

Mossel Bay Municipality Financial HeartBeat Report (Flow of Funds "Cash Flow").

Debtors collection period in days - "Heart Beat of MBM" performing 53.55% under the norm.

This ratio reflects the collection period. The debtor days refers to the average number of days required for the municipality to receive payment from its customers for bills/invoices issued to them for services. The ratio is also a good indication of the effectiveness of credit control procedures within the municipality. If the ratio is above the norm, it indicates that the municipality is exposed to significant cash flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition, this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve revenue and cash flow management. The norm is 30 days. The table below provides the measurement of the current year against the results of the previous years.

X The days as per the financial statements calculated incorrectly - Left in brown is the correct collection days.

Accounts Collect Funds In		Esc %	Where to start saving		Esc %	To pay back loans are killing MBM	
Debtors Only		Inflation	Only Human Related Expenses		Loans Debt & Interest to pay on Loan		
2021 - 64.59 Days	42.3 Days X	4.41%	Employees	343 244 477	13.86%	Loan Value	115 337 216 19.05%
Outstanding	169 617 041		Councillors	11 812 156	-0.73%	Service Cost	11 061 167 39.20%
Billed for year	953 061 644	9.40%	Bad Debt	16 180 452		Mayor H J Levendal	
Creditors To Pay	R146 724 340		Contractors	191 477 863	14.40%	Acc Officer C Puren (Acting)	
AFS 2021 Page 12, 140			AFS 2021 Page 26			AFS 2021 Page 10, 110 & 162	
2020 - 63.58 Days	55.4 Days X	3.22%	Employees	295 682 916	-1.96%	Loans Value	93 368 382 66.98%
Outstanding	150 412 452		Councillors	11 898 611	3.49%	Service Cost	6 725 678 20.83%
Billed for year	863 453 434	11.51%	Bad Debt	27 684 530		Mayor H J Levendal	
Creditors To Pay	112 486 482		Contractors	163 905 466	16.59%	Acc Officer Adv MG Giliomee	
AFS 2020 Page 11 & 79			AFS 2020 Page 23			AFS 2020 Page 9, 23 and 100	
2019 - 51.35 Days	46,8 Days X	4.12%	Employees	301 479 728	0.82%	Loans Value	30 830 781 -9.91%
Outstanding	107 493 357		Councillors	11 483 339	4.72%	Service Cost	5 324 474 -107.72%
Billed for year	764 058 987	6.45%	Bad Debt	18 244 993		Mayor H J Levendal	
Creditors To Pay	101 281 849		Contractors	136 711 286	15.58%	Acc Officer Adv T Giliomee	
AFS 2020 Page 11 and 132			AFS 2020 Page 23			AFS 2020 Page 9, 23 and 100	
2018 - 52.26 Days	41,4 Days X	4.50%	Employees	299 014 416	18.51%	Loans Value	33 887 371 8.23%
Outstanding	102 338 674		Councillors	10 941 298	10.56%	Service Cost	11 060 174 35.26%
Billed for year	714 755 849	8.89%	Bad Debt	13 900 164		Mayor H J Levendal	
Creditors To Pay	66 927 421		Contractors	115 412 738	55.28%	Acc Officer Adv T Giliomee	
AFS 2019 Page 9 & 111			AFS 2019 Page 20			AFS 2019 Page 6 & 7	
2017 - 47.32 Days	12.9 Days X	5.18%	Employees	243 654 622	6.12%	Loans Value	31 099 759 10.67%
Outstanding	84 438 611		Councillors	9 786 303	0.75%	Service Cost	7 160 893 14.03%
Billed for year	651 232 874	6.19%	Bad Debt	20 384 942		Mayor H J Levendal	
Creditors To Pay	73 226 811		Contractors	51 610 637	0.45%	Acc Officer Adv T Giliomee	
AFS 2017 Page 12 & 69			AFS 2017 Page 35, 120, 121 & 122			AFS 2017 Page 8	
2016 - 44.12 Days	12.0 Days X	6.59%	Employees	228 749 097	8.61%	Loans Value	27 779 918 11.94%
Outstanding	73 860 598		Councillors	9 713 125	5.34%	Service Cost	6 156 320 54.90%
Billed for year	610 950 322	7.66%	Bad Debt	28 025 300		Mayor M Ferreira	
Creditors To Pay	60 060 108		Contractors	51 376 781	10.10%	Acc Officer Mr HC Hill (Acting)	
AFS 2017 Page 12 & 69			AFS 2017 Page 35, 120, 121 & 122			AFS 2017 Page 8	
2015 - 58.18 Days	28.0 Days X	4.51%	Employees	209 058 666	3.69%	Loans Value	24 463 557 -8.59%
Outstanding	89 935 163		Councillors	9 193 967	5.57%	Service Cost	2 776 215 3.51%
Billed for year	564 138 177	8.91%	Bad Debt	33 499 717		Mayor M Ferreira	
Creditors To Pay	59 328 636		Contractors	46 189 836	-6.74%	Acc Officer Dr MR Gratz	
AFS 2015 Page 9, 103			AFS 2015 Page 28, 111			AFS 2015 Page 8, 80 & 110	

Debtors		Inflation		Only Human Related Expenses									
2014 - 64.14 Days	26.0 Days X		6.14%	Employees	201 346 005	6.02%	Loans Value	26 565 036	-7.56%				
Outstanding	90 303 573			Councillors	8 681 744	7.00%	Service Cost	2 678 808	24.99%				
Billed for year	513 876 848		1.26%	Bad Debt	29 929 681		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>Dr MR Gratz</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	Dr MR Gratz
Mayor	M Ferreira												
Acc Officer	Dr MR Gratz												
Creditors To Pay	60 906 188			Contractors	49 305 223	19.55%							
AFS 2015 Page 9, 103				AFS 2015 Page 28, 111				AFS 2015 Page 8, 80 & 110					
Debtors		Inflation		Only Human Related Expenses									
2013 - 46.33 Days	23.0 Days X		5.78%	Employees	189 218 147	9.83%	Loans Value	28 573 426	-7.10%				
Outstanding	64 412 059			Councillors	8 073 770	3.96%	Service Cost	2 009 250	-5.75%				
Billed for year	507 409 059		6.19%	Bad Debt	18 725 706		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>Dr MR Gratz</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	Dr MR Gratz
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Acc Officer	Dr MR Gratz												
Creditors To Pay	81 937 353			Contractors	39 666 865	14.89%							
AFS 2013 Page 10, 85				AFS 2015 Page 28, 111 & 102				AFS 2013 Page 27, 73					
Debtors		Inflation		Only Human Related Expenses									
2012 - 53.04 Days	30.0 Days X		5.72%	Employees	170 609 849	5.91%	Loans Value	30 601 677	97.84%				
Outstanding	70 243 788			Councillors	7 753 895	19.59%	Service Cost	2 124 810	92.15%				
Billed for year	475 987 423		15.87%	Bad Debt	15 091 483		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>HF Botha</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	HF Botha
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Creditors To Pay	34 157 415			Contractors	33 758 536	16.94%							
AFS 2013 Page 10, 85				AFS 2013 Page 28, 111 & 102				AFS 2012 Page 27, 101, 60					
Debtors		Inflation		Only Human Related Expenses									
2011 - 62.62 Days	35.0 Days X		5.02%	Employees	160 528 226	4.09%	Loans Value	662 124	-10.33%				
Outstanding	68 706 207			Councillors	6 234 907	7.28%	Service Cost	166 718	5.71%				
Billed for year	400 459 072		-51.41%	Bad Debt	22 303 353		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	Mr. HF Botha
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Acc Officer	Mr. HF Botha												
Creditors To Pay	70 244 372			Contractors	28 039 564	13.83%							
AFS 2012 Page 8, 27, 71				AFS 2012 Page 27, 88 & 95				AFS 2012 Page 3, 101, 60					
Debtors		Inflation		Only Human Related Expenses									
2010 - 36.60 Days	64.0 Days X		4.06%	Employees	153 957 930	17.09%	Loans Value	730 504	-33.77%				
Outstanding	62 090 013			Councillors	5 781 129	6.12%	Service Cost	157 196	-155.05%				
Billed for year	606 350 478		26.01%	Bad Debt	10 135 596		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	Mr. HF Botha
Mayor	M Ferreira												
Acc Officer	Mr. HF Botha												
Creditors To Pay	40 400 524			Contractors	24 161 232	0.64%							
AFS 2010 Page 6, 7, 10, 48				AFS 2010 Page 17, 60 & 63				AFS 2010 Page 12, 39, 93					
Debtors		Inflation		Only Human Related Expenses									
2009 - 44.96 Days	65.0 Days X		7.26%	Employees	127 640 232		Loans Value	977 215					
Outstanding	55 268 186			Councillors	5 427 079		Service Cost	400 930					
Billed for year	448 638 281			Bad Debt	14 699 448		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> </tr> <tr> <td>Acc Officer</td> <td>HF Botha</td> </tr> </table>			Mayor	M Ferreira	Acc Officer	HF Botha
Mayor	M Ferreira												
Acc Officer	HF Botha												
Creditors To Pay	20 572 228			Contractors	24 005 894								
AFS 2010 Page 6, 7, 10, 48				AFS 2010 Page 17, 60 & 63				AFS 2010 Page 12, 39, 93					

The equation to calculate Debtor Days is as follows: Debtor Days = (accounts receivable/annual credit sales) * 365 days

Notes on Cashflow:

Why is cash flow important? Cash flow is defined as the amount of money entering and leaving the Municipality over a given period of time. Cash flow is important because it enables you to meet your existing financial obligations as well as plan for the future. **HOW MUCH OF THE LOANS ARE TO MEET MBM EXPENSES?**

American Express on Cashflow:

Understanding your cash flow will help manage accounts and ensure you always have enough funds available to pay your bills as the economy goes up or down. **FINANCIAL HEALTH ARE DETERMEND BY CASHFLOW**
THE SAME AS THE BLOOD IN OUR BODY TAKE THE BLOOD AWAY AND THE BODY DIES.