

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.

(Not Proglumated) Years 7 in total**

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

Accounts Collect Funds In			Where to start saving			Esc %	To pay back loans are killing MBM		
Debtors Only			Only Human Related Expenses				Loans Debt & Interest to pay on Loan		
	Inflation	4.41%							
2021 - 64.59 Days	42.3 Days X	Actual	Employees	343 244 477	13.86%	Loan Value	115 337 216	19.05%	
Outstanding	169 617 041	Esc %	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					
Creditors To Pay	R146 724 340		Contractors	191 477 863	14.40%				
AFS 2021 Page 12, 140			AFS 2021 Page 26			AFS 2021 Page 10, 110 & 162			
2020 - 63.58 Days	55.4 Days X	Actual	Employees	295 682 916	-1.96%	Loans Value	93 368 382	66.98%	
Outstanding	150 412 452	Esc %	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					
Creditors To Pay	112 486 482		Contractors	163 905 466	16.59%				
AFS 2020 Page 11 & 79			AFS 2020 Page 23			AFS 2020 Page 9, 23 and 100			
2019 - 51.35 Days	46,8 Days X	Actual	Employees	301 479 728	0.82%	Loans Value	30 830 781	-9.91%	
Outstanding	107 493 357	Esc %	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					
Creditors To Pay	101 281 849		Contractors	136 711 286	15.58%				
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	Actual	Employees	299 014 416	18.51%	Loans Value	33 887 371	8.23%	
Outstanding	102 338 674	Esc %	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					
Creditors To Pay	66 927 421		Contractors	115 412 738	55.28%				
AFS 2019 Page 9 & 111			AFS 2019 Page 20			AFS 2019 Page 6 & 7			
2017 - 47.32 Days	12.9 Days X	Actual	Employees	243 654 622	6.12%	Loans Value	31 099 759	10.67%	7
Outstanding	84 438 611	Esc %	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					
Creditors To Pay	73 226 811		Contractors	51 610 637	0.45%				
AFS 2017 Page 12 & 69			AFS 2017 Page 35, 120, 121 & 122			AFS 2017 Page 8			
2016 - 44.12 Days	12.0 Days X	Actual	Employees	228 749 097	8.61%	Loans Value	27 779 918	11.94%	
Outstanding	73 860 598	Esc %	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					
Creditors To Pay	60 060 108		Contractors	51 376 781	10.10%				
AFS 2017 Page 12 & 69			AFS 2017 Page 35, 120, 121 & 122			AFS 2017 Page 8			
2015 - 58.18 Days	28.0 Days X	Actual	Employees	209 058 666	3.69%	Loans Value	24 463 557	-8.59%	
Outstanding	89 935 163	Esc %	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					
Creditors To Pay	59 328 636		Contractors	46 189 836	-6.74%				
AFS 2015 Page 9, 103			AFS 2015 Page 28, 111			AFS 2015 Page 8, 80 & 110			

Debtors		Inflation	6.14%	Only Human Related Expenses										
2014 - 64.14 Days	26.0 Days X	Actual	Employees	201 346 005	6.02%	Loans Value	26 565 036	-7.56%	Y					
Outstanding	90 303 573	Esc %	Councillors	8 681 744	7.00%	Service Cost	2 678 808	24.99%	E					
Billed for year	513 876 848	1.26%	Bad Debt	29 929 681		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Dr MR Gratz</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Dr MR Gratz	in Loans	R
Mayor	M Ferreira	% Change												
Acc Officer	Dr MR Gratz		in Loans											
Creditors To Pay	60 906 188		Contractors	49 305 223	19.55%				S					
AFS 2015 Page 9, 103			AFS 2015 Page 28, 111			AFS 2015 Page 8, 80 & 110								

Debtors		Inflation	5.78%	Only Human Related Expenses										
2013 - Rates Only	77 561 543	Legal Claim of Property Owners				Political Party	DA	7						
2013 - 46.33 Days **	23.0 Days X	Actual	Employees	189 218 147	9.83%	Loans Value	28 573 426	-7.10%						
Outstanding	64 412 059	Esc %	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> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Dr MR Gratz</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Dr MR Gratz	in Loans	
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Acc Officer	Dr MR Gratz		in Loans											
Creditors To Pay	81 937 353		Contractors	39 666 865	14.89%									
AFS 2013 Page 10, 85, 26			AFS 2015 Page 28, 111 & 102			AFS 2013 Page 27, 73								

Debtors		Inflation	5.72%	Only Human Related Expenses										
2012 - Rates Only	71 386 891	Legal Claim of Property Owners				Political Party	DA	6						
2012 - 53.04 Days **	30.0 Days X	Actual	Employees	170 609 849	5.91%	Loans Value	30 601 677	97.84%						
Outstanding	70 243 788	Esc %	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> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Mr. HF Botha	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	Mr. HF Botha		in Loans											
Creditors To Pay	34 157 415		Contractors	33 758 536	16.94%									
AFS 2013 Page 10, 85, 26			AFS 2013 Page 28, 111 & 102			AFS 2012 Page 27, 101, 60								

Debtors		Inflation	5.02%	Only Human Related Expenses										
2011 - Rates Only	64 540 291	Legal Claim of Property Owners				Political Party	DA	5						
2011 - 62.62 Days **	35.0 Days X	See Financial	Employees	160 528 226	4.09%	Loans Value	662 124	-10.33%						
Outstanding	68 706 207	Statements	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> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Mr. HF Botha	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	Mr. HF Botha		in Loans											
Creditors To Pay	70 244 372	Correction	Contractors	28 039 564	13.83%									
AFS 2012 Page 8, 27, 71			of Errors AFS 2012 Page 27, 88 & 95			AFS 2012 Page 3, 101, 60								

Debtors		Inflation	4.06%	Only Human Related Expenses										
2010 - 36.60 Days	64.0 Days X	Actual	Employees	153 957 930	100.00%	Loans Value	730 504	-33.77%						
Outstanding	62 090 013	Esc %	Councillors	5 781 129	6.12%	Service Cost	157 196	-2.39%						
Billed for year	606 350 478	26.01%	Bad Debt	10 135 596		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Mr. HF Botha	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	Mr. HF Botha		in Loans											
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	7.26%	Only Human Related Expenses										
2009 - Rates Only	44 142 322	Legal Claim of Property Owners				Political Party	DA	4						
2009 - 44.96 Days **	65.0 Days X	Actual	Employees	127 640 232		Loans Value	977 215	-36.20%						
Outstanding	55 268 186	Esc %	Councillors	5 427 079		Service Cost	160 957	-49.09%						
Billed for year	448 638 281	40.71%	Bad Debt	14 699 448		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Mr. HF Botha	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	Mr. HF Botha		in Loans											
Creditors To Pay	52 221 282		Contractors	24 005 894										
AFS 2010 Page 6, 7, 10, 48			AFS 2010 Page 17, 60 & 63			AFS 2010 Page 12, 39, 93								

Debtors		Inflation	10.06%	Only Human Related Expenses										
2008 - Rates Only	39 213 422	Legal Claim of Property Owners				Political Party	DA	3						
2008 - 39.60 Days **	84 Days X	Actual	Employees	101 581 414		Loans Value	1 330 945	-11.85%						
Outstanding	28 861 827	Esc %	Councillors	4 896 255		Service Cost	239 972	-22.30%						
Billed for year	265 985 846	9.27%	Bad Debt	3 980 442		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>Mr. HF Botha</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	Mr. HF Botha	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	Mr. HF Botha		in Loans											
Creditors To Pay	32 994 589		Contractors	17 294 692										
AFS 2008 Page 7,13, 12, 14			AFS 2008 Page 14			AFS 2008 Page 3, 63, 33								

Debtors		Inflation	6.18%	Only Human Related Expenses										
2007 - Rates Only	35 767 367	Legal Claim of Property Owners				Political Party	DA	2						
2007 - 35.74 Days **	100 Days X	Actual	Employees	144 396 464		Loans Value	1 488 698	-39.26%						
Outstanding	23 631 586	Esc %	Councillors	4 547 490		Service Cost	293 493	-25.15%						
Billed for year	241 323 980	11.79%	Bad Debt	5 719 626		<table border="1"> <tr> <td>Mayor</td> <td>M Ferreira</td> <td rowspan="2">% Change</td> </tr> <tr> <td>Acc Officer</td> <td>K Nicol</td> <td>in Loans</td> </tr> </table>		Mayor	M Ferreira	% Change	Acc Officer	K Nicol	in Loans	
Mayor	M Ferreira	% Change												
Acc Officer	K Nicol		in Loans											
Creditors To Pay	29 815 640		Contractors	13 964 489										
AFS 2007 Page 2, 7, 12, 14			AFS 2008 Page 14			AFS 2007 Page 63, 33								

Debtors		Inflation	3.20%	Only Human Related Expenses					
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2006 - Rates Only		32 855 033 Legal Claim of Property Owners		Political Party	DA
2006 -33.24 Days **	65.0 Days X	Employees	77 729 779	Loans Value	2 073 190
Outstanding	19 387 012	Councillors	3 162 351	Service Cost	367 295
Billed for year	212 863 544	Bad Debt	10 827 434	Mayor	M Ferreira
Creditors To Pay	23 830 203	Contractors	90 144 322	Acc Officer	K Nicol
AFS 2007 Page 1, 2, 26 Note 18		AFS 2006 Page 3		AFS 2006 Page 2, 27 Appendix A	
(** Not Proglumated) Total Claim if all owners sign the dispute document for the 7 Years:					R365 466 869

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.**

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