

## Financial Performance

### JPC

#### Operating Revenue

Revenue generated for the year-to-date is R446 223 889, which is 3.54% below the allocated YTD budget of R462 577 000. The subsidy was revised to R340 630 000 during the midterm budget review to fund the operations of JPC. To date, the subsidy comprises 76.3% of total revenue generated by JPC. An operating grant of R1 106 000 has been given to JPC for EPWP initiatives; the Ivory Park project has been completed at 2% below the allocated budget. Income from the Portfolio totalled R72 103 351 for the year-to-date, the revenue is 20.5% below the budgeted objectives for the reporting period. There has been a significant increase in the commission received from the Portfolio; however it is insufficient to cover the budget deficit. The significant contributor to the increase in Portfolio commission, for the last quarter, can be attributed to CAPEX projects as the revenue generated exceeded the approved budget by R14.2 million.

Commissions from land sales and acquisitions are below their budgeted objectives by 87.24% and 46.75%, respectively. This is predominantly due to the delays in the transfer of properties in the last quarter of the financial year. Facilitation fees are 1.66% below budgeted objectives and have performed satisfactorily.

#### Operating Expenditure

The overall total operating expenditure, before taxation, for the year to date June 2016 is R429 508 589, that equates to a saving of 9.07% of the allocated budget. Budget utilized on variable expenditure such as repairs and maintenance is an indicator of service delivery and effective utilisation of the subsidy provided by the City for its upkeep. Total expenditure on Repairs and Maintenance for the year to date is R34 175 770 against an allocated budget of R35 016 000.

### Portfolio

#### Operating Revenue

CoJ-JPC Portfolio made an initial revenue projection of R168 747 666, to be recovered from rentals income from agency services and municipal charges. Total revenue generated for the period under review is R189 631 889, that equates to 12.38% below the allocated budget. The overall revenue from the rentals collection is 7.4% below the targeted budget. The overall revenue anticipated from the rentals collection is expected to improve as leases are renewed. However, due to the turnaround times required to approve new leases budgeted objectives could not be met for the 2015/16 financial year. Outdoor advertising generated R83 983 654 and exceeded budgeted objectives by 111%, significantly contributing to the profitability of the Portfolio.

#### Operating Expenditure

The overall total operating expenditure for the period under review is R173 425 074, against an allocated YTD budget of R235 430 666. For the 2015/16 financial year, the Portfolio has utilised its budget within the limits of what was approved by the CoJ. A provision for bad debts has been raised for R26 304 228 for informal traders and taxi facilities.