

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



STATEMENTS OF FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

Notes	2021		2020	
	TZS	RESTATED	TZS	RESTATED
ASSETS				
Current assets				
Cash and cash equivalents	19	885,476,530.07	1,020,533,690	
Receivables and prepayments	20	2,806,253,303	1,072,208,270	
Inventories	21	653,768,879	617,341,380	
		<u>4,345,498,712</u>	<u>2,710,083,339</u>	
Non-current assets				
Other financial assets	22	10,000,000	10,000,000	
Property, plant and equipment	28	141,328,745,833	130,238,818,829	
Intangible Assets	30	6,442,729	9,398,400	
Investment property	23	4,962,765,983	4,962,765,983	
		<u>146,307,954,545</u>	<u>135,220,983,212</u>	
TOTAL ASSETS		150,653,453,258	137,931,066,551	
LIABILITIES				
Current liabilities				
Payables	24	7,780,051,489	8,142,375,398	
Deferred(Recurrent Grant)	11	279,606,359	179,435,218	
		<u>8,059,657,849</u>	<u>8,321,810,616</u>	
Non-current liabilities				
Deferred(Capital Grant)	25	140,359,157	547,931,557	
		<u>140,359,157</u>	<u>547,931,557</u>	
TOTAL LIABILITIES		8,200,017,006	8,869,742,173	
NET ASSETS		142,453,436,252	129,061,324,378	
NET ASSETS				
Accumulated surplus/(deficit)		142,443,436,252	129,051,324,378	
Minimum Compulsory Reserve		10,000,000	10,000,000	
TOTAL NET ASSETS		142,453,436,252	129,061,324,378	

The financial statements were authorised for issue by the Full Council Meeting on 29th September 2021 and were signed on behalf by:

Name: Eng. Modest J. Apolinary Title: Municipal Director

Signature:

Name: Renatus B. Mulunga Title: Municipal Mayor

Signature:

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Notes	2021		2020	
	TZS	RESTATED	TZS	RESTATED
Revenue				
Local taxes	9	2,476,500,271.03	2,156,818,991	
Fees, fines, penalties and licenses	10	3,685,987,415.60	3,927,898,534	
Amortisation of Recurrent Grant	11	39,487,694,787.89	39,779,035,614	
Amortisation of Capital Grant	25	11,547,961,082.52	6,605,156,485.92	
Revenue from exchange transactions	13	1,842,251,733.55	3,486,822,410	
Other own source revenue	13	1,033,899,161.65	724,318,918	
		<u>60,074,294,452</u>	<u>56,680,050,953</u>	
Expenses				
Wages, salaries and employee benefits	14	40,156,979,984.86	39,474,813,336	
Supplies and consumables used	15	3,540,538,970.29	10,503,142,517	
Maintenance expenses	16	948,341,240.83	721,732,011	
Grants and other transfer payments	17	470,000,000.00	980,000,000	
Depreciation of property, plant and equipment	28	1,416,500,668.25	1,343,816,313	
Amortisation of Intangible assets	30	2,955,671.55	11,822,686	
Revenue Collected Cash Loss Expenses (POS Defaulters)	18	146,866,042.60	215,299,799	
		<u>46,682,182,578</u>	<u>53,250,626,662</u>	
Surplus/(deficit) during the year		13,392,111,874	3,429,424,291	

The financial statements were authorised for issue by the Full Council Meeting on 29th September 2021 and were signed on behalf by:

Name: Eng. Modest J. Apolinary Title: Municipal Director

Signature:

Name: Renatus B. Mulunga Title: Municipal Mayor

Signature:

CASH FLOW STATEMENT DIRECT METHOD FOR THE YEAR ENDED 30 JUNE 2021

Note	2021		2020	
	TZS	RESTATED	TZS	RESTATED
Cash flows from operating activities				
Receipts				
Taxes and levies	9	2,295,709,313	2,395,724,201	
Fees, fines, penalties and licenses	10	3,657,262,172	4,390,287,900	
Revenue from exchange transactions	12	1,714,477,011	3,255,868,803	
Other income	13	1,033,899,162	724,318,918	
Total Grants Received	11	39,360,512,612	39,290,565,368	
Development Grant Received	48	11,048,041,770	7,061,709,312	
Receipt from Deposit	34	12,171,060,512	8,462,600,785	
Sub Total		71,280,962,551	65,581,075,286	
Payments				
Wages, salaries and employee benefits	14	38,611,241,450	38,934,102,293	
Supplies and consumables used	15	6,039,512,498	8,637,210,967	
Maintenance expenses	16	978,160,981	723,632,280	
Grants Transfer and Other Payments	17	470,000,000	980,000,000	
Payment from Deposit	34	11,905,896,093	13,924,735,770	
Sub Total		58,004,811,001	63,199,681,310	
Net cash from operating activities		13,276,151,550	2,381,393,976	
Cash flows from investing activities				
Purchase of Plant and equipments	48	(12,135,469,881)	(8,004,528,355)	
Prepayment Purchase	20	(205,695,000)	(15,000,000)	
Transfer to RUWASA	25	(95,499,083)	(95,499,083)	
Payments of Acquired Land in Credit	24	(538,005,187)	(47,551,491)	
Payments due to Payables(Assets)		(47,551,491)	(8,115,027,438)	
Net Cash flows from investing activities		(12,926,721,559)	(8,115,027,438)	
Cash flows from financing activities				
Receipt from WVD	35	414,827,850	348,978,650	
Loan Granted	35	(899,315,000)	(241,767,400)	
Net Cash flows from financing activities		(484,487,150)	107,211,250	
Net increase/(decrease) in cash and cash equivalents		(135,057,160)	(5,626,422,212)	
Cash and cash equivalents at beginning of period		1,020,533,690	6,646,955,901	
Cash and cash equivalents at end of period		885,476,530	1,020,533,690	

The financial statements were authorised for issue by the Full Council Meeting on 29th September 2021 and were signed on behalf by:

Name: Eng. Modest J. Apolinary Title: Municipal Director

Signature:

Name: Renatus B. Mulunga Title: Municipal Mayor

Signature:

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Hon. Mayor of the Council
 Ilemela Municipal Council,
 P.O. Box 735,
 MWANZA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion
 I have audited the financial statements of Ilemela Municipal Council, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Ilemela Municipal Council as at 30 June 2021, 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 the manner required by the Local Government Finance Act, Cap. 290 [R.E 2019].

Basis for Opinion
 I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of Ilemela Municipal Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter
 I draw attention to the matter below. My opinion is not modified in respect of this matter.

• **Existence of legal cases in Court and tribunals TZS 1,207,034,000**
 Note 40 of the financial statements which indicate that Ilemela Municipal Council has 13 pending legal cases filed at various tribunals of which, preliminary hearings are in progress. The ultimate outcome of the cases cannot presently be determined,

Contracts signed without approval by the Council Tender Board TZS 92,840,200

My review of contract management revealed that, Ilemela Municipal Council signed contracts for execution of various construction activities with regard to Council headquarters building worth TZS 92,840,200 without Council Tender Board approval contrary to Sect. 35 (2) (3) of the PPA, 2011 (as amended in 2016).

Charles E. Kichere
 Controller and Auditor General,
 Dodoma, United Republic of Tanzania.

March, 2022

