

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
MOROGORO MUNICIPAL COUNCIL**



FINANCIAL STATEMENTS FOR 30 JUNE 2016

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Notes	2016 TZS	2015 TZS
ASSETS			
Current assets			
Cash and cash equivalents	24	9,888,094,002	4,296,155,070
Receivables and prepayments	25	1,109,584,973	1,525,452,222
Inventories	26	1,062,504,451	1,039,299,885
Other financial assets	27		
		<u>12,060,183,426</u>	<u>6,860,907,176</u>
Non-current assets			
Other financial assets	27	134,791,200	134,791,200
Investments in associates	28	5,093,000,000	5,093,000,000
Property, plant and equipment	29	196,427,575,356	25,998,913,020
Intangible assets	30	8,602,200	11,469,600
Forestry assets	31		
Investment property	33		
		<u>201,663,968,756</u>	<u>31,238,173,820</u>
Non-current assets held for sale	34		
TOTAL ASSETS		<u>213,724,152,182</u>	<u>38,099,080,996</u>
LIABILITIES			
Current liabilities			
Payables	35	620,132,261	770,487,863
Short-term borrowings	36		
Long-term borrowings	37		
Employee benefits	38	582,524,553	491,411,540
Provisions	39		
Deferred income (Grant)	41	1,527,794,590	809,975,514
		<u>2,730,451,404</u>	<u>2,071,874,916</u>
Non-current liabilities			
Long-term borrowings	37		
Employee benefits	38		
Provisions	39		
Deferred income (Grant)	41	36,848,219,704	28,869,009,490
		<u>36,848,219,704</u>	<u>28,869,009,490</u>
TOTAL LIABILITIES		<u>39,778,671,108</u>	<u>30,940,884,410</u>
NET ASSETS		<u>174,345,481,074</u>	<u>7,158,196,584</u>
EQUITY			
Accumulated surplus/(deficit)		174,345,481,074	7,158,196,584
TOTAL NET ASSETS		<u>174,345,481,074</u>	<u>7,158,196,584</u>

The financial statements were authorised for issue by the full council on 20 September 2016 and signed on its behalf by:

Name: John K. Mgalula Title: Municipal Director Signature:

Name: Paschal M. Kihanga Title: Lord Mayor Signature:

**STATEMENT OF FINANCIAL PERFORMANCE - BY NATURE
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 TZS	2015 TZS
Revenue			
Local taxes	9	1,639,049,981	1,324,399,099
Fees, fines, penalties and licenses	10	2,011,023,407	2,352,479,375
Amortisation of recurrent grants	11	46,998,888,983	37,657,031,964
Transfer from other Government entities	12		
Revenue from exchange transactions	13	488,209,023	691,585,772
Finance income	14		
Gain on foreign currency translation	15		
Amortisation of capital grant	41	2,200,160,214	2,121,057,850
Other own source revenue	16	274,451,533	
		<u>53,611,783,141</u>	<u>44,146,554,060</u>
Expenses			
Wages, salaries and employee benefits	17	44,618,423,550	35,720,548,752
Supplies and consumables used	18	3,851,664,476	4,089,681,564
Maintenance expenses	19	1,142,616,330	1,170,793,344
Grants and other transfer payments	20	1,343,728,244	159,158,060
Finance costs	21		
Loss on foreign currency translation	22		
Depreciation of property, plant and equipment	29	2,294,956,664	2,185,337,850
Impairment of property plant and equipment	29		
Amortisation of intangible assets	30	2,867,400	2,867,400
		<u>53,254,256,664</u>	<u>43,328,386,959</u>
Share of associates surplus/(deficit)			
Surplus/(deficit) during the year		<u>357,526,478</u>	<u>818,167,090</u>

Name: John K. Mgalula Title: Municipal Director Signature:

Name: Paschal M. Kihanga Title: Lord Mayor Signature:

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 TZS	2015 TZS
Cash flows from operating activities			
Receipts			
Taxes and Levies		1,480,714,746	1,324,399,099
Fees, fines, penalties and licenses		1,899,550,549	1,943,041,500
Revenue from exchange transactions		364,215,483	691,585,772
Grants		47,528,441,909	37,411,412,276
Other income		274,451,533	
Payments			
Employee costs		(45,505,735,735)	(37,414,779,552)
Payment to Suppliers		(873,347,156)	(624,930,900)
Interest paid			
Other Expenses		(3,661,861,830)	(3,002,380,824)
Net cash from operating activities		<u>1,506,429,498</u>	<u>328,347,371</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,893,800,988)	(4,697,872,810)
Investments with LGLB			(14,337,000)
Purchase of intangible assets			
Net cash from investing activities		<u>(5,893,800,988)</u>	<u>(4,712,209,810)</u>
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Development Grants Received		9,979,310,422	5,877,516,414
Grants refunded/transferred			
Net cash used in financing activities		<u>9,979,310,422</u>	<u>5,877,516,414</u>
Net increase in cash and cash equivalents		<u>5,591,938,932</u>	<u>1,493,653,975</u>
Cash and cash equivalents at beginning of period		4,296,155,070	2,802,501,096
Cash and cash equivalents at end of period	24	<u>9,888,094,002</u>	<u>4,296,155,070</u>

Name: John K. Mgalula Title: Municipal Director Signature:

Name: Paschal M. Kihanga Title: Lord Mayor Signature:

Unqualified Opinion

In my opinion, the Financial Statements present fairly, in all material respects, the Financial Position of Morogoro Municipal Council as at 30th June 2016, its Financial Performance and its 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, Morogoro 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. NDUWAYA J. JASSID
CONTROLLER AND AUDITOR GENERAL

March, 2017

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 and Planning,
P.O. Box 9111,
1 Madaraka Street,
11468 DAR ES SALAAM.

Permanent Secretary,
PO-RALG,
P.O. Box 9123,
DODOMA.

Regional Commissioner,
Morogoro Region,
P. O. Box 650,
MOROGORO

Regional Administrative Secretary (RAS),
Morogoro Region,
P. O. Box 650,
MOROGORO.