CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 30 APRIL 2023

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 April 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 30 April 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 April 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 -4%, R2.4 billion underperformance [April 2022: -4%]. The actual operating expenditure is under budget by -3%, R1.9 billion [April 2022: -4%]. The net result is an operating surplus of R836 million against a year-to-date (YTD) budgeted surplus of R1.4 billion.

The adjusted Capital budget for the 2022/23 financial year amounts to R6.3 billion. The total actual expenditure (excluding commitments) to date amounts to R3.3 billion (51%) of the adjusted budget.

The total opening and closing investment balances including cash for the month of April 2023 were R6.3 billion and R5.8 billion respectively. This shows a decrease of R554 million during the month as indicated in Table 1 below.

Apr 23	OPENING	CLOSING
Operational Call Deposits	2 311 614 963,39	250 718 908,71
Operational Term Deposits	1 495 000 000,00	1 200 000 000,00
Standard Bank Primary Account Balance	597 871 207,01	663 861 931,43
Absa Primary Account Balance	36 164 799,35	292 457 615,00
TOTAL UNENCUMBERED	**4 440 650 969,75**	**2 407 038 455,14**
Contingency Reserve Fund	136 177 076,28	1 236 177 076,28
Unfunded Liability Fund	2 030 000,00	2 030 000,00
COID	-	279 500 000,00
Capital Grants	-	-
Capital Replacement Reserve	17 673 382,36	17 783 199,43
Non-Sweeping Bank Accounts	1 789 604 622,52	1 889 019 642,36
TOTAL ENCUMBERED	**1 945 485 081,16**	**3 424 509 918,07**
TOTAL INVESTMENTS	**6 386 136 050,91**	**5 831 548 373,21**

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

Apr 23	OPENING	CLOSING
Cash and Cash Equivalents	2 394 376 637,88	2 566 851 988,18
Interest Rate swaps	-109 822 929,86	-169 920 384,48
Tradable Instruments Portfolio	1 054 457 941,62	906 105 305,38
TOTAL SINKING FUND INVESTMENTS	3 339 011 649,65	3 303 036 909,09

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

- Total unencumbered balances decreased by R2 billion during the course of the month, which was primarily driven by the decrease in the Operational call and term deposits.

- Total encumbered balances increased by R1.5 billion during this same period, with the highest increase being in the ring-fenced portfolios. The combined movement resulted in the overall total balance decrease of R 554 million.

- The Sinking Fund balances closed R35.9 million lower at R3.3 billion, with an increase of R172 million in the cash and cash equivalents and a decline of R148 million in the tradable instrument's portfolios. These movements are in respect of interest received and market movements. The interest rate swaps reflect a negative movement of R 60 million during the month of April.

Cash movements analysis:

Inflows for the month of April amounted to R6.1 billion versus outflows of R6.6 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 R554 million as depicted in Table 1.1 below.

Apr 23	
Description	**R**
Cash Collections	3 537 401 005,38
Revenue cash collections paid into Primary and Ordinary bank accounts	41 653 485,73
Direct Payments into MOE Revenue accounts	8 322 657,80
Prepaid Collections	126 496 896,43
Other Income (Interest Received, Vat Refund, Licensing Fees)	241 546 609,29
Positive Sweepings and Non-Sweeping Movements	2 098 319 029,86
Total Cash Inflows	6 053 739 684,49
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-6 483 808 841,40
Negative Sweepings and Non-Sweeping Movements	-124 518 520,80
Total Cash Outflows	-6 608 327 362,20
Net Movement	-554 587 677,71

Summary Table 1.1 Cash Movements as at 30 April 2023

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

The inflows for the month of April include grant inflows (USDG), while cash outflows were more than the inflows resulting in a negative net movement on the overall cash balances.

Profit and cost centres movements analysis

According to the City's business model, key cash generators are City Power, Joburg Water, Pikitup and Rates & Taxes. Cash generators or profit centres fund overall City operations including City cost centres like the Community Development Department. Table 3 below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 30 April 2023 for all MOEs.

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

Entity	End of March Balance	Monthly Inflows	Monthly Outflows	Net Movement	End of April Balance
City Power	**-10 635 705 278,14**	2 015 332 685,51	-970 774 136,15	1 044 558 549,36	**-9 591 146 728,78**
Joburg Water	176 753 679,10	1 512 083 883,51	-915 002 168,26	597 081 715,25	773 835 394,35
Pikitup	227 626 435,01	349 554 367,27	-81 580 244,96	267 974 122,31	495 600 557,32
Parks Zoo	898 675 202,81	20 756 160,92	-64 577 034,47	-43 820 873,55	854 854 329,26
Fresh Produce	327 829 339,67	22 896 586,40	-21 083 075,07	1 813 511,33	329 642 851,00
JDA	**-600 535 147,03**	51 560 271,70	-88 579 276,01	-37 019 004,31	**-637 554 151,34**
Joshco	**-1 059 486 855,76**	93 590 859,31	-64 659 056,03	28 931 803,28	**-1 030 555 052,48**
Metro Bus	**-523 356 643,02**	45 243 165,35	-69 416 722,28	-24 173 556,93	**-547 530 199,95**
Propcom	164 782 927,54	33 451 593,25	-33 658 092,91	-206 499,66	164 576 427,88
Propcom Portfolio	**-182 000 768,18**	8 663 291,74	-4 055 754,19	4 607 537,55	**-177 393 230,63**
Roads	162 194 327,78	139 633 652,27	-117 964 974,52	21 668 677,75	183 863 005,53
MTC	102 118 365,89	45 697 285,93	-84 435 922,08	-38 738 636,15	63 379 729,74
JTC	64 320 401,80	3 265 300,82	-964 453,74	2 300 847,08	66 621 248,88
Core	17 262 920 063,46	4 080 407 774,73	-6 459 973 645,76	-2 379 565 871,03	14 883 354 192,42
Total Sweepings and Balances	**6 386 136 050,91**			**-554 587 677,72**	**5 831 548 373,21**

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

Inflows for the month of April versus outflows resulted in a negative net movement of R554 million.

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

	YTD Net Movement										
Entity	**Jul 22**	**Aug 22**	**Sep 22**	**Oct 22**	**Nov 22**	**Dec 22**	**Jan 23**	**Feb 23**	**Mar 23**	**Apr 23**	**YTD**
City Power	-1 016 616 002,22	-85 114 672,61	-1 297 840 304,32	-188 480 596,38	344 804 859,32	-340 109 581,67	82 341 854,43	-279 474 550,30	-1 072 889 960,15	1 044 558 549,36	-2 808 820 404,54
Joburg Water	-112 153 846,45	168 205 567,65	-179 521 221,31	204 455 112,77	166 835 508,62	112 419 806,12	-105 374 138,26	112 108 303,40	-783 296 334,76	597 081 715,25	180 760 473,03
Pikitup	66 833 386,61	-120 960 561,36	-322 453 421,76	221 626 736,97	203 010 308,35	-20 809 077,31	-63 952 756,80	40 120 327,35	-205 407 899,43	267 974 122,31	65 981 164,93
Parks Zoo	16 082 749,85	48 162 906,21	34 575 661,97	35 968 890,67	-17 982 729,42	-27 028 825,37	43 046 166,88	13 026 710,88	-89 085 418,08	-43 820 873,55	12 945 240,04
Fresh Produce	90 653 691,79	-16 763 706,85	7 942 331,06	26 838 239,07	-1 519 786,29	-106 807 300,26	-17 650 754,43	-15 065 410,54	-61 684 867,46	1 813 511,33	-92 444 052,58
JDA	-186 482 791,05	7 602 954,68	-23 943 893,23	21 430 022,93	201 175 622,64	18 559 735,40	609 482,99	36 630 560,01	-51 055 184,50	-37 019 004,31	-12 492 494,44
Joshco	-196 699 394,74	-101 236 488,22	268 603 325,75	65 276 853,28	22 797 758,81	-57 029 179,81	95 814 541,64	22 414 861,42	-66 665 465,41	28 931 803,28	102 208 616,00
Metro Bus	-44 153 197,52	51 726 518,30	-5 095 234,90	9 126 665,61	36 121 928,75	-34 616 097,41	43 857 705,14	-19 303 501,08	-84 832 778,55	-24 173 556,93	-71 341 548,39
Propcom	-157 330 563,58	106 819 337,24	-128 601 691,71	25 878 069,05	324 992,43	20 256 713,86	-51 327 276,50	56 160 456,15	-28 111 834,94	-206 499,66	-156 140 297,66
Propcom Portfolio	-9 261 004,36	4 701 651,77	2 012 240,40	22 536 254,77	7 461 820,40	-4 278 264,20	4 295 317,09	-1 778 278,45	-2 262 919,67	4 607 537,55	28 034 355,30
Roads	-48 436 355,23	21 395 556,96	81 245 096,64	10 613 313,01	-38 223 988,29	-46 758 223,69	20 443 032,01	18 449 039,34	-133 799 359,91	21 668 677,75	-93 403 211,61
MTC	-81 850 008,17	-53 999 951,69	-17 110 232,82	32 729 324,59	-60 491 902,24	-71 078 605,12	74 297 507,33	26 634 705,45	-32 920 624,77	-38 738 636,15	-222 528 423,59
JTC	-	-	-	-2 565 970,51	5 517 233,70	-3 296 097,28	6 252 904,85	14 671 722,82	5 495 807,04	2 300 847,08	28 376 447,70

Table 3.1(a): Sweeping movements analysis

The above table reflects the ME past 10 months net movement for the current financial year.

Revenue data was unavailable at the time of compiling the report for the month under review due to ongoing maintenance exercise aimed at addressing hardware inconsistencies fixed, and some database discrepancies slowing down the system.

Annexure A

In-Year Report

Budget year: 2022/23

Reporting Period: Month 10

April 2023

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 27 May 2022, Council adjusted the 2022/23 Medium-term Revenue and Expenditure Framework (MTREF) for the City of Johannesburg. This gives effect to the financial plan of the City of Johannesburg, which includes its entities.

1.2 Executive Summary

The financial results of the City of Johannesburg for period ended 30 April 2023 are summarised as follows:

Consolidated Monthly budget statement - summary

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

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

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

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

The operating revenue that was realized, excluding capital transfers and contributions, reflects a negative variance of R2.4 billion against the YTD budget for the period ended 30 April 2023.

The operating expenditure is underspent by R1.9 billion, against year-to-date expenditure budget of R54.6 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R6.3 billion. The actual year to date expenditure (excluding commitments) amounts to R3.3 billion (51%) of the adjusted budget.

Capital Expenditure per funding source as at 30 April 20222:

Description (R million)	Budget 21/22	YTD Exp	% Spent
CoJ Loans	2 102	927	44%
CRR / Cash	2 599	1 009	39%
Nat Grant	288	96	33%
Prov Grant	16	-	0%
USDG	1 213	782	64%
USIP	646	230	45%
Other	519	254	49%
Total CoJ	7 384	3 299	45%

Capital Expenditure per funding source as at 30 April 2023:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 830	905	49%
CRR / Cash	1 791	1 119	62%
Nat Grant	315	33	10%
Prov Grant	5	-	0%
USDG	1 205	638	53%
USIP	685	257	37%
Other	545	326	60%
Total CoJ	6 375	3 277	51%

COJ Loans, USDG, UISP and Cash funding sources had spending to date, while Provincial grants had 0% spending since the inception of the year under review. National grants has 10% spending in the current month. When compared to the previous year overall spending has increased by 6%.

Consolidated Summary - Capital Expenditure as 30 April 2023:

Description (R million)	Budget 22/23	YTD Exp	% Spent
Economic Development	6	-2	-36%
EISD	19	5	26%
Transportation	422	76	18%
Community Development	68	24	35%
Health	73	22	29%
Social Development	92	34	37%
Forensic	4	0	2%
Ombudsman	0	0	45%
Office of the City Manager	14	5	36%
Speaker	3	0	14%
Group ICT	376	154	41%
Group Finance	36	0	1%
Group Corporate Services	5	0	3%
Housing	1 066	326	31%
Development Planning	7	3	38%
Public Safety	97	98	101%
Total Core Administration	2 287	744	33%

Description (R million)	Budget 22/23	YTD Exp	% Spent
City Power	1 218	676	56%
Johannesburg Water	838	717	86%
Pikitup	97	61	62%
Jhb Roads Agency	795	352	44%
Metrobus	37	2	4%
Jhb City Parks and Zoo	70	18	26%
Jhb Development Agency	472	274	58%
Jhb Property Company	39	12	32%
Metro Trading Company	11	5	52%
Joburg Market	95	84	88%
JOSHCO	399	325	81%
Joburg City Theatres	13	6	43%
Joburg Tourism	4	0	1%
Total MEs	4 089	2 533	62%

The negative movement is due to accruals that have been reversed. It must be noted that Ombudsman's office budget and expenditure is less than a million, however the department is 45%. Group Forensic, Group Finance, Group Corporate Shared Services, Metrobus and Joburg Tourism is less than 5%.

The below is Capex performance:

- Capital expenditure increased from 44% in March 2023 to 51% in April 2023, demonstrating that some of the midterm adjustment reallocations are yielding positive results:

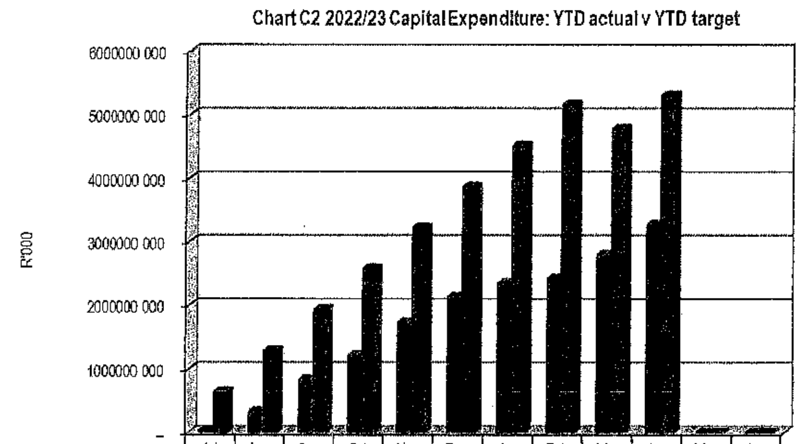
- However, the Economic Growth cluster has exhibited low expenditure to date predominantly driven by Transport, JRA and JDA (budgets > R400mn);
- Transport and JDA have been impacted by the City's cashflow challenges resulting in work slowing down and some instances, service providers exiting site; and
- Actions to improve spending by June 2023: identification of opportunities for budget lift in line with the City's budget management policy and proper justification.

23/24 Improvements:

- Dedicated governance platform to proactively oversee CAPEX and Conditional Grant Performance (ISC was an attempt but requires dedicated executive level ownership):
- Streamline information gathering that enables effective decision making e.g., use of new JSIP system for project monitoring;
- Take early decisions on budget reallocations based on performance. These can be identified and initiated through a dedicated governance platform; and
- Addressing systemic issues that inhibit capital delivery through Capital Delivery Improvement Programme (focus on standardization, improved planning, SCM)

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:



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	30711	335320	832127	121953	173296	214051	235508	242894	280135	327718	–	–
YearTD budget	645077	129015	193523	258030	322538	387046	451553	516061	478141	531268	–	–

Cash Flow

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

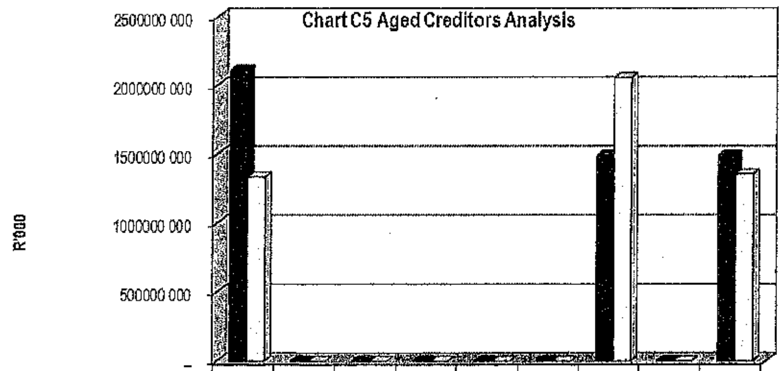
- Cash and Cash equivalents as at the end of April 2023 amount to R5.8 billion.
- The cash flow from operating activities is R4.5 billion.
- The cash flow from investing activities amount to R3.5 billion; negative
- The cash flow from financing activities amount to R1.1 billion.

Debtor Age Analysis

Revenue data was unavailable at the time of compiling the report for the month under review due to ongoing maintenance exercise aimed at addressing hardware inconsistencies fixed, and some database discrepancies slowing down the system.

Creditors' age analysis

Tables C1 and SC4 provide an extended age analysis by creditor type. The chart compares this month's results with that of the previous financial year, which shows the aged creditors per category.



	Bulk Electricity	Bulk Water	PAYE deductions	VAT (output less input)	Pensions / Retirement deductions	Loan repayments	Trade Creditors	Auditor General	Other
2021 / 22	2110904 00	–	–	–	–	–	1489013 00	–	1489169 00
Budget Year 2022/23	1335126 81	–	–	–	–	–	2053466 23	–	1353620 19

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. 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, and capital expenditure for these entities. The reasons for the variance are captured in Table SC1.

1.3 In-year budget statement tables

The financial results for the period ended 30 April 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.

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Consolidated Monthly Budget Statement Summary - M10 April

Description	2021 / 22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	14 133 073	14 133 073	1 177 625	12 130 863	11 777 560	353 303	3%	14 133 073
Service charges	–	39 598 615	37 339 450	2 986 786	28 754 612	31 411 461	(2 656 849)	-8%	37 339 450
Investment revenue	–	193 489	160 487	49 125	200 698	131 879	68 819	52%	160 487
Transfers and subsidies	–	7 619 945	7 688 187	91 613	8 664 052	6 314 552	2 349 500	37%	7 586 187
Other own revenue	–	8 479 118	7 988 360	543 904	3 995 285	6 504 178	(2 508 893)	-39%	7 988 360
	–	70 024 240	67 209 557	4 849 054	53 745 511	56 139 630	(2 394 120)	-4%	67 209 557
Total Revenue (excluding capital transfers and contributions)									
Employee costs	–	18 357 153	17 429 220	1 434 541	15 013 058	14 519 518	493 540	3%	17 429 220
Remuneration of Councillors	–	185 164	185 164	14 583	150 668	154 300	(3 632)	-2%	185 164
Depreciation & asset impairment	–	4 549 947	4 545 798	330 882	3 243 932	3 679 288	(435 356)	-12%	4 545 798
Finance charges	–	2 889 039	2 681 121	233 017	2 287 445	2 227 606	59 839	3%	2 681 121
Inventory consumed and bulk purchases	–	20 393 282	19 054 037	2 269 818	16 678 059	16 316 622	361 436	2%	19 054 037
Transfers and subsidies	–	183 850	141 173	603	(21 251)	108 258	(129 509)	-120%	141 173
Other expenditure	–	23 090 584	21 154 685	764 990	15 557 217	17 770 266	(2 213 048)	-12%	21 154 685
Total Expenditure	–	69 649 019	65 191 197	5 048 435	52 909 128	54 775 858	(1 866 730)	-3%	65 191 197
Surplus/(Deficit)	–	375 221	2 018 359	(199 382)	836 383	1 363 773	(527 390)	-39%	2 018 359
Transfers and subsidies - capital (monetary allocations) (National / Pro	–	2 209 403	2 209 240	60 103	854 108	1 853 864	(999 756)	-54%	2 209 240
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	590 040	544 948	24 212	285 627	459 397	(173 769)	-38%	544 948
Surplus/(Deficit) after capital transfers & contributions	–	3 174 664	4 772 548	(115 066)	1 976 118	3 677 034	(1 700 916)	-46%	4 772 548
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	3 174 664	4 772 548	(115 066)	1 976 118	3 677 034	(1 700 916)	-46%	4 772 548
Capital expenditure & funds sources									
Capital expenditure	–	7 740 924	6 375 220	475 825	3 277 183	6 375 220	(3 098 037)	-49%	6 375 220
Capital transfers recognised	–	2 799 443	2 754 188	150 617	1 253 225	2 754 188	(1 500 963)	-54%	2 754 188
Borrowing	–	1 830 000	1 830 000	114 573	905 216	1 830 000	(924 784)	-51%	1 830 000
Internally generated funds	–	3 111 481	1 791 032	210 635	1 118 742	1 791 032	(672 290)	-38%	1 791 032
Total sources of capital funds	–	7 740 924	6 375 220	475 825	3 277 183	6 375 220	(3 098 037)	-49%	6 375 220
Financial position									
Total current assets	–	19 385 987	18 543 805		49 788 077				18 543 805
Total non current assets	–	90 220 558	88 716 854		34 048 718				88 716 854
Total current liabilities	–	17 354 987	16 810 951		35 180 946				16 810 951
Total non current liabilities	–	26 554 074	26 568 571		17 971 805				26 568 571
Community wealth/Equity	–	68 786 887	68 571 807		22 548 986				68 571 807
Cash flows									
Net cash from (used) operating	–	10 163 185	7 992 098	(257 118)	4 478 097	6 669 829	2 191 732	33%	7 992 098
Net cash from (used) investing	–	(8 995 241)	(5 600 068)	(254 194)	(3 535 846)	(4 245 683)	(709 837)	17%	(5 600 068)
Net cash from (used) financing	–	(1 843 331)	(1 799 496)	(43 276)	1 106 514	(1 194 756)	(2 301 270)	193%	(1 799 496)
Cash/cash equivalents at the month/year end	–	6 866 943	4 441 375	5 831 548	5 831 548	5 078 231	(753 317)	-15%	4 441 375
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	3 971 063	70 869	46 681	17 297	15 233	66 857	70 310	483 902	4 742 213

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 Apri

Description	Ref	Budget Year 2022/23							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source									
Property rates		14 133 073	14 133 073	1 177 625	12 130 863	11 777 560	353 303	3%	14 133 073
Service charges - electricity revenue		21 338 109	19 483 832	1 297 203	14 171 049	16 528 134	(2 357 085)	-14%	19 483 832
Service charges - water revenue		9 777 174	8 942 401	908 635	7 437 281	7 452 000	(14 719)	0%	8 942 401
Service charges - sanitation revenue		6 085 363	6 525 841	565 286	5 094 372	5 438 200	(343 828)	-6%	6 525 841
Service charges - refuse revenue		2 397 969	2 387 376	215 662	2 051 910	1 993 127	58 783	3%	2 387 376
Rental of facilities and equipment		515 995	505 846	29 347	291 920	421 561	(129 641)	-31%	505 846
Interest earned - external investments		193 489	160 487	49 125	200 698	131 879	68 819	52%	160 487
Interest earned - outstanding debtors		414 979	435 012	(4 831)	472 022	362 524	109 498	30%	435 012
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		891 592	396 993	36 631	169 831	330 830	(160 999)	-49%	396 993
Licences and permits		9 180	9 884	369	13 067	8 240	4 827	59%	9 884
Agency services		367 039	367 039	24 236	304 904	305 870	(966)	0%	367 039
Transfers and subsidies		7 619 945	7 588 187	91 613	8 664 052	6 314 552	2 349 500	37%	7 588 187
Other revenue		6 273 346	6 267 672	458 822	2 747 343	5 070 224	(2 322 880)	-46%	6 267 672
Gains		6 987	5 914	(669)	(3 803)	4 930	(8 733)	-177%	5 914
Total Revenue (excluding capital transfers and contributions)		70 024 240	67 209 557	4 849 054	53 745 511	56 139 630	(2 394 120)	-4%	67 209 557
									–
Expenditure By Type									–
Employee related costs		18 357 153	17 429 220	1 434 541	15 013 058	14 519 518	493 540	3%	17 429 220
Remuneration of councillors		185 164	185 164	14 583	150 668	154 300	(3 632)	-2%	185 164
Debt impairment		5 905 328	5 072 127	448 254	5 253 581	4 269 109	984 472	23%	5 072 127
Depreciation & asset impairment		4 549 947	4 545 798	330 882	3 243 932	3 679 288	(435 356)	-12%	4 545 798
Finance charges		2 889 039	2 681 121	233 017	2 287 445	2 227 606	59 839	3%	2 681 121
Bulk purchases - electricity		15 363 589	14 165 609	1 032 413	11 563 243	12 242 303	(679 059)	-6%	14 165 609
Inventory consumed		5 029 694	4 888 427	1 237 405	5 114 816	4 074 320	1 040 496	26%	4 888 427
Contracted services		7 942 715	6 900 602	413 087	3 854 823	5 767 894	(1 913 072)	-33%	6 900 602
Transfers and subsidies		183 850	141 173	603	(21 251)	108 258	(129 509)	-120%	141 173
Other expenditure		6 402 790	6 342 175	425 171	4 467 540	5 366 765	(899 225)	-17%	6 342 175
Losses		2 839 751	2 839 781	(521 523)	1 981 274	2 366 497	(385 223)	-16%	2 839 781
Total Expenditure		69 649 019	65 191 197	5 048 435	52 909 128	54 775 858	(1 866 730)	-3%	65 191 197
Surplus/(Deficit)		375 221	2 018 359	(199 382)	836 383	1 363 773	(527 390)	(0)	2 018 359
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 209 403	2 209 240	60 103	854 108	1 853 864	(999 756)	(0)	2 209 240
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		590 040	544 948	24 212	285 627	459 397	(173 769)	(0)	544 948
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		3 174 664	4 772 548	(115 066)	1 976 118	3 677 034			4 772 548
Taxation		85 261	81 878	–	–	68 230	(68 230)	(0)	81 878
Surplus/(Deficit) after taxation		3 089 403	4 690 669	(115 066)	1 976 118	3 608 804			4 690 669
Attributable to minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		3 089 403	4 690 669	(115 066)	1 976 118	3 608 804			4 690 669
Share of surplus/ (deficit) of associate		–	–	–	–	–			–
Surplus/ (Deficit) for the year		3 089 403	4 690 669	(115 066)	1 976 118	3 608 804			4 690 669

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Consolidated Monthly Budget Statement - Financial Position - M10 April

Description	Ref	Budget Year 2022/23				
R thousands	1	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	Variance
ASSETS						
Current assets						
Cash		3 693 550	3 558 559	5 580 829	3 558 559	(2 022 270)
Call investment deposits		3 173 393	882 816	250 719	882 816	632 097
Consumer debtors		8 881 841	8 816 183	9 344 545	8 816 183	(528 362)
Other debtors		3 294 555	4 750 512	33 285 252	4 750 512	(28 534 740)
Current portion of long-term receivables		–	–	887 404	–	(887 404)
Inventory		342 649	535 734	439 328	535 734	96 405
Total current assets		19 385 987	18 543 805	49 788 077	18 543 805	(31 244 273)
Non current assets					–	
Long-term receivables		112 281	64 463	2 051 095	64 463	(1 986 632)
Investments		97 269	139 714	–	139 714	139 714
Investment property		946 280	1 036 836	27 996	1 036 836	1 008 840
Investments in Associate		23 313	22 909	(0)	22 909	22 909
Property, plant and equipment		84 310 139	82 784 616	32 109 757	82 784 616	50 674 860
Agricultural		–	–	–	–	–
Biological assets		36 637	29 386	–	29 386	29 386
Intangible assets		1 921 015	1 069 416	12 561	1 069 416	1 056 855
Other non-current assets		2 773 624	3 569 514	(152 692)	3 569 514	3 722 206
Total non current assets		90 220 558	88 716 854	34 048 718	88 716 854	54 668 137
TOTAL ASSETS		109 606 546	107 260 659	83 836 795	107 260 659	23 423 864
LIABILITIES					–	
Current liabilities					–	
Bank overdraft		–	–	–	–	–
Borrowing		2 819 663	2 760 034	304 254	2 760 034	2 455 780
Consumer deposits		15 401	21 342	1 307 688	21 342	(1 286 346)
Trade and other payables		13 915 086	13 287 929	33 173 987	13 287 929	(19 886 059)
Provisions		604 837	741 645	395 016	741 645	346 629
Total current liabilities		17 354 987	16 810 951	35 180 946	16 810 951	(18 369 995)
Non current liabilities					–	
Borrowing		19 644 549	19 206 048	16 234 808	19 206 048	2 971 240
Provisions		6 909 525	7 362 522	1 736 997	7 362 522	5 625 526
Total non current liabilities		26 554 074	26 568 571	17 971 805	26 568 571	8 596 766
TOTAL LIABILITIES		43 909 062	43 379 521	53 152 751	43 379 521	(9 773 229)
NET ASSETS	2	65 697 484	63 881 137	30 684 044	63 881 137	33 197 094
COMMUNITY WEALTH/EQUITY					–	
Accumulated Surplus/(Deficit)		68 786 887	68 571 807	21 760 708	68 571 807	46 811 099
Reserves		–	–	788 278	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	68 786 887	68 571 807	22 548 986	68 571 807	46 811 099

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M10 April

Description	Ref	Budget Year 2022/23							
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		12 903 496	12 903 496	1 003 237	10 689 243	10 752 913	(63 670)	-1%	12 903 496
Service charges		35 414 559	33 988 431	2 730 201	28 349 460	37 616 853	(9 267 372)	-25%	33 968 431
Other revenue		7 747 689	6 476 445	445 866	7 559 812	2 547 347	5 012 465	197%	6 476 445
Transfers and Subsidies - Operational		7 619 945	7 588 187	–	9 610 661	305 870	9 304 791	3042%	7 588 187
Transfers and Subsidies - Capital		2 209 403	2 209 240	–	3 422 332	2 295 157	1 127 175	49%	2 209 240
Interest		566 936	556 887	44 448	287 120	131 879	155 241	118%	556 887
Dividends		–	–				–		–
Payments									
Suppliers and employees		(53 225 953)	(52 888 294)	(4 230 090)	(53 881 239)	(44 644 326)	9 236 914	-21%	(52 888 294)
Finance charges		(2 889 039)	(2 681 121)	(249 448)	(1 402 413)	(2 227 606)	(825 193)	37%	(2 681 121)
Transfers and Grants		(183 850)	(141 173)	(1 332)	(156 899)	(108 258)	48 641	-45%	(141 173)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10 163 185	7 992 098	(257 118)	4 478 097	6 669 829	2 191 732	33%	7 992 098
									–
CASH FLOWS FROM INVESTING ACTIVITIES									–
Receipts									
Proceeds on disposal of PPE		(2 242 724)	550 530			4 652	(4 652)	-100%	550 530
Decrease (increase) in non-current receivables		–	–	–	–	–	–		–
Decrease (increase) in non-current investments		988 407	224 622			187 185	(187 185)	-100%	224 622
Payments									
Capital assets		(7 740 924)	(6 375 220)	(254 194)	(3 535 846)	(4 437 520)	(901 674)	20%	(6 375 220)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 995 241)	(5 600 068)	(254 194)	(3 535 846)	(4 245 683)	(709 837)	17%	(5 600 068)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	2 670 000	–	2 670 000	#DIV/0!	–
Borrowing long term/refinancing		1 830 000	1 830 000		–	1 830 000	(1 830 000)	-100%	1 830 000
Increase (decrease) in consumer deposits		152	211			–	–		211
Payments									
Repayment of borrowing		(3 673 484)	(3 629 707)	(43 276)	(1 563 486)	(3 024 756)	(1 461 270)	48%	(3 629 707)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 843 331)	(1 799 496)	(43 276)	1 106 514	(1 194 756)	(2 301 270)	193%	(1 799 496)
NET INCREASE/ (DECREASE) IN CASH HELD		(675 387)	592 533	(554 588)	(554 588)	1 229 389			592 533
Cash/cash equivalents at beginning:		7 542 330	3 848 842	6 386 136	6 386 136	3 848 842			3 848 842
Cash/cash equivalents at month/year end:		6 866 943	4 441 375	5 831 548	5 831 548	5 078 231			4 441 375

PART 3: ADDITIONAL SUPPORTING SCHEDULES
Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations - M10 April				
Ref	**Description**	**YTD variance**	**Reasons for material deviations**	**Remedial or corrective steps/remarks**
1	**Revenue By Source**			
	Property rates	353 303	The line item has over performed by 3%. Property Rates revenue for the month of April 2023 amounts to R1.4 billion before rebates. During the month of April, Journal adjustments amounting to R54 million were processed in customer accounts. The journal adjustments are due to changes in market value because of objections and valuation appeal board decisions. Rates rebates for the month of April 2023 was R203 million. Rebates exceeded the budgeted amount by R10.3 million (5%) for the month and R96 million (5%) for the YTD. 862 130 rebates were granted for the month. Revenue accruals to the value of R14.6 million were raised in the Financial Year 2021/2022. YTD reversals amount to R6.9 million. The revenue accruals are only reversed when the billing is realised in the Billing system. These are monitored monthly. This is done to ensure that the revenue is recognised in the correct accounting period and to avoid duplication of revenue.	No action is required.

	Service charges - electricity revenue	(2 357 085)	The underperformance is mainly as a result of decreased consumption for all Industrial and Commercial customers. This can be attributed to customers changing from conventional to prepaid. In addition, the units purchased from Eskom has dropped by 11% 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 processes 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 revenue	(14 719)	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 stand by stand audit that was currently implemented by RSSC that

				revenue not billed will be identified and thus remedy the current revenue levels.
	Service charges - sanitation revenue	(343 828)	The under recovery is due to decreased billing on business customers as a result of less sewage water received and treated together.	No remedial action
	Service charges - refuse revenue	58 783	The year-to-date actual is progressing in line with the year-to-date budget.	No remedial action
	Rental of facilities and equipment	(129 641)	The under recovery is due to the delays in the approval of reports by EAC that has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Furthermore, the delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.	Need for greater speed and improved turnaround times for EAC approvals. To improve the revenue generation, JPC is currently performing a lease and land audit to ensure optimal utilisation of the City's properties.
	Interest earned - external investments	68 819	The city earns interest on Call and fixed deposit based on the cash available to invest. Interest earned was more than what was budgeted for the month of April due to the fixed deposit investments that matured in the month.	No remedial action.
	Interest earned - outstanding debtors	109 498	City Power & Joburg Water: The over performance is due to an increase in the number of long overdue debtors. Group Finance: Due to interest paid by MOEs on negative sweeping bank accounts, as well as penalties imposed on overdue debt by customers which attract interest. Reversal of penalties imposed is used as a bargaining tool in settlement agreements with debtors.	City Power: Continued implementation of the Revenue Enhancement Strategy and respective initiatives aimed at reducing non-technical losses and increasing revenue in the next financial years. Joburg Water: The Entity and RSSC have been working together to reduce the outstanding balance. Group Finance: Revenue Shared

				Service Centre (RSSC) should put in extra efforts to collect all amounts billed including long outstanding debt.
	Fines, penalties, and forfeits	(160 999)	The under recovery is mainly due to speed contract only finalised December 2022, going forward revenue will increase.	No remedial action.
	Licences and permits	4 827	The over performance is due to income received from company license fees relating to atmospheric emissions.	No remedial action
	Agency services	(966)	The year-to-date actual is in line with the year-to-date budget.	
	Transfers and subsidies	2 349 500	The over recovery is due to grants received from National Treasury which come in 3 tranches while the budget is split in 12 portions through the year. The last tranches were received in March i.e., R1.3 billion for fuel levy and R1.7 billion equitable share amongst other grants.	No action is required.
	Other revenue	(2 322 880)	Community Development: The under recovery is mainly due a decrease in hall hiring as a result of the current economic conditions. Transport Department: The under recovery is as a result of a shortage of buses scheduled for phase 1A due to wear and tear of buses.	Community Development: Revenue is dependent on public usage. Transport Department: It is anticipated that revenue recovery will start increasing as soon phase1 A buses are refurbished and all buses are scheduled on the daily bases as per business plan.
2	**Expenditure By Type**			
	Employee related costs	493 540	The overspending is due to the following: Health Department: The over expenditure is due to unavoidable rebasing on salaries	Health Department: To avoid further over-expenditure, the department is forced to postpone

			and allowances, which affected the expenditure of permanent employees within Health department. The rebasing also affected the provision of locomotive allowance adjustment. GFIS: The overspending is the result of a rebasing that happened during the budget adjustment process which had impact on the monthly cash flow. Public Safety: The expenditure is slightly over the projected budget due to overtime costs and acting allowance costs that might persist as the process of recruitment is halted by the City for this financial year since only critical posts can be filled. The department is going to experience this slight over expenditure until the end of the financial year.	appointments of permanent staff as from April 2023, recruitment will proceed in the new financial year. GFIS: The budget will stabilize in the following months in accordance with forecasts.
	Remuneration of councillors	(3 632)	The year-to-date actual is in line with the year-to-date budget.	
	Debt impairment	984 472	The over expenditure is due to the following: Joburg Water: due to reduced payment levels. The payment level year to date is 77.55% as compared to the budgeted payment level of 80.4% resulting in a higher contribution to Bad Debts. City Power: over budget due to a reduction on collection levels. The year-to-date collection level is 91.96% which was used to determine the debt impairment reported is based on the actual billing against the target level of 96.5%.	Joburg Water & City Power: The Entities and RSSC have been working together to reduce the outstanding balance. 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 results in low collection.
	Depreciation & asset impairment	(435 356)	Public Safety (EMS): Depreciation and assets impairment is below the projected however it will align as the year progresses as the assets team will embark on a project of writing off the assets	Public Safety (EMS): Procurement of new Assets. Pikitup: Budget was re-allocated to debt impairment provision (non-cash items) as part of

			assessed as impaired. Pikitup: Under budget as a result of revaluation of Pikitup assets. Joburg Water: The under expenditure is as a result of assets purchased but not yet capitalised. Community Development and GICT: Due to delays in the capitalization of assets due to unresolved projects currently under investigation. Group Finance: As a result of no major capital acquisition to date.	the budget revision process. The under spending is expected to normalise as the year progresses. Joburg Water: Asset capitalisation will be completed in the current quarter of the financial year. Community Development: Awaiting GFIS to provide outcome of resolution on the investigations. GICT: Expenditure will improve once capital projects are capitalized. Group Finance: The Acting Group CFO has signed the joint re-confirmation of Capital Budget (Furniture Contract for three years). SCM processes will be followed to ensure procurement.
	Finance charges	59 839	City Power: over expenditure is due to more interest paid on bank overdraft, mirror conduit and capex loans as a result of low cash flow. JDA: The over expenditure is due to increases in interest on Sweeping Account arising from less collection from debtors which result in high increase in finance charges.	City Power: The budget reduced by R65 million in the budget adjustment process and the variance is expected to reduce by the end of the financial year. JDA: The expenditure will be normalised at the end of the financial year as the interest will be written off upon preparation of AFS.
	Bulk purchases	(679 059)	City Power - under budget due to less units purchased from both Eskom and Kelvin due to low demand. Load shedding also impacted the units purchased.	Performance on this item will be constantly monitored and necessary adjustment were made during the budget revision process.
	Other materials	1 040 496	Metrobus: The under expenditure is as a result of direct operating expenses that relate to the running of the buses, such as brakes, spare parts, diesel, tyres, anti-freeze etc, that were significantly cut	Metrobus: The entity has undertaken to cease spending and park the fleet otherwise significant damage will be caused to the buses of

			without taking into consideration the operational requirements of the entity. MTC: Due to expenditure on new initiatives started by the entity on behalf of public safety, such as proactive and reactive maintenance of COJ's building's CCTV & access controls, costs for other materials have increased. JTC: The over expenditure is attributable to the cost of sales and hiring expenses, which are linked to the favourable revenue variance. Hospitality and catering during the year entered into a few high value SLA agreements with the City of Johannesburg that led to an increase on the revenue and expenses way above the budgeted amounts.	implementing new ways to cut cost measures. MTC: Project managers have been instructed to pay particular attention to how these initiatives are being funded effectively. JCT: Management will strive to maintain the collaborations and partnership with the City to ensure that the entity generates more revenue in the long run and once JCT is certain that the collaborations are on a permanent basis budget will be adjusted to accordingly
	Contracted services	(1 913 072)	The under expenditure is mainly attributable to the following: Transport Department: Delays in the payment of compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators as a result of delays is finalisation of the taxi operating licenses and operationalisation of JITI and Phase 1 C(a). Housing Department: Due to reversal of accruals for the previous financial year. The negative balance can only be sorted when payment have been processed. Group Finance: The under expenditure is as a result of delays in the acquisition of revenue enhancement, which is now in the early stages and will be finished in the next fiscal year. Other significant factors include low spending on Valuation Courts because of ongoing lawsuits against the Appeal Board regarding their reviews and decisions, Attcol service level agreements that were recently finalized. GICT: Due to under	Transport Department: It is anticipated that there will be a significant expenditure increase as soon as phase 1C(a) and JITI is operationalized. Housing Department: The various departments in the city, together with Joshco and Human Settlement are working to finalize the SLA's so the payment can be effected. Group Finance: Some of the projects are to be deferred to next financial year due to budget cuts, however tender processes were not halted, where applicable as award will take place in the new financial year. The department will continue to monitor the progress of the projects in the remaining month. City Manager: The expenditure is expected to

			spending on contractors as a result of delays in verification and authorization of the work completed. City Manager: Due to under spending on repairs and maintenance, as a result of outstanding invoices from entities that have not been processed to date, as well as savings on travel costs. The other contributor is the directorate of GRAS not having a panel for legal in order to conduct probity audit and UIFW investigations projects. City Power: Due to the following: • Consultant fees that are less than the budget due to a decrease in programs undertaken and paid for during the reporting period under review; • Commission paid is less than the budget due to less customers making use of third-party vending payments; Community Development: The under expenditure is mainly as a result of the delays in the procurement of good and services. Pikitup: The under expenditure is due to delays in the procurement process for appointing external contractors that are required for carrying out recycling project.	improve in the coming months. The Legal and Contract Unit is to initiate proactive communication with Core Departments and Municipal Entities, emphasizing the importance of submitting outstanding invoices before the end of the financial year, and the GRAS Directorate has a commitment of R26 million and still awaiting GFIS to submit more invoices in relation to investigations. GICT: Expenditure will improve once contractors are paid. Community Development: Expenditure will improve once the procurement processes are complete. Pikitup: Once procurement processes have been finalised, expenditure is lightly to improve in line with the progression of the project.
	Transfers and subsidies	(129 509)	Economic Development - The under expenditure is due to delays in payment of Public Employment Programme (PEP) grant which was only processed in February 2023. This grant is used to fund the inception of Woza Worx project. Furthermore, there has been no subsequent payment made to the service provider due to contractual disputes.	The department is working on resolving the contractual dispute and ensure timely payments of the Woza Worx project.
	Other expenditure	(899 225)	The underspending is mainly due to the following: City Power: Due to under spending on the following: • Legal expenses due to most	City Power: The expenditure is expected to progress in line with the budget as the year

			of the budget being held under commitments as most legal processes are still underway; • Departmental charges, rates, and services a due to less requests made on vegetation and grass cutting budget; • Advertising, marketing, and public relations costs due to delays in the process of finalising the PR contract that is still underway. City Manager: Due to under spending on revenue grants that is utilised to construct a pipeline of investment-ready capital programs and projects by developing and institutionalizing an effective and efficient system of program and project preparation. This is as a result of the entities' delayed pace in submitting claims, submission of a transaction report to council, the completion of inception reports, as well as the start of building planning and construction. This is also due to no expenditures on the State of City Address. The other contributor is under spending on State of City Address which was postponed until the end of May, and savings on IDP sessions. Transport Department: The under expenditure is due to the delays in executing some of the marketing related planned projects due to supply chain processes, and delays in processing of fleet lease journal by JMPD resulting to 81% budget. Group Finance: Due to under spending of telephone costs, office space rental with an obligation of R26 million as well as printing hire and maintenance rendered by MTC. The variance is also attributable to public participations for IDP/Budget, Rates Policy for the next fiscal year, credit control	progresses. City Manager: The expenditure is expected to improve in the coming months to guarantee prompt payment of claims for project preparation funding. Transport Department: Procurement for marketing related project is underway and the department is in constant engagement with JMPD to process all outstanding fleet related expenditure. The budget will be spent as planned. Group Finance: Avaya telephone installation expenses will be covered by the GICT. The expenditure is to improve in the coming months as SAP was under maintenance in Feb/Mar 2023. Social Development: Constant communication with the implementing user units to proactively plan respective programs and provide invoices for payment timeously. Office of the Speaker: In the following months, the expenditure will improve as SOCA is scheduled to take on the 30-31st May 2023, Budget Speech on the 13/14 June 2023, IDP/Budget Public participation are scheduled to conclude towards the end of May 2023 and s79 committees will be having workshops soon. GICT: Expenditure is

			campaigns not yet finalized. Social Development: Due to under spending on the following items: Food purchases; Fleet lease; and cleaning services. Office of the Speaker: The under spending is due to the key initiatives such as IDP/Budget public involvement, SOCA scheduled to take place in the fourth quarter, no workshop for councillors has taken place, and no cleaning services have been supplied to date. GICT: The under expenditure emanates from savings incurred on rental expenses. Software licences currently reflect savings, however expenditure on software licenses is already committed.	expected to improve on the Software licenses and rental costs in the upcoming months.

Table SC3: Aged debtors' analysis

Revenue data was unavailable at the time of compiling the report for the month under review due to ongoing maintenance exercise aimed at addressing hardware inconsistencies fixed, and some database discrepancies slowing down the system.

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2022/23									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	1 335 127								1 335 127	2 110 904
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	1 577 874	22 375	40 845	12 527	15 129	66 857	43 594	274 265	2 053 466	1 489 013
Auditor General	0800									–	
Other	0900	1 058 063	48 494	5 836	4 770	104	0	26 716	209 637	1 353 620	1 489 169
Total By Customer Type	1000	3 971 063	70 869	46 681	17 297	15 233	66 857	70 310	483 902	4 742 213	5 089 086

Table SC 10: Parent (Core) municipality's financial performance

JHB City Of Johannesburg - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M10 April

Description	Ref	Budget Year 2022/23							
R thousands	1	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source									
Property rates		14 133 073	14 133 073	1 177 625	12 130 863	11 777 560	353 303	3%	14 133 073
Service charges - electricity revenue		–	–	–	–	–	–		–
Service charges - water revenue		–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–		–
Service charges - refuse revenue		–	–	(6)	7	–	7	#DIV/0!	–
Rental of facilities and equipment		181 295	136 164	4 610	46 180	113 470	(67 290)	-59%	136 164
Interest earned - external investments		173 003	140 000	42 409	151 232	116 670	34 562	30%	140 000
Interest earned - outstanding debtors		1 429 430	1 362 747	68 318	1 247 136	1 157 552	89 584	8%	1 362 747
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		891 509	396 910	36 608	168 235	330 760	(162 525)	-49%	396 910
Licences and permits		9 180	9 884	91	11 213	8 240	2 973	36%	9 884
Agency services		367 039	367 039	19 954	271 726	305 870	(34 144)	-11%	367 039
Transfers and subsidies		7 619 367	7 587 609	91 314	8 658 321	6 313 974	2 344 347	37%	7 587 609
Other revenue		5 990 814	5 640 532	580 446	2 436 742	4 658 191	(2 221 448)	-48%	5 640 532
Gains		5 000	5 000	–	–	4 170	(4 170)	-100%	5 000
Total Revenue (excluding capital transfers and contributions)		30 799 710	29 778 958	2 021 370	25 121 655	24 786 457	335 198	1%	29 778 958
Expenditure By Type									–
Employee related costs		10 606 290	9 656 277	808 894	8 668 659	8 045 049	623 611	8%	9 856 277
Remuneration of councillors		185 164	185 164	14 583	150 668	154 300	(3 632)	-2%	185 164
Debt impairment		1 682 590	1 693 039	36 968	673 461	1 410 860	(737 419)	-52%	1 693 039
Depreciation & asset impairment		3 068 154	3 090 243	226 174	2 234 471	2 573 718	(339 247)	-13%	3 090 243
Finance charges		2 857 130	2 652 460	212 641	2 075 528	2 210 388	(134 860)	-6%	2 652 460
Bulk purchases - electricity		–	–	–	–	–	–		–
Inventory consumed		50 757	63 114	2 762	15 868	52 513	(36 645)	-70%	63 114
Contracted services		3 754 971	3 186 633	146 396	996 755	2 650 786	(1 654 031)	-62%	3 186 633
Transfers and subsidies		5 734 617	5 030 093	260 598	4 128 855	4 182 350	(53 495)	-1%	5 030 093
Other expenditure		4 127 554	4 270 879	237 590	2 278 187	3 591 870	(1 313 682)	-37%	4 270 879
Losses		–	–	5 681	9 963	–	9 963	#DIV/0!	–
Total Expenditure		32 067 127	29 827 901	1 952 286	21 232 415	24 871 853	(3 639 438)	-15%	29 827 901
Surplus/(Deficit)		(1 267 417)	(48 943)	69 084	3 889 240	(85 396)	3 974 637	-4654%	(48 943)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 527 683	1 574 033	48 518	387 502	1 311 700	(924 198)	-70%	1 574 033
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		175 240	150 148	–	20 065	125 130	(105 065)	-84%	150 148
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		435 506	1 675 238	117 601	4 296 808	1 351 434	2 945 374	218%	1 675 238
Taxation		–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		435 506	1 675 238	117 601	4 296 808	1 351 434	2 945 374	218%	1 675 238

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M10 April

Description	Ref	Budget Year 2022/23							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity									
Pikitup		2 432 093	2 421 500	169 366	2 038 136	2 021 345	16 791	1%	2 421 500
City Power		22 050 766	20 654 490	1 319 861	14 699 321	17 385 549	(2 686 228)	-15%	20 654 490
Johannesburg Water		16 425 832	15 985 023	1 489 637	13 076 274	13 308 674	(232 400)	-2%	15 985 023
Johannesburg Social Housing Company		290 492	257 810	22 629	213 970	214 840	(870)	0%	257 810
Johannesburg Property Company		89 359	77 359	1 417	19 544	64 470	(44 926)	-70%	77 359
Metropolitan Trading Company		56 618	56 618	44 069	201 947	47 190	154 757	328%	56 618
Metrobus		90 475	60 475	5 078	56 085	50 390	5 695	11%	60 475
Johannesburg City Parks and Zoo		86 125	83 269	7 455	63 563	63 419	144	0%	83 269
JDA		82 771	72 027	4 380	33 531	60 020	(26 489)	-44%	72 027
Johannesburg Roads Agency		202 013	133 411	9 701	104 770	111 170	(6 400)		133 411
Joburg City Theatres		53 962	48 962	9 082	64 262	40 810	23 452	57%	48 962
Joburg Market		570 894	612 164	54 262	509 665	510 140	(475)	0%	612 164
Joburg Tourism Company		–	–	424	2 110	–	2 110	#DIV/0!	–
Total Operating Revenue	1	42 431 400	40 463 108	3 137 360	31 083 179	33 878 018	(2 794 839)	-8%	40 463 108
Expenditure By Municipal Entity									–
Pikitup		3 508 805	3 302 411	264 414	2 747 540	2 826 816	(79 276)	-3%	3 302 411
City Power		20 463 037	19 166 293	1 410 897	15 909 705	16 488 795	(579 090)	-4%	19 166 293
Johannesburg Water		13 935 429	13 108 426	1 219 670	12 498 260	10 923 690	1 574 571	14%	13 108 426
Johannesburg Social Housing Company		346 301	304 035	50 488	471 374	253 369	218 005	86%	304 035
Johannesburg Property Company		839 294	771 818	49 210	571 440	643 190	(71 750)	-11%	771 818
Metropolitan Trading Company		420 207	384 975	56 939	616 857	202 150	414 707	205%	384 975
Metrobus		634 761	574 761	60 058	503 754	478 970	24 784	5%	574 761
Johannesburg City Parks and Zoo		1 282 410	1 209 377	90 657	902 728	969 348	(66 620)	-7%	1 209 377
JDA		113 701	102 957	7 770	78 977	85 790	(6 813)	-8%	102 957
Johannesburg Roads Agency		1 662 780	1 368 022	100 599	1 150 907	1 140 027			1 368 022
Joburg City Theatres		244 436	239 436	22 014	213 461	199 530	(6 813)	-3%	239 436
Joburg Market		458 810	509 994	39 480	363 949	425 010	10 880	3%	509 994
Joburg Tourism Company		79 192	62 696	899	10 382	52 240	13 931	27%	62 696
Total Operating Expenditure	2	43 989 163	41 105 200	3 373 095	36 039 335	34 688 925	1 350 410	4%	41 105 200

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M10 April

Month	Budget Year 2022/23							
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	645 077	–	30 712	30 712	645 077	614 365	95%	0%
August	645 077	–	304 609	335 321	1 290 154	954 833	74,0%	4%
September	645 077	–	496 807	832 128	1 935 231	1 103 103	57,0%	11%
October	645 077	–	387 411	1 219 539	2 580 308	1 360 769	52,7%	16%
November	645 077	–	513 430	1 732 969	3 225 385	1 492 416	46%	22%
December	645 077	–	407 546	2 140 515	3 870 462	1 729 947	44,7%	28%
January	645 077	–	214 567	2 355 082	4 515 539	2 160 457	47,8%	30%
February	645 077	–	73 863	2 428 944	5 160 616	2 731 672	52,9%	31%
March	645 077	4 781 415	372 414	2 801 358	4 781 415	1 980 057	41,4%	36%
April	645 077	531 268	475 825	3 277 184	5 312 683	2 035 500	38,3%	42%
May	645 077	531 268	–		–	–		
June	645 077	531 268	–		–	–		
Total Capital expenditure	7 740 924	6 375 220	3 277 184					

It is recommended that

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

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

CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

11072023
SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

12 July 2023

DATE

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

12 July 2023
DATE

SINOVUYO MPAKAMA
GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING

T.R..

25/07/2023
DATE

TEBOGO MORAKA
GROUP CHIEF FINANCIAL OFFICER

15/08/2023
DATE

COUNCILLOR SELLO MORERO
MMC GROUP FINANCE