CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 31 MARCH 2022

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

1. STRATEGIC THRUST

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

- A well-run City.

2. OBJECTIVE

The Accounting Officer is required, in terms of the Municipal Finance Management Act, 2003 (the MFMA (Act No. 56 of 2003)) Section 71, and the Municipal Budget and Reporting Regulations (MBRR) Government Gazette 32141 of 17 April 2009, to submit to the Mayor of a municipality a report in a prescribed format to review the performance of the budget compared to actual results monthly.

This report sets out the progress on the financial performance of the City of Johannesburg against the budget for the period ended 31 March 2022, 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 March 2022 in the prescribed format. Material variances will be briefly referred to in this report. Reasons for variances are provided for material variances that are below 5% for revenue and above 5% for expenditure.

The actual year-to-date revenue variance is -3%, R1.4 billion under performance [March 2021: -1%], the actual operating expenditure is under budget by 3%, R1.7 billion [March 2021: -5%]. The net result is an operating surplus of R572 million against a year-to-date (YTD) budgeted deficit of R355 million.

The approved Capital budget for the 2021/22 financial year amounts to R7.4 billion, adjusted. The total actual expenditure (excluding commitments) to date amounts to R2.3billion (41%) of the approved budget.

The total opening and closing investment balances including cash for the month of March 2022 were R3.3 billion and R6.4 billion respectively. This shows a decrease of R184 million during the month as indicated in Table 1 below.

Mar 22	OPENING	CLOSING
Operational Call Deposits	40 831 478,55	2 739 631 971,44
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	552 326 777,40	442 702 648,19
Absa Primary Account Balance	91 358 466,02	98 472 930,62
TOTAL UNENCUMBERED	**684 516 721,97**	**3 280 807 550,25**
Contingency Reserve Fund	136 177 076,28	136 177 076,28
Unfunded Liability Fund	2 030 000,00	2 030 000,00
COID	200 300 000,00	262 300 000,00
Capital Grants	-	-
Capital Replacement Reserve	16 648 647,92	16 700 372,76
Non-Sweeping Bank Accounts	2 282 529 203,01	2 713 383 910,75
TOTAL ENCUMBERED	**2 637 684 927,21**	**3 130 591 359,79**
TOTAL INVESTMENTS	**3 322 201 649,18**	**6 411 398 910,04**

Table 1: Cash Balances as at 31 March 2022; Source – Bank Statements

Mar 22	OPENING	CLOSING
Cash and Cash Equivalents	1 879 828 813,23	1 889 260 000,00
Interest Rate swaps	47 315 902,52	196 311 000,00
Tradable Instruments Portfolio	1 095 154 966,33	1 090 196 586,80
TOTAL SINKING FUND INVESTMENTS	**3 022 299 682,08**	**3 175 767 586,80**

Table 1a: Sinking Fund Balance as at 31 March 2022: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances increased by R2.6 billion during the course of the month, which was primarily driven by an increase in the operational call deposits portfolio. This is attributable to the movement from the Standard Bank primary account for the grants received.

- Total encumbered balances increased by R493 million during this same period, with the most increase being in the non-sweeping's portfolio. This is due to the movements received in the Absa Revenue Collections accounts. The combined movement resulted in the overall total balance increase of R3.1 billion.

- The combined movement resulted in the overall total balance increase of R3.1 billion. The Sinking Fund balances closed R153 million higher at R3.2 billion, with an increase of R9.4 million in the cash and cash equivalents portfolio, whereas the tradable instruments portfolios resulted in a negative movement of R4.9 million. These movements are in respect of interest received and market movements. The interest rate swaps closed R149 million higher at the end of March 2022.

- Contributions into the Fund were stopped around May 2018. The reason for this was that the Fund was being investigated by GFIS and they wanted minimal movements within the Fund accounts as this could've obscured the context of certain transactions which needed to be investigated. The pause in contributions was for a total period of about 2 years. When it started being visible that the funding position of the fund was being severely compromised as a result of the pause in contributions, these were resumed in 2020/21.

- Total contributions in 2020/21 were R250 million. Contributions in the current year have reached R312 million so far, with at least one more contribution due in the current year. The Fund remains adequately funded for the next three years; however, it must be noted that we will not be able to miss any contributions going forward if we are to maintain the positive funding status.

Cash movements analysis:

Inflows for the month of March amounted to R9.4 billion (including grant receipts of R3.8 billion) versus outflows of R6.3 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 R3.1 billion as depicted in Table 2 below.

Mar 22	
Description	**R '000**
Cash Collections	3 693 959,61
Revenue cash collections paid into Primary and Ordinary bank accounts	163 790,20
Direct Payments into MOE Revenue accounts	11 493,00
Prepaid Collections	139 421,10
Operating Grants and Subsidies	3 778 460,00
Other Income (Interest Received, Vat Refund, Licensing Fees)	810 067,99
Positive Sweepings and Non-Sweeping Movements	805 756,78
Total Cash Inflows	9 402 948,68
Outflows	
Description	**R '000**
Operational and Capital Expenditure and Treasury Transactions*	-6 259 036,23
Negative Sweepings and Non-Sweeping Movements	-54 715,20
Total Cash Outflows	-6 313 751,43
Net Movement	3 089 197,25

Summary Table 2 Cash Movements as at 31 March 2022

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

- Other income includes licensing fees amounting to R130 million and interest received for R14 million.

- The increase in the cash movement from February 2022 to March 2022 was as a result of the outstanding grants received. Also, the expenditure during March was R820 million higher, compared to February.

Profit and cost centres movements analysis

According to the City's business model, key cash generators are City Power, Joburg Water, Pikitup and Rates & Taxes. Cash generators or profit centres fund overall City operations including City cost centres like the Community Development Department. Table 3 below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 31 March 2022 for all MOEs.

As depicted in the sweeping statements for the month ended 31 March 2022, City Power, JDA, Metrobus, Joshco and Propcom Portfolio were overdrawn.

Entity	End of February Balance	Monthly Inflows	Monthly Outflows	Net Movement	End of March Balance
City Power	**-7 039 988 747,65**	2 028 119 478,40	-1 571 425 428,41	456 694 049,99	**-6 583 294 697,66**
Joburg Water	544 057 817,19	1 028 778 648,25	-975 283 100,26	53 495 547,99	597 553 365,18
Pikitup	387 018 687,18	590 960 801,47	-500 048 752,49	90 912 048,98	477 930 736,16
Parks Zoo	772 492 981,02	128 014 433,95	-102 398 835,95	25 615 598,00	798 108 579,02
Fresh Produce	384 708 692,16	26 559 592,29	-39 035 122,10	-12 475 529,81	372 233 162,35
JDA	**-838 133 579,81**	136 554 943,68	-78 859 726,51	57 695 217,17	**-780 438 362,64**
Joshco	**-953 484 926,12**	115 177 185,36	-147 421 343,02	-32 244 157,66	**-985 729 083,78**
Metro Bus	**-284 694 693,47**	64 854 690,75	-83 495 674,31	-18 640 983,56	**-303 335 677,03**
Propcom	269 256 128,25	50 966 546,62	-59 927 472,08	-8 960 925,46	260 295 202,79
Propcom Portfolio	**-216 024 494,47**	8 490 586,63	-3 472 819,71	5 017 766,92	**-211 006 727,55**
Roads	196 277 759,88	318 274 016,05	-280 240 714,36	38 033 301,69	234 311 061,57
MTC	299 939 460,70	45 971 054,16	-24 984 986,64	20 986 067,52	320 925 528,22
Core	9 800 776 564,32	8 652 588 264,61	-6 239 519 005,52	2 413 069 259,09	12 213 845 823,41
Total Sweepings and Balances	**3 322 201 649,18**			**3 089 197 260,86**	**6 411 398 910,04**

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

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

Description	Fresh Produce	Propcom	Metrobus	Joshco
Inflows				
Revenue	-	-	-	-
Grants and Subsidies	-		55 873,67	110 486,44
Other Revenue	46 406,44	62 240,81	11 273,11	10 069,46
Total	**46 406,44**	**62 240,81**	**67 146,78**	**120 555,90**
Outflows				
Salaries	12 795,16	-	-	-
Bulk Purchases	-	-	-	-
General Expenditure	44 972,68	71 202,22	19 658,05	152 800,06
Internal Transfers	1 114,13	-	66 129,72	-
Total	**58 881,97**	**71 202,22**	**85 787,77**	**152 800,06**
Net Movement	**-12 475,53**	**-8 961,42**	**-18 640,98**	**-32 244,15**

Table 3.1: Sweeping movements analysis

The City's cross subsidisation model has ensured that negative balances are covered by positive balances from other entities including core. On an overall basis the City still maintains a positive cash balance. However, the operational challenges that result in the negative balances need to be addressed.

February 2021 Billing & March 2022 Collections; Year to Date Billing & Collections:

	Billing	**Collections (Note 1)**	**%**	**Total Billing**	**Total Collections**	**%**
	Feb 2022	**Mar 2022**		**YTD: Jun'21 to Feb'22**	**YTD: Jul'21 to Mar'22**	
	R 000's	**R 000's**		**R 000's**	**R 000's**	
Assessment Rates	1 173 378	1 303 114	111.1%	10 483 007	10 045 261	95.8%
Electricity	1 349 765	1 545 030	114.5%	15 153 082	14 361 676	94.8%
Water	1 299 733	1 108 948	85.3%	12 261 659	9 304 195	75.9%
Refuse	219 454	216 696	98.7%	2 062 559	1 612 245	78.2%
TOTAL	**4 042 330**	**4 173 788**	**103.3%**	**39 960 307**	**35 323 377**	**88.4%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R4 billion in February 2022 compared to R4.2 billion collected in March 2022. The year-to-date billing as at 28 February 2022 is R40 billion compared to R35.3 billion collected as at 31 March 2022.

Revenue Shared Services has set up a War room in February 2022 with the following objectives:

- Tracking of the City's revenue collection on a daily and weekly basis.
- Monitor the credit control measures by enforcing full credit control actions such as delivery of pre-termination notices and termination of electricity and water against the meter services accounts; and conduct ligation process against unmetered services accounts.
- Fast tracking of the billing queries that hinders collection.
- Monitor and fast track resolution on accounts with court orders for quicker resolution.

Reconciliation between Treasury banking and RSSC collections

Description	Mar 2022	YTD
	R 000's	R 000's
Balance as reported by Treasury	4 008 664	34 355 883
Deposits reflected by Treasury in previous month	103 769	292 578
Refunds, Deposits and Sundry Revenue	-70 207	-462 406
Water: Industrial Effluent and Cross-Boundary Sales	31 043	182 399
Difference in electricity and water prepaid sales	805	-12 558
Non-Cash Items:		
Staff Accounts	5 591	47 879
Departmental Settlements	94 123	919 602
Total Revenue as per Revenue Collection Report	**4 173 788**	**35 323 377**

The March deposits of approximately R104 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		Feb 2022	Mar 2022
Adjusted Budget Billing	R 000	4 584 775	4 749 231
Actual Billing	R 000	4 042 330	4 041 698
Shortfall (-) / Surplus (+) in Billing	R 000	-542 445	-707 533
Adjusted Budget Collection	R 000		4 271 904
Actual Revenue Collection	R 000		4 173 788
Shortfall (-) / Surplus (+) in Collections	R 000		-98 116
Actual Billing vs. Adjusted Budgeted Billing	%	88.2%	85.1%
Actual Collection vs. Adjusted Budgeted Collection	%		97.7%

Budgeted Collection (Mar) vs. Budgeted Billing (Feb)	%		93.2%
Actual Collections (Mar) vs. Actual Billing (Feb)	%		103.3%

The actual billing of R4.2 billion for February 2022 was R542 million below the budgeted billing of R4.6 billion. The actual collection of R4 billion for March 2022 was R707 million below the budgeted collection of R4.7 billion. The collection rate of 103.3% for March 2022 was 10.1% above the budgeted collection rate of 93.2%.

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 August 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 – 09 mSCOA data strings was submitted to the National Treasury on the 14th April 2022, with verification of the data on deadline on the 29th of April 2022.

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:

No	Entity/Department	Operational Expenditure	Capital Expenditure
1	Core (All departments)	Yes	Yes
2	City Power	Yes	Yes
3	Joburg Water	Yes	Yes
4	Pikitup	Yes	Yes
5	Joburg Roads Agency	Yes	Yes
6	Joburg Development Agency	Yes	Yes
7	Metrobus	Yes	Yes
8	Joburg City Parks and Zoo	Yes	Yes
9	Joburg Property Company	Yes	Yes
10	Metro Trading Company	Yes	Yes
11	Joburg City Theatres	Yes	Yes
12	JOSCHO	Yes	Yes
13	Joburg Fresh Produce Market	Yes	Yes

10. KEY PERFORMANCE INDICATOR

In-year budget monitoring in compliance with the MFMA.

It is recommended that

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

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CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

LUFUNO MASHAU
ACTING GROUP HEAD: RSSC

DATE

SINOVUYO MPAKAMA
GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING

6 June 2022
DATE

MANENZHE MANENZHE
GROUP CHIEF FINANCIAL OFFICER

10/6/2022
DATE

Julie Suddaby

COUNCILLOR JULIE SUDDABY
MMC GROUP FINANCE

10 June 2022
DATE

Annexure A

In-Year Report

Budget year: 2021/22

Reporting Period: Month 09

March 2022

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 27 May 2021, Council approved the 2021/22 Medium-term Revenue and Expenditure Framework (MTREF) for the City of Johannesburg. This gives effect to the financial plan of the City of Johannesburg, which includes its entities.

1.2 Executive Summary

The financial results of the City of Johannesburg for period ended 31 March 2022 are summarised as follows:

Consolidated Monthly budget statement - summary

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

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

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

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

The operating revenue that was realized, excluding capital transfers and contributions, reflects a negative variance of R1.4 billion against the YTD budget for the period ended 31 March 2022.

The operating expenditure is underspent by R1.7 billion, against year-to-date expenditure budget of R47.5 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R7.4 billion, adjusted. The actual year to date expenditure (excluding commitments) amounts to R3 billion (41%) while total expenditure including commitments to date amounts to R4.2 billion (57%) of the approved adjusted budget.

Capital Expenditure per funding source as at 31 March 2021:

Description (R million)	Budget 2019/20	YTD Exp	Commit- ments	Total Exp	% Spent
CoJ Loans	2,988	1,651	291	1,942	65%
CRR / Cash	1,578	693	272	965	61%
Nat Grant	777	248	43	291	37%
Prov Grant	-	-	-	-	0%
USDG	1,968	1,110	77	1,187	60%
Other	442	263	113	376	85%
Total CoJ	7,754	3,966	795	4,761	61%

Capital Expenditure per funding source as at 31 March 2022:

Description (R million)	Budget 21/22	YTD Exp	Commit- ments	Total Exp	% Spent
CoJ Loans	2 102	1 108	303	1 411	67%
CRR / Cash	2 599	731	564	1 296	50%
Nat Grant	288	73	47	120	42%
Prov Grant	16	-	0	0	3%
USDG	1 213	752	48	800	66%
USIP	646	183	72	255	39%
Other	519	195	126	321	62%
Total CoJ	7 384	3 043	1 160	4 203	57%

COJ Loans and USDG are the most spent funding sources at 67% and 66% respectively, while Provincial grant is the least spent funding source at 3%. When compared to the previous year overall spending (including commitments) has decreased by 4%.

Consolidated Summary - Capital Expenditure as 31 March 2022:

Description (R million)	Budget 21/22	YTD Exp	Commit- ments	Total Exp	% Spent
City Power	980	404	275	680	69%
Johannesburg Water	1 110	554	-	554	50%
Pikitup	205	83	50	133	65%
Jhb Roads Agency	870	472	26	497	57%
Metrobus	48	15	-	15	32%
Jhb City Parks and Zoo	98	20	7	28	28%
Jhb Development Agency	214	108	-	108	51%
Jhb Property Company	42	10	-	10	24%
Metro Trading Company	34	23	-	23	69%
Joburg Market	159	43	-	43	27%
JOSHCO	628	427	-	427	68%
Joburg City Theatres	12	7	2	8	70%
Total MEs	4 399	2 167	360	2 527	57%

Description (R million)	Budget 21/22	YTD Exp	Commit- ments	Total Exp	% Spent
Economic Development	13	3	-	3	22%
EISD	22	2	0	2	10%
Transportation	415	69	47	115	28%
Community Development	140	7	125	133	95%
Health	70	9	10	19	27%
Social Development	49	16	33	49	100%
Forensic	5	0	5	5	100%
Ombudsman	-	-	-	-	0%
Office of the City Manager	291	23	257	279	96%
Speaker	2	0	-	0	7%
Group ICT	513	115	299	414	81%
Group Finance	6	-	-	-	0%
Group Corporate Services	4	0	0	0	1%
Housing	1 158	506	17	523	45%
Development Planning	157	76	-	76	49%
Public Safety	139	50	7	57	41%
Total Core Administration	2 985	876	800	1 677	56%

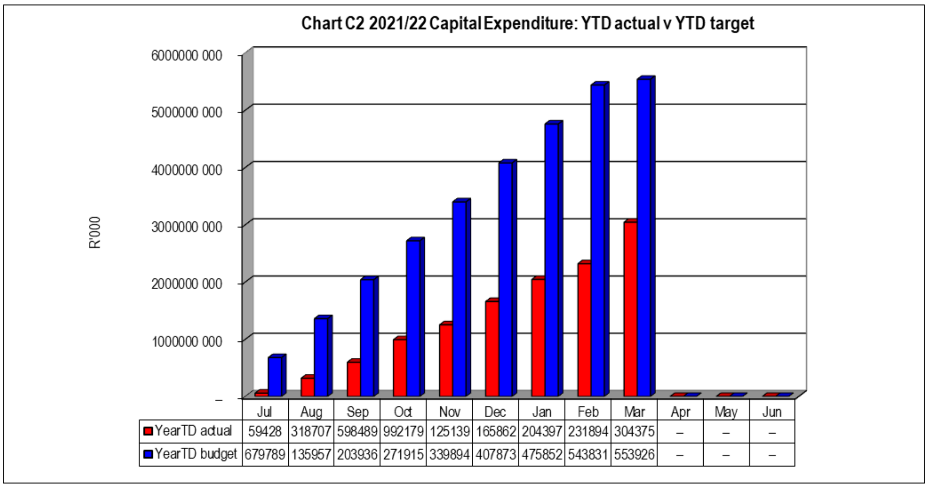
The following departments and entities have low spending:

- Group Finance 0% - main component is valuation roll which is still under procurement
- Group Corporate Services 1% - procurement process still to be finalised for specialised and red fleet which make up the bulk of the budget allocation
- EISD 10%
- Transportation 28% - Work is progressing on the ground however there are delays in the processing of claims for work done by the implementing agent – JDA.
- Speaker 7% - Delays in Procurement

Capital expenditure is monitored through the office of the COO and a progress report is provided quarterly. In addition, Office of the COO is currently hosting session to assist with acceleration of capital spending.

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

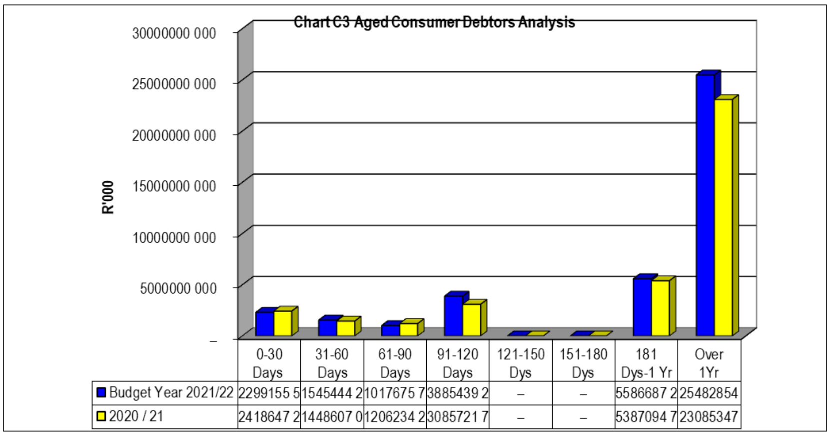
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of March 2022 amount to R 6.4 billion.
- The cash flow from operating activities is R4.9 billion.
- The cash flow from investing activities amount to R4.4 billion; negative
- The cash flow from financing activities amount to R 670 million; negative.

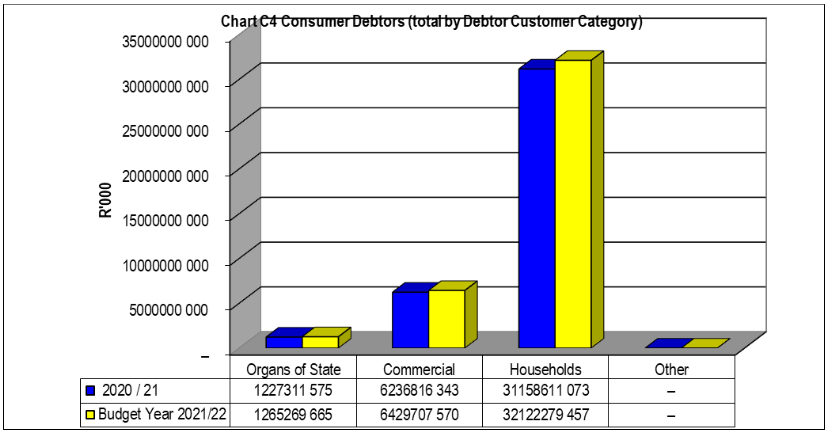
Debtor Age Analysis

The debtors' report, as reflected in Tables C1 and SC3 has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended age analysis, as well as age analysis by debtor type. It must be noted that SAP system is currently not configured to provide service charges figures for the periods over 90 days, however 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 R39.8 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2021/22	2299155 5	1545444 2	1017675 7	3885439 2	–	–	5586687 2	25482854
2020 / 21	2418647 2	1448607 0	1206234 2	3085721 7	–	–	5387094 7	23085347



	Organs of State	Commercial	Households	Other
2020 / 21	1227311 575	6236816 343	31158611 073	–
Budget Year 2021/22	1265269 665	6429707 570	32122279 457	–

Interventions / Actions

The following interventions / actions were implemented during March 2022 to increase collection levels:

(i) 46 796 accounts were identified for delivery of pre-termination notices, total value R9.7 billion of which R89.8 million were collected from 8 305 accounts.

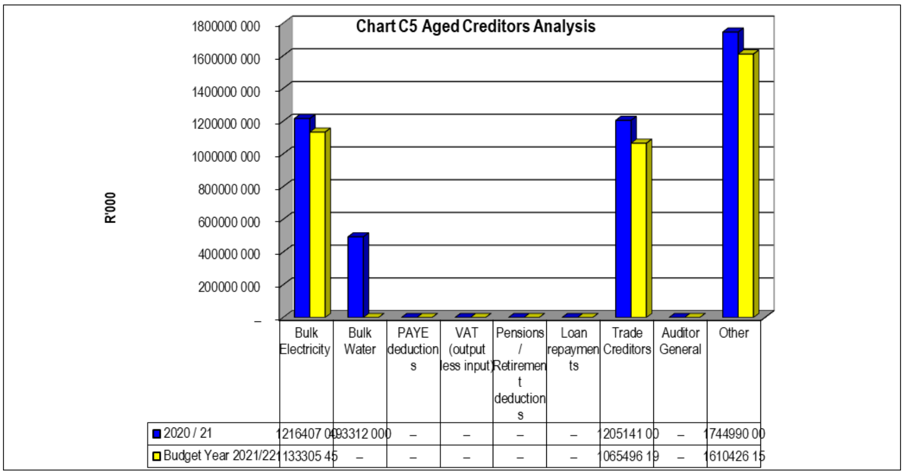
(ii) 32 223 accounts were identified for delivery of final notices, total value R3.1 billion of which R22.9 million were collected from 4 485 accounts.

(iii) 1 316 electricity accounts were identified for disconnections, total value R573 million of which R20.8 million were collected from 452 accounts.

(iv) 6 938 water accounts were identified for disconnections, total value R1.1 billion of which R19.9 million were collected from 1 313 accounts

Creditors’ age analysis

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



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

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

Summary of municipal entities (Table SC11)

The City of Joburg has 12 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 31 March 2022 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 - M09 March

Description	2020 / 21	Budget Year 2021/22							
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	–	13 479 333	13 479 333	1 063 328	10 097 237	9 031 869	1 065 368	12%	13 479 333
Service charges	–	36 859 015	36 589 692	2 562 927	25 141 950	27 413 379	(2 271 429)	-8%	36 589 692
Investment revenue	–	330 905	194 847	16 647	138 130	89 802	48 328	54%	194 847
Transfers and subsidies	–	10 724 018	10 845 567	1 701 406	8 640 955	8 100 592	540 363	7%	10 845 567
Other own revenue	–	4 453 511	4 255 697	360 159	2 381 672	3 200 035	(818 363)	-26%	4 255 697
Total Revenue (excluding capital transfers and contributions)	**–**	**65 846 782**	**65 365 136**	**5 704 468**	**46 399 944**	**47 835 677**	**(1 435 733)**	**-3%**	**65 365 136**
Employee costs	–	17 118 019	17 125 027	1 335 388	12 563 693	12 840 564	(276 871)	-2%	17 125 027
Remuneration of Councillors	–	187 015	176 515	14 048	121 208	124 022	(2 814)	-2%	176 515
Depreciation & asset impairment	–	4 332 706	4 332 676	324 823	2 834 008	3 265 215	(431 207)	-13%	4 332 676
Finance charges	–	3 177 846	2 665 725	213 010	1 890 202	1 541 170	349 031	23%	2 665 725
Inventory consumed and bulk purchases	–	21 396 860	20 891 229	1 410 946	15 828 862	15 789 704	39 158	0%	20 891 229
Transfers and subsidies	–	512 293	175 095	2 971	36 440	131 325	(94 885)	-72%	175 095
Other expenditure	–	18 393 924	18 693 840	1 432 109	12 553 168	13 788 904	(1 235 736)	-9%	18 693 840
Total Expenditure	**–**	**65 118 662**	**64 060 106**	**4 733 295**	**45 827 580**	**47 480 905**	**(1 653 325)**	**-3%**	**64 060 106**
Surplus/(Deficit)	**–**	**728 120**	**1 305 029**	**971 174**	**572 364**	**354 772**	**217 592**	**61%**	**1 305 029**
Transfers and subsidies - capital (monetary allocations) (National / Pro	–	1 972 300	2 163 926	299 263	1 131 507	1 622 797	(491 291)	-30%	2 163 926
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)	–	553 178	518 900	29 039	277 068	349 920	(72 852)	-21%	518 900
Surplus/(Deficit) after capital transfers & contributions	**–**	**3 253 598**	**3 987 855**	**1 299 476**	**1 980 939**	**2 327 489**	**(346 551)**	**-15%**	**3 987 855**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**3 253 598**	**3 987 855**	**1 299 476**	**1 980 939**	**2 327 489**	**(346 551)**	**-15%**	**3 987 855**
Capital expenditure & funds sources									
Capital expenditure	**–**	**8 157 478**	**7 385 681**	**724 807**	**3 042 776**	**7 385 681**	**(4 342 905)**	**-59%**	**7 385 681**
Capital transfers recognised	–	2 525 478	2 682 826	247 245	1 203 529	2 682 826	(1 479 297)	-55%	2 682 826
Borrowing	–	3 032 000	2 101 890	331 772	1 107 836	2 101 890	(994 055)	-47%	2 101 890
Internally generated funds	**–**	**2 600 000**	**2 600 965**	**145 790**	**731 412**	**2 600 965**	**(1 869 553)**	**-72%**	**2 600 965**
Total sources of capital funds	**–**	**8 157 478**	**7 385 681**	**724 807**	**3 042 776**	**7 385 681**	**(4 342 905)**	**-59%**	**7 385 681**
Financial position									
Total current assets	–	17 735 260	20 193 716		53 481 643				20 193 716
Total non current assets	–	89 277 813	88 017 989		96 070 446				88 017 989
Total current liabilities	–	17 208 272	18 099 947		47 924 098				18 099 947
Total non current liabilities	–	27 966 068	27 503 677		42 586 341				27 503 677
Community wealth/Equity	**–**	**64 866 387**	**66 452 102**		**62 877 775**				**66 452 102**
Cash flows									
Net cash from (used) operating	–	6 261 667	6 695 709	3 511 459	4 864 496	4 773 478	(91 017)	-2%	6 695 709
Net cash from (used) investing	–	(8 120 901)	(6 531 588)	(374 767)	(4 391 658)	(6 579 591)	(2 187 933)	33%	(6 531 588)
Net cash from (used) financing	–	1 721 018	733 547	(47 495)	(670 260)	(1 026 371)	(356 111)	35%	733 547
Cash/cash equivalents at the month/year end	**–**	**4 701 465**	**7 542 330**	**6 411 399**	**6 411 399**	**3 812 178**	**(2 599 220)**	**-68%**	**7 542 330**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	2 299 156	1 545 444	1 017 676	3 885 439	–	–	5 586 687	25 482 855	39 817 257
Creditors Age Analysis									
Total Creditors	3 419 157	47 110	19 456	(9 936)	1 769	3 846	137 703	190 124	3 809 228

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 Mar

Description R thousands	Ref	Budget Year 2021/22 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source									
Property rates		13 479 333	13 479 333	1 063 328	10 097 237	9 031 869	1 065 368	12%	13 479 333
Service charges - electricity revenue		20 163 994	19 834 395	1 231 250	12 774 268	14 891 212	(2 116 944)	-14%	19 834 395
Service charges - water revenue		8 908 587	8 908 587	655 024	6 110 992	6 681 438	(570 446)	-9%	8 908 587
Service charges - sanitation revenue		5 544 750	5 544 750	477 140	4 446 539	4 158 567	287 972	7%	5 544 750
Service charges - refuse revenue		2 241 684	2 301 960	199 514	1 810 150	1 682 162	127 988	8%	2 301 960
Rental of facilities and equipment		486 989	489 856	26 906	258 606	362 642	(104 036)	-29%	489 856
Interest earned - external investments		330 905	194 847	16 647	138 130	89 802	48 328	54%	194 847
Interest earned - outstanding debtors		429 081	428 609	33 374	320 238	330 244	(10 007)	-3%	428 609
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		1 118 233	850 355	526	49 774	637 767	(587 993)	-92%	850 355
Licences and permits		8 741	8 741	2 230	7 820	6 561	1 259	19%	8 741
Agency services		350 061	350 061	28 872	258 362	262 548	(4 186)	-2%	350 061
Transfers and subsidies		10 724 018	10 845 567	1 701 406	8 640 955	8 100 592	540 363	7%	10 845 567
Other revenue		2 027 406	2 093 180	272 574	1 491 443	1 574 121	(82 678)	-5%	2 093 180
Gains		33 000	34 895	(4 322)	(4 571)	26 152	(30 723)	-117%	34 895
Total Revenue (excluding capital transfers and contributions)		**65 846 782**	**65 365 136**	**5 704 468**	**46 399 944**	**47 835 677**	**(1 435 733)**	**-3%**	**65 365 136**
									–
Expenditure By Type									–
Employee related costs		17 118 019	17 125 027	1 335 388	12 563 693	12 840 564	(276 871)	-2%	17 125 027
Remuneration of councillors		187 015	176 515	14 048	121 208	124 022	(2 814)	-2%	176 515
Debt impairment		5 183 337	5 318 842	318 954	4 791 689	3 866 766	924 923	24%	5 318 842
Depreciation & asset impairment		4 332 706	4 332 676	324 823	2 834 008	3 265 215	(431 207)	-13%	4 332 676
Finance charges		3 177 846	2 665 725	213 010	1 890 202	1 541 170	349 031	23%	2 665 725
Bulk purchases - electricity		13 700 479	13 700 479	765 280	10 083 010	10 314 392	(231 382)	-2%	13 700 479
Inventory consumed		7 696 381	7 190 750	645 666	5 745 852	5 475 312	270 540	5%	7 190 750
Contracted services		6 499 742	6 818 293	634 476	3 499 152	5 022 553	(1 523 401)	-30%	6 818 293
Transfers and subsidies		512 293	175 095	2 971	36 440	131 325	(94 885)	-72%	175 095
Other expenditure		6 710 513	6 556 403	477 761	4 233 639	4 899 351	(665 712)	-14%	6 556 403
Losses		331	302	918	28 688	234	28 454	12160%	302
Total Expenditure		**65 118 662**	**64 060 106**	**4 733 295**	**45 827 580**	**47 480 905**	**(1 653 325)**	**-3%**	**64 060 106**
Surplus/(Deficit)		**728 120**	**1 305 029**	**971 174**	**572 364**	**354 772**	**217 592**	**0**	**1 305 029**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 972 300	2 163 926	299 263	1 131 507	1 622 797	(491 291)	**(0)**	2 163 926
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		553 178	518 900	29 039	277 068	349 920	(72 852)	**(0)**	518 900
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**3 253 598**	**3 987 855**	**1 299 476**	**1 980 939**	**2 327 489**			**3 987 855**
Taxation		225 944	143 835	–	40 976	151 427	(110 451)	(0)	143 835
Surplus/(Deficit) after taxation		**3 027 654**	**3 844 021**	**1 299 476**	**1 939 962**	**2 176 062**			**3 844 021**
Attributable to minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**3 027 654**	**3 844 021**	**1 299 476**	**1 939 962**	**2 176 062**			**3 844 021**
Share of surplus/ (deficit) of associate		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**3 027 654**	**3 844 021**	**1 299 476**	**1 939 962**	**2 176 062**			**3 844 021**

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March

Description	Ref	Budget Year 2021/22				
R thousands	1	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	Variance
ASSETS						
Current assets						
Cash		2 673 159	4 368 937	3 671 767	4 368 937	697 170
Call investment deposits		2 028 306	3 173 393	2 739 632	3 173 393	433 761
Consumer debtors		8 250 858	8 212 540	21 534 002	8 212 540	(13 321 462)
Other debtors		4 414 989	4 104 555	24 220 244	4 104 555	(20 115 689)
Current portion of long-term receivables		–	–	844 560	–	(844 560)
Inventory		367 949	334 291	471 439	334 291	(137 148)
Total current assets		**17 735 260**	**20 193 716**	**53 481 643**	**20 193 716**	**(33 287 927)**
Non current assets					–	
Long-term receivables		83 899	112 281	3 002 084	112 281	(2 889 803)
Investments		1 108 368	1 085 676	–	1 085 676	1 085 676
Investment property		1 655 336	(630 098)	8 238	(630 098)	(638 337)
Investments in Associate		25 027	23 313	(0)	23 313	23 313
Property, plant and equipment		80 309 661	82 712 559	83 614 340	82 712 559	(901 781)
Agricultural		–	–	–	–	–
Biological assets		640 631	27 748	(805)	27 748	28 553
Intangible assets		3 076 820	1 912 886	(1 955 650)	1 912 886	3 868 535
Other non-current assets		2 378 072	2 773 624	11 402 238	2 773 624	(8 628 614)
Total non current assets		**89 277 813**	**88 017 989**	**96 070 446**	**88 017 989**	**(8 052 456)**
TOTAL ASSETS		**107 013 073**	**108 211 705**	**149 552 089**	**108 211 705**	**(41 340 384)**
LIABILITIES					–	
Current liabilities					–	
Bank overdraft		–	–	–	–	–
Borrowing		3 681 062	3 679 169	835 251	3 679 169	2 843 917
Consumer deposits		20 300	15 249	1 308 858	15 249	(1 293 609)
Trade and other payables		13 096 159	13 826 738	44 826 724	13 826 738	(30 999 987)
Provisions		410 750	578 791	953 265	578 791	(374 473)
Total current liabilities		**17 208 272**	**18 099 947**	**47 924 098**	**18 099 947**	**(29 824 151)**
Non current liabilities					–	
Borrowing		21 105 197	20 628 527	38 930 537	20 628 527	(18 302 010)
Provisions		6 860 871	6 875 150	3 655 803	6 875 150	3 219 346
Total non current liabilities		**27 966 068**	**27 503 677**	**42 586 341**	**27 503 677**	**(15 082 664)**
TOTAL LIABILITIES		**45 174 340**	**45 603 624**	**90 510 439**	**45 603 624**	**(44 906 815)**
NET ASSETS	2	**61 838 733**	**62 608 082**	**59 041 650**	**62 608 082**	**3 566 432**
COMMUNITY WEALTH/EQUITY					–	
Accumulated Surplus/(Deficit)		64 866 387	66 452 102	61 778 401	66 452 102	4 673 701
Reserves		–	–	1 099 373	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**64 866 387**	**66 452 102**	**62 877 775**	**66 452 102**	**4 673 701**

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	Budget Year 2021/22							
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		12 325 853	12 325 853	1 056 886	9 064 294	8 258 976	805 318	10%	12 325 853
Service charges		33 332 217	32 925 700	2 951 778	25 291 588	31 433 970	(6 142 381)	-20%	32 925 700
Other revenue		2 750 139	1 919 221	1 083 991	6 973 806	2 809 765	4 164 041	148%	1 919 221
Transfers and Subsidies - Operational		10 724 018	10 845 567	2 673 965	9 302 788	262 548	9 040 240	3443%	10 845 567
Transfers and Subsidies - Capital		1 972 300	2 163 926	1 104 495	2 929 169	2 012 119	917 049	46%	2 163 926
Interest		720 367	582 498	14 121	160 464	89 802	70 662	79%	582 498
Dividends		–	–				–		–
Payments									
Suppliers and employees		(51 873 087)	(51 226 236)	(5 326 944)	(47 542 722)	(38 421 206)	9 121 516	-24%	(51 226 236)
Finance charges		(3 177 846)	(2 665 725)	(44 366)	(1 291 376)	(1 541 170)	(249 794)	16%	(2 665 725)
Transfers and Grants		(512 293)	(175 095)	(2 466)	(23 516)	(131 325)	(107 810)	82%	(175 095)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**6 261 667**	**6 695 709**	**3 511 459**	**4 864 496**	**4 773 478**	**(91 017)**	**-2%**	**6 695 709**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		585 847	553 493			25 945	(25 945)	-100%	553 493
Decrease (increase) in non-current receivables							–		
Decrease (increase) in non-current investments		(549 270)	300 601			225 450	(225 450)	-100%	300 601
Payments									
Capital assets		(8 157 478)	(7 385 681)	(374 767)	(4 391 658)	(6 830 986)	(2 439 328)	36%	(7 385 681)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(8 120 901)**	**(6 531 588)**	**(374 767)**	**(4 391 658)**	**(6 579 591)**	**(2 187 933)**	**33%**	**(6 531 588)**
CASH FLOWS FROM FINANCING ACTIVITIES									–
Receipts				–	–	–			
Short term loans		–	–	–	–	–	–		
Borrowing long term/refinancing		3 032 000	2 101 890		–	–	–		2 101 890
Increase (decrease) in consumer deposits		201	151			–	–		151
Payments									
Repayment of borrowing		(1 311 183)	(1 368 495)	(47 495)	(670 260)	(1 026 371)	(356 111)	35%	(1 368 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**1 721 018**	**733 547**	**(47 495)**	**(670 260)**	**(1 026 371)**	**(356 111)**	**35%**	**733 547**
									–
NET INCREASE/ (DECREASE) IN CASH HELD		**(138 216)**	**897 668**	**3 089 197**	**3 089 197**	**(2 832 484)**			**897 668**
Cash/cash equivalents at beginning:		4 839 681	6 644 662	3 322 202	3 322 202	6 644 662			6 644 662
Cash/cash equivalents at month/year end:		4 701 465	7 542 330	6 411 399	6 411 399	3 812 178			7 542 330

PART 3: ADDITIONAL SUPPORTING SCHEDULES
Table SC1: Variance reasons

Ref	Description	YTD variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	**Revenue By Source**			
	Property rates	1 065 368	The year-to-date actual is over budget by R1.1 billion. The variance is mainly attributable to a technical error that occurred in the budget projection for month 2 and 3 of the current financial year. The error has resulted in the YTD budget being under stated in comparison with the YTD actual.	The error will be rectified during the special adjustment budget process scheduled to be tabled at the end of May.
	Service charges - electricity revenue	(2 116 944)	The underperformance is mainly as a result of decreased tariffs as well as decreased consumption for all Industrial and Commercial customers as well as a negative impact on the revenue management initiatives due to Covid 19. The increase in total losses also contributed to the unfavourable variance.	City Power has responded to these challenges associated with revenue and non-technical losses with a Revenue Enhancement Strategy. The strategy aims to reduce non-technical losses and increase revenue. It has very 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 initiatives in assisting with the reduction of non-technical losses. • Prepaid Project (smart meter roll-out) • New Services Connections • Post Billing Process Optimization • Alarms • Queries.
	Service charges - water revenue	(570 446)	The underperformance is as a result of a decreased water consumption in business and households as well as the effects of lockdown which has continued to date.	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	287 972	The over performance is due increased billing to business customers as a result of increased sewage water received and treated and furthermore due to additional billing resulting from the outcomes of stand-by-stand audits.	No remedial action.
	Service charges - refuse revenue	127 988	The over performance is as a result of increased billing for Domestic RCR with billing of revenue for non-sectional title properties that were previously billed incorrectly (Project Legogo)	No remedial action.
	Rental of facilities and equipment	(104 036)	The under recovery is due to: Joburg Theatres: have not been operating fully because of regulations put in place to ease the widespread of COVID 19, the restrictions still in	Due to the COVID19 lockdown it is anticipated that the Revenue targeted will not achieved. JCT will continue to observe the situation around regulations imposed by government, and should the

			place that have affected operations at JCT. City power: decrease in revenue received from street pole ads by city power. Joshco: Delay occupancy of 80 Plein Street Joshco project. JPC Portfolio: Due to Covid-19 pandemic, there has been a drop in the intake of new and the renewal of leases for council owned properties and delay in EAC approvals	circumstances change, and the theatre start to operate under normal circumstances, the revenue will improve
	Interest earned - external investments	48 328	Group Finance: The interest rate cut that took place over a year ago remains the biggest contributor to the increasing budget variance. The interest earned is below target by 16% compared to budget. The interest rates have however increased substantially and might improve the variance over time with the available cash surpluses.	The interest income budget has been revised downward (by R147.9 mil) during adjustment budget process to align to the status of the countries' economy and interest rates. Projections will continue to be monitored.
	Fines, penalties, and forfeits	(587 993)	The under recovery is due to: JMPD: The Camera speed contract that expired and a new contract is not in place yet as a result JMPD could only recognise revenue on Bylaws e.g., illegal dumping, illegal connection, land invaders etc (section 56's, Aarto 01 and Aarto 03 citations).	User department to speed up procurement process and while ensuring payments on all our outstanding invoices

	Licences and permits	1 259	EISD: The under recovery is due to less companies' licence fees collected in relation to atmospheric emissions e.g., Exceed Oil CC, First Refiners as well as Energy Joburg. Energy Joburg was appointed as the preferred implementer for the waste to energy project at 10 landfill sites.	This revenue is received when companies pay their licence fees. Revenue will be allocated as and when received.
	Transfers and subsidies	540 363	The variance is due to the last tranches of equitable share grant that and fuel levy that was received in March 2022.	No remedial action.
	Other revenue	(82 678)	The under recovery is due to: JDA: Delays in the implementation of various projects which are delaying the realization of revenue. City Power: Skills development grant is less due to fewer employees making use of the grant as a result of the covid 19 impact. Sundry revenue is less than the budget due to fewer insurance claims registered than projected. Metrobus: Declining economic conditions which has resulted in increased unemployment and less people travelling.	JDA: Management to closely monitor project progress to ensure revenue targets are met. City Power: The revenue is ad-hoc in nature and the actual is expected to increase to expected insurance payment.
	Gains	(30 723)	City Power: The under recovery is due to a loss in pricing difference, as well as incorrect budgeting as	Correct alignment.

			no budget was allocated towards gains on disposal of PPE.	
2	**Expenditure By Type**			
	Employee related costs	(276 871)	The under expenditure is mainly as a result of vacant positions that has not yet been filled in various departments and entities to date.	Human Resources process to be followed to appoint staff for new facilities in process. Utilisation of the YTD budget savings for the filing of critical vacancies, organisational structure, and natural attrition.
	Debt impairment	924 923	The over expenditure is due to: City Power: Decrease in collection level, The year-to-date collection level is 94.45% which was used to determine the debt impairment reported is based on the actual billing against the target level of 97%. Joburg Water: reduced payment levels. The payment level year to date is 75.2% as compared to the budgeted payment level of 79.8% resulting in a higher contribution to Bad Debts. JOSHCO: Debt impairment is 187% above budget due to a low rental collection rate for the leading to a higher provision for bad debts.	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: JWater and RSSC have been working together to reduce the outstanding balance. The numerous meetings have been held with the departments to speed up the collection process. There is slow progress of pre-termination notices and disconnections on government accounts and that result to low collection. Joshco: Improve rental collection through implementing approved revenue collection strategies which includes handover non-paying tenants to appointed debt collecting company and implementing settlement discounts.

	Depreciation & asset impairment	(431 207)	The under expenditure is due to: Community Development: Delays in the capitalization of assets due to unfinished projects currently under investigation by GFIS. Group Corp: Decreasing asset base, budgeted depreciation higher than required. Joburg Market: Assets/projects still under Work in Progress has not yet been capitalized.	The Management will ensure that assets are capitalized before the end of financial year. Constant follow up with project managers is taking place in relation to procurement under Capex in line with the demand plan. Await GFIS to provide outcome of resolution on the investigations.
	Finance charges	349 031	The under expenditure is due to: City Power: Interest on mirror conduit loans is less than the budget due to no mirror conduit funds being deposited into the bank account, thus resulting in the interest payable on conduit loans being less than the budget. Interest on loans is only payable when the funds are deposited into the bank account. JCPZ: Due to outstanding monthly provisions for post-retirement employee benefit interest which is valued at nominal basis.	City Power: Initiatives to reduce financial charges are implemented to reduce finance costs JCPZ: Monthly provisions will be processed. The final amounts will only be determined on receipt of the actuarial report at the end of the financial year.
	Bulk purchases	(231 382)	The under expenditure is due to: City Power: due to an overall decrease in the purchase price per unit of both Eskom and Kevin bulk purchases. Eskom units purchased were also less than the budget, due to a decrease in the	No remedial action.

			demand for electricity. It must be noted that Kelvin's units displaces that of Eskom at Prospect POD.	
	Other materials	270 540	The under expenditure is due to: JPC: New cleaning materials are currently in progress of being purchased and distributed to relevant departments. EMS: the department has just finalised contracts for procuring of various medical services required for the ambulance services as the city will be rendering ambulance services. Health: As a result of insufficient supply of cleaning materials at stores, the department is under spending on this line item.	EMS: The expenditure will improve once the department start purchasing bulk medical item to run the Ambulance services. Health: Expenditure will increase once supply becomes available.
	Contracted services	(1 523 401)	The under expenditure is due to the following: City Manager: no major repairs and maintenance work has been carried out in the buildings, and other legal invoices that still need to be paid. Housing. Due to Eviction matters, Court orders, Contempt of court orders, Requests for reports on alternative accommodation, Summonses and Subpoenas. City Power: Consultant fees are less than the budget due to the slow utilization of consultants in the year and Legal expenses are less than the budget as they	City Manager: The expenditure is expected to improve in the coming months. City Power: Spending on contract services are expected to increase in the third and fourth quarters of the financial year. Transport: It is anticipated that expenditure will start increasing when phase 1Ca is operationalized which will be before June 2022. Health: Payment will be made once audit is completed. Savings have also been identified and budget adjusted accordingly.

			are paid directly by the COJ and there has been delays in the processing of invoices from COJ. Transport: The Department is in the process of completing the verification of handed over taxis for phase 1C(a), concluding compensation contract and finalisation of procurement of busses to release related expenditure. Health: due to unpaid JPC accruals. JPC is undergoing an audit, and as a result, all payments to JPC have been frozen. Repairs and maintenance at various facilities are done on an emergency basis, which has an impact on expenditure patterns. There can be no planned maintenance done at all Health facilities.	JMPD: The Department is Finalising the process of the new speed contract.
	Transfers and subsidies	(94 885)	The under expenditure is due to the following: Community Development: As a result of R5 million allocation to MMC Sponsorship currently in the 1st phase of tender process. City Power: No donations paid to NGOs as well as no contributions to community social investments because of an impact of the Covid 19 pandemic. Social Development: Low expenditure incurred due to processes of appointing NGO's - the report to	:

			approve NGOs was signed by all affected parties and services should start during the third quarter.	
	Other expenditure	(665 712)	The under expenditure is due to the following; City Power : the under expenditure is attributable to the following:• Kelvin lease is less than the budget by R149 million due to City Power and Kelvin having successfully signed an extension of the Power Purchase Agreement based on amended terms that are commercially beneficial to both City Power and Kelvin. • Software licenses - inter-company are less than the budget as software licenses are paid annually and are not due yet. • Departmental charges, rates and services are less than the budget due to less requests made on vegetation and grass cutting budget. Joburg Water: The underspending is mainly attributable to Software Licences, Employee Wellness and Training Courses. Social Development: The under expenditure is as a result of less expenditure taken place on the Support for the homeless project that is still in the early stage of the competitive bidding process. Purchase orders	City Power: Savings realised from Kelvin lease will be channelled towards other items such as security costs, software licences and cut off fees. Joburg Water: No remedial action. Social Development: Follow up with suppliers regarding invoices as well as the various user units regarding implementation of projects. Metrobus: The entity's activities and operations have significantly been impacted by the COVID restrictions this is outside the control of the entity.

			have been created and additional expenditure will be realised during the next quarter. Metro Bus: Major savings on recruitment fees and uniforms. Uniforms are bought on a need's basis. In addition, savings on hiring of buses because the contract with MAN Fleet came to an end and was not renewed, the project is currently on-going savings on publicity because this was centralised through the City as a shared service. Furthermore, savings on IT software costs because Oracle is no longer used after it crashed in August and IT consultants have not yet billed the entity for the implementation of SAGE Accounting system. Finally, the insurance premium invoices from AON have not been received.	
	Loss on disposal of PPE	28 454	JCPZ: The variance is as a result of the losses incurred on mortalities and disposal of Zoo animals as well as fixed assets.	Minimise future losses through better prices and animal and asset care. Align budget with unavoidable normal losses.

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2021/22											
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	665 226	467 997	326 628	1 161 187			1 974 523	8 577 346	13 172 908	11 713 057	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	730 582	437 669	211 637	961 773			1 109 138	3 506 657	6 957 457	5 577 569	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	325 235	261 980	175 691	680 660			1 207 143	5 116 575	7 767 284	7 004 378	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	442 506	267 496	208 980	765 778			874 381	4 456 185	7 015 326	6 096 344	–	–
Receivables from Exchange Transactions - Waste Management	1600	140 682	101 218	85 960	290 198			413 017	2 962 762	3 993 837	3 665 977	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 076)	9 084	8 779	25 843			8 485	863 329	910 444	897 657	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	**2000**	**2 299 156**	**1 545 444**	**1 017 676**	**3 885 439**	**–**	**–**	**5 586 687**	**25 482 855**	**39 817 257**	**34 954 981**	**–**	**–**
2021/22 - totals only		2 418 647	1 448 607	1 206 234	3 085 722	–	–	5 387 095	23 085 348	36 631 653	**31 558 164**	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	7 719	10 908	23 060	92 305	–	–	171 916	959 363	1 265 270	1 223 583	–	–
Commercial	2300	658 154	329 834	175 529	671 360	–	–	927 993	3 666 838	6 429 708	5 266 191	–	–
Households	2400	1 633 283	1 204 702	819 087	3 121 775	–	–	4 486 778	20 856 654	32 122 279	28 465 207	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**2 299 156**	**1 545 444**	**1 017 676**	**3 885 439**	**–**	**–**	**5 586 687**	**25 482 855**	**39 817 257**	**34 954 981**	**–**	**–**

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	1 133 305								**1 133 305**	1 216 407
Bulk Water	0200									–	493 312
PAYE deductions	0300									–	–
VAT (output less input)	0400									–	–
Pensions / Retirement deductions	0500									–	–
Loan repayments	0600									–	–
Trade Creditors	0700	964 801	4 811	521	118	–	908	74 263	20 074	**1 065 496**	1 205 141
Auditor General	0800									–	–
Other	0900	1 321 050	42 299	18 935	(10 054)	1 769	2 938	63 440	170 050	**1 610 426**	1 744 990
Total By Customer Type	**1000**	**3 419 157**	**47 110**	**19 456**	**(9 936)**	**1 769**	**3 846**	**137 703**	**190 124**	**3 809 228**	4 659 850

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

Table SC11: Summary of municipal entities performance

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March

Month	2020 / 21	Budget Year 2021/22							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	–	679 790	–	59 429	59 429	679 790	620 361	91%	1%
August	–	679 790	–	259 279	318 708	1 359 580	1 040 872	77%	4%
September	–	679 790	–	279 782	598 490	2 039 370	1 440 880	71%	7%
October	–	679 790	–	393 690	992 180	2 719 159	1 726 980	64%	12%
November	–	679 790	–	259 211	1 251 391	3 398 949	2 147 558	63%	15%
December	–	679 790	–	407 237	1 658 628	4 078 739	2 420 111	59%	20%
January	–	679 790	–	385 345	2 043 972	4 758 529	2 714 556	57%	25%
February	–	679 790	4 923 787	274 974	2 318 946	5 438 319	3 119 373	57%	28%
March	–	679 790	615 473	724 807	3 043 753	5 539 261	2 495 507	45%	37%
April	–	679 790	615 473	–		–	–		
May	–	679 790	615 473	–		–	–		
June	–	679 790	615 473	–		–	–		
Total Capital expenditure	**–**	**8 157 478**	**7 385 681**	**3 043 753**					