CITY OF JOHANNESBURG

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 28 FEBRUARY 2022

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2022

1. STRATEGIC THRUST

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 28 February 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 February 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 -7%, R2.9 billion under performance [February 2021: 2%], the actual operating expenditure is under budget by 4%, R1.8 billion [February 2021: -5%]. The net result is an operating deficit of R399 million against a year-to-date (YTD) budgeted deficit of R729 million.

The approved Capital budget for the 2021/22 financial year amounts to R8.2 billion. The total actual expenditure (excluding commitments) to date amounts to R2.3billion (28%) of the approved budget.

The total opening and closing investment balances including cash for the month of February 2022 were R3.5 billion and R3.3 billion respectively. This shows a decrease of R184 million during the month as indicated in Table 1 below.

Feb 22	OPENING	CLOSING
Operational Call Deposits	40 726 791,39	40 831 478,55
Operational Term Deposits	-	-
Standard Bank Primary Account Balance	723 377 816,20	552 326 777,40
Absa Primary Account Balance	3 017 801,80	91 358 466,02
TOTAL UNENCUMBERED	**767 122 409,39**	**684 516 721,97**
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	200 300 000,00
Capital Grants	-	-
Capital Replacement Reserve	16 594 635,79	16 648 647,92
Non-Sweeping Bank Accounts	2 383 794 166,20	2 282 529 203,01
TOTAL ENCUMBERED	**2 738 895 878,27**	**2 637 684 927,21**
TOTAL INVESTMENTS	**3 506 018 287,66**	**3 322 201 649,18**

Table 1: Cash Balances as at 28 February 2022; Source – Bank Statements

Feb 22	OPENING	CLOSING
Cash and Cash Equivalents	1 860 007 594,48	1 874 461 145,81
Tradable Instruments Portfolio	1 091 931 277,11	1 099 507 531,26
TOTAL SINKING FUND INVESTMENTS	**2 951 938 872,59**	**2 973 968 677,07**

Table 1a: Sinking Fund Balance as at 28 February 2022: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R83 million during the month, which was primarily driven by a decrease in the primary accounts. This is attributable to the movement in the STD Bank primary account, to cover the daily operational activities.

- Total encumbered balances decreased by R101 million during this same period, with the most decrease being in the non-sweeping's portfolio due to the movement of R421 million from the Bulk Contributions account. The combined movement resulted in the overall total balance decrease of R184 million.

- The Sinking Fund balances closed R22 million higher at R3 billion, with an increase in both the cash and cash equivalents and tradable instruments portfolios, as result of interest received and market movements.

- In addition, 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 have obscured the context of certain transactions which needed to be investigated. The pause in contributions was for a total period of 2 years. When it started being visible that the funding position of the fund was being severely compromised because of the pause in contributions, contributions were resumed in 2020/21.

- Total contributions to the Sinking Fund 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 the City will not be able to miss any contributions going forward if the City wishes to maintain the positive funding status.

Cash movements analysis:

Inflows for the month of February amounted to R5.3 billion (inclusive of R143 million received in grants and subsidies) versus outflows of R5.5 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was a decrease of R184 million made up as depicted in Table 1.1.

Feb 22	
Description	**R '000**
Cash Collections	3 539 537,27
Revenue cash collections paid into Primary and Ordinary bank accounts	181 268,78
Direct Payments into MOE Revenue accounts	11 272,85
Prepaid Collections	126 180,08
Operating Grants and Subsidies	143 118,80
Other Income (Interest Received, Vat Refund, Licensing Fees)	607 073,91
Positive Sweepings and Non-Sweeping Movements	700 353,25
Total Cash Inflows	5 308 804,95
Outflows	
Description	**R '000**
Operational and Capital Expenditure and Treasury Transactions*	-5 020 336,90
Negative Sweepings and Non-Sweeping Movements	-472 284,69
Total Cash Outflows	-5 492 621,59
Net Movement	-183 816,64

Summary Table 1.1 Cash Movements as at 28 February 2022

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

- Other income includes licensing fees amounting to R131 million, VAT Refund of R67 million and interest received for R16 million.

- The decline in the cash movement from January 2022 to February 2022 was as a result of a shortfall in revenue cash collections and grant receipts. Also, the expenditure during February 2022 was R596m higher, compared to January 2022. The projected grants received in February amounting to R 1.1 billion did not realize as stipulated in the DORA payment schedule, due to slow expenditure incurred.

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 28 February 2022 for all MOEs.

As depicted in the sweeping statements for the month ended 28 February 2022, City Power, JDA, Metrobus, Joshco and Propcom Portfolio were overdrawn.

Entity	End of January Balance	Monthly Inflows	Monthly Outflows	Net Movement	End of February Balance
City Power	**-6 731 049 639,83**	724 323 877,89	-1 033 262 985,71	-308 939 107,82	**-7 039 988 747,65**
Joburg Water	331 022 994,64	1 108 934 552,32	-895 899 729,77	213 034 822,55	544 057 817,19
Pikitup	278 940 046,91	259 565 091,29	-151 486 451,02	108 078 640,27	387 018 687,18
Parks Zoo	782 284 306,47	78 883 315,74	-88 674 641,19	-9 791 325,45	772 492 981,02
Fresh Produce	382 522 160,49	23 974 203,97	-21 787 672,30	2 186 531,67	384 708 692,16
JDA	**-839 079 761,51**	48 947 553,42	-48 001 371,72	946 181,70	**-838 133 579,81**
Joshco	**-1 008 747 520,76**	138 409 645,13	-83 147 050,49	55 262 594,64	**-953 484 926,12**
Metro Bus	**-210 112 967,57**	89 356 154,96	-163 937 880,86	-74 581 725,90	**-284 694 693,47**
Propcom	223 857 909,29	64 515 026,65	-19 116 807,69	45 398 218,96	269 256 128,25
Propcom Portfolio	**-224 531 872,63**	9 612 219,32	-1 104 841,16	8 507 378,16	**-216 024 494,47**
Roads	143 316 270,73	283 890 069,89	-230 928 580,74	52 961 489,15	196 277 759,88
MTC	403 749 735,12	55 624 149,76	-159 434 424,18	-103 810 274,42	299 939 460,70
Core	9 973 846 626,31	5 303 075 479,79	-5 476 145 541,78	-173 070 061,99	9 800 776 564,32
Total Sweepings and Balances	**3 506 018 287,66**			**-183 816 638,48**	**3 322 201 649,18**

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

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 and these include but are not limited to:

- City Power sweeping account was positive from 2016 to 2017. From 2018 to date the sweeping account has been negative due to a great mismatch in funding sources for its CAPEX; 16% from grants, 12% from long term loans, 71% from short-term funds. The bank overdrafts have constituted a significant portion of sources of funding for

CAPEX. The city as the shareholder is still to approve the proposals including whether to provide additional funding required for some of the turnaround interventions.

- Joshco has been experiencing consistent low rental collection levels for the social housing units and commercial tenant debtors over the past couple of years. The collection rate has dropped to 56% as at quarter 2 of financial year 2021/22. This has negatively affected our cashflow. In order to diversify and improve JOSHCO's revenue, the entity is currently executing projects on behalf of other departments in COJ, and the entities and departments pay a management fee. The procurement and award of suppliers is done by JOSCHO which makes the entity responsible for payment. In order to be compliant with the 30-day payment to suppliers' requirement, we pay the suppliers and then claim from the respective department. This has also affected our cashflow.

  In addition, evictions have been intensified for residential and commercial debtors, to reduce non-payment in our buildings. The shareholder has also been requested the city for additional debt collectors for us to expand the resources for collection of debt.

- Metrobus is in overdraft due to a historical bus financing model, where the City advanced a loan to Metrobus for the purchase of buses while the entity does not generate surpluses from which to repay the loan. It must however be noted that the negative sweeping balance has been on declining trend.

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

	Billing	Collections (Note 1)	%	Total Billing	Total Collections	%
	Jan 2022	Feb 2022		YTD: Jun'21 to Jan'22	YTD: Jul'21 to Feb'22	
	R 000's	R 000's		R 000's	R 000's	
Assessment Rates	1 161 581	1 151 609	99.1%	9 309 629	8 742 147	93.9%
Electricity	1 477 382	1 601 563	108.4%	13 803 317	12 816 646	92.9%
Water	1 336 097	1 174 174	87.9%	10 961 926	8 195 247	74.8%
Refuse	227 772	177 445	77.9%	1 843 105	1 395 549	75.7%
TOTAL	**4 202 832**	**4 104 791**	**97.7%**	**35 917 977**	**31 149 589**	**86.7%**
Note 1: Receipts are generally allocated to services in proportion to the total debt outstanding on an account.						

The city billed R4.2 billion in January 2022 compared to R4.1 billion collected in February 2022. The year-to-date billing as at 31 January 2022 is R35.9 billion compared to R31.1 billion collected as at 28 February 2022.

Reconciliation between Treasury banking and RSSC collections

Description	Feb 2022	YTD
	R 000's	R 000's
Balance as reported by Treasury	3 858 259	30 347 219
Deposits reflected by Treasury in previous month	177 739	188 809
Refunds, Deposits and Sundry Revenue	-47 460	-392 199
Water: Industrial Effluent and Cross-Boundary Sales	22 038	151 356
Difference in electricity and water prepaid sales	-522	-13 363
Non-Cash Items:		
Staff Accounts	6 209	42 288
Departmental Settlements	88 528	825 479
Total Revenue as per Revenue Collection Report	**4 104 791**	**31 149 589**

The February deposits of approximately R178 million are mainly as a result of the monthly timing differences that occur due to electronic payments received at the end of the month and reflected on the Treasury Bank Statement for that month. These deposits are uploaded to the accounts and will only reflect in the following month on the RSSC Revenue Collections Report.

Revenue Performance: Actual vs. Budget

Description		Jan 2022	Feb 2022
Budget Billing	R 000	4 594 850	4 584 775
Actual Billing	R 000	4 202 832	4 042 330
Shortfall (-) / Surplus (+) in Billing	R 000	-392 018	-542 445
Budget Collection	R 000		4 154 531
Actual Revenue Collection	R 000		4 104 791
Shortfall (-) / Surplus (+) in Collections	R 000		-49 740
Actual Billing vs. Budgeted Billing	%	91.5%	88.2%
Actual Collection vs. Budgeted Collection	%		98.8%
Budgeted Collection (Feb) vs. Budgeted Billing (Jan)	%		90.4%
Actual Collections (Feb) vs. Actual Billing (Jan)	%		97.7%

The actual billing of R4.2 billion for January 2022 was R392 million below the budgeted billing of R4.6 billion. The actual collection of R4.1 billion for February 2022 was R542 million below the budgeted collection of R4.2 billion. The collection rate of 97.7% for February 2022 was 7.3% above the budgeted collection rate of 90.4%.

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 – 08 mSCOA data strings was submitted to the National Treasury on the 14th of March 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

11.05.2022
DATE

LUFUNO MASHAU
ACTING GROUP HEAD: RSSC

11 May 2022
DATE

SINOVUYO MPAKAMA
GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING

11/05/2022
DATE

MANENZHE MANENZHE
GROUP CHIEF FINANCIAL OFFICER

Julie Suddaby

12 May 2022
DATE

COUNCILLOR JULIE SUDDABY
MMC GROUP FINANCE

Annexure A

In-Year Report

Budget year: 2021/22

Reporting Period: Month 08

February 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 28 February 2022 are summarised as follows:

<u>Consolidated Monthly budget statement - summary</u>

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 R2.9 billion against the YTD budget for the period ended 28 February 2022.

The operating expenditure is underspent by R1.8 billion, against year-to-date expenditure budget of R42.9 billion.

<u>Summary of Capital Expenditure</u>

The following tables show the total budget (including that of the municipal entities) of R8.2 billion. The actual year to date expenditure (excluding commitments) amounts to R2.3billion (28%) while total expenditure including commitments to date amounts to R3.1 billion (39%) of the approved budget.

Capital Expenditure per funding source as at 28 February 2021:

Description (R million)	Budget 20/21	YTD Exp	Commit-ments	Total Exp	% Spent
CoJ Loans	3,000	746	144	890	30%
CRR / Cash	1,845	456	204	659	36%
Nat Grant	381	104	-	104	27%
Prov Grant	-	-	-	-	0%
USDG	1,668	775	10	784	47%
Other	384	212	104	316	82%
Total CoJ	7,278	2,293	461	2,754	38%

Capital Expenditure per funding source as at 28 February 2022:

Description (R million)	Budget 21/22	YTD Exp	Commit-ments	Total Exp	% Spent
CoJ Loans	3 032	796	193	989	33%
CRR / Cash	2 600	567	377	944	36%
Nat Grant	113	32	-	32	28%
Prov Grant	-	-	-	-	0%
USDG	1 213	577	75	652	54%
USIP	646	160	67	228	35%
Other	553	187	114	301	54%
Total CoJ	8 157	2 319	826	3 145	39%

USDG is the highest spending funding source at 54%, while National grant is the least spent funding source at 28%. When compared to the previous year overall spending (including commitments) has increase by 1%.

Consolidated Summary - Capital Expenditure as 28 February 2022:

Description (R million)	Budget 21/22	YTD Exp	Commit-ments	Total Exp	% Spent
City Power	950	327	236	563	59%
Johannesburg Water	1 141	444	-	444	39%
Pikitup	180	62	40	102	57%
Jhb Roads Agency	733	369	32	401	55%
Metrobus	148	11	-	11	8%
Jhb City Parks and Zoo	103	20	6	26	25%
Jhb Development Agency	214	85	-	85	40%
Jhb Property Company	57	17	-	17	30%
Metro Trading Company	34	23	-	23	69%
Joburg Market	80	31	-	31	39%
JOSHCO	648	271	-	271	42%
Joburg City Theatres	12	7	2	8	70%
Total MEs	4 297	1 666	316	1 982	46%

Description (R million)	Budget 21/22	YTD Exp	Commit-ments	Total Exp	% Spent
Economic Development	13	3	-	3	22%
EISD	68	2	0	2	3%
Transportation	400	38	0	38	10%
Community Development	144	7	126	133	92%
Health	119	9	8	16	14%
Social Development	76	16	33	49	65%
Forensic	5	0	5	5	99%
Ombudsman	1	-	-	-	0%
Office of the City Manager	613	4	-	4	1%
Speaker	5	0	-	0	2%
Group ICT	556	84	299	383	69%
Group Finance	28	-	-	-	0%
Group Corporate Services	355	0	0	0	0%
Housing	1 159	367	34	401	35%
Development Planning	150	70	-	70	47%
Public Safety	169	53	4	57	34%
Total Core Administration	3 861	653	510	1 163	30%

The following departments and entities have low spending:

- Ombudsman 0% - Procurement still in progress.
- Group Finance 0% - main component is valuation roll which is still under procurement
- Group Corporate Services 0% - procurement process still to be finalised for specialised and red fleet which make up the bulk of the budget allocation
- EISD 3%
- Transportation 10% - Work is progressing on the ground however there are delays in the processing of claims for work done by the implementing agent – JDA.
- Office of the City Manager 1% - Main components of the budget relate to turnkey projects for Orange Farm, Ivory Park and Kliptown. Work is being implemented by various implementing agents e.g., JRA and JDA who must still process claims for work down. Projects cashflows will be assessed in the adjustment budget to align budget for the remainder of the year with what is realistic to spend in the remaining months. During the adjustment budget process the department reviewed performance on all turnkey projects with a view of ensuring accurate representation of work done to date. A correction was therefore done to previously reported commitments in line with validations done.
- Speaker 2% - Delays in Procurement

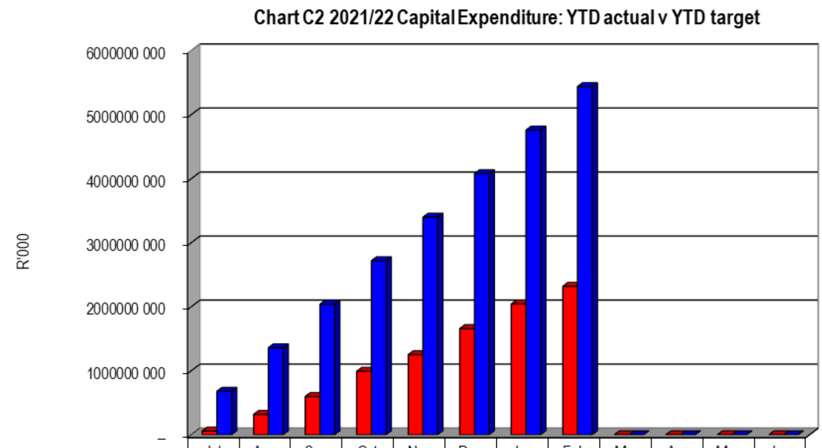
- Metrobus 8% - delays in procurement of the Automated fare collection project which may need to be deferred to the next financial year based on progress to date.

During the adjustment budget period, reallocation for projects with no spending and low spending will be considered and redirected to projects that have the potential for accelerated spending. Projects with no commitments may be considered for deferment to the financial year.

Capital expenditure is monitored through the office of the COO and a progress report is provided quarterly.

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	59428	318707	598489	992179	125139	165862	204397	231894	–	–	–	–
YearTD budget	679789	135957	203936	271915	339894	407873	475852	543831	–	–	–	–

Cash Flow

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

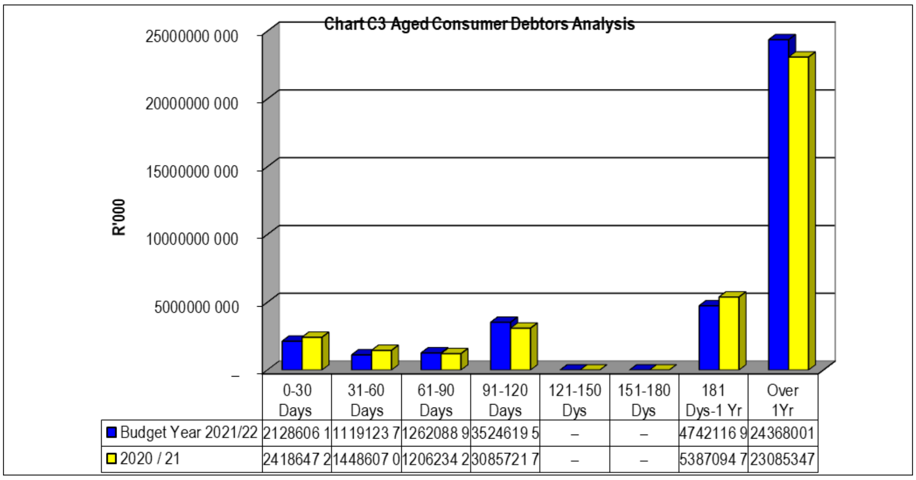
- Cash and Cash equivalents as at the end of February 2022 amount to R 3.3 billion.
- The cash flow from operating activities is R1.4 billion.
- The cash flow from investing activities amount to R4 billion; negative

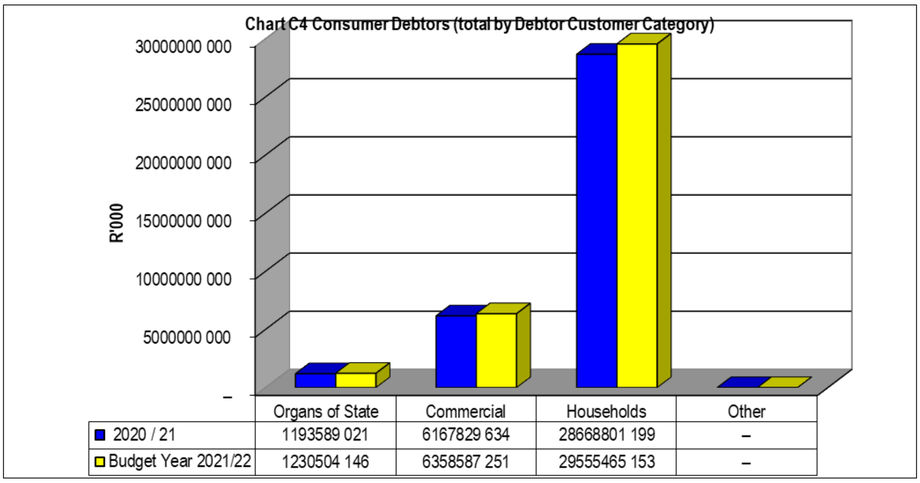
- The cash flow from financing activities amount to R 623 million; negative.

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 R37.1 billion. Chart C3 below illustrates the Consumers debtors age analysis:





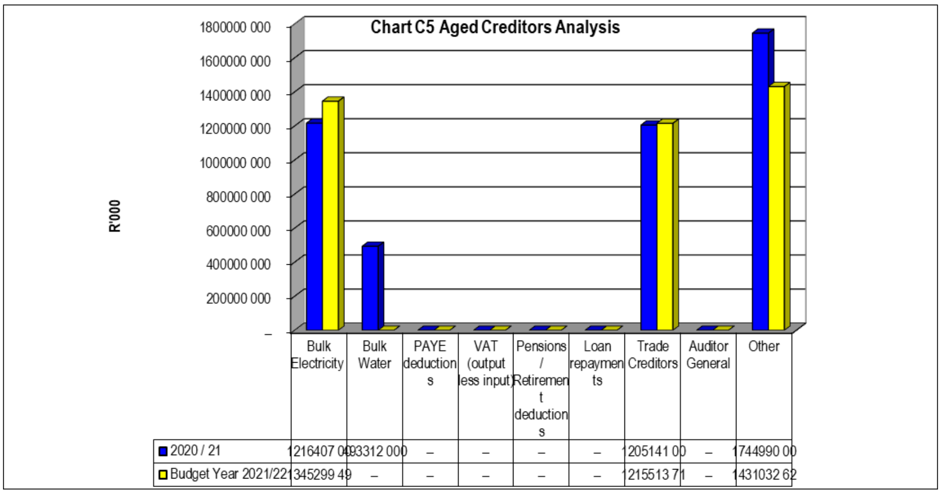
Interventions / Actions

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

- 45 615 accounts were identified for delivery of pre-termination notices, total value R8.2 billion of which R456 million were collected from 17 627 accounts.
- 10 793 electricity accounts were identified for disconnections, total value R2.4 billion of which R246 million were collected from 5 228 accounts.
- 13 314 water accounts were identified for disconnections, total value R1.6 billion of which R746 million were collected from 3 464 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 28 February 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 - M08 February

Description	Budget Year 2021/22							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	13 479 333	–	1 140 795	9 033 909	8 986 222	47 687	1%	13 479 333
Service charges	36 859 015	–	2 465 220	22 579 022	24 317 810	(1 738 788)	-7%	36 589 692
Investment revenue	330 905	–	4 798	121 483	218 755	(97 273)	-44%	194 847
Transfers and subsidies	10 724 018	–	404 258	6 939 549	7 212 191	(272 642)	-4%	10 845 567
Other own revenue	4 453 511	–	213 844	2 021 513	2 895 215	(873 702)	-30%	4 255 697
Total Revenue (excluding capital transfers and contributions)	**65 846 782**	**–**	**4 228 915**	**40 695 476**	**43 630 194**	**(2 934 718)**	**-7%**	**65 365 136**
Employee costs	17 118 019	–	1 300 684	11 228 305	11 704 147	(475 841)	-4%	17 125 027
Remuneration of Councillors	187 015	–	14 073	107 160	124 677	(17 517)	-14%	176 515
Depreciation & asset impairment	4 332 706	–	328 333	2 509 184	2 885 271	(376 086)	-13%	4 332 676
Finance charges	3 177 846	–	190 465	1 677 192	2 117 538	(440 346)	-21%	2 665 725
Inventory consumed and bulk purchases	21 396 860	–	1 609 279	14 417 916	13 566 936	850 979	6%	20 891 229
Transfers and subsidies	512 293	–	(5 332)	33 469	346 471	(313 002)	-90%	175 095
Other expenditure	18 393 924	–	1 176 522	11 121 059	12 156 377	(1 035 318)	-9%	18 693 840
Total Expenditure	**65 118 662**	**–**	**4 614 023**	**41 094 286**	**42 901 417**	**(1 807 131)**	**-4%**	**64 060 106**
Surplus/(Deficit)	**728 120**	**–**	**(385 107)**	**(398 810)**	**728 777**	**(1 127 587)**	**-155%**	**1 305 029**
Transfers and subsidies - capital (monetary allocations) (National / Prov	1 972 300	–	204 808	832 244	1 334 349	(502 106)	-38%	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	–	24 985	248 029	254 133	(6 104)	-2%	518 900
Surplus/(Deficit) after capital transfers & contributions	**3 253 598**	**–**	**(155 314)**	**681 463**	**2 317 260**	**(1 635 797)**	**-71%**	**3 987 855**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**3 253 598**	**–**	**(155 314)**	**681 463**	**2 317 260**	**(1 635 797)**	**-71%**	**3 987 855**
Capital expenditure & funds sources								
Capital expenditure	**8 157 478**	**–**	**274 974**	**2 318 952**	**8 157 478**	**(5 838 526)**	**-72%**	**(4 258 797)**
Capital transfers recognised	2 525 478	–	215 592	956 284	2 525 478	(1 569 194)	-62%	2 525 478
Borrowing	3 032 000	–	122 035	795 795	3 032 000	(2 236 205)	-74%	3 032 000
Internally generated funds	**2 600 000**	**–**	**(62 653)**	**566 873**	**2 600 000**	**(2 033 127)**	**-78%**	**2 600 000**
Total sources of capital funds	**8 157 478**	**–**	**274 974**	**2 318 952**	**8 157 478**	**(5 838 526)**	**-72%**	**8 157 478**
Financial position								
Total current assets	17 735 260	20 193 716		51 618 651				20 193 716
Total non current assets	89 277 813	88 017 989		95 914 814				88 017 989
Total current liabilities	17 208 272	18 099 947		47 020 410				18 099 947
Total non current liabilities	27 966 068	27 503 677		42 953 153				27 503 677
Community wealth/Equity	**(64 847 699)**	**(66 452 102)**		**(59 061 890)**				**(66 452 102)**
Cash flows								
Net cash from (used) operating	6 364 485	–	159 645	1 353 036	3 938 068	2 585 031	66%	6 364 485
Net cash from (used) investing	(7 258 993)	(7 025 317)	(343 462)	(4 016 892)	(5 995 901)	(1 979 009)	33%	(7 258 993)
Net cash from (used) financing	1 161 687	–	–	(622 764)	(912 330)	(289 566)	32%	1 161 687
Cash/cash equivalents at the month/year end	**4 701 465**	**–**	**3 322 202**	**3 322 202**	**3 674 499**	**352 298**	**10%**	**4 701 465**

Debtors & creditors analysis	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	1 119 124	1 262 089	3 524 620	–	–	4 742 117	24 368 001	37 144 557
Creditors Age Analysis								
Total Creditors	30 510	6 927	(1 680)	1 401	84	65 095	288 912	3 991 846

Table C4 - Monthly budget statement – Revenue and expenditure

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

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	–	1 140 795	9 033 909	8 986 222	47 687	1%	13 479 333
Service charges - electricity revenue		20 163 994	–	1 148 983	11 543 018	13 192 555	(1 649 537)	-13%	19 834 395
Service charges - water revenue		8 908 587	–	635 531	5 455 968	5 939 058	(483 090)	-8%	8 908 587
Service charges - sanitation revenue		5 544 750	–	486 254	3 969 399	3 696 500	272 899	7%	5 544 750
Service charges - refuse revenue		2 241 684	–	194 453	1 610 636	1 489 697	120 939	8%	2 301 960
Rental of facilities and equipment		486 989	–	25 580	231 700	310 751	(79 051)	-25%	489 856
Interest earned - external investments		330 905	–	4 798	121 483	218 755	(97 273)	-44%	194 847
Interest earned - outstanding debtors		429 081	–	39 220	286 864	286 070	794	0%	428 609
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		1 118 233	–	10 884	49 249	745 489	(696 240)	-93%	850 355
Licences and permits		8 741	–	369	5 590	5 827	(238)	-4%	8 741
Agency services		350 061	–	25 505	229 491	233 374	(3 883)	-2%	350 061
Transfers and subsidies		10 724 018	–	404 258	6 939 549	7 212 191	(272 642)	-4%	10 845 567
Other revenue		2 027 406	–	110 203	1 218 869	1 302 705	(83 836)	-6%	2 093 180
Gains		33 000	–	2 083	(249)	11 000	(11 249)	-102%	34 895
Total Revenue (excluding capital transfers and contributions)		**65 846 782**	**–**	**4 228 915**	**40 695 476**	**43 630 194**	**(2 934 718)**	**-7%**	**65 365 136**
									–
Expenditure By Type									–
Employee related costs		17 118 019	–	1 300 684	11 228 305	11 704 147	(475 841)	-4%	17 125 027
Remuneration of councillors		187 015	–	14 073	107 160	124 677	(17 517)	-14%	176 515
Debt impairment		5 183 337	–	425 405	4 472 735	3 438 251	1 034 484	30%	5 318 842
Depreciation & asset impairment		4 332 706	–	328 333	2 509 184	2 885 271	(376 086)	-13%	4 332 676
Finance charges		3 177 846	–	190 465	1 677 192	2 117 538	(440 346)	-21%	2 665 725
Bulk purchases - electricity		13 700 479	–	944 065	9 317 730	8 444 326	873 404	10%	13 700 479
Inventory consumed		7 696 381	–	665 214	5 100 186	5 122 610	(22 424)	0%	7 190 750
Contracted services		6 499 742	–	419 101	2 864 677	4 192 576	(1 327 899)	-32%	6 818 293
Transfers and subsidies		512 293	–	(5 332)	33 469	346 471	(313 002)	-90%	175 095
Other expenditure		6 710 513	–	307 410	3 755 877	4 525 327	(769 450)	-17%	6 556 403
Losses		331	–	24 605	27 770	223	27 547	12334%	302
Total Expenditure		**65 118 662**	**–**	**4 614 023**	**41 094 286**	**42 901 417**	**(1 807 131)**	**-4%**	**64 060 106**
Surplus/(Deficit)		**728 120**	**–**	**(385 107)**	**(398 810)**	**728 777**	**(1 127 587)**	**(0)**	**1 305 029**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 972 300	–	204 808	832 244	1 334 349	(502 106)	**(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	–	24 985	248 029	254 133	(6 104)	**(0)**	518 900
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**3 253 598**	**–**	**(155 314)**	**681 463**	**2 317 260**			**3 987 855**
Taxation		225 944	–	–	40 976	150 629	(109 653)	(0)	143 835
Surplus/(Deficit) after taxation		**3 027 654**	**–**	**(155 314)**	**640 487**	**2 166 630**			**3 844 021**
Attributable to minorities		–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**3 027 654**	**–**	**(155 314)**	**640 487**	**2 166 630**			**3 844 021**
Share of surplus/ (deficit) of associate		–	–	–	–	–			–
Surplus/ (Deficit) for the year		**3 027 654**	**–**	**(155 314)**	**640 487**	**2 166 630**			**3 844 021**

Table C6 – Financial Position

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

Description	Ref	Budget Year 2021/22				
		Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	Variance
R thousands	1					
ASSETS						
Current assets						
Cash		2 673 159	–	3 281 370	4 368 937	(608 211)
Call investment deposits		2 028 306	–	40 831	3 173 393	1 987 475
Consumer debtors		8 250 858	–	21 672 473	8 212 540	(13 421 615)
Other debtors		4 414 989	–	25 405 625	4 104 555	(20 990 636)
Current portion of long-term receivables		–	–	765 953	–	(765 953)
Inventory		367 949	–	452 399	334 291	(84 450)
Total current assets		**17 735 260**	**–**	**51 618 651**	**20 193 716**	**(33 883 390)**
Non current assets					–	
Long-term receivables		83 899	–	3 158 044	112 281	(3 074 145)
Investments		1 108 368	–	–	1 085 676	1 108 368
Investment property		1 655 336	–	8 399	(630 098)	1 646 937
Investments in Associate		25 027	–	(0)	23 313	25 027
Property, plant and equipment		80 309 661	–	83 317 542	82 712 559	(3 007 881)
Agricultural		–	–	–	–	–
Biological assets		640 631	–	(805)	27 748	641 435
Intangible assets		3 076 820	–	(1 856 172)	1 912 886	4 932 992
Other non-current assets		2 378 072	–	11 287 806	2 773 624	(8 909 734)
Total non current assets		**89 277 813**	**–**	**95 914 814**	**88 017 989**	**(6 637 001)**
TOTAL ASSETS		**107 013 073**	**–**	**147 533 464**	**108 211 705**	**(40 520 391)**
LIABILITIES					–	
Current liabilities					–	
Bank overdraft		–	–	–	–	–
Borrowing		3 681 062	–	955 591	3 679 169	2 725 471
Consumer deposits		20 300	–	1 300 250	15 249	(1 279 950)
Trade and other payables		13 096 159	–	43 826 549	13 826 738	(30 730 389)
Provisions		410 750	–	938 019	578 791	(527 269)
Total current liabilities		**17 208 272**	**–**	**47 020 410**	**18 099 947**	**(29 812 138)**
Non current liabilities					–	
Borrowing		21 105 197	–	39 310 682	20 628 527	(18 205 485)
Provisions		6 860 871	–	3 642 471	6 875 150	3 218 400
Total non current liabilities		**27 966 068**	**–**	**42 953 153**	**27 503 677**	**(14 987 085)**
TOTAL LIABILITIES		**45 174 340**	**–**	**89 973 562**	**45 603 624**	**(44 799 223)**
NET ASSETS	2	**61 838 733**	**–**	**57 559 902**	**62 608 082**	**4 278 831**
COMMUNITY WEALTH/EQUITY					–	
Accumulated Surplus/(Deficit)		(64 847 699)	–	(60 161 264)	(66 452 102)	(4 686 436)
Reserves		–	–	1 099 373	–	(1 099 373)
TOTAL COMMUNITY WEALTH/EQUITY	2	**(64 847 699)**	**–**	**(59 061 890)**	**(66 452 102)**	**(5 785 809)**

Table C7 – Cash flow

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

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	–	1 067 791	8 007 408	7 231 821	775 587	11%	12 325 853
Service charges		33 332 217	–	2 790 468	22 339 810	27 789 272	(5 449 461)	-20%	33 332 217
Other revenue		2 750 139	–	818 499	5 889 815	2 589 420	3 300 395	127%	2 750 139
Transfers and Subsidies - Operational		10 724 018	–	–	6 628 823	233 376	6 395 447	2740%	10 724 018
Transfers and Subsidies - Capital		1 972 300	–	143 119	1 824 674	1 788 551	36 123	2%	1 972 300
Interest		720 367	–	15 989	146 343	73 748	72 595	98%	720 367
Dividends		–	–				–		–
Payments									
Suppliers and employees		(51 873 087)	–	(4 673 538)	(42 215 778)	(34 333 390)	7 882 387	-23%	(51 873 087)
Finance charges		(3 177 846)	–	–	(1 247 010)	(1 317 997)	(70 986)	5%	(3 177 846)
Transfers and Grants		(512 293)	–	(2 683)	(21 049)	(116 733)	(95 684)	82%	(512 293)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**6 364 485**	**–**	**159 645**	**1 353 036**	**3 938 068**	**2 585 031**	**66%**	**6 364 485**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		585 847	–			23 062	(23 062)	-100%	585 847
Decrease (increase) in non-current receivables			–				–		
Decrease (increase) in non-current investments		(549 270)	–			200 400	(200 400)	-100%	(549 270)
Payments									
Capital assets		(8 157 478)	–	(343 462)	(4 016 892)	(6 219 363)	(2 202 471)	35%	(8 157 478)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(7 258 993)**	**(7 025 317)**	**(343 462)**	**(4 016 892)**	**(5 995 901)**	**(1 979 009)**	**33%**	**(7 258 993)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	–	–	–		–
Borrowing long term/refinancing		3 032 000	–		–	–	–		3 032 000
Increase (decrease) in consumer deposits		201	151			–	–		201
Payments									
Repayment of borrowing		(1 311 183)	–	–	(622 764)	(912 330)	(289 566)	32%	(1 311 183)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**1 161 687**	**–**	**–**	**(622 764)**	**(912 330)**	**(289 566)**	**32%**	**1 161 687**
NET INCREASE/ (DECREASE) IN CASH HELD		**(138 216)**	**–**	**(183 817)**	**(183 817)**	**(2 970 163)**			**(138 216)**
Cash/cash equivalents at beginning:		4 839 681	–	3 506 018	3 506 018	6 644 662			4 839 681
Cash/cash equivalents at month/year end:		4 701 465	–	3 322 202	3 322 202	3 674 499			4 701 465

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	47 687	The year-to-date actual is in line with the year-to-date budget and reflects an under variance of 1% which is less than the 5 % required. Revenue accruals to the value of R 7.3 million which were raised in the Financial Year 2020/2021, were partially reversed in the month for an amount of R 4.27 million. The reversals are only processed when sales are realised in the Billing system. This is done to ensure that the revenue is recognised in the correct accounting period and to avoid duplication of revenue. Rates rebates for the month of February 2022 exceeded the budgeted amount by R 7.35 million.	No action is required.
	Service charges - electricity revenue	(1 649 537)	The underperformance is mainly as a result of decreased consumption for all Industrial and Commercial customers as well as a negative impact on the revenue management initiatives due to Covid 19.	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	(483 090)	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 implemented by RSSC that revenue not billed will be identified and thus remedy the current revenue levels.
	Service charges - sanitation revenue	272 899	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	120 939	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	(79 051)	The underperformance is due to: **Joburg Theatres:** the entity has not been operating fully because of regulations put in place to ease the widespread	Due to the COVID19 lockdown it is anticipated that the Revenue target will not achieved. JCT will continue to observe the situation around regulations imposed by

			of COVID 19, Restrictions are still in place that has an effected-on 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. J**PC 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	government, and should the circumstances change, and the theatre start to operate under normal circumstances, the revenue will improve.
	Interest earned - external investments	(97 273)	The underperformance is due to: **Joburg market:** lower interest rate compared to budgeted interest rates	No remedial action.
	Interest earned - outstanding debtors	794	The over performance is due to increased interest charge on outstanding debtor's book as a result of decreased collections.	Measures to improve collections are currently being implemented by COJ.
	Fines, penalties, and forfeits	(696 240)	The under budget is due to: **Community Development:** Some Community Development facilities closed because of COVID 19. **JMPD:** The Camera speed contract that expired and a new contract is not in place, yet 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).	Due to the COVID19 lockdown it is anticipated that the targeted Revenue will not achieve, resulting in the under recovery of income. The departments will be processing outstanding invoices from the previous contract and signing of the new Service Level Agreement for speed cameras.
	Licences and permits	(238)	**EISD:** The underperformance 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.	This revenue is received when companies pay their licence fees. Revenue will be allocated as and when received.

			Energy Joburg was appointed as the preferred implementer for the waste to energy project at 10 landfill sites.	
	Agency services	(3 883)	**Public Safety:** The underperformance is due to reduced number of hours people spend to renew licences as a result of the Covid-19 pandemic and protest actions at the various DLTC'S around Gauteng	
	Transfers and subsidies	(272 642)	The underperformance is due to: **Development Planning:** The United Nations funding for sole purpose of the global environment funding project not recognised yet, the revenue will be recognized once expense incurred. **EISD:** The implementing Agency (City Power) has not incurred expenditure; therefore, the Energy Efficiency Demand Side Management (EEDSM) grant has not been realised from National Department. **Economic Development:** Expanded Public Works Programme grant expenditure not yet incurred to can recognize the grant revenue.	Expenses to be expensed on a monthly basis in line with a budget mutually agreed to by the donors and the City. The Service Level Agreement has been signed and the department is waiting for City Power to implement and have started with the procurement. R7.5 million allocated to Pikitup in the adjustment budget
	Other revenue	(83 836)	The under budget is due to: **Community Development:** Some Community Development's facilities closed because of COVID-19. **JDA:** Delays in the implementation of various projects hence delaying the realization of revenue. **City Power:** Fewer insurance claims registered than projected.	**JDA:** Management to closely monitor project progress to ensure revenue targets are met. **City Power**: The actual is expected to increase to expected insurance payment.

			Metrobus: Declining economic conditions which has resulted in increased unemployment and less people travelling. **EMS:** Cancellation of training at the EMS Academy because of COVID 19, the services EMS provides to the community includes physical contact.	
	Gains	(11 249)	**City Power:** The underperformance is due loss in pricing difference	
2	**<u>Expenditure By Type</u>**			
	Employee related costs	(475 841)	The under budget is due to **City Power:** Overtime is less than the budget due to one month's delay in the processing of overtime. worked during the reporting period and the employees working less hours as result of covid-19 pandemic. **Various Departments and Entities:** Due to vacant positions that are in the process of being filled during the current financial year in most departments and entities and leave that is not taken by employees because of covid 19.	Human Resources processes currently underway to appoint staff within the parameters of the moratorium.
	Debt impairment	1 034 484	The over budget is due to: **City Power:** Decrease in collection level, The year-to-date collection level is 92.1% 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 73.1% as compared to the budgeted payment level of 79.8% resulting in a higher contribution to Bad Debts.	The Budgeted amount is based on the budgeted collection rate, and when the collection rate is below the target, there will be an over expenditure in this line item. Revenue Shared Service Centre (RSSC) is the custodian of the Credit Control management process and efforts should be made to collect all amounts billed including long outstanding debt. There is slow progress

			JOSHCO: low rental collection rate for the leading to a higher provision for bad debts.	of pre-termination notices and disconnections on government accounts and that result to low collection. 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	(376 086)	The under budget is due to: **Community Development:** Delays in the capitalization of assets due to unresolved projects currently under investigation by GFIS. **Various Departments and Entities:** No major assets were acquired to date hence no assets have been capitalized. **Group Corp:** Decreasing asset base, budgeted depreciation higher than required. **Joburg Market:** Assets/projects still under WIP 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	(440 346)	The under budget is due to: **City Power:** less payments being made towards interest on the bank overdraft, as a result of current cash flow challenges. **JCPZ:** outstanding monthly provisions for post-retirement employee benefit interest which is valued at nominal basis. **Joshco:** repayment of the capital portion for the loan. E**MS:** Invoices received late by the department.	Initiatives to reduce financial charges are implemented. 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	873 404	The over budget is due to bulk purchases from Kelvin being more than budget as a result of a higher unit price which increased since the winter season.	Budget will be reviewed during the revised budget process.
	Other materials	(22 424)	The under budget 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. **Economic Dev:** Office renovations and renovations for the Opportunity Centres are scheduled to commence in the third quarter of the financial year. **Joburg water:** less stationery and material used because of Covid-19 impact. **Various Departments and Entities:** less expenditure incurred on Covid 19 related supplies such as sanitizers and masks as well as cleaning materials, most employees continue to work from home	Finance department has stepped in an attempt to decrease cost without impacting service delivery when possible.
	Contracted services	(1 327 899)	The under budget is due to: **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 for Housing. Eviction matters, Court orders, Contempt of court orders, Requests for reports on alternative accommodation, Summonses and Subpoenas.	The expenditure is expected to improve in the coming months. Joshco has been recruited to assist with repairs in other regions, and the department predicts that additional projects such as IDP/CBP will be implemented, while covid-19 limits remain at level 1 despite the new variation, thus expenditure is anticipated to improve in the fourth quarter. Renewal of

			Office of the Speaker: no substantial repairs or maintenance were necessary during the seventh month of operation. The delays were caused by JPC's failure to help the department with the multiple maintenance requests in the regions and Council Chambers. **Group Finance:** delays in procurement of Repair and Maintenance of facilities, mainly due to world bank system & GEF invoices not yet received and processed Budget will be spent on projects listed on the demand plan. The list of contracted services projects which are currently underway comprises of: 1. The auctioneering services, 2. State employee verification tool 3. The market research and price benchmarking 4. Physical document filing design, 5. Assets Verification System, 6. Valuation panels, 7. Valuation System maintenance, 8. New Valuation system GV2022, 9. License Fee for new Valuation System GV2022. 10. Online Objections & Appeals Development, 11. Online Objections & Appeals Maintenance & Support & Enhancements etc.). **Health:** due to unpaid JPC accruals. Currently JPC is undergoing an audit, and as a result, all payments to JPC have been frozen. Repairs and maintenance at various facilities are	contracts is being fast tracked. Finalisation of the new speed contract. It is anticipated that expenditure will start increasing when phase 1Ca is operationalized which will be before June 2022.

			done on an emergency basis, which has an impact on our expenditure patterns. There can be no planned maintenance done at all Health facilities. **JMPD:** Speed cameras contract that has expired, the budget was subsequently reallocated in the adjustment budget to cover fleet cost. **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. **Economic Development:** The SA organisation Expo, the Mrecifootfront, the MICE Partnership, the Opportunity Centre Training courses, and the Joburg Convention R2,5m projects are scheduled to commence in the third quarter of the financial year	
	Transfers and subsidies	(313 002)	The under budget is due to: **Community Development:** R5m 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 in the current financial year 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.	Funding will only be allocated to sponsors at the 4th quarter. The Department is in the process of finalising SLAs with successful NGOs, before services can start.

	Other expenditure	(769 450)	The under budget is due to: **City Manager:** Hire and maintenance, contract (A771) came to an end during the month of August 2021, no expenditure will be incurred on financial/rental and copy charges until such time as a new contract has been awarded. **Office of the Speaker:** public engagements that are scheduled for the beginning of the fourth quarter, no workshop for councillors was held, and no cleaning services were supplied and Covid-19, which has impacted programs such as councillor training, s79 supervision and sessions, political party caucuses, and CBP IDP workshops. **Group Corp:** COID invoices paid as and when the come in and the high-speed contract currently in procurement process. **GICT:** Software licenses - inter-company are less than the budget as software licenses are paid annually and are not due yet. **City power:** Advertising, marketing and public relations costs are less than the budget due to delays in the approval process for communications activities from the Group Communications Office. **Social Development:** Low expenditure on the Support for the homeless project being in the early stage of the competitive bidding process. **EISD:** Low expenditure incurred on telephones, printing paper, conferences, and refreshments because of employees working from home as per Covid 19 regulations. Furthermore,	**Office of the Speaker's** majority of significant events are scheduled for the conclusion of the beginning of the fourth quarter and expenditure is expected to improve in the coming months.

			the contract for printers has expired which result to no expenditure taken place. **JPC Portfolio:** underspending on refusal removal for informal traders, electricity, and tender advert. **Transport:** Delays in submission of invoices by JRA for office space rental due to department clarifying contract viability with the legal department, slack in procurement of Covid19 related services and delays in training of personnel. **Economic Development:** Delays in the marketing and implementation of the New York Film festival, the Makhelwane Festival, the ICCA congress hub, the Association of South African Black Actuarial annual conferences, and the SME Access conferences. Implementation will commence during the third quarter of the financial year.	
	Loss on disposal of PPE	27 547	**JCPZ:** The over expenditure 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 - M08 February

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	684 967	371 484	410 015	1 246 251			1 889 284	8 411 519	13 013 520	11 547 054	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	639 641	281 200	303 601	864 896			1 013 165	4 242 308	7 344 811	6 120 369	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	200 942	108 962	111 122	382 934			586 882	3 524 266	4 915 108	4 494 082	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	447 279	248 214	291 881	725 821			868 395	4 393 088	6 974 678	5 987 304	–	–
Receivables from Exchange Transactions - Waste Management	1600	160 853	100 180	136 691	278 876			375 906	2 933 491	3 985 996	3 588 272	–	–
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**	**2 128 606**	**1 119 124**	**1 262 089**	**3 524 620**	**–**	**–**	**4 742 117**	**24 368 001**	**37 144 557**	**32 634 738**	**–**	**–**
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	(10 318)	21 760	33 664	86 266	–	–	159 628	939 503	1 230 504	1 185 398	–	–
Commercial	2300	644 341	227 858	243 410	754 957	–	–	900 869	3 587 152	6 358 587	5 242 978	–	–
Households	2400	1 494 582	869 506	985 015	2 683 397	–	–	3 681 620	19 841 346	29 555 465	26 206 362	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**2 128 606**	**1 119 124**	**1 262 089**	**3 524 620**	**–**	**–**	**4 742 117**	**24 368 001**	**37 144 557**	**32 634 738**	**–**	**–**

Table SC4: Aged creditors analysis

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

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	1 345 299								**1 345 299**	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	1 053 702	(9 115)	(11 431)	(1 680)	1 418	84	64 439	118 096	**1 215 514**	1 205 141
Auditor General	0800									–	–
Other	0900	1 201 595	39 625	18 359	–	(17)	–	655	170 816	**1 431 033**	1 744 990
Total By Customer Type	**1000**	**3 600 596**	**30 510**	**6 927**	**(1 680)**	**1 401**	**84**	**65 095**	**288 912**	**3 991 846**	4 659 850

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) - M08 February

Description	Ref	Budget Year 2021/22							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Revenue By Source									
Property rates		13 479 333	–	1 140 795	9 033 909	8 986 222	47 687	1%	13 479 333
Service charges - electricity revenue		–	–	–	–	–	–		–
Service charges - water revenue		–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–		–
Service charges - refuse revenue		–	–	(7)	56	–	56	#DIV/0!	–
Rental of facilities and equipment		172 663	–	4 400	35 580	100 987	(65 407)	-65%	172 663
Interest earned - external investments		312 900	–	1 712	90 220	208 600	(118 380)	-57%	165 000
Interest earned - outstanding debtors		1 465 249	–	103 351	773 417	976 850	(203 433)	-21%	1 480 054
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		1 118 155	–	10 878	49 178	745 437	(696 258)	-93%	850 276
Licences and permits		8 741	–	160	4 136	5 827	(1 692)	-29%	8 741
Agency services		350 061	–	22 119	200 560	233 374	(32 814)	-14%	350 061
Transfers and subsidies		10 723 467	–	404 064	6 936 811	7 211 823	(275 012)	-4%	10 845 016
Other revenue		2 523 061	–	129 683	1 018 947	1 654 075	(635 127)	-38%	2 668 515
Gains		33 000	–	–	–	11 000	(11 000)	-100%	33 000
Total Revenue (excluding capital transfers and contributions)		**30 186 630**	**–**	**1 817 155**	**18 142 814**	**20 134 194**	**(1 991 381)**	**-10%**	**30 052 659**
Expenditure By Type									–
Employee related costs		9 953 708	–	721 793	6 556 189	6 848 151	(291 962)	-4%	9 947 035
Remuneration of councillors		187 015	–	14 073	107 160	124 677	(17 517)	-14%	176 515
Debt impairment		1 619 517	–	(10 478)	1 096 003	1 078 945	17 057	2%	1 617 828
Depreciation & asset impairment		2 901 906	–	229 319	1 713 177	1 934 419	(221 242)	-11%	2 927 626
Finance charges		3 304 453	–	193 631	1 638 602	2 202 969	(564 367)	-26%	2 769 440
Bulk purchases - electricity		–	–	–	–	–	–		–
Inventory consumed		222 758	–	1 664	21 393	144 153	(122 760)	-85%	48 330
Contracted services		2 759 683	–	135 099	914 242	1 799 721	(885 479)	-49%	3 151 063
Transfers and subsidies		5 777 409	–	461 154	3 284 346	3 854 592	(570 246)	-15%	5 252 642
Other expenditure		4 727 750	–	139 330	1 972 166	3 112 907	(1 140 741)	-37%	4 581 006
Losses		–	–	24 632	25 212	–	25 212	#DIV/0!	–
Total Expenditure		**31 454 199**	**–**	**1 910 218**	**17 328 489**	**21 100 534**	**(3 772 045)**	**-18%**	**30 471 485**
Surplus/(Deficit)		(1 267 569)	–	(93 062)	814 325	(966 339)	1 780 664	-184%	(418 826)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 307 239	–	50 388	527 878	869 359	(341 481)	-39%	1 493 371
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		88 700	–	–	–	59 133	(59 133)	-100%	101 300
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		128 370	–	(42 674)	1 342 203	(37 847)	1 380 050	-3646%	1 175 845
Taxation		–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**128 370**	**–**	**(42 674)**	**1 342 203**	**(37 847)**	**1 380 050**	**-3646%**	**1 175 845**

COJ: GOVERNANCE TECHNICAL CLUSTER	**2022-04-**
COJ: EMT	**2022-04-**
COJ: GOVERNANCE SUB- MAYORAL COMMITTEE	**2022-04-**
COJ: MAYORAL COMMITTEE	**2022-04-**
GROUP ACCOUNTING	

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M08 February

Description	Ref	Budget Year 2021/22							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity									
City Power		21 024 468	–	1 314 223	12 005 614	13 673 168	(1 667 553)	-12%	20 582 738
Johannesburg Water		15 012 320	–	1 156 872	9 708 014	10 008 213	(300 200)	-3%	15 017 814
Pikitup		3 409 192	–	290 598	2 375 668	2 267 329	108 339	5%	3 454 219
Johannesburg Roads Agency		1 576 064	–	119 409	963 410	1 050 709	(87 300)	-8%	1 603 576
Metrobus		767 489	–	60 511	474 047	511 659	(37 612)	-7%	614 079
Johannesburg City Parks and Zoo		1 207 251	–	100 782	768 520	779 966	(11 446)	-1%	1 250 120
JDA		123 391	–	6 796	56 488	70 412	(13 924)	-20%	118 249
Johannesburg Property Company		1 014 692	–	62 436	549 465	592 121	(42 656)	-7%	893 787
Metropolitan Trading Company		556 548	–	44 974	635 891	369 528	266 363	72%	556 648
Joburg Market		553 649	–	41 644	362 407	369 099	(6 692)		567 171
Johannesburg Social Housing Company		257 576	–	24 420	176 921	171 717	5 203	3%	331 837
Joburg City Theatres		217 839	–	15 861	161 436	148 444	12 992	9%	217 839
Expenditure By Municipal Entity		–	–	–	–	–	–		–
Total Operating Revenue	1	**45 502 640**	**–**	**3 222 666**	**28 076 445**	**29 863 922**	**(1 787 477)**	**-6%**	**44 990 238**
Expenditure By Municipal Entity									–
City Power		19 378 544	–	1 292 400	12 402 485	12 249 686	152 799	1%	19 061 690
Johannesburg Water		13 407 802	–	1 187 103	9 196 884	8 968 170	228 714	3%	13 296 321
Pikitup		3 078 269	–	274 416	2 123 384	2 068 561	54 823	3%	3 197 809
Johannesburg Roads Agency		1 576 035	–	97 624	857 604	1 067 310	(209 706)	-20%	1 603 576
Metrobus		767 489	–	55 628	402 548	519 091	(116 544)	-22%	614 079
Johannesburg City Parks and Zoo		1 206 979	–	100 890	767 754	734 880	32 874	4%	1 251 743
JDA		123 391	–	11 630	79 207	83 350	(4 143)	-5%	118 249
Johannesburg Property Company		1 014 692	–	89 012	416 107	610 264	(194 157)	-32%	893 787
Metropolitan Trading Company		556 518	–	190 057	843 925	369 531	474 395	128%	556 618
Joburg Market		444 892	–	34 237	291 449	300 170			451 227
Johannesburg Social Housing Company		257 576	–	33 615	260 978	174 535	(8 721)	-5%	331 836
Joburg City Theatres		217 839	–	15 863	161 593	151 663	86 443	57%	217 839
Surplus/ (Deficit) for the yr/period		–	–	–	–	–	9 930	#DIV/0!	–
Total Operating Expenditure	2	**41 812 187**	**–**	**3 366 614**	**27 642 326**	**27 145 548**	**496 778**	**2%**	**41 376 936**

Table SC12: Monthly Budget Statement

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

Month	Budget Year 2021/22							
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	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	76,6%	4%
September	679 790	–	279 782	598 490	2 039 370	1 440 880	70,7%	7%
October	679 790	–	393 690	992 180	2 719 159	1 726 980	63,5%	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	59,3%	20%
January	679 790	–	385 345	2 043 972	4 758 529	2 714 556	57,0%	25%
February	679 790	–	274 974	2 318 946	5 438 319	3 119 373	57,4%	28%
March	679 790	–	–		–	–		
April	679 790	–	–		–	–		
May	679 790	–	–		–	–		
June	679 790	–	–		–	–		
Total Capital expenditure	**8 157 478**	**–**	**2 318 946**					