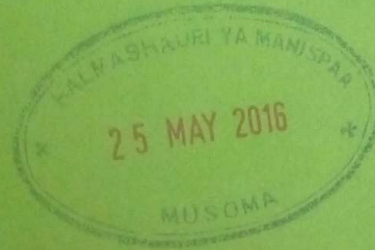
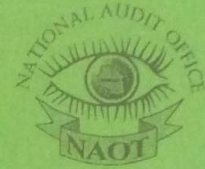


THE UNITED REPUBLIC OF TANZANIA

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,
P.O. Box 9080,
Tel: 255 (022) 2115157/8,
Fax: 255 (022) 2117527,
E-mail ocag@nao.go.tz
Website: www.nao.go.tz
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.

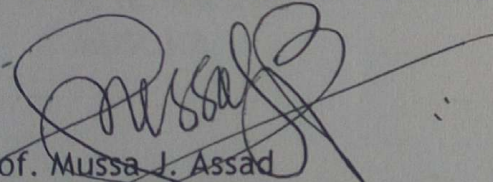
Qualified Opinion

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 TZS	2014 TZS
ASSETS			
Current assets			
Cash and cash equivalents	21	2,180,942,014	1,852,509,083
Receivables and prepayments	22	281,863,693	385,568,635
Inventories	23	193,217,676	60,454,893
		<u>2,656,023,384</u>	<u>2,298,532,612</u>
Non-current assets			
Property, plant and equipment	24	13,208,657,202	12,246,303,569
Intangible assets			
Other financial assets	25	26,744,000	26,744,000
		<u>13,235,401,202</u>	<u>12,273,047,569</u>
Non-current assets held for sale			
TOTAL ASSETS		<u>15,891,424,585</u>	<u>14,571,580,181</u>
LIABILITIES			
Current liabilities			
Payables	26	1,724,441,144	1,594,502,979
Short - term borrowings	27	-	-
Employee benefit Provisions	29		189,659,403
Deferred income (Grant)	10	513,713,352	527,751,192
		<u>2,238,154,496</u>	<u>2,311,913,575</u>
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
		<u>15,446,558,724</u>	<u>14,089,648,471</u>
TOTAL LIABILITIES		<u>17,684,713,220</u>	<u>16,401,562,046</u>
NET ASSETS		<u>(1,793,288,635)</u>	<u>(1,829,981,865)</u>
NET ASSETS			
Accumulated surplus/(deficit)		(1,793,288,635)	(1,829,981,865)
TOTAL NET ASSETS		<u>(1,793,288,635)</u>	<u>(1,829,981,865)</u>

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

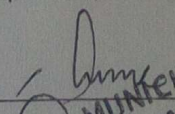
Title: Municipal Director

Signature

Name: Livingstone Kahwa

Title: Municipal Treasurer

Signature


MUNICIPAL DIRECTOR
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
		<u>19,115,368,220</u>	<u>17,883,689,462</u>
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
		<u>19,124,489,399</u>	<u>17,818,886,808</u>
Surplus/(deficit) during the year		<u>(9,121,180)</u>	<u>64,802,654</u>

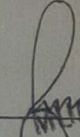
The notes on pages 19 to 62 form part of these financial statements.

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


MUNICIPAL DIRECTOR
MUSOMA MUNICIPAL COU

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
	<u>Note</u>	TZS	TZS
Cash flows from operating activities			
Surplus/(deficit) before taxation		(9,121,180)	64,802,654
Adjustments for:			
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 /decrease in inventories	23	(132,762,783)	5,418,107
Decrease in deferred 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

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