504 731 012,21	-153 937 417,89
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	135 221 952,41	-387 345 621,32	468 855 684,26
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	138 307 027,04	-132 648 930,78	-75 043 227,47
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	-6 664 471,84	-77 131 106,81	-45 445 337,13
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	-664 222,51	-66 662 115,28	-320 829 480,64
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	34 784 172,20	2 730 441,12	-173 865 035,53
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	94 406 704,77	-29 018 063,35	-79 472 681,14
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	-9 902 344,96	-5 324 512,35	26 097 493,72
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	6 067 507,47	4 630 759,65	44 544 802,23
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	208 026 142,02	-146 371 650,10	123 382 109,35
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	66 947 729,51	-119 455 489,35	-429 432 649,14
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	2 801 354,34	4 653 894,16	11 784 602,18

Table 3.1(a): Sweeping movements analysis

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

Table 1: January 2024 Billing & February 2024 Collections; YTD Billing & Collections

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Jan 2024	Feb 2024		YTD: Jun'23 to Jan'24	YTD: Jul'23 to Feb'24	
	R 000's	R 000's		R 000's	R 000's	
Rates	1 436 139	1 394 015	97.1%	11 340 564	10 272 493	90.6%
Electricity	1 880 258	1 501 728	79.9%	14 425 689	13 517 581	93.7%
Water	1 653 689	1 277 262	77.2%	13 506 775	9 923 343	73.5%
Refuse	281 740	197 222	70.0%	2 180 113	1 649 100	75.6%
TOTAL	**5 251 826**	**4 370 227**	**83.2%**	**41 453 141**	**35 362 517**	**85.3%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an accou						

The city billed R5.3 billion in January 2024 with R4.4 billion collected in February 2024 resulting in a monthly collection rate of 83. 2%.

The year-to-date billing as at 31 January 2024 is R41.5 billion with R35.4 billion collected as at 29 February 2024 resulting in a year-to-date collection rate of 85.3% 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.

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

Reconciliation between Treasury banking and RSSC collections

Description	Feb 2024	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 136 069	33 792 574
Deposits reflected by Treasury in previous month	139 206	984 372
Refunds, Deposits and Sundry Revenue	-88 846	-741 996
Water: Industrial Effluent and Cross-Boundary Sales	44 480	229 919
Difference in electricity and water prepaid sales	-1 695	-14 930
Non-Cash Items:		
Staff Accounts	9 446	61 293
Departmental Settlements	131 567	1 051 285
Total Revenue as per Revenue Collection Report	**4 370 227**	**35 362 517**

The February 2024 deposits of approximately R139 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		Jan 2024	Feb 2024
Budget Billing	R 000	5 379 069	5 368 476
Actual Billing	R 000	5 251 826	4 854 177
Shortfall (-) / Surplus (+) in Billing	R 000	-127 243	-514 299
Budget Collection	R 000		4 686 935
Actual Revenue Collection	R 000		4 370 227
Shortfall (-) / Surplus (+) in Collections	R 000		-316 708
Actual Billing vs. Budgeted Billing	%	97.6%	90.4%
Actual Collection vs. Budgeted Collection	%		93.2%
Budgeted Collection (Feb) vs Budgeted Billing (Jan)	%		87.1%
Actual Collections (Feb) vs. Actual Billing (Jan)	%		83.2%

The actual billing of R5.3 billion for January 2024 was 127 million below the budgeted billing of R5.4 billion. The actual collection of R4.9 billion for February 2024 was R514 million below the budgeted collection of R5.4 billion. This reflects a risk to the funding of the budget due to performance being below the budgeted targets. The collection rate of 83.2 % for February 2024 was 3.9% below the budgeted collection rate for the month of 87.1%. This under performance will be addressed in the adjustment budget to align projected full year performance with year-to-date performance.

4. POLICY IMPLICATION

None.

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

None

7. COMMUNICATION IMPLICATIONS

None.

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

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

The City does not have an mSCOA system for transacting; however, the City is still required to submit financial information to the National Treasury in terms of the seven mSCOA segments, and the project team is currently developing an interim reporting solution. The month 08 mSCOA data strings was submitted to the National Treasury on the 14th March 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	2024-04-
COJ: GOVERNANCE SUB-MAYORAL	2024-04-
COJ: EMT	2024-04-
COJ: MAYORAL COMMITTEE	2024-04-
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.

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Assistant Director: Financial Analysis
011 021 3350

CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

DATE

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

DATE

T.R.

TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER

DATE

COUNCILLOR SELLO ENOCK MORERO
MMC GROUP FINANCE

15/05/2024
DATE

Annexure A

In-Year Report

Budget year: 2023/24

Reporting Period: Month 08

February 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 29 February 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 negative variance of R2.1 billion against the YTD budget for the period ended 29 February 2024.

The operating expenditure is overspent by R448 million, against year-to-date expenditure budget of R49.9 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R7.6 billion. The actual year to date expenditure (excluding commitments) amounts to R2.4 billion (31%) of the medium-term budget.

Capital Expenditure per funding source as at 28 February 2024:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 830	656	36%
CRR / Cash	3 111	756	24%
Nat Grant	320	19	6%
Prov Grant	-	-	0%
USDG	1 205	530	44%
USIP	685	209	41%
Other	590	260	44%
Total CoJ	7 741	2 429	31%

Capital Expenditure per funding source as at 29 February 2024:

Description (R million)	Budget 23/24	YTD Exp	% Spent
CoJ Loans	2 500	1 194	48%
CRR / Cash	2 000	537	27%
Nat Grant	446	40	9%
Prov Grant	-	-	0%
USDG	1 643	604	37%
USIP	715	149	37%
Other	338	151	45%
Total CoJ	7 642	2 675	37%

COJ Loans, Cash, National Grant, USDG funding and USIP funding as well as other funding sources have the spending in the current month under review. The city has no Provincial grants. When compared to the previous year overall spending (excluding commitments) is still at 37% which is 6% more than the previous year.

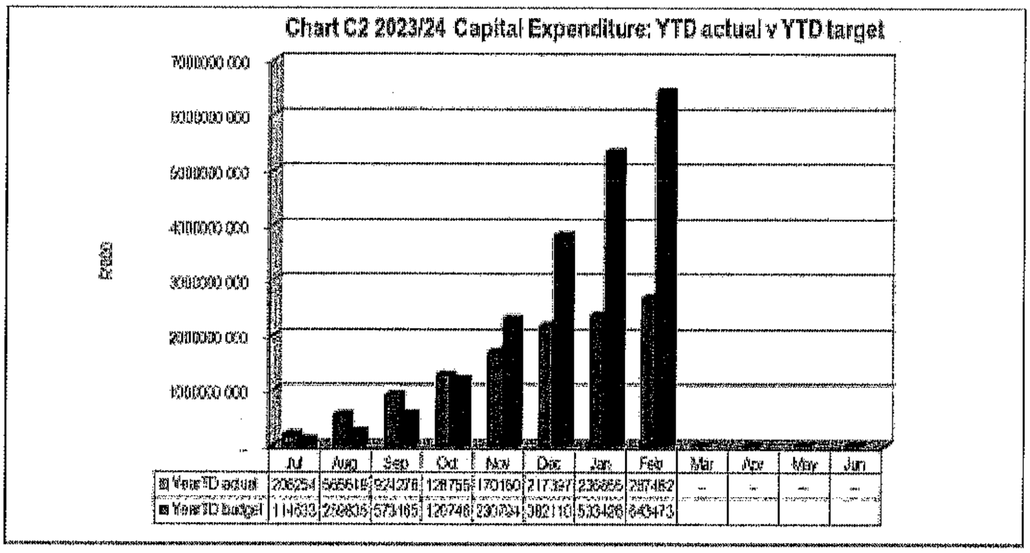
Consolidated Summary - Capital Expenditure as 29 February 2024:

Description (R million)	Budget 23/24	YTD Exp	% Spent
Economic Development	6	1	10%
EISD	20	-	0%
Transportation	536	23	4%
Community Development	138	1	0%
Health	132	4	3%
Social Development	98	14	15%
Forensic	0	0	92%
Ombudsman	1	0	8%
Office of the City Manager	29	1	3%
Speaker	3	-	0%
Group ICT	410	-17	-4%
Group Finance	30	11	38%
Group Corporate Services	3	0	11%
Housing	1 456	309	21%
Development Planning	121	17	14%
Public Safety	64	29	45%
Total Core Administration	3 047	392	13%

Description (R million)	Budget 23/24	YTD Exp	% Spent
City Power	1 207	676	56%
Johannesburg Water	1 064	656	62%
Pikitup	100	54	54%
Jhb Roads Agency	860	359	42%
Metrobus	196	39	20%
Jhb City Parks and Zoo	65	18	27%
Jhb Development Agency	375	108	29%
Jhb Property Company	50	8	16%
Metro Trading Company	11	1	11%
Joburg Market	150	105	70%
JOSHCO	492	242	49%
Joburg City Theatres	21	16	76%
Joburg Tourism	5	1	20%
Total MEs	4 595	2 283	50%

The negative movement is due to accruals that have been reversed. In addition, EISD, have not started spending. The entities with the least expenditure are MTC at 11%, JPC at 16% and Joburg Tourism at 20%. GFIS Budget and expenditure is less than a R1 million.

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

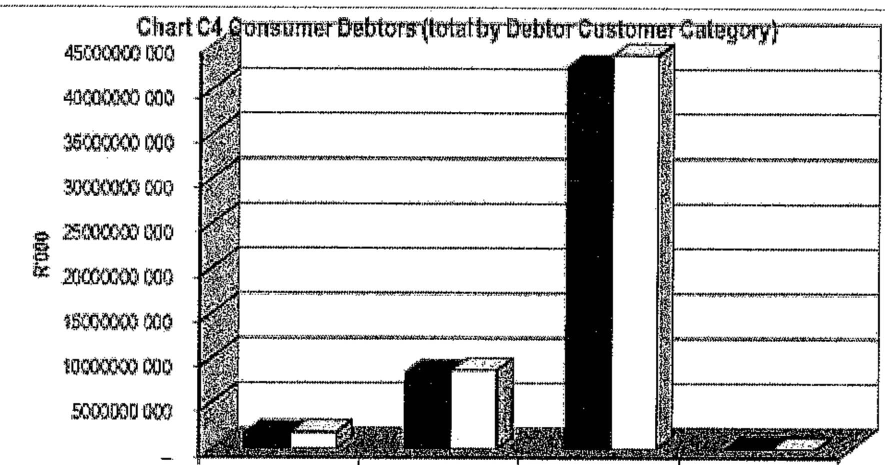
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of February 2024 amount to R4.1 billion.
- The cash flow from operating activities is R732 million, positive.
- The cash flow from investing activities amount to R2.9 billion, negative
- The cash flow from financing activities amount to R2.3 billion, positive.

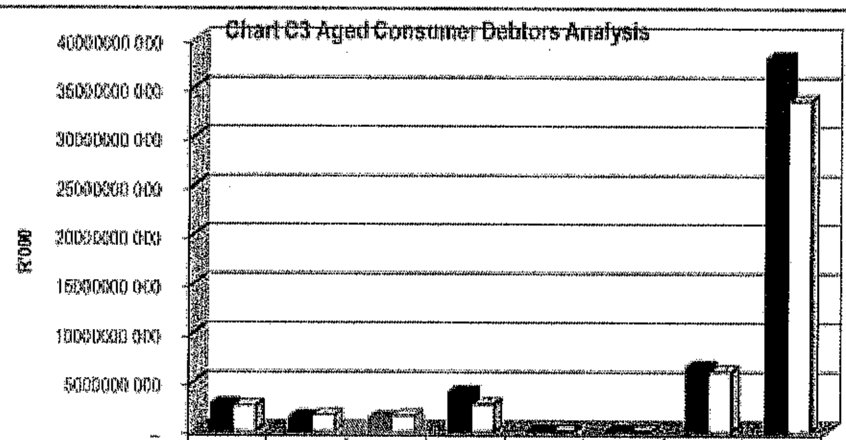
Debtor Age Analysis

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

Tables C1 and SC3 indicate that the total debtor's amount to R54.4 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	Organs of State	Commercial	Households	Other
2022/23	1756910 629	8476638 630	42538785 037	–
Budget Year 2023/24	1813309 927	8738802 712	43854417 564	–



	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	2765593 2	1519068 1	1376241 4	4039724 1	–	–	6615893 6	38088019
2022/23	2601756 0	1876407 0	1568473 0	2739591 0	–	–	5107457 0	33694729

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

- 6 614 electricity accounts were identified for disconnections, total value R4.4 billion of which R80.1 million were collected from 1 735 accounts.
- 9 750 water accounts were identified for disconnections, total value R3.3 billion of which R66.2 million were collected from 2 397 accounts.

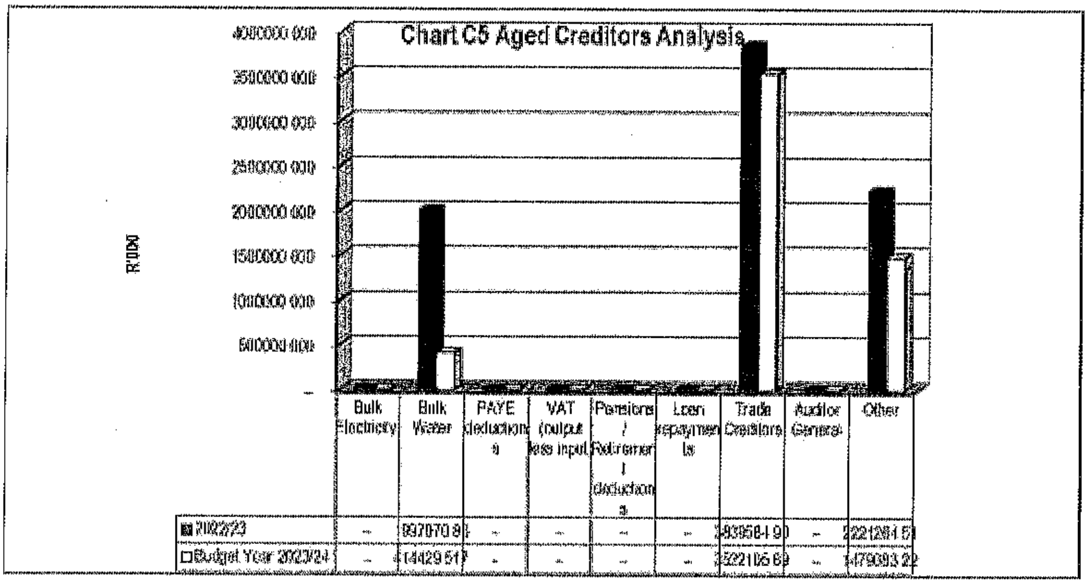
In addition, a Revenue Enhancement Steering committee has been set with the following objectives:

- Black Portfolio - 9700 Accounts with biggest debt: Collection of High end-debt by Executives for improved Revenue Collection.
- Government Debt: Collection on all Government debt and disconnection on all accounts that Government is disputing.
- Platinum Residential Properties: Collection on accounts above 3million - 5million and 6million and more by Assistant Directors according as per their Regions
- Sectional Titles (Business and Residential): Collection of accounts in Sectional Title portfolio by allocated group at RSSC.
- System Reports Assessment of current reports on SAP system: Use reports to support decisions in war rooms. Revise reports that are currently available to suit business requirements.
- Collection on staff Accounts - Include collaboration with major metros: Conduct aggressive collection on municipal employee accounts. Attain assistance with collection of COJ debt from major metros. Collection and allocation of debt to partnering municipalities.

The progress of the above objectives/interventions is monitored by City Manager's Revenue Enhancement bi-weekly meetings.

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.



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

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

1.3 In-year budget statement tables

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

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

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

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

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Monthly Budget Statement Summary - M08 February

Description R thousands	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	16 372 765	–	1 361 515	11 218 770	10 915 176	303 594	3%	16 372 765
Service charges	42 048 461	–	3 015 120	25 675 734	27 961 373	(2 285 639)	-8%	42 048 461
Investment revenue	–	–	–	–	–	–		–
Transfers and subsidies - Operational	174 350	–	24 048	166 043	113 816	52 227	46%	174 350
Other own revenue	16 798 294	–	545 935	11 082 644	11 261 235	(178 592)	-2%	–
Total Revenue (excluding capital transfers and contributions)	**75 393 870**	**–**	**4 946 617**	**48 143 190**	**50 251 600**	**(2 108 410)**	**-4%**	**75 393 870**
Employee costs	19 007 361	–	1 526 113	13 197 931	12 657 365	540 566	4%	19 007 361
Remuneration of Councillors	184 542	–	15 060	118 240	123 032	(4 792)	-4%	184 542
Depreciation and amortisation	4 784 336	–	379 768	2 872 486	3 187 635	(315 150)	-10%	4 784 336
Interest	2 171 098	–	237 706	1 709 225	1 447 406	261 819	18%	2 171 098
Inventory consumed and bulk purchases	22 762 169	–	1 753 390	15 848 550	16 280 950	(432 399)	-3%	22 762 169
Transfers and subsidies	138 835	–	9 754	28 519	95 784	(67 266)	-70%	138 835
Other expenditure	24 251 177	–	1 682 563	16 563 017	16 097 965	465 052	3%	24 251 177
Total Expenditure	**73 299 518**	**–**	**5 604 354**	**50 337 968**	**49 890 137**	**447 831**	**1%**	**73 299 518**
Surplus/(Deficit)	**2 094 352**	**–**	**(657 736)**	**(2 194 778)**	**361 463**	**(2 556 241)**	**-707%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)	3 208 307	–	31 316	1 183 113	2 083 069	(899 956)	-43%	3 208 307
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**5 302 659**	**–**	**(626 420)**	**(1 011 665)**	**2 444 532**	**(3 456 197)**	**-141%**	**5 302 659**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**5 302 659**	**–**	**(626 420)**	**(1 011 665)**	**2 444 532**	**(3 456 197)**	**-141%**	**5 302 659**
Capital expenditure & funds sources								
Capital expenditure	**7 642 206**	**–**	**306 275**	**2 674 828**	**6 434 737**	**(3 759 909)**	**-58%**	**7 642 206**
Capital transfers recognised	3 142 206	–	120 410	943 801	2 645 737	(1 701 937)	-64%	3 142 206
Borrowing	2 500 000	–	194 445	1 193 711	2 105 000	(911 289)	-43%	2 500 000
Internally generated funds	2 000 000	–	(8 580)	537 316	1 684 000	(1 146 684)	-68%	2 000 000
Total sources of capital funds	**7 642 206**	**–**	**306 275**	**2 674 828**	**6 434 737**	**(3 759 910)**	**-58%**	**7 642 206**
Financial position								
Total current assets	20 494 077	–		53 381 837				20 494 077
Total non current assets	92 317 514	–		36 978 270				92 317 514
Total current liabilities	16 092 009	–		29 335 033				16 092 009
Total non current liabilities	27 521 244	–		20 035 003				27 521 244
Community wealth/Equity	69 198 337	–		36 319 100				69 198 337
Cash flows								
Net cash from (used) operating	11 066 303	–	(810 580)	731 734	6 278 089	5 546 355	88%	10 892 166
Net cash from (used) investing	(8 284 705)	–	(314 086)	(2 944 175)	(6 863 070)	(3 918 895)	57%	(8 284 705)
Net cash from (used) financing	(300 820)	–	569 500	2 313 855	(1 867 213)	(4 181 068)	224%	(300 820)
Cash/cash equivalents at the month/year end	**6 930 288**	**–**	**4 063 620**	**4 063 620**	**1 997 599**	**(2 066 021)**	**-103%**	**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	1 519 068	1 378 241	4 039 724	–	–	6 615 884	38 088 020	54 406 530
Creditors Age Analysis								
Total Creditors	1 095 154	1 149 728	57 644	(2 277)	32 929	75 084	390 586	5 416 219

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	–	1 302 996	12 375 172	15 333 095	(2 957 923)	-19%	23 097 508
Service charges - Water		9 486 608	–	882 475	6 721 377	6 324 406	396 971	6%	9 486 608
Service charges - Waste Water Management		6 893 182	–	586 714	4 640 545	4 595 456	45 089	1%	6 893 182
Service charges - Waste management		2 571 163	–	242 935	1 938 640	1 708 416	230 224	13%	2 571 163
Sale of Goods and Rendering of Services		870 667	–	166 321	615 332	576 914	38 418	7%	870 667
Agency services		386 492	–	29 826	243 163	257 664	(14 501)	-6%	386 492
Interest		–	–	–	–	–	–		–
Interest earned from Receivables		332 416	–	31 298	392 162	221 607	170 555	77%	332 416
Interest from Current and Non Current Assets		174 350	–	24 048	166 043	113 816	52 227	46%	174 350
Dividends		–	–	550	550	–	550		–
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		535 867	–	27 280	204 074	357 254	(153 180)	-43%	535 867
Licence and permits		–	–	294	1 782	–	1 782		–
Operational Revenue		1 046 832	–	(216 052)	635 468	697 882	(62 413)	-9%	1 046 832
Non-Exchange Revenue									
Property rates		16 372 765	–	1 361 515	11 218 770	10 915 176	303 594	3%	16 372 765
Surcharges and Taxes		302 905	–	22 918	199 107	201 938	(2 831)	-1%	302 905
Fines, penalties and forfeits		951 574	–	16 282	204 340	634 376	(430 036)	-68%	951 574
Licence and permits		10 870	–	1 455	2 858	7 240	(4 382)	-61%	10 870
Transfers and subsidies - Operational		8 281 453	–	125 051	6 163 597	5 586 878	576 719	10%	8 281 453
Interest		116 245	–	17 883	168 144	77 496	90 648	117%	116 245
Fuel Levy		3 838 724	–	319 894	2 249 956	2 559 152	(309 197)	-12%	3 838 724
Operational Revenue		118 335	–	–	–	78 890	(78 890)	-100%	118 335
Gains on disposal of Assets		5 914	–	17	(246)	3 944	(4 190)	-106%	5 914
Other Gains		–	–	2 918	2 356	–	2 356		–
Discontinued Operations		–	–	–	0	–	0		–
Total Revenue (excluding capital transfers and contributions)		**75 393 870**	**–**	**4 946 617**	**48 143 190**	**50 251 600**	**(2 108 410)**	**-4%**	**75 393 870**
Expenditure By Type									
Employee related costs		19 007 361	–	1 526 113	13 197 931	12 657 365	540 566	4%	19 007 361
Remuneration of councillors		184 542	–	15 060	118 240	123 032	(4 792)	-4%	184 542
Bulk purchases - electricity		16 403 226	–	1 067 503	11 081 736	12 041 026	(959 289)	-8%	16 403 226
Inventory consumed		6 358 943	–	685 887	4 766 814	4 239 924	526 890	12%	6 358 943
Debt impairment		7 983 550	–	757 083	6 224 765	5 307 378	917 387	17%	7 983 550
Depreciation and amortisation		4 784 336	–	379 768	2 872 486	3 187 635	(315 150)	-10%	4 784 336
Interest		2 171 098	–	237 706	1 709 225	1 447 406	261 819	18%	2 171 098
Contracted services		7 575 012	–	156 417	4 083 410	5 007 157	(923 746)	-18%	7 575 012
Transfers and subsidies		138 835	–	9 754	28 519	95 784	(67 266)	-70%	138 835
Irrecoverable debts written off		–	–	9 265	103 037	–	103 037		–
Operational costs		6 772 269	–	532 961	4 258 413	4 503 199	(244 786)	-5%	6 772 269
Losses on Disposal of Assets		302	–	155	20 116	202	19 914	9859%	302
Other Losses		1 920 044	–	226 681	1 873 275	1 280 029	593 246	46%	1 920 044
Total Expenditure		**73 299 518**	**–**	**5 604 354**	**50 337 968**	**49 890 137**	**447 831**	**1%**	**73 299 518**
Surplus/(Deficit)		**2 094 352**	**–**	**(657 736)**	**(2 194 778)**	**361 463**	**(2 556 241)**	**-707%**	**2 094 352**
Transfers and subsidies - capital (monetary allocations)		3 208 307	–	31 316	1 183 113	2 083 069	(899 956)	-43%	3 208 307
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**5 302 659**	**–**	**(626 420)**	**(1 011 665)**	**2 444 532**			**5 302 659**
Income Tax		80 168	–	–	–	53 448		–	80 168
Surplus/(Deficit) after income tax		**5 222 491**	**–**	**(626 420)**	**(1 011 665)**	**2 391 084**			**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**	**–**	**(626 420)**	**(1 011 665)**	**2 391 084**			**5 222 491**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**5 222 491**	**–**	**(626 420)**	**(1 011 665)**	**2 391 084**			**5 222 491**

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	Budget Year 2023/24			
R thousands	1	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash and cash equivalents		6 930 714	–	4 063 620	6 930 714
Trade and other receivables from exchange transactions		13 014 236	–	18 132 257	13 014 236
Receivables from non-exchange transactions		–	–	531 886	–
Current portion of non-current receivables		–	–	1 279 971	–
Inventory		549 127	–	508 429	549 127
VAT		–	–	28 975 820	–
Other current assets		–	–	(110 147)	–
Total current assets		20 494 077	–	53 381 837	20 494 077
Non current assets					
Investments		787 795	–	–	787 795
Investment property		1 036 836	–	27 500	1 036 836
Property, plant and equipment		85 737 194	–	33 093 115	85 737 194
Biological assets		29 386	–	–	29 386
Living and non-living resources		–	–	–	–
Heritage assets		–	–	1 603	–
Intangible assets		1 069 416	–	(144 305)	1 069 416
Trade and other receivables from exchange transactions		–	–	–	–
Non-current receivables from non-exchange transactions		64 463	–	53 196	64 463
Other non-current assets		3 592 423	–	3 947 162	3 592 423
Total non current assets		92 317 514	–	36 978 270	92 317 514
TOTAL ASSETS		112 811 590	–	90 360 107	112 811 590
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		1 543 567	–	1 160 948	1 543 567
Consumer deposits		21 556	–	1 888 723	21 556
Trade and other payables from exchange transactions		13 751 867	–	(11 419 779)	13 751 867
Trade and other payables from non-exchange transactions		–	–	4 129 613	–
Provision		775 019	–	648 798	775 019
VAT		–	–	28 771 507	–
Other current liabilities		–	–	4 155 222	–
Total current liabilities		16 092 009	–	29 335 033	16 092 009
Non current liabilities					
Financial liabilities		20 121 909	–	19 091 520	20 121 909
Provision		7 399 335	–	1 016 787	7 399 335
Long term portion of trade payables		–	–	28 397	–
Other non-current liabilities		–	–	(101 701)	–
Total non current liabilities		27 521 244	–	20 035 003	27 521 244
TOTAL LIABILITIES		43 613 254	–	49 370 036	43 613 254
NET ASSETS	2	69 198 337	–	40 990 071	69 198 337
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		69 198 337	–	35 341 682	69 198 337
Reserves and funds		–	–	205 538	–
Other		–	–	771 879	–
TOTAL COMMUNITY WEALTH/EQUITY	2	69 198 337	–	36 319 100	69 198 337

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2023/24							
R thousands	1	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		14 889 119		1 147 224	9 328 505	9 926 079	(597 574)	-6%	14 889 119
Service charges		36 255 075		2 988 845	24 657 213	24 104 945	552 268	2%	36 255 075
Other revenue		8 138 874		1 456 234	7 048 575	5 419 615	1 628 960	30%	7 964 737
Transfers and Subsidies - Operational		8 261 453		–	7 727 714	5 586 878	2 140 836	38%	8 261 453
Transfers and Subsidies - Capital		3 208 307		3 413	2 132 641	2 083 069	49 572	2%	3 208 307
Interest		392 345		27 119	229 782	261 560	(31 778)	-12%	392 345
Dividends		–	–	–	–	–	–		–
Payments									
Suppliers and employees		(57 788 937)		(6 377 255)	(49 017 834)	(39 560 867)	9 456 967	-24%	(57 788 937)
Finance charges		(2 171 098)		(47 522)	(1 312 403)	(1 447 406)	(135 003)	9%	(2 171 098)
Transfers and Subsidies		(138 835)		(10 638)	(62 459)	(95 784)	(33 325)	35%	(138 835)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 066 303	–	(810 580)	731 734	6 278 089	5 546 355	88%	10 892 166
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 582				3 721	(3 721)	-100%	5 582
Decrease (increase) in non-current receivables							–		
Decrease (increase) in non-current investments		(848 081)				(432 054)	432 054	-100%	(848 081)
Payments									
Capital assets		(7 642 206)	–	(314 086)	(2 944 175)	(6 434 737)	(3 490 562)	54%	(7 642 206)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 284 705)	–	(314 086)	(2 944 175)	(6 863 070)	(3 918 895)	57%	(8 284 705)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	600 000	3 670 000	–	3 670 000		–
Borrowing long term/refinancing		2 500 000	–	–	–	–	–		2 500 000
Increase (decrease) in consumer deposits		(213)	–			(142)	142	-100%	(213)
Payments									
Repayment of borrowing		(2 800 606)	–	(30 500)	(1 356 145)	(1 867 071)	(510 926)	27%	(2 800 606)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(300 820)	–	569 500	2 313 855	(1 867 213)	(4 181 068)	224%	(300 820)
NET INCREASE/ (DECREASE) IN CASH HELD		2 480 778	–	(555 166)	101 414	(2 452 195)			2 306 641
Cash/cash equivalents at beginning:		4 449 510	–	4 618 785	4 618 785	4 449 510			4 618 785
Cash/cash equivalents at month/year end:		6 930 288	–	4 063 620	4 063 620	1 997 599			6 930 714

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 - Electricity	(2 957 923)	The underperformance is mainly as a result of the following: (a)• Decreased consumption for all Industrial and Commercial customers; (b) The services charges dropped due to the overall reduction in units purchased. This reduction was significantly driven by load shedding; (c) Customers moving from normal residential conventional tariffs to prepaid tariff has also impacted the service charge as there is a tariff differential of 30%. (d) New	Stand by stand audit to ensure all customers are billed on a correct tariff. • Technical audit for all LPU and Business meters to ensure they are still calibrated and programmed correctly. • Review tariffs to ensure that the tariffs are 50% network charge and 50% consumption. • Ensuring that invoices are processed in time and working on the revenue variance reductions. • Budget to be reviewed during the revised budget process Budget to be reviewed during the revised budget process.

			connections due to less service connection applications received during the period under review. (e) Cut off fees are less than the budget by R8,9 million due to the low number of pre-termination notices issued by the Shareholder.	
	Service charges - Water	396 971	The performance is as a result of increased water consumption in business and households due to higher demands.	
	Service charges - Waste management	230 224	The performance 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	38 418	**Metro Bus:** The favourable variance on revenue collections is due to the implementation of eye on the bus and increased inspector visibility. **City Power** and **Joburg Water:** The over	

			recovery is mainly due to revenue generated from sales of scraped assets, as well as increase in revenue recognised from canteen services.	
	Agency services	(14 501)	The under recovery is due to motorists utilizing third parties such as the Post Office, retailers, and banks to renew their vehicle licence registrations instead of government DLTC's.	Departments will implement measures to increase revenue
	Interest earned from Receivables	170 555	**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, mainly JHB Water and Joburg Market	J Water and RSSC have been working together to reduce the number of outstanding debtors. **Group Finance:** The Cash Flow is closely monitored at MOE's level to try and address these outcomes.
	Interest from Current and Non-Current Assets	52 227	**City Power:** The over performance is due to interest received as a result of cash and	No remedial action.

			cash equivalents (excluding overdraft) generated by the company amounting to R177 million. **Joburg Market:** The high interest rate is the contributing factor for the performance of the interest earned. **JCT:** The over recovery is due to revenue recognised from short term investments, which resulted in a positive and sufficient state to earn interest in excess of the budgeted amount.	
	Rental from Fixed Assets	(153 180)	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	Need for greater speed and improved turnaround times for EAC approvals. To improve the revenue generation, JPC is currently performing a lease and land audit to ensure optimal utilisation of the City's properties.

			rental of facilities and equipment. The other contributor is due to delays in accounting for student accommodation income in Joshco.	
	Operational Revenue	(62 413)	**Transport:** Due to the delays in the operationalization of Johannesburg Intermodal Transport Interchange (JITI). **Community Development:** The under recovery is mainly due to the low level of hall hire resulting from current economic conditions. **Public Safety (EMS):** The under recovery is due to the ambulance services contract being terminated as a result the department lost its prominent revenue stream. **JPC:** Due to under recovery on facilitation fees that are dependent on the finalisation of	**Transport:** Revenue recovery will start increasing as soon as JITI project is operationalised. Revenue will be recovered as per the business plan. **Group Finance:** This will be reviewed during the adjustment budget process. **Community Development:** Revenue is dependent on public usage.

			all projects currently underway, based on the awarding of Inner-City tenders and the achievement of milestones accordingly. **Group Finance:** Due to under performance on pretermination and final notices revenue component. Movement is linked to the credit control measures instituted in line with debtors ageing	
	Non-Exchange Revenue			
	Fines, penalties, and forfeits	(430 036)	The under recovery is mainly due to the unsigned Service Level Agreement between JMPD and SAPO for the new financial year, no infringement can be posted without a signed SLA.	
	Licence and permits	(4 382)	Due to under recovery on Air Quality Licence fees as well as energy concessions fees.	

	Transfers and subsidies - Operational	576 719	The over performance is attributable to grants of equitable share received in December. The grant is paid in three tranches within the new financial year which is in (JULY, DECEMBER, and MARCH).	
	Interest	90 648	**Group Finance:** Relates to penalties imposed. This line is jointly impacted with entries and billing adjustments. Reversal of penalties imposed is also used as a bargaining tool in settlement agreements with debtors. Customer Overall movement is informed by debtors ageing.	No action is required.
	Fuel Levy	(309 197)	The non-conditional Operating Grant is based on Fuel Levy revenue. The under recovery is due to additional tranches of payment not yet received from National Treasury, since they	Revenue will be recognised in the coming month.

			are paid in three instalments: July 2023, December 2023, and March 2024.	
	Operational Revenue	(78 890)	**Johannesburg Water:** Due to Bulk Contributions fees on Water and Sewer not yet received from independent developers.	
	<u>Expenditure By Type</u>			
	Bulk purchases - electricity	(959 289)	The under expenditure is due to less units purchased from both Eskom and Kevin as a result of low demand; as well as the impact of load shedding and customers using alternative sources of energy.	Budget to be reviewed during the revised budget process
	Inventory consumed	526 890	**JMPD:** The variance is attributable to expenditure incurred under stores and material as a result of additional acquisition of stationary. **MTC:** The over expenditure is due to higher installation and IT	**MTC:** These early project expenditures will be offset by increased income as projects near completion. The budget figures will also be reviewed during the adjustment budget process.

			Support service incurred in delivering on projects conducted on behalf of other departments and entities.	
	Debt impairment	917 387	**Joburg Water:** The over expenditure is due to a decrease on collection levels. The year-to-date collection level is 76.01% as compared to the budgeted payment level of 77.8% resulting in a higher contribution to Bad Debts.	Joburg Water and RSSC have been working together to reduce the outstanding balance. The numerous meetings have been held with the departments in order to speed up the collection process. There is slow progress of pre-termination notices and disconnections on government accounts and that result to low collection.
	Depreciation and amortisation	(315 150)	The under expenditure is as a result of capital projects that are still at the procurement stage as well as work in progress that will be capitalized once completed. The other contributor is due to assets not yet capitalized due to projects that are still pending completion.	Expenditure will improve during the financial year when assets are capitalised.

	Interest	261 819	**City Power:** The over expenditure is due to more interest paid on bank overdraft, mirror conduit and capex loans as a result of low cash flow.	The bank overdraft is an internal loan from the City and represents the current account balance between both parties. In order to improve the liquidity of the company, it was previously proposed that the bank overdraft be converted to equity and the shareholder loan be repaid over the next ten years with no further interest charged on the loan. Engagements with the Shareholder regarding this matter still continue.
	Contracted services	(923 746)	**Community Development:** The under expenditure is mainly due to the delays in procurements of goods and services. **Group Corporate Shared Services:** Due to under spending on repairs and maintenance, as a result of Metro Centre being vacated and will not be used until further notice. **Transport Department:** Delays in paying compensation lump sum	**Transport:** The department is in the process of following up on outstanding invoices and finalisation operational licenses for affected taxi operators to commence with the transaction of compensation payment as this is the bulk of expenditure budgeted for by the department. **Group Corporate Shared Services:** The budget will be reviewed during the adjustment budget process.

			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. **JRA:** Expenditure is below projections due to JRA still in the process of procuring new contractors. The process is normally lengthy. Therefore, an increase in contracted services is expected as soon as contracts are in place.	
	Transfers and subsidies	(67 266)	**Economic Development:** The under expenditure is due to the prior year accruals that have been processed in August 2023.	
	Operational costs	(244 786)	The year-to-date actual is progressing in line with the year-to-date budget.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

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	471 097	260 435	231 991	673 611			1 189 169	6 496 812	9 323 115	8 359 592		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	737 315	293 720	300 961	773 376			1 133 592	5 639 761	8 878 724	7 546 729		
Receivables from Non-exchange Transactions - Property Rates	1400	800 511	491 079	400 574	1 149 264			1 605 222	8 020 601	12 467 252	10 775 088		
Receivables from Exchange Transactions - Waste Water Management	1500	827 135	443 077	474 633	1 358 542			2 337 350	13 610 457	19 051 204	17 306 360		
Receivables from Exchange Transactions - Waste Management	1600	188 196	127 519	112 813	323 842			528 076	4 014 465	5 294 911	4 866 383		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 053)	9 481	9 563	18 781			18 460	949 724	1 000 955	986 964		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	(253 608)	(106 242)	(152 294)	(257 693)			(195 996)	(643 799)	(1 609 631)	(1 097 488)		
Total By Income Source	**2000**	**2 765 593**	**1 519 068**	**1 378 241**	**4 039 724**	**–**	**–**	**6 615 884**	**38 088 020**	**54 406 530**	**48 743 627**	**–**	**–**
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	47 922	34 450	25 983	85 194			179 994	1 439 768	1 813 310	1 704 956		
Commercial	2300	708 031	299 594	248 453	756 253			1 086 326	5 640 146	8 738 803	7 482 724		
Households	2400	2 009 641	1 185 024	1 103 806	3 198 278			5 349 563	31 008 106	43 854 418	39 555 947		
Other	2500									–	–		
Total By Customer Group	**2600**	**2 765 593**	**1 519 068**	**1 378 241**	**4 039 724**	**–**	**–**	**6 615 884**	**38 088 020**	**54 406 530**	**48 743 627**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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	414 430								414 430	1 997 071
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	994 219	1 070 279	1 148 872	33 583	(2 298)	32 929	48 390	196 133	3 522 106	3 839 585
Auditor General	0800									–	–
Other	0900	1 208 721	24 875	856	24 062	22	–	26 694	194 453	1 479 683	2 221 265
Total By Customer Type	**1000**	**2 617 369**	**1 095 154**	**1 149 728**	**57 644**	**(2 277)**	**32 929**	**75 084**	**390 586**	**5 416 219**	**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 - M08 Februai

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	(1)	–	(1)	#DIV/0!	–
Agency services		–	–	–	–	–	–		–
Interest		386 492	–	26 872	216 108	257 664	(41 556)	-16%	386 492
Interest earned from Receivables		–	–	–	–	–	–		–
Interest earned from Current and Non Current Assets		1 462 814	–	137 541	1 276 963	975 208			1 462 814
Dividends		147 420	–	18 648	120 718	98 280	22 438	23%	147 420
Rent on Land		–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–		–
Licence and permits		146 267	–	5 004	40 223	97 512	(57 289)	-59%	146 267
Operational Revenue		–	–	–	–	–	–		–
Non-Exchange Revenue		395 271	–	8 654	127 723	263 510	(135 787)	-52%	395 271
Property rates		–	–	–	–	–			–
Surcharges and Taxes		(951 486)	–	(16 282)	(204 250)	(634 320)			(951 486)
Fines, penalties and forfeits		(10 870)	–	(1 455)	(2 858)	(7 240)	4 382	-61%	(10 870)
Licences or permits		(8 280 856)	–	(76 309)	(5 741 325)	(5 586 478)			(8 280 856)
Transfer and subsidies - Operational		(116 245)	–	(17 883)	(168 144)	(77 496)			(116 245)
Interest		(3 838 724)	–	(319 894)	(2 249 956)	(2 559 152)			(3 838 724)
Fuel Levy		–	–	–	–	–			–
Operational Revenue		(5 000)	–	–	–	(3 336)			(5 000)
Gains on disposal of Assets		–	–	–	–	–			–
Other Gains		–	–	–	–	–			–
Discontinued Operations		–	–	–	–	–			–
Total Revenue (excluding capital transfers and contributions)		**(11 060 188)**	**–**	**(243 756)**	**(6 712 523)**	**(7 439 358)**	**726 836**	**-10%**	**(11 060 188)**
Expenditure By Type									
Employee related costs		(951 486)	–	(16 282)	(204 250)	(634 320)	430 070	-68%	(951 486)
Remuneration of councillors		(10 870)	–	(1 455)	(2 858)	(7 240)	4 382	-61%	(10 870)
Bulk purchases - electricity		(8 280 856)	–	(76 309)	(5 741 325)	(5 586 478)	(154 847)	3%	(8 280 856)
Inventory consumed		(116 245)	–	(17 883)	(168 144)	(77 496)	(90 648)	117%	(116 245)
Debt impairment		(3 838 724)	–	(319 894)	(2 249 956)	(2 559 152)	309 197	-12%	(3 838 724)
Depreciation and amortisation		–	–	–	–	–	–		–
Interest		(5 000)	–	–	–	(3 336)	3 336	-100%	(5 000)
Contracted services		–	–	–	–	–	–		–
Transfers and subsidies		–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–		–
Operational costs		–	–	–	–	–	–		–
Losses on disposal of Assets		–	–	–	–	–			–
Other Losses		(69 144)	–	(841)	(120 786)	(46 090)			(69 144)
Total Expenditure		**(13 272 325)**	**–**	**(432 664)**	**(8 487 319)**	**(8 914 112)**	**426 793**	**-5%**	**(13 272 325)**
Surplus/(Deficit)		2 212 138	–	188 908	1 774 796	1 474 754	300 042	20%	2 212 138
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–		(69 144)
Transfers and subsidies - capital (in-kind)		(69 144)	–	(841)	(120 786)	(46 090)	(74 696)	162%	(2 030 298)
Surplus/(Deficit) after capital transfers & contributions		2 142 993	–	188 067	1 654 011	1 428 664	225 347	16%	112 695
Income Tax		4 849 009	–	268 738	2 382 053	3 232 794	(850 740)	-26%	4 849 009
Surplus/(Deficit) after income tax		**(2 706 016)**	**–**	**(80 671)**	**(728 043)**	**(1 804 130)**	**1 076 087**	**-60%**	**(4 736 314)**

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M08 February

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	–	247 339	1 973 679	1 728 776	244 903	14%	2 606 997
City Power			23 706 564	–	1 083 088	12 985 252	15 740 268	(2 755 016)	-18%	23 706 564
Johannesburg Water			16 997 017	–	1 548 819	12 168 119	11 274 421	893 698	8%	16 997 017
Johannesburg Social Housing Company			303 597	–	17 457	152 074	202 400	(50 326)	-25%	303 597
Johannesburg Property Company			81 459	–	2 442	23 381	54 304	(30 923)	-57%	81 459
Metropolitan Trading Company			59 618	–	36 608	168 724	39 744	128 980	325%	59 618
Metrobus			63 682	–	6 551	46 800	42 456	4 344	10%	63 682
Johannesburg City Parks and Zoo			87 586	–	7 274	70 448	55 976	14 472	26%	87 586
JDA			75 926	–	4 132	33 458	50 616	(17 158)	-34%	75 926
Johannesburg Roads Agency			128 962	–	88 419	120 453	85 976	34 477	40%	128 962
Joburg City Theatres			67 394	–	3 468	53 651	44 928	8 723	19%	67 394
Joburg Market			646 656	–	54 317	464 749	431 104	33 645	8%	646 656
Joburg Tourism Company			3 483	–	455	10 998	2 320	8 678	374%	3 483
Total Operating Revenue	1	–	44 828 941	–	3 100 369	28 271 785	29 753 289	(1 481 504)	-5%	44 828 941
Expenditure By Municipal Entity										
Pikitup			3 764 315	–	362 800	2 659 804	2 483 477	176 327	7%	3 764 315
City Power			22 722 431	–	1 269 044	14 714 002	16 238 833	(1 524 831)	-9%	22 722 431
Johannesburg Water			14 964 254	–	1 391 888	11 406 711	9 976 183	1 430 528	14%	14 964 254
Johannesburg Social Housing Company			355 355	–	74 133	582 615	236 912	345 703	146%	355 355
Johannesburg Property Company			964 641	–	66 842	531 001	643 096	(112 095)	-17%	964 641
Metropolitan Trading Company			423 773	–	177 820	682 800	282 514	400 286	142%	423 773
Metrobus			601 623	–	68 462	490 823	401 088	89 735	22%	601 623
Johannesburg City Parks and Zoo			1 257 264	–	112 393	775 465	782 512	(7 048)	-1%	1 257 264
JDA			108 145	–	8 184	62 341	72 104	(9 763)	-14%	108 145
Johannesburg Roads Agency			1 438 437	–	101 567	861 951	958 965	(97 014)	-10%	1 438 437
Joburg City Theatres			262 776	–	21 244	173 143	175 192	(2 049)	-1%	262 776
Joburg Market			558 591	–	37 297	333 633	372 408	(38 775)	-10%	558 591
Joburg Tourism Company			69 503	–	3 277	33 769	46 344	(12 575)	-27%	69 503
Total Operating Expenditure	2	–	47 491 108	–	3 694 952	33 308 058	32 669 629	638 429	2%	47 491 108

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

	Budget Year 2023/24							
Month 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		306 276	2 674 828	6 434 738	3 759 910	58,4%	35%
March	634 303				7 069 041	–		
April	313 330				7 382 371	–		
May	145 202				7 527 573	–		
June	114 633				7 642 206	–		
Total Capital expenditure	**7 642 206**	**–**	**2 674 828**					