THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE







REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF MUSOMA MUNICIPAL COUNCIL FOR THE YEAR ENDED 30TH JUNE, 2015

The Controller and Auditor General, National Audit Office of Tanzania, Audit House,

16 Samora Machel Avenue,

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11101 Dar es Salaam, Tanzania.

March, 2016

AR/LG.7714/2014/2015

Plant and Equipment reported in Musoma Municipal Council submitted Financial Statements was understated.

Qualified Opinion

In my opinion, except for the effect of the matter described on the basis for qualified opinion paragraph above, the Financial Statements present fairly, in all material respects, the financial position of Musoma Municipal Council as at 30th June, 2015, its Financial Performance and Cash Flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs) and Part IV of the Local Government Finances Act No.9 of 1982 (revised 2000).

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Musoma Municipal Council procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.

Prof. Mussa J. Assad

CONTROLLER AND AUDITOR GENERAL

March, 2016

Copy: Chief Secretary,
State House,
P.O. Box 9120,
1 Barack Obama Road,
11400 DAR ES SALAAM.

Permanent Secretary and Paymaster General, Ministry of Finance, P.O. Box 9111, 1 Madaraka Street, 11468 DAR ES SALAAM.



THE UNITED REPUBLIC OF TANZANIA PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT MUSOMA MUNICIPAL COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

Notes			2015	2014
Current assets Cash and cash equivalents 21 2,180,942,014 1,852,509,083 385,568,635 385,568,635 19,217,6776 60,454,893 385,568,635 19,217,6776 60,454,893 2,656,023,384 2,298,532,612 2,798,532,612		Notes	TZS	TZS
Cash and Cash equivalents 21 2,180,942,014 1,852,599,083 Receivables and prepayments 22 281,863,693 385,568,635 Inventories 23 193,217,676 60,454,893 Non-current assets 24 13,208,657,202 12,246,303,569 Intangible assets 25 26,744,000 26,744,000 Other financial assets 25 26,744,000 26,744,000 Non-current assets held for sale 30 13,235,401,202 12,273,047,569 TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Provisions 29 189,659,403 Provisions 28 568,937,934 568,937,934 Provisions 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 Provisions 30 14,877,620,790 13,520,71				
Receivables and prepayments Inventories 22 281,863,693 385,568,635 (60,454,893) 385,568,635 (60,454,893) 385,568,635 (60,454,893) 385,568,635 (60,454,893) 23 193,217,676 60,454,893 22,98,532,612 60,454,893 22,98,532,612 22,236,502,3384 2,298,532,612 22,246,303,569 22,246,303,569 21,246,303,569 26,744,000 27,756,000 28,000 <t< td=""><td>Current assets</td><td></td><td></td><td></td></t<>	Current assets			
Non-current assets 23 193,217,676 60,454,893 2,656,023,384 2,298,532,612 2,656,023,384 2,298,532,612 2,246,303,569 2,247,3047,569 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599 2,247,3047,599	Cash and cash equivalents	21	2,180,942,014	1,852,509,083
Non-current assets 23	Receivables and prepayments	22	281,863,693	385,568,635
Non-current assets Property, plant and equipment 24 13,208,657,202 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,303,569 12,246,000 13,235,401,202 12,273,047,569 1	Inventories	23		60,454,893
Non-current assets Property, plant and equipment intangible assets 24 13,208,657,202 12,246,303,569 Other financial assets 25 26,744,000 26,744,000 Non-current assets held for sale TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Provisions 29 189,659,403 Provisions 29 2,331,191,3575 Non-current liabilities 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 Provisions 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865)			THE RESERVE AND DESCRIPTION OF THE PARTY OF	2,298,532,612
Total assets				
Non-current assets held for sale		24	13,208,657,202	12,246,303,569
13,235,401,202 12,273,047,569 Non-current assets held for sale TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Provisions 29 189,659,403 Provisions 2 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Provisions 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	Intangible assets			
Non-current assets held for sale TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 Employee benefit 29 189,659,403 Provisions Deferred income (Grant) 10 513,713,352 2,238,154,496 2,311,913,575 Non-current liabilities Long - term borrowings 28 568,937,934 568,937,934 Provisions Deferred income (Grant) 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)	Other financial assets	25	26,744,000	26,744,000
TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities 26 1,724,441,144 1,594,502,979 Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Provisions 29 189,659,403 Provisions 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)			13,235,401,202	12,273,047,569
TOTAL ASSETS 15,891,424,585 14,571,580,181 LIABILITIES Current liabilities 26 1,724,441,144 1,594,502,979 Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Provisions 29 189,659,403 Provisions 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)				
LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Employee benefit 29 189,659,403 Provisions 10 513,713,352 527,751,192 Non-current liabilities 2,238,154,496 2,311,913,575 Non-current borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 Deferred income (Grant) 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	Non-current assets held for sale			
LIABILITIES Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 189,659,403 Employee benefit 29 189,659,403 Provisions 10 513,713,352 527,751,192 Non-current liabilities 2,238,154,496 2,311,913,575 Non-current borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 Deferred income (Grant) 30 14,877,620,790 13,520,710,537 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)				
Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 - 189,659,403 Employee benefit 29 189,659,403 Provisions 28 513,713,352 527,751,192 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)	TOTAL ASSETS		15,891,424,585	14,571,580,181
Current liabilities Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 - 189,659,403 Employee benefit 29 189,659,403 Provisions 28 513,713,352 527,751,192 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)				
Payables 26 1,724,441,144 1,594,502,979 Short - term borrowings 27 - Employee benefit 29 189,659,403 Provisions - 513,713,352 527,751,192 Deferred income (Grant) 10 513,713,352 2,311,913,575 Non-current liabilities 2,311,913,575 2,311,913,575 Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	LIABILITIES			
Short - term borrowings 27 - </td <td>Current liabilities</td> <td></td> <td></td> <td></td>	Current liabilities			
Employee benefit 29 189,659,403 Provisions 10 513,713,352 527,751,192 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865) Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)		26	1,724,441,144	1,594,502,979
Provisions Deferred income (Grant) 10 513,713,352 527,751,192 2,238,154,496 2,311,913,575 Non-current liabilities 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	Short - term borrowings			
Deferred income (Grant) 10 \$13,713,352 \$527,751,192 2,238,154,496 2,311,913,575 Non-current liabilities 28 \$568,937,934 \$568,937,934 Provisions 30 \$14,877,620,790 \$13,520,710,537 Deferred income (Grant) 30 \$14,877,620,790 \$13,520,710,537 \$15,446,558,724 \$14,089,648,471 TOTAL LIABILITIES \$17,684,713,220 \$16,401,562,046 NET ASSETS \$(1,793,288,635) \$(1,829,981,865) NET ASSETS \$(1,793,288,635) \$(1,829,981,865) Accumulated surplus/(deficit) \$(1,793,288,635) \$(1,829,981,865)	Employee benefit	29		189,659,403
2,238,154,496 2,311,913,575				
Non-current liabilities 28 568,937,934 568,937,934 Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	Deferred income (Grant)	10 _		
Long - term borrowings 28 568,937,934 568,937,934 Provisions 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865) Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)		_	2,238,154,496	2,311,913,575
Provisions Deferred income (Grant) 30			560.027.024	560 027 024
Deferred income (Grant) 30 14,877,620,790 13,520,710,537 15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865) Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)		28	568,937,934	568,937,934
15,446,558,724 14,089,648,471 TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS (1,793,288,635) (1,829,981,865)	Provisions			
TOTAL LIABILITIES 17,684,713,220 16,401,562,046 NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)	Deferred income (Grant)	30 _		
NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)			15,446,558,724	14,089,648,471
NET ASSETS (1,793,288,635) (1,829,981,865) NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)			47 604 742 220	16 401 563 046
NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)	TOTAL LIABILITIES	_	17,684,713,220	16,401,562,046
NET ASSETS Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)			(1 702 200 625)	(1 920 091 965)
Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)	NET ASSETS	=	(1,793,288,633)	(1,029,901,003)
Accumulated surplus/(deficit) (1,793,288,635) (1,829,981,865)				
(1.702.789.62E) (1.920.991.965)			(1 702 300 635)	(1 820 001 005)
TOTAL NET ASSETS (1,793,288,635) (1,829,981,865)	Accumulated surplus/(deficit)		(1,793,288,635)	(1,029,901,005)
TOTAL NET ASSETS (1,793,288,033)			(1 703 209 635)	(1 829 981 865)
	TOTAL NET ASSETS		(1,733,288,033)	(1,023,301,303)

The notes on pages 19 to 62 form part of these financial statements.

MUNKEIPAL DIRECTOR These financial statements were authorised by the management meeting for issue on 23rd September, 2015 and

were signed on its behalf by:

Name: Dr. Khalfany B. Haule

Title:Municipal Director

Signature_

Name: Livingstone Kahwa

Title: Municipal Treasurer

Signature

THE UNITED REPUBLIC OF TANZANIA PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT MUSOMA MUNICIPAL COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE - BY NATURE FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	TZS	TZS
Revenue			
Local taxes	9	436,500,249	307,283,521
Recurrent grants	10	16,864,866,404	15,721,118,473
Fees, fines, penalties and licenses	11	1,000,264,545	954,643,982
Revenue from exchange transactions	13	35,283	158,931
Other own revenue	14	12,979,250	30,506,231
Amortisation of capital grant	30	800,722,488	869,978,324
		19,115,368,220	17,883,689,462
Expenses			
Wages, salaries and employee benefits	15	14,284,183,618	13,523,991,170
Supplies and consumables used	16	2,705,524,172	2,275,978,126
Maintenance expenses	17	882,246,098	747,625,038
Grants and other transfer payments	18	451,813,023	401,314,150
Finance costs	19		
Depreciation of property, plant and equipment	24	800,722,488	869,978,324
		19,124,489,399	17,818,886,808
Surplus/(deficit) during the year	_	(9,121,180)	64,802,654

The notes on pages 19 to 62 form part of these financial statements.

These financial statements were authorised by the management meeting for issue on 23rd September, 2015 and were signed on its behalf by:

Name: Dr. Khalfany B. Haule

Title:Municipal Director

Signature

Name: Livingstone Kahwa

Title: Municipal Treasurer

Signature

THE UNITED REPUBLIC OF TANZANIA PRIME MINISTER'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT MUSOMA MUNICIPAL COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

		2,015	2,014
	Note	TZS	TZS
Cash flows from operating activities			
Surplus/(deficit) before taxation		(9,121,180)	64,802,654
Adjustments for:		(3,121,100)	
Depreciation of property, plant and equipment	24	800,722,488	869,978,324
Amortisation of capital grant	24	(800,722,488)	(869,978,324)
Impairment of other financial assets			
Recognition of outstanding amount from LGLB			
Interest expense			
Changes in working capital items:			
Increase in receivables and prepayments	22	103,704,942	(380,799,635)
Increase /decrese in inventories	23	(132,762,783)	5,418,107
Decrease in deffered revenue grant	10	(14,037,841)	341,403,192
Increase/(Decrease) in payables	26	(73,759,079)	706,477,575
Cash generated from operations		(125,975,940)	737,301,893
Interest paid			
Net cash from operating activities	-	(125,975,940)	737,301,893
Cash flows from investing activities			
Purchase of property, plant and equipment	24	(1,703,223,870)	(4,375,732,434)
Net cash from investing activities		(1,703,223,870)	(4,375,732,434)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Development grants received	34	2,157,632,741	1,348,436,861
Net cash used in financing activities		2,157,632,741	1,348,436,861
Net increase in cash and cash equivalents	21	328,432,931	894,403,083
Cash and cash equivalents at beginning of period	21	1,852,509,083	958,106,000
Cash and cash equivalents at end of period	21	2,180,942,014	1,852,509,083
cash and cash equivalents at end of period	=		

The notes on pages 19 to 62 form part of these financial statements