

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
RUNGWE DISTRICT COUNCIL**



REPORTS OF FINANCIAL STATEMENTS AS AT 30 JUNE 2017

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017	2016
		TZS	TZS
ASSETS			
Current assets			
Cash and cash equivalents	18	3,063,055,739	1,997,629,976
Receivables and prepayments	19	565,322,059	235,362,086
Inventories	20	392,412,475	546,110,158
		<u>4,020,790,273</u>	<u>2,779,102,220</u>
Non-current assets			
Other financial assets	21	41,447,800	41,447,800
Property, plant and equipment	28	60,875,073,639	71,168,675,231
Biological Assets	30	732,963,020	
		<u>61,649,504,259</u>	<u>71,210,122,831</u>
TOTAL ASSETS		<u>65,670,294,532</u>	<u>73,989,225,051</u>
LIABILITIES			
Current liabilities			
Deferred income (Grant)	9	3,063,055,739	835,124,196
Payables	22	3,978,736,961	4,759,406,533
		<u>7,039,792,700</u>	<u>5,594,530,730</u>
Non-current liabilities			
Deferred income (Grant)	23	35,436,444,438	43,674,107,339
		<u>35,436,444,438</u>	<u>43,674,107,339</u>
TOTAL LIABILITIES		<u>42,476,237,138</u>	<u>49,268,638,069</u>
NET ASSETS		<u>23,194,057,394</u>	<u>24,720,587,562</u>
NET ASSETS			
Accumulated surplus/(deficit)		(1,185,187,958)	341,342,231
Revaluation Reserve		24,379,245,352	24,379,245,352
TOTAL NET ASSETS		<u>23,194,057,394</u>	<u>24,720,587,562</u>

The notes on pages 23 to 50 form part of these financial statements.

These financial statements were authorised by the full council Meeting for issue on 28th September 2017 by:-

Name: Ezekiel Mwakota Title: Council Chairperson Signature: *[Signature]* CHAIRMAN
RUNGWE DISTRICT COUNCIL

Name: Loema I. Peter Title: District Executive Dir. Signature: *[Signature]*

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		TZS	TZS
Cash flows from operating activities			
Surplus/(deficit) before taxation		(2,355,737,014)	(1,525,920,258)
Adjustments for:			
Revaluation loss		1,544,634,957	
Depreciation and amortisation	29	3,980,652,064	3,619,128,189
Amortisation of capital grants	29	(3,903,560,287)	(3,546,256,520)
Receipt in kind and accrued Assets			(987,166,459)
Changes in working capital items:			
Increase in trade and other receivables	17	(329,959,373)	29,853,655
Increase in inventories	18	(153,697,883)	810,824,182
Increase in current deferred grants	9	2,227,931,543	9,335,065
Adjustment receivable		(20,183,573)	310,887,655
Decrease in trade payables	9	(782,669,573)	2,192,064,706
Cash generated from operations		<u>207,431,060</u>	<u>912,750,216</u>
Net cash from operating activities		<u>207,431,060</u>	<u>912,750,216</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	32	(4,471,921,321)	(1,781,345,795)
Net cash from investing activities		<u>(4,471,921,321)</u>	<u>(1,781,345,795)</u>
Cash flows from financing activities			
Development Grants Received	32	5,329,916,025	1,960,737,409
Grants refunded/transferred	11		
Net cash used in financing activities		<u>5,329,916,025</u>	<u>1,960,737,409</u>
Net increase in cash and cash equivalents		<u>1,065,425,764</u>	<u>1,112,141,829</u>
Cash and cash equivalents at beginning of period		<u>1,997,629,975</u>	<u>885,488,146</u>
Cash and cash equivalents at end of period		<u>3,063,055,740</u>	<u>1,997,629,975</u>

Unqualified Opinion

I have audited the financial statements of Rungwe District Council which comprise the Statement of Financial Position as at 30th June, 2017, and the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other Explanatory Notes as shown on Para 3 of this audit report.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Rungwe District Council as at 30th June, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 (Revised 2004) and Local Government Finances Act 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, Rungwe District 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.

[Signature]
Prof. Mussa J. Assab
Controller and Auditor General of the United Republic of Tanzania
March, 2018

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2017

	Notes	2017	2016
		TZS	TZS
Revenue			
Local taxes	7	996,221,438	939,228,291
Fees, fines, penalties and licenses	8	494,939,655	513,497,381
Amortisation of recurrent grants	9	40,834,643,478	38,895,573,805
Revenue from exchange transactions	10	58,050,375	50,892,750
Finance income	12	1,778,000	
Amortisation of capital grant	23	3,903,560,287	3,546,256,520
Other own source revenue	11	2,076,407,753	1,568,974,192
		<u>48,365,600,986</u>	<u>45,514,422,939</u>
Expenses			
Wages, salaries and employee benefits	13	35,012,575,954	36,513,860,839
Supplies and consumables used	14	5,476,783,851	4,038,352,755
Maintenance expenses	15	878,785,483	311,518,563
Grants and other transfer payments	16	3,827,906,891	2,566,757,851
Finance costs	17		325,100
Depreciation of property, plant and equipment	29	3,980,652,064	3,619,128,189
		<u>49,176,703,044</u>	<u>47,040,343,197</u>
Surplus/(deficit) during the year		<u>(611,102,058)</u>	<u>(1,525,920,258)</u>
Revaluation Loss		(1,544,634,957)	
Surplus/(deficit) during the year after Revaluation loss		<u>(2,355,737,014)</u>	<u>(1,525,920,258)</u>

The notes on pages 23 to 50 form part of these financial statements.

These financial statements were authorised by the full council Meeting for issue on 28th September 2017 by:-

Name: Ezekiel Mwakota Title: Council Chairperson Signature: *[Signature]* CHAIRMAN
RUNGWE DISTRICT COUNCIL

Name: Loema I. Peter Title: District Executive Dir. Signature: *[Signature]*

National Audit Office of Tanzania,
P.O. Box 9080,
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MURUGENZI MTENDAJI
RUNGWE/TUR (LVII)